

# Consolidated Statement of Changes In Equity

For the year ended 31 December 2004

	Issued capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Statutory public welfare fund RMB'000	Translation reserve RMB'000	Retained profits RMB'000	Proposed final dividend RMB'000	Total RMB'000
At 1 January 2003	83,570	–	–	6,445	–	259	53,050	–	143,324
Exchange differences arising from translation of overseas operations and loss not recognised in the consolidated income statement	–	–	–	–	–	(57)	–	–	(57)
Appropriations	–	–	–	3,731	1,866	–	(5,597)	–	–
Share exchange upon Group Reorganisation	(83,570)	–	83,570	–	–	–	–	–	–
Dividend	–	–	–	–	–	–	(31,500)	–	(31,500)
Profit for the year	–	–	–	–	–	–	29,444	–	29,444
At 31 December 2003	–	–	83,570	10,176	1,866	202	45,397	–	141,211
Capitalisation issue of shares (note 25 (e))	31,860	(31,860)	–	–	–	–	–	–	–
New Issue on public listing (note 25(f))	10,620	47,790	–	–	–	–	–	–	58,410
Share issue expenses	–	(11,854)	–	–	–	–	–	–	(11,854)
Exchange differences arising from translation of overseas operations and loss not recognised in the consolidated income statement	–	–	–	–	–	150	–	–	150
Appropriations	–	–	–	6,169	3,084	–	(9,253)	–	–
Profit for the year	–	–	–	–	–	–	41,229	–	41,229
Proposed final dividend	–	–	(12,000)	–	–	–	–	12,000	–
At 31 December 2004	42,480	4,076	71,570	16,345	4,950	352	77,373	12,000	229,146

# Consolidated Statement of Changes In Equity *(Continued)*

For the year ended 31 December 2004

## **(i) Special reserve**

The amount represents the paid-in capital of the Company of 1 share of HK\$0.1 each and the special reserve of RMB83,570,000 arising from exchange of 1 share of the Company of HK\$0.1 for the entire share capital of Bamian Investments Pte Ltd pursuant to the reorganisation scheme dated 12 December 2003.

## **(ii) Statutory surplus reserve**

The Articles of Association of Guangzhou Mayer Corporation Limited ("Guangzhou Mayer") requires the appropriation of 10% of its profit after taxation each year, based on its statutory audited accounts, to the statutory surplus reserve until the balance reaches 50% of the registered capital. According to the provision of the Articles of Association of Guangzhou Mayer, in normal circumstances, the statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the production and operation of Guangzhou Mayer. For the capitalisation of statutory surplus reserve into share capital, the remaining amount of such reserve shall not be less than 25% of the registered share capital.

## **(iii) Statutory public welfare fund**

Pursuant to the PRC Company Law applicable to joint-stock company, Guangzhou Mayer shall make allocation from its profit after taxation at the rate of 5% to 10% to the statutory public welfare fund, based on its statutory audited accounts. The statutory public welfare fund can only be utilised on capital items for employees' collective welfare. Individual employees only have the right to use these facilities, the titles to which will remain with the company. The statutory public welfare fund forms part of the shareholders' equity but is non-distributable other than in liquidation. Guangzhou Mayer was converted into a joint-stock company in 2003.

The statutory public welfare fund was appropriated commencing from 2003.

The notes on pages 26 to 47 form an integral part of these financial statements.