

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2004

(All amounts expressed in thousands of Renminbi ("Rmb"))

	Note	Share capital	Share premium	Revaluation surplus	Statutory and discretionary reserves	Retained earnings	Total
The Group and the Company							
Balance at 1 January 2003, as previously reported		3,846,150	2,209,648	229,862	435,089	480,529	7,201,278
Changing in accounting policy for buildings and runways	14	—	—	(229,862)	—	30,982	(198,880)
Balance at 1 January 2003, as restated		3,846,150	2,209,648	—	435,089	511,511	7,002,398
Net profit		—	—	—	—	400,117	400,117
Dividends	13	—	—	—	—	(207,846)	(207,846)
— 2002 final dividend		—	—	—	—	(207,846)	(207,846)
— 2003 interim dividend		—	—	—	—	(49,654)	(49,654)
Transfer to statutory and discretionary reserves	34	—	—	—	173,119	(173,119)	—
Balance at 31 December 2003		<u>3,846,150</u>	<u>2,209,648</u>	<u>—</u>	<u>608,208</u>	<u>481,009</u>	<u>7,145,015</u>
Representing:							
Share capital and reserves		3,846,150	2,209,648	—	608,208	326,894	6,990,900
2003 proposed final dividend		—	—	—	—	154,115	154,115
Balance at 31 December 2003		<u>3,846,150</u>	<u>2,209,648</u>	<u>—</u>	<u>608,208</u>	<u>481,009</u>	<u>7,145,015</u>
The Group and the Company							
Balance at 1 January 2004, as previously reported		3,846,150	2,209,648	229,862	608,208	442,916	7,336,784
Changing in accounting policy for buildings and runways	14	—	—	(229,862)	—	38,093	(191,769)
Balance at 1 January 2004, as restated		3,846,150	2,209,648	—	608,208	481,009	7,145,015
Net profit		—	—	—	—	749,354	749,354
Dividends	13	—	—	—	—	(154,115)	(154,115)
— 2003 final dividend		—	—	—	—	(154,115)	(154,115)
— 2004 interim dividend		—	—	—	—	(96,115)	(96,115)
Transfer to statutory and discretionary reserves	34	—	—	—	212,394	(212,394)	—
Balance at 31 December 2004		<u>3,846,150</u>	<u>2,209,648</u>	<u>—</u>	<u>820,602</u>	<u>767,739</u>	<u>7,644,139</u>
Representing:							
Share capital and reserves		3,846,150	2,209,648	—	820,602	518,124	7,394,524
2004 proposed final dividend		—	—	—	—	249,615	249,615
Balance at 31 December 2004		<u>3,846,150</u>	<u>2,209,648</u>	<u>—</u>	<u>820,602</u>	<u>767,739</u>	<u>7,644,139</u>

The accompanying notes form an integral part of these financial statements.