

Subsidiaries and a jointly controlled entity

Details of the Company's major subsidiaries and a jointly controlled entity at 31 December 2005, all of which are unlisted entities, are as follows:

Name of company	Place of incorporation and operation	Registered capital (in thousand)	Percentage of equity		Type of legal entity	Principal activity
			held directly by the Company	held by subsidiary		
(a) Foshan Chemical Fibre Group of companies						
Foshan Chemical Fibre United Company Limited*	PRC	Rmb 32,933	90%	10%	Limited company	Management and administration
Foshan Tianma Chemical Fibre 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
(b) Yihua Kangqi Group of companies						
Yihua Kangqi Chemical Fibre Company Limited	PRC	Rmb 60,000	95%	–	Limited company	Investment holding and trading of polyester chips and polyester fibre
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

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(b) Yihua Kangqi Group of companies <i>(Continued)</i>						
Yizheng Chemical Fibre Sunan Kangqi Company Limited**	PRC	Rmb 10,000	–	73%	Limited company	Trading
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 Yangzhou 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 (H.K.) Company Limited	Hong Kong	HK\$ 0.1	100%	–	Limited company	Investment holding
(d) Yihua UNIFI Fibre Industry Company Limited	PRC	US\$ 30,000	50%	–	Limited company	Manufacturing and processing of differentiated polyester textile filament products; conducting research in polyethylene textile products; sales of self-produced products; and provision of after-sales services

* The subsidiary, which holds the equity, is Forerunner International Trading (H.K.) Company Limited.

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

*** The subsidiary will be disposed of in 2006.