

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2005

	Attributable to equity holders of the parent						Total US\$'000 (unaudited)	Minority interests US\$'000 (unaudited)	Total equity US\$'000 (unaudited)
	Share capital US\$'000 (unaudited) (Note a)	Share premium US\$'000 (unaudited)	Special reserve US\$'000 (unaudited)	Legal reserve US\$'000 (unaudited) (Note b)	Translation reserve US\$'000 (unaudited)	Accumulated profits US\$'000 (unaudited)			
Balance at 1 January 2004	51,234	-	-	12,302	8,134	127,405	199,075	-	199,075
Issue of shares by Grand Champion Trading Limited and Wide Ranging Investments Limited	3,080	-	-	-	-	-	3,080	-	3,080
Issue of shares by the Company Group Reorganisation (Note 1)	35,143 (15,514)	164,857	-	-	-	-	200,000	-	200,000
Profit for the period	-	-	-	-	-	88,305	88,305	-	88,305
Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	-	-	(595)	-	(595)	-	(595)
Total recognised income and expense for the period	-	-	-	-	(595)	88,305	87,710	-	87,710
Balance at 30 June 2004	<u>73,943</u>	<u>164,857</u>	<u>15,514</u>	<u>12,302</u>	<u>7,539</u>	<u>215,710</u>	<u>489,865</u>	<u>-</u>	<u>489,865</u>
Balance at 1 January 2005	238,800	129,980	15,514	23,679	22,469	200,367	630,809	-	630,809
Issue of new shares (Note 14)	38,260	438,761	-	-	-	-	477,021	-	477,021
Share issue expenses	-	(16,997)	-	-	-	-	(16,997)	-	(16,997)
Acquisition of a subsidiary (Note 16)	-	-	-	-	-	-	-	25,389	25,389
Profit for the period	-	-	-	-	-	146,856	146,856	-	146,856
Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	-	-	(19,686)	-	(19,686)	-	(19,686)
Total recognised income and expense for the period	-	-	-	-	(19,686)	146,856	127,170	-	127,170
Transfer	-	-	-	19,114	-	(19,114)	-	-	-
Balance at 30 June 2005	<u>277,060</u>	<u>551,744</u>	<u>15,514</u>	<u>42,793</u>	<u>2,783</u>	<u>328,109</u>	<u>1,218,003</u>	<u>25,389</u>	<u>1,243,392</u>

Notes:

- a. The share capital of the Group as at 1 January 2004 represents the aggregate of share capital of the Company, Grand Champion Trading Limited and Wide Ranging Investments Limited which became the Company's wholly-owned subsidiaries pursuant to the Group Reorganisation [see note 1].
- b. The Group's legal reserve represents statutory reserve attributable to the Company's subsidiaries in the People's Republic of China ("PRC"). As required by the laws in the PRC, appropriations are made from the profit of these subsidiaries to the legal reserve until the balance reaches 50% of the registered capital of the subsidiaries. This reserve can only be used to make up losses incurred or to increase capital.