

Shenzhen Textile (Holdings) Co., Ltd.
Consolidated Balance Sheet
As of June 30, 2004

	December 2003	June 2004
	RMB'000	RMB'000
Assets		
Non-Current assets		
Real estates, factory buildings and equipment	218107	204078
Investment in real estate	101372	101372
Construction-in-progress	7907	12234
Intangible assets	38	28
Investment in affiliates	28262	29488
Other investments	<u>83102</u>	<u>86353</u>
	438788	433553
Current assets		
Inventories	433553	36525
Accounts receivable	24375	25147
Prepayments, deposits and other receivables	82201	58477
Securities investment	3023	3523
Cash and bank balances	<u>128166</u>	<u>141824</u>
	<u>276518</u>	<u>265496</u>
Total assets	715306	699049
Liabilities and Shareholders' equity		
Capital and reserves		
Share capital	163416	163416
Reserves	<u>188449</u>	<u>202674</u>
	351865	366090
Minority interests	<u>78787</u>	<u>77706</u>
Non-Current liabilities		
Long-term loan	<u>4200</u>	<u>10500</u>
Current liabilities		
Loan at sight or due within 1 year	119100	111600
Accounts payable	17549	16270
Accruals and other payables	120781	96749

Dividends payable	18483	18483
Income tax payable	<u>4541</u>	<u>1651</u>
Total liabilities and shareholders' equity	715306	699049

Shenzhen Textile (Holdings) Co., Ltd.

Consolidated Profit and Loss Statement
As of June 30, 2004

	June 2003	June 2004
	RMB'000	RMB'000
Income	223789	198610
Cost of sales	<u>(182556)</u>	<u>(153428)</u>
Gross profit	41233	45182
Other income	536	190
Selling and administrative expenses	<u>(29752)</u>	<u>(30952)</u>
Operating profit	12017	14420
Negative goodwill amortization	284	284
Investment income (loss)	7153	3945
The profit (loss) attributable to affiliates	(1605)	1167
Financial expenses	<u>(3339)</u>	<u>(2031)</u>
Profit before taxation	14510	17785
Taxation	<u>(724)</u>	<u>(1547)</u>
Profit after taxation	13786	16238
Minority interests	<u>102</u>	<u>(2013)</u>
Net profit for the year	13888	14225
Per share Profit	RMB0.085	RMB0.085

Shenzhen Textile (Holdings) Co., Ltd.
Consolidated Cash Flow Statement
As of June 30, 2004

Cash flow from operating activities		
Operating profit before taxation		17785
Adjustment items :		
Depreciation and amortisation		10827
Loss on disposal of property, plant and equipment		5946
Loss on deemed disposal of subsidiaries		59
Share of profit from associates		(5171)
Income of Negative goodwill amortization		(284)
Interest income		(1131)
Interest expense		2512
Net operating cash inflow before movements in working capital		30543
Decrease in inventories		2228
Increase in accounts receivable		(772)
Decreases in prepayments, deposits and others receivable		23724
Decrease in accounts payable		(1279)
Decrease in others payable and accrued expenses		(24032)
Net Cash inflow from operating activities before interest and tax payments		30412
Income tax paid		(4437)
Interest paid		(2783)
Net Cash inflow from operating activities		<u>23192</u>
Investing activities		
Interest received		1131
Increase of property, plant and equipment		(1514)
Increase in construction-in-progress		(4327)
Returns from associates received		1644

Proceeds from disposal of property, plant and equipment		1118
Increase in amounts due to associates		(6774)
Increase/decrease in Long-term investments		<u>(700)</u>
Net cash inflow/outflow from investing activities		<u>(9422)</u>
Financing activities		
Increase/decrease in bank and other loans		(7500)
Increase/ in minority interests		7388
Net cash outflow from financing activities		<u>(112)</u>
Increase/(decrease) in cash and cash equivalents		<u>13658</u>
Cash and cash equivalents as at beginning of the year		<u>128166</u>
Cash and cash equivalents as at end of the year		<u>141824</u>
Analysis of cash and cash equivalents		
Cash and bank balances		<u>141824</u>