

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2006

	Share capital	Share premium	Capital reserve	Equity-settled share-based payment reserve	Statutory reserve	Investment revaluation reserve	Retained profits	Total	Minority interests	Total
	US\$'000	US\$'000	US\$'000 (note a)	US\$'000	US\$'000 (note b)	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2005	1,026	54,603	2,829	373	4,368	8,732	39,987	111,918	-	111,918
Decrease in fair value of available-for-sale investments recognised directly in equity	-	-	-	-	-	(7,370)	-	(7,370)	-	(7,370)
Profit for the year	-	-	-	-	-	-	22,138	22,138	-	22,138
Total recognised income and expense for the year	-	-	-	-	-	(7,370)	22,138	14,768	-	14,768
Issue of share capital	105	26,595	-	-	-	-	-	26,700	-	26,700
Dividends paid (Note 11)	-	-	-	-	-	-	(11,391)	(11,391)	-	(11,391)
Transfer	-	-	-	-	13	-	(13)	-	-	-
Share options expense	-	-	-	450	-	-	-	450	-	450
At 31 December 2005 and at 1 January 2006	1,131	81,198	2,829	823	4,381	1,362	50,721	142,445	-	142,445
Increase in fair value of available-for-sale investments recognised directly in equity	-	-	-	-	-	13,112	-	13,112	-	13,112
Profit (loss) for the year	-	-	-	-	-	-	17,329	17,329	(8)	17,321
Release upon split share structure reform	-	-	-	-	-	(213)	-	(213)	-	(213)
Total recognised income and expense for the year	-	-	-	-	-	12,899	17,329	30,228	(8)	30,220
Incorporation of a non-wholly owned subsidiary	-	-	-	-	-	-	-	-	8	8
Dividend paid (Note 11)	-	-	-	-	-	-	(3,982)	(3,982)	-	(3,982)
Share options expense	-	-	-	275	-	-	-	275	-	275
At 31 December 2006	1,131	81,198	2,829	1,098	4,381	14,261	64,068	168,966	-	168,966

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2006

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.
- (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 tax 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 tax calculated in accordance with PRC GAAP.