

For the year ended 31 December 2006

	Attributable to equity holders of the Company						
	Share capital	Share premium	Special reserve	Translation reserve	Statutory surplus reserve fund	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2005	25	–	82,879	–	8,538	72,299	163,741
Exchange differences arising on translation of foreign operations and net income recognised directly in equity	–	–	–	1,159	–	–	1,159
Profit for the year	–	–	–	–	–	110,513	110,513
Total recognised income for the year	–	–	–	1,159	–	110,513	111,672
Issue of shares of a subsidiary	8	69,992	–	–	–	–	70,000
Arising on group reorganisation	(30)	(69,992)	70,022	–	–	–	–
Transfers	–	–	–	–	16,583	(16,583)	–
	(22)	–	70,022	–	16,583	(16,583)	70,000
At 31 December 2005	3	–	152,901	1,159	25,121	166,229	345,413
Exchange differences arising on translation of foreign operations and net loss recognised directly in equity	–	–	–	(1,859)	–	–	(1,859)
Profit for the year	–	–	–	–	–	135,580	135,580
Total recognised income and expense for the year	–	–	–	(1,859)	–	135,580	133,721
Capitalisation issue	68,274	(68,274)	–	–	–	–	–
Issue of shares by placing and public offer	14,483	153,520	–	–	–	–	168,003
Expenses incurred in connection with the issue of shares	–	(14,941)	–	–	–	–	(14,941)
Transfers	–	–	–	–	21,526	(21,526)	–
Distribution to shareholders	–	–	(8,000)	–	–	–	(8,000)
	82,757	70,305	(8,000)	–	21,526	(21,526)	145,062
At 31 December 2006	82,760	70,305	144,901	(700)	46,647	280,283	624,196

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The special reserve represents the aggregate of the differences between the nominal amount of the shares issued by the Company and the Group's former holding company, Widerlink Group Limited and the aggregate amount of paid-up capital of subsidiaries acquired pursuant to the group reorganisation in 2005, net of subsequent distribution to shareholders.

As stipulated by the relevant laws and regulations for foreign investment enterprises in Mainland China (the "PRC"), the Company's PRC subsidiaries are required to maintain a statutory surplus reserve fund which is non-distributable. Appropriation to such reserve is 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.