

Consolidated Statement of Changes in Equity

For the year ended 31 December 2006

	Share capital US\$	Share premium US\$	Merger reserve US\$	Statutory reserve US\$	Capital reserve US\$ (Note 24)	Exchange reserve US\$	Accumulated profits US\$	Total US\$
At 1 January 2005	32,000,000	—	—	2,917,547	—	(8,094)	22,733,231	57,642,684
Exchange differences on translation of foreign operations recognised directly in equity	—	—	—	—	—	1,157,596	—	1,157,596
Profit for the year	—	—	—	—	—	—	14,189,312	14,189,312
Total recognised income and expense for the year	—	—	—	—	—	1,157,596	14,189,312	15,346,908
Issue of shares at premium through initial public offer	3,225,806	29,677,418	—	—	—	—	—	32,903,224
Share issue expenses	—	(1,155,560)	—	—	—	—	—	(1,155,560)
Effect of Group Reorganisation	(31,987,096)	—	31,987,096	—	—	—	—	—
Effect of capitalisation issue	12,890,322	(12,890,322)	—	—	—	—	—	—
Transfer	—	—	—	1,671,280	—	—	(1,671,280)	—
At 31 December 2005 and 1 January 2006	16,129,032	15,631,536	31,987,096	4,588,827	—	1,149,502	35,251,263	104,737,256
Exchange differences on translation of foreign operations recognised directly in equity	—	—	—	—	—	3,679,090	—	3,679,090
Profit for the year	—	—	—	—	—	—	12,388,005	12,388,005
Total recognised income and expense for the year	—	—	—	—	—	3,679,090	12,388,005	16,067,095
Dividend paid	—	—	—	—	—	—	(4,354,839)	(4,354,839)
Recognition of equity-settled share-based payment expenses	—	—	—	—	1,083,871	—	—	1,083,871
Transfer	—	—	—	1,802,415	—	—	(1,802,415)	—
At 31 December 2006	16,129,032	15,631,536	31,987,096	6,391,242	1,083,871	4,828,592	41,482,014	117,533,383

Notes:

- The merger reserve represents the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of Global Technology International Ltd., a subsidiary of the Company, acquired pursuant to a group reorganisation on 5 July 2005.
- Pursuant to the relevant regulations applicable to foreign investment enterprises established in the People's Republic of China (the "PRC"), Global Flex (Suzhou) Co., Ltd., a subsidiary of the Company, is required to transfer certain percent of its profit after taxation to the statutory reserve. The balances of the statutory reserve cannot be reduced except where approval is obtained from the relevant PRC authority to offset accumulated losses or increase capital.