

## Consolidated Statement of Changes in Equity

For the year ended 31st December, 2005

	Attributable to equity holders of the Company						
	Share capital US\$'000	Share premium US\$'000	Special reserve US\$'000	Translation reserve US\$'000	Statutory surplus reserve fund US\$'000	Retained profits US\$'000	Total US\$'000
At 1st January, 2004	-	-	-	307	681	32,526	33,514
Exchange differences arising from the translation of financial statements of foreign operations recognised directly in equity	-	-	-	1,083	-	-	1,083
Profit for the year	-	-	-	-	-	11,193	11,193
Total recognised income and expenses for the year	-	-	-	1,083	-	11,193	12,276
Transfers	-	-	-	-	40	(40)	-
At 31st December, 2004	-	-	-	1,390	721	43,679	45,790
Exchange differences arising from the translation of financial statements of foreign operations recognised directly in equity	-	-	-	(126)	-	-	(126)
Profit for the year	-	-	-	-	-	20,030	20,030
Total recognised income and expenses for the year	-	-	-	(126)	-	20,030	19,904
Issue of shares of a subsidiary	50	19,367	-	-	-	-	19,417
Arising on group reorganisation	17	(19,367)	19,350	-	-	-	-
Transfers	-	-	-	-	594	(594)	-
Dividend waived	-	-	-	-	-	474	474
Dividend paid	-	-	-	-	-	(4,522)	(4,522)
At 31st December, 2005	67	-	19,350	1,264	1,315	59,067	81,063

The special reserve represents the difference between the nominal amount of the shares issued by the Company and the aggregate amount of share capital of the subsidiaries acquired pursuant to the Group's reorganisation.

As stipulated by the relevant laws and regulations for foreign investment enterprises in Mainland China (the "PRC"), the PRC subsidiary of the Company is required to maintain three statutory reserves, being a statutory surplus reserve fund, an enterprise expansion fund and a staff welfare and incentive bonus fund which are non-distributable. Appropriations to such reserves are made out of profit after taxation of the statutory financial statements of the PRC subsidiary while the amount and allocation basis are decided by its board of directors annually. The statutory surplus reserve fund can be used to make up its prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue. The enterprise expansion fund is used for expanding the capital base of the Company by means of capitalisation issue. Since the date of establishment of the PRC subsidiary, no appropriation was made to the enterprise expansion fund and staff welfare and incentive bonus fund.