## Consolidated Statement of Changes in Equity

For the year ended 31st December, 2006

Share capital information from the translation of financial statements of foreign operations recognised directly in equity         Solution reserve uss'000         Special reserve uss'000         Translation uss'000         Total uss'000           At 1st January, 2005         -         -         -         1,390         721         43,679         45,790           Exchange differences arising from the translation of foreign operations recognised directly in equity         -         -         -         (126)         -         -         (126)           Profit for the year         -         -         -         (126)         -         -         (126)           Total recognised income and expenses for the year         -         -         (126)         -         -         19,417           Transfers         -         -         -         19,367         -         -         -         -         -         19,417           Arising on group reorganisation Transfers         -         -         -         19,350         - <td< th=""><th></th><th colspan="7">Attributable to equity holders of the Company</th></td<>		Attributable to equity holders of the Company						
At 1st January, 2005       -       -       -       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       -       -       -       (126)       -       -       (126)         Total recognised income and expenses for the year       -       -       -       (126)       -       20,030       19,904         Issue of shares of a subsidiary Arising on group reorganisation Transfers       50       19,367       -       -       -       19,417         At 31st December, 2005       67       -       19,350       -		capital	Share premium	Special reserve	Translation reserve	Statutory surplus reserve fund	Retained profits	
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$ Issue of shares of a subsidiary Arising on group reorganisation Transfers $50$ $19,367$ $   19,417$ Arising on group reorganisation Transfers $17$ $(19,367)$ $19,350$ $   -$ Dividend waived $    474$ $474$ Dividend paid $    474$ $474$ Dividend paid $    474$ $474$ Dividend paid $     474$ $474$ Dividend paid $      -$ Capitalisation streegnised directly in equity $      -$ Total recognised income and expenses for the year $       -$ Total recognised income and expenses incurred in connection with the issue of shares $       -$ Dividend paid $     -$	At 1st January 2005							
from the translation of financial statements of foreign operations recognised directly in equity $   (126)$ $  (126)$ Profit for the year $    (126)$ $  (126)$ Total recognised income and expenses for the year $   (126)$ $ 20,030$ $19,904$ Issue of shares of a subsidiary Arising on group reorganisation Transfers50 $19,367$ $    19,417$ Arising on group reorganisation Transfers $17$ $(19,367)$ $19,350$ $   -$ Dividend waived $       -$ Dividend paid $       -$ At 31st December, 2005 $67$ $ 19,350$ $1,264$ $2,276$ $58,106$ $81,063$ Exchange differences arising from the translation of financial statements of directly in equity $     -$ Profit for the year $        -$ Total recognised income and expenses for the year $      -$ Total recognised income and expenses incurred in connection with the issue of shares $735$ $(735)$ $    -$ Dividend paid $ -$	AL ISLJANUALY, 2005				1,390	/21	43,079	45,790
expense for the year $  (126)$ $ 20,030$ $19,904$ Issue of shares of a subsidiary Arising on group reorganisation Transfers50 $19,367$ $    19,417$ Transfers $         -$ Dividend waived $         -$ Dividend paid $       474$ $474$ Dividend paid $      474$ $474$ Dividend paid $     474$ $474$ Dividend paid $     474$ $474$ Dividend paid $     474$ $474$ Dividend paid $      474$ $474$ Dividend paid $       474$ $474$ Dividend paid $         -$ At 31st December, 2005 $67$ $                         -$	from the translation of financial statements of foreign operations recognised directly in equity	-	-	-	(126)	-	_ 20,030	· · · ·
Arising on group reorganisation       17       (19,367)       19,350       -       1,198       -       -       1,198       -			_	-	(126)	-	20,030	19,904
Arising on group reorganisation       17 $(19,367)$ $19,350$ -       1,198       -       -       1,198       -       -       1,198       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -	Issue of shares of a subsidiary	50	10 367	_	_	_	_	19 /17
Transfers1,555(1,555)-Dividend waived474474Dividend paid474474Dividend paid474474At 31st December, 200567-19,3501,2642,27658,10681,063Exchange differences arising from the translation of financial statements of foreign operations recognised directly in equity1,1981,198Profit for the year22,65622,65622,656Total recognised income and expenses for the yearIssue of shares Expenses incurred in connection with the issue of shares735(735)Dividend paid67,911Dividend paid(5,001)(5,001)				19.350	_	_	_	
Dividend paid $     (4,522)$ $(4,522)$ At 31st December, 2005 $67$ $ 19,350$ $1,264$ $2,276$ $58,106$ $81,063$ Exchange differences arising from the translation of financial statements of foreign operations recognised directly in equity $   1,198$ $  1,198$ Profit for the year $      22,656$ $22,656$ Total recognised income and expenses for the year $      -$ Capitalisation issue Issue of shares Expenses incurred in connection with the issue of shares Dividend paid $735$ $(735)$ $               (2,508)$ $                (2,508)$ $        (2,508)$ $        (2,5001)$ $        (2,001)$ $       -$	Transfers	-	_	-	-	1,555	(1,555)	-
At 31st December, 2005       67       -       19,350       1,264       2,276       58,106       81,063         Exchange differences arising from the translation of financial statements of foreign operations recognised directly in equity       -       -       -       1,198       -       -       1,198         Profit for the year       -       -       -       1,198       -       -       1,198         Total recognised income and expenses for the year       -       -       -       1,198       -       22,656       23,854         Capitalisation issue Issue of shares       735       (735)       -		-	-	-	-	-		
Exchange differences arising from the translation of financial statements of foreign operations recognised directly in equity1,1981,198Profit for the year1,1981,198Profit for the year22,65622,656Total recognised income and expenses for the year1,198-22,65623,854Capitalisation issue Issue of shares Expenses incurred in connection with the issue of shares Dividend paid735(735) <t< td=""><td>Dividend paid</td><td></td><td>_</td><td>-</td><td>-</td><td>_</td><td>(4,522)</td><td>(4,522)</td></t<>	Dividend paid		_	-	-	_	(4,522)	(4,522)
from the translation of financial statements of foreign operations recognised directly in equity $   1,198$ $  1,198$ Profit for the year $    22,656$ $22,656$ Total recognised income and expenses for the year $   1,198$ $ 22,656$ $23,854$ Capitalisation issue $735$ $(735)$ $      -$ Issue of shares $267$ $67,644$ $     67,911$ Expenses incurred in connection with the issue of shares $ (2,508)$ $    (2,508)$ Dividend paid $   (5,001)$ $(5,001)$	At 31st December, 2005	67	-	19,350	1,264	2,276	58,106	81,063
Profit for the year $     22,656$ $22,656$ Total recognised income and expenses for the year $   1,198$ $ 22,656$ $23,854$ Capitalisation issue735(735) $     -$ Issue of shares26767,644 $     -$ Expenses incurred in connection with the issue of shares $      -$ Dividend paid $        -$	from the translation of financial statements of foreign operations recognised				1 102			1 102
Total recognised income and expenses for the year       -       -       -       1,198       -       22,656       23,854         Capitalisation issue       735       (735)       - <td></td> <td>_</td> <td>-</td> <td>-</td> <td>1,190</td> <td>_</td> <td>22,656</td> <td></td>		_	-	-	1,190	_	22,656	
expenses for the year       -       -       -       1,198       -       22,656       23,854         Capitalisation issue Issue of shares       735       (735)       -							,	
Issue of shares       267       67,644       -       -       -       67,911         Expenses incurred in connection			-	-	1,198	-	22,656	23,854
with the issue of shares         -         (2,508)         -         -         -         (2,508)           Dividend paid         -         -         -         -         -         (2,508)         -         -         -         (2,508)	Issue of shares		· · · ·	-	-	-	-	- 67,911
At 31st December, 2006 1,069 64,401 19,350 2,462 2,276 75,761 165,319	with the issue of shares		(2,508)	- -	-	-	(5,001)	
	At 31st December, 2006	1,069	64,401	19,350	2,462	2,276	75,761	165,319

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 a statutory surplus reserve fund, which is non-distributable. Appropriation to such reserve is 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.