

Subsidiaries

Details of the Company's major subsidiaries at 31 December 2004, all of which are unlisted entities, are as follows:

Name of company	Place of incorporation and operation	Registered capital (in thousand)	Percentage of equity held		Type of legal entity	Principal activity
			directly by the Company	by subsidiary		
(a) Foshan Chemical Fibre ("FCF") Group of companies						
Foshan Chemical Fibre United Company Limited *	PRC	Rmb 32,933	90%	10%	Limited company	Management and administration
Yizheng Chemical Fibre Foshan Polyester Company Limited *	PRC	US\$ 85,427	59%	41%	Limited company	Manufacturing chemical products, chemical fibre, and textile products, and sales of its own manufactured products and provision of after-sales services



Subsidiaries

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			directly by the Company	by subsidiary		
(b) Yihua Kangqi Group of companies						
Yihua Kangqi Chemical Fibre Company Limited **	PRC	Rmb 60,000	95%	5%	Limited company	Investment holding
Ningbo Yizheng Chemical Fibre Kangqi Company Limited ***	PRC	Rmb 12,000	–	80%	Limited company	Trading
Xian Yihua Kangqi Chemical Fibre Company Limited ***	PRC	Rmb 5,000	–	65%	Limited company	Trading
Yizheng Chemical Fibre Anhui Kangqi Company Limited ***	PRC	Rmb 5,000	–	95%	Limited company	Trading
Yizheng Chemical Fibre Dalian Kangqi Company Limited ***	PRC	Rmb 5,000	–	65%	Limited company	Trading
Yizheng Chemical Fibre Guangzhou Kangqi Company Limited ***	PRC	Rmb 5,000	–	80%	Limited company	Trading
Yizheng Chemical Fibre Qingdao Kangqi Company Limited ***	PRC	Rmb 5,000	–	80%	Limited company	Trading
Shanghai Yihua Kangqi Trading Company Limited ***	PRC	Rmb 5,000	–	80%	Limited company	Trading
Yizheng Chemical Fibre Sunan Kangqi Company Limited ***	PRC	Rmb 10,000	–	73%	Limited company	Trading



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(b) Yihua Kangqi Group of companies <i>(Continued)</i>						
Yizheng Chemical Fibre Wuhan Kangqi Technical Trading Company Limited ***	PRC	Rmb 10,000	–	70%	Limited company	Trading
Yizheng Chemical Fibre Xiamen Kangqi Company Limited ***	PRC	Rmb 5,000	–	95%	Limited company	Trading
Yizheng Chemical Fibre Yangzhong Subei Kangqi Company Limited ***	PRC	Rmb 10,000	–	70%	Limited company	Trading
Yizheng Chemical Fibre Zhengzhou Kangqi Company Limited ***	PRC	Rmb 5,000	–	65%	Limited company	Trading
Shaoxing Yihua Kangqi Chemical Fibre Company Limited ***	PRC	Rmb 5,000	–	70%	Limited company	Trading
(c) Forerunner International Trading (Europe) GmbH	Germany	DM 320	100%	–	Limited company	Investment holding
(d) Forerunner International Trading (H.K.) Company Limited	Hong Kong	HK\$ 0.1	100%	–	Limited company	Investment holding

* The subsidiary, which holds the equity, is Forerunner International Trading (Europe) GmbH.

** The subsidiary, which holds the equity, is Foshan Chemical Fibre United Company Limited.

*** The subsidiary, which holds the equity, is Yihua Kangqi Chemical Fibre Company Limited.

