

	Attributable to equity holders of the Company							
	Paid-in capital	Share premium	Additional paid-in capital	Special reserve	Statutory surplus		Retained profits	Total
					reserve fund	Translation reserve		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 1 January 2004	66,403	-	16,501	-	585	-	6,062	89,551
Arising on group reorganisation	(66,378)	-	(16,501)	82,879	-	-	-	-
Profit for the year	-	-	-	-	-	-	74,190	74,190
Transfers	-	-	-	-	7,953	-	(7,953)	-
At 31 December 2004	25	-	-	82,879	8,538	-	72,299	163,741
Exchange differences arising on translation of foreign operation	-	-	-	-	-	1,159	-	1,159
Issue of shares of a subsidiary	8	69,992	-	-	-	-	-	70,000
Arising on group reorganisation	(30)	(69,992)	-	70,022	-	-	-	-
Profit for the year	-	-	-	-	-	-	110,513	110,513
Transfers	-	-	-	-	16,583	-	(16,583)	-
At 31 December 2005	3	-	-	152,901	25,121	1,159	166,229	345,413

The special reserve represents the aggregate of the differences between the nominal amount of the shares issued by the Company and Widerlink Group Limited and the aggregate amount of paid-up capital of subsidiaries acquired pursuant to the group reorganisation in preparation for the listing of the Company's shares.

As stipulated by the relevant laws and regulations for foreign investment enterprises in the Mainland China (the "PRC"), the Company's PRC subsidiaries are required to maintain three statutory reserves, being a statutory surplus reserve fund, an enterprise expansion fund and a staff welfare and incentive bonus fund which are non-distributable. Appropriations to such reserves are made out of net profit after taxation of the statutory financial statements of the PRC subsidiaries while the amounts and allocation basis are decided by their board of directors annually. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue. The enterprise expansion fund is used for expanding the capital bases of the PRC subsidiaries by means of capitalisation issue. Since the date of establishment of the PRC subsidiaries, there was no appropriation to the enterprise expansion fund and staff welfare and incentive bonus fund.