

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2005

	Share capital US\$'000	Share premium US\$'000	Capital reserve US\$'000 (note a)	Equity- settled share- based payment reserve US\$'000	Statutory reserve US\$'000 (note b)	Investment revaluation reserve US\$'000	Retained profits US\$'000	Total US\$'000
At 1 January 2004	13	–	4,960	–	138	–	25,313	30,424
Increase in fair value of non-trading securities recognised directly in equity	–	–	–	–	–	8,732	–	8,732
Profit for the year – as restated (Note 2)	–	–	–	–	–	–	22,750	22,750
Total recognised income and expense for the year	–	–	–	–	–	8,732	22,750	31,482
Arising on Group Reorganisation (Note 1)	1,013	90,518	(2,131)	–	–	–	–	89,400
Dividend paid after Capitalisation Issue (Note 13)	–	(35,915)	–	–	–	–	–	(35,915)
Dividends paid (Note 13)	–	–	–	–	–	–	(3,846)	(3,846)
Appropriation of Namtai Electronic (Shenzhen) Co., Ltd's profits	–	–	–	–	4,230	–	(4,230)	–
Share options expense – as restated (Note 2)	–	–	–	373	–	–	–	373
At 31 December 2004 and at 1 January 2005 – as restated (Note 2)	1,026	54,603	2,829	373	4,368	8,732	39,987	111,918
Decrease in fair value of available-for-sale investments recognised directly in equity	–	–	–	–	–	(7,370)	–	(7,370)
Profit for the year	–	–	–	–	–	–	22,138	22,138
Total recognised income and expense for the year	–	–	–	–	–	(7,370)	22,138	14,768
Issue of share capital	105	26,595	–	–	–	–	–	26,700
Dividends paid (Note 13)	–	–	–	–	–	–	(11,391)	(11,391)
Transfer	–	–	–	–	13	–	(13)	–
Share options expense	–	–	–	450	–	–	–	450
At 31 December 2005	1,131	81,198	2,829	823	4,381	1,362	50,721	142,445

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Notes:

- (a) The capital reserve represents the pre-acquisition dividend declared by Namtai Electronic (Shenzhen) Co., Ltd. 南太電子(深圳)有限公司 (“NTSZ”), a wholly owned subsidiary of the Company, and reinvested by the Company into NTSZ, offset by the differences between the translation of NTSZ’s registered paid-up capital based on historical exchange rates and amount shown in the capital verification reports issued by the People’s Republic of China (other than Hong Kong and Macao, the “PRC”) certified public accountants, and the difference between the quota capital of Nam Tai Investments Consultant (Macao Commercial Offshore) Company Limited (“NTIC”), a wholly owned subsidiary of the Company, and the nominal amount of the Company’s shares issued as consideration pursuant to the Group Reorganisation (as defined in Note 1 to the financial statements).
- (b) The statutory reserve is not distributable but can be capitalised as share capital of NTSZ subject to approvals by the relevant authorities. Appropriations to this reserve are made out of NTSZ’s profit after taxation calculated in accordance with accounting principles and financial regulations applicable to PRC enterprises (“PRC GAAP”) and shall not be less than 10% of profit after taxation calculated in accordance with PRC GAAP.