Stock code: 200045 Stock Abbreviation: Shen Textile B Announcement No.: 2007-20

Shenzhen Textile (Holding) Co., Ltd.

Summary of the Semi-Annual Report 2007 (B)

§ 1 Important notes

1.1 The board of directors and directors of the Company hereby guarantees that there are no false records, 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.

This summary of the semi-annual report is extracted from the full text of the semi-annual report. The full text of the report was published on www.cninfo.com.cn simultaneously. Investors should read the full text of the semi-annual report carefully to know the details.

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

1.3 All the directors attended the board meeting.

1.4 The financial report of this report period has not been audited.

1.5 Wang Bin, the person in charge of the Company, Zhu Jun, the financial controller and Liu Yi, the person in charge of accounting organ represent and warrant the financial and accounting report in the semi-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
	Board secretary
Name	Chao Jin
Contact address	6/F, Shenfang Building, No.3 Huaqiang North Road, Futian District, Shenzhen
Tel	0755-83776043
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E-mail	cjane@mail.china.com

2.2 Highlights of financial data and indicators

2.2.1 Highlights of financial data and indicators (Calculated pursuant to international accounting standards: RMB'000)

	June 2007	June 2006	Increase/Decreased（%）
Turnover	221,786	260,635	-14.91
Before-tax profit	52,866	11,171	373.24
Profit for the year	52,042	10,221	409.17
Shareholder profit to the owners of parent company	50,721	8,090	526.96
Profit per share of parent company	0.207	0.033	527.27
Cash flow generated by business operation, net	-13,678	10,784	-226.84
Return of shareholder equity to the owners of parent company %	12.31	2.24	Increase 10.07%
	June 2007	December 2006	Increase/Decreased（%）
Total assets	715,944	677,685	5.65
Shareholder equity to the owners of parent company	411,976	361,255	14.04

2.2.2 Difference of domestic and foreign accounting standards

✓ Applicable□ Not applicable

Unit: RMB'0000

	Domestic accounting standards	Overseas（international）accounting standards
Net profit	537.0	5,072.1
Net Asset	39,279.8	41,197.6
Notes to difference	**The reason for generating net profit difference: Writeback of excessive provision of RMB 1.173 million for depreciation of real estate for investment pursuant to international accounting standards, no need of amortization of RMB 0.738 million for intangible assets, profit of RMB 45.348 million generated by the circulation approval of the shares subject to sale restriction and welfare of - RMB 1.908 million for dismissal of employees. The reason for generating net assets difference: Writeback of excessive provision of RMB 26.355 million for depreciation of real estate for investment pursuant to international accounting standards, amortization of RMB 0.593 million for intangible assets, no need of amortization of RMB 1.378 million for price difference of equity investment in affiliated companies, no need of calculation of deferred income tax assets of RMB 6.054 million for previous years and welfare of RMB - 1.908 million for employee dismissal.**	

§ 3 Particulars about the Changes of Share Capital and Shareholders

3．1. Schedule of Change in Share Capital

□Applicable ✓Not applicable

3.2 Top 10 shareholders and Top 10 holders of unconditional shares **Unit：shares**

Total number of shareholders					21,862
Particulars about the shareholding of the top ten shareholders					
Name of the shareholder	Properties of shareholder	Share proportion %	Total shares	Conditional shares	Pledged or frozen
Shenzhen Investment Management Co., Ltd.	State-owned legal person shares	60.67%	148,721,740	148,721,740	31,000,000
YEUNG,WING YEE	Foreign naturalperson	0.61%	1,490,451	0	0
Zheng Chuangjian	Foreign naturalperson	0.29%	721,850	0	0
HSBC BROKING SECURITIES (ASIA) LIMITED-CLIENTS A/C	Foreign legal person	0.29%	700,000	0	0
Lai Yuping	Foreign naturalperson	0.27%	660,000	0	0
Liu Hong	Foreign legal person	0.24%	590,000	0	0
Zhou Xiaopeng	Foreign naturalperson	0.22%	528,700	0	0
VICTORONWARDPRINTING＆DYEING（HK）CO.LTD	Foreign legal person	0.19%	455,000	0	0
Lang Zhenghai	Foreign naturalperson	0.12%	300,800	0	0
Xu Taiming	Foreign naturalperson	0.11%	281,000	0	0

Top 10 holders of unconditional shares		
Name of the shareholder	Unconditional shares	Type of shares
YEUNG,WING YEE	1,490,451	Foreign shares placed in domestic exchange
Zheng Chuangjian	721,850	Foreign shares placed in domestic exchange
HSBC HSBC BROKING SECURITIES (ASIA)	700,000	Foreign shares placed in domestic

LIMITED-CLIENTS A/C		exchange
Lai Yuping	660,000	RMB Common shares
Liu Hong	590,000	Foreign shares placed in domestic exchange
Zhou Xiaoping	528,700	RMB Common shares
VICTORONWARDPRINTING＆DYEING（HK）CO.LTD	455,000	Foreign shares placed in domestic exchange
Lang Zhenghai	300,800	RMB Common shares
Xu Taiming	281,000	RMB Common shares
Wang Feifei	260,150	Foreign shares placed in domestic exchange
Notes to the related relationship between the shareholders or their concerted action	In the above table, there is no relationship between the shareholder holding state-owned legal person shares and other shareholders. Whether there is relationship between holders of public shares is unknown. The Company does not know whether there is related relation between social public shareholders or whether they are persons taking concerted action defined in Regulations on Disclosure of Information about Shareholding of Shareholders of Listed Companies.	

3.3 Change of the controlling shareholder and actual controller

☐ Applicable √ Not applicable

§ 4 Particulars about Directors, Supervisors and Senior Executives

4.1 Change of Shareholding of Directors, Supervisors and Senior Executives

☐ Applicable √ Not applicable

Future shares and conditional shares hold by or granted to the above persons.

☐ Applicable √ Not applicable

§ 5 Report of the Board of Directors

5.1 Table of the status of key business in terms of line of business and product

Unit：RMB'0000

The Status of key business in terms of industry of business						
On industry or production	Income from key business	Cost of key business	Key business profit ratio（％）	Increase/decrease of key business turnover（％）	Increase/decrease of key business cost（％）	Change of key business profit over the same period of last year（％）

Domestic and foreign trade	8,921.79	8,895.45	0.30%	-38.53%	-38.02%	-73.21%
Manufacturing industry	10,550.41	9,165.14	13.13%	12.93%	19.93%	-40.99%
Property management and lease	2,963.56	0.00	0.00%	12.02%	0.00%	0.00%
The Status of key business in terms of product business						
Polarizer sheet for LCD	4,331.38	3,603.89	16.80%	15.69%	25.88%	-28.60%
Yarn and silk thread	2,828.13	2,601.89	8.00%	44.28%	47.23%	-18.70%

Of which: The total amount of product sales or rendering of services of the Company to its controlling shareholder and subsidiaries was RMB 0.00 million in the report period.

5.2 The status of key business in terms of areas

Unit：RMB’0000

Area	Income from key business	Increase/decrease of income (%)
Domestic business income	10,877.71	21.80%
Foreign business income	11,760.79	-33.07%
counteract inside	-257.13	-41.41%

5.3 Reasons for the material change of key business and its structure

□Applicable √ Not applicable

5.4 Reasons for the material change of the profitability (gross profit rate) of the key business compared with the previous year

□ Applicable √ Not applicable

5.5 Analysis of the reasons for the material change of profit structure compared with the previous year

□ Applicable √ Not applicable

5.6 Utilization of raised funds

5.6.1 Utilization of raised funds

□ Applicable √ Not applicable

5.6.2 Change Item

□applicable✓not applicable

5.7 The plan of the board of directors for revising the operation plan for the second half-year

□ Applicable √ Not applicable

5.8 The warning of possible losses for the period from the beginning of the year to the end of the next report period on accumulative basis or great change of accumulative net profit compared with the same period of the previous year and the explanation of reasons

☐ Applicable √ Not applicable

5.9 Explanation of the management of the Company to the "nonstandard opinions" given by certified public accountants in this report period.

☐ Applicable √ Not applicable

5.10 Explanation of the management of the Company to the change and the status of handling of the matters concerning the "nonstandard opinions" given in the previous year.

☐ Applicable √ Not applicable

§ 6 Important Events

6.1 Acquisition or disposal of assets and asset reorganization

6.1.1 Acquisition or swap in of assets

☐ Applicable √ Not applicable

6.1.3 The progress of the event after the publishing of asset reorganization report or announcement of acquisition or disposal of assets and its influence on the operating results and financial status for the report period.

☐ Applicable √ Not applicable

☐ 6.2 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)
Total amount of guarantee in the report		0.00				
Total balance of guarantee in the report（A）		0.00				
Guarantees provided by the Company to its controlled subsidiaries						
Total amount of guarantees provided to controlled subsidiaries in the report period		1,500.00				
Total balance of guarantees provided to controlled subsidiaries at the end of the report period（B）		1,500.00				
Total amount of guarantees provided by the company (including the guarantees provided to controlled subsidiaries)						
Total amount of guarantee（A+B）		1,500.00				
The proportion of total amount of guarantees to the net assets of the Company		3.82%				
Of which ：						

Guarantees provided to the shareholders, substantial controllers and the related parties(C)	0.00
Guarantees provided to objects with over70%in liability/capital rate, directly or indirectly(D)	0.00
Amount of guarantee over50％ of the net asset（E）	0.00
Total （C+D+E）	1,500.00

6.3 Credits/Debts with Related Parties

√ Applicable □ Not applicable

Unit：RMB’0000

Name of related party	Financing to related party		Financing of related party to the Company	
	Transaction amount	Balance	Transaction amount	Balance
Shenzhen Investment Holding Co., Ltd.	0.00	0.00	-1,072.80	1,786.00
Shenzhen Tianlong Industrial and Trading Co., Ltd.	76.67	376.99	0.00	0.00
Hongkong Yehui International Co., Ltd.	0.41	0.41	-35.27	0.00
Shenzhen Xinfang Knitting Co., Ltd.	0.00	0.00	-156.58	3.67
Shenzhen Changlianfa Printing & dyeing Co., Ltd.	0.00	0.00	-1.87	50.89
Shenzhen Fengsheng Costume Co., Ltd.	0.00	0.00	0.00	136.92
Total	77.08	377.40	-1,266.52	1,977.48

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.

6.4 Material lawsuits and arbitration

□ Applicable √ Not applicable

6.5 Other important events, their influence and analysis of solutions

□ Applicable √ Not applicable

6.5.1 Stock investment

□ Applicable √ Not applicable

6.5.2 Shareholding in other listed companies

√ Applicable □Not applicable

Unit：RMB'000

Stock Code	Stock abbreviation	Initial investment	Share portion	Book value at the end of term	Gain/loss of the report term	Change of owners' equity in the report term
000018	Shenzhen Victor Onward	26,433	13.12%	69,417	42,984	42,984
Total		26,433	13.12%	69,417	42,984	42,984

☐ Applicable √ Not applicable

6.5.3 Shareholding in non-listed financial enterprises and enterprises which is going to be listed

√ Applicable □Not applicable

6.6 The registration form of acceptance of investigation, communication and interview in the report period for future reference

Time of reception	Place of reception	Mode of reception	Visitor	Main content of discussion and main materials provided
January –June 2007	The meeting room on 6/F of Shenfang Building	Visit and phone call	Personal investors	The operation status and development prospect of the Company and provision of 2006 annual report of the Company

§ 7 Financial Report

7.1 Auditor's Opinion

√ Not audited ☐Audited

7.2 Financial Statements

7.2.1 Consolidated income statement

Shenzhen Textile (Holdings) Co., Ltd.

Consolidated income statement for the year ended June 30, 2007

	Notes	June,2007 RMB'000	June,2006 RMB'000

Turnover		221,786	260,635
Cost of sales		(178,898)	(215,563)
Gross profit		42,888	45,072
Other revenue		491	597
Other net income		1,076	1,128
Income from investments		47,610	1,839
Distribution costs		(9,562)	(10,490)
Administrative expenses		(26,048)	(25,971)
Other operating expenses		(16)	(19)
Operating profit		56,439	12,156
Share of profit/(loss) from associates		(165)	1,369
Finance costs		(3,408)	(2,354)
Profit before taxation		52,866	11,171
Income tax		(824)	(950)
Profit for the year		52,042	10,221
Attributable to:			
Equity holders of the parent		50,721	8,090
Share of profit for minority interests		1,321	2,131
Profit attributable to shareholders		52,042	10,221
Profit per share to equity holders of the parent - basic	(13)	RMB0.207	RMB0.033

7.2.2 Consolidated balance sheet

Shenzhen Textile (Holdings) Co., Ltd.

Consolidated balance sheet as at June 30, 2007

	Notes	June,2007 RMB'000	Dec.,2006 RMB'000
Assets			
Non-current assets			
Property, plant and equipment		250,884	258,624
Investment properties		101,372	101,372
Land use rights - non-current portion		6,513	6,604
Construction-in-progress		13,350	2,580
Intangible assets		25	27
Goodwill		2,291	

Interests in associates	42,395	41,535
Other investments	90,506	41,800
	507,336	452,542
Current assets		
Land use rights - current portion	529	637
Inventories	77,580	64,610
Accounts receivable	53,145	43,349
Bills receivable	1,044	1,110
Prepayments, deposits and others receivable	14,082	36,574
Investments in securities	-	-
Cash and bank balances	62,228	78,863
	208,608	225,143
Total assets	715,944	677,685

(to be cont'd)

Shenzhen Textile (Holdings) Co., Ltd.

Consolidated balance sheet as at June 30, 2007

(cont'd)

	Notes	June,2007 RMB'000	Dec.,2006 RMB'000
Equity and liabilities			
Capital and reserves			
Share capital		245,124	245,124
Reserves		166,852	116,131
Equity attributable to equity holders of the parent		411,976	361,255
Minority interests		77,590	98,016
Total equity		489,566	459,271
Non-current liability			
Long-term loans, non-current portion		2,500	2,500
Current liabilities			
Long-term loans, current portion		106,972	73,470
Accounts payable		23,022	23,683
Others payable and accrued expenses		83,640	99,844
Dividend payable		10,000	18,118
Provision for taxation		244	799
		223,878	215,914

Total equity and liabilities	715,944	677,685

7.2.3 Consolidated cash flow statement

Shenzhen Textile (Holdings) Co., Ltd.

consolidated cash flow statement for the year ended June 30, 2007

	June,2007 **RMB'000**
Cash flow from operating activities	
Operating profit before taxation	52,866
Adjustment items :	
Depreciation and amortization	10,979
Loss on disposal of property, plant and equipment	(247)
Transfer from construction-in-progress to expenses	-
Share of (profit)/loss from associates	165
Increase in fair value of tradeable listed investment	(45,348)
Profit on disposal of investments in securities	(573)
Provision for impairment loss (reversed)/made	
- property, plant and equipment	-
- unconsolidated subsidiaries	-
- other investments	-
- investments in securities	-
Provision for diminution in value of inventories	-
Provision for doubtful debts	248
Interest income	(243)
Interest expense	2,444
Net operating cash inflow before movements in working capital	20,291
Increase in inventories	(12,970)
(Increase)/decrease in accounts receivable	(9,796)
(Increase)/decrease in bills receivable	66
Increase in prepayments, deposits and others receivable	22,492
Increase/(decrease) in accounts payable	(661)
Increase/(decrease) in others payable and accrued expenses	(29,467)
Cash inflow from operating activities before interest and tax payments	(10,045)
Income tax paid	(1,379)
Interest paid	(2,254)

Net cash inflow from operating activities c/f	(13,678)

(to be cont'd)

Shenzhen Textile (Holdings) Co., Ltd.

consolidated cash flow statement for the year ended June 30, 2007

(cont'd)

	Notes	June,2007 RMB'000
Net cash inflow from operating activities b/f		(13,678)
Investing activities		
Interest received		243
Purchases of property, plant and equipment		(1,417)
Purchases of land use rights		(145)
Increase in construction-in-progress		(13,092)
Proceeds from disposal of property, plant and equipment		440
Proceeds from disposal on construction-in-progress		-
Returns from associates received		1,683
Increase in amounts due from associates		1,217
Increase/(decrease) in amount due to an associate		(19)
Increase in other investments		(22,717)
Proceeds from disposal of other investments and investments in securities		5,466
Increase in investments in securities		-
Net cash outflow from investing activities		(28,341)
Net cash inflow/(outflow) before financing activities		(42,019)
Financing activities		
Dividend paid		(8,118)
Increase in bank and other loans		33,502
Decrease in minority interests		-
Net cash outflow from financing activities		25,384
Increase/(decrease) in cash and cash equivalents		(16,635)
Cash and cash equivalents as at beginning of the year		78,863
Cash and cash equivalents as at end of the year		62,228

Cash and cash equivalents as at end of the year are represented by :

Cash and bank balances	62,228

7.3 Notes to financial statements

7.3.1 Notes to the change of accounting policies, change of accounting estimate and the correction of accounting errors.

□ Applicable √ Not applicable

7.3.2 Notes to the change of consolidation scope of this report period compared

□ Applicable √ Not applicable

7.3.3 If non-standard unqualified opinions are given against the Company, the explanatory notes to the matters concerned should be shown.

□ Applicable √ Not applicable

This Report has been prepared in both Chinese and English. In case of any discrepancy, the Chinese version shall prevail.

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

August 8, 2007