

Consolidated Statement of Changes in Equity

For the year ended 31 December 2005

	Share capital US\$'000	Share premium US\$'000	PRC statutory reserves (note) US\$'000	Exchange translation reserve US\$'000	Retained profits US\$'000	Total US\$'000
For the year ended 31 December 2004						
At 1 January 2004	11,429	164,119	1,676	(2,045)	9,311	184,490
Exchange gain arising on translation of foreign operations	—	—	—	6	—	6
Profit for the year	—	—	—	—	14,693	14,693
Total recognised income for the year	—	—	—	6	14,693	14,699
Adjustment to share issue expenses	—	223	—	—	—	223
Transfer from retained profits	—	—	1,584	—	(1,584)	—
At 31 December 2004	<u>11,429</u>	<u>164,342</u>	<u>3,260</u>	<u>(2,039)</u>	<u>22,420</u>	<u>199,412</u>
For the year ended 31 December 2005						
At 1 January 2005	11,429	164,342	3,260	(2,039)	22,420	199,412
Exchange gain arising on translation of foreign operations	—	—	—	4,838	—	4,838
Profit for the year	—	—	—	—	103	103
Total recognised income for the year	—	—	—	4,838	103	4,941
Transfer from retained profits	—	—	127	—	(127)	—
At 31 December 2005	<u>11,429</u>	<u>164,342</u>	<u>3,387</u>	<u>2,799</u>	<u>22,396</u>	<u>204,353</u>

Note: Pursuant to the relevant PRC regulations applicable to the Group's PRC subsidiaries, the subsidiaries have to provide for the PRC statutory reserves before declaring dividends to their shareholders as approved by the board of directors. The reserves, which include reserve fund and enterprise expansion fund, are not distributable until the end of the operation period, at which time any remaining balance of the reserves can be distributed to shareholders upon liquidation of the subsidiaries. The reserve fund can be used to offset accumulated losses of the subsidiaries. The reserve fund and enterprise expansion fund can be used to increase capital upon approval from the PRC relevant authorities. The distributable profits of the subsidiaries are determined based on their retained profits calculated in accordance with the PRC accounting rules and regulations.