Consolidated Statements of Stockholders' Equity and Comprehensive Income (Loss)

(In US dollars, except share data)

	Preference shares																						
	Series A convertible shares		Series A-1 non-convertible shares		Series A-2 convertible shares		Series B convertible shares		Series C convertible shares		Series D convertible shares		Ordinary										
	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Warrants	Additional Paid-in capital	Subscription receivable from stockholders	Notes receivables from stockholders	Accumulated other comprehensive income (loss)	Deferred stock compensation, net	Accumulated deficit	Total stockholders equity	Comprehensive income (loss)
Balance at December 31, 2003	954,977,374	381,990	219,499,674	2,195	42,373,000	16,949	2,350,000	940	181,718,858	72,688	7,142,857	2,857	242,595,000	97,038	37,839,931	1,835,820,085	(105,420,031)	(36,026,073)	199,827	(40,582,596)	(207,290,355)	1,485,115,445	(65,974,677)
Issuance of Series D convertible preference shares and Series D warrants to Motorola and MCEL	-	-	-	-	-	-	-	-	-	-	95,714,286	38,286	-	-	27,663,780	308,141,738	-	-	-	-	-	335,843,804	
Issuance of Series D preference shares in exchange for software licenses	-	-	-	-	-	-	-	-	-	-	914,285	365	-	-	-	5,059,891	-	-	-	-	-	5,060,256	
Issuance of series B convertible preference shares in exchange for intangible assets	-	-	-	-	-	-	750,000	300	-	-	-	-	-	-	-	2,739,553	-	-	-	-	-	2,739,853	
Issuance of Series B convertible preference shares to a service provider	-	-	-	-	-	-	12,343	5	-	-	-	-	-	-	-	45,085	-	-	-	-	-	45,090	
Conversion of preference share to ordinary shares upon initial public offering	(954,922,624)	(381,968)	-	-	(42,373,000)	(16,949)	(3,112,343)	(1,245)	(181,718,858)	(72,688)	(103,771,428)	(41,508)	14,927,787,480	5,971,115	(65,373,769)	59,917,012	-	-	-	-	-	-	
Issuance of ordinary shares upon initial public offering (net of issuance cost of US$37,007,406)	-	-	-	-	-	-	-	-	-	-	-	-	3,030,303,000	1,212,121	-	1,015,647,030	-	-	-	-	-	1,016,859,151	
Redemption of Series A-1 preference shares	-	-	(219,499,674)	(2,195)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,195)	
Shares and warrants issued to a service provider	-	-	-	-	-	-	-	-	-	-	-	-	136,640	55	(97,555)	17,910	-	-	-	-	-	(79,590)	
Issuance of ordinary shares in exchange for equipment	-	-	-	-	-	-	-	-	-	-	-	-	23,957,830	9,583	-	5,212,597	-	-	-	-	-	5,222,180	
Exercise of stock options	-	-	-	-	-	-	-	-	-	-	-	-	20,766,689	8,307	-	1,590,804	-	-	-	-	-	1,599,111	
Repurchase of restricted ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	(13,367,500)	(5,347)	-	(851,592)	-	-	-	-	-	(856,939)	
Repurchase of restricted preference shares	(54,750)	(22)	-	-	-	-	-	-	-	-	-	-	-	-	-	(60,811)	-	-	-	-	-	(60,833)	
Collection of subscription receivable from stockholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105,420,031	-	-	-	-	105,420,031	
Collection of note receivables from employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,634,698	-	-	-	35,634,698	
Deferred stock compensation, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,606,157	-	-	-	(10,595,079)	-	27,011,078	
Deemed dividend on preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,839,426	-	-	-	-	(18,839,426)	-	-
Net income <1>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96,203,196	96,203,196	$ 96,203,196
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	256,391	-	-	256,391	256,391
Unrealized loss on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	--	-	-	-	(68,442)	-	-	(68,442)	(68,442)
Balance at December 31, 2004	-	-	-	-	-	-	-	-	-	-	-	-	18,232,179,139	7,292,872	32,387	3,289,724,885	-	(391,375)	387,776	(51,177,675)	(129,926,585)	3,115,942,285	$ 96,391,145
Net profit of a subsidiary attributable to minority interest upon injection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(32,880)	-	-	-	-	-	(32,880)	
Exercise of stock options	-	-	-	-	-	-	-	-	-	-	-	-	75,617,262	30,247	-	2,371,933	-	-	-	-	-	2,402,180	
Repurchase of restricted ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	(6,115,534)	(2,446)	-	(96,583)	-	-	-	-	-	(99,029)	
Collection of note receivables from employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	391,375	-	-	-	391,375	
Deferred stock compensation, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(559,907)	-	-	-	26,295,756	-	25,735,849	
Net loss <1>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(114,774,827)	(114,774,827)	$ (114,774,827)
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(192,246)	-	-	(192,246)	(192,246)
Unrealized loss on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	--	-	-	-	(56,552)	-	-	(56,552)	(56,552)
Balance at December 31, 2005	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	18,301,680,867	$ 7,320,673	$ 32,387	$ 3,291,407,448	$ -	$ -	$ 138,978	$ (24,881,919)	$ (244,701,412)	$ 3,029,316,155	$ (115,023,625)
Exercise of stock options	-	-	-	-	-	-	-	-	-	-	-	-	132,744,596	53,098	-	3,912,210	-	-	-	-	-	3,965,308	
Repurchase of restricted ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	(1,669,000)	(668)	-	(57,522)	-	-	-	-	-	(58,190)	
Deferred stock compensation adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(24,881,919)	-	-	-	24,881,919	-	-	
Amortization of stock compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,506,847	-	-	-	-	-	23,506,847	
Cumulative effect of a change in accounting principle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,153,986)	-	-	-	-	-	(5,153,986)	
Net loss <1>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(44,109,078)	(44,109,078)	(44,109,078)
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16,885)	-	-	(16,885)	(16,885)
Realized loss on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(30,253)	-	-	(30,253)	(30,253)
Balance at December 31, 2006	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	18,432,756,463	$ 7,373,103	$ 32,387	$ 3,288,733,078	$ -	$ -	$ 91,840	$ -	$ (288,810,490)	$ 3,007,419,918	$ (44,156,216)

<1> As restated. See Note 31, "Restatements" in the notes to consolidated financial statements for related discussions.

The accompanying notes are an integral part of these consolidated financial statements.