

Subsidiaries and a Jointly Controlled Entity

Details of the Company's major subsidiaries and jointly controlled entity at 31 December 2006, 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) Yihua Kangqi Group of companies | | | | | | |
| Yihua Kangqi Chemical Fibre Company Limited | PRC | Rmb 60,000 | 100% | - | Limited company | Investment holding and trading of polyester chips and polyester fibre |
| Ningbo Yizheng Chemical Fibre Kangqi Company Limited * | PRC | Rmb 12,000 | - | 75% | 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 | - | 75% | 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 |
| 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 |

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| (a) Yihua Kangqi Group of companies (continued) | | | | | | |
| 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 |
| (b) Forerunner International Trading (H.K.) Company Limited | Hong Kong | HK\$ 0.1 | 100% | – | Limited company | Investment holding |
| (c) Yihua UNIFI Fibre Industry Company Limited | PRC | USD 60,000 | 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 service |

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