

Regional Growth on
Strategic Planning
至勝策略 成功之道



SHENZHOU INTERNATIONAL
GROUP HOLDINGS LIMITED
申洲國際集團控股有限公司*

STOCK CODE 股份編號：2313

申洲國際集團控股有限公司

Shenzhou International Group Holdings Limited

Annual Report 2010 年報



目錄 Contents

2	公司簡介	Corporate Profile
3	財務撮要	Financial Highlights
6	公司資料	Corporate Information
12	主席報告	Chairman's Statement
18	管理層討論及分析	Management Discussion and Analysis
35	企業管治報告	Corporate Governance Report
46	董事及高級管理層履歷	Biographical Details of Directors and Senior Management
54	董事會報告	Report of the Directors
67	獨立審計師報告	Independent Auditors' Report
69	綜合損益表	Consolidated Income Statement
70	綜合全面收益表	Consolidated Statement of Comprehensive Income
71	綜合財務狀況表	Consolidated Statement of Financial Position
73	綜合權益變動表	Consolidated Statement of Changes in Equity
74	綜合現金流量表	Consolidated Statement of Cash Flows
76	財務狀況表	Statement of Financial Position
77	財務報表附註	Notes to Financial Statements
180	財務資料摘要	Financial Information Summary



公司簡介

Corporate Profile

申洲國際集團控股有限公司（「申洲國際」）及其附屬公司（統稱「本集團」）為中國最大的縱向一體化針織製造商，主要以代工(OEM)方式為客戶製造質量上乘的針織品。根據二零零六年至二零零九年中國服裝行業發展報告和二零零六年至二零零九年中國紡織品服裝對外貿易報告，本集團是中國最大的針織服裝出口企業，也是日本在中國最大的服裝供應商。

本集團的生產基地位於寧波市經濟技術開發區，並策略性地在中國衢州市及安慶市和柬埔寨設有製衣工廠，在上海、香港及大阪均設有銷售辦事處或代表處。現時本集團員工逾48,000人，廠房面積逾1,370,000平方米，每年生產各類針織服裝逾1億7仟萬件。

本集團主要生產針織運動類服裝及休閒服裝，主要客戶包括UNIQLO、ADIDAS、NIKE及PUMA等國際知名品牌客戶。產品市場從日本市場逐步拓展至亞太區及歐美市場。

為實現針織服裝代工全球最具競爭力企業目標，申洲國際已於二零零五年十一月成功在香港聯合交易所有限公司主板上市。本公司股份代號為2313，並於二零一零年三月八日起獲納入恒生綜合指數、恒生綜合行業指數（消費品）及恒生綜合小型股指數成份股。

於2010年申洲國際榮登《亞洲週刊》「全球華商一千」排行榜及榮獲《福布斯亞洲》評選為「最佳中小上市企業」之一。

Shenzhou International Group Holdings Limited (“Shenzhou International”) and its subsidiaries (collectively the “Group”) is the largest vertically integrated knitwear manufacture in China. The Group is principally engaged in the manufacturer of high-end knitwear on an OEM basis. The Group was also the largest exporter of knitwear and the largest PRC garment supplier to Japan according to the 2006 to 2009 reports on the development of China’s garment industry and the 2006 to 2009 annual reports on China’s international trade in textiles and clothing.

The Group’s production base is located in Economic Technical Development Zone of Ningbo and strategically set up garment factories in Quzhou and Anqing of China and Cambodia, the Group also established sales offices or branch offices in Shanghai, Hong Kong and Osaka. The Group currently had over 48,000 employees and the area of the factories spans across 1,370,000 sq.m., which can produce various knitwear of over 170 million pieces per year.

The Group focus on producing sport wear and causal wear with the major international renowned clients including UNIQLO, ADIDAS NIKE, and PUMA. The market is also extended from Japan to Asia Pacific, Europe and the US market.

Shenzhou International was listed on the Main Board of The Stock Exchange of Hong Kong Limited in November 2005 with an aim to be the most competitive knitwear manufacturer in the world. The stock code of the Company is 2313. Shenzhou International was included as the Constituent Stock of Hang Seng Composite Index, Hang Seng Composite Industry Index (Consumer Goods) and Hang Seng Composite SmallCap Index, effective from 8 March 2010.

During the year 2010, Shenzhou International has been named in the “Top 1000 Asian Companies” List of Yazhou Zhoukan and has been recognised by Forbes Asia as one of the “Best Under A Billion” Companies.

財務撮要

Financial Highlights

過往五年主要財務資料

KEY FINANCIAL INFORMATION FOR THE LAST FIVE YEARS

截至十二月三十一日止年度／於十二月三十一日

For the year ended 31 December/As at 31 December

		二零一零年 2010	二零零九年 2009	二零零八年 2008	二零零七年 2007	二零零六年 2006
主要財務資料 (人民幣千元)	Key Financial Information (RMB'000)					
銷售額	Sales	6,719,172	6,093,485	4,822,596	3,655,613	2,979,530
除所得稅前利潤	Profit before income tax	1,624,597	1,473,553	757,420	401,736	409,247
年度利潤	Profit for the year	1,272,645	1,253,114	700,452	408,088	390,246
本公司股權持有人 應佔利潤	Profit attributable to equity holders of the Company	1,271,654	1,252,030	699,380	406,882	389,031
非流動資產	Non-current assets	3,585,484	3,038,729	2,619,575	2,203,185	1,821,114
流動資產	Current assets	3,839,971	2,388,500	1,701,676	1,700,735	972,592
流動負債	Current liabilities	2,517,503	1,454,532	1,373,905	1,331,079	719,390
流動資產淨值	Net current assets	1,322,468	933,968	327,771	369,656	253,202
總資產	Total assets	7,425,455	5,427,229	4,321,251	3,903,920	2,793,706
總資產減流動負債	Total assets less current liabilities	4,907,952	3,972,697	2,947,346	2,572,841	2,074,316
總權益	Total equity	4,813,271	3,895,696	2,872,973	2,480,632	2,074,316
現金及現金等價物	Cash and cash equivalents	519,017	377,717	238,141	233,384	273,994
主要財務比率	Key Financial ratios					
毛利率(%)	Gross profit margin (%)	29.9	31.7	23.8	22.3	21.4
淨利潤率(%)	Net profit margin (%)	18.9	20.6	14.5	11.1	13.1
資本負債比率(%)(⁽¹⁾)	Net gearing ratio (%)(⁽¹⁾)	18.9	8.2	20.6	22.8	2.1
流動比率	Current ratio	1.5	1.6	1.2	1.3	1.4
應收賬款之週轉期(日)	Accounts receivable turnover period (days)	41	33	31	26	24
存貨之週轉期(日)	Inventory turnover period (days)	116	84	71	72	62

附註：

Notes:

- 資本負債比率之計算為總借貸扣除現金及現金等價物與總權益之比率。

- Net gearing ratio represents the ratio between total borrowings (less cash and cash equivalents) and total equity.

財務撮要

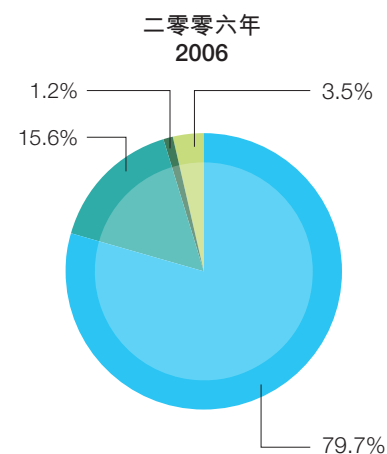
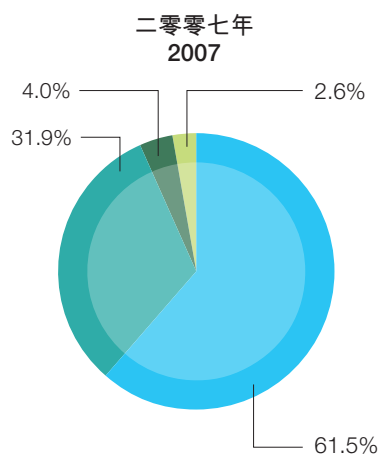
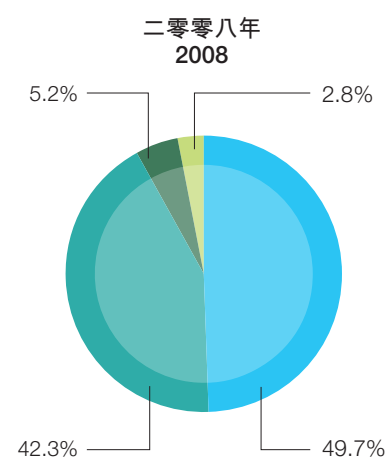
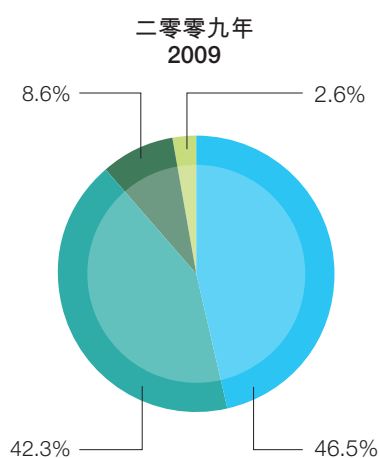
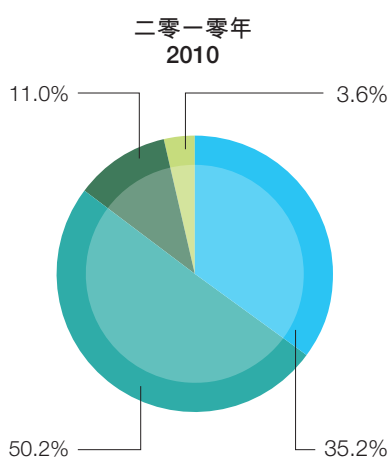
Financial Highlights

按產品類別分析的銷售額

SALES OF THE GROUP ANALYZED BY PRODUCT CATEGORIES

截至十二月三十一日止年度
For the year ended 31 December

		二零一零年 2010		二零零九年 2009		二零零八年 2008		二零零七年 2007		二零零六年 2006	
		人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%
按產品	By products										
運動服裝	Sports wear	3,373,294	50.2	2,578,060	42.3	2,042,315	42.3	1,165,198	31.9	463,607	15.6
休閒服裝	Casual wear	2,365,684	35.2	2,835,415	46.5	2,398,304	49.7	2,248,981	61.5	2,374,491	79.7
內衣服裝	Lingerie	740,586	11.0	524,141	8.6	248,929	5.2	147,920	4.0	35,577	1.2
其他針織品	Other knitting products	239,608	3.6	155,869	2.6	133,048	2.8	93,514	2.6	105,855	3.5
銷售額總計	Total sales	6,719,172	100.0	6,093,485	100.0	4,822,596	100.0	3,655,613	100.0	2,979,530	100.0



- 休閒服裝
Casual wear
- 運動服裝
Sports wear
- 內衣服裝
Lingerie
- 其他針織品
Other knitting products

財務撮要

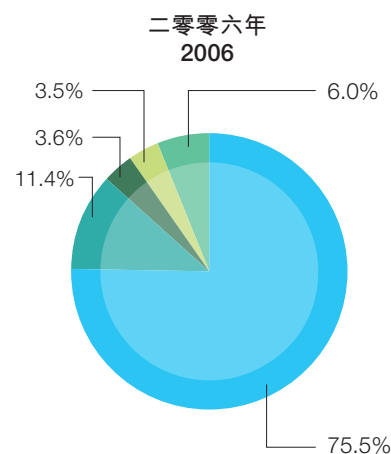
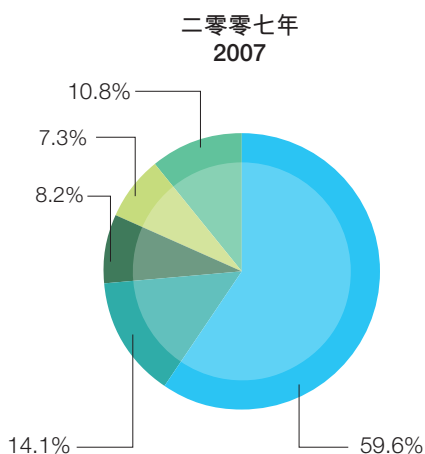
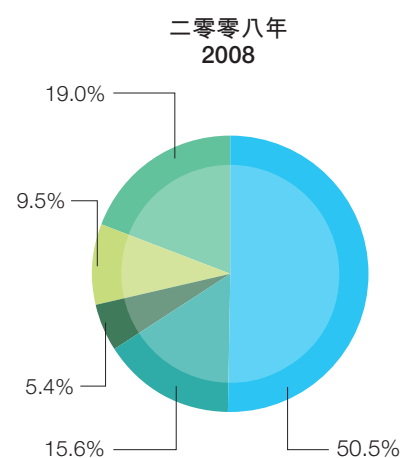
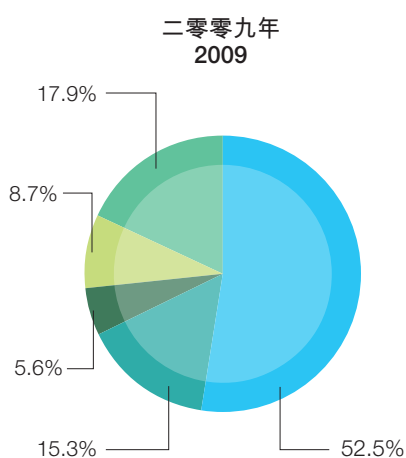
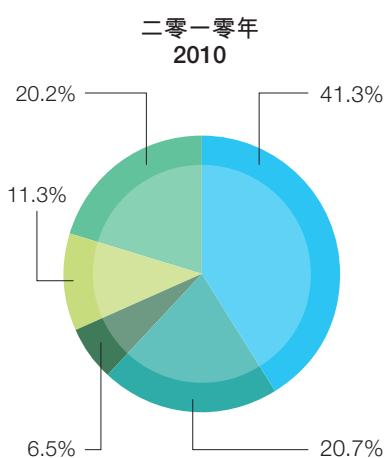
Financial Highlights

按市場分佈分析的銷售額

SALES OF THE GROUP ANALYZED BY REGIONAL DISTRIBUTION

截至十二月三十一日止年度
For the year ended 31 December

		二零一零年 2010		二零零九年 2009		二零零八年 2008		二零零七年 2007		二零零六年 2006	
		人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%
按市場	By regions										
國際銷售	International sales										
日本	Japan	2,772,854	41.3	3,201,526	52.5	2,437,304	50.5	2,178,725	59.6	2,250,287	75.5
歐洲	Europe	1,392,450	20.7	929,192	15.3	751,442	15.6	515,602	14.1	339,337	11.4
美國	US	439,591	6.5	339,692	5.6	261,079	5.4	298,830	8.2	105,627	3.6
其他國家	Other countries	760,347	11.3	531,090	8.7	455,497	9.5	268,112	7.3	105,121	3.5
國內銷售	Domestic sales	1,353,930	20.2	1,091,985	17.9	917,274	19.0	394,344	10.8	179,158	6.0
銷售額總計	Total sales	6,719,172	100.0	6,093,485	100.0	4,822,596	100.0	3,655,613	100.0	2,979,530	100.0



公司資料

Corporate Information

註冊名稱

Shenzhou International Group Holdings Limited

REGISTERED NAME

Shenzhou International Group Holdings Limited

中文名稱

申洲國際集團控股有限公司

CHINESE NAME

申洲國際集團控股有限公司

董事會

執行董事

馬建榮先生 (主席)

黃關林先生

馬仁和先生

鄭妙輝女士

BOARD OF DIRECTORS

Executive Directors

Mr. Ma Jianrong (*Chairman*)

Mr. Huang Guanlin

Mr. Ma Renhe

Ms. Zheng Miaohui

非執行董事

陳忠靜先生

Non-executive Director

Mr. Chen Zhongjing

獨立非執行董事

戴祥波先生

蘇壽南先生

宗平生先生

Independent Non-executive Directors

Mr. Dai Xiangbo

Mr. Su Shounan

Mr. Zong Pingsheng

公司秘書

陳德興先生

COMPANY SECRETARY

Mr. Chan Tak Hing Kenji

授權代表

鄭妙輝女士

陳德興先生

AUTHORIZED REPRESENTATIVES

Ms. Zheng Miaohui

Mr. Chan Tak Hing Kenji

公司資料

Corporate Information

董事會主要委員會

審核委員會

戴祥波先生 (主席)

蘇壽南先生

宗平生先生

薪酬委員會

馬仁和先生 (主席)

戴祥波先生

蘇壽南先生

提名委員會

黃關林先生 (主席)

戴祥波先生

宗平生先生

註冊辦事處

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

香港營業地點

香港九龍

長裕街8號

億京廣場

27樓2708室

KEY BOARD COMMITTEES

Audit Committee

Mr. Dai Xiangbo (*Chairman*)

Mr. Su Shounan

Mr. Zong Pingsheng

Remuneration Committee

Mr. Ma Renhe (*Chairman*)

Mr. Dai Xiangbo

Mr. Su Shounan

Nomination Committee

Mr. Huang Guanlin (*Chairman*)

Mr. Dai Xiangbo

Mr. Zong Pingsheng

REGISTERED OFFICE

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

PLACE OF BUSINESS IN HONG KONG

Unit 2708, 27th Floor

Billion Plaza

No. 8 Cheung Yue Street

Kowloon, Hong Kong

公司資料

Corporate Information

審計師

安永會計師事務所
執業會計師

AUDITORS

Ernst & Young
Certified Public Accountants

法律顧問

長盛國際律師事務所
楊振文律師行

LEGAL ADVISER

Troutman Sanders Solicitors and International Lawyers
Rowdget W. Young & Company

股份過戶登記總處

HSBC Trustee (Cayman) Limited
P.O. Box 484, HSBC House
68 West Bay Road
Grand Cayman, Cayman Islands, KYI-1106

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

HSBC Trustee (Cayman) Limited
P.O. Box 484, HSBC House
68 West Bay Road
Grand Cayman, Cayman Islands, KYI-1106

股份過戶登記處香港分處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心
17樓1712-1716室

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

公司資料

Corporate Information

主要往來銀行

中國銀行股份有限公司
中國銀行（香港）有限公司
交通銀行股份有限公司
寧波銀行股份有限公司
中國建設銀行股份有限公司
中信銀行股份有限公司
中國光大銀行股份有限公司
中信嘉華銀行有限公司
恒生銀行有限公司
中國工商銀行股份有限公司
中國工商銀行（亞洲）有限公司
上海浦東發展銀行股份有限公司
渣打銀行（香港）有限公司
香港上海滙豐銀行有限公司

投資者及傳媒關係顧問

iPR奧美公關

公司網址

www.shenzhouintl.com

股份編號

2313

PRINCIPAL BANKERS

Bank of China Limited
Bank of China (Hong Kong) Limited
Bank of Communications Company Limited
Bank of Ningbo Company Limited
China Construction Bank Corporation
China Citic Bank Corporation Limited
China Everbright Bank Corporation Limited
CITIC Ka Wah Bank Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China Limited
Industrial and Commercial Bank of China (Asia) Limited
Shanghai Pudong Development Bank Company Limited
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

INVESTOR AND PRESS RELATIONS ADVISER

iPR Ogilvy Limited

COMPANY WEBSITE

www.shenzhouintl.com

STOCK CODE

2313





申洲國際

Shenzhou International

中國最大的縱向一體化針織製造商

The largest vertically-integrated
knitwear manufacturer in China

主席報告

Chairman's Statement



馬建榮
Ma Jianrong
董事會主席 Chairman of the Board

致各位股東：

本人謹代表董事會，欣然宣佈申洲國際集團控股有限公司（「本公司」）及其附屬公司（統稱「本集團」或「集團」）二零一零年度業績，敬請各位股東審閱。

二零一零年是金融危機以來中國服裝產品出口形勢最好的一年，但也是全行業成本壓力最大的一年，以棉花為主的原材料價格在年內大幅上漲，人工成本、能源價格、人民幣匯率等因素都對行業的盈利造成了很大的壓力。本集團在寧波經濟技術開發區的工廠於二零一零年八月又因「節能減排」需要停產了八天，儘管經營中的困難因素諸多，本集團還是取得了銷售收入的增長和盈利能力的穩定。此外，集團於國內市場的拓展、產品結構的調整等方面取得了可喜的成績，為今後的持續、健康發展奠定了更為堅實的基礎。在此，本人感謝各級管理人員和全體員工所做出的努力，並希望全體員工以更強的信心、更大的努力來共創集團的美好未來！也希望投資者能肯定集團於困難經營環境中所取得的成績，繼續認同並支持本集團的發展策略！

To All Shareholders,

On behalf of the board of directors, I am pleased to announce the annual results of Shenzhou International Group Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") in 2010 for all shareholders to review.

2010 has been the best year since the outbreak of the financial crisis for the export of the Chinese garment industry. However, the year also exhibited the greatest cost pressure across the industry as raw material costs, in particular the cotton prices, surged significantly during the year while other factors such as labor costs, energy prices and exchange rates of Renminbi also posed enormous threat on the profitability across the industry. Furthermore, the production of the Group's factories in Ningbo Economic and Technical Development Zone was suspended for 8 days in August 2010 due to the implementation of an energy-saving and emission-reduction project. Notwithstanding all kinds of difficulties, the Group was able to maintain an increase in sales revenue and stable profit margin. In addition, the Group achieved satisfactory results in respect of expansion in the domestic market and optimization of the product mix. Such developments have laid a solid foundation for the Group's sustainable and healthy growth in the future. Therefore, I would like to express my thanks for the enormous efforts made by the management staff at all levels and all employees and hope that all employees will strive harder together with dogged determination for a brighter future for the Group. I also wish that investors will be impressed by the achievements made by the Group despite all adversities and continue to support the Group's development strategies.

主席報告

Chairman's Statement

截至二零一零年十二月三十一日止年度，集團的財務狀況表現良好。全年銷售額約達人民幣6,719,172,000元，較二零零九年上升10.3%；截至二零一零年十二月三十一日止年度的本公司股權持有人應佔利潤較截至二零零九年十二月三十一日止年度之本公司股權持有人應佔利潤人民幣1,252,030,000元上升1.6%至人民幣1,271,654,000元，每股盈利達到人民幣1.02元。

鑒於本集團業務表現良好及財務狀況穩健，本公司董事會（「董事會」或「董事」）建議派發末期股息每股0.36港元（相當於約人民幣0.31元）。

紡織服裝行業出口形勢在二零一零年度有了較大的好轉，根據中國海關的統計數據，二零一零年中國紡織服裝（包括紡織紗線、織物及製品和服裝及衣著附件，下同）的出口收入為2,065.3億美元，較上年增長了23.6%。出口總值中，紡織品出口金額為770.5億美元，同比上升28.4%；服裝出口金額為1,294.8億美元，同比上升20.9%。然而考慮人民幣與美元的匯率變動和原材料價格、人工成本上升等因素對銷售價格的影響，實際的出口增長並不是非常的樂觀。國內市場，受中國政府繼續推行擴大內需政策的引導以及居民收入的提高，服裝產品的銷售保持了快速增長，根據中國國家統計局公佈的數據，在限額以上企業商品零售額中，年內服裝類零售額比上年增長了25.8%，但由於近幾年國內服裝零售品牌的迅速發展，國內市場服裝零售業的競爭更為激烈。中國政府在「十二五規劃」中，把保障民生放在了更重要的位置，居民生活質量的改善將進一步帶動國內消費市場需求的增長，尤其對優質服裝產品的需求會快速增加。

For the year ended 31 December 2010, the financial position and performance of the Group was sound. Annual sales amounted to approximately RMB6,719,172,000, representing an increase of 10.3% as compared to 2009. Profit attributable to equity holders of the Company for the year ended 31 December 2010 has risen by 1.6% to RMB1,271,654,000 from RMB1,252,030,000 for the year ended 31 December 2009. Earnings per share reached RMB1.02.

In light of the satisfactory business performance and sound financial position of the Group, the board of directors of the Company (the "Board" or the "Directors") recommended the distribution of a final dividend of HK\$0.36 (equivalent to approximately RMB0.31) per share.

Export of the textile and garment industry bounced back noticeably in 2010. According to China Customs Statistics, the export revenue of the Chinese textile and garment industry (including textile yarn, fabrics, finished products, apparel and apparel accessories, the same below) was US\$206.53 billion in 2010, representing a rise of 23.6% as compared to the previous year. Out of the total export value, the export of textile products amounted to US\$77.05 billion, representing a year-on-year increase of 28.4%, and the export value of garments amounted to US\$129.48 billion, representing a year-on-year growth of 20.9%. Nonetheless, in view of the fluctuation in the exchange rates of Renminbi against US dollars, as well as the rises in raw material and labor costs, sales prices were severely affected and we are not that optimistic about the actual growth in export. In the domestic market, under the guidance of the national policy implemented by the Chinese government to promote domestic consumption, and benefiting from an increase in the residents' income, the garment and textile industry maintained a relatively fast development. According to the information released by the National Statistics Bureau of China, in terms of the retail sales of goods among the "over-the-threshold" enterprises, there was an increase of 25.8% in garments during the year. However, as domestic garment retail brands have developed rapidly in recent years, the competition in the domestic garment retail market has intensified. Under the Twelfth Five-Year Plan, the Chinese government has made the security of its people's livelihood the paramount issue. We believe that the improvement in the living standard of the Chinese residents will further stimulate domestic consumption and boost the domestic market demand for quality garment products.

主席報告

Chairman's Statement

在原材料價格大幅上升前適當增加庫存準備，向寧波市北侖區政府購買當地水庫的二十年水資源使用權以及持續改善員工的工作環境、生活設施等策略性的提前安排，使集團減輕了因成本上漲、招工困難等因素對經營帶來的不利影響。同時，更為理想的產品結構，新引入的國內優質客戶以及不斷優化的生產基地佈局，為集團的長遠發展奠定了良好的基礎。本集團一直視行業的危機為發展的機遇，將努力提升在行業中的領先地位，使集團在行業的整合中能處於更為有利的地位。

二零一一年，集團將繼續面臨成本上升帶來的挑戰，但本人對集團的未來業務發展前景繼續抱有較好的期待，運動類服裝的需求將進一步的增加，集團於產品設計方面的能力正在提高，國內市場的零售拓展團隊正在組建。

在未來的發展策略中，本集團將提升企業在行業中的競爭能力放在第一位置。為此，集團將加大研發投入，吸引優秀人才加盟，以增強產品的創新能力；積極拓展國內市場，減輕匯率波動對業績的影響以及貿易政策變動對出口銷售帶來的不確定；繼續優化生產基地的佈局，整合不同地區的資源優勢；加強精益生產管理以實現理想的成本控制；實現產業升級，從單純的生產型企業向市場導向型企業發展。

年內，董事會與各專業委員會緊密合作，圍繞本集團之整體策略和目標開展工作，所推進的各項工作均富有成效。本公司所有成員致力追求卓越的企業管治及達至公平公正的決策過程，確保維持高透明度，盡力為所有股東及投資者提供開放的溝通渠道。

To alleviate the adverse impact of various operating difficulties such as rising costs and labor shortage, the Group has taken a number of precautionary measures, such as appropriately stockpiling raw materials before prices surged, acquiring a right from the government of Beilun District, Ningbo City to use water from a local reservoir for 20 years and unremittingly improving the working and living environments of the staff. Meanwhile, the Group has also laid a solid foundation for its long-term development through adjusting its product structure, introduction of new and premium domestic customers and persistently optimizing the layout of production bases. The Group believes that challenges to the industry bring development opportunities and will strive to reinforce its leading position among its peers so as to secure its position to take advantage of industry consolidation.

Although the challenges posed to the Group by soaring costs will persist in 2011, I remain optimistic about the future prospect of the Group's business as the demand for sportswear will continue to surge, the design skill of the Group is improving and a retail sales development team designated for the domestic market will come into play soon.

In the future development, the Group will attach great importance to its competitiveness against its peers. As such, the Group will increase its input into research and development to attract candidates of high caliber and to enhance its product development capability; actively expand in the domestic market so as to mitigate the impact of exchange rate fluctuation on its performance and the uncertainties in export sales brought by changes in trade policies; continue to optimize the layout of its production bases to capitalize on the resources in different regions; strengthen its lean production management for a better cost control; and upgrade its business from a primitive manufacturer to a market-oriented enterprise.

During the year, the Board worked closely with various professional committees on the Group's overall strategies and targets. We have achieved significant results with our efforts. Every staff member of the Company endeavors to pursue excellent corporate governance and attain fairness and justification in our decision-making process, ensure and maintain high transparency in our governance, and try all our best to provide open communication channels for all of our shareholders and investors.

主席報告

Chairman's Statement

本人感謝各位董事一年來的辛勤努力，也感謝各級管理人員和全體員工於年內的盡忠職守，是各位的勤勉工作實現了集團年內既定目標。本人更要感謝各位股東、供應商及客戶對本公司的持續信任，有了你們的支持，才有本集團更美好的未來。

本人深信，企業的價值在於其為社會所創造的價值。本集團將一如既往的為消費者生產優質之產品、為客戶提供最佳之服務、為股東創造理想之回報，努力提升本集團在行業中的領先地位。

董事會主席

馬建榮

香港，二零一一年三月二十八日

I would like to thank the Directors for their hard work during the year, as well as the management and all staff members for their utmost dedication to their job, for it is their diligent work that contributes to the realization of the established goals of the Group. Last but not least, I would like to express my gratitude to all of our shareholders, suppliers and customers for their unwavering trust in and support to the Company which lead to a brighter future for the Group.

I strongly believe that the value of an enterprise comes from its contribution to the society. The Group will continue to persist in offering quality products to the consumers, providing best services to the customers and creating satisfactory returns to the shareholders with a view to reinforcing our leading position in the industry.

Chairman of the Board

Ma Jianrong

Hong Kong, 28 March 2011



透過產品多元化及開拓優質客戶，
並優化生產流程去提升集團競爭力
Diversify the products, explore quality
clients and optimize production
process to enhance the Group's
competitiveness



管理層討論及分析

Management Discussion and Analysis



經營環境

二零一零年，受國際市場需求增加的影響，中國的紡織服裝產品出口迎來了恢復性增長，多數企業的開工率情況明顯好轉，固定資產投資顯著加快。但是整個行業的經營壓力並沒有因為外部需求的增加而減輕，尤其是下游的服裝生產企業，由於物價的持續上漲，包括棉花為主的原材料、能源、員工工資等各項生產成本大幅上升；銀行存款準備金率和貸款利率連續提升，以及人民幣對美元的進一步升值，都增加了企業的經營成本。在物價企穩前的一段時期內，行業將繼續面臨成本上升所帶來的挑戰。經營環境的波動以及市場對產品要求的不斷提高，加快了行業的整合，結構調整和產業升級對服裝生產企業來講比任何時候更為迫切。

OPERATING ENVIRONMENT

Propelled by increased demand in the international market, the export of the textile and garment industry in China bounced back in 2010. The utilization rate of most enterprises has shown signs of significant improvement and fixed asset investment has been hastened. However, the operation of the industry was still under immense pressure notwithstanding the rising external demand. The pressure on the lower-stream garment manufacturers was particularly grave because of the following factors: the unremitting price surge and production cost hikes in terms of raw materials (mainly cotton), energy and staff wages; and a rising operating cost brought by the continual increase in the deposit-reserve ratio and lending rates among banks as well as the further appreciation of Renminbi against US dollars. For the meantime prior to any stabilization in prices, the challenges faced by the industry with respect to soaring costs will prevail. Furthermore, the volatile operating environment and rising market requirement for products have accelerated the consolidation of the industry as structural adjustments and business upgrading have been more important to garment manufacturing companies than ever.

管理層討論及分析

Management Discussion and Analysis



根據中國海關統計數據，二零一零年中國紡織服裝（包括紡織紗線、織物及製品和服裝及衣著附件，下同）出口總值為2,065.3億美元，較上年增長了23.6%。出口總值中，紡織品出口金額為770.5億美元，同比上升28.4%；服裝出口金額為1,294.8億美元，同比上升20.9%。二零一零年，歐盟、美國和日本依然是中國最大的紡織服裝出口市場，合計佔當年紡織服裝出口總值的48.8%。其中，對歐盟出口446.6億美元，增長23.7%；對美國出口337.3億美元，增長27.7%，對日本出口224.5億美元，增長5.2%。此外，對香港出口149.4億美元，增長7.1%；對東南亞出口148.1億美元，增長35.7%。從主要市場的情況分析，歐盟和美國市場的出口有較快增長，增幅均超過了20%，而金融危機時影響較小的日本市場增幅相對較低。從出口產品的結構來看，紡織品的出口增幅明顯高於服裝的出口增幅。

According to China Customs Statistics, the total export value of the Chinese textile and garment industry (including textile yarns, fabrics, finished products, apparel and apparel accessories, the same below) was US\$206.53 billion in 2010, representing an increase of 23.6% as compared to the previous year. Out of the total export value, the export of textile products amounted to US\$77.05 billion, representing a year-on-year increase of 28.4%, and the garment export value rose by 20.9% to US\$129.48 billion on a year-on-year basis. In 2010, the European Union, the US and Japan remained the biggest export markets for China of its textile and garments, aggregately comprising 48.8% of the total export value of textile and garments during the year. In particular, the export to the European Union amounted to US\$44.66 billion, representing an increase of 23.7%. The export to the US amounted to US\$33.73 billion with a growth rate of 27.7%. The export to Japan increased by 5.2% to US\$22.45 billion. Furthermore, the export to Hong Kong rose by 7.1% to US\$14.94 billion. The export to Southeast Asia rose by 35.7% to US\$14.81 billion. Based on the analysis of the major markets, the exports to the European Union and the US exhibited higher increase with rates of over 20%. On the other hand, the growth of the Japanese market, which was less affected by the financial crisis, was relatively moderate. In respect of export product structure, the growth in textile export clearly outpaced the growth in garment export.

管理層討論及分析

Management Discussion and Analysis

沿海省份依然是中國紡織服裝產品出口的主要地區，其中位於前五名省份的出口金額佔全國出口金額的比例達75.6%，出口增長率基本接近於全國的平均水平。浙江省的出口額為497.7億美元，較上年增長了25.2%，居於全國首位，第二位的為廣東省，出口額為376.9億美元，較上年增長了21.6%，江蘇省、上海市、山東省的出口額分別為335.9億美元、178.5億美元和173.2億美元，分別較上年增長了25.7%、16.7%和22.0%。

根據中國海關總署發佈的統計信息，二零一零年中國對外貿易進出口總值為29,727.6億美元，比二零零九年上升了34.7%。其中出口15,779.3億美元，進口13,948.3億美元，分別較上年上升了31.3%和38.7%，實現貿易順差1,831.0億美元。中國的對外貿易在年內取得了較快的增長，尤其是進口的快速增長，有望降低貿易順差的規模，減輕中國與其他國家的貿易摩擦。

二零一零年，中國政府繼續推行擴大內需的政策引導，全年社會消費品零售總額人民幣156,998億元，比上年增長18.3%。服裝在國內市場的銷售保持了高速增長，根據中國國家統計局公佈的數據，在限額以上企業商品零售額中，年內服裝類零售額比上年增長了25.8%。在「十二五規劃」中，政府把保障民生放在了更重要的位置，居民生活質量的改善將帶動國內消費市場需求的進一步增長，我們相信國內市場對優質服裝產品的需求會快速增加。

The coastal provinces remained as the major origins of the Chinese textile and garment export. In particular, the export value from the top five provinces accounted for 75.6% of the total export of China with an export growth rate close to the average level across the country. The export of Zhejiang Province amounted to US\$49.77 billion, rose by 25.2% as compared to the previous year and ranked first in China. Guangdong Province ranking next had its export amounting to US\$37.69 billion and representing an increase of 21.6% as compared to the previous year. The exports amounting to US\$33.59 billion, US\$17.85 billion and US\$17.32 billion respectively from Jiangsu Province, Shanghai City and Shandong Province reflected respective increases of 25.7%, 16.7% and 22.0% as compared to the previous year.

According to the statistical information released by the General Administration of Customs of China, the total import and export value of China's foreign trade amounted to US\$2,972.76 billion, up 34.7% from 2009. Among which the export and import values were US\$1,577.93 billion and US\$1,394.83 billion, respectively, and increased by 31.3% and 38.7%, respectively, as compared to the previous year. As a result, a trade surplus of US\$183.10 billion was recorded. Foreign trade of China achieved rapid growth during the year. In particular, it is expected that the swift increase in import of China will contribute to the reduction in trade surplus and then to a better trade relation with other countries.

In 2010, the Chinese government carried on its policy to expand domestic consumption and this has resulted in a growth in the total social consumer product retail value for the year of 18.3% to RMB15,699.80 billion from last year. According to the information released by the National Bureau of Statistics of China, the sales of garments in the domestic market upheld a rapid growth. In terms of the retail sales of goods among the "over-the-threshold" enterprises, there was an increase of 25.8% in garments during the year. Under the Twelfth Five-Year Plan, the government has made the security of its people's livelihood the paramount issue. We believe that the improvement in living standard of the Chinese residents will stimulate domestic consumption and thus boost the domestic market demand for quality garment products.

管理層討論及分析

Management Discussion and Analysis

截至二零一零年十二月三十一日止，人民幣對美元的匯率與二零零五年七月二十一日匯率改革前1美元兌人民幣8.2765元相比較，已累計升值約25.0%。其中，年內人民幣對美元的匯率升值了3.1%。金融危機後，中國率先實現了經濟的復甦，對外貿易金額快速增長，為控制國內物價不斷上升的局勢，中國政府已連續三次增加存、貸款利率，由於人民幣與美元利率差的擴大，加大了人民幣短期升值的壓力。

金融危機對市場需求的影響減輕後，用工緊張的狀況在中國沿海又重新出現，勞動力成本在年內大幅上漲，同時，受國內物價上漲及經濟增長的影響，員工工資存在進一步上升的壓力，人工成本已成為中國紡織服裝業發展的最大成本壓力。雖然中國的經濟總量在全球各國中居於前列，但人均水平尚處於較低的位置，同時，中國的紡織服裝業在全球具有一定的比較優勢，以及中國約十三億人口總量對服裝產品的龐大需求，將很大程度減輕勞動力成本上升對行業發展所帶來的不利影響。

根據國家統計局的數據，二零一零年中國棉花種植面積485萬公頃，較上年減少10萬公頃，全年棉花產量597萬噸，較上年減產6.3%，棉花產量已連續三年下降。據美國農業部(USDA)數據，預計2010/11年度全球棉花產量約2,509萬噸，相比2009/10年度約增產298萬噸，增幅約為13.5%，主要產棉國家中美國、印度的產量分別有50%和12.0%的增長幅度，而中國和巴基斯坦的產量則會下降，其他產棉國烏茲別克斯坦、巴西、澳大利亞的產量均會上升。二零一零年，在棉花產量下降的同時，下游服裝生產企業對棉花的需求量反而增加，導致年內的棉花價格大幅上漲，尤其是二零一零年的下半年，棉花價格不斷創出歷史新高。棉花價格的大幅上升，將一定程度增加農民種植的積極性，預計棉花的種植面積會有所上升，同時，化纖等替代原材料的用量也會有所增加，棉花價格有回落的可能，但由於種植成本和採摘人工成本的上升以及受其他農產品漲價的影響，棉花價格很難再回落到二零一零年以前的水平。

As at 31 December 2010, there was an accumulated appreciation of approximately 25.0% in the exchange rate of Renminbi against US dollars in comparison to the rate of US\$1 to RMB8.2765 prior to the exchange rate reform since 21 July 2005. During the year, Renminbi rose by 3.1% against US dollars. Subsequent to the financial crisis, China was among the first few economies to bounce back with a rapid increase in foreign trade volume. However, to contain the persistent rise in consumer prices in the country, the Chinese government has raised deposit and lending rates for three straight times. Due to the enlargement of interest rate gap between Renminbi and US dollars, the pressure for appreciation of Renminbi has become greater.

After the influence of the financial crisis on market demand has weathered, the labor shortage in the coastal regions of China reemerged and labor costs surged significantly during the year. Meanwhile, the price hikes and economic development in China has exerted upward pressure on labor wages, which has become the chief cost burden for the Chinese textile and garment industry on its road of development. Although the economic aggregate of China is ahead of many countries, the per capita figure is still low. This represents a relative competitive edge for the textile and garment industry in the PRC and, coupled with the enormous demand for garment products from the approximately 1.3 billion Chinese, will to a large extent offset the adverse impact of rising labor costs on the industry.

According to the information of the National Bureau of Statistics of China, China had a year-on-year decrease of 0.10 million hectares of land for cotton production to 4.85 million hectares remaining in 2010. The annual cotton output was 5.97 million tonnes, which was 6.3% less than the previous year and went down for the third consecutive year. Based on the information of the United States Department of Agriculture (USDA), the global cotton output for the year 2010/11 is expected to reach approximately 25.09 million tonnes, which is approximately 2.98 million tonnes or 13.5% more than the year of 2009/10. Among the major nations producing cotton, the US and India will have increases in output of 50% and 12.0%, respectively, while the production in China and Pakistan will drop. Output from other cotton producers such as Uzbekistan, Brazil and Australia will increase. The price of cotton surged significantly in 2010 as the demand for cotton from lower-stream garment production companies rose amidst decreasing production. In particular, cotton prices kept breaking records in the second half of 2010. Area of land of cotton production is expected to increase as the sharp increase in cotton price will provide farmers with an incentive to produce cotton. At the same time, the usage of substitute materials such as chemical fiber is also anticipated to increase. Thus, there is room for the price of cotton to drop. However, as the planting and harvest labor costs soar and due to the simultaneous surge in other agricultural produce prices, it would be hard for the cotton price to drop back to pre-2010 level.

管理層討論及分析

Management Discussion and Analysis

二零一零年，中國經濟取得了較好的增長，國內生產總值達397,983億元人民幣，比上年增長了10.3%，但居民消費價格也快速上漲，二零一零年平均比二零零九年上漲了3.3%。年內，中國人民銀行對貨幣政策做出了明顯的調整，從二零一零年一月十八日至二零一一年三月二十五日止，人民銀行已連續九次上調存款準備金率，大型金融機構的存款準備金率達到了歷史少有的20.0%，此外，截至二零一一年二月九日止，已連續三次上調了存貸款的利率。目前，中國的物價存在繼續上漲的趨勢，人民銀行有可能繼續利用貨幣政策來控制物價的快速上漲，利率的提高和不斷緊縮的貨幣政策，提高了企業的融資成本，也抑制了行業擴張投資規模的積極性。受成本上升及資金壓力的影響，服裝行業的整合會繼續推進。

二零一零年，服裝行業的需求得到了快速的恢復，而成本的大幅上漲對行業帶來了新的挑戰，紡織服裝行業必須加快整體的轉型升級，才能推動中國由「服裝大國」向「服裝強國」的轉變，也能更好的應對經營環境的不利變化。

The Chinese economy achieved relatively satisfactory development in 2010 with a GDP of RMB39,798.30 billion, up 10.3% from the previous year. Nonetheless, consumer prices also rose quickly at an average rate of 3.3% in 2010 as compared to 2009. During the year, the People's Bank of China had made significant adjustment to its monetary policy. It has raised deposit-reserve ratio for 9 times in a row from 18 January 2010 to 25 March 2011, resulting in the record high deposit-reserve ratio for large financial institutions of 20.0%. In addition, as at 9 February 2011, it has lifted the deposit interest rate for three straight times. The consumer prices in China still maintain an increase momentum and the People's Bank may further utilize monetary measures to cope with the surge in consumer prices. The rise in interest rates and persistent tightening monetary policy has increased the financing costs of enterprises and suppressed the motivation of the industry to expand investment. Pushed by the cost hikes and capital pressure, the consolidation in the garment industry will continue.

In 2010, although the demand in the garment industry resumed quickly, the rocketing cost has posed a new challenge to the textile and garment industry which urgently needs restructuring and upgrading so as to transform China from a "major" into a "supreme" garment producer and to better mitigate the adverse effect of the change in the operating environment.

管理層討論及分析

Management Discussion and Analysis

業務回顧及未來前景及策略

業務回顧

年內，原材料、水資源、能源等的價格上漲以及勞動力成本的上升，對服裝生產企業帶來了很大的成本壓力。二零一零年八月因政府推進「節能減排」工作的需要，本集團在寧波的工廠均停產了八天。儘管年內的經營環境並不理想，由於本集團未雨綢繆、提前應對，包括增加原材料的庫存準備，購買當地水庫的二十年水資源使用權，持續改善員工的工作環境、生活設施等。成功克服了諸多不利因素的影響，取得了較為理想的業績。回顧年內工作，本集團在調整產品結構、拓展國內客戶、優化生產基地佈局、加強員工關懷等方面做出了很大努力，具體表現為：

產品結構更加合理

本集團與主要運動品牌客戶保持了緊密的合作關係，業務規模持續擴大，使得本集團的產品結構不斷改善。截至二零一零年十二月三十一日止年度，運動類服裝佔總收入的比例達到50.2%，銷售金額較二零零九年度增加了30.8%，並首次超過了休閒類服裝佔總收入的比例。內衣類服裝繼續保持了快速的增長，於截至二零一零年十二月三十一日止年度，內衣類服裝佔總收入的比例達11.0%，較二零零九年度上升了41.3%。產品結構的持續優化，使本集團有效地抵減了生產成本上升帶來的不利影響，保持了盈利能力的相對穩定。

BUSINESS REVIEW AND FUTURE PROSPECTS AND STRATEGIES

Business review

During the year, the surge in raw materials, water resources and energy prices and the rise in labor cost have exerted immense cost pressure on garment manufacturers. Due to the requirements under the energy-saving and emission-reduction project carried out by the government in August 2010, the production in the Group's plants in Ningbo has been suspended for 8 days. Even though the operating environment was severe during the year, the Group has successfully surmounted all kinds of hurdles and achieved satisfactory results attributable to its advanced planning and preemptive measures, such as stockpiling raw materials, acquiring the right to use water from a local reservoir for 20 years and unremittingly improving the working and living environment of the staff. In review of the work during the year, the Group has paid enormous efforts to adjust its product mix, forage for domestic customers, optimize the layout of production bases and improve the welfare of its staff. The specific performance included:

More Reasonable Product mix

The Group has sustained close cooperative relationship with key sportswear brands and expanded the business volume so that the Group's product mix has improved persistently. For the year ended 31 December 2010, the revenue of sportswear increased by 30.8% as compared to 2009 and accounted for 50.2% of the total revenue, surpassing the share of casual wear in the total revenue for the first time. The revenue of underwear maintained rapid growth for the year ended 31 December 2010 and accounted for 11.0% of the total revenue, rose by 41.3% as compared to 2009. The continual improvement in product mix helped the Group to effectively weather the adverse influence of the increase in production cost and secured a relatively stable profitability.

管理層討論及分析

Management Discussion and Analysis

國內客戶拓展理想

本集團視中國大陸市場為最具有增長潛力的市場，不只是中國有超過十三億人口的服裝消費需求總量，更重要的是隨著國內居民收入的提高，對服裝產品的消費會提出更高的要求，在服裝消費總量增長的同時，服裝產品的消費結構也會有很大的變化，優質、時尚、平價的服裝產品的市場需求會有更快的增長。年內，本集團新增了部分國內領先的運動品牌客戶，不但為今後國內市場的銷售增長奠定了較好的基礎，同時也有利於降低人民幣匯率波動、貿易政策變動對本集團可能帶來的不利影響。截至二零一零年十二月三十一日止年度，國內市場銷售佔總收入的比例為20.2%，較二零零九年度增長了24.0%。

生產基地佈局進一步優化

本集團在業務規模不斷擴大的同時，十分關注生產基地佈局的合理性，以充分利用、整合不同區域的各自優勢。自二零零五年於境外的柬埔寨設立第一家製衣工廠後，本集團在安徽省安慶市和浙江省西部的衢州市新建的製衣工廠分別於二零零九年第一季和第三季先後投產。年內，寧波市以外的製衣工廠的員工規模得到了進一步擴充，管理團隊的能力日趨成熟，員工的效率有了較好的提升。本集團於寧波市外新設工廠的成功運作，為本集團進一步到外地創建工廠提供了較為寶貴的經驗積累。本集團於寧波市經濟技術開發區內新建的染整工廠也於年內順利投產，增加了本集團面料的生產能力。新面料工廠的設施更為先進，水資源、能源的消耗更為節約。生產基地佈局的優化為本集團的長遠發展奠定了良好的基礎。

Optimal Enlargement of Domestic Customer Base

The Group considers the Mainland China market as one with the highest potential. This is not only due to the aggregate garment consumption demand from the Chinese population of 1.3 billion, but also, more importantly, higher expectations for garment that result from the higher income of the mainland Chinese. It is expected that while the overall consumption amount of garments rises, the consumption pattern will also change drastically with an accelerated increase in market demand for quality, stylish and inexpensive garment products. During the year, the Group has secured some leading domestic sportswear brands as its new customers. This laid a better foundation for the Group to enlarge its sales in the domestic market while helping the Group mitigate the negative influence of the fluctuation in Renminbi exchange rate and changes in trade policies. For the year ended 31 December 2010, the revenue from the domestic market accounted for 20.2% of the Group's total revenue and increased by 24.0% from 2009.

Further Optimization of Production Base Layout

When it continually expands its business scale, the Group pays careful attention to whether the layout of the production bases is optimal so as to capitalize on and combine the different strengths of various regions. Following the establishment of the first garment factory in Cambodia in 2005, the Group's new garment factories in Anqing City, Anhui Province and Quzhou City in west Zhejiang Province have commenced production in the first and third quarter of 2009, respectively. During the year, the headcounts of the garment factories outside Ningbo City have been increased and the efficiency of the staff has been enhanced as the management teams matured. The Group has learned valuable lessons on how to set up additional factories in other places from the successful operation of the Group's new factories outside Ningbo. The new dyeing and finishing factory of the Group in Ningbo Economic and Technical Development Zone has also been launched smoothly during the year, which has enhanced the fabric production capacity of the Group. The facilities in this new fabric factory are more advanced and consume less water and energy. The optimization of the layout of production bases has paved the way for the long-term development of the Group.

管理層討論及分析

Management Discussion and Analysis

員工關懷工作進一步加強

面對不斷上升的人工成本，本集團通過精益生產管理和提高設備自動化等措施來提升員工的生產效率，降低生產對勞動力的依賴程度。年內，本集團進一步改善了員工的工作環境和生活設施，對大部分的員工宿舍、浴室、食堂進行了更新改造和擴建，並為員工提供其他的生活便利設施。本集團出資安排包車送外地員工回家過新年，又於年後接回公司上班。集團對員工的關懷使得員工的穩定性更為理想，並促進了精益生產的效果更為顯著。

財務回顧

銷售額

銷售額由截至二零零九年十二月三十一日止年度的人民幣6,093,485,000元，增加至截至二零一零年十二月三十一日止年度的人民幣6,719,172,000元，增加了人民幣625,687,000元，增幅為10.3%。分析銷售的增長情況：(1)運動類服裝和內衣類服裝的銷售額繼續保持了理想的增長；(2)以日本市場為主的休閒類服裝則出現了下降；(3)集團位於寧波市經濟技術開發區的工廠因政府「節能減排」的需要於二零一零年八月份停產八天，使集團的產量受到一定的影響。

以下為本集團二零一零年度及二零零九年度按產品類別分析的銷售額比較：

Further Improvement in Staff Welfare

In the face of rising labor costs, the Group has reduced its reliance on manual labor for production by enhancing staff efficiency through lean production management and large-scale automation. On the other hand, it has also further improved the working and living environment of its staff during the year. It has renovated and enlarged most of the staff quarters, shower rooms and canteens, and added other new and convenience facilities. The Group has arranged coaches for its non-local staff to return to their home towns during Chinese New Year and back to their workplaces after the festival at the expense of the Group. The Group's care for its staff has satisfactorily reduced its staff turnover and enhanced the outcome of its lean production measures.

FINANCIAL REVIEW

Revenue

Revenue amounted to RMB6,719,172,000 for the year ended 31 December 2010, representing an increase of RMB625,687,000 or 10.3% from RMB6,093,485,000 for the year ended 31 December 2009. Factors affecting the growth were: (1) the satisfactory sales growth of sportswear and lingerie; (2) the drop in sales of casual wear which are mainly targeted at the Japanese market; and (3) the impact on the Group's output as production of the Group's plants in Ningbo Economic and Technical Development Zone was interrupted for 8 days in August 2010 in compliance with the "energy-saving and emission-reduction" arrangement of the government.

The comparison of the revenue of the Group for 2010 and 2009 by product categories is as follows:

截止十二月三十一日止年度 For the year ended 31 December

		二零一零年 2010		二零零九年 2009		變動 Change	
		人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%
按產品	By product						
運動類服裝	Sportswear	3,373,294	50.2	2,578,060	42.3	795,234	30.8
休閒類服裝	Casual wear	2,365,684	35.2	2,835,415	46.5	(469,731)	(16.6)
內衣類服裝	Lingerie	740,586	11.0	524,141	8.6	216,445	41.3
其他針織品	Other knitting products	239,608	3.6	155,869	2.6	83,739	53.7
銷售總計	Total revenue	6,719,172	100.0	6,093,485	100.0	625,687	10.3

管理層討論及分析

Management Discussion and Analysis

截至二零一零年十二月三十一日止年度，運動類服裝的銷售額為人民幣3,373,294,000元，較截至二零零九年十二月三十一日止年度的銷售額人民幣2,578,060,000元，增加了人民幣795,234,000元，增幅為30.8%，運動類服裝佔總銷售額的比例首次超過了休閒類服裝。本集團致力於產品結構的高端化發展，已與國際知名運動品牌客戶建立了良好的長期合作關係，並逐步擴大與運動名牌客戶在國內市場的業務合作，以減輕匯率波動和貿易政策變動對出口業務帶來的影響。

休閒類服裝的銷售額由截至二零零九年十二月三十一日止年度的人民幣2,835,415,000元，下降至截至二零一零年十二月三十一日止年度的人民幣2,365,684,000元，下降了人民幣469,731,000元，降幅為16.6%。主要為：(1)日本服裝市場的零售額出現了一定的下降，本集團於日本的客戶亦受到一定的影響；以及(2)本集團為應對成本上漲之壓力，繼續對產品結構、客戶結構進行調整，減少了部分客戶利潤率較低產品的銷售量。

內衣類服裝銷售額由截至二零零九年十二月三十一日止年度的人民幣524,141,000元，增加至截至二零一零年十二月三十一日止年度的人民幣740,586,000元，增加了人民幣216,445,000元，增幅達41.3%。內衣類服裝產品的快速增加，使得本集團的產品結構更為理想。

For the year ended 31 December 2010, revenue of sportswear amounted to RMB3,373,294,000, representing an increase of RMB795,234,000 or 30.8% from RMB2,578,060,000 for the year ended 31 December 2009. Sportswear exceeded casual wear in terms of percentage of total revenue for the first time. The Group has endeavored to develop a high-end product portfolio and has established solid and long-standing cooperation with internationally renowned sportswear clients. It also continued to expand the business cooperation with sports brands in the mainland market with an aim to reduce the impacts of fluctuations in exchange rates and changes in trade policies on the Group's export business.

For the year ended 31 December 2010, revenue of casual wear amounted to RMB2,365,684,000, representing a decrease of RMB469,731,000 or 16.6% from RMB2,835,415,000 for the year ended 31 December 2009. The decrease was mainly due to the facts that: (1) the Group's Japanese clients were affected by the drop in retail volume in the garment market of Japan; and (2) the Group continued to adjust its product mix and client structure in response to the pressure arising from increasing costs, hence the sales volume of some of our clients' products with lower profit margin decreased.

For the year ended 31 December 2010, revenue of lingerie amounted to RMB740,586,000, representing an increase of RMB216,445,000 or 41.3% from RMB524,141,000 for the year ended 31 December 2009. The rapid growth in lingerie products has optimized the product mix of the Group.

管理層討論及分析

Management Discussion and Analysis

以下為本集團二零一零年度及二零零九年度按市場劃分的銷售額比較：

The comparison of the revenue of the Group for 2010 and 2009 by market regions is as follows:

		截止十二月三十一日止年度 For the year ended 31 December					
		二零一零年 2010		二零零九年 2009		變動 Change	
		人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%
按市場	By region						
日本	Japan	2,772,854	41.3	3,201,526	52.5	(428,672)	(13.4)
歐洲	Europe	1,392,450	20.7	929,192	15.3	463,258	49.9
美國	The US	439,591	6.5	339,692	5.6	99,899	29.4
其他國家	Others	760,347	11.3	531,090	8.7	229,257	43.2
國際銷售小計	Sub-total for international sales	5,365,242	79.8	5,001,500	82.1	363,742	7.3
國內銷售	Domestic sales	1,353,930	20.2	1,091,985	17.9	261,945	24.0
銷售總計	Total sales	6,719,172	100.0	6,093,485	100.0	625,687	10.3

截至二零一零年十二月三十一日止年度，本集團於日本市場的銷售額為人民幣2,772,854,000元，較截至二零零九年十二月三十一日止年度的人民幣3,201,526,000元，下降了人民幣428,672,000元，降幅為13.4%。日本市場銷售額的下降主要由於日本服裝消費需求下降對本集團部分日本客戶構成不利影響所致，以及本集團調整產品結構的影響。本集團一直視日本市場為最重要的單一市場，在調整產品結構的同時，將繼續拓展於日本市場的銷售。

For the year ended 31 December 2010, the revenue of the Group derived from Japan amounted to RMB2,772,854,000, representing a decrease of RMB428,672,000 or 13.4% from RMB3,201,526,000 for the year ended 31 December 2009. The decrease in sales to the Japanese market was mainly due to the drop in demand for garments in Japan which adversely affected the Group's clients in Japan, as well as the adjustment to the Group's product structure. The Japanese market has always been the most significant single market of the Group, and the Group will continue its efforts in expanding sales in such market while adjusting the product structure.

截至二零一零年十二月三十一日止年度，本集團於歐洲市場的銷售額為人民幣1,392,450,000元，較截至二零零九年十二月三十一日止年度的人民幣929,192,000元，增加了人民幣463,258,000元，升幅達49.9%。主要是本集團的運動類服裝在歐洲市場的銷售額大幅增加。

For the year ended 31 December 2010, the revenue derived from the European market amounted to RMB1,392,450,000, representing a growth of RMB463,258,000 or 49.9% as compared to RMB929,192,000 for the year ended 31 December 2009, mainly due to the notable increase in sales of the Group's sportswear in the European market.

管理層討論及分析

Management Discussion and Analysis

本集團於美國及包括中國香港、韓國和澳洲等的其他市場的銷售亦取得了理想的增長。截至二零一零年十二月三十一日止年度，美國及其他國外市場的銷售額分別較上年度增長了29.4%和43.2%。

本集團於國內市場的銷售也取得了較好的增長。除了原有客戶外，本年度本集團亦引入多個國內知名服裝品牌。截至二零一零年十二月三十一日止年度，國內銷售中的成衣銷售額為人民幣1,157,227,000元，較截至二零零九年十二月三十一日止年度的人民幣964,664,000元，增加了人民幣192,563,000元，增幅為20.0%。

銷售成本及毛利

截至二零一零年十二月三十一日止年度，本集團的銷售成本約為人民幣4,713,001,000元（二零零九年：人民幣4,159,229,000元）。二零一零年度本集團的銷售毛利率為29.9%，較二零零九年度的31.7%下降了約1.8個百分點。集團的營業收入中包含了國內美元對人民幣之遠期外匯套期收益人民幣50,920,000元（二零零九年：人民幣104,067,000元），如果不包括該項外匯收益，二零一零年度的銷售毛利率為29.3%（二零零九年：30.6%），較二零零九年度下降了1.3個百分點。毛利率輕微下降的主要因為：(1)以棉花為主的原材料價格上漲；(2)人工成本上升；以及(3)人民幣對美元的進一步升值。

本公司股權持有人應佔權益

於二零一零年十二月三十一日，本公司股權持有人應佔本集團權益為人民幣4,799,532,000元（二零零九年：人民幣3,882,495,000元）。其中非流動資產為人民幣3,585,484,000元（二零零九年：人民幣3,038,729,000元）、流動資產淨值為人民幣1,322,468,000元（二零零九年：人民幣933,968,000元）、非流動負債為人民幣94,681,000元（二零零九年：人民幣77,001,000元）及少數股東權益為人民幣13,739,000元（二零零九年：人民幣13,201,000元）。本公司股權持有人應佔權益增加主要由於保留盈利增加所致。

Considerable growth in sales was also recorded in the US and other markets including Hong Kong, Korea and Australia. For the year ended 31 December 2010, revenues derived from the US and other foreign markets increased by 29.4% and 43.2%, respectively, as compared to the previous year.

The Group's sales in the domestic market also achieved a satisfactory growth. In addition to the existing clients, the Group has also developed various renowned garment brands in China during the year as new clients. For the year ended 31 December 2010, sales of garments in the domestic market amounted to RMB1,157,227,000, representing an increase of RMB192,563,000 or 20.0% from RMB964,664,000 for the year ended 31 December 2009.

COST OF SALES AND GROSS PROFIT

The Group's cost of sales for the year ended 31 December 2010 amounted to approximately RMB4,713,001,000 (2009: RMB4,159,229,000). The Group's gross profit margin of sales for 2010 was 29.9%, representing a decrease of approximately 1.8 percentage points from 31.7% for 2009. The Group's revenue included a gain of RMB50,920,000 (2009: RMB104,067,000) from forward currency contract hedges between US dollars and Renminbi. If such gain from forward currency contract hedges was excluded, the gross profit margin of the Group's sales for 2010 was 29.3% (2009: 30.6%), decreased by 1.3 percentage points as compared to 2009. The slight drop in gross profit margin was mainly due to: (1) the increasing prices of raw materials, predominantly cotton; (2) the increase in labor costs; and (3) the further appreciation of Renminbi against US dollars.

EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

As at 31 December 2010, the Group's equity attributable to the equity holders of the Company amounted to RMB4,799,532,000 (2009: RMB3,882,495,000), of which non-current assets amounted to RMB3,585,484,000 (2009: RMB3,038,729,000), net current assets amounted to RMB1,322,468,000 (2009: RMB933,968,000), non-current liabilities amounted to RMB94,681,000 (2009: RMB77,001,000) and non-controlling interests amounted to RMB13,739,000 (2009: RMB13,201,000). The increase in equity attributable to the equity holders of the Company was mainly due to the increase in retained earnings.

管理層討論及分析

Management Discussion and Analysis

流動資金及財務資源

截至二零一零年十二月三十一日止年度，本集團經營業務所得現金淨額約人民幣710,914,000元，二零零九年則約為人民幣1,147,264,000元。本集團於二零一零年十二月三十一日之借貸淨額（銀行借貸減現金及現金等價物）為人民幣910,602,000元，較二零零九年十二月三十一日之借貸淨額人民幣317,961,000元，借貸淨額增加了人民幣592,641,000元。

本集團於二零一零年十二月三十一日的現金及現金等價物為人民幣519,017,000元（二零零九年：人民幣377,717,000元），總借貸餘額為人民幣1,429,619,000元（二零零九年：人民幣695,678,000元，其中短期銀行借款為人民幣619,558,000元，長期銀行借款為人民幣76,120,000元），其中短期銀行借款為人民幣1,349,887,000元，長期銀行借款為人民幣79,732,000元。本公司股權持有人應佔權益為人民幣4,799,532,000元（二零零九年：人民幣3,882,495,000元）。本集團現金流動狀況良好。負債對權益比率（按未償還總借貸佔本公司股權持有人應佔權益百分比計算）為29.8%（二零零九年：17.9%）。

於二零一零年十二月三十一日，本集團主要借貸均按固定利率計息。本集團並無利用利率掉期來對沖利率風險。

融資成本及稅項

於截至二零一零年十二月三十一日止年度，融資成本支出從截至二零零九年十二月三十一日止年度的人民幣25,393,000元，上升至人民幣35,837,000元，主要原因是年內集團銀行借款增加，使得相應的利息支出上升。年內本集團的美元及人民幣貸款利率分別介乎1.15%至4.82%以及介乎4.37%至5.28%（二零零九年：美元及人民幣貸款利率分別介乎2.26%至2.95%以及3.65%至5.31%）。

LIQUIDITY AND FINANCIAL RESOURCES

For the year ended 31 December 2010, net cash generated from the Group's operating activities amounted to approximately RMB710,914,000, while that for 2009 was approximately RMB1,147,264,000. Net borrowings (bank borrowings less cash and cash equivalents) of the Group as at 31 December 2010 amounted to RMB910,602,000, representing an increase of RMB592,641,000 from RMB317,961,000 as at 31 December 2009.

Cash and cash equivalents of the Group as at 31 December 2010 amounted to RMB519,017,000 (2009: RMB377,717,000). The total amount of outstanding borrowings was RMB1,429,619,000 (2009: RMB695,678,000, in which short-term bank loans amounted to RMB619,558,000 and long-term bank loans amounted to RMB76,120,000), in which short-term bank loans amounted to RMB1,349,887,000 and long-term bank loans amounted to RMB79,732,000. Equity attributable to equity holders of the Company amounted to RMB4,799,532,000 (2009: RMB3,882,495,000). The Group was in a solid cash flow position, with a debt to equity ratio (total outstanding borrowings as a percentage of equity attributable to the equity holders of the Company) of 29.8% (2009: 17.9%).

As at 31 December 2010, the majority of the Group's borrowings were subject to fixed interest rates. The Group did not enter into any interest rate swaps to hedge against interest rate risks.

FINANCE COSTS AND TAX

For the year ended 31 December 2010, finance costs increased to RMB35,837,000 from RMB25,393,000 for the year ended 31 December 2009, mainly due to the higher interest expenses which were in line with the increase in the Group's bank borrowings during the year. The Group's US dollars and Renminbi loan interest rates during the year ranged from 1.15% to 4.82% and 4.37% to 5.28% respectively (2009: 2.26% to 2.95% and 3.65% to 5.31% respectively).

管理層討論及分析

Management Discussion and Analysis

於截至二零一零年十二月三十一日止年度，本集團的所得稅支出為人民幣351,952,000元，較截至二零零九年十二月三十一日止年度的所得稅支出人民幣220,439,000元大幅上升了人民幣131,513,000元，二零一零年度所得稅支出上升的主要原因是所得稅稅率的提高；以及子公司寧波申洲針織有限公司因稅務機關在二零一零年度對其二零零九年度已享受的追加投資「兩免三減半」的過渡期優惠政策作出進一步解釋而撥備企業所得稅人民幣53,435,000元。

根據「國務院關於實施企業所得稅過渡優惠政策的通知」，本集團設立於寧波經濟技術開發區的生產企業今後幾年的適用稅率為2011年按24%執行，2012年按25%執行，原享受企業所得稅「兩免三減半」定期減免稅優惠的附屬公司，新稅法施行後繼續按原稅收法律、行政法規及相關文件規定的優惠辦法及年限享受至期滿為止。

本集團之資產抵押

於二零一零年十二月三十一日，本集團為獲取中國進出口銀行浙江省分行21,000,000美元之中長期貸款額度，已將截至二零一零年十二月三十一日止賬面價值為人民幣168,963,000元（於二零零九年十二月三十一日：人民幣173,242,000元）的廠房和預付土地租賃款項作相應之抵押，截至二零一零年十二月三十一日止，本集團向該銀行貸得的借款餘額為5,363,000美元（於二零零九年十二月三十一日：9,181,000美元）。此外，本集團與中國銀行股份有限公司北侖支行簽訂了額度為人民幣90,000,000元的長期借款合同，並以截至二零一零年十二月三十一日止賬面價值為人民幣43,490,000元的廠房和預付土地租賃款項作相應之抵押，截至二零一零年十二月三十一日止，本集團向該銀行貸得的借款餘額為人民幣69,500,000元。本集團及本公司之若干銀行借貸以本公司董事控制之控股公司作擔保。

For the year ended 31 December 2010, income tax expense of the Group amounted to RMB351,952,000, a surge of RMB131,513,000 from RMB220,439,000 for the year ended 31 December 2009. The increase in income tax expense in 2010 was mainly due to the increase in income tax rates, as well as the additional accrual of income tax of RMB53,435,000 made by Ningbo Shenzhou Knitting Co., Ltd, a subsidiary of the Group, pursuant to further interpretation made by the tax authority in 2010 on the “Two year exempt, three year 50% reduction” transitional tax concession policy for additional investment claimed in 2009.

According to the “Notice of the State Council on the Implementation of the Transitional Preferential Policies of Enterprise Income Tax”, the applicable tax rate in the coming years for our manufacturing subsidiaries in Ningbo Economic & Technical Development Zone will be 24% in 2011 and 25% in 2012 and afterwards. After the implementation of the new tax law, the entitlement of certain subsidiaries to the preferential tax treatment of the “2-year exemption and a 50% reduction for 3 years” may remain in force according to the original tax laws, administrative regulations and other relevant provisions until the expiry of the tax holiday.

PLEDGE OF THE GROUP'S ASSETS

As at 31 December 2010, the Group's plants and prepaid land lease payments with an aggregate carrying amount of RMB168,963,000 (as at 31 December 2009: RMB173,242,000) as at 31 December 2010 were pledged to secure a medium to long-term loan facilities of US\$21,000,000 granted by the Zhejiang branch of Export-Import Bank of China. As at 31 December 2010, the Group had outstanding borrowings of US\$5,363,000 (as at 31 December 2009: US\$9,181,000) from such bank. In addition, the Group has entered into a long-term borrowing contract to an extent of RMB90,000,000 with the Beilun sub-branch of Bank of China Limited, for which the Group's plants and prepaid land lease payments with an aggregate carrying amount of RMB43,490,000 as at 31 December 2010 were pledged as security. As at 31 December 2010, the outstanding borrowings of the Group from such bank were RMB69,500,000. Certain bank borrowings of the Group and the Company were guaranteed by various holding companies controlled by the directors of the Company.

管理層討論及分析

Management Discussion and Analysis

收購事項

詳情載於財務報表附註30。

外匯風險

由於本集團銷售以美元結算為主，採購以人民幣結算為主，匯率波動對本集團的成本及經營利潤率構成一定影響。本集團針對美元兌人民幣的匯率波動的現狀，採用相應政策對沖部分有關外匯風險。對沖金額視乎本集團的美元收益、採購、資本開支，還需要顧及市場預測美元兌人民幣的匯率波動而定。

為免因人民幣兌美元的匯率出現任何變動而導致日後的現金流量減值及出現波動。本集團已安排了適當數量的美元借款，於二零一零年十二月三十一日，銀行借貸總額中，美元借款為人民幣525,377,000元（計原幣金額為79,330,000美元）（二零零九年十二月三十一日：人民幣322,917,000元（計原幣金額為47,292,000美元）。此外，本集團為對沖若干外匯風險，尤其是美元的外匯風險，已安排訂立了美元遠期銷售合約，截至二零一零年十二月三十一日，美元的未到期遠期銷售合約總值約620,000,000美元（於二零零九年十二月三十一日：約928,000,000美元）。本集團亦訂立了若干美元無本金交割遠期外匯合約，截至二零一零年十二月三十一日止，美元的無本金交割遠期外匯合約總值約685,000,000美元（於二零零九年十二月三十一日：約893,500,000美元）。

ACQUISITION

Details are set out in note 30 to the financial statements.

EXPOSURE TO FOREIGN EXCHANGE

As the Group's sales were mainly settled in US dollars while its purchases were mainly settled in Renminbi, its costs and operating profit margin were affected by exchange rate fluctuations. The Group has adopted a policy to hedge part of its foreign exchange risks in light of the existing fluctuations of exchange rate between US dollars and Renminbi. The amounts to be hedged depend on the Group's expected revenue, purchases and capital expenditure in US dollars, as well as the market forecast of fluctuations in the exchange rate of US dollars against Renminbi.

To avoid reductions in value and volatility of future cash flows arising from any exchange rate movement between Renminbi and US dollars, the Group has arranged an appropriate amount of US dollars borrowings. As at 31 December 2010, out of the total bank borrowings, US dollars borrowings amounted to RMB525,377,000 (US\$79,330,000 based on the original currency) (as at 31 December 2009: RMB322,917,000 (US\$47,292,000 based on the original currency)). In addition, the Group entered into forward contracts in US dollars in order to hedge certain of its foreign exchange risk, particularly those related to US dollars. As at 31 December 2010, the aggregate amount of the outstanding US dollars forward contracts was approximately US\$620,000,000 (as at 31 December 2009: approximately US\$928,000,000). The Group has also entered into various non-deliverable US dollars forward currency contracts. As at 31 December 2010, the outstanding non-deliverable US dollars forward currency contracts amounted to approximately US\$685,000,000 (as at 31 December 2009: approximately US\$893,500,000).

管理層討論及分析

Management Discussion and Analysis

僱用、培訓及發展

於二零一零年十二月三十一日，本集團共僱用逾48,390名員工。年內，員工成本總額（包括行政及管理人員）佔本集團銷售額約20.8%（二零零九年：19.2%）。本集團按僱員的表現、資歷及行業慣例釐定給予員工的報酬，而酬金政策會定期檢討。根據年度工作表現評核，僱員或會獲發放花紅及獎金。此外，本公司亦會給予僱員獎勵或其它形式的鼓勵以推動僱員個人成長及事業發展。如本集團持續向員工提供培訓，以提升彼等的技術、產品知識以及對行業質量標準的認識及本集團所有新員工均須參加入門課程，而全體員工亦可參加各類培訓課程。

資本開支及資本承擔

於本年度內，本集團於物業、廠房及設備和預付土地租賃款項之總投資約為人民幣852,797,000元，其中約40%用作購買生產設備、約56%用作興建與購買新工廠大樓和預付土地租賃款項，而餘款則用作購買其它固定資產。

或然負債

於二零一零年十二月三十一日，本集團概無任何重大或然負債。

報告期後事項

於二零一零年十二月三十一日，本集團概無任何重大報告期後事項。

EMPLOYMENT, TRAINING AND DEVELOPMENT

As at 31 December 2010, the Group employed more than 48,390 employees. Total staff costs, including management and administrative staff, accounted for approximately 20.8% (2009: 19.2%) of the Group's sales during the year. The Group remunerated its staff according to their performances, qualifications and industry practices, and conducted regular reviews of its remuneration policy. Employees may receive discretionary bonuses and monetary rewards based on their ratings in annual performance appraisals. The Company also offered rewards or other incentives to motivate personal growth and career development of the employees, such as ongoing opportunities for training to enhance their technical and product knowledge as well as their knowledge of industry quality standards. All new staff of the Group are required to attend an introductory course, while there are also various types of training courses available to all the Group's employees.

CAPITAL EXPENDITURE AND COMMITMENTS

During the year, the Group's total investment in property, plant and equipment and prepaid land lease payments amounted to approximately RMB852,797,000, of which approximately 40% was used for the acquisition of production equipment, approximately 56% for the construction and acquisition of new factory buildings and prepaid land lease payments, and the balance was used for the purchase of other fixed assets.

CONTINGENT LIABILITIES

As at 31 December 2010, the Group had no material contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

The Group did not have any material event after the reporting period for the year ended 31 December 2010.

管理層討論及分析

Management Discussion and Analysis

未來前景及策略

隨著全球性金融危機對市場需求影響的減弱，中國紡織服裝產品的出口又恢復了增長，但行業的經營壓力並沒有因為需求的增長而減輕。紡織服裝生產企業的經營前景並不樂觀，將繼續面臨原材料價格、勞動力成本、人民幣升值等困難因素的挑戰。我們認為行業的整合會因此而加快，本集團將進一步提升於行業中的領先地位，以取得逆勢中的持續增長，並為集團的長遠發展奠定更為結實的基礎。

服裝消費市場的需求總量很大，服裝的生產企業也為數眾多，作為充分競爭的行業，產品是否符合消費者的愛好是決定企業市場份額和盈利能力的重要因素。本集團將加大研發方面的投入，並吸引優秀人才加盟公司，利用新技術、新材料、新工藝，增強新產品的開發能力，以優質的產品來滿足消費者不斷提高的需求，並抵減成本上升對企業盈利帶來的影響。

本集團將增加於國內市場的銷售，不但能減輕匯率波動對業績的影響以及貿易政策變動對出口銷售帶來的不確定性，更能分享快速增長的國內服裝消費市場的份額。同時，由於消費者對服裝品質、環保等的日益重視，也給本集團於國內市場的發展帶來了機遇。本集團已著手組建自己的設計團隊及零售管理人員，亦希望在今後的業務發展中建立適當規模的零售網絡，以更貼近市場需求的變化，為客戶和消費者提供更為理想的產品。於本年度本集團已在上海成立零售及產品設計總部。

FUTURE PROSPECTS AND STRATEGIES

Export of Chinese textile and garment products has begun to pick up with the impact of the global financial crisis on market demand on the wane. The growing demand, however, does not ease the pressure on the operation of industry players. The outlook for garment manufacturers does not show many positive signs as they continue to face challenges of rising raw material prices and labor costs and appreciating Renminbi. We believe that this will speed up industry integration, and the Group will work towards raising our leading position in the industry so as to achieve continuous growth in the face of adversity and lay a solid foundation for its long-term development.

The garment sector is characterized by huge market demand and great number of manufacturers. In such a highly-competitive environment, the crucial factor in market share and profitability lies on whether a product is in favor with the consumers. The Group will increase its input into research and development to attract candidates of high calibre and to enhance its product development capability with new technology, new materials and new techniques. It is the objective of the Group to satisfy the ever-increasing demand of consumers with quality products, as well as to offset the impact of rising costs on the Group's profitability.

The Group will expand its sales in the domestic market in order to alleviate the impact of exchange rate fluctuations on its performance and the uncertainties of export sales arising from changes in trade policies and to benefit from the rapid-growing garment market in China. Meanwhile, the growing consumers' concern about product quality and environmental protection also present opportunities for the Group's development in the domestic market. The Group has taken steps to set up its own design team and retailing management and hopes to establish a retail network with an appropriate size for future business development, with a view to addressing the changing market needs and offering better products to its clients and the consumers. The Group has set up the headquarters of retail and product design in Shanghai during the year.

管理層討論及分析

Management Discussion and Analysis

本集團將繼續優化生產基地的佈局，比較不同地區的各自優勢，合理分佈不同的生產工序。目前，中國政府鼓勵勞動密集型企業向中西部地區轉移，也鼓勵企業「走出去」到境外設立工廠，隨著沿海地區成本的不斷上升，集團結合自身業務發展的需要，適時向中西部地區以及境外擴建或設立新的工廠。

本集團一貫重視精益生產管理，將通過進一步的業務流程梳理，以及完善相關的考核指標，來達到理想的成本控制。同時，不斷引進自動化設備，減少生產對人工的依賴性，並提高資源的利用率，以應對經營中出現的各種困難。

市場需求決定行業的生命週期，而競爭能力決定企業的盈利水平。本集團將努力為消費者提供更優質之產品，為投資者創造更理想之回報。

The Group will continue to optimize the layout of its production base and re-allocate various production processes according to the edges of difference regions. The Chinese government encourages the relocation of labor-intensive enterprises to the western and central regions, and also the “outward expansion” by setting up factories overseas. In light of the rising costs of operation in coastal regions, the Group will consider setting up new factories in the western and central regions and foreign countries with regard to its own development needs.

The Group has been emphasizing on lean production management, under which optimized cost control is achieved by further streamlining of business flow and raising the related requirements. On the other hand, in order to cope with the difficulties in operations, the Group will also reduce its dependency of production on labor and enhance resource utilization by introducing automated equipments.

The lifecycle of an industry hangs on the market demand, while competitiveness of an enterprise is crucial to its profitability. The Group will be dedicated to offer consumers with products of better quality and create higher returns for investors.

企業管治報告

Corporate Governance Report

企業管治

本集團一貫的目標是努力提升企業價值，以淨利潤的良好增長及現金流量的長期穩定為核心，確保本集團的長期持續發展，為股東帶來良好的回報。本集團矢志提高企業管治水平，並全力增加透明度。通過持續為董事與員工提供培訓及外聘專業顧問，申洲國際將不斷提升企業管治素質，進而達致以上的目標。

董事會自二零零五年十月九日起已採納本身的企業管治守則。此乃涵蓋香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四《企業管治常規守則》（「企業管治守則」）所載的全部守則條文，以及大部分的建議最佳常規守則。

本公司於截至二零一零年十二月三十一日止年度內一直遵從企業管治守則內的所有守則條文。

董事會

本集團致力通過董事會來提升公司效率及利潤水平。全體董事深知彼等共同及個別對股東所負的責任，並勤勉盡職，為本公司的理想業績及股東的最大回報作出貢獻。

董事會現由四名執行董事、一名非執行董事及三名獨立非執行董事組成。董事的個人履歷及若干董事之間的親屬關係均列載於第46頁至53頁「董事及高級管理層履歷」一節。董事之間概無其他重大財務、業務或相關關係。

CORPORATE GOVERNANCE

The Group's stated objective is to enhance its corporate value, focusing on the solid growth in net profit and consistently stable in cash flow, to ensure the Group's long-term, sustainable development and to achieve sound returns for shareholders. The Group is committed to raising its corporate governance standards and increasing the transparency of its operations. Such objective will be achieved by constantly improving the quality of corporate governance of Shenzhou International through continuing training for Directors as well as staff and the appointment of external professional advisers.

The Board adopted its own Code of Corporate Governance, which covered all the code provisions and most of the recommended best practices of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") since 9 October 2005.

The Company had complied with all the code provisions of the CG Code throughout the year ended 31 December 2010.

THE BOARD

The Group endeavours to enhance corporate efficiency and profitability through the Board. The Directors recognise their collective and individual responsibility to the shareholders and perform their duties diligently to contribute to positive results for the Company and maximize returns for shareholders.

The Board currently comprises four Executive Directors, one Non-executive Director and three Independent Non-executive Directors, whose biographical details and family relationships among certain Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 46 to 53. There is no other material financial, business or relevant relationships among the Directors.

企業管治報告

Corporate Governance Report

董事會負責本公司的管治工作，並管理股東所委託的資產。董事會的主要職責包括制訂本集團的業務策略方針、設定管理層目標、監督其表現及評估管理策略的成效。

本集團的日常業務管理由執行董事或各部門的高級主管負責，而本集團會定期檢討彼等獲授的職能及權力，確保彼等仍適合履行職務。董事會則負責處理影響本集團整體策略政策、財務及股東的事務，包括財務報表、股息政策、重大會計政策變動、重大合約及主要投資等。各董事會成員均可分別獨立接觸本集團的高級管理層，以履行彼等的職責；亦可及時查閱所有有關本集團的資料，並可得悉本集團最新的經營狀況、業務活動及發展。董事會成員亦可要求徵詢獨立專業意見，費用由本集團承擔。

所有董事須於首次獲委任時向董事會申報彼在其他公司或機構擔任之董事或其他職務，有關利益申報每年更新一次。倘董事會在討論任何動議或交易時認為董事在當中存在利益衝突，該董事須申報利益及放棄投票。

董事在董事會會議審議任何動議或交易時，須申報其涉及的任何直接或間接利益，並在適當情況下避席。本公司根據指引（請參閱本公司網站「企業管治」欄目），於每個財務申報期間，要求董事確認彼等或彼等之聯繫人士有否與本公司或其附屬公司進行任何交易。經確認的重大關連人士交易均已於年報的財務報表附註披露。

The Board is responsible for governing the Company and managing assets entrusted by the shareholders. The principal responsibilities of the Board include the formulation of the Group's business strategies and management objectives, supervision of the management and evaluation of the effectiveness of management strategies.

Day-to-day management of the Group's businesses is delegated to the Executive Director or officer in charge of each division. The functions and power that are so delegated are reviewed periodically to ensure that they remain appropriate. Matters reserved for the Board are those affecting the Group's overall strategic policies, finances and shareholders including financial statements, dividend policy, significant changes in accounting policy, material contracts and major investments. All Board members have separate and independent access to the Group's senior management to fulfill their duties. They also have full and timely access to relevant information about the Group and are kept abreast of the conduct, business activities and development of the Group. Independent professional advice can be sought at the Group's expense upon their request.

All Directors are required to declare to the Board upon their first appointment of the directorships or other positions they are concurrently holding at other companies or organizations. These interests are updated on an annual basis. A Director should declare his/her interests and abstain from voting in respect of any proposal or transaction discussed by the Board in which he/she is deemed by the Board to have a conflicting interest.

Directors are requested to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at Board Meetings and withdraw from the meetings as appropriate. The Company follows guidelines (available at the "Corporate Governance" Section of our website) at each financial reporting period to seek confirmation from Directors in respect of any transactions of the Company or its subsidiaries which are related to Directors or their associates. The identified significant related party transactions are disclosed in the Notes to the Financial Statements of the Annual Report.

企業管治報告

Corporate Governance Report

主席及集團總經理

董事會主席與集團總經理之職責彼此分開。董事會主席負責管理董事會及本集團重大經營決策，而集團總經理則負責管理本集團業務的日常運作，職責劃分明確。

獨立非執行董事的獨立性

獨立非執行董事所佔比率超過董事會成員的三分之一，彼等皆為優秀的行政管理人員或紡織業專家，具備多方面專業知識，可為本集團提供足夠的制約及平衡，以保障股東及本集團的整體利益。獨立非執行董事的角色是向董事會提供獨立及客觀的意見，以供董事會作出考慮及決定。全體獨立非執行董事已提交確認獨立性的確認書，並符合載於上市規則內獨立性指引的規定。

董事會處事程序

本集團會定期舉行董事會會議，以商討本集團的營運、財務表現、企業管治及未來發展。董事於舉行董事會會議前最少14天接獲通知，並於會議舉行前最少3天獲發議程及開會文件，確保董事可及時閱覽有關資料，方便彼等履行職務。

公司秘書負責編列董事會及董事委員會的會議紀錄，董事可於發出合理通知後查閱有關會議紀錄及開會文件。全體董事均獲發會議紀錄的初稿和定稿，以供彼等提供意見和紀錄存檔。

本公司於截至二零一零年十二月三十一日止年度內共舉行五次全體董事會會議，除陳忠靜先生因公務而缺席一次會議外，全體董事均有出席此五次會議。

CHAIRMAN AND GROUP GENERAL MANGER

The Chairman of the Board and the Group General Manager have separate and distinctive roles. The Chairman of the Board is responsible for the overall management of the Board and significant operational decisions of the Group, while the Group General Manager is responsible for managing the day-to-day operations of the Group's business.

Independence of Independent Non-executive Directors

Independent Non-executive Directors accounted for more than one third of the members of the Board. The Independent Non-executive Directors are outstanding executives or experts in the textile industry who bring with them expertise in different areas. They provide adequate control and balances for the Group to protect the overall interests of the shareholders and the Group. The role of the Independent Non-executive Directors is to provide independent and objective opinions to the Board for its consideration and decisions. All independent Non-executive Directors have submitted written confirmation of their independence and compliance with the independence guidelines as set out in the Listing Rules.

Board proceedings

Regular Board meetings are held to discuss the Group's operation, financial performance, corporate governance and future development. At least 14 days prior notice and an agenda with supporting papers of no less than 3 days of the Board meeting are given to directors to ensure timely access the relevant information to discharge their duties.

Minutes of the Board and Board Committees are taken by the Company Secretary and, together with any supporting papers, are open for inspection following reasonable notice by any Directors. Draft and final versions of minutes are sent to all Directors for their comment and records, respectively.

The Company held 5 full Board meetings for the year ended 31 December 2010, with all Directors attended, except for Mr. Chen Zhongjing, who was absent from 1 meeting as he has another business engagement.

企業管治報告

Corporate Governance Report

董事會將每年舉行最少四次會議，並於有需要時召開額外會議，以釐定整體策略方針及目標，及批准中期及年度業績及其他重大事宜。陳忠靜先生因需更多時間處理私人商務已於二零一零年二月八日調任為本公司非執行董事。

年內，主席亦與全體獨立非執行董事舉行獨立會議，以處理業務和關注事宜。

董事委員會

為監察本公司的特定事務及協助執行職務，董事會已成立三個委員會，即審核委員會、薪酬委員會及提名委員會。該等委員會的大部分成員為獨立非執行董事，以加強委員會的獨立性。所有委員會均由各自的職權範圍規管，有關職權範圍載於本公司網站 www.shenzhouintl.com。

所有委員會均擁有足夠資源以履行職務。各委員會定期向董事會匯報，以討論重要事宜及結果，並向董事會提供推薦建議以作決策。

薪酬委員會

於二零零五年十月九日，本公司遵照企業管治守則成立薪酬委員會。薪酬委員會共有一名執行董事及兩名獨立非執行董事，分別為馬仁和先生、蘇壽南先生及戴祥波先生。馬仁和先生是薪酬委員會的主席。

薪酬委員會的主要責任是就董事及高級管理層的整體薪酬政策及架構，及就批准此等薪酬政策設立正規而具透明度的過程向董事會提供推薦建議。董事概無參與有關其本身薪酬的討論。有關每位董事的袍金詳列於財務報表附註8。

Board meetings will be held at least four times a year with additional meetings convened as and when necessary to determine overall strategic directions and objectives and approve interim and annual results and other significant matters. Since Mr. Chen Zhongjing needed more time to deal with his private business, he was redesignated as a non-executive director of the Company on 8 February 2010.

During the year, the Chairman also held a separate meeting with all the Independent Non-executive Directors to address business issues and concerns.

Board Committees

To oversee particular aspects of the Company's affairs and to assist in the execution of its responsibilities, the Board has set up three Committees, namely Audit Committee, Remuneration Committee and Nomination Committee. The Committees have been structured to include a majority of Independent Non-executive Directors as members in order to reinforce independence. All of the Committees are governed by its respective terms of reference, which are available on the Company's website www.shenzhouintl.com.

All Committees are provided with sufficient resources to discharge their duties. The Committees report to the Board on a regular basis to discuss significant issues and findings and to make recommendations to the Board for making decisions.

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee in compliance with the CG Code on 9 October 2005, which comprises one Executive Director and two Independent Non-executive Directors, namely Mr. Ma Renhe, Mr. Su Shounan and Mr. Dai Xiangbo, and Mr. Ma Renhe is the Chairman of the Remuneration Committee.

The principal responsibilities of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure for the Directors and senior management and on the establishment of a formal and transparent process for approving such remuneration policy. No director will take part in any discussion on his or her own remuneration. The details of their fees are set out in note 8 to the financial statements.

企業管治報告

Corporate Governance Report

本公司對薪酬政策的目標是根據業務所需及行業慣例，確保薪酬待遇公平及具競爭力。薪酬委員會因應市場水平、董事工作量、職責及工作難度等因素，釐定向董事會成員支付的薪酬及袍金水平。

薪酬委員會於二零一零年共舉行二次會議，全體成員均有出席。薪酬委員會於會上檢討董事及高級管理層的薪酬。

提名委員會

本公司已於二零零五年十月九日成立提名委員會。提名委員會共有一名執行董事及兩名獨立非執行董事，分別為黃關林先生、宗平生先生及戴祥波先生。黃關林先生是提名委員會的主席。

提名委員會的主要責任是物色具備合適資格可擔任董事的人士，挑選提名有關人士出任董事及就此向董事會提供推薦建議，並定期檢討董事會的架構、人數及組成（包括技能、知識及經驗方面），並就任何擬作出的變動向董事會提供推薦建議。

提名委員會於二零一零年共舉行一次會議，全體成員均有出席。提名委員會於會上檢討及推薦重新委任退任董事，以供股東於股東週年大會上批准。

The Company's objective for its remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration and fees paid to members of the Board of Directors, market rates and factors such as each director's workload, responsibility, and job complexity are taken into account.

The Remuneration Committee held 2 meetings with full attendance in 2010. At the meetings, it reviews the remuneration of Directors and senior management.

NOMINATION COMMITTEE

The Company has established a Nomination Committee on 9 October 2005, which comprises one Executive Director and two Independent Non-executive Directors, namely Mr. Huang Guanlin, Mr. Zong Pingsheng and Mr. Dai Xiangbo, and Mr. Huang Guanlin is the Chairman of the Nomination Committee.

The principal responsibilities of the Nomination Committee are to identify candidates with suitable qualifications as directors, select and nominate such candidates for directorship and provide recommendations to the Board; regularly review the structure, headcount and composition (including skills, knowledge and experience) of the Board and make recommendations to the Board for any proposed changes.

The Nomination Committee held 1 meeting with full attendance in 2010. At the meeting, it reviewed and recommended the reappointment of retiring directors for shareholders' approval at the Annual General Meeting ("AGM").

企業管治報告

Corporate Governance Report

委任及重選董事

經提名委員會推薦後，任何人士均可隨時由股東於股東大會上或由董事會委任為董事會成員。

根據本公司的組織章程，任何獲董事會委任為新增董事或委任以填補臨時空缺的董事的任期僅直至下屆股東週年大會（若為新增董事）或下屆股東大會（若為填補臨時空缺）為止，惟彼符合資格由股東重選。此外，所有董事均須最少每隔三年於股東週年大會上輪席告退，並由股東重選。所有獨立非執行董事的特定任期均不超過三年。

審核委員會

於二零零五年十月九日，本公司遵照上市規則第3.21至3.23條成立審核委員會。審核委員會現時共有三名獨立非執行董事，分別為戴祥波先生、蘇壽南先生及宗平生先生。戴祥波先生是審核委員會的主席，其在會計、審計及財務方面的專業知識有助其領導審核委員會的運作。

審核委員會的主要責任是就本集團的財務與會計慣例及內部監控作出關鍵而客觀的檢討，包括考慮法定審核的性質及範圍、審閱本集團的中期及全年賬目以及評估本集團會計及財務監控是否完整有效。

審核委員會的職權範圍與香港會計師公會頒佈的《審核委員會有效運作指引》所載的推薦建議及企業管治守則條文一致。

審核委員會於截至二零一零年十二月三十一日止年度共舉行三次會議，全體成員均有出席。審核委員會於會上聯同外聘審計師審閱二零零九年全年業績、財務報告及審核事宜；以及二零一零年中期業績、本集團的內部審核職能活動、業務經營的內部審核報告及持續關連交易。

APPOINTMENT AND RE-ELECTION OF DIRECTORS

A person may be appointed as a member of the Board at any time either by the shareholders in general meeting or by the Board upon recommendation by the Nomination Committee.

In accordance with the Company's Articles of Association, any Directors appointed by the Board as additional Directors and to fill casual vacancies shall hold office until the next AGM (in the case of an addition to the Board) or until the next general meeting (in the case of filling a casual vacancy), and are eligible for re-election by the shareholders. In addition, all Directors are required to retire by rotation at least once every three years at the AGM, subject to re-election by the shareholders. All Independent Non-executive Director are appointed for specific terms for not more than three years.

AUDIT COMMITTEE

The Company has established an Audit Committee in compliance with Rules 3.21 to 3.23 of the Listing Rules on 9 October 2005, which currently comprises three Independent Non-executive Directors, namely Mr. Dai Xiangbo, Mr. Su Shounan and Mr. Zong Pingsheng. The Chairman of the Audit Committee is Mr. Dai Xiangbo, whose expertise in accounting, auditing and finance enables him to provide leadership for the Committee.

The principal responsibilities of the Audit Committee are to conduct critical and objective reviews of the Group's financial and accounting practices and internal controls. These include determining of the nature and scope of statutory audit, reviewing the Group's interim and annual accounts and assessing the completeness and effectiveness of the Group's accounting and financial controls.

The terms of reference of the Audit Committee are consistent with the recommendations as set out in "A Guide for Effective Audit Committee" published by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the provisions of the CG Code.

The Audit Committee held 3 meetings with full attendance for the year ended 31 December 2010. At the meetings, it reviewed the 2009 final results, financial report and auditing issues, with the external auditors, and the 2010 interim results, the activities of the Group's internal audit functions, the internal audit report on business operations and continuing connected transactions.

企業管治報告

Corporate Governance Report

下表顯示各董事於二零一零年內出席股東週年大會、董事會會議及董事委員會會議的詳情。董事會會議的整體出席率為97.5%。

Details of Director's attendance at the AGM, Board and Board Committee Meetings held in 2010 are set out in the following table. The overall attendance rate of Directors at Board Meetings was 97.5%.

	出席／舉行會議次數				
	Meetings Attended/Held				
	董事會會議 Board Meeting	審核委員會 Audit Committee	薪酬委員會 Remuneration Committee	提名委員會 Nomination Committee	股東週年大會 AGM
獨立非執行董事					
Independent Non-executive Directors					
戴祥波先生 Mr. Dai Xiangbo	5/5	3/3	2/2	1/1	1
蘇壽南先生 Mr. Su Shounan	5/5	3/3	2/2	–	1
宗平生先生 Mr. Zong Pingsheng	5/5	3/3	–	1/1	1
非執行董事					
Non-executive Director					
陳忠靜先生 Mr. Chen Zhongjing	4/5	–	–	–	1
執行董事					
Executive Directors					
馬建榮先生 Mr. Ma Jianrong	5/5	–	–	–	1
黃關林先生 Mr. Huang Guanlin	5/5	–	–	1/1	–
馬仁和先生 Mr. Ma Renhe	5/5	–	2/2	–	1
鄭妙輝女士 Ms. Zheng Miaohui	5/5	–	–	–	1

財務報告

董事會明白本身有責任編製真實公允的本公司賬目，並根據香港會計師公會公佈而普遍被採用的香港會計準則編製賬目。本公司選擇合適的會計政策並貫徹採用，所作判斷及估計均屬審慎及合理。董事致力在財務報告上對本集團的現有狀況及前景作出中肯及易於理解的評估。

FINANCIAL REPORTING

The Board acknowledges its responsibility to prepare the Company's accounts which give a true and fair view and in accordance with the accounting standards generally accepted in Hong Kong as published by the HKICPA. The Company has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgments and estimates. The Directors endeavoured to make a fair and comprehensible assessment of the Group's current conditions and prospects in the financial report.

企業管治報告

Corporate Governance Report

內部監控

董事會明白本身有責任維持一個適當的內部監控系統，以及確保能盡早向股東及公眾人士如實報告本公司的業務狀況。

本集團的內部監控系統旨在提高營運效益與效率、確保資產不會被不當挪用及未經授權處理、維持恰當的會計紀錄及真實公允的財務報告、並同時確保遵守相關的法律及規例。該系統會就是否存在重大錯誤陳述或損失，作出合理但不絕對的確定，並會管理而非消除與其業務活動有關的風險。

董事會負責管理並透過審核委員會檢討本集團截至二零一零年十二月三十一日止年度之內部監控系統，該內部監控系統對財務呈報、營運及合規方面以及風險管理方面進行監管，董事會認為本集團已設立內部監控系統，並妥善運作。

內部審核

內部審核部門在監察本公司的內部管治方面擔當重要角色。內部審計師直接向主席匯報，並可直接接觸審核委員會。該內部審核部門可不受限制地查閱所有資料，以供其審閱有關本公司在風險管理、控制及管治過程方面的事宜。該部門會定期審核本集團業務及支援部門的主要活動及過程，亦會特別檢討或調查管理層或審核委員會察悉並引起關注的事宜。該部門會與審核委員會、董事及主要高級管理層討論所有審核報告，並會追查及跟進審核事宜，確保實施得宜，而實施進度會直接向審核委員會、董事及高級管理層定期匯報。

INTERNAL CONTROLS

The Board recognises its responsibility to maintain an appropriate internal control system and to ensure accurate reporting of the Company's state of affairs to shareholders and the public in a timely manner.

The Group's internal control system is designed to enhance operating effectiveness and efficiency, to safeguard assets against misappropriation and unauthorized disposition, to maintain appropriate accounting records and financial reports that are true and fair, and to ensure compliance with relevant laws and regulations. The system aims at providing a reasonable, but not absolute, assurance against material misstatement or loss and managing rather than eliminating operational risks.

The Board, through the Audit Committee, reviewed the internal control system of the Group for the year ended 31 December 2010, which covered controls over financial reporting, operations and compliance, as well as risk management functions, and considered that the system of internal controls in operation in the Group have been in place and functioning effectively.

INTERNAL AUDIT

The Internal Audit Department plays an important role in monitoring the internal governance of the Company. The Internal Auditor reports directly to the Chairman and has direct access to the Audit Committee. The Internal Audit Department has unrestricted access to information that allows it to review all aspects of the Company's risk management, control and governance processes. On a regular basis, it conducts audits on major activities and process of the Group's business and support units. It also conducts special reviews or investigations of areas of concern identified by Management or the Audit Committee. All audit reports are communicated to the Audit Committee, Directors and key senior management. Audit issues are tracked and followed up for proper implementation, with progress reported to the Audit Committee, Directors and senior management periodically.

企業管治報告

Corporate Governance Report

外聘審計師

本集團的獨立外聘審計師為安永會計師事務所。審核委員會負責考慮委聘外聘審計師，並檢討任何由外聘審計師為本集團提供的非審計職能，尤其是委員會於與外聘審計師訂約及彼等履行工作前，考慮該等非審計職能會否引致任何潛在重大利益衝突。

截至二零一零年十二月三十一日止年度內，由安永會計師事務所向本集團提供的審計服務的相關酬金為人民幣2,000,000元。

董事會滿意安永會計師事務所的審計費用、過程及效率，並建議於應屆股東週年大會上委任安永會計師事務所為本公司的外聘審計師。

董事的證券交易

本公司已採納上市規則所載的《上市發行人董事進行證券交易的標準守則》作為本公司有關董事證券交易行為守則（「證券交易守則」）。各董事於獲委任時均獲發一份證券交易守則，其後每年發出兩次提示，分別在通過本公司中期業績的董事會會議前三十天及全年業績的董事會會議前六十天，提醒董事不得在公佈業績前（董事禁止買賣股份期間）買賣本公司證券以及所有交易必須按證券交易守則進行。經就此事作特別徵詢，所有董事均已確認彼等於年內一直嚴格遵守證券交易守則有關的規定。

高級管理層因其在本公司所擔任的職務可能擁有未公佈股價敏感資料，已被要求遵守證券交易守則的規定。

EXTERNAL AUDITORS

The Group's independent external auditor is Ernst & Young. The Audit Committee is responsible for the appointment of the external auditors and reviewing the non-audit functions performed by the external auditors for the Group. In particular, the Committee will, prior to the execution of contract with the external auditors and the commencement of their duties, consider whether the non-audit functions will result in any potential material conflict of interest.

The related remuneration for the audit services provided by Ernst & Young to the Group for the year ended 31 December 2010 amounted to RMB2,000,000.

The Board is satisfied with the audit fees, process and effectiveness of Ernst & Young and has recommended their appointment as the Company's external auditors at the forthcoming AGM.

SECURITIES TRANSACTIONS OF DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Listing Rules as the Company's code of conduct regarding Directors securities transactions ("Securities Trading Code"). A copy of the Securities Trading Code is provided to all Directors on their appointment. Reminder will be issued twice a year, being 30 days prior to the Board meeting approving the Company's interim results and 60 days prior to the Board meeting approving the Company's annual results, reminding the Directors that they are not allowed to trade on the Company's securities prior to the announcement of its results (the period during which the directors are prohibited from dealing in shares) and that all transactions must comply with the Securities Trading Code. Upon specific enquiries, all Directors confirmed their strictly compliance with the relevant provisions of the Securities Trading Code throughout the year.

Senior management may be in possession of unpublished price-sensitive information due to their duties within the Company, and hence, is required to comply with the Securities Trading Code.

企業管治報告

Corporate Governance Report

投資者關係及溝通

董事會深明與股東溝通極為重要。年報及中期報告為股東提供全面的營運及財務表現資料，而股東週年大會則讓股東可直接向董事會表達彼等的意見。

本集團的投資者關係部持續與研究分析員及機構投資者溝通，並向彼等提供有關本集團策略及發展的更新最完善資料。

本公司亦於年內不時發出新聞公佈，並積極回應查詢資料的要求及投資者的查詢。投資者可於本公司網站www.shenzhouintl.com查閱有關本公司的最新資料，包括中期報告及年報、公佈、新聞公佈及簡介資料。本公司會及時更新網站上的資料，確保迅速及公平披露資料，提高透明度。本公司明白並非所有股東及權益持有人均能隨時瀏覽互聯網上的資料。如有需要，股東及權益持有人可向本公司的公司秘書要求免費索取本公司網站載列上述資料的印刷本。

股東

申洲國際奉行坦誠溝通及公平披露資料的政策。披露資料為提升企業管治水平的主要方法，因為股東及其他權益持有人可憑有關資料自行評估本公司的表現，並向本公司提出意見。本公司明白，披露更多資料並不一定可以提高運作透明度，但披露完整的資料對建立市場信心非常重要。

INVESTORS RELATIONS AND COMMUNICATION

The Board recognises the importance of communication with its shareholders. Annual and interim reports offer comprehensive operational and financial performance information to shareholders and the AGM provides a forum for shareholders to express their concerns directly to the Board.

Our Investor Relations Department communicates with research analysts and institutional investors in an on-going manner and provides them with up-to-date and comprehensive information about the Group's strategies and development.

The Company also issues press releases from time to time throughout the year and responds to requests for information and queries from the investors. Current information on the Company including interim and annual reports, announcements, press releases and presentations material can be retrieved through our Company's website www.shenzhouintl.com. Information on the website is updated in a timely manner to ensure that speed, fairness and transparency of our disclosure. We recognize that not all shareholders and stakeholders have ready access to the internet. For those who do not, hard copies of those website information listed above are available free of charge upon request to the Company Secretary.

SHAREHOLDERS

Shenzhou International has a policy of open communication and fair disclosure. Disclosure is a key means to enhance our corporate governance standards, in that it provides our shareholders and other stakeholders with the information necessary for them to form their own judgment and to provide feedback to us. We understand that more disclosure does not necessarily result in increased transparency. The integrity of the information provided is essential for building market confidence.

企業管治報告

Corporate Governance Report

董事會及高級管理人員深明彼等有責任代表全體股東的利益及竭盡所能提升股東價值。因此，本公司非常鼓勵股東於股東週年大會或股東特別大會提呈動議。如股東有意提出動議，必須將列明有關動議的通知書送交本公司的註冊辦事處，指定由公司秘書接收。如欲向董事會作出任何查詢，可致電本公司熱線852-2310-4919或發送電郵至 kenjichan@shenzhougroup.com.hk 聯絡公司秘書，或於股東週年大會或股東特別大會直接提問。關於股東召開股東週年大會或股東特別大會或於會上提呈決議案的程序，亦可透過上述途徑向公司秘書查詢。

本公司將繼續按所汲取經驗、監管要求及國際發展趨勢，檢討及於適當時改進本公司的企業管治慣例。提升企業管治水平必須持之以恆。要維持良好企業管治，本公司不能自滿，必須時刻進步。

上市規則及企業管治守則的修訂

鑑於上市規則及企業管治守則的修訂已於二零零九年一月一日生效，本公司已自二零零九年一月一日開始於其企業管治常規中加入有關修訂，致為於未來改善其企業管治。

The Board and Senior Management recognize their responsibility to represent the interests of all shareholders and to maximize shareholder value. Therefore, we strongly encourage shareholders to put forward proposals at an AGM or Extraordinary General Meeting ("EGM") including a written notice of those proposals that could be addressed to the Company Secretary at the registered office. Enquires may be put to the Board by contacting either the Company Secretary through our hotline 852-2310-4919, email at kenjichan@shenzhougroup.com.hk or directly by questions at an AGM or EGM. Questions on the procedures for convening or putting forward proposals at an AGM or EGM may also be put to the Company Secretary by the same means.

We will continue to review and, where appropriate, improve on our corporate governance practices in light of evolving experience, regulatory requirements and international developments. Corporate Governance is an evolving process. Good corporate governance is a journey, rather than a final destination.

AMENDMENTS TO THE LISTING RULES AND THE CG CODE

In light of the amendments made to the Listing Rules and the CG Code with effect from 1 January 2009, the Company has incorporated such amendments in its corporate governance practices commencing 1 January 2009 and will strive to improve its corporate governance in the future.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

執行董事

馬建榮先生，四十六歲，本集團執行董事兼主席，負責本集團的整體業務發展策略，在紡織業具超過三十年經驗。馬先生在一九八九年加入本集團前，彼曾於紹興棉紡廠及杭州臨平針織服裝廠工作。加盟本集團後，馬先生曾出任本集團之最早期營運企業－寧波申洲織造集團有限公司（「寧波織造」）的織造部經理及寧波織造副總經理及總經理。彼自二零零五年四月以來一直擔任寧波申洲針織有限公司（「申洲針織」）董事長。馬先生為浙江省人大代表，亦為寧波市北侖區人大常委。彼於二零零三年九月被寧波市慈善總會譽為「寧波市慈善楷模」。馬先生是中國針織工業協會副會長，「浙江省慈善楷模」和「中華全國慈善楷模」。

黃關林先生，四十五歲，本集團執行董事兼總經理，負責本集團的生產、行銷及市場推廣等日常業務運作，在紡織業具超過二十三年經驗。黃先生畢業於浙江工業大學，主修化學工業管理工程。一九八九年加盟本集團前，彼曾於浙江省餘杭縣的絲織廠工作。加盟本集團後，黃先生曾任寧波織造的生產經營部經理及副總經理。彼自二零零五年四月以來一直擔任申洲針織總經理。彼為馬建榮先生的妹夫。

馬仁和先生，五十歲，本集團執行董事兼副總經理，負責本集團染整事務及行政事務，在紡織業擁有逾三十四年經驗。於一九八九年加入本集團前，曾在紹興棉紡廠及杭州臨平針織服裝廠工作。加盟本集團後，馬先生曾擔任寧波織造染整部經理及副總經理。彼自二零零二年五月起一直擔任申洲針織副總經理。彼為馬建榮先生的堂兄（其父親與馬建榮先生之父親為兄弟）。

EXECUTIVE DIRECTOR

Mr. Ma Jianrong (馬建榮), aged 46, is an Executive Director and the Chairman of the Group. He is responsible for the overall business development strategy of the Group and has over 30 years of experience in the textile industry. Prior to joining the Group in 1989, he worked for Shaoxing Cotton Mill (紹興棉紡廠) and Hangzhou Linping Knitting and Garment Plant (杭州臨平針織服裝廠). After joining the Group, Mr. Ma served as the manager of the knitting and weaving department, a deputy general manager and the general manager of Ningbo Shenzhou Weaving Group Co., Ltd. ("Ningbo Weaving"), the earliest operating entity of the Group. He has been acting as the chairman of Ningbo Shenzhou Knitting Co., Ltd. ("Shenzhou Knitting") since April 2005. Mr. Ma is a deputy to the People's Congress of Zhejiang Province and a standing committee member of Beilun District of Ningbo. He was named "Charity Model of Ningbo (寧波市慈善楷模)" by Ningbo Charity Association (寧波市慈善總會) in September 2003. Mr. Ma is the vice chairman of the China Knitting Industrial Association and was named as "Charity Model of Zhejiang Province (浙江省慈善楷模)" and "Charity Model of China (中華全國慈善楷模)".

Mr. Huang Guanlin (黃關林), aged 45, is an Executive Director and the general manager of the Group. He is responsible for the daily operations of the Group such as production, sales and marketing and has over 23 years of experience in the textile industry. Mr. Huang graduated from Zhejiang University of Technology (浙江工業大學) majoring in chemical industry management and engineering. Prior to joining the Group in 1989, he worked for a silk knitting mill in Yuhang County, Zhejiang Province. After joining the Group, Mr. Huang worked as the manager and a deputy general manager of the production and operation department of Ningbo Weaving. He has been acting as the general manager of Shenzhou Knitting since April 2005. He is the brother-in-law of Mr. Ma Jianrong.

Mr. Ma Renhe (馬仁和), aged 50, is an Executive Director and a deputy general manager of the Group. He is responsible for administration, dyeing and finishing affairs of the Group and has over 34 years of experience in textile industry. Prior to joining the Group in 1989, he worked for Shaoxing Cotton Mill and Hangzhou Linping Knitting and Garment Plant. After joining the Group, Mr. Ma worked as the manager and a deputy general manager of the dyeing and finishing department of Ningbo Weaving. He has been acting as a deputy general manager of Shenzhou Knitting since May 2002. He is a cousin of Mr. Ma Jianrong (his father and Mr. Ma Jianrong's father are brothers).

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

鄭妙輝女士，五十五歲，本集團執行董事兼副總經理，負責本集團的財務管理，具有逾二十六年的財務管理工作經驗，並取得會計師資格證書。於一九八八年加盟本集團後，鄭女士曾任寧波織造財務部經理及總經理助理。彼自二零零五年四月以來一直擔任申洲針織副總經理。

Ms. Zheng Miaohui (鄭妙輝), aged 55, is an Executive Director and a deputy general manager of the Group. She is responsible for the financial management of the Group and has over 26 years of experience in financial management and obtained an accountant qualification certificate. After joining the Group in 1988, Ms. Zheng served as the manager and an assistant to the general manager of the finance department of Ningbo Weaving. She has been acting as a deputy general manager of Shenzhou Knitting since April 2005.

非執行董事

陳忠靜先生，四十八歲，為非執行董事，並擁有二十九年行政事務管理經驗。陳先生獲頒授企業人力資源管理師證書。於二零零三年加盟本集團前，彼曾於寧波市人民政府工作，先後擔任過中共北侖區委辦公室主任、中共大碇鎮委員會書記、寧波北侖科技園區管委會副主任、寧波市政府重大機電項目辦公室副主任。陳先生現任寧波開發區控股集團副董事長，寧波開發區金帆投資有限公司總經理，寧波開發區天人房地產開發有限公司董事長。陳先生於二零零三年九月為寧波申洲針織有限公司副總經理。二零零五年十月任命為本公司執行董事兼副總經理。於二零一零年二月八日調任本公司非執行董事。

NON-EXECUTIVE DIRECTOR

Mr. Chen Zhongjing (陳忠靜), aged 48, is a Non-Executive Director. Mr. Chen has 29 years of management experience in administrative affairs. He has obtained a certificate of corporate human resources manager. He worked for the People's Government of Ningbo City, and served as the head of Beilun District Committee Office of CCP (中共北侖區委辦公室主任), secretary of Daqi Township Committee of CCP (中共大碇鎮委員會書記), a deputy head of the Management Committee of Ningbo Beilun Technology Park (寧波北侖科技園區管委會副主任), a deputy co-ordinating major mechanical and electrical projects under the Ningbo government (寧波市政府重大機電項目辦公室副主任). Currently, Mr. Chen is a Vice Chairman of the Ningbo Development Zone Holding Group (寧波開發區控股集團) and he is a General Manager of the Ningbo Economic & Technical Development Zone Jinfan Co., Ltd. (寧波開發區金帆投資有限公司). Mr. Chen is a Chairman of the Ningbo Economic & Technical Development Zone Tianren Property Development Co., Ltd. (寧波開發區天人房地產開發有限公司). Mr. Chen was a deputy general manager of Ningbo Shenzhou Knitting Co., Ltd. in September 2003. He was appointed as an Executive Director and a deputy general manager of the Company in October 2005. On 8 February 2010, he was re-designated as a Non-executive Director of the Company.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

獨立非執行董事

戴祥波先生，四十八歲，於二零零五年七月加入本集團擔任獨立非執行董事。戴先生於一九八四年畢業於江西財經大學，主修工業會計，並於二零零二年完成浙江大學研究生課程，主修經濟學。戴先生已取得中國註冊會計師及高級會計師證書。彼目前為浙江省會計人員服務中心主任及浙江財經學院會計學院特聘教授，中國註冊會計師協會資深會員。彼亦為海天國際控股有限公司（其股份於香港聯交所上市）及浙江帝龍新材料股份有限公司（其股份於深圳證券交易所上市）之獨立非執行董事。戴先生曾歷任浙江省審計局工交審計處主任科員、浙江省仙居縣審計局副局長、浙江省審計廳法規處副處長及浙江省註冊會計師協會副秘書長。

蘇壽南先生，七十二歲，於二零零八年十二月三十日加入本集團擔任獨立非執行董事。蘇先生，畢業於紡織業餘大專，享有高級經濟師職稱。加入本集團前，蘇先生歷任上海三槍集團總經理，上海內衣集團董事長以及針織九廠廠長。蘇先生於二零零六年十一月獲委任為上海內衣行業協會第五屆理事會名譽會長，於一九九九年七月至二零零二年六月期間亦為上海市勞動模範協會理事會理事。

宗平生先生，七十六歲，於二零零五年七月加入本集團擔任獨立非執行董事。宗先生曾獲聘為江南大學（前身為無錫輕工業學院及無錫輕工大學）紡織工程系教師，其後於一九八七年取得教授資格。宗先生於一九九二年享有中國國務院給予的政府特殊津貼。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Dai Xiangbo (戴祥波), aged 48, joined the Group in July 2005 as an Independent Non-executive Director. He graduated from Jiangxi University of Finance and Economics (江西財經大學) in 1984, majoring in industrial accounting, and completed his postgraduate study in Zhejiang University (浙江大學) in 2002, majoring in economics. Mr. Dai has obtained PRC certified accountant and senior accountant certificates. He currently serves as the officer of Zhejiang Accounting Service Center (浙江省會計人員服務中心), a professor specially retained by Zhejiang Finance School at Accounting College (浙江財經學院會計學院) and a fellow member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會). He also serves as an independent non-executive director of the Haitian International Holdings Ltd. (海天國際控股有限公司) (its shares are listed on the Hong Kong Stock Exchange) and the Zhejiang Dilong New Material Co. Ltd. (浙江帝龍新材料股份有限公司) (its shares are listed on the Shenzhen Stock Exchange). Mr. Dai served as the division head of the Industrial and Trade Audit Division of the Audit Bureau in Zhejiang Province (浙江省審計局工交審計處), the deputy director of the Audit Bureau in Xianju County, Zhejiang Province (浙江省仙居縣審計局), the deputy head of the legal system division of Audit Office in Zhejiang Province (浙江省審計廳法規處) and the deputy secretary of Zhejiang Certified Public Accountant Association (浙江省註冊會計師協會).

Mr. Su Shouan (蘇壽南), aged 72, has been appointed as an independent non-executive Director of the Group with effect from 30 December 2008. Mr. Su graduated from Textile Part-time College (紡織業餘大專). He is a senior economist. Before joining the Group, Mr. Su has worked as the General Manager of Shanghai Threegun Group (上海三槍集團總經理), Chairman and director of Shanghai Underwear Group (上海內衣集團) and Factory Director of the Ninth Knitting Manufactory (針織九廠廠長). Mr. Su was appointed as the Honorary President of the Fifth Session of the Executive Council of Shanghai Underwear Trade Association (上海內衣行業協會第五屆理事會名譽會長) in November 2006. He was also a member of the Executive Council of Shanghai Labour Model Association (上海市勞動模範協會理事會理事) from July 1999 to June 2002.

Mr. Zong Pingsheng (宗平生), aged 76, joined the Group in July 2005 as an Independent Non-executive Director. Mr. Zong was employed as a teacher of the textile engineering faculty at Southern Yangtze University (江南大學) (formerly known as Wuxi College of Light Industry (無錫輕工業學院) and Wuxi University of Light Industry (無錫輕工大學)). He obtained the qualification of professor in 1987. Mr. Zong has been awarded a special government allowance by the State Council in 1992.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

高級管理層

胡紀軍先生，四十一歲，本集團副總經理，負責本集團於日本及歐美的行銷及市場推廣，在日本針織服裝市場具二十一年的銷售及市場推廣經驗。於一九八九年九月加盟本集團後，胡先生曾擔任寧波織造生產營運部副經理及總經理助理，負責出口銷售。彼自二零零五年四月一直擔任申洲針織副總經理。

陳嵐先生，四十四歲，本集團副總經理，負責棉紗等原材料採購及資訊管理工作，在紡織業有逾二十二年工作經驗。陳先生於一九八九年七月加盟本集團後，彼曾任寧波織造織造部經理、生產經營部副經理、原材料採購部經理、總經理助理及本集團總經理助理。

顧朝權先生，四十八歲，本集團副總經理，負責本集團的生產計劃，在紡織業具有超過二十三年經驗。於一九八九年加盟本集團前，彼曾於中國寧波市北侖區政府工作。顧先生曾任寧波織造辦公室副主任、製衣部經理、製衣一部經理、總經理助理及本集團總經理助理。

陳芝芬女士，四十一歲，本集團副總經理，負責各製衣部，在紡織業具有超過二十一年經驗。於一九九零年四月加盟本集團後，彼曾任寧波織造的工段長、製衣部經理、製衣二部及六部經理、總經理助理及本集團總經理助理。於二零零零年九月至二零零三年六月期間，陳女士完成海軍工程大學課程，主修管理工程。

SENIOR MANAGEMENT

Mr. Hu Jijun (胡紀軍), aged 41, is a deputy general manager of the Group. He is responsible for sales and marketing of the Group in Japanese, European and U.S. markets and has 21 years of sales and marketing experience in the Japanese knitwear market. After joining the Group in September 1989, Mr. Hu worked at the production and operation department of Ningbo Weaving as the deputy manager and an assistant to the general manager, responsible for export sales. He has been acting as a deputy general manager of Shenzhou Knitting since April 2005.

Mr. Chen Lan (陳嵐), aged 44, is a deputy general manager of the Group, responsible for the procurement of raw materials, such as cotton yarn, and information management, and has over 22 years of experience in textile industry. After joining the Group in July 1989, he served as the manager of the weaving department, the deputy manager of the production and operation department, the manager of the raw materials procurement department and an assistant to the general manager of Ningbo Weaving and an assistant to the general manager of the Group.

Mr. Gu Chaoquan (顧朝權), aged 48, is a deputy general manager of the Group, responsible for the production planning of the Group, and has over 23 years of experience in textile industry. Prior to joining the Group in 1989, he worked for the government of Beilun District, Ningbo City, China. Mr. Gu served as the deputy head of the office, the manager of the garment manufacturing department, the manager of the No. 1 garment manufacturing department (製衣一部), assistant to the general manager of Ningbo Weaving and an assistant to the general manager of the Group.

Ms. Chen Zhifen (陳芝芬), aged 41, is a deputy general manager of the Group, responsible for all garment manufacturing department, and has over 21 years of experience in textile industry. After joining the Group in April 1990, she worked as the section chief, the manager of its garment manufacturing department, the manager of the No. 2 and No. 6 garment manufacturing departments, an assistant to the general manager of Ningbo Weaving and an assistant to the general manager of the Group. During the period from September 2000 to June 2003, Ms. Chen studied in Naval University of Engineering (海軍工程大學), majoring in management engineering.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

言德林先生，五十五歲，本集團副總經理，負責本集團的日常行政事業及柬埔寨的業務，在紡織業具有超過二十三年經驗。彼取得助理經濟師證書。加盟本集團前，言先生曾任杭州臨平針織服裝廠設備科長、辦公室主任以及余杭協作辦公室旗下合營公司副總經理，期間彼曾任余杭協作辦公室旗下柬埔寨公司總經理。於一九九九年十月加盟本集團後，言先生曾任寧波織造辦公室副主任，並自二零零五年五月以來一直擔任申洲針織總經理助理。言先生畢業於中共中央黨校函授學院，主修經濟管理。

Mr. Yan Delin (言德林), aged 55, is a deputy general manager of the Group, in charge of the daily administration affairs and its Cambodian operations of the Group and has over 23 years of experience in textile industry. He has obtained the certificate of assistant economist. Prior to joining the Group, Mr. Yan worked as the head of the equipment division of Hangzhou Linping Knitting and Garment Plant, the head of its office, and a deputy general manager of joint venture companies under Yuhang Cooperative Office (余杭協作辦公室), during which, he served as the general manager of a Cambodian company under the Yuhang Cooperative Office. After joining the Group in October 1999, Mr. Yan worked as the deputy head of the office of Ningbo Weaving and has been acting as an assistant to the general manager of Shenzhou Knitting since May 2005. He graduated from the Correspondence College at the Party School of the Central Committee of CCP majoring in economic management.

江濤先生，四十三歲，本集團總經理助理及申洲針織營業一部經理，於織造業具有十六年經驗。江先生畢業於上海大學英語系，主修英語（國際貿易）。加盟本集團前，他曾於上海東方日綿有限公司工作。於一九九八年十月加盟本集團後，江先生曾任寧波織造總經理助理，負責向Uniqlo進行銷售。

Mr. Jiang Tao (江濤), aged 43, is an assistant to the general manager of the Group and the departmental manager of No. 1 sales department of Shenzhou Knitting, and has 16 years of experience in knitting and weaving industry. Mr. Jiang graduated from the faculty of English at Shanghai University (上海大學), majoring in English for international trade. Prior to joining the Group, he worked at Shanghai Dongfang Rimian Company Limited (上海東方日綿有限公司). After joining the Group in October 1998, Mr. Jiang served as an assistant to the general manager of Ningbo Weaving and was responsible for the sales to Uniqlo.

崔紀鋒先生，四十六歲，本集團總經理助理，負責技術及品質事務，在紡織業具有逾二十三年經驗。於一九九零年加盟本集團前，他曾任寧波北侖服裝廠技術副廠長。崔先生加盟本集團後曾於寧波織造生產經營部擔任副經理及總經理助理。

Mr. Cui Jifeng (崔紀鋒), aged 46, is an assistant to the general manager of the Group, responsible for technology and quantity affairs, and has over 23 years of experience in textile industry. Prior to joining the Group in 1990, he worked as the deputy factory manager of Ningbo Beilun Garments Plant (寧波北侖服裝廠) in charge of technology. Mr. Cui served as the deputy manager of the production and operation department and an assistant to the general manager of Ningbo Weaving.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

胡永海先生，四十四歲，本集團總經理助理，負責面料技術事務，在紡織業具有超過二十二年經驗。彼取得助理經濟師證書。胡先生畢業於浙江工業大學，取得工業管理工程學士學位。彼畢業後隨即加盟本集團，曾擔任過寧波織造生產經營部助理經理、副經理及總經理助理，負責有關面料及技術事務。

Mr. Hu Yonghai (胡永海), aged 44, is an assistant to the general manager of the Group, responsible for the affairs of fabric technology, and has over 22 years of experience in textile industry. He has obtained the certificate of assistant economist. Mr. Hu graduated from Zhejiang Industrial University (浙江工業大學) with a bachelor's degree in industrial management engineering. He joined the Group immediately after graduation and worked as the assistant manager, deputy manager of the production and operation department and an assistant to the general manager of Ningbo Weaving, responsible for the affairs in connection with fabrics and technology.

潘良華先生，五十五歲，本集團總經理助理，負責集團織造業務，在紡織業具有三十六年經驗。彼於工作期間參加中央電視大學自學班，主修生產經營管理專業，並於一九八七年畢業。彼曾擔任過上海針織二十廠技術副廠長，上海三槍集團針織九廠技術科常務副科長。彼於一九九九年一月加盟本集團，曾擔任過寧波織造染整部副經理，負責生產、品質等事務。

Mr. Pan Lianghua (潘良華), aged 55, is an assistant to the general manager of the Group, responsible for the knitting and weaving operations of the Group, and has 36 years of experience in the textile industry. He graduated from a self-study course of the China Central Radio and TV University (中央電視大學) in 1987, majoring in production operation management. Mr. Pan has served as the deputy factory manager of Shanghai Knitting's 20th Plant (上海針織二十廠), in charge of the technology department, and the deputy head of the technology division of 上海三槍集團針織九廠. After joining the Group in January 1999, he served as the deputy manager of the dyeing and finishing department of Ningbo Weaving and was responsible for production and quality control.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

馬彬先生，現年三十九歲，二零零一年加入本集團，現任本集團總經理助理和營業二部部長，全面負責NIKE事業部運作項目管理和客戶關係維護。馬彬有十一年的紡織行業經驗，進入集團後參與組建的申洲歐美事業部，負責新客戶開發。二零零五年初開始全面負責NIKE業務至今。二零零九年一月被任命為本集團總經理助理。馬彬畢業於復旦大學電子工程系後，在上海財經大學工商管理學院獲得中美合作工商管理碩士學位。加入本集團前馬彬任職於國海證券，司職業務開發經理。

Mr. Ma Bin (馬彬), aged 39, joined the Group in 2001. Currently, he is an assistant to the general manager and the departmental manager of No. 2 sales department of the Group. He is fully in charge of the operation and project management and customer relationship maintenance of the Nike business department. Mr. Ma has 11 years of experience in the textile industry. After joining the Group, he participated in the formation of the Shenzhou Department of European and U.S. Business and was responsible for targeting potential customers. He has been responsible for the Nike business since early 2005. In January 2009, he was appointed as an assistant to the Group's general manager. He graduated from the Department of Electronic Engineering of the Fudan University and later obtained his SUFE-Webster joint MBA from the MBA School of Shanghai University of Finance and Economics. Before joining the Group, Mr. Ma served as the business development manager of the Sealand Securities.

宋慶先生，四十歲，本集團總經理助理兼營業三部部長。他主要負責營業三部的日常管理和制度建設等工作，並協助總經理處理一些其他方面的工作，在紡織行業有十三年的工作經驗。宋先生於一九九四年畢業於西北工業大學計算機科學和應用系，並先後於二零零五年取得新加坡國立大學Master of Technology碩士文憑，二零零八年取得上海交通大學和新加坡南洋理工大學合辦的MBA碩士文憑。在二零零七年一月加入本集團，宋先生在新加坡有十年的工作經驗，先於一九九七年在一家軟件開發公司擔任高級軟件開發工程師一年，然後於一九九八年加入紡織行業的永華工業私人有限公司，先後擔任信息技術部經理(IT Manager)和首席資訊主管(CIO)。

Mr. Song Qing (宋慶), aged 40, is an assistant to the general manager and the departmental manager of No. 3 sales department of the Group. He is chiefly responsible for the general management and system construction of the No. 3 sales department of the Group. He assists the general manager with other aspects of operations and has 13 years of experience in the textile industry. In 1994, Mr. Song graduated from the Department of Computer Science and Technology of the Northwestern Polytechnical University. He obtained a Master of Technology from the National University of Singapore in 2005 and received an NTU-SJTU Joint Executive MBA (EMBA) Programme in 2008. Joining the Group in January 2007, Mr. Song has 10 years of work experience in Singapore. Beginning in 1997, he worked as a senior software development engineer for a software development firm for a year. In 1998, he joined 永華工業私人有限公司 of the textile industry and served as its IT Manager and Chief Information Officer (CIO) successively.

徐惠國，現年五十七歲，於二零一一年加入本集團，現任本集團總經理助理，負責本集團行政事務。徐先生具有超過四十年行政管理經驗。徐先生畢業於中共中央黨校，擁有經濟管理專業本科學位及工程師資格。在加盟本集團前，先後任職於寧波電業局線路隊隊長、寧波電氣檢修安裝公司經理及黨支部書記、寧波送發電公司總經理、北侖供電局局長及寧波明耀環保熱電有限公司總經理。

Mr. Xu Huiguo (徐惠國), aged 57, joined the Group in 2011. He is currently an assistant to the general manager of the Group in charge of the administrative affairs of the Group. Mr. Xu has over 40 years of experience in administration and management. Mr. Xu has obtained an undergraduate qualification in economic management from the Party School of the Central Committee of C.P.C. and is a qualified engineer. Prior to joining the Group, he has been the team leader of the wiring team (線路隊) of Ningbo Electricity Bureau (寧波電業局), a manager and the secretary of the party branch of 寧波電氣檢修安裝公司, the general manager of 寧波送變電公司, the chief of Beilun District Electricity Bureau (北侖供電局) and the general manager of Ningbo Mingyao Environmental Thermal Power Co., Ltd.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

王存波先生，三十八歲，本集團財務部部長兼申洲針織財務總監。彼於一九九五年畢業於浙江工業大學，主修生物化工工程，持有工學學士學位。同年，王先生就讀浙江工業大學，並於一九九八年獲頒授管理學碩士學位。此外，彼取得中國註冊會計師證書、中國註冊稅務師證書、中國註冊資產評估師證書、高級會計師證書及中國註冊會計師執行證券及期貨相關業務許可證。王先生於二零零四年五月加盟本集團前，曾任寧波天健永德聯合會計師事務所合夥人、寧波永德企業管理諮詢事務所副總經理，彼作為執業會計師具超過六年經驗。

Mr. Wang Cunbo (王存波), aged 38, is in charge of the Finance Department of the Group and the financial controller of Shenzhou Knitting. He graduated from Zhejiang University of Technology (浙江工業大學), majoring in biology and chemical engineering, with a bachelor's degree in engineering in 1995. In the same year, Mr. Wang studied at Zhejiang University of Technology where he obtained a master's degree in management in 1998. In addition, he has obtained the certificates of the PRC certified public accountant, the PRC registered tax agent and the PRC certified public valuer and senior accountant and the operating permit of the PRC public certified accountant engaged in securities and futures-related business. Prior to joining the Group in May 2004, he was a partner of Ningbo Tianjian Yongde United Accounting Firm (寧波天健永德聯合會計師事務所), deputy general manager of Ningbo Yongde Corporate Management and Consulting Firm (寧波永德企業管理諮詢事務所), and has over 6 years of experience in acting as certified accountant.

公司秘書

陳德興先生，四十歲，於二零零八年九月加入本集團，現任本集團財務總監及公司秘書。陳先生擁有逾十五年審核、財務監管、公司秘書及會計之經驗。陳先生持有工商管理碩士學位及中國商貿管理理學碩士學位，亦為英國特許公認會計師公會資深會員、香港會計師公會會員、香港註冊稅務師及英格蘭及威爾斯特許會計師公會會員。

COMPANY SECRETARY

Mr. CHAN Tak Hing, Kenji (陳德興), aged 40, joined the Group in September 2008. Now, he is the Financial Controller and Company Secretary of the Group. Mr. Chan has over 15 years of experience in auditing, financial controlling, company secretary and accounting. Mr. Chan holds a Master Degree in Business Administration and a Degree in Master of Science in China Business Management. Mr. Chan is also a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants, a Certified Tax Adviser in Hong Kong and an associate member of the Institute of Chartered Accountants in England & Wales.

董事會報告

Report of the Directors

申洲國際集團控股有限公司（「本公司」）董事欣然將本公司及其附屬公司（統稱「本集團」）截至二零一零年十二月三十一日止年度報告連同經已審核的財務報表呈覽。

主要業務及營運地區的分析

本公司之主要業務為投資控股。其附屬公司之主要業務載於財務報表附註18。

本集團於本年度之表現按業務及地區之分析載於財務報表附註4。

業績及股息

本集團截至二零一零年十二月三十一日止年度之業績以及本公司及本集團於該日之財務狀況載於財務報表第69頁至179頁。

董事建議就截至二零一零年十二月三十一日止年度向二零一一年五月二十日營業時間結束時名列本公司股東名冊上之股東，派發末期股息每股0.36港元（相當於約人民幣0.31元）。有待股東在二零一一年五月二十七日舉行之應屆股東週年大會上批准後，方可作實。

截至二零一零年六月三十日止六個月並無宣派中期股息。

於截至二零一零年十二月三十一日止年度，本公司股東概無放棄或同意放棄任何股息的安排。

儲備

年內本公司及本集團儲備變動之詳情分別載於財務報表附註29及綜合權益變動表。

The Directors of Shenzhou International Group Holdings Limited (the "Company") have pleasure in submitting their report together with the audited financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The primary activities of the subsidiaries are set out in note 18 to the financial statements.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 4 to the financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2010 and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on page 69 to 179.

The Directors recommend a payment of a final dividend of HK\$0.36 (equivalent to approximately RMB0.31) per share for the year ended 31 December 2010, subject to shareholders' approval at the forthcoming annual general meeting to be held on 27 May 2011, to the shareholders whose names appeared on the Register of Members of the Company at the close of business on 20 May 2011.

No interim dividend was declared for the six months ended 30 June 2010.

There was no arrangement under which a shareholder of the Company has waived or agreed to waive any dividend during the year ended 31 December 2010.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 29 to the financial statements and in the consolidated statement of changes in equity, respectively.

董事會報告

Report of the Directors

捐款

年內本集團的慈善捐款及其他捐獻為人民幣7,905,000元。

物業、廠房及設備

本集團物業、廠房及設備變動詳情載於財務報表附註15。

股本

年內本公司之法定或已發行股本並無變動。

可供分派儲備

按照開曼群島公司法第二十二章（一九六一年第三號法例，經綜合及修訂）計算，本公司於二零一零年十二月三十一日的可供分派儲備為人民幣662,069,000元，其中人民幣381,373,000元已建議用作本年度末期股息。

優先購股權

根據本公司組織章程細則中並無優先購股權之條文，而開曼群島之法律亦無規定本公司於發行新股時，須按比例給予現有股東該等權利的限制。

財務資料摘要

本集團過往五個財政年度的業績、資產及負債摘要載於第180頁。

購買、出售或購回證券

本公司或其任何附屬公司於截至二零一零年十二月三十一日止年度內概無購買、贖回或出售本公司任何上市證券。

DONATIONS

Charitable and other donations made by the Group during the year amounted to RMB7,905,000.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 15 to the financial statements.

SHARE CAPITAL

There were no movements in either the Company's authorised or issued share capital during the year.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2010, calculated in accordance with the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to RMB662,069,000, of which RMB381,373,000 has been proposed as final dividend for the year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and there was no restriction under the laws of Cayman Islands, which would oblige the Company to offer such rights on a prorata basis to existing shareholders during new shares issue.

SUMMARY FINANCIAL INFORMATION

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 180.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities shares during the year ended 31 December 2010.

董事會報告

Report of the Directors

購股權計劃

於二零一零年十二月三十一日，本公司並無任何購股權計劃。

董事

本年度內及截至本報告日期之董事如下：

執行董事：

馬建榮先生
黃關林先生
馬仁和先生
鄭妙輝女士

非執行董事：

陳忠靜先生
(於二零一零年二月八日調任非執行董事)

獨立非執行董事：

戴祥波先生
蘇壽南先生
宗平生先生

根據本公司組織章程第87條，馬建榮先生、鄭妙輝女士及宗平生先生將於應屆股東週年大會輪值告退。惟彼等符合資格並願膺選連任。

獨立非執行董事均以三年任期委任。本公司已接獲蘇壽南先生、宗平生先生及戴祥波先生之年度獨立性確認書，於本報告刊發日期，認為彼等均為獨立人士。

SHARE OPTION SCHEME

No share option scheme was operated by the Company as at 31 December 2010.

DIRECTORS

The Directors during the year and up to the date of the report were:

Executive Directors:

Mr. Ma Jianrong
Mr. Huang Guanlin
Mr. Ma Renhe
Ms. Zheng Miaohui

Non-executive Director:

Mr. Chen Zhongjing
(redesignated to non-executive Director on 8 February 2010)

Independent Non-executive Directors:

Mr. Dai Xiangbo
Mr. Su Shounan
Mr. Zong Pingsheng

In accordance with Article 87 of the Company's Articles of Association, Mr. Ma Jianrong, Ms. Zheng Miaohui and Mr. Zong Pingsheng shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The Independent Non-executive Directors are appointed for terms of three years. The Company has received annual confirmations of independence from Mr. Su Shounan, Mr. Zong Pingsheng and Mr. Dai Xiangbo and as at the date of this report still considers them to be independent.

董事會報告

Report of the Directors

董事之服務合約

各執行董事均與本公司簽訂服務合約，並為期三年。根據服務合約，任何一方可向另一方發出不少於三個月的事先書面通知，隨時終止服務協議。

各獨立非執行董事均與本公司簽訂服務合約，並為期三年。根據服務合約，獨立非執行董事可發出不少於三個月的事先書面通知，隨時終止服務協議。

根據服務合約，各執行董事可獲發年度酌情管理花紅，由董事會薪酬委員會批准，惟本集團在任何財政年度向所有執行董事發放的酌情管理花紅總額，不得超逾有關財政年度本集團除稅及少數股東權益以及扣除酌情管理花紅總額後但未計非經常項目前淨利潤的5%。

董事之薪酬

有關董事薪酬之詳情載於財務報表附註8。

董事之合約權益

除以下「關連交易」以及財務報表附註36「關連人士交易」所披露者外，年內，各董事在本公司或其任何控股公司、附屬公司或同系附屬公司所訂立而對本集團業務而言屬重大之合約中概無直接或間接擁有重大權益。

董事於競爭業務的權益

於截至二零一零年十二月三十一日止年度，本公司董事概無於與本公司或其任何附屬公司存有競爭之任何業務擁有任何權益。

董事及高級管理層履歷

本公司董事及本集團高級管理層履歷詳情載於第46頁至53頁。

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has a service contract with the Company for a term of three years and is subject to termination, at any time, by either party giving the other party not less than three months' prior written notice.

Each of the Independent Non-executive Directors has a service contract with the Company for a term of three years and is subject to termination, at any time, by the Independent Non-executive Director giving not less than three months' prior written notice.

Under the service contracts, each of the Executive Directors is entitled to an annual discretionary management bonus as the Remuneration Committee of the Board may approve, provided that the aggregate amount of the discretionary management bonuses payable to all Executive Directors in respect of any financial year of the Group would not exceed 5% of the net profits of the Group after taxation and minority interests and less the aggregate amount of the discretionary management bonuses but before non-recurring items for the relevant financial year.

REMUNERATION OF THE DIRECTORS

Details of the remuneration of the Directors are set out in note 8 to the financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed under the heading "Connected transactions" below and "Related party transactions" in note 36 to the financial statements, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2010, none of the directors of the Company had any interest in any competing business with the Company or any of its subsidiaries.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors of the Company and senior management of the Group are set out on page 46 to 53.

董事會報告

Report of the Directors

董事及最高行政人員於本公司股份的權益及淡倉

於二零一零年十二月三十一日，根據證券及期貨條例（「證券及期貨條例」）第XV部第7及第8分部已知會本公司和香港聯合交易所有限公司（「聯交所」），並根據證券及期貨條例第352條而存置之登記冊所載；或根據聯交所證券上市規則（「上市規則」）內上市公司董事進行證券交易的標準守則（「標準守則」）已知會本公司和聯交所，有關本公司董事及最高行政人員擁有本公司及其相關法團（按證券及期貨條例第XV部之涵義）之股份、相關股份及債權證之權益及淡倉（包括根據證券及期貨條例之該等條文任何該等董事或最高行政人員擁有或被視作擁有之權益及淡倉）如下：

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES OF THE COMPANY

As at 31 December 2010, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which was taken or deemed to be held by any such director or chief executive under such provisions of the SFO) and were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

於本公司普通股中之好倉

Long positions in ordinary shares of the Company

名稱	附註	身份及權益類別	股份數目	佔本公司已發行股本百分比(%)
Name	Notes	Capacity and Nature of Interest	Number of Shares	Percentage of the Issued Share Capital of the Company
馬建榮先生	1	公司權益	776,332,500	62.36%
Mr. Ma Jianrong	1	Corporate interest	776,332,500	62.36%
馬仁和先生	2	公司權益	111,217,500	8.93%
Mr. Ma Renhe	2	Corporate interests	111,217,500	8.93%

董事會報告

Report of the Directors

附註：

1. 於二零一零年十二月三十一日，協榮有限公司（「協榮」，一家於英屬處女群島註冊成立之有限公司）持有776,332,500股股份，而千里馬投資有限公司（「千里馬」）、BMX (HK) LTD.（「BMX」）及利華企業有限公司（「利華」）則分別擁有該公司80.25%、13.95%及5.8%之權益。千里馬（一家於英屬處女群島註冊成立之有限公司）由馬建榮先生全資擁有。BMX（一家於英屬處女群島註冊成立之有限公司）由黃關林先生（為馬建榮先生之妹夫及馬寶興先生之女婿）全資擁有。利華（一家於英屬處女群島註冊成立之有限公司）由馬寶興先生（為馬建榮先生之父親）全資擁有。根據證券及期貨條例，馬建榮先生被視為於協榮所持有之776,332,500股股份中擁有權益。
2. 於二零一零年十二月三十一日，富高集團有限公司（「富高」，一家於英屬處女群島註冊成立之有限公司）持有111,217,500股股份，而MCC Group Ltd（「MCC」）及本集團若干高級管理層成員（包括執行董事鄭妙輝女士及非執行董事陳忠靜先生）則分別擁有該公司68.08%及31.92%之權益。MCC（一家於英屬處女群島註冊成立之有限公司）由執行董事馬仁和先生（為馬建榮先生之堂兄）全資擁有。根據證券及期貨條例，馬仁和先生被視為於富高所持有之111,217,500股股份中擁有權益。

除上述披露者外，於二零一零年十二月三十一日，根據證券及期貨條例第352條記錄於本公司存置之登記冊；或根據標準守則已知會本公司和聯交所，本公司各董事及最高行政人員概無擁有或被視作擁有本公司及其相關法團（按證券及期貨條例第XV部之涵義）之股份、相關股份及債權證之權益或淡倉。

本公司或其任何控股公司、附屬公司或同系附屬公司於年內概無訂立任何安排，令本公司董事及最高行政人員（包括彼等之配偶或未滿十八歲之子女）可藉購入本公司或其相聯法團之股份或相關股份或債權證而獲益。

Note:

1. As at 31 December 2010, 776,332,500 Shares were held by Keep Glory Limited ("Keep Glory"), a company incorporated in the British Virgin Islands with limited liability, which in turn was owned as to 80.25% by Splendid Steed Investments Limited ("Splendid Steed"), 13.95% by BMX (HK) LTD. ("BMX") and 5.8% by Super China Enterprises Limited ("Super China"). Splendid Steed, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Ma Jianrong. BMX, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Huang Guanlin (brother-in-law of Mr. Ma Jianrong and son-in-law of Mr. Ma Baoxing). Super China, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Ma Baoxing (father of Mr. Ma Jianrong). By virtue of the SFO, Mr. Ma Jianrong is deemed to be interested in the 776,332,500 Shares held by Keep Glory.
2. As at 31 December 2010, 111,217,500 Shares were held by Fairco Group Limited ("Fairco"), a company incorporated in the British Virgin Islands with limited liability, which in turn was owned as to 68.08% by MCC Group Ltd ("MCC") and 31.92% by certain senior management of the Group including Ms. Zheng Miaohui (an executive Director) and Mr. Chen Zhongjing (a non-executive Director). MCC, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Ma Renhe, an executive Director and a cousin of Mr. Ma Jianrong. By virtue of the SFO, Mr. Ma Renhe is deemed to be interested in the 111,217,500 Shares held by Fairco.

Save as disclosed above, as at 31 December 2010, none of the directors and chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were recorded in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Model Code.

At no time during the year was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

董事會報告

Report of the Directors

主要股東於本公司股份的權益及淡倉

於二零一零年十二月三十一日，下列人士（本公司董事除外）在本公司根據證券及期貨條例第336條所存置之股東名冊所記錄佔本公司已發行股本5%或以上之權益如下：

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES OF THE COMPANY

At 31 December 2010, the following persons who held interests of 5% or more of the issued share capital of the Company, other than directors of the Company, were recorded in the register of members required to be kept by the Company pursuant to Section 336 of the SFO:

於本公司普通股中之好倉

Long position in ordinary shares of the Company

名稱	附註	身份及權益類別	股份數目	佔本公司已發行股本百分比(%)
Name	Notes	Capacity and Nature of Interest	Number of Shares	Percentage of the Issued Share Capital of the Company
千里馬	1	實益擁有人	776,332,500	62.36%
Splendid Steed	1	Beneficial owner	776,332,500	62.36%
協榮	1	公司權益	776,332,500	62.36%
Keep Glory	1	Corporate interests	776,332,500	62.36%
富高	2	實益擁有人	111,217,500	8.93%
Fairco	2	Beneficial owner	111,217,500	8.93%
MCC	2	公司權益	111,217,500	8.93%
MCC	2	Corporate interests	111,217,500	8.93%

附註：

Notes:

- 於二零一零年十二月三十一日，協榮（一家於英屬處女群島註冊成立之有限公司）持有776,332,500股股份，而千里馬、BMX及利華則分別擁有該公司80.25%、13.95%及5.8%之權益。千里馬（一家於英屬處女群島註冊成立之有限公司）由馬建榮先生全資擁有。BMX（一家於英屬處女群島註冊成立之有限公司）由黃關林先生全資擁有。利華（一家於英屬處女群島註冊成立之有限公司）由馬寶興先生（為馬建榮先生之父親）全資擁有。根據證券及期貨條例，千里馬被視為為協榮所持有之776,332,500股股份中擁有權益。

- As at 31 December 2010, 776,332,500 Shares were held by Keep Glory, a company incorporated in the British Virgin Islands with limited liability, which in turn was owned as to 80.25% by Splendid Steed, 13.95% by BMX and 5.8% by Super China. Splendid Steed, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Ma Jianrong. BMX, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Huang Guanlin. Super China, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Ma Baoxing (father of Mr. Ma Jianrong). By virtue of the SFO, Splendid Steed is deemed to be interested in the 776,332,500 Shares held by Keep Glory.

董事會報告

Report of the Directors

2. 於二零一零年十二月三十一日，富高（一家於英屬處女群島註冊成立之有限公司）持有111,217,500股股份，而MCC及本集團若干高級管理層成員（包括執行董事鄭妙輝女士及非執行董事陳忠靜先生）則分別擁有該公司68.08%及31.92%之權益。MCC（一家於英屬處女群島註冊成立之有限公司）由執行董事馬仁和先生（為馬建榮先生之堂兄）全資擁有。根據證券及期貨條例，MCC被視為於富高所持有之111,217,500股股份中擁有權益。

除上文所披露者外，於二零一零年十二月三十一日，除本公司董事（其權益載於上文「董事及最高行政人員於本公司股份的權益及淡倉」一節）外，概無其他人士於本公司股份及相關股份中擁有根據證券及期貨條例第336條須予記錄之權益或淡倉。

管理合約

本年度內，本公司並無就整體業務或任何重要業務的管理或行政工作簽訂或存在任何合約。

主要供應商及客戶

本集團的主要供應商及客戶佔截至二零一零年十二月三十一日止年度的採購額及銷售額百分比如下：

		佔採購額之 百分比(%) Percentage of Purchases (%)	佔銷售額之 百分比(%) Percentage of Sales (%)
最大供應商／客戶	The largest supplier/customer	11	26
五大供應商／客戶合計	Five largest suppliers/customers combined	33	81

於年內任何時間，概無董事、彼等之聯繫人士或任何股東（就董事所知擁有本公司5%以上股本）於該等主要供應商或客戶擁有任何權益。

2. As at 31 December 2010, 111,217,500 Shares were held by Fairco, a company incorporated in the British Virgin Islands with limited liability, which in turn was owned as to 68.08% by MCC and 31.92% by certain senior management of the Group including Ms. Zheng Miaohui (an executive Director) and Mr. Chen Zhongjing (a non-executive Director). MCC, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Ma Renhe, an executive Director and a cousin of Mr. Ma Jianrong. By virtue of the SFO, MCC is deemed to be interested in the 111,217,500 Shares held by Fairco.

Save as disclosed above, as at 31 December 2010, no person, other than the directors of the Company, whose interests are set out in the section headed "Directors and Chief Executives' interests and short positions in the shares of the Company" above, had interest or short position in the shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of purchases and sales for the year ended 31 December 2010 attributable to the Group's major suppliers and customers are as follows:

None of the Directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers at all times during the year.

董事會報告

Report of the Directors

關連交易

按照上市規則第14A章的披露規定，在財務報表附註36所披露的若干關聯方交易根據上市規則亦構成持續關連交易。若干關連人士（按上市規則定義）與本公司進行的下列交易經已訂立及／或持續進行，而本公司已在售股章程及公佈作出相關的披露。

1、 持續關聯交易

a. 租賃若干生產物業和設施

本公司全資附屬公司寧波申洲針織有限公司（「申洲針織」）於二零零七年十二月二十一日與寧波申洲置業有限公司（「申洲置業」）簽訂一份租賃協議，據此，申洲置業將服裝生產物業租予申洲針織，租期由二零零八年一月一日至二零一零年十二月三十一日止，申洲針織可行使續租權，按當時或低於當時市場租金額外續租三年（「租賃總協議」）。申洲針織可給予申洲置業不少於三個月的通知以終止租賃總協議。上述由申洲置業收取的租金，乃參照在中國寧波市日常業務過程中根據一般商業條款，從獨立第三方租賃類似物業及生產設施的市場租金予以釐定。申洲置業，由執行董事馬建榮先生及聯繫人士寧波榮榮實業投資有限公司（「榮榮實業」）分別擁有80%及20%權益，根據上市規則第14A.11(4)條屬關連人士。本年度內，本集團向申洲置業共支付租金人民幣7,262,000元。上述租賃總協議於二零一零年十二月二十一日已延長三年至二零一三年十二月三十一日止。詳情載於二零一零年十二月二十一日本公司所發之公告。

CONNECTED TRANSACTIONS

Certain related party transactions as disclosed in note 36 to the financial statements also constituted connected transactions under the Listing Rules, required to be disclosed in accordance with Chapter 14A of the Listing Rules. The following transactions between certain connected parties (as defined in the Listing Rules) and the Company have been entered into and/or are ongoing for which relevant disclosure had been made by the Company in the Prospectus and announcements.

1. Continuing connected transactions

a. Lease of certain production premises and facilities

Ningbo Shenzhou Knitting Co., Ltd. ("Shenzhou Knitting"), a wholly-owned subsidiary of the Company, and Ningbo Shenzhou Properties Co., Ltd. ("Shenzhou Properties") entered into a lease agreement on 21 December 2007, pursuant to which Shenzhou Properties leased to Shenzhou Knitting the apparel production properties for a period commencing on 1 January 2008 and expiring on 31 December 2010, with a right of renewal exercisable by Shenzhou Knitting for a further term of three years at or below the prevailing market rate (the "Principal Lease Agreement"). The Principal Lease Agreement is terminable by Shenzhou Knitting giving no less than three months' notice to Shenzhou Properties. The rental so charged by Shenzhou Properties is determined by reference to the market rates for leasing similar properties and production facilities from independent third parties under normal commercial terms during the course of ordinary business in Ningbo, China. Shenzhou Properties, which is owned as to 80% by Mr. Ma Jianrong, an Executive Director, and as to 20% by Ningbo Rongrong Industrial Investment Company Limited ("Rongrong Industrial"), an associate and therefore a connected person by virtue of Rule 14A.11(4) of the Listing Rules. During the year, rentals paid to Shenzhou Properties by the Group amounted to RMB7,262,000. On 21 December 2010, the Principal Lease Agreement has been extended for another 3 years until 31 December 2013. Please refer to the Company's announcement dated 21 December 2010 for details.

董事會報告

Report of the Directors

b. 供應蒸汽

申洲針織於二零零七年十二月二十一日與寧波明耀環保熱電有限公司（「明耀電力公司」）簽訂一份蒸汽供應協定，據此，明耀電力公司已同意自二零零八年一月一日至二零一零年十二月三十一日止向本集團供應蒸汽（「蒸汽供應協議」）。根據蒸汽供應協議，明耀電力公司已承諾在任何時間均為本集團維持充足穩定的蒸汽供應，並授予本集團優先權，以滿足本集團對蒸汽不時的需求。由於明耀電力公司並無自設與本集團連接的輸管系統，有關各方已同意明耀電力公司可先將其蒸汽售予在上海證券交易所上市的一家獨立A股公司（「A股公司」），然後再將蒸汽轉售予本集團。該A股公司向本集團收取的每噸蒸汽價格，將按明耀電力公司向該A股公司收取的價格收取。根據蒸汽供應協議，明耀電力公司所收取的每噸蒸汽價格，乃參考位於中國寧波經濟技術開發區內獨立蒸汽供貨商供應蒸汽當時的市價而釐定，惟在任何情況下明耀電力公司所收取的每噸蒸汽價格不得高於該開發區內當時的蒸汽市價。訂約方任何一方可通過向另一方發出30日書面通知以終止蒸汽供應協議。明耀電力公司，由世通（香港）有限公司（「世通」）及寧波明耀投資有限公司分別擁有48%及52%權益。而世通則由馬建榮先

b. Supply of steam

Shenzhou Knitting and Ningbo Mingyao Environmental Thermal Power Co., Ltd. ("Mingyao Electric Company") entered into a steam supply agreement on 21 December 2007, pursuant to which Mingyao Electric Company agreed to supply steam to the Group for a period commencing on 1 January 2008 and expiring on 31 December 2010 (the "Steam Supply Agreement"). Under the Steam Supply Agreement, Mingyao Electric Company has undertaken to maintain sufficient and stable supply of steam to the Group at all times and has granted priority to the Group to satisfy its demand for steam from time to time. As Mingyao Electric Company does not have its own piping system connected to the Group, the relevant parties have agreed that Mingyao Electric Company may first sell its steam to an independent A-share company listed on the Shanghai Stock Exchange (the "A-Share Company") which would then re-sell the steam to the Group. The steam price per ton to be charged by the A-Share Company to the Group will be at the price charged by Mingyao Electric Company to the A-Share Company. Pursuant to the Steam Supply Agreement, the steam price per ton charged by Mingyao Electric Company is determined by reference to the prevailing market price of steam supplied by independent steam suppliers located in the Ningbo Economic and Technology Development Zone of China, but in any event, the steam price per ton to be charged by Mingyao Electric Company shall not be higher than the prevailing market price of steam in the development zone. Either party may terminate the Steam Supply Agreement by giving 30 days' written notice to the other party. Mingyao Electric Company is owned as to 48% by Worldon (Hong Kong) Limited ("Worldon") and as to 52% by Ningbo Mingyao

董事會報告

Report of the Directors

生擁有74%權益，黃關林先生擁有13%權益及馬寶興先生擁有13%權益。寧波明耀投資有限公司與本公司或其任何附屬公司的董事、最高行政人員、主要股東或彼等各自的聯繫人概無關連。根據上市規則第14A.11(4)條，明耀電力公司屬關連人士。本年度內，本集團向明耀電力公司共支付蒸汽費人民幣38,625,000元。於二零一零年十二月二十九日，明耀電力公司與寧波市北侖區征地拆遷辦公室簽訂了「關停拆除處置協議」，因此，「蒸汽供應協議」於本年度到期後不再續簽。

c. 提供裁剪及縫紉服務

申洲針織於二零零七年十二月二十一日與寧波申洲大港針織有限公司（「申洲大港」）簽訂一份加工服務協議（「加工服務協議」）。據此，申洲大港已同意向本集團提供或促使其它公司自二零零八年一月一日至二零一零年十二月三十一日止期間內向本集團提供若干裁剪服務，協議按不遜於獨立第三方所提供的一般商業條款訂立。申洲大港，由世通間接擁有80%權益及由榮榮實業擁有20%權益，根據上市規則第14A.11(4)條屬關連人士。本年度內，本集團向申洲大港共支付裁剪加工費人民幣9,181,000元。申洲大港於二零一零年十二月三十一日後開始結業。故上述加工服務協議之加工服務由二零一一年一月一日起改由申洲世通針織有限公司提供。詳情載於二零一零年十二月二十一日本公司所發之公告。

Investment Co., Ltd., a party not connected with any of the directors, chief executives, substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates. Worldon is, in turn, owned as to 74% by Mr. Ma Jianrong, as to 13% by Mr. Huang Guanlin and as to 13% by Mr. Ma Baoxing. Mingyao Electric Company is a connected person by virtue of Rule 14A.11(4) of the Listing Rules. During the year, the steam expenses paid to Mingyao Electric Company by the Group amounted to RMB38,625,000. On 29 December 2010, Mingyao Electric Company and Relocation Office of Beilun in Ningbo（寧波市北侖區徵地拆遷辦公室）entered into the Decommission, Demolition and Disposal Agreement, and thus the Steam Supply Agreement was not renewed upon expiry during the year.

c. Provision of cutting and sewing services

Shenzhou Knitting and Ningbo Shenzhou Dagang Knitwear Co., Ltd. ("Shenzhou Dagang") entered into a processing services agreement (the "Processing Services Agreement") on 21 December 2007, pursuant to which Shenzhou Dagang agreed to provide or procure other companies to provide certain cutting services to the Group for a period commencing on 1 January 2008 and expiring on 31 December 2010 on normal commercial terms which are no less favorable than those available from independent third parties. Shenzhou Dagang, which is 80% indirect owned by Worldon and 20% is owned by Rongrong Industrial, is a connected person by virtue of Rule 14A.11(4) of the Listing Rules. During the year, the processing services fees paid to Shenzhou Dagang by the Group amounted to RMB9,181,000. Shenzhou Dagang ceased business since 31 December 2010, hence the provider of the processing services under the Processing Services Agreement has been changed to 寧波申洲世通針織有限公司 (Ningbo Shenzhou Shitong Knitwear Co. Ltd.*) effective from 1 January 2011. Please refer to the Company's announcement dated 21 December 2010 for details.

* for identification purposes only

董事會報告

Report of the Directors

d. 供應包裝物料

申洲針織於二零零七年十二月二十一日與紹興縣華西包裝品有限公司（「華西包裝品公司」）簽訂一份供應協議（「包裝物料供應協議」），據此，華西包裝品公司已同意按不遜於獨立第三方提供的一般商業條款向本集團不時供應包裝料。包裝物料供應協議期限乃自二零零八年一月一日開始，至二零一零年十二月三十一日止。華西包裝品公司，由執行董事黃關林先生之胞弟黃關泉先生及黃關林先生之父黃福昌先生分別擁有87.5%及12.5%權益。根據上市規則第14A.11(4)條，華西包裝品公司屬關連人士。本年度內，本集團向華西包裝品公司共支付包裝物料採購額為人民幣29,741,000元。上述包裝物料供應協議於二零一零年十二月二十一日已延長三年至二零一三年十二月三十一日止。詳情載於二零一零年十二月二十一日本公司所發之公告。

獨立非執行董事已審閱上述持續關連交易，並確認該等交易：(1)在本集團之一般及日常業務運作中進行；(2)按一般商業條款進行或對本公司而言，屬不遜於獨立第三方可獲得或提供之條款；及(3)乃按該等交易之有關協議之條款進行，而有關條款屬公平合理，並符合本公司股東之整體利益。

根據所執行之工作，本公司之審計師亦致函確認並未注意到該等持續關連交易：(1)未獲得本公司董事會之批准；(2)未遵照本集團之訂價政策；(3)未符合規管有關交易之協定；及(4)超過有關聯交所允許之上限金額

d. Supply of packaging materials

Shenzhou Knitting and Shaoxing County Huaxi Packaging Materials Company Limited (“Huaxi Packaging Company”) entered into a supply agreement (the “Packaging Material Supply Agreement”) on 21 December 2007, pursuant to which Huaxi Packaging Company agreed to supply packaging materials to the Group from time to time on normal commercial terms which are no less favorable than those available from independent third parties. The Packaging Material Supply Agreement is for a term commencing on 1 January 2008 to 31 December 2010. Huaxi Packaging Company is owned as to 87.5% by Mr. Huang Guanquan, who is the brother of Mr. Huang Guanlin, an Executive Director, and as to 12.5% by Mr. Huang Fuchang, who is the father of Mr. Huang Guanlin. Huaxi Packaging Company is a connected person by virtue of Rule 14A.11(4) of the Listing Rule. During the year, the amount paid to Huaxi Packaging Company by the Group for the purchases of packaging materials totalled to RMB29,741,000. On 21 December 2010, the Packaging Material Supply Agreement has been extended for another 3 years until 31 December 2013. Please refer to the Company’s announcement dated 21 December 2010 for details.

The Independent Non-executive Directors have reviewed the aforesaid continuing connected transactions and confirmed that the aforesaid transactions had been entered into (1) in the ordinary and usual course of business of the Group; (2) either on normal commercial terms or on terms no less favorable to the Company than terms available to or from independent third parties; and (3) in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Based on the work performed, the auditors of the Company have provided a letter, confirming that nothing has come to their attention that the aforesaid continuing connected transactions (1) have not been approved by the board of directors of the Company; (2) are not in accordance with the pricing policies of the Group; (3) have not been entered into in accordance with the terms of the relevant agreements governing the transactions; and (4) have exceeded the caps allowed by the Stock Exchange.

董事會報告

Report of the Directors

公眾持股量的足夠性

基於本公司可取閱之資料以及就董事所知，於本報告刊發日期，本公司已發行股本總數之最少25%由公眾人士持有。

審計師

安永會計師事務所已審核截至二零一零年十二月三十一日止年度之財務報表。於應屆股東週年大會將提出在下一年度續聘安永會計師事務所為本公司審計師的決議案。

承董事會命

主席
馬建榮

香港，二零一一年三月二十八日

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

AUDITORS

Ernst & Young has audited the financial statements for the year ended 31 December 2010. A resolution for the re-appointment of Ernst & Young as auditors of the Company will be proposed at the forthcoming annual general meeting.

By Order of the Board

Chairman
Ma Jianrong

Hong Kong, 28 March 2011

獨立審計師報告

Independent Auditors' Report



致申洲國際集團控股有限公司

全體股東

(於開曼群島註冊成立的獲豁免有限公司)

To the shareholders of

Shenzhou International Group Holdings Limited

(Incorporated in the Cayman Islands as an exempted company with limited liability)

我們審計了後附第69頁至第179頁的申洲國際集團控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表,包括二零一零年十二月三十一日的綜合及公司財務狀況表、與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及重要會計政策和財務報表附註。

We have audited the consolidated financial statements of Shenzhou International Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 69 to 179, which comprise the consolidated and company statements of financial position as at 31 December 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

董事對綜合財務報表的責任

貴公司董事負責按照香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露要求編製真實而公允列報的綜合財務報表,以及對於編製不存在由於舞弊或錯誤而導致重大錯報的綜合財務報表必要的內部控制負責。

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

審計師之責任

我們的責任是在執行審計工作的基礎上對上述綜合財務報表發表審計意見。我們僅向全體股東(作為一個整體)報告。除此之外,我們的報告不可用作其他用途。我們不會就本報告的內容,對任何其他人士負責或承擔任何責任。

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

獨立審計師報告

Independent Auditors' Report

我們按照香港會計師公會頒布的《香港審計準則》的規定執行了審計工作。該準則要求我們遵守職業道德守則，計劃和執行審計工作以對上述綜合財務報表是否不存在重大錯報獲取合理保證。

審計工作涉及實施審計程序，以獲取有關綜合財務報表金額和披露的審計證據。選擇的審計程序取決於核數師的判斷，包括對由於舞弊或錯誤導致的綜合財務報表重大錯報風險的評估。在進行風險評估時，審計師考慮與編製真實而公允列報的綜合財務報表相關的內部控制，以設計恰當的審計程序，但目的並非對內部控制的有效性發表意見。審計工作還包括評價董事選用會計政策的恰當性和作出會計估計的合理性，以及評價綜合財務報表的總體列報。

我們相信，我們獲取的審計證據是充分、適當的，為發表審計意見提供了基礎。

審計意見

我們認為，上述綜合財務報表已經按照《香港財務報告準則》的規定真實而公允地反映了貴公司和貴集團二零一零年十二月三十一日的財務狀況以及貴集團截至該日止年度的利潤和現金流量，並已按照香港《公司條例》的披露要求妥為編製。

安永會計師事務所

執業會計師

香港

中環金融街8號

國際金融中心二期

18樓

二零一一年三月二十八日

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants

18th Floor

Two International Finance Centre

8 Finance Street, Central

Hong Kong

28 March 2011

綜合損益表

Consolidated Income Statement

截至二零一零年十二月三十一日止年度 For the Year Ended 31 December 2010

		附註 Notes	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
收入	REVENUE	5	6,719,172	6,093,485
銷售成本	Cost of sales		(4,713,001)	(4,159,229)
毛利	Gross profit		2,006,171	1,934,256
其他收入及收益	Other income and gains	5	201,207	47,672
銷售及分銷成本	Selling and distribution costs		(96,932)	(65,033)
行政開支	Administrative expenses		(426,376)	(403,893)
其他開支	Other expenses		(23,636)	(14,056)
融資成本	Finance costs	7	(35,837)	(25,393)
除稅前利潤	PROFIT BEFORE TAX	6	1,624,597	1,473,553
所得稅開支	Income tax expense	11	(351,952)	(220,439)
年度利潤	PROFIT FOR THE YEAR		1,272,645	1,253,114
以下人士應佔權益：	Attributable to:			
母公司擁有人	Owners of the parent	12	1,271,654	1,252,030
非控制性權益	Non-controlling interests		991	1,084
			1,272,645	1,253,114
母公司普通股股權 持有人應佔每股盈利	EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	14		
基本 — 年度利潤	Basic — For profit for the year		人民幣1.02元 RMB1.02	人民幣1.01元 RMB1.01
攤薄 — 年度利潤	Diluted — For profit for the year		不適用 N/A	不適用 N/A

年度應付及擬派股息之詳情於本財務報表附註13披露。

Details of the dividends payable and proposed for the year are disclosed in note 13 to the financial statements.

綜合全面收益表

Consolidated Statement of Comprehensive Income

截至二零一零年十二月三十一日止年度 For the Year Ended 31 December 2010

		附註 Notes	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
年度利潤	PROFIT FOR THE YEAR		1,272,645	1,253,114
其他全面收益	OTHER COMPREHENSIVE INCOME			
現金流量對沖：	Cash flow hedges:			
年度產生對沖工具	Effective portion of changes in fair			
公允值變動之	value of hedging instruments			
有效部分	arising during the year	25	70,150	29,701
對於綜合損益表確認之	Reclassification adjustments for			
收益之重新分類調整	gains recognised in consolidated	25	(42,182)	(87,833)
	income statement			
			27,968	(58,132)
換算境外業務之匯兌差額	Exchange differences on translation of			
	foreign operations		1,093	(388)
年度其他全面收益 (除稅後)	OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		29,061	(58,520)
年度全面收益總額	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,301,706	1,194,594
以下人士應佔權益：	Attributable to:			
母公司擁有人	Owners of the parent		1,300,715	1,193,510
非控制性權益	Non-controlling interests		991	1,084
			1,301,706	1,194,594

綜合財務狀況表

Consolidated Statement of Financial Position

二零一零年十二月三十一日 31 December 2010

		附註 Notes	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
非流動資產	NON-CURRENT ASSETS			
物業、廠房及設備	Property, plant and equipment	15	2,991,017	2,708,796
預付土地租賃款項	Prepaid land lease payments	16	478,506	205,821
無形資產	Intangible assets	17	115,961	122,238
遞延稅項資產	Deferred tax assets	27	-	1,874
非流動資產總值	Total non-current assets		3,585,484	3,038,729
流動資產	CURRENT ASSETS			
存貨	Inventories	19	1,808,784	1,185,157
應收賬款	Trade receivables	20	897,211	607,346
預付款項、按金及 其他應收款項	Prepayments, deposits and other receivables	21	382,049	150,162
衍生金融工具	Derivative financial instruments	25	107,884	30,291
初始存款期逾三個月之 銀行存款	Bank deposits with initial term of over three months		125,026	37,827
現金及現金等價物	Cash and cash equivalents	22	519,017	377,717
流動資產總值	Total current assets		3,839,971	2,388,500
流動負債	CURRENT LIABILITIES			
應付賬款及票據	Trade and bills payables	23	486,856	386,426
預收賬款	Advance from customers		53,060	-
其他應付款項及應計款項	Other payables and accruals	24	376,638	392,188
衍生金融工具	Derivative financial instruments	25	-	5,584
計息銀行及其他借貸	Interest-bearing bank and other borrowings	26	1,349,887	619,558
應付關連人士款項	Amounts due to related parties	36	2,257	2,058
應付稅款	Tax payable		248,805	48,718
流動負債總值	Total current liabilities		2,517,503	1,454,532
淨流動資產	NET CURRENT ASSETS		1,322,468	933,968
總資產減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		4,907,952	3,972,697

綜合財務狀況表

Consolidated Statement of Financial Position

二零一零年十二月三十一日 31 December 2010

		附註 Notes	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
非流動負債	NON-CURRENT LIABILITIES			
計息銀行及其他借貸	Interest-bearing bank and other borrowings	26	79,732	76,120
遞延稅項負債	Deferred tax liabilities	27	14,949	881
非流動負債總值	Total non-current liabilities		94,681	77,001
淨資產	Net assets		4,813,271	3,895,696
權益	EQUITY			
母公司擁有人應佔權益	Equity attributable to owners of the parent			
股本	Share capital	28	129,717	129,717
儲備	Reserves	29(a)	4,288,442	3,369,100
擬派末期股息	Proposed final dividend	13	381,373	383,678
			4,799,532	3,882,495
非控制性權益	Non-controlling interests		13,739	13,201
權益總值	Total equity		4,813,271	3,895,696

馬建榮
Ma Jiangrong
主席
Chairman

黃關林
Huang Guanlin
執行董事
Executive Director

綜合權益變動表

Consolidated Statement of Changes in Equity

截至二零一零年十二月三十一日止年度 For the Year Ended 31 December 2010

		母公司擁有人應佔											
		Attributable to owners of the parent											
		股本	股份溢價	對沖儲備	法定盈餘公積金	匯兌波動儲備	僱員股權福利儲備	保留盈利	擬派末期股息	總計	非控制性權益	權益總值	
		Share capital	Share premium	Hedging reserve	Statutory surplus reserve	Exchange fluctuation reserve	Employee equity benefits reserve	Retained profits	Proposed final dividend		Non-controlling interests	Total equity	
附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Note	(附註28)	RMB'000	RMB'000	(附註25)	(附註29(a)(i))	(附註29(a)(ii))	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	(note 28)			(note 25)	(note 29(a)(i))	(note 29(a)(ii))							
於二零零九年一月一日	At 1 January 2009	129,717	762,499	81,682	474,172	(19,918)	–	1,212,642	219,593	2,860,387	12,586	2,872,973	
年度全面收益總額	Total comprehensive income for the year	–	–	(58,132)	–	(388)	–	1,252,030	–	1,193,510	1,084	1,194,594	
向非控制性股東派付股息	Dividends paid to non-controlling interests shareholders	–	–	–	–	–	–	–	–	–	(469)	(469)	
宣派二零零八年末期股息	Final 2008 dividend declared	–	–	–	–	–	–	–	(219,593)	(219,593)	–	(219,593)	
僱員股權福利	Employee equity benefits	–	–	–	–	–	48,191	–	–	48,191	–	48,191	
擬派二零零九年末期股息	Proposed final 2009 dividend	13	–	–	–	–	–	(383,678)	383,678	–	–	–	
轉撥自保留盈利	Transfer from retained profits	–	–	–	126,464	–	–	(126,464)	–	–	–	–	
於二零零九年十二月三十一日	At 31 December 2009	129,717	762,499	23,550	600,636	(20,306)	48,191	1,954,530	383,678	3,882,495	13,201	3,895,696	
		母公司擁有人應佔											
		Attributable to owners of the parent											
		股本	股份溢價	對沖儲備	法定盈餘公積金	匯兌波動儲備	僱員股權福利儲備	保留盈利	擬派末期股息	總計	非控制性權益	權益總值	
		Share capital	Share premium	Hedging reserve	Statutory surplus reserve	Exchange fluctuation reserve	Employee equity benefits reserve	Retained profits	Proposed final dividend		Non-controlling interests	Total equity	
附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Note	(附註28)	RMB'000	RMB'000	(附註25)	(附註29(a)(i))	(附註29(a)(ii))	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	(note 28)			(note 25)	(note 29(a)(i))	(note 29(a)(ii))							
於二零一零年一月一日	At 1 January 2010	129,717	762,499	23,550	600,636	(20,306)	48,191	1,954,530	383,678	3,882,495	13,201	3,895,696	
年度全面收益總額	Total comprehensive income for the year	–	–	27,968	–	1,093	–	1,271,654	–	1,300,715	991	1,301,706	
向非控制性股東派付股息	Dividends paid to non-controlling interests shareholders	–	–	–	–	–	–	–	–	–	(453)	(453)	
宣派二零零九年末期股息	Final 2009 dividend declared	–	–	–	–	–	–	–	(383,678)	(383,678)	–	(383,678)	
擬派二零一零年末期股息	Proposed final 2010 dividend	13	–	–	–	–	–	(381,373)	381,373	–	–	–	
轉撥自保留盈利	Transfer from retained profits	–	–	–	120,602	–	–	(120,602)	–	–	–	–	
於二零一零年十二月三十一日	At 31 December 2010	129,717	762,499*	51,518*	721,238*	(19,213)*	48,191*	2,724,209*	381,373	4,799,532	13,739	4,813,271	

* 綜合財務狀況表中之綜合儲備人民幣4,288,442,000元(二零零九年:人民幣3,369,100,000元)由這等儲備賬組成。

These reserve accounts comprise the consolidated reserves of RMB4,288,442,000 (2009: RMB3,369,100,000) in the consolidated statement of financial position.

綜合現金流量表

Consolidated Statement of Cash Flows

截至二零一零年十二月三十一日止年度 For the Year Ended 31 December 2010

	附註 Notes	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
經營業務所得現金流量	CASH FLOWS FROM OPERATING ACTIVITIES		
除稅前利潤	Profit before tax	1,624,597	1,473,553
調整：	Adjustments for:		
融資成本	Finance costs	7 35,837	25,393
利息收入	Interest income	5 (4,190)	(3,555)
出售物業、廠房及設備項目之虧損	Loss on disposal of items of property, plant and equipment	6 4,401	1,699
公允值(收益)/虧損，已扣減衍生工具—不符合對沖資格之交易	Fair value (gains)/losses, net of derivative instruments – transactions not qualifying as hedges	5 (71,591)	5,339
物業、廠房及設備折舊及減值	Depreciation and impairment of property, plant and equipment	6 286,026	235,857
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	6 8,929	4,006
其他無形資產攤銷	Amortisation of other intangible assets	6 6,874	6,749
僱員股權福利	Employee equity benefits	–	48,191
		1,890,883	1,797,232
存貨增加	Increase in inventories	(623,627)	(452,731)
應收賬款增加	Increase in trade receivables	(285,088)	(120,308)
預付款項、按金及其他應收款項增加	Increase in prepayments, deposits and other receivables	(238,330)	(42,942)
應付賬款及票據增加	Increase in trade and bills payables	100,430	99,457
預收賬款增加	Increase in advance received from customers	53,060	–
其他應付款項及應計款項(減少)/增加	(Decrease)/Increase in other payables and accruals	(5,325)	75,524
應付關連人士款項增加	Increase in amounts due to related parties	199	690
經營業務所得現金	Cash generated from operations	892,202	1,356,922
已付利息	Interest paid	(35,837)	(25,393)
已付香港利得稅	Hong Kong Profit tax paid	(7,573)	–
已付中國企業所得稅	PRC Corporate income tax paid	(137,878)	(184,265)
經營業務所得現金流量淨額	Net cash flows from operating activities	710,914	1,147,264
投資業務所得現金流量	CASH FLOWS FROM INVESTING ACTIVITIES		
已收利息	Interest received	5 4,190	3,555
購置物業、廠房及設備項目	Purchases of items of property, plant and equipment	(544,022)	(608,835)
出售物業、廠房及設備項目之所得款項	Proceeds from disposal of items of property, plant and equipment	1,473	849
支付預付土地租賃款項	Payments of prepaid land lease payments	(16,271)	(834)
收購用水權	Purchases of water use rights	(1,000)	–
收購其他無形資產	Purchase of other intangible assets	(597)	(2,319)
收購一家附屬公司	Acquisition of a subsidiary	30 (284,965)	(23,980)
衍生金融工具到期	Maturity of derivative financial instruments	25,912	(12,715)
初始存款期逾三個月之銀行存款增加	Increase of bank deposits with initial term of over three months	(87,199)	(7,827)
投資活動所用現金流量淨額	Net cash flows used in investing activities	(902,479)	(652,106)

綜合現金流量表（續）

Consolidated Statement of Cash Flows (continued)

截至二零一零年十二月三十一日止年度 For the Year Ended 31 December 2010

	附註 Notes	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
融資活動所得現金流量	CASH FLOWS FROM FINANCING ACTIVITIES		
新借銀行貸款	New bank loans	1,758,797	1,385,174
償還銀行貸款	Repayment of bank loans	(1,043,656)	(1,520,338)
向母公司擁有人派付股息	Dividends paid to owners of the parent	(383,678)	(219,593)
向非控制性股東派付股息	Dividends paid to non-controlling shareholders	(453)	(469)
融資活動所得／（所用）現金流量淨額	Net cash flows generated from/(used in) financing activities	331,010	(355,226)
現金及現金等價物增加淨額	NET INCREASE IN CASH AND CASH EQUIVALENTS	139,445	139,932
年初現金及現金等價物	Cash and cash equivalents at beginning of year	377,717	238,141
匯率變動之影響，淨額	Effect of foreign exchange rate changes, net	1,855	(356)
年終現金及現金等價物	CASH AND CASH EQUIVALENTS AT END OF YEAR	519,017	377,717
現金及現金等價物結餘分析	ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
現金及銀行結餘	Cash and bank balances	512,528	326,708
於獲取時原定少於三個月到期之無抵押定期存款	Non-pledged time deposits with original maturity of less than three months when acquired	6,489	51,009
財務狀況表及現金流量表所列之現金及現金等價物	Cash and cash equivalents as stated in the statement of financial position and the statement of cash flows	22 519,017	377,717

財務狀況表

Statement of Financial Position

二零一零年十二月三十一日 31 December 2010

		附註 Notes	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
非流動資產	NON-CURRENT ASSETS			
於附屬公司之投資	Investments in subsidiaries	18(a)	616,293	637,731
給予附屬公司之貸款	Loans to subsidiaries	18(b)	973,452	970,248
遞延稅項資產	Deferred tax assets	27	-	1,874
非流動資產總值	Total non-current assets		1,589,745	1,609,853
流動資產	CURRENT ASSETS			
應收賬款	Trade receivables	20	299,149	152,370
其他應收款項	Other receivables	21	749,670	595,350
現金及現金等價物	Cash and cash equivalents	22	99,113	30,105
衍生金融工具	Derivative financial instruments	25	40,095	-
流動資產總值	Total current assets		1,188,027	777,825
流動負債	CURRENT LIABILITIES			
應付賬款及票據	Trade and bills payables	23	23,394	4,830
其他應付款項及應計款項	Other payables and accruals	24	154	2,505
衍生金融工具	Derivative financial instruments	25	-	5,584
計息銀行及其他借貸	Interest-bearing bank and other borrowings	26	371,801	156,511
應付附屬公司款項	Amounts due to subsidiaries	18(c)	421,961	286,532
應繳稅項	Tax payables		12,219	-
流動負債總值	Total current liabilities		829,529	455,962
淨流動資產	NET CURRENT ASSETS		358,498	321,863
總資產減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		1,948,243	1,931,716
非流動負債	NON-CURRENT LIABILITIES			
遞延稅項負債	Deferred tax liabilities	27	6,616	-
非流動負債總值	Total non-current liabilities		6,616	-
淨資產	Net assets		1,941,627	1,931,716
權益	EQUITY			
已發行股本	Issued capital	28	129,717	129,717
儲備	Reserves	29(b)	1,430,537	1,418,321
擬派末期股息	Proposed final dividends	13	381,373	383,678
權益總值	Total equity		1,941,627	1,931,716

馬建榮
Ma Jianrong
主席
Chairman

黃關林
Huang Guanlin
執行董事
Executive Director

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

1. 一般資料

申洲國際集團控股有限公司（「本公司」）於二零零五年六月二十三日在開曼群島註冊成立為獲豁免有限公司。註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司股份自二零零五年十一月二十四日起在香港聯合交易所有限公司主板（「主板」）上市。

本公司及其附屬公司（統稱「本集團」）主要從事製造及銷售針織服裝產品（「針織業務」）。本集團主要附屬公司之詳情載於附註18。

董事認為，千里馬投資有限公司（一家於英屬處女群島（「英屬處女群島」）註冊成立之公司）為本公司之最終控股公司。協榮有限公司（一家於英屬處女群島註冊成立之公司）為本公司之中介控股公司。

2.1 編製基準

此等財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」），包括所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋、香港公認會計原則及香港公司條例之披露要求編製。除衍生金融工具乃按公允值計量外，財務報表乃按歷史成本慣例法編製。除非另有註明，否則此等財務報表以人民幣（「人民幣」）呈列，所有數值均按四捨五入法調整至最接近千位。

1. CORPORATE INFORMATION

Shenzhou International Group Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 23 June 2005. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Main Board”) since 24 November 2005.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the manufacture and sale of knitwear products (the “Knitwear Business”). Details of the principal subsidiaries of the Group are set out in note 18.

In the opinion of the directors, Splendid Steed Investments Limited, a company incorporated in the British Virgin Islands (“BVI”), is the ultimate holding company of the Company. Keep Glory Limited, a company incorporated in the BVI, is the intermediate holding company of the Company.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.1 編製基準 (續)

合併基準

由二零一零年一月一日起之合併基準

綜合財務報表包括本公司及其附屬公司（統稱「本集團」）截至二零一零年十二月三十一日止年度之財務報表。附屬公司的財務報表與本公司之財務資料的報告期間相同，並採用一致會計政策編製。附屬公司之業績由收購日（即本集團取得控制權之日）起計合併入賬，並繼續合併入賬至該等控制權終止之時為止。所有集團內公司間之結餘、交易、集團內公司間交易所引致之未實現損益及股息均於合併賬目時全數對銷。

附屬公司之虧損乃歸屬於非控制性權益，即使此舉引致結餘為負數。

一家附屬公司之所有權權益發生變動（並無失去控制權）按權益交易入賬。

倘本集團失去對一家附屬公司之控制權，則其撤銷確認(i)該附屬公司之資產（包括商譽）及負債、(ii)任何非控制性權益之賬面值及(iii)於權益內記錄之累計換算差額；及確認(i)所收代價之公允值、(ii)所保留任何投資之公允值及(iii)損益賬中任何因此產生之盈餘或虧損。先前於其他全面收益表內確認之本集團應佔部份重新分類為損益或保留溢利（視何者屬適當）。

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation

Basis of consolidation from 1 January 2010

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2010. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.1 編製基準 (續)

合併基準 (續)

於二零一零年一月一日前之合併基準

若干上述規定已按未來適用法應用。然而，以下差異於若干情況下乃從先前之合併基準留存：

- 本集團所產生之虧損歸屬非控制性權益，直至結餘被削減至零。任何進一步超出虧損歸屬母公司，惟非控制性權益擁有彌補該等虧損之約束責任則除外。於二零一零年一月一日前之虧損並無於非控制性權益與母公司股東之間重新分配。
- 於失去控制權時，本集團於失去控制權日保留之投資按應佔之資產淨值比例入賬處理。有關投資於二零一零年一月一日之賬面值並未經重列。

2.2 會計政策變動及披露

本集團於本年度之財務報表首次採納以下新訂及修訂的香港財務報告準則。

香港財務報告準則 第1號 (經修訂)	首次採納香港財務 報告準則
香港財務報告準則 第1號修訂本	香港財務報告準則 第1號首次採納 香港財務報告準 則—首次採納者 之額外豁免之修 訂
香港財務報告準則 第2號修訂本	香港財務報告準則 第2號以股份支 付之支出—集團 以現金結算之以 股份支付之交易 之修訂
香港財務報告準則 第3號 (經修訂)	業務合併

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Basis of consolidation prior to 1 January 2010

Certain of the above-mentioned requirements have been applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributable to the parent, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the parent shareholders.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying amount of such investment at 1 January 2010 has not been restated.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i>
HKFRS 1 Amendments	<i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters</i>
HKFRS 2 Amendments	<i>Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions</i>
HKFRS 3 (Revised)	<i>Business Combinations</i>

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.2 會計政策變動及披露 (續)

香港會計準則 第27號 (經修訂)	綜合及獨立財務報 表
香港會計準則 第39號修訂本	香港會計準則第39 號金融工具：確 認及計量－合資 格對沖項目之修 訂
香港 (國際財務報告 詮釋委員會) －詮釋第17號	向擁有人分派非現 金資產
香港財務報告準則 第5號修訂本 (包 含於二零零八年 十月頒佈之香港 財務報告準則之 改進修訂本	香港財務報告準則 第5號持有待售 非流動資產及終 止經營業務－計 劃出售附屬公司 的控制性權益之 修訂
二零零九年香港財 務報告準則之 改進	於二零零九年五月 頒佈之對若干香 港財務報告準則 之修訂
香港詮釋第4號 修訂本	香港詮釋第4號租 賃－釐定香港土 地租賃之期限之 修訂
香港詮釋第5號	財務報表之呈列 －借款人對載有 隨時要求償還條 款之定期貸款的 分類

除如下文所進一步闡釋 (有關香港財務報告準則第3號 (經修訂)、香港會計準則第27號 (經修訂)、香港會計準則第7號及香港會計準則第17號之修訂 (包含於二零零九年香港財務報告準則之改進內) 及香港詮釋第4號 (於二零零九年十二月修訂) 外, 採納該等新訂及經修訂香港財務報告準則並無對該等財務報表產生重大財務影響。

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
HKAS 39 Amendment	<i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>
HK(IFRIC)-Int 17	<i>Distributions of Non-cash Assets to Owners</i>
HKFRS 5 Amendments included in Improvements to HKFRSs issued in October 2008	<i>Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary</i>
Improvements to HKFRSs 2009	<i>Amendments to a number of HKFRSs issued in May 2009</i>
HK Interpretation 4 Amendment	<i>Amendment to HK Interpretation 4 Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i>
HK Interpretation 5	<i>Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i>

Other than as further explained below regarding the impact of HKFRS 3 (Revised), HKAS 27 (Revised), amendments to HKAS 7 and HKAS 17 included in Improvements to HKFRSs 2009) and HK Interpretation 4 (Revised in December 2009), the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.2 會計政策變動及披露 (續)

採納該等新訂及經修訂香港財務報告準則之主要影響如下：

(a) 香港財務報告準則第3號 (經修訂) 業務合併及香港會計準則第27號 (經修訂) 綜合及獨立財務報表

香港財務報告準則第3號 (經修訂) 引入多項有關業務合併會計處理方法之變動，該等變動影響非控制性權益的初步計量、交易成本的會計處理、或然代價及分階段達成的業務合併之初步確認及隨後計量。該等變動將影響確認商譽的金額、收購發生期間之報告業績及未來報告業績。

香港會計準則第27號 (經修訂) 規定將並未失去控制權之附屬公司所有權權益之變動作為一項股權交易入賬。因此，該變動對商譽並無影響，亦不會產生收益或虧損。此外，該經修訂準則變動亦修改了附屬公司所產生虧損以及對附屬公司喪失控制權之會計處理方法。隨後相應修訂涉及之準則包括但不限於香港會計準則第7號現金流量表、香港會計準則第12號所得稅、香港會計準則第21號匯率變動之影響、香港會計準則第28號於聯營公司之投資及香港會計準則第31號於合營公司之權益。

該等經修訂準則帶來之變動採用未來適用法，並影響於二零一零年一月一日後之收購、喪失控制權及與非控制性權益之交易之會計處理。

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 3 (Revised) Business Combinations and HKAS 27 (Revised) Consolidated and Separate Financial Statements

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 Statement of Cash Flows, HKAS 12 Income Taxes, HKAS 21 The Effects of Changes in Foreign Exchange Rates, HKAS 28 Investments in Associates and HKAS 31 Interests in Joint Ventures.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1 January 2010.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.2 會計政策變動及披露 (續)

(b) 於二零零九年五月頒佈對二零零九年香港財務報告準則之改進制定對多項香港財務報告準則之修訂。各項準則均各自設有過渡條文。儘管採納部分修訂導致會計政策變動，但該等修訂對本集團並無任何重大財務影響。有關最適用於本集團之重要修訂的詳情如下：

- 香港會計準則第7號現金流量表：規定只有導致在財務狀況表內可確認資產所產生之支出，方可分類為投資活動之現金流量。
- 香港會計準則第17號租賃：刪去有關土地租賃分類之特定指引。因此，土地租賃應按香港會計準則第17號之一般指引分類為經營租賃或融資租賃。

香港詮釋第4號租賃－釐定香港土地租賃之期限之修訂，乃由於對載於二零零九年香港財務報告準則之改進之香港會計準則第17號租賃作出修訂而予以修訂。按照此項修訂，香港詮釋第4號之範圍已擴大至涵蓋所有土地租賃，包括該等分類為融資租賃之土地租賃。因此，該詮釋適用於按香港會計準則第16號、香港會計準則第17號及香港會計準則第40號列賬之所有物業租賃。

本集團於香港並無土地租賃。於採納該等修訂時，本集團重新評估了其位於中國大陸、過往分類為經營租賃的租約。位於中國大陸的租約仍然分類為經營租賃。

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

(b) Improvements to HKFRSs 2009 issued in May 2009 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 7 Statement of Cash Flows: Requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.
- HKAS 17 Leases: Removes the specific guidance on classifying land as a lease. As a result, leases of land should be classified as either operating or finance leases in accordance with the general guidance in HKAS 17.

Amendment to HK Interpretation 4 Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases is revised as a consequence of the amendment to HKAS 17 Leases included in Improvements to HKFRSs 2009. Following this amendment, the scope of HK Interpretation 4 has been expanded to cover all land leases, including those classified as finance leases. As a result, this interpretation is applicable to all leases of property accounted for in accordance with HKAS 16, HKAS 17 and HKAS 40.

The Group has no land leases in Hong Kong. The Group has reassessed its leases in Mainland China, previously classified as operating leases, upon the adoption of the amendments. The classification of leases in Mainland China remained as operating leases.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.3 已頒佈但尚未生效之香港財務報告準則

本集團並未於此等財務報表應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第1號修訂本	香港財務報告準則第1號首次採納香港財務報告準則—首次採納者無需按照香港財務報告準則第7號披露比較資料之有限豁免之修訂 ²
香港財務報告準則第7號修訂本	香港財務報告準則第7號金融工具：披露—金融資產轉讓之修訂 ⁴
香港財務報告準則第9號	金融工具 ⁶
香港會計準則第24號（經修訂）	關連方披露 ³
香港會計準則第32號修訂本	香港會計準則第32號金融工具：呈列—供股的分類之修訂 ¹
香港（國際財務報告詮釋委員會）—詮釋第14號修訂本	香港（國際財務報告詮釋委員會）—詮釋第14號最低資金規定之預付款項之修訂 ³
香港（國際財務報告詮釋委員會）—詮釋第19號	以權益工具清償金融負債 ²
香港會計準則第12號修訂本	香港會計準則第12號所得稅—遞延稅項：收回相關資產之修訂 ⁵

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendment	Amendment to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters</i> ²
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i> ⁴
HKFRS 9	<i>Financial Instruments</i> ⁶
HKAS 24 (Revised)	<i>Related Party Disclosures</i> ³
HKAS 32 Amendment	Amendment to HKAS 32 <i>Financial Instruments: Presentation – Classification of Rights Issues</i> ¹
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 <i>Prepayments of a Minimum Funding Requirement</i> ³
HK(IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i> ²
HKAS 12 Amendments	Amendments to HKAS 12 <i>Income Taxes – Deferred Tax: Recovery of Underlying Assets</i> ⁵

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

除上述者外，香港會計師公會亦頒佈對二零一零年香港財務報告準則之改進，當中載列對多項香港財務報告準則作出的修訂，主要目的為消除歧義及釐清措辭。香港財務報告準則第3號及香港會計準則第27號之修訂於二零一零年七月一日或之後開始之年度期間生效，而香港財務報告準則第1號、香港財務報告準則第7號、香港會計準則第1號、香港會計準則第34號及香港（國際財務報告詮釋委員會）—詮釋第13號的修訂均於二零一一年一月一日或之後開始之年度期間生效，惟各項準則均就有關修訂各自設有獨立過渡條文。

- ¹ 於二零一零年二月一日或之後開始之年度期間生效
- ² 於二零一零年七月一日或之後開始之年度期間生效
- ³ 於二零一一年一月一日或之後開始之年度期間生效
- ⁴ 於二零一一年七月一日或之後開始之年度期間生效
- ⁵ 於二零一二年一月一日或之後開始之年度期間生效
- ⁶ 於二零一三年一月一日或之後開始之年度期間生效

預期將對本集團造成重大影響之有關該等變動之詳情如下：

於二零零九年十一月頒佈之香港財務報告準則第9號為完全取代香港會計準則第39號金融工具：確認及計量的全面計劃的第一階段的第一部分。此階段集中處理金融資產之分類及計量。金融資產不再分為四類，而應根據實體管理金融資產的業務模式及金融資產合約現金流量特徵為依據，於後續期間按攤銷成本或公允值計量。其旨在改進及簡化香港會計準則第39號之規定的金融資產分類與計量方式。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Apart from the above, the HKICPA has issued Improvements to HKFRSs 2010 which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard.

- ¹ Effective for annual periods beginning on or after 1 February 2010
- ² Effective for annual periods beginning on or after 1 July 2010
- ³ Effective for annual periods beginning on or after 1 January 2011
- ⁴ Effective for annual periods beginning on or after 1 July 2011
- ⁵ Effective for annual periods beginning on or after 1 January 2012
- ⁶ Effective for annual periods beginning on or after 1 January 2013

Further information about those changes that are expected to significantly affect the Group is as follows:

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 Financial Instruments: Recognition and Measurement. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

於二零一零年十一月，香港會計師公會就金融負債頒佈香港財務報告準則第9號之新增規定（「新增規定」），並將香港會計準則第39號金融工具之現有終止確認原則納入香港財務報告準則第9號內，大部分新增規定與香港會計準則第39號保持一致，除了按公允值計入損益之金融負債之計量將透過公允值選擇（「公允值選擇」）計算。就該等公允值選擇負債而言，由信貸風險變動而產生的負債公允值變動金額，必須於其他全面收益（「其他全面收益」）中呈列。除非於其他全面收益中就負債之信貸風險呈列公允值變動，會於損益中產生或擴大會計差異，否則其餘公允值變動金額於損益呈列。然而，新增規定並不涵蓋已納入公允值選擇之貸款承諾及財務擔保合約。

香港財務報告準則第9號旨在全面取代香港會計準則第39號。於全面取代前，香港會計準則第39號於對沖會計及金融資產之減值方面的指引繼續適用。本集團預期自二零一三年一月一日起採納香港財務報告準則第9號。

香港會計準則第24號（經修訂）釐清及簡化關連人士之定義。亦訂明倘若政府相關實體與同一政府或受同一政府控制、共同控制或實施重大影響之實體進行交易可獲部分豁免關連人士披露。本集團預期自二零一一年一月一日起採納香港會計準則第24號（經修訂），有關關連人士披露的比較數字亦會作出相應修改。

雖然採納經修訂準則將導致會計政策產生變動，但鑑於本集團現時並無與政府相關實體進行重大交易，經修訂準則不大可能對關連人士披露造成任何影響。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the “Additions”) and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option (“FVO”). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income (“OCI”). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability’s credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 January 2013.

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government. The Group expects to adopt HKAS 24 (Revised) from 1 January 2011 and the comparative related party disclosures will be amended accordingly.

While the adoption of the revised standard will result in changes in the accounting policy, the revised standard is unlikely to have any impact on the related party disclosures as the Group currently does not have any significant transactions with government-related entities.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

於二零一零年五月頒佈之二零一零年香港財務報告準則之改進載列對多項香港財務報告準則作出之修訂。本集團預期自二零一一年一月一日起採納有關修訂。各項準則均各自設有獨立過渡條文。儘管採納若干修訂可能導致會計政策變動，惟預期該等修訂概不會對本集團構成重大財務影響。預期對本集團之政策構成重大影響之修訂如下：

- (a) 香港財務報告準則第3號業務合併：澄清香港財務報告準則第7號、香港會計準則第32號及香港會計準則第39號之修訂對或然代價之豁免的消除，並不適用於收購日在採用香港財務報告準則第3號（於二零零八年經修訂）前所進行的業務合併之或然代價。

另外，該等修訂將以公允值或被收購方可識別淨資產之比例權益的非控制性權益計量選擇範圍，限制為屬現時擁有的非控制性權益成份，而該權益需賦予擁有人權力，於清盤時按比例分佔實體之淨資產。除非其他香港財務報告準則規定須採用其他計量基準，非控制性權益之其他成份均以收購日之公允值計量。

該等修訂亦加入明文指引，以澄清尚未取代及自願取代的以股份為付款基礎的支款獎勵的會計處理方式。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Improvements to HKFRSs 2010 issued in May 2010 sets out amendments to a number of HKFRSs. The Group expects to adopt the amendments from 1 January 2011. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments are expected to have a significant financial impact on the Group. Those amendments that are expected to have a significant impact on the Group's policies are as follows:

- (a) HKFRS 3 Business Combinations: Clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

In addition, the amendments limit the scope of the measurement choices of non-controlling interests at fair value or at the proportionate share of the acquiree's identifiable net assets to components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS.

The amendments also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

- (b) 香港會計準則第1號財務報表之呈列：澄清有關權益各成份的其他全面收益分析，可於權益變動表或於財務報表附註呈列。
- (c) 香港會計準則第27號綜合及獨立財務報表：澄清香港會計準則第27號（於二零零八年經修訂）對香港會計準則第21號、香港會計準則第28號及香港會計準則第31號所作出的後續修訂於二零零九年七月一日或之後開始之年度期間或開始應用香港會計準則第27號時（兩者中較早者）按未來適用法應用。

2.4 主要會計政策概要

附屬公司

附屬公司乃本公司可直接或間接控制其財務及營運政策以從其業務獲取利益之公司。

附屬公司業績按已收及應收股息為限計入本公司損益表。沒有根據香港財務報告準則第5號分類為持有待售的本公司於附屬公司之投資按成本扣減任何減值虧損列賬。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

- (b) HKAS 1 Presentation of Financial Statements: Clarifies that an analysis of other comprehensive income for each component of equity can be presented either in the statement of changes in equity or in the notes to the financial statements.
- (c) HKAS 27 Consolidated and Separate Financial Statements: Clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with HKFRS 5 are stated at cost less any impairment losses.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

業務合併及商譽

自二零一零年一月一日起進行的業務合併

業務合併採用收購法入賬。轉讓之代價乃按收購日之公允值計量，而公允值乃指本集團轉讓之資產、本集團向被收購方之前度擁有人承擔之負債及本集團發行以換取被收購方控制權之股本權益於收購日的公允值的總和。就各業務合併而言，收購方按公允值或按被收購方可識別資產淨值之應佔比例計量於被收購方之非控制性權益。收購成本於產生時列為支銷。

當本集團收購一項業務時，會根據合約條款、收購日的經濟環境及相關條件，評估將承擔的金融資產及負債，以作出適合的分類及標示，其中包括將被收購方訂立的主合約的嵌入式衍生工具進行分離。

倘業務合併分階段進行，收購方先前持有被收購方之股本權益於收購日之公允值會重新計量並計入損益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill

Business combinations from 1 January 2010

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

自二零一零年一月一日起進行的業務合併 (續)

由收購方將予轉讓之任何或然代價按收購日之公允值確認。或然代價(被視為一項資產或負債)公允值之其後變動會按香港會計準則第39號確認為損益或其他全面收益之變動。倘將或然代價分類為權益，則其最終於權益中結算前毋須重新計量。

商譽初步按成本計量，即已轉讓總代價、已確認非控制性權益確認的金額及本集團先前持有被收購方之股本權益的公允值之總和，超出所收購可識別資產淨值及所承擔負債之差額。如總代價與其他項目的總和低於所收購附屬公司資產淨值之公允值，於評估後的差額將於損益表內確認為購買折扣收益。

於初步確認後，商譽按成本減任何累計減值虧損計量。商譽須每年進行減值測試或於發生事件或情況變動顯示賬面值可能減值時會更頻密地進行減值測試。本集團於十二月三十一日進行商譽之年度減值測試。於進行減值測試時，業務合併中收購之商譽由收購日起分配至預期可受惠於合併協同效益之本集團各個或各組別現金產生單位，而不計及本集團有否其他資產或負債已分配至該等單位或單位組別。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Business combinations from 1 January 2010 (continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the net identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

自二零一零年一月一日起進行的業務合併 (續)

減值乃透過評估商譽有關之現金產生單位 (一組現金產生單位) 之可收回金額釐定。倘現金產生單位 (一組現金產生單位) 之可收回金額低於賬面值，則確認減值虧損。就商譽確認之減值虧損不會於其後期間撥回。

倘商譽為現金產生單位 (一組現金產生單位) 其中部分，而該單位部分業務被出售，則於釐定出售業務損益時，相關商譽將計入業務之賬面值。在此情況下，出售之商譽根據所出售業務之相關價值及所保留現金產生單位之部分計量。

於二零一零年一月一日前進行之業務合併

相對於上述採用於未來適用法之規定，於二零一零年一月一日前進行之業務合併存在以下差異：

業務合併採用購買法入賬。直接歸屬於收購的交易成本，構成收購成本的一部分。非控制性權益乃按應佔被收購方可識別資產淨值之比例計量。

分階段進行的業務合併按分佈入賬。任何新增的應佔權益並不會影響先前已確認的商譽。

當本集團收購一項業務時，自被收購方主合約區分出來的嵌入式衍生工具不會於收購時被重新評估，除非業務合併導致合約條款發生變動，從而導致該合約原本規定的現金流量出現大幅度變動則另作別論。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Business combinations from 1 January 2010 (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Business combinations prior to 1 January 2010

In comparison to the above-mentioned requirements which were applied on a prospective basis, the following differences applied to business combinations prior to 1 January 2010:

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Any additional acquired share of interest did not affect previously recognised goodwill.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

於二零一零年一月一日前進行之業務合併 (續)

當且僅當本集團目前負有責任、經濟利益較可能流出、並且能夠確定可靠的估計時，方會確認或然代價。對或然代價作出之後續調整乃確認為商譽之一部分。

非金融資產減值

除存貨、金融資產及商譽外，倘資產出現任何減值跡象或須每年測試減值，會估計資產之可收回金額。資產之可收回金額乃按資產或現金產生單位之使用價值或公允值減銷售成本兩者中之較高者計算，而個別資產須分開計算，惟倘資產並不產生明顯獨立於其他資產或資產組別之現金流入，則就資產所屬現金產生單位計算可收回金額。

僅在資產賬面值超出其可收回金額之情況下，方會確認減值虧損。評估使用價值時，估計日後現金流量按可反映貨幣時間價值及資產特定風險之現時市場評估之除稅前貼現率折算至現值。減值虧損於其產生期間自綜合損益表扣除，並計入與減值資產之功能一致之有關費用類別內。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Business combinations prior to 1 January 2010 (continued)

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated income statements in the period in which it arises in those expense categories consistent with the function of the impaired asset.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

非金融資產減值 (續)

於各報告期末，將評估有否跡象顯示早前確認之減值虧損可能不再存在或可能減少。倘出現有關跡象，則估計可收回金額。早前就商譽以外資產確認之減值虧損，僅在用以釐定該資產可收回金額之估計數字出現變動時方會撥回，然而，有關數額不得高於倘於過往年度並無就資產確認減值虧損而應釐定之賬面值（扣除任何折舊／攤銷）。撥回有關減值虧損於產生期間計綜合入損益表。

關連人士

下列人士將被視為與本集團有關連：

- (a) 直接或間接透過一家或多間中介實體(i)控制本集團或受本集團控制或與本集團受共同控制；(ii)於本集團擁有對本集團有重大影響力之權益；或(iii)共同控制本集團之人士；
- (b) 聯營公司；
- (c) 共同控制實體；
- (d) 本集團或其母公司之主要管理人員；
- (e) (a)或(d)所述任何個別人士之近親；或
- (f) (d)或(e)所述任何個別人士直接或間接控制、共同控制或可行使重大影響力或持有大部分投票權之實體。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated income statements in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e).

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊

除在建工程外，物業、廠房及設備乃按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目之成本包括其購買價及任何使其達至營運狀況及地點作擬定用途之直接應佔成本。

物業、廠房及設備投入運作後所產生維修保養等支出，一般於其產生期間自損益表扣除。倘符合確認準則，一項主要檢查之支出將會資本化，作為替代資產之賬面值。倘物業、廠房及設備之重大部分需定期更換，本集團確認該等部分為具特定可用年期及折舊之個別資產。

折舊乃按直線基準於其估計可用年期撇銷物業、廠房及設備各項之成本至其剩餘價值計算。物業、廠房及設備就上述目的而言之主要估計可用年期如下：

類別	估計可用年期
樓宇	20年
廠房及機器	10年
傢俬及固定裝置	5年
汽車	5年

當一項物業、廠房及設備項目中的其中部分擁有不同的可用年期，則該項目成本將合理分攤至各部分，而各部分將單獨計提折舊。剩餘價值、可用年期及折舊至少於各財政年度末檢討及於適當時作出調整。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statements in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal estimated useful lives of property, plant and equipment used for this purpose are as follows:

Category	Estimated useful life
Buildings	20 years
Plant and machinery	10 years
Furniture and fixtures	5 years
Motor vehicles	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

物業、廠房及設備項目以及初始確認之任何重要部分於出售時或預期日後使用或出售該項目不會產生經濟利益時終止確認。於資產終止確認之年度在損益表確認之出售或廢棄損益，按出售所得款項淨額與有關資產賬面值間之差額計算。

在建工程指興建中或有待安裝之樓宇、廠房及機器，按成本減任何減值虧損列賬，且不予折舊。成本包括興建期間之直接建築成本及相關借入資金之已撥充資本借貸成本。在建工程於落成及可供使用後重新分類為適當類別之物業、廠房及設備。

無形資產 (商譽除外)

單獨購買之無形資產於初始確認時按成本計量。業務合併中獲得之無形資產的成本為該資產於收購日之公允值。無形資產之可用年期評估為有限。擁有有限可用年期之無形資產其後於可使用經濟年期內攤銷，並於有跡象顯示無形資產可能減值時進行減值評估。可用年期有限之無形資產之攤銷期及攤銷方法，最少於每個財政年度末作檢討。

無形資產按成本減任何減值虧損列賬，並於其估計可用年期內按直線基準攤銷。無形資產之主要估計可用年期如下：

類別	估計可用年期
軟件	3-5年
用水權	20年

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statements in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings, plant and machinery under construction or pending installation, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowing funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The principal estimated useful lives of intangible assets are as follows:

Category	Estimated useful life
Software	3-5 years
Water use right	20 years

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

租賃

除法定權利之外，與資產擁有權的絕大部分回報及風險已實質撥歸本集團的租賃，均列作融資租賃。於融資租賃開始日，租賃資產的成本以最低租賃付款額現值予以資本化，並連同租賃責任（不包括利息因素）一同入賬，以反映其購買及融資活動。持有的已資本化的融資租賃資產計入物業、廠房及設備內，並按資產租賃期限和估計可使用年期較短者計算折舊。該等租賃之融資成本，於租賃期內按固定的期間利率計入損益表中。

凡資產擁有權之絕大部分回報及風險仍由出租人保留之租約，均列作經營租賃。倘本集團為出租人，則本集團根據經營租賃出租的資產計入非流動資產，而經營租賃下之應收租金則以直線法於租賃期內計入綜合損益表。倘本集團為承租人，則經營租賃下之應付租金以直線法於租賃期內在綜合損益表列支。

經營租賃下的預付土地租賃款項起始時按成本列賬，其後則以直線法於租賃期內確認。

預付土地租賃款項

中國大陸所有土地由國家擁有，並不存在個人土地擁有權。本集團取得若干土地之使用權利，就該等權利所付之代價入賬列為預付土地租賃款項，以直線基準按30年至50年之租賃期攤銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the consolidated income statements on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the consolidated income statements on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Prepaid land lease payments

All land in Mainland China is state-owned and no individual land ownership rights exist. The Group acquires the right to use certain land and the consideration paid for such right is recorded as prepaid land lease payments, which are amortised over the lease terms of 30 to 50 years using the straight-line method.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

投資及其他金融資產

初步確認及計量

屬於香港會計準則第39號範圍內之金融資產分類為按公允值計入損益之金融資產、貸款及應收款項、持至到期投資、可供出售金融投資或劃分為指定作有效對沖的對沖工具之衍生工具（如適用）。本集團於初步確認時釐定其金融資產之分類。金融資產於首次確認時以公允值計量，就並非按公允值計入損益之投資而言，則加上直接應佔交易成本計量。

所有一般之金融資產買賣於交易日（即本集團承諾買賣資產之日期）確認。一般買賣乃要求根據市場規例或慣例訂立之期限交付資產之金融資產買賣。

本集團之金融資產包括現金及銀行結餘、應收賬款及其他應收款項、應收關聯人士款項及衍生金融工具。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets within the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial investments or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include cash and bank balances, trade and other receivables, amounts due from related parties and derivative financial instruments.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量

金融資產的後續計量根據其分類如下：

按公允值計入損益之金融資產

按公允值計入損益之金融資產包括持作買賣金融資產。金融資產如以短期內出售為目的而購買，則分類為持作買賣金融資產。該類別包括本集團訂立但非指定為對沖關係（定義見香港會計準則第39號）之對沖工具之衍生金融工具。衍生工具（包括獨立嵌入式衍生工具）亦歸類為持作買賣，除非其被指定為有效對沖工具則作別論。按公允值計入損益之金融資產於財務狀況表內按公允值列賬，而公允值變動則於損益表內之其他收入及收益或融資成本項下確認。該等公允淨值變動並不包括該等金融資產所賺取之任何股息或利息，有關股息或利息會根據下文「收入確認」所載之政策確認。

本集團對公允值計入損益之金融資產（持作買賣）進行評估，以衡量於近期出售該等資產的意向是否還合適。當本集團因市場疲弱及管理層於可見將來出售該等資產之意圖發生重大變化而無法買賣該等資產，在少數情況下，本集團或會選擇將該等金融資產重新分類。按公允值計入損益之金融資產會按其資產性質重新分類至貸款及應收款項、可供出售金融資產或持至到期投資。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKAS 39. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in other income and gains or finance costs in the income statement. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

The Group evaluates its financial assets at fair value through profit or loss (held for trading) to assess whether the intent to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification from financial assets at fair value through profit or loss to loans and receivables, available-for-sale financial assets or held-to-maturity investments depends on the nature of the assets.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

按公允值計入損益之金融資產 (續)

當主合同的內含嵌入式衍生工具之經濟特徵及風險與主合同所述者並無密切關係，而主合同並非持作買賣或指定按公允值計入損益，此內含嵌入式衍生工具將以個別衍生工具入賬並按公允值記賬。此等嵌入式衍生工具按公允值計量，而其公允值變動於損益表內確認。倘合同條款變動大幅改變現金流量，方會作出重新評估。

貸款及應收款項

貸款及應收款項為附有固定或可確定付款金額，且並無活躍市場報價之非衍生金融資產。經初步計量後，此等資產其後按實際利率法按攤銷成本扣除任何減值撥備計量。於計算攤銷成本時，已計及收購之任何折讓或溢價，並包括作為實際利率不可或缺部分之費用及成本。實際利率攤銷已計入損益表之融資收入。減值所產生之虧損亦於損益表內其他開支中得到確認。

持至到期投資

倘本集團有持有至到期之意向和能力，則具有固定或可確定付款及固定到期日之非衍生金融資產分類為持至到期投資。持至到期投資其後按攤銷成本扣除任何減值撥備計量。於計算攤銷成本時，已計及收購之任何折讓或溢價，並包括作為實際利率主要部分之費用及成本。實際利率攤銷已計入損益表之融資收入。減值所產生之虧損亦於損益表內其他開支中得到確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Financial assets at fair through profit of loss (continued)

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the income statement. The loss arising from impairment is recognised in the income statement in other expenses.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortised cost less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the income statements. The loss arising from impairment is recognised in the income statement in other expenses.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

可供出售金融投資

可供出售金融投資為上市及非上市股權證券之非衍生金融資產。歸類為可供出售之股權投資是那些並非歸類為持作買賣或指定按公允值計入損益之投資。此類別之債務證券為擬無限期持有及可能因應流動資金需要或市場狀況變動而出售之證券。

初步確認後，可供出售金融投資其後按公允值計量，未實現之收益或虧損則確認為可供出售投資估值儲備內之其他全面收益，直至有關投資終止確認（屆時累計收益或虧損會計入損益表內之其他收入），或投資確定出現減值（屆時累計收益或虧損會計入損益表內之其他經營開支，並已從可供出售估值儲備中刪除）。賺取之利息和股息分別作為利息收入和股息收入，按照下文「收入確認」所載政策在損益表確認為其他收入。

當非上市股權證券之公允值因(a)該投資合理公允值估算範圍之差異重大；或(b)於該範圍內不同估算之或然率不能可靠評估及用於估計公允值而不能可靠計量，則有關證券按成本減任何減值虧損入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment valuation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the income statement in other income, or until the investment is determined to be impaired, at which time the cumulative gain or loss is recognised in the income statement in other operating expenses and removed from available-for-sale investment valuation reserve. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the income statement as other income in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

可供出售金融投資 (續)

本集團評估其可供出售金融資產，以衡量於近期出售該等資產之能力及意圖是否還合宜。當本集團因市場疲弱及管理層於可見將來出售該等資產之意圖發生重大變化而無法買賣該等資產，在少數情況下，本集團或會選擇將該等金融資產重新分類。倘有關金融資產符合貸款及應收款項之定義，而且本集團有意並能夠於可見將來或至到期持有該等資產，即允許重新分類為貸款及應收款項。倘實體能夠並有意持有金融資產直至到期日，方會將之重新分類為持至到期類別。

對獲重新分類至可供出售類別以外之金融資產，任何該項資產已於權益中確認之過往損益均依實際利率按該項投資之剩餘年期計入損益攤銷。任何新攤銷成本及預期現金流量之差異，亦將以實際利率根據該項資產之剩餘年期進行攤銷。如果資產其後釐定為已減值，則在權益確認的部分需重新分類到損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

The Group evaluates its available-for-sale financial assets to assess whether the ability and intention to sell them in the near term are still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or to maturity. The reclassification to the held-to-maturity category is permitted only when the entity has the ability and intent to hold until the maturity date of the financial asset.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

終止確認金融資產

金融資產 (或 (如適用) 一項金融資產之一部分或一組同類金融資產之一部分) 在下列情況將終止確認:

- 收取該項資產現金流量之權利已屆滿; 或
- 本集團已轉讓收取該項資產現金流量之權利, 或已根據一項「轉移」安排, 在未有嚴重延誤情況下對第三方全數承擔支付已收現金流之責任; 並(a)已轉讓該項資產絕大部分風險及回報; 或(b)並無轉讓或保留該項資產絕大部分風險及回報, 但已轉讓該項資產之控制權。

當本集團轉讓其可獲取資產所得現金流量之權利, 或訂立一項轉移安排, 但並無轉讓或保留該項資產絕大部分風險及回報, 且並無轉讓該項資產之控制權時, 則本集團將繼續確認該資產, 惟以該資產持續相關部分為限。於該情況下, 本集團亦確認一項關聯負債。已轉讓資產及關聯負債按反映本集團保留的權利及責任的基準計量。

對已轉讓資產之持續介入 (以擔保形式呈現), 乃以該項資產之原有賬面值及本集團或須償還之代價上限之較低者計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

金融資產減值

本集團於每個報告期末作出評核有否客觀證據，證明某項金融資產或金融資產組別已減值。若因一項或多項事件於初步確認資產後發生（所產生之「虧損事項」），且該虧損事項對可作可靠估量之某項金融資產或金融資產組別之估計未來現金流量產生影響而導致客觀減值證據出現，則該項或該組金融資產會被視為已減值。減值證據可包括一個或多個債務人面臨重大財政困難、拖欠或未能償還利息或本金款額、彼等可能破產或進行其他財務重組及可觀察數據顯示預計未來現金流量將嚴重減少，例如與拖欠款項相關之逾期欠款或經濟狀況變動。

以攤銷成本列賬之金融資產

就按攤銷成本列賬之金融資產而言，本集團首先獨立評估是否存在客觀證據證明個別重大之金融資產或集體重大但個別不重大之金融資產出現減值。若本集團決定並無客觀證據證明個別評估之金融資產出現減值（無論重大與否），該金融資產會被歸類到具類似信貸風險特徵的金融資產組別內並被集體作減值評估之資產。接受個別減值評估及減值虧損現已並將持續確認之資產不包括在集體減值評估。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

金融資產減值 (續)

以攤銷成本列賬之金融資產 (續)

若有客觀證據證明出現減值虧損，則以資產之賬面值與估計未來現金流量之現值兩者之差額計算虧損金額（不包括並未產生之未來信貸虧損）。估計未來現金流量之現值由金融資產之初始實際利率（即初步確認時計算之實際利率）計算。若貸款之利率浮動，計量任何減值虧損之貼現率均為現有之實際利率。

資產之賬面值直接或透過準備賬扣減，虧損金額則於損益表確認。利息收入持續計入已減少之賬面值，並採用計量減值虧損時用作貼現未來現金流量之利率計入。貸款及應收款項連同任何相關之準備於實際上無法在未來收回或抵押品已變現或轉至本集團時撇銷。

倘預計減值虧損數額於往後期間因於減值確認後發生之某事項而增加或減少，早前確認之減值虧損亦會通過調整準備賬而增加或減少。倘未來撇銷可於稍後收回，該收回會計入損益表其他開支一項。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to other expenses in the income statement.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

金融資產減值 (續)

以成本列賬之資產

倘有客觀證據顯示因公允值無法可靠計算而未按公允值列賬之無掛牌股本工具出現減值虧損，則有關虧損金額按該資產之賬面值與估計未來現金流量以類似金融資產當時之市場回報率貼現之現值兩者間之差額計算。該等資產之減值虧損不予撥回。

可供出售金融投資

就可供出售金融投資而言，本集團於各報告期末評估一項投資或投資組別減值之客觀證據是否存在。

倘一項可供出售資產減值，由其成本（扣減任何本金付款及攤銷）及其現有公允值之差額，減去任何先前於損益表中確認之減值虧損所得之金額，將從其他全面收益刪除，並於損益表內確認。

就歸類為可供出售之股權投資而言，客觀證據包括一項投資之公允值出現重大或長期低於成本價。「重大」與「長期」之定義須依靠判斷釐定。「重大」須參照投資之原有成本作出評估，而「長期」則須參照其公允值低於原有成本之期間作出評估。倘減值證據存在，累計虧損（以收購成本及現有公允值之差額減任何該項投資先前於損益表內確認之減值虧損計量）將從其他全面收益刪除，並於損益表內確認。歸類為可供出售之股本工具之減值虧損並不透過損益表撥回。減值後公允值之增加直接於其他全面收益內確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is removed from other comprehensive income and recognised in the income statement.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. The determination of what is "significant" or "prolonged" requires judgement. "Significant" is to be evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity instruments classified as available for sale are not reversed through the income statement. Increases in their fair value after impairment are recognised directly in other comprehensive income.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

金融負債

初步確認及計量

香港會計準則第39號中涉及之金融負債按適當之形式劃分為按公允值計入損益之金融負債，貸款及借貸或劃分為指定作有效對沖之對沖工具之衍生工具。本集團於初步確認時決定其金融負債之分類。

所有金融負債初步按公允值確認，而倘屬貸款及借貸，則須加上交易直接應佔成本。

本集團之金融負債包括應付賬款及票據、其他應付款項、衍生金融工具、應付關連人士款項以及銀行及其他借貸。

後續計量

金融負債之計量取決於彼等之分類，並詳列如下：

按公允值計入損益之金融負債

按公允值計入損益之金融負債包括持作買賣金融負債及於初始確認時指定為按公允值計入損益之金融負債。

倘金融負債乃為於短期內出售而購入，該等負債歸類為持作買賣。該類別包括本集團於對沖關係中（定義見香港會計準則第39號）訂立但非指定為對沖工具之衍生金融工具。除非指定為有效對沖工具，否則獨立嵌入式衍生工具亦歸類為持作買賣。持作買賣負債之收益或虧損於損益表內確認。於損益表內確認之公允值淨額收益或虧損並不包括就金融負債扣除之任何利息。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of HKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables, derivative financial instruments, amounts due to related parties, and bank and other borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKAS 39. Separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the income statement. The net fair value gain or loss recognised in the income statement does not include any interest charged on these financial liabilities.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

金融負債 (續)

貸款及借貸

除非貼現效果並不顯著，即計息貸款及借貸以成本列賬，否則經初步確認，計息貸款及借貸以實際利率法按攤銷成本計量。倘該等負債透過實際利率法攤銷過程終止確認，收益及虧損會於損益表中確認。

於計算攤銷成本時，已計及收購之任何折讓或溢價，並包括作為實際利率不可或缺部分之費用或成本。實際利率攤銷包括在損益表之融資成本內。

終止確認金融負債

金融負債於負債項下責任獲履行或取消或屆滿時終止確認。

倘某項現有金融負債以同一貸方提供條款大部分不同之負債取代，或現有負債條款經大幅修訂，則有關交換或修訂按終止確認原有負債及確認新負債處理，而相關賬面值之差額則於損益表確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the income statement.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

抵銷金融工具

若及僅在現時擁有可強制執行之法律權利，以抵銷確認數額，且有意以淨額方式償還，或同時實現資產及償還負債，金融資產及金融負債方被沖銷，而該淨額則會於財務狀況表申報。

金融工具之公允值

於活躍市場買賣之金融工具公允值，乃參照市場報價或交易商報價（好倉之買入價及淡倉之賣出價），且扣減交易成本而釐定。倘金融工具並無活躍市場，公允值乃利用適當之估值方法釐定。該等方法包括使用市場近期之公平交易；參照其他大致相若工具之現有市值；貼現現金流量分析；及其他股權定價模式。

衍生金融工具及對沖會計法

初步確認及後續計量

本集團使用衍生金融工具（例如遠期貨幣合約）對沖其匯率風險。上述衍生金融工具初始按於衍生合約訂立日期之公允值確認，其後重新計量公允值。衍生工具於公允值為正數時確認為資產，而當公允值為負數時確認為負債。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and other option pricing models.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instrument is initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

衍生金融工具及對沖會計法 (續)

初步確認及後續計量 (續)

衍生工具公允值變動所產生之任何收益或虧損直接計入損益表，除現金流對沖之有效部分在其他全面收入中確認。

就對沖會計法而言，對沖分為：

- 公允值對沖，即對沖某項已確認資產或負債之公允值變動風險或某項未確認已承諾承擔，惟外匯風險除外；或
- 現金流量對沖，即對沖現金流量變動風險，該風險屬某項已確認資產或負債或某項很可能發生之預計交易相關之特定風險，或未確認之已承諾承擔之外匯風險。

對沖關係開始時，本集團正式指定擬運用對沖會計法之對沖關係、風險管理目標及進行對沖之策略，並作出文件記錄。文件記錄包括識別對沖工具、被對沖項目或交易、被對沖風險之性質及本集團如何評估對沖工具抵銷被對沖項目因對沖風險引致之公允值或現金流量變動之成效。預期對沖在抵銷公允值或現金流量變動方面極為有效，並持續評估有關成效，以釐定其是否在指定之整個財務報告期間均為有效。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedge accounting (continued)

Initial recognition and subsequent measurement (continued)

Any gains or losses arising from changes in fair value of derivatives are taken directly to the income statement, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

衍生金融工具及對沖會計法 (續)

初步確認及後續計量 (續)

符合對沖會計法嚴格標準之對沖按以下方法列賬：

現金流量對沖

對沖工具之有效損益(扣除稅項)部分直接於其他全面收入之對沖儲備確認，而無效部分則即時於損益表之其他開支確認。

倘被對沖交易對損益賬產生影響(例如被對沖之融資收入或融資支出已確認或當一宗預期銷售發生時)，則計入其他全面收入之數額轉撥至損益表。

倘預期交易預計不再會發生，先前於權益確認之累計損益將撥入損益表。倘對沖工具到期或售出、終止或被行使，而且並無被另一對沖工具取代或接續有效，或倘其指定作為對沖項目之資格遭撤銷，先前於其他全面收入確認之金額仍保留於其他全面收入，直至預期交易對損益賬產生影響時為止。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedge accounting (continued)

Initial recognition and subsequent measurement (continued)

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the hedging reserve, while any ineffective portion is recognised immediately in the income statement in other expenses.

Amounts recognised in other comprehensive income are transferred to the income statement when the hedged transaction affects profit or loss, such as when hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, the amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction affects profit or loss.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

衍生金融工具及對沖會計法 (續)

流動及非流動分類

非指定為有效對沖工具之衍生工具歸類為流動或非流動，或根據對事實及情況之評估，分列為流動或非流動部分（即相關訂約現金流量）。

- 倘本集團將於報告期結束後持有衍生工具，作為經濟對沖（且並不應用對沖會計）超過十二個月，該衍生工具則歸類為非流動（或分列為流動或非流動部分），並與相關項目之分類相符。
- 指定為及實質上為有效對沖工具之衍生工具，其分類須與相關被對沖項目之分類一致。倘可作出可靠分配，衍生工具則分列為流動部分及非流動部分。

存貨

存貨按成本及可實現淨值兩者中之較低者列賬。成本按加權平均基準計算，如屬在製品及製成品，其成本包括直接物料費用、直接工資及按適當比例分配之製造費用。可實現淨值按估計售價減預期完成及售出所需之任何估計成本計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款以及可隨時轉換為已知數額現金之高度流通短期投資，有關投資所承受價值變動風險不大，到期日一般為購入後三個月內。

就財務狀況表而言，現金及現金等價物包括手頭及銀行現金，當中包括初步存款期為三個月或以下且用途不限之定期存款。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedge accounting (continued)

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into a current or non-current portion based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labor and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits with initial terms of three months or less, which are not restricted as to use.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

撥備

倘由於過往發生之事件引致承擔現有責任（法律或推定），而履行有關責任可能導致日後資源流出，並能夠可靠估計履行責任所涉及金額時，撥備會被確認。

倘貼現影響屬重大，就撥備而確認之金額為預期履行責任所需之未來開支於報告期結束之現值。因時間流逝而引致之貼現現值之增加會計入損益表內之融資成本。

所得稅

所得稅包括即期及遞延稅項。倘所得稅與在損益賬外確認之項目相關，則所得稅於損益賬外之其他全面收入或直接於權益確認。

根據於報告期末已頒佈或大致已頒佈之稅率（及稅法），並考慮到本集團經營業務所在國家之現行詮釋及慣例，現行及過往期間之即期稅項資產及負債，按預期自稅務機關收回或向稅務機關支付之金額計算。

遞延稅項就於報告期末資產及負債之稅基與就財務報告用途之賬面值間之所有暫時差額，以負債法作出撥備。

遞延稅項負債就所有應課稅暫時差額確認，惟下列情況除外：

- 遞延稅項負債來自初次確認之商譽或由非業務合併交易而產生的資產或負債，且於進行交易時沒有對會計利潤或應課稅利潤或虧損構成影響；及

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

所得稅 (續)

- 就與於附屬公司之投資有關之應課稅暫時差額而言，如可以控制撥回暫時差額之時間及暫時差額於可見將來不大可能撥回。

遞延稅項資產就所有可扣稅暫時差額、結轉未動用稅項抵免及未動用稅項虧損確認，惟以可能有應課稅利潤以動用可扣稅暫時差額、結轉未動用稅項抵免及未動用稅項虧損為限，惟下列情況除外：

- 遞延稅項資產與初次確認非業務合併交易產生的資產或負債產生之可扣稅暫時差額有關，且於進行交易時沒有對會計利潤或應課稅利潤或虧損構成影響；及
- 就與於附屬公司之投資有關之可扣稅暫時差額而言，只有在暫時差額可能於可見將來撥回，且可能有應課稅利潤以動用暫時差額之情況下，方會確認遞延稅項資產。

遞延稅項資產之賬面值於各報告期末檢討，當再無可能獲得足夠應課稅利潤以動用全部或部分遞延稅項資產，則會下調。之前未確認之遞延稅項資產於各報告期末獲重新評估，於可能有足夠應課稅利潤以動用全部或部分遞延稅項資產時確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

所得稅 (續)

根據於報告期末已生效或實質已生效之稅率 (及稅法)，遞延稅項資產及負債按變現資產或償還負債之期間預期適用之稅率計算。

倘存在可以即期稅項資產抵銷即期稅項負債之可強制執行合法權利，而遞延稅項與同一課稅實體及同一稅務機關有關，則將遞延稅項資產抵銷遞延稅項負債。

政府補助

當可以合理確定將會收取補助及已符合所有附帶條件，則按公允值確認政府補助。如補助與某項開支有關，則於相關期間確認為收入，以將補助有系統地與擬補足開支配對。如補助與某項資產有關，其公允值則計入遞延收入賬目，於有關資產之預計可用年期按每年相等之金額撥入損益表，或從資產之賬面金額扣除，通過遞減折舊方式撥入損益表。

收入確認

當本集團可能獲得經濟利益，而有關收入能夠可靠計算時，則按下列基準確認收入：

- (a) 銷售貨品收入於擁有權之大部分風險及回報已轉讓予買方時確認，惟本集團必須不再持有擁有權通常伴隨之相關程度管理權力，亦不再實際控制已售出貨品；
- (b) 租賃收入按租賃期之時間比例基礎確認；

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statements over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the income statement by way of a reduced depreciation charge.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) rental income, on a time proportion basis over the lease terms;

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

收入確認 (續)

- (c) 利息收入以實際利率法按權責發生制確認，按於金融工具預計可用年期將估計未來現金流入貼現至金融資產之賬面淨值之利率計算；及
- (d) 股息收入於股東收取款項的權利確立時確認。

僱員福利

本集團在中國內地營運之附屬公司之員工須參加當地市政府管理之中央退休計劃。該等附屬公司須向中央退休計劃支付員工工資成本之若干百分比作為供款。根據中央退休計劃規則，該等供款將在須支付時於損益表扣除。

本集團根據強制性公積金計劃條例，為合資格參與之僱員實施一項定額供款強制性公積金退休福利計劃（「強積金計劃」）。供款乃按僱員基本薪金之某個百分比支付，並根據強積金計劃規則在須支付時於綜合損益表扣除。強積金計劃之資產存入獨立管理之基金內，與本集團的資產分開持有。本集團之僱主供款於向強積金計劃作出供款時完全屬於僱員。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- (c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset; and
- (d) dividend income, when the shareholders' right to receive payment has been established.

Employee benefits

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the income statements as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and charged to the consolidated income statements as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

借貸成本

購買、建造或生產合資格資產(即需要一段頗長時間始能達致其擬定用途或出售之資產)直接應計之借貸成本均予資本化,作為此等資產成本之一部分。當此等資產大體上已完成可作其擬定用途或出售時即停止將該等借貸成本資本化。指定用於合資格資產之借貸在其尚未支銷時用作短暫投資所賺取之投資收入,乃於已資本化之借貸成本內扣除。所有其他借貸成本於產生期間支銷。借貸成本包括實體有關借入資金之利息及其他成本。

股息

董事建議派付之末期股息於財務狀況表內權益項下獨立歸類為保留盈利分配,直至股息獲股東於股東大會批准為止。該等股息於股東批准及宣派時確認為負債。

外幣

財務報表以本公司之呈列貨幣人民幣呈列。本集團各實體決定其個別功能貨幣,而列入各實體財務報表之項目乃按該功能貨幣計量。本集團實體所記錄之外幣交易使用於交易日期之適用功能貨幣匯率初步入賬。以外幣列值之貨幣資產及負債按報告期末適用之功能貨幣匯率重新換算。所有差額計入損益表。以外幣歷史成本計算之非貨幣項目,按最初交易日期之匯率換算;而以外幣按公允值計算之非貨幣項目,則按釐定公允值當日之匯率換算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Foreign currencies

The financial statements are presented in RMB, which is the Company's presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

2.4 主要會計政策概要 (續)

外幣 (續)

本公司之功能貨幣為港元(「港元」)，而若干位於中國大陸境外附屬公司之功能貨幣為人民幣以外貨幣。於報告期末，此等公司之資產及負債已按報告期末之匯率換算為本公司之呈列貨幣，而彼等之損益表則以年內加權平均匯率換算為人民幣。所得匯兌差額於其他全面收入確認，並累計至匯兌波動儲備。

就綜合現金流量表而言，本公司及若干海外附屬公司之現金流按現金流量日期之適用匯率換算為人民幣。海外附屬公司於整個年度內經常產生之現金流量按年內之加權平均匯率換算為人民幣。

3. 重要會計判斷及估計

編製本集團財務報表時，管理層須作出可能影響於報告期末之收入、開支、資產及負債之呈報數目以及或然負債之披露之判斷、估計及假設。然而，此等假設及估計之不確定因素可能導致須於未來為受影響之資產或負債賬面值作出重大調整。

判斷

收購資產

本公司於收購附屬公司時判斷該收購是否構成業務合併。一項業務乃由投入以及應用該等投入使之產生產出之過程構成。若被收購之附屬公司不構成一項業務，本公司將此收購入賬列為一項資產收購。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

The functional currencies of the Company is Hong Kong dollars ("HK\$"). The functional currency of certain subsidiaries located outside the Mainland China are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period, and their income statements are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

For the purpose of the consolidated statement of cash flow, the cash flows of the Company and certain overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

Acquisition of assets

The Company assesses whether the acquisition of a subsidiary constitutes a business combination. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. If the subsidiary acquired does not constitute a business, the Company accounts for the acquisition as an acquisition of assets.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

3. 重要會計判斷及估計 (續)

估計之不確定因素

下文討論有關日後之主要假設及於報告期末其他主要估計不確定因素來源，有關假設及不確定因素具有導致下一個財政年度之資產與負債賬面值須作出重大調整之重大風險。

(a) 廠房及設備之可用年期

本集團管理層釐定之預計可用年期及相關折舊費用。該估計乃根據過往性質及功能類似之廠房及設備之實際可用年期作出。由於技術不斷創新及競爭對手就行業週期作出相應行動，有關估計可出現大幅變動。倘可用年期少於先前估計之可用年期，管理層將提高折舊費用，或撇銷或撇減技術上過期或不符合策略之已報廢或出售資產。

(b) 物業、廠房及設備以及預付土地租賃款項之估計減值

本集團根據財務報表附註2.4所述會計政策，每年評估物業、廠房及設備以及預付土地租賃款項，確定有否任何減值跡象。物業、廠房及設備之可收回金額乃根據使用價值釐定。預付土地租賃款項之可收回金額乃參考獨立估值釐定。該等計算及估值需運用判斷和作出估算。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Useful lives of plant and equipment

The Group's management determines the estimated useful lives and consequently related depreciation charges. This estimate is based on the historical experience of the actual useful lives of plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to the industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Estimated impairment of property, plant and equipment and prepaid land lease payments

The Group assesses annually whether property, plant and equipment and prepaid land lease payments have any indication of impairment, in accordance with the accounting policy stated in note 2.4 to the financial statements. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations, while that of prepaid land lease payments has been determined with reference to independent valuations. These calculations and valuations require the use of judgements and estimates.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

3. 重要會計判斷及估計 (續)

估計之不確定因素 (續)

(c) 應收款項之估計減值

本集團評估應收賬款及票據以及其他應收款項之可收回程度，據此記錄應收款項減值。若發生事件或情況變化顯示應收賬款及票據以及其他應收款項之餘額可能無法收回，則會作出撥備。識別呆賬時，需運用判斷和作出估算。若預期金額與原先估計有別，該等差額將會影響更改估算期間之應收賬款及票據以及其他應收款項之賬面值及呆賬支出。

(d) 存貨撇減至可實現淨值之估計

本集團根據對存貨可實現程度之評估，將存貨撇減至可實現淨值。若發生事件或情況變化顯示結餘可能無法實現，則會撇減存貨。識別撇減值時，需運用判斷和作出估算。若預期金額與原先估計有別，該等差額將會影響更改估算年度之存貨賬面值和存貨撇減金額。

4. 經營分部資料

為方便管理，本集團按其產品劃分業務單元，其中只有一個呈報經營分部：製造及銷售針織服裝產品。管理層以業務單元為一整體而監督經營業績，以便決定資源分配及評估表現。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

(c) Estimated impairment of receivables

The Group records impairment of receivables based on an assessment of the recoverability of trade and bills receivable and other receivables. Provisions are applied to trade and bills receivable and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of trade and bills receivable and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

(d) Estimated write-downs of inventories to net realisable value

The Group writes down inventories to net realisable value based on an assessment of the realisability of inventories. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of inventories and write-downs of inventories in the years in which such estimate has been changed.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and there is one reportable operating segment: the manufacture and sale of knitwear products. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resources allocation and performance assessment.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

4. 經營分部資料 (續)

董事認為，大部分收入來自全球各地之客戶，因此，披露客戶所在位置對綜合財務報表並無意義。

截至二零一零年十二月三十一日止年度，本集團99%之非流動資產位於中國（二零零九年：99%）。

5. 收入、其他收入及收益

收入亦為本集團之營業額，即已出售貨物扣除退貨及貿易折扣撥備後之發票淨值。

收入、其他收入及收益分析如下：

4. OPERATING SEGMENT INFORMATION

(continued)

In the opinion of the directors, majority of the revenue was generated from customers which have world-wide locations, and therefore, the disclosure of location of customers would not be meaningful in the consolidated financial statements.

99% of the non-current assets of the Group were located in the PRC during the year ended 31 December 2010 (2009: 99%).

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other income and gains is as follows:

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
收入	Revenue		
銷售貨物	Sale of goods	6,719,172	6,093,485
其他收入	Other income		
政府補助*	Government grants*	120,718	44,117
銀行利息收入	Bank interest income	4,190	3,555
租金收入	Rental income	4,404	—
其他	Others	304	—
		129,616	47,672
收益	Gains		
公允值收益淨額：	Fair value gains, net:		
衍生工具—不符合 對沖資格之交易	Derivative instruments – transactions not qualifying as hedges	71,591	—
		201,207	47,672

* 政府補助主要指地方政府給予本集團之獎勵。政府補助並不附帶任何未達成條件或或然事項。

* Government grants mainly represent incentives granted by local government to the Group. There are no unfulfilled conditions or contingencies relating to the government grants.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

6. 除稅前利潤

本集團之除稅前利潤已扣除／（計入）：

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/ (crediting):

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
	附註 Notes		
已出售存貨成本	Cost of inventories sold	4,665,853	4,115,212
物業、廠房及設備折舊及減值	Depreciation and impairment of property, plant and equipment	286,026	235,857
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	8,929	4,006
其他無形資產攤銷	Amortisation of other intangible assets	6,874	6,749
根據經營租賃應付之最低租金款項：	Minimum lease payments under operating leases:		
樓宇	Building	25,657	20,444
審計師酬金	Auditors' remuneration	2,000	1,900
僱員福利開支（包括董事酬金（附註8））：	Employee benefit expense (including directors' remuneration (Note 8)):		
工資及薪金	Wages and salaries	1,324,609	1,119,591
退休計劃供款	Pension scheme contributions	48,948	36,711
其他福利	Other welfares	27,154	13,865
		1,400,711	1,170,167
匯兌差額淨額*	Foreign exchange differences, net*	15,424	7,018
撇減存貨至可實現淨值	Write-down of inventories to net realisable value	6,664	1,514
公允值（收益）／虧損，已扣減：	Fair value (gains)/losses, net:		
衍生工具－不符合對沖資格之交易**	Derivative instruments – transactions not qualifying as hedges**	(71,591)	5,339
銀行利息收入	Bank interest income	(4,190)	(3,555)
出售物業、廠房及設備項目之虧損	Loss on disposal of items of property, plant and equipment	4,401	1,699

* 截至二零一零年十二月三十一日及二零零九年十二月三十一日止年度之匯兌差額淨額已計入綜合損益表之「其他開支」內。

** 截至二零一零年十二月三十一日及二零零九年十二月三十一日止年度之公允值收益及虧損已分別計入綜合損益表中「其他收入及收益」及「其他開支」內。

* The foreign exchange differences, net for the years ended 31 December 2010 and 31 December 2009 are included in "Other expenses" on the face of the consolidated income statement.

** The fair value gains and losses, for the years ended 31 December 2010 and 31 December 2009 are included in "Other income and gains" and "Other expenses", respectively, on the face of the consolidated income statement.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

7. 融資成本

融資成本分析如下：

7. FINANCE COSTS

An analysis of finance costs is as follows:

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
須於五年內悉數償還之銀行及其他借貸之利息	Interest on bank and other borrowings wholly repayable within five years	35,837	25,393

8. 董事酬金

根據上市規則及香港公司條例第161條所披露，本年度之董事酬金如下：

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
袍金	Fees	180	180
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	2,299	2,667
退休計劃供款	Pension scheme contributions	19	23
僱員股權福利*	Employee equity benefits*	-	36,052
		2,318	38,742
		2,498	38,922

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

8. 董事酬金 (續)

(a) 執行董事、非執行董事及獨立非執行董事

8. DIRECTORS' REMUNERATION (continued)

(a) Executive directors, non-executive director and independent non-executive directors

		薪金、津貼及 袍金	實物利益 Salaries, allowances and benefits in kind	退休計劃 供款 Pension scheme contributions	僱員股權 福利* Employee equity benefits*	酬金總額 Total remuneration
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
二零一零年	2010					
執行董事：	Executive directors:					
馬建榮先生	Mr. Ma Jianrong	-	739	9	-	748
黃關林先生	Mr. Huang Guanlin	-	571	5	-	576
馬仁和先生	Mr. Ma Renhe	-	450	5	-	455
鄭妙輝女士	Ms. Zheng Miaohui	-	450	-	-	450
		-	2,210	19	-	2,229
非執行董事：	Non-executive directors:					
陳忠靜先生	Mr. Chen Zhongjing	-	65	-	-	65
獨立非執行董事：	Independent non-executive directors:					
蘇壽南先生	Mr. Su Shounan	60	8	-	-	68
宗平生先生	Mr. Zong Pingsheng	60	8	-	-	68
戴祥波先生	Mr. Dai Xiangbo	60	8	-	-	68
		180	24	-	-	204
		180	2,299	19	-	2,498

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

8. 董事酬金 (續)

(a) 執行董事、非執行董事及獨立非執行董事 (續)

		薪金、津貼及 袍金	實物利益 Salaries, allowances and benefits in kind	退休計劃 供款 Pension scheme contributions	僱員股權 福利* Employee equity benefits*	酬金總額 Total remuneration
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
二零零九年	2009					
執行董事:	Executive directors:					
馬建榮先生	Mr. Ma Jianrong	-	750	8	-	758
黃關林先生	Mr. Huang Guanlin	-	576	5	-	581
馬仁和先生	Mr. Ma Renhe	-	436	5	32,816	33,257
陳忠靜先生	Mr. Chen Zhongjing	-	436	5	1,618	2,059
鄭妙輝女士	Ms. Zheng Miaohui	-	439	-	1,618	2,057
		-	2,637	23	36,052	38,712
獨立非執行董事:	Independent non-executive directors:					
蘇壽南先生	Mr. Su Shouan	60	10	-	-	70
宗平生先生	Mr. Zong Pingsheng	60	10	-	-	70
戴祥波先生	Mr. Dai Xiangbo	60	10	-	-	70
		180	30	-	-	210
		180	2,667	23	36,052	38,922

* 本集團已將有關向高級管理層提供之若干僱員股權福利之非現金開支列賬，以認同其各自在多年來對本集團成長及發展之貢獻。

8. DIRECTORS' REMUNERATION (continued)

(a) Executive directors, non-executive director and independent non-executive directors (continued)

* The Group has recorded non-cash expenses related to certain employee equity benefits provided to senior management in recognition of their individual contributions to the growth and development of the Group over the years.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

9. 五名最高薪酬僱員

年內五名最高薪酬僱員包括兩名(二零零九年: 一名)董事, 彼等之酬金詳情載於上文附註8。年內其餘三名(二零零九年: 四名)非董事最高薪酬僱員之酬金詳情如下:

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2009: one) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three (2009: four) non-directors, highest paid employees for the year are as follows:

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	1,984	1,931
退休計劃供款	Pension scheme contributions	24	22
僱員股權福利	Employee equity benefits	-	6,473
		2,008	8,426

酬金介乎以下組別之非董事最高薪酬僱員人數:

The number of non-directors, highest paid employees whose remuneration fell within the following bands is as follows:

		僱員人數 Number of employees	
		二零一零年 2010	二零零九年 2009
零至1,000,000港元	Nil to HK\$1,000,000	3	-
2,000,000港元至2,500,000港元	HK\$2,000,000 to HK\$2,500,000	-	4
		3	4

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

10. 退休福利

10. RETIREMENT BENEFITS

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
損益表已扣除	Income statement charge for		
– 退休福利供款	– Retirement benefit contributions	48,948	36,711

本集團於中國大陸之全職僱員之退休福利受多項由政府資助之退休金計劃所保障，按照該等計劃，本集團須按僱員薪金總額之若干百分比且在不過規定上限內承擔保險費及福利供款，並向有關政府當局繳納。

本集團亦根據強制性公積金計劃條例於香港為合資格參與強制性公積金退休福利計劃（「強積金計劃」）之僱員參與一項界定供款強積金計劃。供款乃按僱員基本薪金之某個百分比支付，並根據強積金計劃規則在須支付時於損益表扣除。強積金計劃之資產存入獨立管理之基金內，與本集團的資產分開持有。本集團之僱主供款於向強積金計劃作出供款時完全屬於僱員。

於柬埔寨王國註冊成立之全資附屬公司申洲（柬埔寨）有限公司（「申洲柬埔寨」）須根據有關當地機關之規定按僱員薪金向退休福利計劃供款（界定供款）。

除上文所述之供款外，本集團毋須承擔其他退休後福利或住房公積金之責任。

The retirement benefits of full-time employees of the Group in Mainland China are covered by various government-sponsored pension plans under which the premiums and welfare benefit contributions that should be borne by the Group are calculated based on percentages of the total salary of employees, subject to a certain ceiling, and are paid to the relevant government authorities.

The Group also participates in a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") in Hong Kong under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Shenzhou (Cambodia) Co., Ltd. ("Shenzhou Cambodia"), a wholly-owned subsidiary incorporated in the Kingdom of Cambodia, is required to contribute amounts based on employees' salaries (defined contribution) to the retirement benefit scheme as stipulated by the relevant local authority.

The Group has no further obligation for post-retirement benefits or housing funds beyond contributions in respect of the above.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

11. 所得稅

截至二零一零年及二零零九年十二月三十一日止年度之所得稅開支主要成分為：

11. INCOME TAX

The major components of income tax expense for the years ended 31 December 2010 and 2009 are:

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
香港之當期利得稅	Current Hong Kong profits tax	19,792	–
中國大陸之當期企業所得稅(「企業所得稅」)	Current Mainland China corporate income tax (“CIT”)	325,746	210,970
遞延稅項(附註27)	Deferred taxation (note 27)	6,414	9,469
		351,952	220,439

根據開曼群島稅務優惠法(一九九九年修訂版)第六條，本公司已獲開曼群島總督會同行政局承諾，開曼群島並無法例對本公司或本公司業務所得利潤或收入或收益或增值徵稅。由於本公司於香港經營業務，故其於香港產生之估計應課稅利潤須按16.5%(二零零九年：16.5%)之稅率繳付香港利得稅。

於英屬處女群島註冊成立之附屬公司毋須繳納所得稅，原因為該等附屬公司於英屬處女群島並無營業地點(只有註冊辦事處)，亦無於英屬處女群島進行任何業務。因此，永泰投資有限公司(「永泰」，一家於英屬處女群島註冊成立之附屬公司)毋須繳稅。

根據稅務法，於柬埔寨王國註冊成立之全資附屬公司申洲柬埔寨須按9%稅率繳納所得稅，並於首四個獲利年度獲豁免繳納所得稅。申洲柬埔寨於本年度並無應課稅利潤。

於香港註冊成立之全資附屬公司申洲貿易有限公司(「申洲貿易」)及永泰(香港)投資有限公司須按16.5%(二零零九年：16.5%)利得稅稅率就於香港產生之估計應課稅利潤繳納稅項。

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Council that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gain or appreciation shall apply to the Company or its operations. As the Company carries on business in Hong Kong, it is subject to Hong Kong profits tax at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits arising in Hong Kong.

The subsidiaries incorporated in the BVI are not subject to income tax as such subsidiaries do not have a place of business (other than a registered office only) or carry on any business in the BVI. Accordingly, Top Always Investments Ltd. (“Top Always”), a subsidiary incorporated in the BVI, is not subject to tax.

Shenzhou Cambodia, a wholly-owned subsidiary incorporated in the Kingdom of Cambodia, under the Law on Taxation, is subject to income tax at a rate of 9% and is entitled to be exempted from income tax for the first four profit-making years. Shenzhou Cambodia had no assessable profits during the year.

Shenzhou Trading Company Limited (“Shenzhou Trading”) and Top Always (Hong Kong) Investment Limited, wholly-owned subsidiaries incorporated in Hong Kong, are subject to the profits tax rate of 16.5% (2009: 16.5%) on the estimated assessable profits arising in Hong Kong.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

11. 所得稅 (續)

於日本註冊成立之全資附屬公司申洲日本株式會社(「申洲日本」)根據稅務法須按所得稅稅率22%就於日本產生之應課稅利潤繳納稅項。由於年內申洲日本並無於日本產生任何應課稅利潤，故並無就日本所得稅計提撥備。

根據中華人民共和國企業所得稅法(「新企業所得稅法」)，各中國附屬公司於期內按新企業所得稅法計算之應課稅收入須按25%之稅率繳稅，惟若干該等附屬公司除外，該等公司自其首個獲利年度起，獲豁免繳納兩年中國所得稅，及於隨後三年獲適用稅率減半之優惠。稅項豁免及寬減將於二零一零年至二零一二年期間到期。

稅項開支與會計利潤乘以截至二零一零年及二零零九年十二月三十一日止課稅年度之中國境內稅率之對賬如下：

11. INCOME TAX (continued)

Shenzhou Japan Co., Ltd. ("Shenzhou Japan"), a wholly-owned subsidiary incorporated in Japan, under the Law of Taxation, is subject to income tax at a rate of 22% of the assessable profits arising in Japan. No provision for Japan income tax has been made as Shenzhou Japan had no assessable profits arising in Japan during the year.

Pursuant to the Corporate Income Tax Law of the People's Republic of China (the "New CIT Law"), the assessable income of each of the PRC subsidiaries for the period as determined in accordance with the New CIT Law is subject to a tax rate of 25%, except for certain of these subsidiaries, which are exempted from the PRC income tax for two years starting from their first profit-making year, followed by a 50% reduction in the applicable tax rate for the next three years. The tax holidays and concessions will expire between 2010 and 2012.

A reconciliation between tax expense and the product of accounting profit multiplied by the PRC's domestic tax rate for the tax years ended 31 December 2010 and 2009 is as follows:

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
除稅前利潤	Profit before tax	1,624,597	1,473,553
以法定稅率25% (二零零九年：25%) 計算之稅項	Tax at the statutory tax rate of 25% (2009: 25%)	406,149	368,388
特定省份或地方部門 實施之較低稅率	Lower tax rate for specific provinces or enacted by local authority	(120,804)	(163,581)
對以前期間當期稅項的 調整	Adjustments in respect of current tax of previous periods	58,937	—
不可扣稅支出	Expenses not deductible for tax	1,706	5,055
稅率變動對遞延稅項的影響	Effect of change in tax rate on deferred tax	(477)	—
年內未確認之稅項虧損	Tax losses not recognised during the year	9,994	10,577
利用以前未確認的可抵扣稅 項虧損	Utilisation of previously unrecognised deductible tax losses	(3,553)	—
		351,952	220,439

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

12. 母公司擁有人應佔利潤

截至二零一零年十二月三十一日止年度之母公司擁有人應佔綜合利潤包括利潤人民幣143,121,000元(二零零九年:人民幣415,738,000元),已於本公司財務報表內處理。

12. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 December 2010 includes a profit of RMB143,121,000 (2009: RMB415,738,000) which has been dealt with in the financial statements of the Company.

13. 股息

13. DIVIDENDS

		本公司 Company	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
擬派末期股息每股普通股	Proposed final dividend of HK\$0.36		
0.36港元(二零零九年:	(2009: HK\$0.35) per ordinary share		
0.35港元)		381,373	383,678

本年度之擬派末期股息須由本公司股東於應屆股東週年大會上批准。

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

14. 母公司普通股股權持有人應佔每股盈利

每股基本盈利乃按母公司普通股股權持有人應佔年度利潤除以年內已發行普通股之加權平均數計算。

用於計算每股基本及攤薄盈利之收入及股份資料反映如下：

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted earnings per share calculations:

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
盈利	Earnings		
母公司普通股股權持有人應佔利潤	Profit attributable to ordinary equity holders of the parent	1,271,654	1,252,030

		股份數目 Number of Shares	
		二零一零年 2010 千股 Thousands	二零零九年 2009 千股 Thousands
股份	Shares		
用於計算每股基本盈利之普通股加權平均數	Weighted average number of ordinary shares used in the basic earnings per share calculation	1,245,000	1,245,000

截至二零一零年及二零零九年十二月三十一日止年度，本集團並無已發行之普通股具潛在攤薄影響。

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2010 and 2009.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

15. 物業、廠房及設備

15. PROPERTY, PLANT AND EQUIPMENT

		本集團 Group					
		樓宇	廠房及 機器	汽車	傢俬及 固定裝置 Furniture and fixtures	在建工程	總計
		Buildings	Plant and machinery	Motor vehicles	in progress	Construction in progress	Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
二零一零年十二月三十一日	31 December 2010						
於二零零九年十二月三十一日 及於二零一零年一月一日：	At 31 December 2009 and at 1 January 2010:						
成本	Cost	1,418,475	2,079,668	46,753	90,568	153,104	3,788,568
累計折舊及減值	Accumulated depreciation and impairment	(167,721)	(845,196)	(20,730)	(46,125)	-	(1,079,772)
賬面淨值	Net carrying amount	1,250,754	1,234,472	26,023	44,443	153,104	2,708,796
於二零一零年一月一日， 已扣減累計折舊及減值	At 1 January 2010, net of accumulated depreciation and impairment	1,250,754	1,234,472	26,023	44,443	153,104	2,708,796
添置	Additions	30,265	281,328	12,067	20,283	170,247	514,190
收購一家附屬公司（附註30）	Acquisition of a subsidiary (note 30)	56,993	-	-	-	-	56,993
出售	Disposals	-	(1,096)	(271)	(807)	-	(2,174)
年度折舊撥備	Depreciation provided during the year	(73,772)	(185,848)	(7,909)	(18,497)	-	(286,026)
轉撥	Transfers	42,243	64,701	50	32,697	(139,691)	-
匯兌調整	Exchange realignment	(338)	(406)	(14)	(4)	-	(762)
於二零一零年 十二月三十一日， 已扣減累計折舊及減值	At 31 December 2010, net of accumulated depreciation and impairment	1,306,145	1,393,151	29,946	78,115	183,660	2,991,017
於二零一零年 十二月三十一日：	At 31 December 2010:						
成本	Cost	1,557,747	2,382,048	56,077	140,240	183,660	4,319,772
累計折舊及減值	Accumulated depreciation and impairment	(251,602)	(988,897)	(26,131)	(62,125)	-	(1,328,755)
賬面淨值	Net carrying amount	1,306,145	1,393,151	29,946	78,115	183,660	2,991,017

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

15. 物業、廠房及設備 (續)

15. PROPERTY, PLANT AND EQUIPMENT

(continued)

		本集團 Group					
		樓宇	廠房及 機器	汽車	傢俬及 固定裝置 Furniture and fixtures	在建工程	總計
		Buildings	Plant and machinery	Motor vehicles		Construction in progress	Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
二零零九年十二月三十一日	31 December 2009						
於二零零八年十二月三十一日	At 31 December 2008 and						
及於二零零九年一月一日：	at 1 January 2009:						
成本	Cost	1,094,574	1,754,003	37,762	71,098	169,391	3,126,828
累計折舊及減值	Accumulated depreciation and impairment	(107,657)	(689,889)	(16,035)	(39,567)	–	(853,148)
賬面淨值	Net carrying amount	986,917	1,064,114	21,727	31,531	169,391	2,273,680
於二零零九年一月一日， 已扣減累計折舊及減值	At 1 January 2009, net of accumulated depreciation and impairment	986,917	1,064,114	21,727	31,531	169,391	2,273,680
添置	Additions	19,081	298,380	10,930	10,742	313,439	652,572
收購一家附屬公司（附註30）	Acquisition of a subsidiary (note 30)	–	–	–	–	20,981	20,981
出售	Disposals	–	(1,977)	(251)	(320)	–	(2,548)
年度折舊撥備	Depreciation provided during the year	(60,067)	(160,273)	(6,383)	(9,134)	–	(235,857)
轉撥	Transfers	304,840	34,243	–	11,624	(350,707)	–
匯兌調整	Exchange realignment	(17)	(15)	–	–	–	(32)
於二零零九年 十二月三十一日， 已扣減累計折舊及減值	At 31 December 2009, net of accumulated depreciation and impairment	1,250,754	1,234,472	26,023	44,443	153,104	2,708,796
於二零零九年 十二月三十一日：	At 31 December 2009:						
成本	Cost	1,418,475	2,079,668	46,753	90,568	153,104	3,788,568
累計折舊及減值	Accumulated depreciation and impairment	(167,721)	(845,196)	(20,730)	(46,125)	–	(1,079,772)
賬面淨值	Net carrying amount	1,250,754	1,234,472	26,023	44,443	153,104	2,708,796

於二零一零年十二月三十一日，本集團賬面淨值約為人民幣180,317,000元（二零零九年：人民幣175,575,000元）之若干樓宇已抵押作為授予本集團之一般銀行融資之擔保（附註26）。

At 31 December 2010, certain of the Group's buildings with a net book value of approximately RMB180,317,000 (2009: RMB175,575,000) were pledged to secure general banking facilities granted to the Group (note 26).

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

16. 預付土地租賃款項

本集團之預付土地租賃款項指經營租賃項下之預付土地租金款項，其賬面值分析如下：

16. PREPAID LAND LEASE PAYMENTS

The Group's prepaid land lease payments represent prepaid land lease payments under operating leases and their carrying amounts are analysed as follows:

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
成本：	Cost:		
於一月一日	At 1 January	217,296	213,463
添置	Additions	16,271	834
收購一家附屬公司 (附註30)	Acquisition of a subsidiary (note 30)	265,343	2,999
於十二月三十一日	At 31 December	498,910	217,296
累計攤銷：	Accumulated amortisation:		
於一月一日	At 1 January	11,475	7,469
年度撥備	Provided for the year	8,929	4,006
於十二月三十一日	At 31 December	20,404	11,475
賬面淨值：	Net book value:		
於十二月三十一日	At 31 December	478,506	205,821
於一月一日	At 1 January	205,821	205,994

本集團之預付土地租賃款項位於中國大陸，並以中期租約期持有。

於二零一零年十二月三十一日，本集團賬面淨值約為人民幣32,135,000元（二零零九年：人民幣32,898,000元）之若干預付土地租賃款項已抵押作為授予本集團之一般銀行信貸之擔保（附註26）。

The prepaid land lease payments of the Group are situated in Mainland China and are held under medium lease terms.

At 31 December 2010, certain prepaid land lease payments of the Group with a net book value of approximately RMB32,135,000 (2009: RMB32,898,000) were pledged to secure general banking facilities granted to the Group (note 26).

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

17. 無形資產

17. INTANGIBLE ASSETS

		本集團 Group		
		軟件 Software	用水權* Water Use Right*	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
二零一零年十二月三十一日 31 December 2010				
於二零一零年一月一日 之成本，已扣減累計 攤銷	Cost at 1 January 2010, net of accumulated amortisation	3,450	118,788	122,238
添置	Additions	597	-	597
年度攤銷撥備	Amortisation provided during the year	(424)	(6,450)	(6,874)
於二零一零年 十二月三十一日	At 31 December 2010	3,623	112,338	115,961
於二零一零年十二月 三十一日：				
成本	Cost	4,556	129,000	133,556
累計攤銷：	Accumulated amortisation	(933)	(16,662)	(17,595)
賬面淨值	Net carrying amount	3,623	112,338	115,961

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

17. 無形資產 (續)

17. INTANGIBLE ASSETS (continued)

		軟件	本集團 Group 用水權* Water Use Right*	總計
		Software 人民幣千元 RMB'000	Use Right* 人民幣千元 RMB'000	Total 人民幣千元 RMB'000
二零零九年十二月三十一日 31 December 2009				
於二零零九年一月一日之 成本，已扣減累計攤銷	Cost at 1 January 2009, net of accumulated amortisation	2,430	125,238	127,668
添置	Additions	1,319	–	1,319
年度攤銷撥備	Amortisation provided during the year	(299)	(6,450)	(6,749)
於二零零九年 十二月三十一日	At 31 December 2009	3,450	118,788	122,238
於二零零九年 十二月三十一日：				
成本	Cost	3,959	129,000	132,959
累計攤銷：	Accumulated amortisation:	(509)	(10,212)	(10,721)
賬面淨值	Net carrying amount	3,450	118,788	122,238

* 根據本集團與寧波市北侖區政府於二零零六年四月訂立之協議以及本集團、寧波市北侖區水利局與寧波市自來水總公司於二零零八年訂立之三份補充協議，本集團已同意向當地政府支付人民幣129,000,000元，以保證以優惠價持續獲得水資源供應，為期20年（「用水權」）。截至二零一零年十二月三十一日，本集團已支付人民幣53,000,000元（二零零九年：人民幣52,000,000元），而餘下人民幣76,000,000元已計入其他應付款項。

* Pursuant to an agreement entered into by the Group and the Government of Beilun District, Ningbo City, in April 2006 and three supplementary agreements entered into by the Group, Ningbo Beilun Water Conservancy Bureau and Ningbo Water Supply General Company in 2008, the Group has agreed to pay the local government an amount of RMB129 million in exchange for a guaranteed constant water supply with a favourable price for a period of 20 years ("Water Use Right"). As at 31 December 2010, the Group has paid RMB53,000,000 (2009: RMB52,000,000), and the remaining RMB76,000,000 was included in Other Payables.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

18. 於附屬公司之投資及給予附屬公司之貸款

(a) 於附屬公司之投資

18. INVESTMENTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES

(a) Investments in subsidiaries

		本公司 Company	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
非上市股份，按成本	Unlisted shares, at cost	616,293	637,731

主要附屬公司之詳情如下：

Particulars of the principal subsidiaries are as follows:

名稱 Name	註冊成立地點及 法人實體之類別 Place of incorporation and kind of legal entity	已發行股本 Issued share capital	本公司應佔 股本百分比 Percentage of equity attributable to the Company		主要業務及 經營地點 Principal activities and place of operations
			直接 Direct	間接 Indirect	
永泰	英屬處女群島、 有限責任公司	30,002美元	100%	—	投資控股
Top Always	BVI, limited liability company	US\$30,002	100%	—	Investment holding
寧波申洲針織有限公司 (「申洲針織」)	中國大陸、 外商獨資企業	116,000,000美元	—	100%	於中國大陸製造及 銷售針織服裝產品
Ningbo Shenzhou Knitting Co., Ltd. ("Shenzhou Knitting")	Mainland China, wholly- foreign-owned enterprise	US\$116,000,000	—	100%	Manufacture and sale of knitwear products in Mainland China
寧波世興針織印花 有限公司 (「世興針織」)	中國大陸、 外商獨資企業	7,814,655美元	—	100%	於中國大陸印製及 銷售針織服裝產品
Ningbo Shixing Knitwear Printing Co., Ltd. ("Shixing Printing")	Mainland China, wholly- foreign-owned enterprise	US\$7,814,655	—	100%	Print and sale of knitwear products in Mainland China
寧波樂樂印花有限公司 (「樂樂印花」)	中國大陸、 外商獨資企業	140,000美元	—	100%	於中國大陸印製及 銷售針織服裝產品
Ningbo Lele Printing Co., Ltd. ("Lele Printing")	Mainland China, wholly- foreign-owned enterprise	US\$140,000	—	100%	Print and sale of knitwear products in Mainland China

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

18. 於附屬公司之投資及給予附屬公司之貸款 (續)

(a) 於附屬公司之投資 (續)

18. INVESTMENTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (continued)

(a) Investments in subsidiaries (continued)

名稱	註冊成立地點及 法人實體之類別	已發行股本	本公司應佔 股本百分比		主要業務及 經營地點
			直接	間接	
Name	Place of incorporation and kind of legal entity	Issued share capital	Direct	Indirect	Principal activities and place of operations
寧波甬錦時裝有限公司 (「甬錦時裝」)	中國大陸、 外商合資企業	10,000,000美元	–	91%	於中國大陸製造及 銷售針織服裝產品
Ningbo Yongmian Fashion Garment Co., Ltd. (“Yongmian Fashion”)	Mainland China, foreign equity joint venture	US\$10,000,000	–	91%	Manufacture and sale of knitwear products in Mainland China
寧波申蝶時裝有限公司 (「申蝶時裝」)	中國大陸、 外商合資企業	5,000,000美元	–	91%	於中國大陸製造及 銷售針織服裝產品
Ningbo Shendie Fashion Co., Ltd. (“Shendie Fashion”)	Mainland China, foreign equity joint venture	US\$5,000,000	–	91%	Manufacture and sale of knitwear products in Mainland China
申洲柬埔寨	柬埔寨王國、 外商獨資企業	30,000,000美元	–	100%	於柬埔寨製造及 銷售針織服裝產品
Shenzhou Cambodia	Kingdom of Cambodia, wholly-foreign-owned enterprise	US\$30,000,000	–	100%	Manufacture and sale of knitwear products in Cambodia
寧波大千紡織品有限公司 (「大千紡織」)	中國大陸、 外商獨資企業	60,000,000美元	–	100%	於中國大陸製造及 銷售針織服裝產品
Ningbo Daqian Knitting Co., Ltd. (“Daqian Knitting”)	Mainland China, wholly- foreign-owned enterprise	US\$60,000,000	–	100%	Manufacture and sale of knitwear products in Mainland China
寧波林林針織有限公司 (「林林針織」)	中國大陸、 外商獨資企業	3,846,260美元	–	100%	於中國大陸製造及 加工針織服裝產品
Ningbo Linlin Knitting Co., Ltd. (“Linlin Knitting”)	Mainland China, wholly- foreign-owned enterprise	US\$3,846,260	–	100%	Manufacture and processing of knitwear products in Mainland China

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

18. 於附屬公司之投資及給予附屬公司之貸款 (續)

(a) 於附屬公司之投資 (續)

18. INVESTMENTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (continued)

(a) Investments in subsidiaries (continued)

名稱	註冊成立地點及 法人實體之類別	已發行股本	本公司應佔 股本百分比		主要業務及 經營地點
			直接	間接	
Name	Place of incorporation and kind of legal entity	Issued share capital	Percentage of equity attributable to the Company		Principal activities and place of operations
			Direct	Indirect	
寧波圖騰服飾有限公司 (「寧波圖騰」)	中國大陸、 外商獨資企業	4,000,000美元	–	100%	於中國大陸製造及 加工針織服裝產品
Tuton Textile (Ningbo) Co., Ltd. ("Ningbo Tuton")	Mainland China, wholly- foreign-owned enterprise	US\$4,000,000	–	100%	Manufacture and processing of knitwear products in Mainland China
申洲針織(安徽)有限公司 (「申洲安徽」)	中國大陸、 外商合資企業	10,000,000美元	–	100%	於中國大陸製造及 加工針織服裝產品
Shenzhou Knitting (Anhui) Co., Ltd. ("Shenzhou Anhui")	Mainland China foreign equity joint venture	US\$10,000,000	–	100%	Manufacture and processing of knitwear products in Mainland China
申洲針織(衢州)有限公司 (「申洲衢州」)	中國大陸、 外商獨資企業	8,000,000美元	–	100%	於中國大陸製造及 加工針織服裝產品
Shenzhou Knitting (Quzhou) Co., Ltd. ("Shenzhou Quzhou")	Mainland China wholly-foreign-owned enterprise	US\$8,000,000	–	100%	Manufacture and processing of knitwear products in Mainland China
上海馬威服飾有限公司 (「馬威」)	中國大陸、 獨資經營公司	人民幣2,000,000元	–	100%	於中國大陸 之貿易公司
Shanghai Maxwin Garments Co., Ltd. ("Maxwin")	Mainland China sole proprietorship company	RMB2,000,000	–	100%	Trading company in Mainland China
大千進出口 有限責任公司	中國大陸、 有限責任公司	人民幣10,000,000元	–	100%	於中國大陸 進出口商品
Daqian Import & Export Co., Ltd.	Mainland China, limited liability company	RMB10,000,000	–	100%	Import and export of commodities in Mainland China

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

18. 於附屬公司之投資及給予附屬公司之貸款 (續)

(a) 於附屬公司之投資 (續)

18. INVESTMENTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (continued)

(a) Investments in subsidiaries (continued)

名稱	註冊成立地點及 法人實體之類別	已發行股本	本公司應佔 股本百分比		主要業務及 經營地點
			直接	間接	
Name	Place of incorporation and kind of legal entity	Issued share capital	Percentage of equity attributable to the Company		Principal activities and place of operations
			Direct	Indirect	
申洲貿易	香港、 有限責任公司	100港元	–	100%	於香港進出口商品
Shenzhou Trading	Hong Kong, limited liability company	HK\$100	–	100%	Import and export of commodities in Hong Kong
永泰(香港)投資 有限公司	香港、 有限責任公司	100港元	–	100%	投資控股及於香港進出口商品
Top Always (Hong Kong) Investments Limited	Hong Kong, limited liability company	HK\$100	–	100%	Investment holding and import and export of commodities in Hong Kong
寧波恒質服裝檢測 有限公司	中國大陸、 有限責任公司	人民幣8,000,000元	–	100%	於中國大陸進行 成衣檢測
Ningbo Hengzhi Clothing Detection Co., Ltd.	Mainland China, limited liability company	RMB8,000,000	–	100%	Clothing detection in Mainland China
寧波創藝電子有限公司 (「創藝電子」)	中國大陸、 外商獨資企業	3,060,000美元	–	100%	位於中國大陸、 處於營運前階段
Ningbo Chuangyi Electronics Co., Ltd. (「Chuangyi Electronics」)	Mainland China, wholly- foreign-owned enterprise	US\$3,060,000	–	100%	Pre-operating in Mainland China
申洲日本	日本、 有限責任公司	5,000,000日圓	–	100%	位於日本之貿易公司
Shenzhou Japan	Japan, limited liability company	JPY5,000,000	–	100%	Trading company in Japan

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

18. 於附屬公司之投資及給予附屬公司之貸款 (續)

(a) 於附屬公司之投資 (續)

名稱	註冊成立地點及 法人實體之類別	已發行股本	本公司應佔 股本百分比		主要業務及 經營地點
			直接	間接	
Name	Place of incorporation and kind of legal entity	Issued share capital	Percentage of equity attributable to the Company		Principal activities and place of operations
			Direct	Indirect	
寧波紅馬服飾有限公司	中國大陸、 有限責任公司	人民幣80,000,000元	–	100%	於中國大陸 進行零售業務
Ningbo Hongma Fashion Co., Ltd.	Mainland China, limited liability company	RMB80,000,000	–	100%	Retail in Mainland China
安慶申洲進出口有限公司	中國大陸、 有限責任公司	人民幣5,000,000元	–	100%	於中國大陸 進出口商品
Anqing Shenzhou Import & Export Co., Ltd.	Mainland China, limited liability Company	RMB5,000,000	–	100%	Import and export of commodities in Mainland China
上海馬威實業有限公司	中國大陸、 有限責任公司	人民幣10,000,000元	–	100%	於中國大陸 進行物業管理業務
Shanghai Maxwin Industry Co., Ltd.	Mainland China, limited liability Company	RMB10,000,000	–	100%	Property management in Mainland China

(b) 給予附屬公司之貸款

於二零一零年十二月三十一日，給予附屬公司之所有貸款均為無抵押、免息及無預定還款期或毋須在可見將來還款。

(c) 應付附屬公司款項

計入本公司流動負債之應付附屬公司款項為人民幣421,961,000元（二零零九年：人民幣286,532,000元），且為無抵押、免息及須按要求或於一年內償還。

18. INVESTMENTS IN SUBSIDIARIES AND LOANS TO SUBSIDIARIES (continued)

(a) Investments in subsidiaries (continued)

(b) Loans to subsidiaries

As at 31 December 2010, all loans to subsidiaries were unsecured, interest-free and settlement is neither planned nor likely to occur in the foreseeable future.

(c) Amounts due to subsidiaries

The amounts due to subsidiaries included in the Company's current liabilities of RMB421,961,000 (2009: RMB286,532,000), are unsecured, interest-free and are repayable on demand or within one year.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

19. 存貨

19. INVENTORIES

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
原材料	Raw materials	502,453	455,985
在製品	Work in progress	793,963	422,949
製成品	Finished goods	512,368	306,223
		1,808,784	1,185,157

20. 應收賬款

20. TRADE RECEIVABLES

		本集團 Group		本公司 Company	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
應收賬款	Trade receivables	897,211	607,346	299,149	152,370
減值	Impairment	-	-	-	-
		897,211	607,346	299,149	152,370

本集團大部分銷售以信用證進行。其餘款項一般附有一至六個月之信貸期。

Majority of the Group's sales are covered by letter of credit. The remaining amounts are generally granted with credit terms of one to six months.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

20. 應收賬款 (續)

於報告期末，根據發票日期計算之應收賬款賬齡分析如下：

		本集團 Group		本公司 Company	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
三個月內	Within 3 months	863,011	578,874	299,149	152,370
三個月以上	Over 3 months	34,200	28,472	-	-
		897,211	607,346	299,149	152,370

未被視為減值之應收賬款賬齡分析如下：

		本集團 Group		本公司 Company	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
未逾期或減值	Neither past due nor impaired	855,625	578,874	299,149	152,370
逾期少於三個月	Less than 3 months past due	38,287	22,051	-	-
逾期三個月以上	Over 3 months past due	3,299	6,421	-	-
		897,211	607,346	299,149	152,370

未逾期或減值之應收款項與近期並無逾期付款之客戶有關。

已逾期但未減值之應收款項與若干獨立客戶有關，該等客戶向本集團付款之記錄良好。根據過往經驗，本公司董事認為，由於信貸質素並無重大變動，且該等結餘仍被視為可全數收回，故無須就該等結餘計提減值撥備。本集團並無就該等結餘持有任何抵押品或制定其他提升信貸質素安排。

20. TRADE RECEIVABLES (continued)

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

Receivables that were neither past due nor impaired relate to the customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

20. 應收賬款 (續)

於二零一零年十二月三十一日，應收賬款以下列貨幣計值：

20. TRADE RECEIVABLES (continued)

At 31 December 2010, the trade receivables were denominated in the following currencies:

		本集團 Group			
		二零一零年 2010		二零零九年 2009	
		原貨幣 Original currency	人民幣等值 RMB equivalent	原貨幣 Original currency	人民幣等值 RMB equivalent
		千元 in'000	人民幣千元 RMB'000	千元 in'000	人民幣千元 RMB'000
美元	US\$	88,565	586,541	54,554	372,510
人民幣	RMB	310,670	310,670	234,836	234,836
			897,211		607,346

		本公司 Company			
		二零一零年 2010		二零零九年 2009	
		原貨幣 Original currency	人民幣等值 RMB equivalent	原貨幣 Original currency	人民幣等值 RMB equivalent
		千元 in'000	人民幣千元 RMB'000	千元 in'000	人民幣千元 RMB'000
美元	US\$	45,170	299,149	22,315	152,370

應收賬款之賬面值與其公允值相若。

The carrying amounts of the trade receivables approximate to their fair values.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

21. 預付款項、按金及其他應收款項

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		本集團 Group		本公司 Company	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
預付款項及按金	Prepayments and deposits				
– 購買原材料	– Purchase of raw materials	142,770	62,160	–	–
– 購買物業、廠房及設備	– Purchase of property, plant and equipment	5,054	9,111	–	–
– 預付租金及按金	– Prepaid rental and deposits	36,130	19,720	–	–
– 其他	– Others	523	425	–	–
應收及可收回增值稅退款	VAT refund receivable and Recoverable	166,498	39,476	–	–
應收若干附屬公司股息	Dividends receivable from certain subsidiaries	–	–	749,589	595,262
其他應收款項	Other receivables	31,074	19,270	81	88
		382,049	150,162	749,670	595,350

上述資產均無逾期支付或減值。上述結餘所包含金融資產與近期並無欠款記錄之應收款項有關。

預付款項、按金及其他應收款項之賬面值與其公允值相若。

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

The carrying amounts of prepayments, deposits and other receivables approximate their fair values.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

22. 現金及現金等價物

22. CASH AND CASH EQUIVALENTS

		本集團 Group		本公司 Company	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
現金及銀行結餘	Cash and bank balances	512,528	326,708	99,113	30,105
初始存款期少於三個月之 銀行存款	Bank deposits with initial term of less than three months	6,489	51,009	-	-
現金及現金等價物	Cash and cash equivalents	519,017	377,717	99,113	30,105

於報告期末，本集團以人民幣計值之現金及銀行結餘約為人民幣273,339,000元（二零零九年：人民幣217,841,000元）。人民幣不可自由兌換為其他貨幣。然而，根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定，本集團獲批准透過獲授權可以進行匯兌業務之銀行將人民幣兌換為其他貨幣。

銀行存款按銀行之每日存款利率以浮動利率賺取利息。短期存款以一日至三個月不等之不同期間存置，視乎本集團之即時現金需求而定，並按相應短期存款利率賺取利息。銀行結餘已存入最近並無欠款記錄之信譽良好銀行。現金及現金等價物之賬面值與其公允值相若。

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately RMB273,339,000 (2009: RMB217,841,000). The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

23. 應付賬款及票據

於報告期末，應付賬款及票據賬齡分析如下：

23. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, is as follows:

		本集團 Group		本公司 Company	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
零至六個月	0 to 6 months	460,447	380,248	23,394	4,830
六個月至一年	6 months to 1 year	16,745	5,302	-	-
一年至兩年	1 year to 2 years	6,027	411	-	-
兩年以上	Over 2 years	3,637	465	-	-
		486,856	386,426	23,394	4,830

應付賬款及票據不計息。應付賬款及票據之賬面值與其公允值相若。

The trade and bills payables are non-interest-bearing. The carrying amounts of the trade and bills payables approximate to their fair values.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

24. 其他應付款項及應計款項

24. OTHER PAYABLES AND ACCRUALS

		本集團 Group		本公司 Company	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
應計開支	Accrued expenses	222,125	215,573	154	–
用水權應付款項 (附註17)	Payable for Water Use Right (note 17)	76,000	77,000	–	–
購置物業、廠房及設備之 應付款項	Payables for purchase of property, plant and equipment	33,862	66,297	–	–
有關建築工程之保證金	Guarantee deposits related to construction projects	3,513	12,977	–	–
其他應付款項	Other payables	32,054	11,514	–	2,505
客戶按金	Customer deposits	–	6,168	–	–
其他應付稅項	Other taxes payable	8,497	2,072	–	–
應付非控制性股東之股息	Dividends payable to non- controlling interests shareholders	587	587	–	–
		376,638	392,188	154	2,505

其他應付款項及應計款項之賬面值與其公允值相若。其他應付款項不計息。

The carrying amounts of the other payables and accruals approximate to their fair values. Other payables are non-interest-bearing.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

25. 衍生金融工具

25. DERIVATIVE FINANCIAL INSTRUMENTS

		二零一零年 2010			
		本集團 Group		本公司 Company	
		資產 Assets	負債 Liabilities	資產 Assets	負債 Liabilities
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
遠期貨幣合約	Forward currency contracts	107,884	-	40,095	-

		二零零九年 2009			
		本集團 Group		本公司 Company	
		資產 Assets	負債 Liabilities	資產 Assets	負債 Liabilities
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
遠期貨幣合約	Forward currency contracts	30,291	5,584	-	5,584

遠期貨幣合約之賬面值與其公允值相同。

The carrying amounts of forward currency contracts are the same as their fair values.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

25. 衍生金融工具 (續)

遠期貨合約－現金流量對沖

於二零一零年十二月三十一日，本集團持有若干遠期貨合約，指定用作預期日後向海外客戶銷售之對沖用途。

本集團已按預期日後銷售期間磋商遠期貨合約之年期。本集團已評估二零一零年預期日後銷售相關現金流量之對沖項目，認為十分有效。收益淨額人民幣27,968,000元（二零零九年：虧損人民幣58,132,000元）按下列方式計入對沖儲備：

		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
計入對沖儲備之公允值 收益總額	Total fair value gains included in the hedging reserve	88,416	37,578
公允值收益之遞延稅項	Deferred tax on fair value gains	(18,266)	(7,877)
從其他全面收入重新分類到 損益表中確認	Reclassified from other comprehensive income recognised in the income statement	(50,920)	(104,067)
重新分類之遞延稅項撥入損益	Deferred tax on reclassifications to profit or loss	8,738	16,234
現金流量對沖之虧損淨額	Net losses on cash flow hedges	27,968	(58,132)

此外，本集團亦訂立了不符合對沖會計法之其他外幣合約。該等外幣合約按人民幣兌美元匯率之升值幅度結算，原因為管理層預測有關升值比率將低於交易對手所預測者。非對沖貨幣衍生工具之公允值變動為收益人民幣71,591,000元，已於年內在損益表內計入（二零零九年：虧損人民幣5,339,000元）。於二零一零年十二月三十一日，本集團持有未平倉外幣合約685,000,000美元（二零零九年：893,500,000美元），到期日介乎一個月至24個月（二零零九年：一個月至23個月）。

25. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

Forward currency contracts – cash flow hedges

At 31 December 2010, the Group held certain forward currency contracts designated as hedges in respect of expected future sales to overseas customers.

The terms of the forward currency contracts have been negotiated to match the terms of the expected future sales. The cash flow hedges relating to expected future sales in the year 2010 were assessed to be highly effective. Net gain of RMB27,968,000 (2009: losses of RMB58,132,000) were included in the hedging reserve as follows:

In addition, the Group also enters into other foreign currency contracts which do not qualify for hedge accounting. Such foreign currency contracts are settled based on the extent of the appreciation of the RMB against the USD exchange rates as management forecasts that the rate of such appreciation will be lower than that forecasted by the counterparty. Changes in the fair value of non-hedging currency derivatives amounting to gain of RMB71,591,000 were credited to the income statement during the year (2009: loss of RMB5,339,000). As at 31 December 2010, the Group held outstanding foreign currency contracts of US\$685,000,000 (2009: US\$893,500,000) with maturity periods ranging from 1 month to 24 months (2009: from 1 month to 23 months).

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

26. 計息銀行及其他借貸

26. INTEREST-BEARING BANK AND OTHER BORROWINGS

		本集團 Group					
		二零一零年 2010			二零零九年 2009		
		實際利率(厘) Effective interest rate (%)	到期日 Maturity	人民幣千元 RMB'000	實際利率(厘) Effective interest rate (%)	到期日 Maturity	人民幣千元 RMB'000
流動	Current						
銀行貸款－無抵押	Bank loans – unsecured	1.28-5.28	二零一一年 2011	1,205,393	3.65-4.37	二零一零年 2010	150,000
銀行貸款－無抵押	Bank loans – unsecured			-	倫敦銀行 同業拆息率+0.80-2.00 Libor+0.80-2.00	二零一零年 2010	177,532
銀行貸款－無抵押	Bank loans – unsecured			-	香港銀行 同業拆息率+2.00 Hibor+2.00	二零一零年 2010	49,308
銀行貸款－有抵押	Bank loans – secured	1.28-1.49	二零一一年 2011	119,209	2.18-2.73	二零一零年 2010	118,594
銀行貸款－有抵押	Bank loans – secured			-	倫敦銀行 同業拆息率+1.00-2.00 Libor+1.00-2.00	二零一零年 2010	98,054
長期銀行貸款之 即期部份－有抵押	Current portion of long term bank loans – secured	倫敦銀行同業拆息率 (六個月) +1% Libor (6 months) +1%	二零一一年 2011	25,285	倫敦銀行 同業拆息率+1.00 Libor+1.00	二零一零年 2010	26,070
				1,349,887			619,558
非流動	Non-current						
其他有抵押銀行貸款	Other secured bank loans	倫敦銀行 同業拆息率+1.00 Libor+1.00	二零一二年 2012	10,232	倫敦銀行 同業拆息率+1.00 Libor+1.00	二零一一年至 二零一二年 2011-2012	36,620
其他有抵押銀行貸款	Other secured bank loans	*	二零一四年 2014	69,500	*	二零一四年 2014	39,500
				79,732			76,120
				1,429,619			695,678

* 中國人民銀行宣佈之三至五年期貸款
基準利率折讓10%

* 10% discount of benchmark interest rates for loans with periods
of three to five years announced by People's Bank of China

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

26. 計息銀行及其他借貸 (續)

26. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

		本公司 Company			二零零九年 2009		
		二零一零年 2010	到期日	人民幣千元	實際利率(厘) Effective interest rate (%)	到期日	人民幣千元
		實際利率(厘) Effective interest rate (%)	Maturity	RMB'000	實際利率(厘) Effective interest rate (%)	Maturity	RMB'000
流動	Current						
銀行貸款－無抵押	Bank loans – unsecured	1.28%-2.26%	二零一一年 2011	318,819	倫敦銀行 同業拆息率+1.50-2.00 Libor+1.50-2.00	二零一零年 2010	18,436
銀行貸款－無抵押	Bank loans – unsecured	倫敦銀行 同業拆息率+1.00 Libor+1.00	二零一一年 2011	52,982	香港銀行 同業拆息率+2.00 Hibor+2.00	二零一零年 2010	49,308
銀行貸款－有抵押	Bank loans – secured		-	-	倫敦銀行 同業拆息率+1.00 Libor+1.00	二零一零年 2010	88,767
				371,801			
							156,511

		本集團 Group		本公司 Company	
		二零一零年 2010	二零零九年 2009	二零一零年 2010	二零零九年 2009
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
細分為：	Analysed into:				
須於下列期間償還之	Bank loans and overdrafts				
銀行貸款及透支：	repayable:				
一年內或按要求	Within one year or on demand	1,349,887	619,558	371,801	156,511
第二年	In the second year	10,232	26,070	-	-
第三至第五年	In the third to fifth years, inclusive	69,500	50,050	-	-
(包括首尾兩年)					
		1,429,619	695,678	371,801	156,511

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

26. 計息銀行及其他借貸 (續)

- (a) 本集團之借貸融資額度為人民幣4,346,369,000元(二零零九年:人民幣3,314,097,000元),其中人民幣1,791,869,000元(二零零九年:人民幣695,678,000元)已於報告期末動用。於報告期末,未動用借貸融資額度(受限於若干條件)為人民幣2,554,500,000元(二零零九年:人民幣2,618,419,000元)。
- (b) 本集團若干銀行借貸以本集團樓宇及預付土地租賃款項(於報告期末之總賬面值約為人民幣212,452,000元(二零零九年:人民幣208,473,000元)之按揭作抵押(附註15及附註16)。
- (c) 本集團及本公司之若干銀行借貸由本公司董事所控制之公司作擔保。
- (d) 除總值達人民幣569,500,000元(二零零九年:人民幣189,500,000元)之若干銀行借貸以人民幣計值外,借貸以美元、日圓及港元計值。

26. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

- (a) The Group's borrowing facilities amounting to RMB4,346,369,000 (2009: RMB3,314,097,000), of which RMB1,791,869,000 (2009: RMB695,678,000) had been utilised as at the end of the reporting period. The unutilised borrowing facilities, subject to certain conditions, was RMB2,554,500,000 (2009: RMB2,618,419,000) as at the end of the reporting period.
- (b) Certain bank borrowings of the Group are secured by mortgages over the Group's buildings and prepaid land lease payments, which had an aggregate carrying value at the end of the reporting period of approximately RMB212,452,000 (2009: RMB208,473,000) (note 15 and note 16).
- (c) Certain bank borrowings of the Group and the Company are guaranteed by the companies controlled by the directors of the Company.
- (d) Except for certain bank borrowings with an aggregate amount of RMB569,500,000 (2009: RMB189,500,000) which are denominated in RMB, the borrowings are in United States dollars, Japanese Yen and Hong Kong dollars.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

27. 遞延稅項

在有合法可執行權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅涉及同一財政機關之情況下，則可將遞延所得稅資產與負債互相抵銷。

27. DEFERRED TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

		本集團 Group		本公司 Company	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
遞延稅項資產	Deferred tax assets	7,936	7,734	-	1,874
遞延稅項負債	Deferred tax liabilities	(22,885)	(6,741)	(6,616)	-
遞延稅項負債淨額	Deferred tax liabilities, net	(14,949)	993	(6,616)	1,874

於財務狀況表反映如下：

Reflected in the statement of financial position as follows:

		本集團 Group		本公司 Company	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
遞延稅項資產	Deferred tax assets	-	1,874	-	1,874
遞延稅項負債	Deferred tax liabilities	(14,949)	(881)	(6,616)	-
遞延稅項負債淨額	Deferred tax liabilities, net	(14,949)	993	(6,616)	1,874

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

27. 遞延稅項 (續)

遞延所得稅賬目之總變動如下：

27. DEFERRED TAX (continued)

The gross movements on the deferred tax accounts are as follows:

		本集團 Group		本公司 Company	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
年初	At beginning of year	993	2,105	1,874	12,233
於本年度損益表扣除之 遞延稅項 (附註11)	Deferred tax charged to the income statement during the year (note 11)	(6,414)	(9,469)	(8,490)	(10,359)
於本年度權益計入之 遞延稅項	Deferred tax credited to equity during the year	(9,528)	8,357	-	-
年終	At end of year	(14,949)	993	(6,616)	1,874

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

27. 遞延稅項 (續)

遞延稅項資產及負債於年內之變動(未計及抵銷相同稅務司法權區內之結餘)如下:

(a) 遞延稅項資產

		本集團 Group			
		可用於抵銷 日後應課稅 利潤之虧損 Loss available for offsetting against future taxable profits 人民幣千元 RMB'000	減值 Impairment 人民幣千元 RMB'000	撥備 Provisions 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零零九年一月一日	At 1 January 2009	12,233	1,209	3,761	17,203
於本年度損益表(扣除)/ 計入之遞延稅項	Deferred tax (charged)/ credited to the income statement during the year	(10,359)	120	770	(9,469)
於二零零九年 十二月三十一日	At 31 December 2009	1,874	1,329	4,531	7,734
於本年度損益表(扣除)/ 計入之遞延稅項	Deferred tax (charged)/ credited to the income statement during the year	(1,874)	(1,329)	3,405	202
於二零一零年 十二月三十一日	At 31 December 2010	-	-	7,936	7,936

27. DEFERRED TAX (continued)

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

(a) Deferred tax assets

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

27. 遞延稅項 (續)

(a) 遞延稅項資產 (續)

27. DEFERRED TAX (continued)

(a) Deferred tax assets (continued)

		本公司 Company
		可用於抵銷 日後應課稅 利潤之虧損 Loss available for offsetting against future taxable profits
		人民幣千元 RMB'000
於二零零九年一月一日	At 1 January 2009	12,233
於本年度損益表扣除之遞延稅項	Deferred tax charged to the income statement during the year	(10,359)
於二零零九年十二月三十一日之 遞延稅項資產總值	Gross deferred tax assets at 31 December 2009	1,874
於本年度損益表扣除之遞延稅項	Deferred tax charged to the income statement during the year	(1,874)
於二零一零年十二月三十一日之 遞延稅項資產總值	Gross deferred tax assets at 31 December 2010	—

於二零一零年十二月三十一日，本集團有可扣稅暫時差額約人民幣67,072,000元。本集團並未就此等可扣稅暫時差額確認遞延稅項資產，且認為不大可能有應課稅利潤以供抵銷可扣稅暫時差額。

於中國內地產生並可用於抵銷未來之應課稅利潤之稅務虧損將於一至五年到期。

The Group has deductible temporary differences of approximately RMB67,072,000 as at 31 December 2010. Deferred tax assets have not been recognised in respect of these deductible temporary differences and it is not considered probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The tax losses arising in Mainland China will expire in one to five years for offsetting against future taxable profit.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

27. 遞延稅項 (續)

(b) 遞延稅項負債

27. DEFERRED TAX (continued)

(b) Deferred tax liabilities

		本集團 Group		
		現金流量 對沖項目	非對沖貨幣 衍生工具	總計
		Cash flow hedges	Non-hedging currency derivatives	Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零零九年一月一日	At 1 January 2009	15,098	–	15,098
於本年度權益計入之 遞延稅項	Deferred tax credited to equity during the year	(8,357)	–	(8,357)
於二零零九年 十二月三十一日	At 31 December 2009	6,741	–	6,741
於本年度損益表扣除之 遞延稅項	Deferred tax charged to the income statement during the year	–	6,616	6,616
於本年度權益扣除之 遞延稅項	Deferred tax charged to equity during the year	9,528	–	9,528
於二零一零年 十二月三十一日	At 31 December 2010	16,269	6,616	22,885

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

27. 遞延稅項 (續)

(b) 遞延稅項負債 (續)

27. DEFERRED TAX (continued)

(b) Deferred tax liabilities (continued)

		本公司 Company
		非對沖貨幣衍生工具 Non-hedging currency derivatives
		人民幣千元 RMB'000
於二零零九年一月一日	At 1 January 2009	—
於本年度損益表扣除之遞延稅項	Deferred tax charged to the income statement during the year	—
於二零零九年十二月三十一日之 遞延稅項負債總額	Gross deferred tax liabilities at 31 December 2009	—
於本年度損益表扣除之遞延稅項	Deferred tax charged to the income statement during the year	6,616
於二零一零年十二月三十一日之 遞延稅項負債總額	Gross deferred tax liabilities at 31 December 2010	6,616

根據中國企業所得稅法，於二零零八年一月一日起，於中國宣派予海外投資者之股息須徵收10%預扣稅。倘中國與海外投資者所屬司法權區有稅務安排，則可應用較低之預扣稅率。就本集團而言，適用稅率為5%。稅務機關於二零零八年二月二十八日頒佈之財稅(2008)第1號訂明自二零零七年十二月三十一日止的未分配利潤中宣派及匯出中國之股息獲豁免繳納預扣稅。

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the PRC effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax arrangement between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. On 22 February 2008, Caishui (2008) No. 1 was promulgated by the tax authorities to specify that dividends declared and remitted out of the PRC from the retained earnings as at 31 December 2007 are exempted from the withholding tax.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

27. 遞延稅項 (續)

(b) 遞延稅項負債 (續)

於二零一零年十二月三十一日，概無就本集團於中國大陸成立之附屬公司須繳交預扣稅之未匯出盈利之應付預扣稅而確認遞延稅項。董事認為，該等附屬公司於可見將來分派該等盈利之可能性不大。於二零一零年十二月三十一日，與中國大陸附屬公司之未確認遞延稅項負債之投資之暫時差額總數約為人民幣2,797,488,000元（二零零九年：人民幣1,730,345,000元）。

本公司向其股東支付股息並無所得稅後果。

27. DEFERRED TAX (continued)

(b) Deferred tax liabilities (continued)

At 31 December 2010, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totaled approximately RMB2,797,488,000 at 31 December 2010 (2009: RMB1,730,345,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

28. 股本

28. SHARE CAPITAL

股份 Shares	二零一零年 2010		二零零九年 2009	
	千港元 HK\$'000	人民幣千元 RMB'000	千港元 HK\$'000	人民幣千元 RMB'000
法定： 3,000,000,000 股 (二零零九年： 3,000,000,000股)每股面 值0.10港元之普通股	Authorised: 3,000,000,000 (2009: 3,000,000,000) ordinary shares of HK\$0.10 each			
	300,000	312,000	300,000	312,000
已發行及繳足： 1,245,000,000股 (二零零九年： 1,245,000,000股)每股面 值0.10港元之普通股	Issued and fully paid: 1,245,000,000 (2009: 1,245,000,000) ordinary shares of HK\$0.10 each			
	124,500	129,717	124,500	129,717

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

29. 儲備

(a) 本集團

本集團於目前及過往年度之儲備金額及其變動已呈列於財務報表第73頁綜合權益變動表。

(i) 法定盈餘公積金 (「法定盈餘公積金」)

根據中國公司法及中國大陸附屬公司之組織章程細則，各中國大陸附屬公司須將按照中國公認會計原則釐定之除稅後利潤10%撥入至法定盈餘公積金，直至有關公積金達到中國大陸附屬公司註冊股本之50%為止。部分法定盈餘公積金可用於增加繳足股本，惟資本化後之餘額不得少於註冊股本之25%。

(ii) 匯兌波動儲備

匯兌波動儲備用作記錄因換算海外附屬公司之財務報表產生之匯兌差額。

29. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 73 of the financial statements.

(i) Statutory surplus reserve ("SSR")

In accordance with the Company Law of the PRC and the articles of association of the Mainland China Subsidiaries, the Mainland China Subsidiaries are each required to allocate 10% of their profit after tax, as determined in accordance with the PRC generally accepted accounting principles, to the SSR until the reserve reaches 50% of the registered capital of the Mainland China Subsidiaries. Part of the SSR may be converted to increase paid-up capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

(ii) Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

29. 儲備 (續)

(b) 本公司

29. RESERVES (continued)

(b) Company

		附註	股份溢價賬	股本盈餘	匯兌波動 儲備	保留盈利	擬派 末期股息	總計
		Note	Share premium account	Capital surplus	Exchange fluctuation reserve	Retained profits	Proposed final dividend	Total
			人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零零九年一月一日	At 1 January 2009		762,499	727,430	(276,045)	175,236	219,593	1,608,713
年度全面收入總額	Total comprehensive income for the year		-	-	(2,859)	415,738	-	412,879
二零零八年宣派末期股息	Final 2008 dividend declared		-	-	-	-	(219,593)	(219,593)
二零零九年擬派末期股息	Proposed final 2009 dividend	13	-	-	-	(383,678)	383,678	-
於二零零九年 十二月三十一日	At 31 December 2009		762,499	727,430	(278,904)	207,296	383,678	1,801,999
年度全面收入總額	Total comprehensive income for the year		-	-	(61,184)	454,773	-	393,589
二零零九年宣派末期股息	Final 2009 dividend declared		-	-	-	-	(383,678)	(383,678)
二零一零年擬派末期股息	Proposed final 2010 dividend	13	-	-	-	(381,373)	381,373	-
於二零一零年 十二月三十一日	At 31 December 2010		762,499	727,430	(340,088)	280,696	381,373	1,811,910

30. 收購一家附屬公司

於二零一零年五月，本集團向獨立第三方收購上海群工投資管理有限公司（「上海群工」）100%股本權益，總現金代價為人民幣297,000,000元。上海群工擁有一幅位於中國上海之土地，以及位於該土地上之多棟樓宇。收購之唯一目的為收購該土地及樓宇供本集團發展以上海為基地之管理中心。由於其並不符合業務之定義，故是項交易入賬列作收購資產。

30. ACQUISITION OF A SUBSIDIARY

In May 2010, the Group acquired a 100% equity interest of Shanghai Qungong Investment Management Co., Ltd ("Shanghai Qungong") from an independent third party at a total cash consideration of RMB297,000,000. Shanghai Qungong owns a piece of land located in Shanghai, China and several buildings located on the land. The sole purpose of the acquisition was to acquire the land and buildings to develop the Group's Shanghai-based management center. As it does not meet the definition of a business, this transaction is accounted for as an acquisition of assets.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

30. 收購一家附屬公司 (續)

於收購日，上海群工之收購代價分配如下：

30. ACQUISITION OF A SUBSIDIARY (continued)

The allocation of acquisition consideration of Shanghai Qungong as at the date of acquisition was:

		附註 Note	分配收購代價 Allocation of acquisition consideration 人民幣千元 RMB'000
已收購資產淨值：	Net assets acquired:		
物業、廠房及設備	Property, plant and equipment	15	56,993
預付土地租賃款項	Prepaid land lease payments	16	265,343
應收賬款	Trade receivables		937
現金及現金等價物	Cash and cash equivalents		12,035
其他應付款項	Other payables		(19,508)
計息銀行及其他借貸	Interest-bearing bank and other borrowings		(18,800)
			297,000
以現金支付	Satisfied by cash		297,000

有關收購一家附屬公司之現金及現金等價物流出淨額之分析如下：

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

		人民幣千元 RMB'000
支付的現金代價	Cash consideration paid	(297,000)
取得的現金及銀行結餘	Cash and bank balances acquired	12,035
有關收購一家附屬公司之現金及現金等價物流出淨額	Net cash outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	284,965

自收購日起，上海群工之業績對本集團截至二零一零年十二月三十一日止年度之綜合收入或利潤並無重大影響。

From the date of the acquisition, Shanghai Qungong's results have had no significant impact on the Group's consolidated revenue or profit for the year ended 31 December 2010.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

31. 按類別劃分之金融工具

於報告期末，各類別金融工具之賬面值如下：

金融資產

		本集團 Group	
		二零一零年 2010 貸款及 應收款項 Loans and receivables 人民幣千元 RMB'000	二零零九年 2009 貸款及 應收款項 Loans and receivables 人民幣千元 RMB'000
衍生金融工具	Derivative financial instruments	107,884	30,291
其他應收款項	Other receivables	31,074	78,466
應收賬款	Trade receivables	897,211	607,346
初始存款期逾三個月之 銀行存款	Bank deposits with initial term of over three months	125,026	37,827
現金及現金等價物	Cash and cash equivalents	519,017	377,717
		1,680,212	1,131,647

金融負債

		本集團 Group					
		二零一零年 2010 按攤銷成本 計算之 金融負債 Financial liabilities held for trading 人民幣千元 RMB'000			二零零九年 2009 按攤銷成本 計算之 金融負債 Financial liabilities held for trading 人民幣千元 RMB'000		
		金融負債 Financial liabilities at amortised cost 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000		金融負債 Financial liabilities at amortised cost 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000	
應付賬款及票據	Trade and bills payables	-	486,856	486,856	-	386,426	386,426
應付關連人士款項	Amounts due to related parties	-	2,257	2,257	-	2,058	2,058
衍生金融工具	Derivative financial instruments	-	-	-	5,584	-	5,584
計息銀行及其他借貸	Interest-bearing bank and other borrowings	-	1,429,619	1,429,619	-	619,558	619,558
其他應付款項	Other payables	-	146,016	146,016	-	174,543	174,543
		-	2,064,748	2,064,748	5,584	1,182,585	1,188,169

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

31. 按類別劃分之金融工具 (續)

金融資產

		本公司 Company	
		二零一零年 2010 貸款及 應收款項 Loans and receivables 人民幣千元 RMB'000	二零零九年 2009 貸款及 應收款項 Loans and receivables 人民幣千元 RMB'000
衍生金融工具	Derivative financial instruments	40,095	—
其他應收款項	Other receivables	749,670	595,262
應收賬款	Trade receivables	299,149	152,370
現金及現金等價物	Cash and cash equivalents	99,113	30,105
		1,188,027	777,737

金融負債

		本公司 Company					
		二零一零年 2010 按攤銷成本 計算之 金融負債 Financial liabilities held for trading 人民幣千元 RMB'000	二零一零年 2010 按攤銷成本 計算之 金融負債 Financial liabilities at amortised cost 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000	二零零九年 2009 按攤銷成本 計算之 金融負債 Financial liabilities held for trading 人民幣千元 RMB'000	二零零九年 2009 按攤銷成本 計算之 金融負債 Financial liabilities at amortised cost 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
應付附屬公司款項	Amounts due to subsidiaries	—	421,961	421,961	—	286,532	286,532
應付賬款及票據	Trade and bills payables	—	23,394	23,394	—	4,830	4,830
衍生金融工具	Derivative financial instruments	—	—	—	5,584	—	5,584
計息銀行及其他借貸	Interest-bearing bank and other borrowings	—	371,801	371,801	—	156,511	156,511
其他應付款項	Other payables	—	—	—	—	2,505	2,505
		—	817,156	817,156	5,584	450,378	455,962

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

32. 公允值層級

本集團及本公司之金融工具賬面值及公允值如下：

本集團

32. FAIR VALUE HIERARCHY

The carrying amounts and fair values of the Group's and the Company's financial instruments are as follows:

Group

		賬面值 Carrying amounts		公允值 Fair values	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
金融資產	Financial assets				
衍生金融工具	Derivative financial instruments	107,884	30,291	107,884	30,291
其他應收款項	Other receivables	31,074	78,466	31,074	78,466
應收賬款	Trade receivables	897,211	607,346	897,211	607,346
初始存款期逾三個月之 銀行存款	Bank deposits with initial term of over three months	125,026	37,827	125,026	37,827
現金及現金等價物	Cash and cash equivalents	519,017	377,717	519,017	377,717
金融負債	Financial liabilities				
應付賬款及票據	Trade and bills payables	486,856	386,426	486,856	386,426
應付關連人士款項	Amounts due to related parties	2,257	2,058	2,257	2,058
衍生金融工具	Derivative financial instruments	–	5,584	–	5,584
計息銀行及其他借貸	Interest-bearing bank and other borrowings	1,429,619	619,558	1,425,969	618,346
其他應付款項	Other payables	146,016	174,543	146,016	174,543

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

32. 公允值層級 (續)

本公司

32. FAIR VALUE HIERARCHY (continued)

Company

		賬面值 Carrying amounts		公允值 Fair values	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
金融資產	Financial assets				
衍生金融工具	Derivative financial instruments	40,095	–	40,095	–
其他應收款項	Other receivables	749,670	595,262	749,670	595,262
應收賬款	Trade receivables	299,149	152,370	299,149	152,370
現金及現金等價物	Cash and cash equivalents	99,113	30,105	99,113	30,105
金融負債	Financial liabilities				
應付附屬公司款項	Amounts due to subsidiaries	421,961	286,532	421,961	286,532
應付賬款及票據	Trade and bills payables	23,394	4,830	23,394	4,830
衍生金融工具	Derivative financial instruments	–	5,584	–	5,584
計息銀行及其他借貸	Interest-bearing bank and other borrowings	371,801	156,511	371,602	156,426
其他應付款項	Other payables	–	2,505	–	2,505

金融資產及負債之公允值以該工具於自願交易方（而非強迫或清盤銷售）當前交易下的可交易金額入賬。下列方法及假設乃用於估算公允值：

主要由於現金及現金等價物、已抵押存款之即期部份、應收賬款、應付賬款及票據、計入預付款項、按金及其他應收款項之金融資產、計入其他應付款項及應計款項之金融資產、應收／應付附屬公司款項及應付最終控股公司款項等工具於短期內到期，故與其賬面值相若。

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash and cash equivalents, the current portion of pledged deposits, trade receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, amounts due from/to subsidiaries, and an amount due to the ultimate holding company approximate to their carrying amounts largely due to the short term maturities of these instruments.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

32. 公允值層級 (續)

已抵押存款之非即期部份、計息銀行及其他借貸之公允值乃使用具有類似條款、信貸風險及餘下到期日之工具現時可取得之利率貼現預期未來現金流量而計算。可轉換債券之負債部分公允值按照類似可轉換債券之同等市場利率估算。

本集團與多個對方訂立衍生金融工具，主要包括具AAA信貸評級之金融機構。衍生金融工具（包括遠期貨合約及利率掉期）乃採用與遠期定價及掉期模式類似之估值技術計量（採用現值計算）。該等模式納入各種不同之市場可觀察輸入數據（包括對方之信貸質素、外匯即期和遠期匯率及利率曲線）。遠期貨合約及利率掉期之賬面值與其公允值相同。

32. FAIR VALUE HIERARCHY (continued)

The fair values of the non-current portion of pledged deposits, interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities. The fair value of the liability portion of the convertible bonds is estimated using an equivalent market interest rate for a similar convertible bond.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with AAA credit ratings. Derivative financial instruments, including forward currency contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts and interest rate swaps are the same as their fair values.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

32. 公允值層級 (續)

於二零一零年十二月三十一日，按市價標價之衍生資產狀況乃扣除衍生工具對方違約風險應佔之信貸評估調整。對方信貸風險之變動對指定屬對沖關係之衍生工具及按公允值確認之其他金融工具之對沖效益評估並無重大影響。

公允值層級

本集團使用下列層級以釐定及披露金融工具之公允值：

第一級：按相同資產或負債於活躍市場之報價（未經調整）計量之公允值

第二級：按對記錄公允值有重大影響之輸入數據均可直接或間接觀察獲得之估值技巧計量之公允值

第三級：按對記錄公允值有重大影響之任何輸入數據並非可觀察市場數據（不可觀察輸入數據）之估值技巧計量之公允值

按公允值計量之資產：
本集團

於二零一零年十二月三十一日

32. FAIR VALUE HIERARCHY (continued)

As at 31 December 2010, the marked to market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

Assets measured at fair value:
Group

As at 31 December 2010

		第一級 Level 1 人民幣千元 RMB'000	第二級 Level 2 人民幣千元 RMB'000	第三級 Level 3 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
衍生金融工具	Derivative financial instruments	107,884	-	-	107,884
		107,884	-	-	107,884

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

32. 公允值層級 (續)

公允值層級 (續)

於二零一零年十二月三十一日，本集團並無任何按公允值計量之金融負債。

截至二零一零年十二月三十一日止年度，概無公允值計量於第一級及第二級之間轉移，亦無第三級之對內或對外轉移。

33. 財務風險管理目標及政策

除衍生工具外，本集團之主要金融工具包括銀行貸款及現金以及短期存款。該等金融工具主要旨在為本集團營運籌集所需資金。本集團亦有多種其他金融資產及負債，例如直接從營運產生之應收賬款及應付賬款。

本集團亦進行衍生工具交易，主要包括遠期貨幣合約，目的為管理本集團營運產生之貨幣風險。

本集團金融工具產生之主要風險為利率風險、外匯風險、信貸風險及流動資金風險。董事會審閱及協定政策以管理上述各項風險，有關政策於下文概述。本集團有關衍生工具之會計政策載於財務報表附註2.4。

32. FAIR VALUE HIERARCHY (continued)

Fair value hierarchy (continued)

The Group did not have any financial liabilities measured at fair value as at 31 December 2010.

During the year ended 31 December 2010, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise bank loans and cash and short-term time deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including principally forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

33. 財務風險管理目標及政策

(續)

利率風險

本集團所面對市場利率變動風險主要與本集團浮息長期債務責任有關。

下表列示於報告期末，在所有其他變數不變之情況下，本集團除稅前利潤及本集團權益對利率合理可能變動之敏感度分析。

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonable possible change in interest rates, with all other variables held constant, of the Group's profit before tax and the Group's equity.

		本集團 Group		
		上調／ 下調基點	除稅前 利潤增加／ (減少)	權益增加／ (減少)
		Increase/ decrease in basis points	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity
			人民幣千元 RMB'000	人民幣千元 RMB'000
二零一零年	2010			
如利率上調	If interest rate increases	+50	(399)	(399)
如利率下調	If interest rate decreases	-50	399	399
二零零九年	2009			
如利率上調	If interest rate increases	+50	(381)	(381)
如利率下調	If interest rate decreases	-50	381	381

外匯風險

本集團面對交易貨幣風險。該等風險來自銷售。本集團約79% (二零零九年：82%) 銷售以美元計值，而非以進行銷售之經營單位人民幣計值。本集團要求主要經營單位運用遠期貨幣合約，以消除預期日後銷售面對之外匯風險。

按本集團之政策，須按對沖項目之期間磋商對沖衍生工具之年期，以獲得最大對沖成效。

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales. Approximately 79% (2009: 82%) of the Group's sales were denominated in US\$ other than RMB of the operating units making the sale. The Group requires the major operating unit to use forward currency contracts to eliminate the foreign currency exposures on the forecast future sales.

It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise the hedge effectiveness.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

33. 財務風險管理目標及政策

(續)

外匯風險 (續)

於二零一零年十二月三十一日，本集團持有價值620,000,000美元(二零零九年：928,000,000美元)之遠期貨合約，指定用作預期日後向海外客戶銷售之對沖用途。

此外，本集團亦訂立了不符合對沖會計法之其他外幣合約。該等外幣合約按人民幣兌美元匯率之升值幅度結算，原因為管理層預測有關升值比率將低於交易對手所預測者。於二零一零年十二月三十一日，本集團持有未平倉外幣合約685,000,000美元(二零零九年：893,500,000美元)，到期日介乎一個月至24個月(二零零九年：一個月至23個月)。

下表列示於報告期末，在所有其他變數不變之情況下，本集團除稅前利潤對外幣匯率合理可能變動之敏感度分析(由於貨幣資產及負債之公允值改變所致)。

33. FINANCIAL RISK MANAGEMENT

OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

At 31 December 2010, the Group held forward currency contracts of US\$620,000,000 (2009: US\$928,000,000) designated as hedges in respect of expected future sales to overseas customers.

In addition, the Group also enters into other foreign currency contracts which do not qualify for hedge accounting. Such foreign currency contracts are settled based on the extent of the appreciation of the RMB against the USD exchange rates as management forecasts that the rate of such appreciation will be lower than that forecasted by the counterparty. As at 31 December 2010, the Group held outstanding foreign currency contracts of US\$685,000,000 (2009: US\$893,500,000) with periods ranging from 1 month to 24 months (2009: from 1 month to 23 months).

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

		外幣匯率 上升／下跌 Increase/ decrease in foreign currency rate %	對除稅前 利潤之影響 Effect on profit before tax 人民幣千元 RMB'000
二零一零年			
2010			
倘人民幣兌美元升值	If RMB strengthens against US\$	+5	(266,138)
倘人民幣兌美元貶值	If RMB weakens against US\$	-5	266,138
二零零九年			
2009			
倘人民幣兌美元升值	If RMB strengthens against US\$	+5	(249,439)
倘人民幣兌美元貶值	If RMB weakens against US\$	-5	249,439

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

33. 財務風險管理目標及政策

(續)

信貸風險

本集團僅與知名及信譽良好之第三方進行交易。按本集團之政策，所有欲按信貸期進行交易之客戶，必須經過信貸核實程序。此外，本集團持續監察應收款項結餘，且本集團面對之壞賬風險並不重大。對於並非以相關經營單位之功能貨幣計值之交易，除非獲信貸控制部主管特別批准，否則本集團不會給予信貸期。

至於本集團其他金融資產（包括現金及現金等價物、其他應收款項以及若干衍生工具）產生之信貸風險，本集團面對之信貸風險來自交易對方拖欠款項，所承受最高風險相等於該等工具之賬面值。

由於本集團只與知名且信譽良好之第三方進行交易，因此毋須抵押品。信貸集中風險按客戶／交易對手管理。於報告期末，本集團承擔若干信貸集中風險，因本集團13%（二零零九年：9%）及85%（二零零九年：71%）應收賬款分別來自本集團之最大客戶及五大客戶。由於本集團之主要客戶均為擁有世界著名品牌之公司，且雙方已建立長期業務關係，因此，本集團可妥善管理若干信貸集中風險。

有關本集團來自應收賬款之信貸風險進一步量化數據，於財務報表附註20披露。

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, other receivables and certain derivative instruments the Group's exposure to credit risk, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. At the end of the reporting period, the Group had certain concentrations of credit risk as 13% (2009: 9%) and 85% (2009: 71%) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively. As the major customers of the Group are all companies with world-famous brand, and long-term business relationship has been established by both parties, certain concentrations of credit risk are well managed by the Group.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 20 to the financial statements.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

33. 財務風險管理目標及政策

(續)

流動資金風險

本集團透過循環流動資金計劃工具監控資金短缺風險。有關工具考慮其金融工具及金融資產(例如應收賬款)之到期日以及經營業務之預計現金流量。

於報告期末,按照已訂約無貼現付款計算,本集團金融負債之到期日情況如下:

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

		本集團					總計
		Group					
		二零一零年					
		2010					
		六個月至					
		按要求	少於六個月	少於十二個月	一至兩年	兩年以上	
		6 to	1 to 2	Over			
		On demand	Less than	less than	years	2 years	Total
		人民幣千元	6 months	12 months	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
計息銀行及其他借貸	Interest-bearing bank and other borrowings	–	446,812	903,075	10,232	69,500	1,429,619
應付賬款及票據	Trade and bills payables	385,989	91,203	6,027	3,637	–	486,856
其他應付款項	Other payables	146,016	–	–	–	–	146,016
應付關連人士款項	Amounts due to related parties	–	2,257	–	–	–	2,257
衍生金融工具	Derivative financial instruments	–	–	–	–	–	–
		532,005	540,272	909,102	13,869	69,500	2,064,748

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

33. 財務風險管理目標及政策

(續)

流動資金風險 (續)

33. FINANCIAL RISK MANAGEMENT

OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

		本集團 Group 二零零九年 2009					
		六個月至					
	按要求	少於六個月	少於十二個月	一至兩年	兩年以上	總計	
		6 to					
	On demand	Less than	less than	1 to 2	Over	Total	
	6 months	12 months	years	2 years			
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
計息銀行及其他借貸	Interest-bearing bank and other borrowings	–	504,669	114,889	26,070	50,050	695,678
應付賬款及票據	Trade and bills payables	–	380,248	5,302	411	465	386,426
其他應付款項	Other payables	174,543	–	–	–	–	174,543
應付關連人士款項	Amounts due to related parties	–	2,058	–	–	–	2,058
衍生金融工具	Derivative financial instruments	5,584	–	–	–	–	5,584
		180,127	886,975	120,191	26,481	50,515	1,264,289

		本公司 Company 二零一零年 2010					
		六個月至					總計
		按要求	少於六個月	少於十二個月	一至兩年	兩年以上	
			6 to				
		On demand	Less than 6 months	less than 12 months	1 to 2 years	Over 2 years	Total
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
計息銀行及其他借貸	Interest-bearing bank and other borrowings	-	371,801	-	-	-	371,801
應付賬款及票據	Trade and bills payables	-	23,394	-	-	-	23,394
應付附屬公司款項	Amounts due to subsidiaries	-	421,961	-	-	-	421,961
		-	817,156	-	-	-	817,156

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

33. 財務風險管理目標及政策

(續)

流動資金風險 (續)

33. FINANCIAL RISK MANAGEMENT

OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

		本公司 Company 二零零九年 2009					
		按要求	少於六個月	六個月至 少於十二個月	一至兩年	兩年以上	總計
		On demand	Less than 6 months	6 to less than 12 months	1 to 2 years	Over 2 years	Total
		人民幣千元 RMB' 000	人民幣千元 RMB' 000	人民幣千元 RMB' 000	人民幣千元 RMB' 000	人民幣千元 RMB' 000	人民幣千元 RMB' 000
計息銀行及其他借貸	Interest-bearing bank and other borrowings	—	156,511	—	—	—	156,511
應付賬款及票據	Trade and bills payables	—	4,830	—	—	—	4,830
應付附屬公司款項	Amounts due to subsidiaries	—	286,532	—	—	—	286,532
衍生金融工具	Derivative financial instruments	5,584	—	—	—	—	5,584
		5,584	447,873	—	—	—	453,457

資本管理

本集團資本管理之主要目標在於維護本集團持續經營之能力及維持良好資本比率，以支持其業務及為股東爭取最大價值。

本集團根據經濟狀況變動管理及調整其資本架構。為維持或調整資本架構，本集團可能調整向股東派付之股息、向股東發還資本或發行新股。截至二零一零年十二月三十一日及二零零九年十二月三十一日止年度，有關管理資本的目標、政策或程序並無變動。

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2010 and 31 December 2009.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

33. 財務風險管理目標及政策

(續)

資本管理 (續)

本集團採用資本負債比率 (即債務淨額除資本總額加債務淨額) 監控資本。債務淨額包括計息銀行及其他借貸、應付賬款及票據、其他應付款項及應計款項以及應付關連人士款項，減現金及現金等價物。資本包括母公司擁有人應佔權益，減對沖儲備。於報告期末，資本負債比率如下：

33. FINANCIAL RISK MANAGEMENT

OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. Net debt includes interest-bearing bank and other borrowings, trade and bills payables, other payables and accruals, amounts due to related parties, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent less the hedging reserve. The gearing ratios as at the ends of the reporting periods were as follows:

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
計息銀行及其他借貸	Interest-bearing bank and other borrowings	1,429,619	695,678
應付賬款及票據	Trade and bills payables	486,856	386,426
預收賬款	Advance from customers	53,060	—
其他應付款項及應計款項	Other payables and accruals	376,638	392,188
應付關連人士款項	Amounts due to related parties	2,257	2,058
減：現金及現金等價物	Less: Cash and cash equivalents	(519,017)	(377,717)
債務淨額	Net debt	1,829,413	1,098,633
母公司擁有人應佔權益	Equity attributable to owners of the parent	4,799,532	3,882,495
對沖儲備	Hedging reserve	(51,518)	(23,550)
經調整資本總額	Total adjusted capital	4,748,014	3,858,945
資本及債務淨額	Capital and net debt	6,577,427	4,957,578
資本負債比率	Gearing ratio	28%	22%

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

34. 承擔

(a) 經營租賃承擔

本集團根據不可撤銷經營租賃安排租賃其若干辦公室物業及廠房。

於二零一零年十二月三十一日，本集團根據不可撤銷經營租賃應付之未來最低租金總額如下：

34. COMMITMENTS

(a) Operating lease commitments

The Group leases certain of its office premises and plant under non-cancellable operating lease arrangements.

At 31 December 2010, the Group had total future aggregate minimum lease payments under non-cancellable operating leases as follows:

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
一年內	Within one year	14,945	20,839
第二至第五年 (包括首尾兩年)	In the second to fifth years, inclusive	41,143	42,135
五年後	After five years	23,565	27,333
		79,653	90,307

(b) 資本承擔

(b) Capital commitments

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
已訂約但未撥備： 購置預付土地租賃款項以及 物業、廠房及設備	Contracted, but not provided for: Acquisition of prepaid land lease payments and property, plant and equipment	31,898	93,118
興建物業、廠房及設備	Construction of property, plant and equipment	48,687	101,931
		80,585	195,049

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

34. 承擔 (續)

(c) 未平倉遠期外匯合約

於二零一零年十二月三十一日，本集團持有未平倉遠期外匯合約，須於一個月至24個月內（二零零九年：一個月至23個月內）出售620,000,000美元（二零零九年：928,000,000美元）以換取約人民幣4,148,951,000元（二零零九年：約人民幣6,275,873,000元）。

35. 或然負債

於報告期末，本集團或本公司概無任何重大或然負債。

36. 關連人士交易

倘若一方有能力直接或間接控制另一方或對其財務及營運決策行使重大影響力，則雙方被視作有關連。倘若雙方受同一方控制，亦被視作有關連。

(a) 本集團主要管理人員之補償

董事及高級管理人員酬金	Remuneration of directors and senior management
-------------	---

有關董事薪金之進一步詳情載於財務報表附註8。

34. COMMITMENTS (continued)

(c) Outstanding forward foreign exchange contracts

As at 31 December 2010, the Group had commitments in respect of outstanding forward foreign exchange contracts to sell US\$620,000,000 (2009: US\$928,000,000) for approximately RMB4,148,951,000 (2009: approximately RMB6,275,873,000) within periods ranging from 1 month to 24 months (2009: from 1 month to 23 months).

35. CONTINGENT LIABILITIES

At the end of the reporting period, neither the Group nor the Company had any significant contingent liabilities.

36. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

(a) Compensation of key management personnel of the Group

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
董事及高級管理人員酬金	Remuneration of directors and senior management	8,622	57,406

Further details of the directors' emoluments are included in note 8 to the financial statements.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

36. 關連人士交易 (續)

(b) 與關連人士之交易

持續

除本財務報表另有詳述之交易外，
本集團於年內曾與關連人士進行
下列重大交易：

36. RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with related parties

Continuing

In addition to the transactions detailed elsewhere in these
financial statements, the Group had the following material
transactions with related parties during the year:

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
向寧波申洲置業有限公司 (「申洲置業」)* 租賃物業、廠房及設備	Lease of property, plant and equipment from Ningbo Shenzhou Properties Co., Ltd (“Shenzhou Properties”) *	7,262	7,262
採購寧波明耀環保熱電 有限公司 (「明耀電力公司」)** 供應之蒸汽	Purchase of steam supply from Ningbo Mingyao Environmental Thermal Power Co., Ltd. (“Mingyao Electric Company”) **	38,625	32,321
寧波申洲大港針織 有限公司 (「申洲大港」)* 提供之加工服務	Processing services provided by Ningbo Shenzhou Dagang Knitwear Co., Ltd. (“Shenzhou Dagang”) *	9,181	11,393
向紹興縣華西包裝品 有限公司 (「華西包裝品公司」)*** 採購包裝物料	Purchase of packing materials from Shaoxing County Huaxi Packaging Materials Company Limited (“Huaxi Packaging Company”) ***	29,741	27,030

* 申洲置業及申洲大港由本公司一
名執行董事控制。

** 明耀電力公司由本公司一名執行
董事擁有48%權益

*** 華西包裝品公司由本公司其中一
名執行董事之親屬控制。

向關連人士之採購及租賃乃根據
有關公司向其主要客戶提供之公
開價格及條款進行。

* Shenzhou Properties and Shenzhou Dagang are controlled
by one of the Company's executive directors.

** Mingyao Electric Company is 48% owned by one of the
Company's executive directors.

*** Huaxi Packaging Company is controlled by the relatives of
one of the Company's executive directors.

The purchases and lease from the related parties were
made according to the published prices and conditions
offered by the related companies to their major
customers.

財務報表附註

Notes to Financial Statements

二零一零年十二月三十一日 31 December 2010

36. 關連人士交易 (續)

(c) 與關連人士之結餘

本集團與其關連人士有以下重大結餘：

36. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balances with related parties

The Group had the following significant balances with its related parties:

		本集團 Group	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
應付關連人士款項	Amounts due to related parties		
— 與貿易有關：	— Trade related:		
華西包裝品公司	Huaxi Packaging Company	2,257	2,058
		2,257	2,058

37. 批准財務報表

董事會於二零一一年三月二十八日批准並授權刊發財務報表。

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2011.

財務資料摘要

Financial Information Summary

(除另有註明外，所有金額為人民幣千元) (Amounts expressed in RMB'000 unless otherwise stated)

本集團根據本財務報表所載基準編製以往五個財政年度之已公佈業績以及資產、負債及少數股東權益概要載列如下：

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, prepared on the basis as set out herein, is set out below:

		截至十二月三十一日止年度／於十二月三十一日 For the year ended 31 December/As at 31 December				
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000	二零零八年 2008 人民幣千元 RMB'000	二零零七年 2007 人民幣千元 RMB'000	二零零六年 2006 人民幣千元 RMB'000
業績	Results					
收入	Revenue	6,719,172	6,093,485	4,822,596	3,655,613	2,979,530
融資成本	Finance costs	(35,837)	(25,393)	(51,417)	(34,279)	(15,081)
除所得稅前利潤	Profit before income tax	1,624,597	1,473,553	757,420	401,736	409,247
所得稅開支	Income tax expense	(351,952)	(220,439)	56,968	6,352	(19,001)
年度利潤	Profit for the year	1,272,645	1,253,114	700,452	408,088	390,246
以下人士應佔權益：	Attributable to:					
母公司股權持有人	Equity holders of the parent	1,271,654	1,252,030	699,380	406,882	389,031
非控制性權益	Non-controlling Interests	991	1,084	1,072	1,206	1,215
		1,272,645	1,253,114	700,452	408,088	390,246
資產、負債及 少數股東權益	Assets, Liabilities and Minority Interests					
總資產	Total assets	7,425,455	5,427,229	4,321,251	3,903,920	2,793,706
總負債	Total liabilities	(2,612,184)	(1,531,533)	(1,448,278)	(1,423,288)	(719,390)
非控制性權益	Non-controlling Interests	(13,739)	(13,201)	(12,586)	(11,514)	(12,514)
		4,799,532	3,882,495	2,860,387	2,469,118	2,061,802

附註：本集團截至二零零九年及二零一零年十二月三十一日止兩個年度各年之綜合業績，以及於二零零九年及二零一零年十二月三十一日之綜合資產、負債及非控制性權益乃載於財務報表第69頁至第179頁。

Note: The consolidated results of the Group for each of the two years ended 31 December 2009 and 2010 and the consolidated assets, liabilities and non-controlling interests of the Group as at 31 December 2009 and 2010 are those set out on pages 69 to 179 of the financial statements.

**SHENZHOU INTERNATIONAL
GROUP HOLDINGS LIMITED**
申洲國際集團控股有限公司

Headquarter 總部

18 Yongjiang Road
Ningbo Economic and Technical
Development Zone
Ningbo, Zhejiang Province, PRC

中國浙江省寧波市
寧波經濟技術開發區
甬江路18號

Tel 電話: (86) 574 8698 0102
Fax 傳真: (86) 574 8698 0162

Hong Kong Representative Office
香港辦事處

Unit 2708, 27th Floor
Billion Plaza
8 Cheung Yue Street
Kowloon, Hong Kong

香港九龍長裕街8號
億京廣場27樓2708室

Tel 電話: (852) 2310 4919
Fax 傳真: (852) 2310 4929

Shanghai Representative Office
上海辦事處

26th Floor You Yi Time Building
159 Zhao Jia Bang Road
Xu Hui District
Shanghai, PRC
中國上海徐匯區
肇家濱路159號
上海友誼時代大廈26樓

Tel 電話: (86) 21 6403 1166
Fax 傳真: (86) 21 5496 0947