Stock Code: 000045, 200045 Stock Abbreviation: Shen Textile A, Shen Textile B

Announcement No.: 2006-9

Announcement of Dividend Distribution of Shenzhen Textile (Holdings) Co., Ltd.

The Company and all members of its board of directors hereby guarantee that the content of the announcement is real, accurate and complete and shall assume joint and several liability for any false record, misleading representation or material omissions therein.

The plan for profit distribution of Shenzhen Textile (Holdings) Co., Ltd. ("the Company") for 2005 has been examined and adopted by 2005 annual shareholders' general meeting held on May 30, 2006. The resolution for 2005 annual shareholders' general meeting held had been printed by Securities Times and Hong Kong Commercial Daily and Juchao Consultation (http://www.cninfo.com) on May 31, 2006.The matters concerning dividend distribution are hereby announced as follows:

I. Plan for dividend distribution for 2005

The plan for dividend distribution of the Company for 2005: The Company plans to distribute cash dividends of RMB 0.5 (including tax) to all shareholders for every 10 shares with its total share capital, i.e., 245,124,000 shares, as the base and not to capitalize capital surplus.

According to the provisions of relevant national tax law, the Company will withhold the income tax payable by individual public shares. After the deduction of taxes, cash dividends of RMB 0.45 for every 10 shares are to be paid to A shares individual shareholders and investment funds holding public shares. For the shareholders of B shares, no tax will be deducted. Cash of RMB 0.5 will be paid for every 10 B shares.

According to the provisions of the Articles of Association of the Company, the cash dividends for B shares will be converted in Hong Kong dollar at the median of base exchange rate published by People's Bank of China on the first working day after the date of resolution of 2005 annual shareholders' general meeting of the Company (May 31) (HKD 1 = RMB 1.0336) for payment.

II. Stock right registration date and ex-dividend date

1. The stock right registration date for A shares is July 18, 2006 and the ex-dividend date is July 19, 2006.
2. The last trading day of B shares is July 18, 2006 and the ex-dividend date is July 19, 2006. The stock right registration date for B shares is July 21, 2006.

III. Objects of dividend distribution

1. The shareholders of A shares of the Company registered with China Securities Registration & Settlement Co., Ltd. Shenzhen Branch after the closing of Shenzhen Stock Exchange in the afternoon of July 18, 2006.

2. The shareholders of B shares of the Company registered with China Securities Registration & Settlement Co., Ltd. Shenzhen Branch after the closing of Shenzhen Stock Exchange in the afternoon of July 21, 2006 (The last trading day is July 18, 2006).

IV. Method of dividend distribution

1. The cash dividends for public A shares are to be directly transferred into the financing account of shareholders through trusted securities companies on July 19, 2006.

2. The cash dividends for shareholders of B shares are to be transferred into their capital accounts through trusted securities companies or trusted banks on July 21, 2006. If shareholders of B shares settle the procedure of trust transfer for B shares of Shen Textile on July 21, 2006, they will still receive their cash dividends at the original trusted securities companies or trusted banks.

3. The cash dividends for the shareholders holding state-owned legal person shares and shareholders who are senior executives are to be directly paid by the Company.

V. Matters concerning consultation:

Consultative body: Secretariat of the board of directors of the Company
Address: 6/F, Shenfang Building, 3 Huaqiang North Road, Futian District, Shenzhen

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

July 13, 2006