

AIRLINE LIMITED
航空股份有限公司
CHINA CREDIT REPORT
(REPORT DATE: 14 JANUARY 20XX)





COMPANY OVERVIEW

COMPANY NAME

AIRLINE LIMITED
航空股份有限公司

FORMER NAME

NA

DATE OF ADOPTING PRESENT NAME

NA

REGISTRATION DATE

Mar. 27, 2006

REGISTRATION NUMBER

100000400011XXX

LEGAL FORM

JOINT STOCK LIMITED COMPANY (LISTED)

REGISTRATION AGENCY

STATE ADMINISTRATION FOR INDUSTRY AND COMMERCE

IMPORT/EXPORT RIGHT

NA

REGISTERED ADDRESS

MANSION, XX TIANZHU RD., TIANZHU AIRPORT INDUSTRIAL ZONE, SHUNYI DISTRICT,
BEIJING, 101XXX
北京市顺义区天竺空港工业区 A 区天柱路 XX 101XXX

BUSINESS ADDRESS

NO. 30, TIANZHU RD., TIANZHU AIRPORT ECONOMIC DEVELOPMENT ZONE, SHUNYI
DISTRICT, BEIJING CITY, 101312
北京市, 顺义区, 天竺空港经济开发区天柱路 XX 101312

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www.airline.com.cn

SIC CODE

5600, AIR TRANSPORT

ISIC CODE

5100, AIR TRANSPORT

NACE CODE

51, AIR TRANSPORT

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COMPANY OVERVIEW

LEGAL REPRESENTATIVE/PERSON IN CHARGE

CHAN CHANGYIN

MAIN ACTIVITY

International and domestic regular and irregular air transportation of passengers, cargos, mails and luggage; domestic and international business flight; airplane administration business; maintenance of aircrafts; business agency among airline companies; ground service and air express service (excluding correspondences and the matters of such nature) related to principal business; duty-free goods on the planes

CHANGES IN REGISTRATION

PLEASE REFER TO 'CHANGE IN REGISTRATION'

STAFF STRENGTH

24,474

REGISTERED CAPITAL

RMB 12,891,954,700

BANKER

NA

TERM OF OPERATION

UNLIMITED

CREDIT LIMIT GUIDE LINE

RMB 10,000,000

CREDIT RATING	DP4
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[All figures quoted in RENMINBI (RMB) unless otherwise stated]

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BUSINESS PROFILE / OPERATION

History

Mar.2006	Subject was established.
2007	In Sep., Subject announced that it would formally open Athens on Nov. 28, 2007, which would link capitals of China and Greece. In Sep., Subject's Beijing CUSS traveller number was over 1 million. In Dec., Subject formally publicized "international transport general terms released by Airlines Limited for traveller and luggage", which was compiled in accordance with applied international pacts, civil aviation laws and actual situations of Air China.
2008	In Mar., Subject moved to the new terminal building of Capital Airport for operation. In Jun., Subject signed agreements with 50 core passenger transport sales agents, and gave promises on safe, normal and high-quality services for Olympics Games (Paralympic Games). In Jul., Subject's cross-strait weekend charter flight CA185 saw successful first-time aviation, and 249 seats of fully-new A330 Lianmenghao (literal translation) luxury passenger plane were all booked up. In Jul., Subject's cross-strait weekend charter flight CA195 saw successful startup, and this adopts "Olympics Games Fuwa" passenger plane.
Jun.2009	Subject, with brand value of RMB31.723 billion, ranked No. 28 among China's top 500 valuable brands appraised by World Brand Lab.

Change in Registration

Date of Change	Change(s)	From	To
2010	Registered Capital	RMB12,251,362,273	RMB12,891,954,700

Operations

Main Business:	Providing air transportation services
Chinese SIC:	5600, Air transport
ISIC:	5100, Air transport
NACE:	51, Air transport

Subject mainly provides international and domestic cargo and passenger air transportation services. It has strong domestic & overseas combined transportation capability and owns sales network. It has concluded code sharing agreement with more than ten domestic and overseas airlines, including Lufthansa Airlines, Austrian Airlines, SAS Scandinavian Airlines, Finnair, Turkish Airlines, United Airlines, All Nippon Airways, HK Airlines, Macau Airlines, Shandong Airlines, Shanghai Airlines, etc.

BUSINESS PROFILE / OPERATION

Trademark and Patents

Total No. of Trademarks				1202
Registration No.	6421XXX	9868XXX	9936XX	
Registration Date	--	--	--	
Trademark Design				



Note: Information on only the three latest registered trademarks is provided herein.

Patent Type	Invention Patent	Utility Model Patent	Design Patent	Total
Total Patents	5	2	20	27
Patents Applied in 2012	4	--	--	4
Patents Applied in 2011	1	--	13	14
Patents Applied in 2010	--	--	4	4
Patents Applied in 2009	--	--	2	2
Patents Applied in 2007	--	1	1	2

Note: Information on only the patent application records since 2007 is provided herein.

Purchasing Information

Main Purchases:	Fuel oil, aviation machinery, and insurance services
No. of Major Suppliers:	More than 20
Major Suppliers:	China National Aviation Media & Advertising Company, Air China Group Import & Export Trading Co., Ltd., China Aviation Supplies Import and Export Group Corporation, Airbus S.A.S., and The Boeing Company
Main Payment Terms:	Immediate payment, short-term credit, or L/C

Subject makes purchase both at home (North China) and from abroad (the United States). In the first half of 2011, Subject totally introduced 24 sets of planes, with focus on B737-800 and A320 series of narrow aircrafts, as well as 3 sets of A330 wide aircrafts. It withdrew 6 planes, including old types like B757-200, B737-300, etc.

The information above was confirmed by Subject's staff in Jan. 2012.

BUSINESS PROFILE / OPERATION

Sales Information

Domestic: 100%
Regions: South China, North China, East China, etc.
Customers: Individual consumers and business persons
Sales Terms: Immediate payment or short-term credit

During 2012 Spring Festival travel season, Subject actively arranged transport force and increased sufficient flights between the Straits, with flights covering Beijing, Shanghai, Hangzhou and Chongqing of Chinese Mainland and Taipei of Taiwan. It increased 90 flights accumulatively.

The information above was confirmed by Subject's staff in Jan. 2012.

Import & Export

None developed during the course of the investigation.

Credit Records

Supplier: Aviation Media & Advertising Company
Commodities Supplied: Advertisement
Telephone: 010-64748XXX
Cooperation Duration: Long-term
Payment Punctuality: Prompt
Interviewee's Remarks: Subject makes payment in time and has normal credit standing.
Date of Interview: Jul. 26, 2012

Number of Employees

Total Employees: 24,474

The information above was obtained from Subject's 2010 annual report.

Facilities

Location: Tianzhu Rd., Tianzhu Airport Economic Development Zone, Beijing
Area: More than 50,000 sq. meters
Property Ownership: Self-owned
Traffic Convenience: Convenient



BUSINESS PROFILE / OPERATION

Litigation

Hearing Court: Beijing Xicheng District People's Court (South District)
Case Number: Case No.: (2010) XZZ No. 01XXX
Date of Hearing: Mar. 15, 2010
Case Brief: Executed Party: Subject
Filing Date: Mar. 15, 2010
Amount of subject matter: RMB0.00
Status: Concluded
Date of Acquisition: Jul. 26, 2012

Note: This report only provides litigation records, public rankings as well as other public records of the latest 3 years.

Major Ranks

Year	Major Rank	Place
2011	China's Top 500 Enterprises	30
2010	Top 100 Listed Companies of China by Overall Strength	23
2010	Rank of Chinese Companies by Corporate Social Responsibility (Top 50 Domestic Companies)	23
2010	China's Top 500 Listed Corporations	35
2010	List of Credit Grade-A Taxpayers in Beijing by State Tax Contribution	

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SHAREHOLDERS AND MANAGEMENT

Shareholders and Shares

Shareholders	Capital Subscribed	% of Total
Aviation Holding Company	5,126,147,507	39.76
Airways Ltd.	2,517,385,455	19.53
Nominees Limited	1,793,435,579	13.91
Aviation Corporation (Group) Limited	1,556,334,920	12.07
Oil Holding Company	86,300,000	0.67
Sinotrans Co., Ltd.	75,800,000	0.59
Power Holdings Limited	48,000,000	0.37
	-----	-----
Total	11,203,403,461	86.90

Shareholders	Paid-up %
Aviation Holding Company	100.00
Airways Ltd.	100.00
Nominees Limited	100.00
Aviation Corporation (Group) Limited	100.00
Oil Holding Company	100.00
Sinotrans ment Co., Ltd.	100.00
Power Holdings Limited	100.00

Background of Major Shareholders

Name: **Aviation Holding Company**
Establishment Date: Oct. 11, 2002
Legal Rep.: KONG Yong
AIC No.: 100000000037XXX
Legal Status: State-owned enterprise
Registered Capital: 10,027,830,000
Address: Air China Plaza, Xiaoyun Road, Ring Road, Chaoyang District, Beijing
Telephone: (+86 10) 84488XXX
Facsimile: (+86 10) 84475XXX
Other Information: Officially established on Oct. 11, 2002, it is headquartered in Beijing. It is a large state-owned airfreight group company, a state-authorized investment entity and equally a state-controlled company.

Name: **Airways Ltd.**
Address: Hong Kong
Other Information: There is no information about the company on the official registrar in Hong Kong

Name: **Nominees Limited**
Address: Hong Kong, China
Other Information: Name: Nominees Limited
 Date of Establishment: May 14, 1991

SHAREHOLDERS AND MANAGEMENT

Background of Major Shareholders (Cont'd)

Name: **Aviation Corporation (Group) Limited**
Address: Hong Kong
Other Information: Company Number: 0517XXX
Company Name: Aviation Corporation (Group) Limited
Company Category: Local company
Date of Establishment: Jun. 13, 1995
Legal Status: Private company
Status Quo: Active
Register of Charge: Yes

Name: **Oil Holding Company**
Establishment Date: Oct. 11, 2002
Legal Rep.: SUN Li
AIC No.: 10000000037XXX
Legal Status: State-owned enterprise
Registered Capital: 4,415,580,000
Other Information: Established in 2002, Oil Holding Company is a large-sized state-owned air transport service company established on the basis of Oil Corporation (literal translation). It is the largest aviation oil supplier integrating aviation oil procurement, transportation, storage, testing, marketing and filling.

Name: **Sinotrans Co., Ltd.**
Establishment Date: Oct. 11, 1999
Legal Rep.: ZHAN Jianwei
AIC No.: 1000001003XXX
Legal Status: Joint stock limited company (listed)
Registered Capital: 905,481,720
Other Information: Founded in Oct. 1999, the company was listed at Shanghai Stock Exchange on Dec. 28, 2000, and is the first listed company in the domestic aviation freight forwarding industry. Its abbreviated stock name is Sinotrans. The company was established by reorganizing high-quality airlift assets of Sinotrans Group, and its core business covers aviation freight forwarding and mail express. Thereinto, international freight forwarding business ranks No. 1 in the domestic line, and its mail express business has formed rapidly-developed self-owned brand- S Express.

Name: **Power Holdings Limited**
Establishment Date: Nov. 17, 2009
Legal Rep.: QIAO Baoping
AIC No.: 110000012416XXX
Legal Status: Limited liability company (wholly owned by a corporation)
Registered Capital: 5,700,000,000

Note: Information provided herein comes directly from our database and may contain obsolete information.



RELATED COMPANIES

None developed during the course of the investigation.

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BANKING & FINANCIAL INFORMATION

Banking Relationship

None developed during the course of the investigation.

Financial Summary

	2011	2010	2009
Sales	97,139,111,000	80,962,677,000	51,095,369,000
Total profit	10,121,519,000	15,025,062,000	5,314,681,000
Net profit	7,897,609,000	12,454,758,000	4,978,268,000
Total assets	173,323,568,000	155,219,613,000	106,163,207,000
Total liabilities	123,822,047,000	113,520,293,000	82,201,764,000
Total shareholders' equity	49,501,521,000	41,699,320,000	23,961,443,000
Total current assets	21,461,660,000	20,988,132,000	7,178,764,000
Total current liabilities	57,867,384,000	50,633,098,000	36,394,306,000
Working capital	-36,405,724,000	-29,644,966,000	-29,215,542,000
Total fixed assets	101,737,456,000	88,224,954,000	69,147,527,000
Return on net assets (%)	15.95	29.87	20.78
Net profit margin (%)	8.13	15.38	9.74
Turnover of total assets	0.56	0.52	0.48
Turnover of accounts receivable (days)	9.83	14.14	15.51
Liabilities/assets ratio (%)	71.44	73.14	77.43
Current ratio	0.37	0.41	0.20
Quick ratio	0.35	0.40	0.17
Sales growth (%)	19.98	58.45	--
Gross profit growth (%)	-0.79	140.08	--
Total assets growth (%)	11.66	46.21	--

Financial Data

Balance Sheet ('000)

	31/12/2011 (Consolidated)	31/12/2010 (Consolidated)	31/12/2009 (Consolidated)
Cash & bank	15,420,242	15,011,027	3,201,568
Tradable financial assets	12,144	27,379	--
Notes receivable	1,601	14,295	2,489
Accounts receivable	2,652,439	3,180,638	2,201,172
Advances to suppliers	584,983	683,781	350,257
Other receivables	1,662,087	1,138,695	492,007
Inventory	1,128,164	932,317	931,271
Total Current Assets	21,461,660	20,988,132	7,178,764
Long-term receivables	424,618	393,492	254,306
Long-term equity investment	14,804,420	15,522,585	13,235,575
Investment real estate	240,879	--	--
Fixed assets	101,737,456	88,224,954	69,147,527
Construction-in-progress	27,566,439	23,518,332	11,731,131
Intangible assets	2,805,249	2,867,600	2,576,301
Goodwill	1,102,185	1,449,030	349,055
Long-term prepaid & deferred expense	187,893	181,317	138,105
Deferred income tax assets	2,992,769	2,074,171	1,552,443
Total Non-Current Assets	151,861,908	134,231,481	98,984,443
TOTAL ASSETS	173,323,568	155,219,613	106,163,207

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BANKING & FINANCIAL INFORMATION

Financial Data (Cont'd)

Balance Sheet ('000) (Cont'd)

	31/12/2011 (Consolidated)	31/12/2010 (Consolidated)	31/12/2009 (Consolidated)
Short-term loans	11,507,317	15,703,154	8,870,400
Tradable financial liabilities	223,137	427,329	2,274,627
Notes payable	0	387,327	763,255
Accounts payable	12,081,912	9,426,483	9,547,384
Advances from customers	121,503	125,088	38,127
Tickets and cargo bills payable	2,052,297	--	--
Accrued payroll	2,703,428	1,593,762	726,567
Taxes payable	2,756,215	2,998,802	720,295
Interest payable	360,578	310,029	303,154
Other payables	6,309,825	4,630,782	1,846,008
Non-current liabilities due within 1 year	17,240,694	11,421,643	11,304,489
Other current liabilities	2,510,478	3,608,699	0
Total Current Liabilities	57,867,384	50,633,098	36,394,306
Long-term loans	33,398,481	31,923,371	18,321,078
Bonds payable	6,000,000	9,000,000	9,000,000
Long-term payables	2,643,472	2,271,951	1,499,128
Accrued financial lease outlay	19,191,860	16,061,353	15,366,476
Accrued liabilities	346,284	77,820	94,438
Deferred income tax liabilities	1,213,030	1,005,840	143,000
Deferred income	3,161,536	2,546,860	1,383,338
Other non-current liabilities	0	0	0
Total Non-Current Liabilities	65,954,663	62,887,195	45,807,458
TOTAL LIABILITIES	123,822,047	113,520,293	82,201,764
Paid-up capital	12,891,955	12,891,955	12,251,362
Capital reserve	16,288,523	16,245,469	10,823,906
Surplus reserve	3,471,812	2,178,300	1,563,914
Undistributed profit	17,134,982	12,515,511	921,848
Difference from converting statements in foreign currency	-3,049,254	-2,178,610	-1,638,158
Minority interests	2,763,503	46,695	38,571
TOTAL SHLDRS' EQUITY	49,501,521	41,699,320	23,961,443
TOTAL LIABILITIES & SHLDRS' EQUITY	173,323,568	155,219,613	106,163,207

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BANKING & FINANCIAL INFORMATION

Financial Data (Cont'd)

Income Statement ('000)

	2011	2010	2009
Sales	97,139,111	80,962,677	51,095,369
Less: Cost of sales	76,692,435	61,004,800	41,947,116
Sales taxes and additional	2,241,459	1,607,734	1,505,062
Gross Profit	18,205,217	18,350,143	7,643,191
Less: Selling expenses	6,521,025	5,503,427	3,812,512
Administrative expenses	3,307,241	2,340,040	1,620,311
Financial expenses	-1,549,773	-539,525	1,205,931
Assets impairment loss	2,146,816	2,098,256	161,247
Plus: Investment income	1,336,532	3,572,863	610,449
Net income from fair value change	33,744	1,743,515	2,759,580
Operating Profit	9,150,184	14,264,323	4,213,219
Plus: Non-operating income	1,198,749	847,901	1,168,519
Less: Non-operating expenses	227,414	87,162	67,057
Total profit	10,121,519	15,025,062	5,314,681
Less: Income tax	2,223,910	2,570,304	336,413
Net profit	7,897,609	12,454,758	4,978,268

Cash Flow Statement ('000)

	2011	2010	2009
Net cash flow from operating activities	21,639,589	19,666,942	6,895,270
Net cash flow from investing activities	-16,896,989	-14,074,330	-12,582,067
Net cash flow from financing activities	-3,481,855	6,073,759	5,426,860

Notes to Finance

Due to lack of clear government policy regarding transparency of enterprise financial information, many financial items might be missing in the above financial statements, causing possible inequality between the sum of the provided items and the provided Total Number.

Subject increased registered capital in 2010, so paid-up capital of 2010 went up year-on-year.

The consolidated scope of 2010 financial statements: Aviation Company Limited, Import & Export Co., Ltd. (literal translation), Zhejiang Co., Ltd. (literal translation), Shanghai Aviation Co., Ltd. (literal translation), Development Corporation (Hong Kong) Limited, Golden Phoenix Resources Service Co., Ltd. (literal translation), Total Group Limited, Macau Airlines Co., Ltd., Angel Ltd., Cargo Co., Ltd., Chengdu Engineering Service Co., Ltd., Shenzhen Co., Ltd., Shenzhen Trade Co., Ltd. (literal translation), Shenzhen Flying School (literal translation), Kun Airlines Co., Ltd., etc.

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BANKING & FINANCIAL INFORMATION

Change of Key Financials ('000)

	2011	Growth Rate (%)	2010
Sales	97,139,111	19.98	80,962,677
Net profit	7,897,609	-36.59	12,454,758
Total assets	173,323,568	11.66	155,219,613
Total liabilities	123,822,047	9.07	113,520,293
Total shareholders' equity	49,501,521	18.71	41,699,320
Total current assets	21,461,660	2.26	20,988,132
Total current liabilities	57,867,384	14.29	50,633,098
Working capital	-36,405,724	--	-29,644,966
Total fixed assets	101,737,456	15.32	88,224,954

Important Ratios

	2011	2010	2009
Profitability			
Return on net assets (%)	15.95	29.87	20.78
Return on total assets (%)	4.56	8.02	4.69
Gross profit margin (%)	18.74	22.66	14.96
Net profit margin (%)	8.13	15.38	9.74
Efficiency			
Turnover of total assets	0.56	0.52	0.48
Turnover of current assets	4.53	3.86	7.12
Turnover of accounts receivable (days)	9.83	14.14	15.51
Solvency			
Liabilities/assets ratio (%)	71.44	73.14	77.43
Current ratio	0.37	0.41	0.20
Quick ratio	0.35	0.40	0.17
Growth			
Sales growth (%)	19.98	58.45	--
Gross profit growth (%)	-0.79	140.08	--
Total assets growth (%)	11.66	46.21	--

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INDUSTRY INFORMATION

Industry Profile

5600, Air transport

Industry Definition:

This industry includes transport of passengers or cargo by air, general airlines services and supporting and auxiliary activities related to air transport

Industry Status & Trend:

In 2011, civil aviation continued safety was ensured, the whole operation and development of the industry turned better steadily. In national airports with scheduled flights, 21 airports have annual passenger handling capacity of over 10 million person-times, with an increase of 5 against the previous year and passenger handling capacity accounting for 75.1% of all airport passenger handling capacity; and 53 airports have annual passenger handling capacity of over 1 million person-times, with an increase of 2 against the previous year and passengers handling capacity accounting for 95.2% of all airport passenger handling capacity. In national airports with scheduled flights, 47 airports have annual cargo and post handling capacity of over 10,000 tons, on the same level of the previous year and cargo and post handling capacity accounting for 98.6% of all airport cargo and post handling capacity.

In 2012, the expected indicators of the development of civil aviation is that the total turnover of the whole industry will reach 63,200 million tons* km and passenger transport volume will exceed 320 million person-times, up 10.1% and 10.3% year on year respectively.

Industry Financial Ratios

5600, Air transport

2011	Best	Average	Worst
Return on net assets (%)	12.80	3.00	-14.60
Return on total assets (%)	5.70	1.10	-12.20
Gross profit margin (%)	18.30	8.50	-8.70
Turnover of total assets	0.90	0.50	0.10
Turnover of current assets	4.80	2.50	1.40
Turnover of accounts receivable (days)	16.59	24.00	46.75
Liabilities/assets ratio (%)	56.20	70.00	90.20
Current ratio	1.32	0.67	0.26
Quick ratio	1.01	0.51	0.20
Sales growth (%)	15.50	3.80	-10.20
Gross profit growth (%)	11.20	1.50	-13.10
Total assets growth (%)	23.60	10.10	-8.60

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INDUSTRY INFORMATION

Industry Financial Ratios (Cont'd)

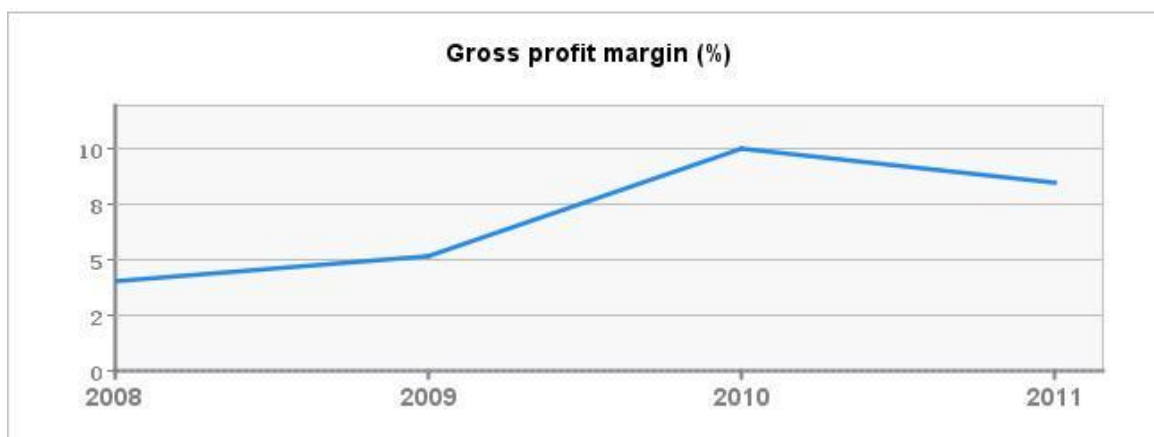
2010	Best	Average	Worst
Return on net assets (%)	16.60	6.80	-10.80
Return on total assets (%)	10.20	5.00	-10.10
Gross profit margin (%)	21.00	10.00	-7.40
Turnover of total assets	1.00	0.60	0.10
Turnover of current assets	4.80	2.50	1.40
Turnover of accounts receivable (days)	18.27	27.69	63.16
Liabilities/assets ratio (%)	56.20	70.00	90.20
Current ratio	1.47	0.95	0.52
Quick ratio	1.13	0.73	0.40
Sales growth (%)	31.40	20.00	1.80
Gross profit growth (%)	28.40	18.20	1.60
Total assets growth (%)	28.60	15.10	-3.60

* The above indicators come from industry statistics regularly published by the government.

Trend Chart of Key Indicators

5600, Air transport

Trend of Gross Profit Margin (Average)

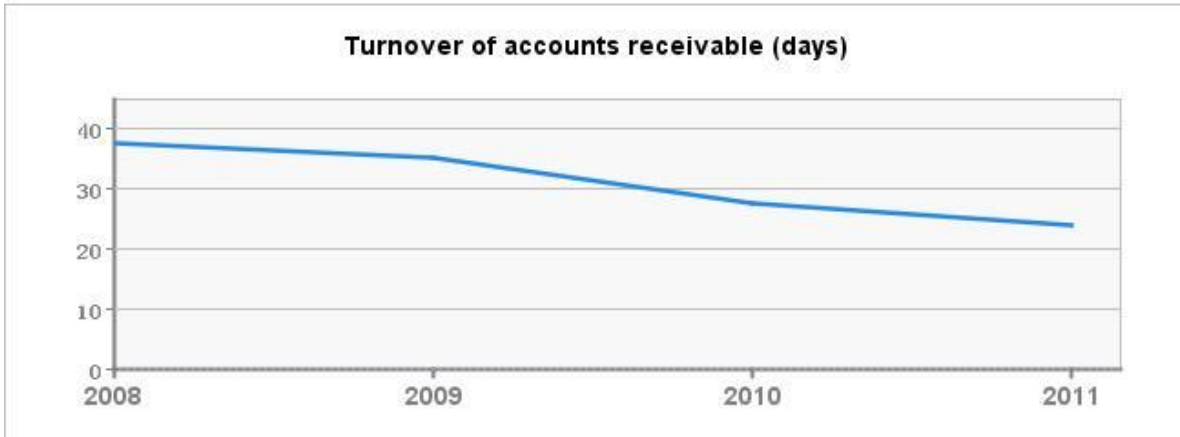


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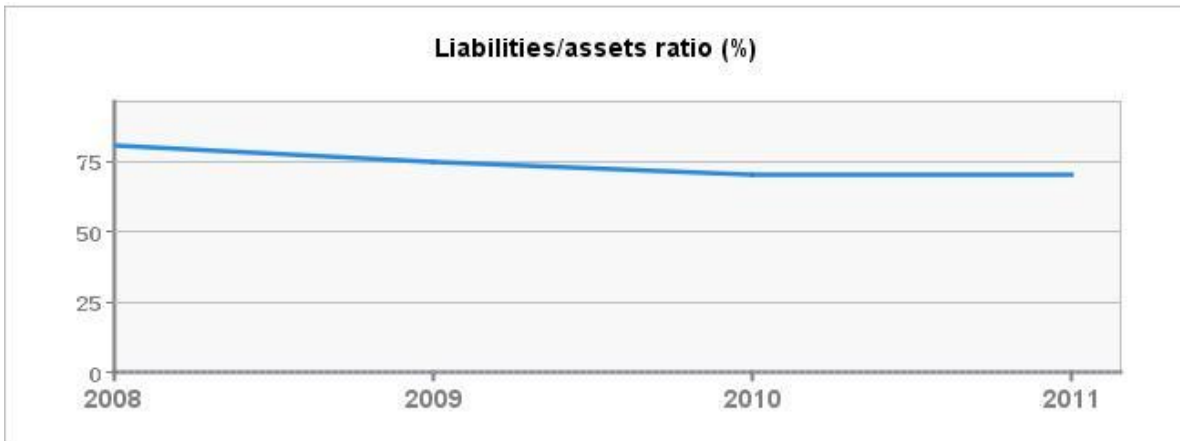
INDUSTRY INFORMATION

Trend Chart of Key Indicators (Cont'd)

Trend of Turnover of Accounts Receivable (Days) (Average)



Trend of Liabilities/assets Ratio (Average)

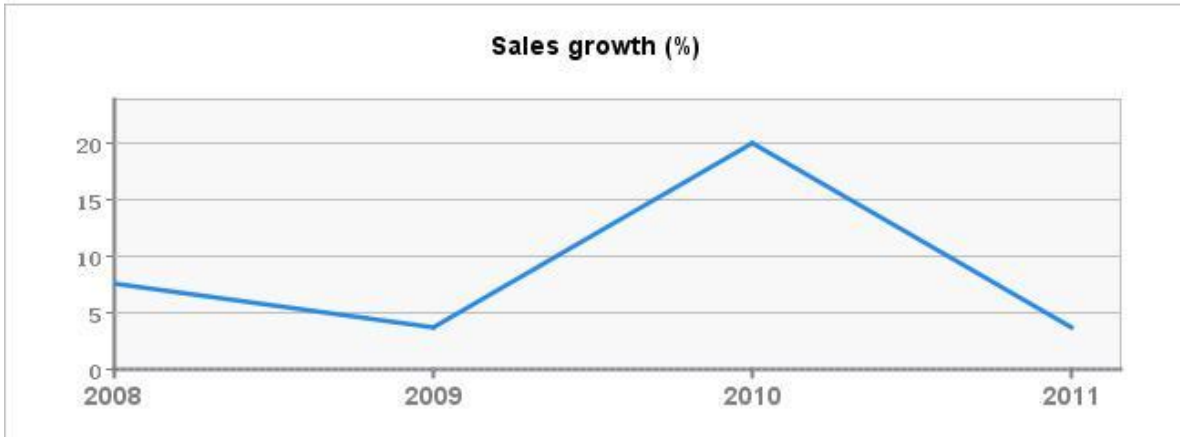


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Trend Chart of Key Indicators (Cont'd)

Trend of Sales Growth (Average)



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SUPPLEMENTARY INFORMATION

In accordance with GZXX [2004] No.7XX "approval on reorganizing Aviation Holding Company and establishing a joint stock limited company", GZXX [2004] No.8XX "approval on establishing Airlines Limited" released by State-Owned Assets Supervision and Administration Commission of the State Council and the initiators' agreement, Subject is a joint stock limited company initiated by Airlines Corporation and Aviation Corporation (Group) Limited, and mainly runs international and domestic aviation passenger transport and cargo transport. Now it is a leading enterprise in the national aviation transport enterprise, with good development prospects.

Subject has its A share listed at Shanghai Stock Exchange and its A share code is 601XXX. Subject's H share is listed at The Stock Exchange of Hong Kong Limited and its H share code is 0XXX. Other stock exchange is London Stock Exchange and the stock code is AIXX.

Subject is a listed company and the information on Subject's shareholders are Subject's top 10 shareholders as of June 30, 2011.

According to State Administration for Industry and Commerce, Subject's date of establishment is Mar. 27, 2006, but according to Subject's annual report, it is a joint stock limited company registered and incorporated in China on Sep. 30, 2004.

SUMMARY

Subject was established on 27 March 2006 as a Joint stock limited company (listed).

Subject mainly provides international and domestic cargo and passenger air transportation services. It has strong domestic & overseas combined transportation capability and owns sales network. It has concluded code sharing agreement with more than ten domestic and overseas airlines, including Lufthansa Airlines, Austrian Airlines, SAS Scandinavian Airlines, Finnair, Turkish Airlines, United Airlines, All Nippon Airways, HK Airlines, Macau Airlines, Shandong Airlines, Shanghai Airlines, etc.

In view of above, Subject's credit rating is **DP4.**

RATING EXPLANATION/ SCORESHEET

Default Frequency	DP Credit Rating	Explanation	Status*
<0.1%	DP1	Possess extremely strong financial fundamental with high incentive and capability for repayment of obligations.	Premium
0.1% - <0.2%	DP2	Has strong financial health with above average capability for meeting payments.	Premium
0.2% - <0.4%	DP3	Stable financial health and above normal operational environment. General unfavourable factors are not likely to cause distress.	Strong
0.4% - <1.0%	DP4	Overall financial health and operation are considered normal. Capable of meeting its commitments. May be susceptible to difficulties in the event of drastic changes in economic conditions.	Strong
1.0% - <3.0%	DP5	Adequate financial capabilities to meet normal commitments. However, adverse changes in economic condition could lead to doubtfulness in the ability to pay.	Moderate
3.0% - <8.0%	DP6	Sufficiently sound financial ability to meet normal obligations. Capabilities in reacting to adverse operational condition are limited or consider doubtful.	Moderate
8% - <14.0%	DP7	Weakness in financial ability is apparent. Vulnerable to unfavourable changes in the economic and operational environment and is likely to fall into a weakened financial condition.	Monitor
14.0% - <30%	DP8	Apparent weakness in financial health with limited capability to meet its obligations especially in the event of any adverse changes in operating environment.	Monitor

*DP 1 to DP 4 is comparable to "Investment Grade" rated securities, and DP 5 to DP 6 is comparable to "High Yield" rated securities, and DP 7 to DP8 is comparable to "High Risk" rated securities.

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DPI'S COMMENTS & RATING

- * The rating is an opinion of Subject's capability and ability based on prevailing conditions and information made available to DP Information at the time of rating.
- * The rating is not a recommendation to buy or sell nor is it an endorsement or non-endorsement of an issue.
- * The information received has been obtained from sources believed to be reliable, but its accuracy or completeness is not guaranteed.
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