

Consolidated Statement of Changes in Equity

For the year ended 31 December 2003

| | Share capital US\$ | Share premium US\$ | Exchange equalisation US\$ | General reserve US\$ | Retained profits US\$ | Total US\$ |
|---|--------------------------|--------------------------|----------------------------------|----------------------------|-----------------------------|---------------|
| THE GROUP | | | | | | |
| Balance at 1 January 2002 | 13,714,560 | 81,525,984 | 131,253 | 744,702 | 29,311,740 | 125,428,239 |
| Exchange difference on translation of financial statements of foreign entities not recognised in the income statement | - | - | 7,206 | (55) | - | 7,151 |
| Profit for the year | - | - | - | - | 4,587,635 | 4,587,635 |
| Final dividend paid for 2001 | - | - | - | - | (1,097,165) | (1,097,165) |
| Interim dividend paid for 2002 | - | - | - | - | (685,728) | (685,728) |
| Transfer to general reserve | - | - | - | 135,318 | (135,318) | - |
| Balance at 1 January 2003 | 13,714,560 | 81,525,984 | 138,459 | 879,965 | 31,981,164 | 128,240,132 |
| Exchange difference on translation of financial statements of foreign entities not recognised in the income statement | - | - | 307,822 | - | - | 307,822 |
| Profit for the year | - | - | - | - | 12,088,824 | 12,088,824 |
| Final dividend paid for 2002 | - | - | - | - | (1,097,165) | (1,097,165) |
| Interim dividend paid for 2003 | - | - | - | - | (685,728) | (685,728) |
| Balance at 31 December 2003 | 13,714,560 | 81,525,984 | 446,281 | 879,965 | 42,287,095 | 138,853,885 |

The general reserve represents the general reserve fund set aside by a subsidiary in accordance with relevant laws and regulations of the PRC, which is not available for distribution.

Included in the above are the Group's share of post-acquisition reserves of the associates as follows:

| | 2003 US\$ | 2002 US\$ |
|-----------------------------|--------------|--------------|
| Balance at 1 January | (143,667) | 423,693 |
| Loss for the year, retained | (142,212) | (567,360) |
| Balance at 31 December | (285,879) | (143,667) |