Stock code: 000045, 200045 Stock Abbreviation: Shen Textile A, Shen Textile B
No. of Announcement: 2006-3

Summary of 2005 Annual Report of of Shenzhen Textile (Holdings) Co., Ltd. （B）

§1 Important notes

1.1 The Board of Directors of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof. The summary of this annual report is selected from the annual report. If investors intend to know the detailed contents, they should read the full text of the annual report.

1.2 No director declares inability to warrant or objection to the authenticity, accuracy and completeness of the content of the annual report.

1.3 List of directors failing to attend the meeting

Name of director not present	Reason for not attending the meeting	Name of proxy
Li Jingqiang	Going on business trip	Guan Tongke

1.4 Shenzhen Pengcheng Certified Public Accountants issued unqualified auditor's report with no explanatory notes for the Company.

1.5. Guan Tongke, the person in charge of the Company, Wang Bin, the financial controller and Liu Yi, the person in charge of accounting organ (accounting officer) represent and warrant the financial and accounting report in the annual report is true and complete.

§2 Basic Information

2.1 Basic information

Stock abbreviation	Shen Textile A, Shen Textile B
Stock code	000045, 200045
Stock exchange for listing	Shenzhen Stock Exchange
Registered address and business address	Registered address:6/F, Shenfang Building, No.3 Huaqiang North Road, Futian District, Shenzhen Business address: 6/F, Shenfang Building, No.3 Huaqiang North Road, Futian District, Shenzhen
Post code	Post code of Registered address :518031

	Post code f Business address: :518031
Website	No
E-mail	sztext@szonline.net

2.2 Contact person and contact manner

	Board secretary
Name	Chao Jin
Contact address	6/F, Shenfang Building, No.3 Huaqiang North Road, Futian District, Shenzhen
Tel	83776043
Fax	83776139
E-mail	cjane@mail.china.com

§ 3 Highlights of Accounting Data and Financial Indicators

3.1 Main accounting data

Unit: RMB'000

	2005 (current year)	2004 (previous year)	2003	Increase/decrease (%)
Turnover	392060	448393	451965	-12.56
Before-tax profit	39196	44558	42200	-12.03
Profit for the year	25555	31100	36361	-17.83
	End of 2005 (end of current year)	End of 2004 (end of previous year)	End of 2003	Increase/decrease (%)
	674803	680697	714932	-0.87
Total assets	363831	352983	351865	3.07
Shareholders' equity	26191	39883	5733	-34.33
Net cash inflows from operating activities	26191	39883	5733	-34.33

3.2 Main financial indicators

Unit: RMB'000

	2005 (current year)	2004 (previous year)	2003	Increase/decrease (%)
Earnings per share	0.104	0.127	0.148	-18.11
Return on net assets	7.02	8.81	10.33	-0.20
Net cash inflows per	0.11	0.16	0.04	-31.25

share from operating activities				
	End of 2005 (end of current year)	End of 2004 (end of previous year)	2003	Increase/decrease (%)
Net assets per share	1.48	1.44	2.15	2.78

3.3 Difference of domestic and foreign accounting standards

✓ Applicable☐ Not applicable

Unit: RMB

	Domestic accounting standards	Overseas（international）accounting standards
Net profit	21, 639, 239. 45	25, 555, 000. 00
Notes to difference	Cause of difference: Adjustment made for complying with international accounting standards: Writeback of over-provision for the depreciation of real estate of investment nature 2.346 million The price difference of equity investment in affiliated companies need not amortization 0.689 million Amortization of intangible assets 0.785 million Income from special subsidy shared 0.096 million	

§ 4 Particulars about the Changes of Share Capital and Shareholders

4.1 Schedule of Change in Share Capital

Unit: shares

	Before this change		Increase or decrease this time (+/-)					After this change	
	Quantity	Proportion (%)	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion (%)
I.Non-negotiable shares	162,360,000	66.24%						162,360,000	66.24%
1.Promoter’s shares	162,360,000	66.24%						162,360,000	66.24%
Including：									

State-owned shares	162,360,000	66.24%						162,360,000	66.24%
Domestic corporate shares									
Overseas corporate shares									
Other									
2.Raised corporate shares									
3.Staff share									
4.Preferred shares or others									
II. Negotiable shares									
1.RMB common shares	33,264,000	13.57%						33,264,000	13.57%
Of which : senior executive shares	100,800	0.04%						100,800	0.04%
2.Domestically listed foreign investments shares	49,500,000	20.19%						49,500,000	20.19%
3.Overseas listed foreign investment shares									
4.Other									
III. Total shares	245,124,000	100%						245,124,000	100%

4.2 The total number of shareholders and the statement of shareholding of the top ten shareholders holding negotiable shares Table of shareholding of the top ten shareholders

Total number of shareholders at the end of the report period	18649				
Particulars about the shareholding of the top ten shareholders					
Name of shareholder	Nature of shareholder	Shareholding ratio	Total quantity of shares held	Quantity of non-negotiable shares held	Quantity of pledged or frozen shares
Shenzhen Investment Management Co., Ltd.	State-owned shareholder	66. 24%	162, 360, 000	162, 360, 000	7, 000, 000
Zhuang Wenxia	A	0. 32%	775, 000	0	0
Yang Jian	A	0. 27%	668, 721	0	0
ICTOR ONWARD PRINTING & DYEING （HK）	B	0. 23%	555, 000	0	0

CO. LTD					
ABN AMRO BANK NV	B	0. 20%	498, 400	0	0
Wang Jun	A	0. 17%	412, 400	0	0
Xu Meijun	A	0. 16%	400, 000	0	0
Liu Jinqun	B	0. 16%	400, 000	0	0
DBS VICKERS （HONGKONG） LTD A/C CLIENTS	B	0. 16%	389, 985	0	0
Zhu Qianyin	A	0. 14%	338, 690	0	0

Particulars about the shareholding of the top ten shareholders holding negotiable shares		
Name of shareholder	Quantity of negotiable shares held	Type of share
Zhuang Wenxia	775000	A
Yang Jian	668721	A
VICTOR ONWARD PRINTING & DYEING （HK） CO. LTD	555000	B
ABN AMRO BANK NV	498400	B
Wang Jun	412400	A
Xu Meijun	400000	A
Liu Jinqun	400000	B
DBS VICKERS （HONGKONG） LTD A/C CLIENTS	389985	B
Zhu Qianyin	338690	A
WU， KIN YEUK	316055	B
Notes to the related relationship between the top ten shareholders or their concerted action	The Company did not know whether the above shareholding of the top ten Negotiable shareholders had relation.	

4.3 Introduction of the controlling shareholder and actual controller

4.3.1 Change of the controlling shareholder and actual controller

□Applicable √Not applicable

4.3.2 Particulars about the controlling shareholder and other actual controller

The shares held by :Shenzhen Investment Holding Co., Ltd. Legal representative:Chen Hongbo, Date of establishment: October 13, 2004; Registered capital: RMB 1 billion. It is a solely state-owned company in Shenzhen. Business scope: Providing guarantee to municipal state-owned enterprises, managing state-owned equity of enterprises other than those directly supervised by Municipal State-owned Assets Commission, conducting asset reorganization, system transformation and capital operation of affiliated enterprises, making investment and doing other businesses authorized by the Municipal State-owned Assets Commission. The controlling shareholder of the Company remained unchanged in the report period. National Assets Regulatory

Commission of Shenzhen Municipal People's Government is the actual controller of the Company.

4.3.3 The chart of property right relationship between the Company and its actual controller:

National Assets Regulatory Commission of Shenzhen Municipal People's Government

↓ 100%

Shenzhen Investment Holding Co., Ltd.

↓ 66.24%

Shenzhen Textile (Holdings) Co., Ltd.

§ 5 Directors, Supervisors and Senior Executives

5.1 Change of Shareholdings of Directors, Supervisors and Senior Executives

Name	Title	Sex	Age	Date of starting and ending	Shares held at year-beginning	Shares held at year-end	Reason for change	Receiving remuneration form the company in reporting term (RMB'0000)	Whether receiving remuneration or subsidy
Guan Tongke	Board chairman	Male	58	2003.6.30—2006.6.29	55,800	55,800		44.6	No
Wang Bin	Director, General Manag	**Male**	36	2005.5.28—2006.6.29	0	0		43.0	No
Li Jingqiang	Director	Male	53	2003.6.30—2006.6.29	45,000	45,000		33.7	No
Yang Jichao	Independent director	Male	51	2003.6.30—2006.6.29	0	0		5.00	Yes
Liu Xiangqing	Independent director	Male	44	2003.6.30—2006.6.29	0	0		5.00	Yes
Huang Hui	Independent director	Male	41	2003.6.30—2006.6.29	0	0		5.00	Yes
Gao Zhuofu	Chairman of Supervisor	Male	53	2003.6.30—2006.6.29	0	0		37.9	No

	y Committee								
Zhou Mei Rong	Supervisor	Female	48	2005.4.5—2006.6.29	0	0		28.9	No
Song Gongli	Supervisor	Male	50	2005.6.29-2006.6.29	0	0		0.00	Yes
Zhou Dadong	Deputy GM	Male	59	2003.7.30-2006.6.29	0	0		31.5	No
Feng Junbin	Deputy GM	Male	43	2003.7.30-2006.6.29	0	0		29.30	No
Zhu Jun	Deputy GM	Male	42	2003.7.30-2006.6.29	0	0		28.90	No
Gao Guoshi	Deputy GM	Male	52	2005.5.28-2006.6.29				16.7	No
Chao Jin	Secretary to the board of directors	Female	43	2003.6.30—2006.6.29				26.2	No
Liu Yi	Deputy chief accountant	Male	52	2003.6.30—2006.6.29				25.3	No
Total	-	-	–	–		100,800	100,800	361.00	–

§ 6 Report of the Board of Directors

6.1 Discussion and analysis of the overall operation status in the report period

The Company is mainly engaged in the production, import and export trade of textiles, garments and relevant products and sidelines in property lease, warehousing, real estate development, hotel business and manufacturing of optoelectronic devices. In 2005, both production and sales of the Company's high-tech products and products with high added value throve. The property occupancy rate was enhanced. Trade business was unfavorably affected by the appreciation of RMB. The income in the year was RMB 392.06 million, a year-on-year decrease of 12.56%. The net profit was RMB 25.555 million, a year-on-year decrease of 17.83% mainly due to the reduction of profit from trade business.

Industry: In the report period，the income of the Company from manufacturing industry was RMB 194.9397 million, a year-on-year decrease of 0.12%. The total profit from industry was RMB 18.4318 million, a year-on-year increase of 11.63% mainly due to the strengthening of development and promotion of new products by high-tech enterprises.

Trade: In the report period，the income of the Company from trade was RMB 172.2115 million, a year-on-year decrease of 22.48%. The total profit from trade was RMB 7.5918 million, a year-on-year decrease of 51.04% mainly due to the reduction of profit margin of export trade enterprises caused by textile product trade friction between China and U.S. and between China and Europe and the rise in RMB exchange rate.

Property lease and hotel business: The Company owns Shenfang Building and other properties including commercial stalls, factory buildings, office buildings and warehouses for lease. In the report period， the income of the Company from property lease, warehousing and hotel business was RMB 50.7794 million, a year-on-year increase of 1.23%. The total profit was RMB 9.1524 million, a year-on-year increase of 15.13% mainly due to the rise in property occupancy rate.

The profitability of the Company's main operations in the report period rose over the previous report period mainly because industrial enterprises actively promoted new product sales and both production and marketing of high-tech products and products with high added value throve. The gross profit rate rose by 1.98% over the same period of the previous year.

6.2 Table of the status of key business in terms of line of business or product

Unit: RMB'0000

The Status of key business in terms of line of business						
In terms of line of business or product	Income from key business	Cost of key business	Income from key business	Cost of key business	Increase/decrease of cost (%)	Increase/decrease of gross profit rate (%)
Domestic and foreign trade	17,221.15	16,400.23	1.05%	-22.48%	-19.94%	-86.50%
Manufacturing industry	19,317.12	15,705.89	1.23%	-1.03%	-2.52%	-92.95%
Property management and lease	5,254.79	0.00	100.00%	4.76%	0.00%	0.00%
The Status of key business in terms of product business						
Polarizer sheet for LCD	6,285.74	4,654.50	25.95%	21.20%	17.38%	8.99%
Fully-shaped knitted garment	3,617.53	2,575.73	28.80%	10.36%	12.14%	-3.78%

6.3 The status of key business in terms of areas

Unit: RMB'0000

Area	Income from key business	Increase/decrease of income (%)
National business	17,787.97	-32.35%
Foreign business	24,005.09	17.36%
Industrial elimination	-2,587.03	

6.4 Raised funds use

☐applicable✓not applicable

Change Item

☐applicable✓not applicable

6.5 Investment projects utilizing non-raised funds:

✓applicable☐not applicable

Unit:RMB'0000

Project name	Project amount	Project progress	Income from project
Phase-II polarizer sheet project	2,474.50	100%	0
Total	2,474.50	–	–

6.6 Explanation of the board of directors to the "nonstandard opinions"

☐ applicable✓ not applicable

6.7 The preplan of the board of directors for profit distribution or capitalization of capital common reserve fund

✓ applicable ☐not applicable

As required in the articles of association of the Company, the Company is to appropriate 10% and 5% of its net profit for 2005 (RMB 22,645,372.05), i.e., RMB 2,264,537.20and RMB 1,132,268.60, respectively for statutory common reserve fund and statutory public welfare fund. With the existing total share capital of the Company, i.e., 245,124,000 shares, as the base, the Company is to pay dividend of RMB 0.5 (including tax) to all shareholders for every 10 shares. RMB 12,256,200.0 is to be distributed in total. The remaining undistributed profit of RMB 5,986,233.65 is to be carried forward to the next year. The Company is not to capitalize its capital surplus.

The Company made profit in the report period but did not make cash profit distribution preplan.

☐ applicable✓ not applicable

§7 Important Events

7.1 Asset acquisition

☐ Applicable√ Not applicable

7.2 Disposal of assets

☐ Applicable√ Not applicable

7.3 Material guarantee

√Applicable☐ Not applicable

Unit: (RMB'0000)

Guarantees provided by the Company (not including the guarantees provided to controlled subsidiaries)						
Name of object of guarantee	Date of guarantee creation (Date of agreement signing)	Amount of guarantee	Type of guarantee	Guarantee period	Whether terminated	Whether provided to related parties (Yes or no)

Shenzhen Beauty Century Garment Co., Ltd.	July 16, 2005	1,000.00	Joint liability guarantee	1 year	No	No

Total amount of guarantee in the report period	1,000.00
Total balance of guarantee at the end of the report period	1,000.00
Guarantees provided by the Company to its controlled subsidiaries	
Total amount of guarantees provided to controlled subsidiaries in the report period	1,000.00
Total balance of guarantees provided to controlled subsidiaries at the end of the report period	0.00
Total amount of guarantees provided by the Company (including the guarantees provided to controlled subsidiaries)	
Total amount of guarantee	1,000.00
The proportion of the total amount of guarantees to the net assets of the Company	2.91%
Of which:	
Guarantees provided by the Company in violation of regulations	
The amount of guarantee provided to shareholders, actual controller and its related parties	0.00
The amount of debt guarantees directly or indirectly provided to the object of guarantee whose assets-liabilities ratio exceeds 70%	0.00
The amount of guarantee that exceeds 50% of net assets	
Total amount of the above three guarantees	0.00

7.4 Particulars of related transactions

7.4.1 Related sales and purchases

✓applicable☐not applicable

Unit: RMB million

Related party	Sales of products and rendering of services to related parties		Purchases of products and acceptance of services from related parties	
	Transaction amount	The proportion of transaction amount to total amount of similar transactions	Transaction amount	The proportion of transaction amount to total amount of similar transactions
Shenzhen	1, 576. 82	8. 16%	0. 00	0. 00%

Tianlong Industrial and Trading Co., Ltd.				
Total	1,576.82	8.16%	0.00	0.00%

Of which: The total amount of product sales or rendering of services of the Company to its controlling shareholder and subsidiaries was RMB0.00 million in the report period.

7.4.2 Related creditor's rights and debts

√applicable□not applicable

Unit: RMB 0000

Related party	Financing to related party		Financing of related party to the Company	
	Transaction amount	Balance	Transaction amount	Balance
Shenzhen Shenhu Knitting Co., Ltd.	0.00	267.46	0.00	0.00%
Shenzhen Xiangjiang Leather Product Co., Ltd.	-19.00	19.00	0.00	0.00%
Hong Kong Yehui International Co., Ltd.	-231.00	0.00	0.00%	0.00%
Total	-250.00	286.46	0.00%	0.00%

Of which: The Company provided funds of RMB 0.00 million to its controlling shareholder and subsidiaries in the report period. The balance of the funds provided by the Company to them was RMB 0.00 million.

The capital occupation and refundment

□applicable√not applicable

Whether the debt settlement plan can ensure the thorough settlement of fund occupation problem before the end of 2006

□applicable√not applicable

7.5 Entrusted asset management

□ Applicable □√ Not applicable

7.6 Performance of commitments

□ Applicable√ Not applicable

7.6.1 Schedule of share holding structure reform

Shenzhen Investment Holding Co., Ltd., the shareholder holding non-negotiable shares of the Company, promised to start the share holding structure reform of the Company before June 30, 2006.

7.6.2 Other Commitments

□applicable✓not applicable

7.7 Significant litigation or arbitration

□applicable✓not applicable

§ 8 Report of the Supervisory Committee

✓ applicable□ not applicable

In the report period， the supervisory committee of the Company duly performed its supervision duties and carried out effective supervision strictly according to the provisions of the Company Law and the Articles of Association of the Company.

I. The meetings of the supervisory committee in the report period

1. On April 16, 2005, the 8th meeting of the third supervisory committee examined and adopted the report of the Company for 2004 and its summary, final accounting report, profit distribution preplan and the report for the first quarter. It adopted the work report of the supervisory committee for 2004 and the proposal for nominating Mr. Song Gongli as the candidate for supervisor of the supervisory committee of the Company and submitted it to 2004 annual shareholders' general meeting of the Company for examination.

2. On May 27, 2005, the 9th meeting of the third supervisory committee examined and comprehensively revised the rules of procedure of the supervisory committee of the Company and submitted it to the shareholders' general meeting of the Company for examination.

3. On October 26, 2005, the 10th meeting of the third supervisory committee examined and adopted 2005 semiannual report of the Company and its summary and the profit distribution plan of the Company for the first half of 2005.

4. On December 24, 2004, the 11th meeting of the third supervisory committee examined and adopted the report for the third quarter of 2005.

II. Opinions of the supervisory committee on other matters

1.The operation of the Company according to law: In the report year, the members of the supervisory committee attended all board meetings of the Company as nonvoting delegates. In the opinion of the supervisory committee, the Company constantly improved and implemented internal control system, the decision-making procedures were standardized and legal, the directors and members of the management of the Company worked diligently and practiced self discipline and no act of violating laws and regulations or the Articles of Association of the Company or harming the interests of the Company.

2. The inspection of the financial affair of the Company: The supervisory committee held the opinion that the Company strictly implemented national finance laws and regulations and its financial statements completely and truly reflected the Company's financial position and operating

results. The audit body issued unqualified auditors' report for the Company.

3. The Company neither raised funds nor was involved in acquisition activities in the report period.

4. The related transactions of the Company had small volume and were carried out according to the principle of fairness in the report period.

§ 9 Financial Report

9.1 Audit opinions

Audit opinions: Standard unqualified audit opinions

9．2 Financial Statements

Shenzhen Textile (Holdings) Co., Ltd.
Consolidated income statement for the year ended December 31, 2005

	Notes	2005 RMB'000	2004 RMB'000
Turnover	(5)	392,060	448,393
Cost of sales		(296,232)	(348,398)
Gross profit		95,828	99,995
Other revenue	(7)	2,542	3,870
Other net income	(8)	1,099	3,809
Income from investments	(9)	1,974	3,880
Distribution costs		(17,306)	(18,117)
Administrative expenses		(38,516)	(37,362)
Other operating expenses		( )	(6,305)
Operating profit		43,586	49,770
Share of profit from associates		2,038	1,913
Finance costs	(10)	(6,428)	(7,125)
Profit before taxation	(11)	39,196	44,558
Income tax	(12)	(4,479)	(4,774)
Profit for the year		34,717	39,784
Attributable to:			
Equity holders of the parent		25,555	31,100
Share of profit for minority interests		9,162	8,684
Profit attributable to shareholders		34,717	39,784
Profit per share to equity holders of the parent - basic	(13)	RMB0.104	RMB0.127

Shenzhen Textile (Holdings) Co., Ltd.

Consolidated balance sheet as at December 31, 2005

	Notes	2005 RMB'000	2004 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	(14)	207,591	214,623
Investment properties	(15)	101,372	101,372
Land use rights - non-current portion	(16)	3,394	761
Construction-in-progress	(17)	41,846	18,470
Intangible assets	(18)	31	34
Interests in associates	(19)	45,986	43,697
Other investments	(20)	41,771	45,193
		441,991	424,150
Current assets			
Land use rights - current portion	(16)	535	215
Inventories	(21)	58,440	55,161
Accounts receivable	(22)	50,874	36,931
Bills receivable		1,345	-
Prepayments, deposits and others receivable	(23)	49,673	40,236
Investments in securities	(24)	1,641	2,744
Cash and bank balances		70,304	121,260
		232,812	256,547
Total assets		674,803	680,697

Shenzhen Textile (Holdings) Co., Ltd.
Consolidated balance sheet as at December 31, 2005

(cont'd)

	Notes	2005 RMB'000	2004 RMB'000
Equity and liabilities			
Capital and reserves			
Share capital	(25)	245,124	245,124
Reserves		118,707	107,859
Equity attributable to equity holders of the parent		363,831	352,983
Minority interests	(26)	95,654	89,590
Total equity			
Non-current liability			
Long-term loans, non-current portion	(27)	4,000	4,200

Current liabilities			
Long-term loans, current portion	(27)	78,670	101,323
Accounts payable		28,033	22,642
Others payable and accrued expenses		86,318	88,510
Dividend payable	(28)	15,910	18,483
Provision for taxation		2,387	2,966
		211,318	233,924
Total equity and liabilities		674,803	680,697

Shenzhen Textile (Holdings) Co., Ltd.
Consolidated cash flow statement for the year ended December 31, 2005

	2005 RMB'000	**2004 RMB'000**
Cash flow from operating activities		
Operating profit before taxation	39,196	44,558
Adjustment items :		
Depreciation and amortization	17,412	20,658
(Profit)/loss on disposal of property, plant and equipment	88	(509)
Profit from changes in equity interest of existing subsidiaries	-	(444)
Share of profit from associates	(2,038)	(1,913)
Profit on disposal of investments in securities	(16)	(779)
Provision for impairment loss		
- unconsolidated subsidiaries	44	1,421
- investments in securities	83	163
Provision for diminution in value of inventories	63	55
Provision for doubtful debts made/(reversed)	809	(1,079)
Amortization of negative goodwill	-	(567)
Interest income	(2,093)	(2,553)
Interest expense	5,461	6,456
Net operating cash inflow before movements in working capital	59,009	65,467
Increase in inventories	(3,342)	(16,463)
Increase in accounts receivable	(14,752)	(12,683)
Increase in bills receivable	(1,345)	-
(Increase)/decrease in prepayments, deposits and others receivable	(6,059)	43,171
Increase in accounts payable	5,391	5,093
Decrease in others payable and accrued expenses	(1,809)	(31,653)
Cash inflow from operating activities before interest and tax payments	37,093	52,932
Income tax paid	(5,058)	(6,349)
Interest paid	(5,844)	(6,700)
Net cash inflow from operating activities c/f	26,191	39,883

Shenzhen Textile (Holdings) Co., Ltd.
Consolidated cash flow statement for the year ended December 31, 2005

(cont'd)

	Notes	2005 RMB'000	2004 RMB'000
Net cash inflow from operating activities b/f		26,191	39,883
Investing activities			
Interest received		2,093	2,553
Purchases of property, plant and equipment		(6,875)	(23,772)
Purchases of land use rights		(3,488)	-
Increase in construction-in-progress		(28,331)	(10,563)
Proceeds from disposal of property, plant and equipment		100	6,135
Proceeds from disposal on construction-in-progress		1,800	-
Returns from associates received		2,314	2,248
(Increase)/decrease in amounts due from associates		(1,832)	2,151
Decrease in amounts due to associates		(733)	(710)
Increase in other investments		-	(1,880)
Proceeds from disposal of other investments and investments in securities		2,652	22,814
Increase in investments in securities		(1,616)	(1,136)
Net cash outflow from investing activities		(33,916)	(2,160)
Net cash inflow/(outflow) before financing activities		(7,725)	37,723
Financing activities			
Dividend paid		(17,280)	(29,415)
Decrease in bank and other loans	(29)	(22,853)	(17,777)
Increase/(decrease) in minority interests	(29)	(3,098)	2,563
Net cash outflow from financing activities		(43,231)	(44,629)
Decrease in cash and cash equivalents		(50,956)	(6,906)
Cash and cash equivalents as at beginning of the year		121,260	128,166
Cash and cash equivalents as at end of the year		70,304	121,260
Cash and cash equivalents as at end of the year are represented by :			
Cash and bank balances		70,304	121,260

9.3 Compared with the annual report of the previous year, the change of accounting policies and accounting estimate and the correction of accounting errors did not occur in this report period.

□ applicable✓ not applicable

9.4 Content of significant accounting, amount of correction, reasons and its influence

□ applicable✓ not applicable

9. 5 The consolidation scope of this report period remained unchanged compared with the annual report of the previous year.

□ applicable✓ not applicable

The Board of Directors of Shenzhen Textile (Holdings) Co., Ltd.

April 11, 2006