



SHENZHOU INTERNATIONAL
GROUP HOLDINGS LIMITED

申洲國際集團控股有限公司*

STOCK CODE 股份編號：2313

2017 中期報告 INTERIM REPORT



* For Identification only 僅供識別

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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(於二零一七年一月一日辭任)
王存波先生
陳芝芬女士

BOARD OF DIRECTORS

Executive Directors

Mr. Ma Jianrong (*Chairman*)
Mr. Huang Guanlin
Mr. Ma Renhe
Ms. Zheng Miaohui (resigned on 1 January 2017)
Mr. Wang Cunbo
Ms. Chen Zhifen

獨立非執行董事

陳根祥先生(於二零一七年一月一日辭任)
陳旭先生
蔣賢品先生
裘煒國先生
徐暢成先生(於二零一七年六月二日辭任)

Independent Non-executive Directors

Mr. Chen Genxiang (resigned on 1 January 2017)
Mr. Chen Xu
Mr. Jiang Xianpin
Mr. Qiu Weiguo
Mr. Xu Changcheng (resigned on 2 June 2017)

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(於二零一七年一月一日辭任)
王存波先生(於二零一七年一月一日獲委任)
陳德興先生

AUTHORIZED REPRESENTATIVES

Ms. Zheng Miaohui (resigned on 1 January 2017)
Mr. Wang Cunbo (appointed on 1 January 2017)
Mr. Chan Tak Hing Kenji

董事會主要委員會

審核委員會

蔣賢品先生(主席)
陳根祥先生(於二零一七年一月一日辭任)
陳旭先生
裘煒國先生
徐暢成先生(於二零一七年六月二日辭任)

薪酬委員會

陳旭先生(主席)(於二零一七年一月一日獲委任)
陳根祥先生(主席)(於二零一七年一月一日辭任)
馬仁和先生
蔣賢品先生
徐暢成先生(於二零一七年六月二日辭任)

提名委員會

馬建榮先生(主席)
蔣賢品先生
裘煒國先生

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

香港九龍長沙灣
長裕街8號
億京廣場
27樓2708室

審計師

安永會計師事務所
執業會計師

法律顧問

安理國際律師事務所
龍生律師事務所
美富律師事務所

KEY BOARD COMMITTEES

Audit Committee

Mr. Jiang Xianpin (*Chairman*)
Mr. Chen Genxiang (resigned on 1 January 2017)
Mr. Chen Xu
Mr. Qiu Weiguo
Mr. Xu Changcheng (resigned on 2 June 2017)

Remuneration Committee

Mr. Chen Xu (*Chairman*) (appointed on 1 January 2017)
Mr. Chen Genxiang (*Chairman*) (resigned on 1 January 2017)
Mr. Ma Renhe
Mr. Jiang Xianpin
Mr. Xu Changcheng (resigned on 2 June 2017)

Nomination Committee

Mr. Ma Jianrong (*Chairman*)
Mr. Jiang Xianpin
Mr. Qiu Weiguo

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
Cheung Sha Wan, Kowloon, Hong Kong

AUDITORS

Ernst & Young
Certified Public Accountants

LEGAL ADVISERS

Allen & Overy
Lennon & Lawyers
Morrison & Foerster

公司資料(續) CORPORATE INFORMATION (CONTINUED)

股份過戶登記總處

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111, Cayman Islands

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舖

主要往來銀行

中國銀行(香港)有限公司
中國銀行股份有限公司
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
中信銀行(國際)有限公司
中國光大銀行股份有限公司
恒生銀行有限公司
中國工商銀行股份有限公司
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

可換股債券編號

5762

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of China Limited
Bank of Communications Company Limited
Bank of Ningbo Company Limited
China Construction Bank Corporation
China CITIC Bank Corporation Limited
China CITIC Bank International Limited
China Everbright Bank Co., Ltd.
Hang Seng Bank Limited
Industrial and Commercial Bank of China Limited
Shanghai Pudong Development Bank Co., Ltd.
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

CONVERTIBLE BOND CODE

5762

二零一七年中中期財務撮要

FINANCIAL HIGHLIGHTS FOR 2017 INTERIM RESULTS

申洲國際集團控股有限公司(「申洲國際」或「本公司」)董事(「董事」)會(「董事會」)欣然公佈本公司及其附屬公司(統稱為「本集團」)截至二零一七年六月三十日止六個月(「期內」)之未經審核中期業績，連同二零一六年同期之比較數字。中期業績及中期財務報表未經審核，惟已經本公司審核委員會審閱。

The board (the "Board") of directors (the "Directors") of Shenzhou International Group Holdings Limited ("Shenzhou International" or the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2017 (the "reporting period"), together with the comparative amounts for the corresponding period of 2016. The interim results and interim financial statements have not been audited but have been reviewed by the Company's Audit Committee.

主要財務資料及財務比率之比較

COMPARISON OF KEY FINANCIAL INFORMATION AND FINANCIAL RATIOS

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
銷售額	Sales	8,263,585	6,951,773
毛利	Gross profit	2,616,343	2,215,781
除稅前利潤	Profit before tax	2,080,166	1,753,794
本公司股權持有人應佔利潤	Profit attributable to equity holders of the Company	1,798,664	1,449,896
毛利率(%)	Gross profit margin (%)	31.7	31.9
淨利潤率(%)	Net profit margin (%)	21.8	20.9
每股盈利(人民幣元)	Earnings per share (RMB)	1.27	1.04

		二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
資產總值	Total assets	22,353,903	21,816,062 ⁽²⁾
總權益	Total equity	18,360,966	15,309,602 ⁽²⁾
現金及現金等價物	Cash and cash equivalents	1,972,595	2,105,184 ⁽²⁾
資本負債比率 ⁽¹⁾	Gearing ratio ⁽¹⁾	12.1	30.8
流動比率	Current ratio	3.9	4.1
應收賬款之周轉期(日)	Accounts receivables turnover period (days)	55	56
存貨之周轉期(日)	Inventory turnover period (days)	129	124

附註：

Notes:

- 資本負債比率之計算為未償還總借貸(包括可換股債券之債務部分餘額及銀行貸款)與本公司股權持有人應佔權益之比率。
- 二零一六年十二月三十一日之已審核數據。

- Gearing ratio represents the ratio between total borrowings outstanding (including the balance of debt component of convertible bonds and bank loans) and equity attributable to equity holders of the Company.
- The figures as at 31 December 2016 were audited.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS



以下管理層討論及分析應與本中期報告所載本集團截至二零一七年六月三十日止六個月之未經審核中期簡明綜合財務報表及其附註(「財務報表」)一併參閱。

The following management discussion and analysis should be read in conjunction with the Group's unaudited interim condensed consolidated financial statement for the six months ended 30 June 2017 and its notes ("financial statement") contained in this interim report.

業務回顧

根據中國海關之統計資料，二零一七年一至六月中國之紡織服裝(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1,240.5億美元，較上年同期增長了約2.2%。出口總值中，紡織品出口金額為531.2億美元，同比增長約3.1%；服裝出口金額為709.3億美元，同比增長約1.4%。期內，中國紡織服裝行業受壓於成本之持續上升，產業之傳統優勢削弱，於包括歐盟、美國和日本的三個主要市場之出口繼續下跌。服裝出口金額中：出口至歐盟之金額為159.7億美元，較上年同期下降了約3.0%；出口至美國之金額為144.4億美元，較上年同期下降了約0.7%；出口至日本之金額為71.6億美元，較上年同期下降了約1.1%。出口服裝產品中，針織服裝於二零一七年一至六月之出口金額為269.9億美元，較上年同期下降了9.5%。

BUSINESS REVIEW

According to statistical data from the China Customs, the total export value of Chinese textile and garment products (including textile yarns, fabrics and finished products as well as garments and apparel accessories, referred the same as below) from January to June 2017 was US\$124.05 billion representing a growth of approximately 2.2% over the same period last year. Out of the total export value, the export value of textile products amounted to US\$53.12 billion, representing a growth of approximately 3.1% over the same period last year; the garment export value amounted to US\$70.93 billion, representing a growth of approximately 1.4% over the same period last year. During the reporting period, China's textiles and apparel industry came under the pressure of sustained rise in costs, weakening the industry's traditional advantage, and its exports to the three major markets of the EU, the US, and Japan continued to fall. Out of the export value of apparel: the export value to the EU was US\$15.97 billion, representing a fall of approximately 3.0% over the same period last year; the export value to the US was US\$14.44 billion, representing a fall of approximately 0.7% over the same period last year; the export value to Japan was US\$7.16 billion, representing a fall of approximately 1.1% over the same period last year. Out of the exported apparel, the export value of knitwear from January to June 2017 was US\$26.99 billion, representing a fall of 9.5% over the same period last year.

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

國內服裝消費市場方面，根據國家統計局之資料，二零一七年一至六月限額以上企業商品零售額中，服裝鞋帽及針紡製品之零售總額為人民幣7,172億元(其中服裝類之零售總額為人民幣5,063億元)，同比增長約7.3%(服裝類同比增長約6.8%)，增幅與上年同期基本持平。但隨著中國大陸居民收入的增長，以及大型購物中心的新建和網上購物的興起，使得消費者的購物更為便利，將繼續促進國內服裝消費需求的增長。

越南已成為中國紡織服裝產業轉移的一個主要國家，近年來之服裝出口金額持續增長。根據越南海關之統計資料，二零一七年一至六月，越南之紡織服裝出口金額約為117.5億美元，較上年同期增長了約8.5%。其中：出口至美國之金額約為57.5億美元，較上年增長了約6.1%，出口至日本之金額約為13.7億美元，較上年增長了約7.6%。二零一七年一至六月，越南從國外進口面料金額約為54.9億美元，較上年同期增長了約8.4%，其中自中國進口之面料約為29.1億美元，較上年同期增長了約10.5%；越南出口紗線金額約為16.7億美元，較上年同期增長了26.5%，其中9.3億美元出口至中國，較上年同期的7.2億美元增長了29.5%。越南之服裝產業鏈中，面料對國外進口依賴度較高，而上游之紗線供應則較為充足。越南一歐盟自由貿易區協定(VEFTA)談判的推進，有望降低越南服裝出口至歐盟的關稅。據報導，VEFTA文本已進入審查階段，如獲歐盟理事會及歐盟議會批准，VEFTA將於二零一八年起正式生效。

期內，行業之生產成本繼續上升，尤其是人工成本和染化料價格之上漲對企業盈利帶來不利之影響；主要原材料紗線之價格亦有小幅上升；人民幣對美元之匯率期內又轉回升值，加重了出口企業之經營壓力。需求疲軟和成本上漲依舊是行業之主要挑戰。

As for the domestic apparels consumption market, according to data from the National Bureau of Statistics, of the total retail sales of products manufactured by enterprises above designated size from January to June 2017, total retail sales of apparels, footwear and headwear, and knitted products was RMB717.2 billion (including total retail sales of apparels of RMB506.3 billion) representing a growth of approximately 7.3% over the same period last year (growth of apparels was approximately 6.8% over the same period of last year), maintaining basically the same extent of growth over the same period last year. However, as the income of the mainland China populace rises, and with new constructions of large scale shopping centers and the rise of online shopping making consumer shopping even more convenient, there will be continued stimulus for the growth in domestic apparel consumption demand.

Vietnam has become a major country for the migration of China's textiles and apparels industry, with its apparel exports value continuing to grow in recent years. According to statistical data from the Vietnam Customs, from January to June 2017, the export value of Vietnam's textiles and apparels industry was approximately US\$11.75 billion, representing a growth of approximately 8.5% over the same period last year. This includes an export value of approximately US\$5.75 billion to the U.S., representing a growth of 6.1% over the same period last year, and an export value of approximately US\$1.37 billion to Japan representing a growth of approximately 7.6% over the same period last year. For January to June 2017, Vietnam's import value of fabrics from foreign country was approximately US\$5.49 billion, representing a growth of approximately 8.4% over the same period of last year, of which an import value of fabrics from China of approximately US\$2.91 billion, representing a growth of approximately 10.5% over the same period last year; Vietnam's export value of yarns was approximately US\$1.67 billion, representing a growth of 26.5% over the same period of last year, of which US\$930 million worth was exported to China, representing a growth of 29.5% over the same period of last year's figure of US\$720 million. For Vietnam's apparels industrial chain, reliance on imported fabrics from foreign country is relatively high, while its upstream supply of yarns is relatively sufficient. The advancement of the negotiation of the Vietnam-European Union Free Trade Agreement (VEFTA) could see a lowering of tariffs of Vietnamese apparels exported to the EU. According to reports, the VEFTA document has entered to the review stages and will formally come into effect in 2018 if it receives approval from the EU Council and the European Parliament.

Within the reporting period, production costs of the industry have continued to increase, particularly in the inflation of wage costs and dye prices which has negative effects for the profitability of our enterprise; there is also a small rise in the prices of yarns of main raw materials; the exchange rate of the Renminbi against the US Dollar changed to the appreciation again during the reporting period further increased the operating pressure of export enterprises. Weak demand and rising costs remain the main challenge faced by the industry.

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

二零一七年一至六月，本集團之銷售收入和經營業績繼續保持了理想增長，銷售收入和毛利額分別較二零一六年同期增長了18.9%和18.1%，稅後淨利同比增長達24.1%，實現每股盈利人民幣1.27元。期內，本集團海外生產基地之管理運行取得進一步之成績；精益生產管理的推進和自動化設備應用的增加，促進了本集團生產效率持續提升；在擴充海外基地產能之同時，本集團亦對國內基地之生產線逐步進行了更新改造。在取得業務增長之同時，本集團亦重視增強企業之可持續發展能力。

期內，海外生產基地之管理運行取得了進一步的提升，產能亦較上年同期大幅提高，有效減輕了固定成本之分攤壓力。尤其越南面料工廠之產能和效率提升，在保障本集團業務穩定增長的同時，為國內面料工廠進行舊流水線更新改造提供了產能之彌補。越南之特種面料項目亦於期內順利投產，並為下一步之產能擴充打下了基礎。本集團於海外基地已初步形成一支穩定之管理團隊，並通過中方管理人員之幫助，逐步培養優秀的當地員工充實到管理團隊中。

期內，人工成本之快速上升帶來較大經營壓力，惟本集團之生產效率亦有持續提升，尤其是制衣生產工序通過加大自動化設備之應用及精益生產管理之持續改進，有效減輕了成本上漲之經營壓力。越南成衣工廠之新員工招聘符合預期，員工效率亦逐步提升。本集團自建之「申洲管理學院」，通過持續授課培訓，不斷提升管理人員之業務素養，亦通過不同團隊間之經驗交流和分享，促進了整體管理水準之提升。

From January to June 2017, the sales revenue and operating results of the Group continued to maintain an ideal growth, with sales revenue and gross profit growing by 18.9% and 18.1% respectively over the same period of 2016, and net profit after tax increased by 24.1% over the same period last year, realising earnings per share of RMB1.27. During the reporting period, the management and operations of the Group's overseas production bases achieved further results; the promotion of streamlined production management and increase in application of automation equipment has stimulated continued growth in the Group's productivity; while expanding production capacity of the Group's overseas bases, the Group has also gradually conducted renewal and transformation of the production line of the domestic bases. At the same time as we achieve business growth, the Group also values strengthening the sustained development capacity of the enterprise.

Within the reporting period, management of our overseas production bases achieved further upgrade, while production capacity has also greatly increased over the same period of last year, effectively reducing the pressure of fixed costs amortising. In particular, increase in the production capacity and productivity of the Vietnam fabrics factory has provided production capacity compensation during the renewal transformation of the domestic fabric factory's old assembly line while securing the stable growth of the Group's business at the same time. The Vietnam special fabrics project has also successfully commenced production during the reporting period, providing a foundation for the next step in the expansion of our production capacity. The Group has preliminarily formed stable management teams in our overseas bases, and is gradually training outstanding local staff to join the management teams through the help of the Chinese management staff.

During the reporting period, the rapid rise of wage costs has brought about rather large operation pressure, but as the Group also maintained growth in productivity, particularly through the application of expanded automation equipment and sustained improvement in streamlined production management in the clothing manufacturing process, we have effectively reduced the operation pressure arising from costs inflation. Recruitment of new staff for the Vietnam clothing manufacturing factory met expectations, and worker productivity has also gradually increased. The Group's self-built "Shenzhou School of Management" has, through sustained lessons and training, continuously raised the operating quality of our management staff, and further through interaction and sharing of experience among different teams, promoted the elevation of our general management standards.

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

期內，本集團對國內面料基地之舊生產流水線進行了分批更新，新生產流水線在水資源及能源之消耗上更為節約，設備之自動化及信息化程度亦有提高。此外，本集團對自來水及污水管道設施進行了更新改造，有效防止了舊管道的滲漏現象。廢氣治理和熱能再利用方面，本集團與中國科學院之下屬單位進行了技術合作，以解決生產過程中產生的廢氣治理難題，達到節能減排之目標。本集團正試用以天然氣為燃料之熱能改造項目，並根據試用結果決定未來之能源消耗結構。

Within the reporting period, the Group has conducted a renewal of old production assembly lines in the domestic fabric bases in batches, with the new production assembly line having more savings in the consumption of water resources and energy, while there was also elevation in the levels of automation and informatisation. Additionally, the Group has conducted a renewal transformation of running water and sewage pipe facilities, effectively preventing the phenomenon of leakage in old pipes. In the area of exhaust treatment and reuse of heat energy, the Group has entered into a technological collaboration with subordinate units of the China Academy of Science, striving to achieve energy savings and emissions reduction goals through resolving the difficult issue of exhaust treatment during the production process. The Group is currently conducting a trial heat energy transformation project using natural gas as fuel, and will determine based on the trial results our future energy consumption structure.

本集團經營業績

銷售額

本集團銷售額由截至二零一六年六月三十日止六個月之人民幣6,951,773,000元，增加至截至二零一七年六月三十日止六個月之人民幣8,263,585,000元，增加了人民幣1,311,812,000元，增幅約為18.9%。期內，本集團之銷售收入保持理想增長，主要係：1) 越南生產基地之規模擴充增加了本集團之生產能力；2) 員工之生產效率繼續提升；及3) 來自主要客戶之訂單需求保持增長。

以下為本集團截至二零一七年六月三十日止六個月及截至二零一六年六月三十日止六個月按產品類別分析之銷售額比較：

THE GROUP'S OPERATING RESULTS

Revenue

The Group's revenue for the six months ended 30 June 2017 increased by RMB1,311,812,000, or approximately 18.9%, to RMB8,263,585,000 from RMB6,951,773,000 over the six months ended 30 June 2016. During the reporting period, the Group's sales revenue maintained an ideal growth, mainly due to 1) the Vietnam production plant's expansion of scale increasing the production capacity of the Group; 2) continued increase in worker productivity; and 3) sustained growth in the demand and orders from major clients.

The comparison of the revenue of the Group for the six months ended 30 June 2017 and the six months ended 30 June 2016 by product categories is as follows:

		截至六月三十日止六個月 For the six months ended 30 June					
		二零一七年 2017		二零一六年 2016		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 products						
運動類	Sportswear	5,518,787	66.8	4,488,837	64.6	1,029,950	22.9
休閒類	Casual wear	2,061,078	24.9	1,750,491	25.2	310,587	17.7
內衣類	Lingerie	620,510	7.5	655,016	9.4	(34,506)	(5.3)
其他針織品	Other knitwear	63,210	0.8	57,429	0.8	5,781	10.1
銷售額總計	Total revenue	8,263,585	100.0	6,951,773	100.0	1,311,812	18.9

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

截至二零一七年六月三十日止六個月，運動類產品之銷售額為人民幣5,518,787,000元，較截至二零一六年六月三十日止六個月之銷售額人民幣4,488,837,000元，上升了人民幣1,029,950,000元，增幅約為22.9%。運動類產品之銷售增長主要來自國際品牌於歐洲市場和美國市場之服裝需求上升，及運動類面料產品之需求增加。

休閒類產品之銷售額由截至二零一六年六月三十日止六個月之人民幣1,750,491,000元，上升至截至二零一七年六月三十日止六個月之人民幣2,061,078,000元，增加了人民幣310,587,000元，增幅約為17.7%。主要係：來自中國大陸市場及日本市場之休閒服裝採購需求上升。

內衣類產品之銷售額由截至二零一六年六月三十日止六個月之人民幣655,016,000元，減少至截至二零一七年六月三十日止六個月之人民幣620,510,000元，減少了人民幣34,506,000元，降幅約為5.3%。主要係中國大陸市場之內衣採購需求減少所致。

以下為本集團截至二零一七年六月三十日止六個月及截至二零一六年六月三十日止六個月按市場劃分之銷售額比較：

For the six months ended 30 June 2017, revenue from sale of sportswear amounted to RMB5,518,787,000, representing an increase of RMB1,029,950,000 or approximately 22.9% from RMB4,488,837,000 for the six months ended 30 June 2016. The increase in revenue from sales of sportswear was mainly attributable to the increase in demand of such apparel from international brands in the European and the US markets, as well as increase in demands of sportswear fabric.

Revenue from sale of casual wear products increased by RMB310,587,000, or approximately 17.7%, to RMB2,061,078,000 for the six months ended 30 June 2017, from RMB1,750,491,000 for the six months ended 30 June 2016, mainly due to increasing procurement demand of casual wear coming from the Chinese and Japanese markets.

Revenue from sales of lingerie products decreased by RMB34,506,000, or approximately 5.3%, to RMB620,510,000 for the six months ended 30 June 2017, from RMB655,016,000 for the six months ended 30 June 2016, mainly due to the fall in demand of lingerie procurement in the Chinese market.

The comparison of the revenue of the Group for the six months ended 30 June 2017 and the six months ended 30 June 2016 by market regions is as follows:

		截至六月三十日止六個月 For the six months ended 30 June					
		二零一七年 2017		二零一六年 2016		變動 Changes	
		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 market regions						
國際銷售	International sales						
歐洲	Europe	1,930,968	23.4	1,519,001	21.8	411,967	27.1
日本	Japan	1,496,797	18.1	1,484,553	21.3	12,244	0.8
美國	US	1,025,146	12.4	707,460	10.2	317,686	44.9
其他市場	Others	1,833,661	22.2	1,589,654	22.9	244,007	15.3
國際銷售小計	Sub-total for international sales	6,286,572	76.1	5,300,668	76.2	985,904	18.6
國內銷售	Domestic sales	1,977,013	23.9	1,651,105	23.8	325,908	19.7
銷售額總計	Total revenue	8,263,585	100.0	6,951,773	100.0	1,311,812	18.9

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

截至二零一七年六月三十日止六個月，本集團於歐洲市場之銷售額為人民幣1,930,968,000元，較截至二零一六年六月三十日止六個月之人民幣1,519,001,000元，增加了人民幣411,967,000元，增幅約為27.1%。期內歐洲市場保持快速增長，成為本集團於海外之最主要市場，主要係歐洲市場對運動類服裝之採購需求上升及本集團於海外基地之生產能力增加。

截至二零一七年六月三十日止六個月，本集團於日本市場之銷售額為人民幣1,496,797,000元，較截至二零一六年六月三十日止六個月之人民幣1,484,553,000元，增加了人民幣12,244,000元，增幅約為0.8%。銷售額同期對比平穩，主要係日本市場之服裝消費需求總體下降及為保障核心客戶之產能需求，本集團減少日本中小客戶之採購訂單。

截至二零一七年六月三十日止六個月，本集團於美國市場之銷售額為人民幣1,025,146,000元，較截至二零一六年六月三十日止六個月之人民幣707,460,000元，增加了人民幣317,686,000元，增幅約為44.9%。本集團於美國市場之銷售大幅增長，主要係美國市場之需求增長理想，運動類產品之採購訂單增加。

包括韓國、臺灣和香港等其他市場之銷售收入繼續保持較快增長。截至二零一七年六月三十日止六個月，其他市場之銷售額較截至二零一六年六月三十日止六個月增長了約15.3%。

截至二零一七年六月三十日止六個月，本集團於國內市場之銷售額較上年同期增長了19.7%。國內銷售中之成衣銷售額約為人民幣1,920,327,000元，較上年同期之人民幣1,607,933,000元增加了人民幣312,394,000元，增幅約為19.4%。國內市場之銷售增長主要來自於國際運動品牌於中國市場之銷售上升。

For the six months ended 30 June 2017, the Group's revenue from the European market was RMB1,930,968,000, representing an increase of RMB411,967,000 or approximately 27.1% from RMB1,519,001,000 for the six months ended 30 June 2016. During the reporting period, the European market maintained rapid growth, becoming the Group's most important overseas market, mainly due to a rise in procurement demand of sportswear in the European market and the increase in production capacity of the Group's overseas bases.

For the six months ended 30 June 2017, the Group's revenue from the Japanese market was RMB1,496,797,000, representing an increase of RMB12,244,000 or approximately 0.8% from RMB1,484,553,000 for the six months ended 30 June 2016. Year-on-year revenue is stable mainly due to a general decrease in consumer demand of apparel in the Japanese market and a reduction in the Group's procurement orders taken from small and medium Japanese clients in order to protect the production capacity demands of our core clients.

For the six months ended 30 June 2017, the Group's revenue from the US market was RMB1,025,146,000, representing an increase of RMB317,686,000 or approximately 44.9% from RMB707,460,000 for the six months ended 30 June 2016. The dramatic growth of the Group's sales in the US market is due mainly to ideal growth in demand in the US market, increasing the procurement orders in sportswear products.

Revenue from other markets including the Republic of Korea, Taiwan, and Hong Kong continued to maintain fast growth. For the six months ended 30 June 2017, revenue from other markets grew by approximately 15.3% over the six months ended 30 June 2016.

For the six months ended 30 June 2017, the Group's revenue from the domestic market increased by 19.7% over the same period last year. Out of domestic sales, revenue from garments was RMB1,920,327,000, representing an increase of RMB312,394,000 or approximately 19.4% from RMB1,607,933,000 over the same period last year. Revenue growth in the domestic market is mainly due to increase sales of international sports brands in the Chinese market.

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

銷售成本及毛利

本集團截至二零一七年六月三十日止六個月之銷售成本為人民幣5,647,242,000元(截至二零一六年六月三十日止六個月：人民幣4,735,992,000元)。截至二零一七年六月三十日止六個月本集團銷售毛利率約為31.7%，較截至二零一六年六月三十日止六個月之31.9%下降了約0.2個百分點，毛利率基本維持穩定。期內毛利率之影響因素主要為：本集團生產效率之有效提升和產品結構持續優化對毛利率產生正面之影響，而該等正面因素受人工成本及原料價格上漲之抵減。

本公司股權持有人應佔權益

於二零一七年六月三十日，本公司股權持有人應佔本集團權益為人民幣18,162,591,000元(二零一六年十二月三十一日：人民幣15,092,944,000元)。其中非流動資產為人民幣8,810,051,000元(二零一六年十二月三十一日：人民幣8,980,567,000元)、流動資產淨值為人民幣10,080,009,000元(二零一六年十二月三十一日：人民幣9,741,013,000元)、非流動負債為人民幣529,094,000元(二零一六年十二月三十一日：人民幣3,411,978,000元)及非控制性權益為人民幣198,375,000元(二零一六年十二月三十一日：人民幣216,658,000元)。本公司股權持有人應佔權益變動主要係：1) 期內部分可換股債券持有人將其持有之債券轉換為本公司之普通股份；2) 本集團經營盈利增加；及3) 期內向本公司股權持有人派付二零一六年度之股息而減少儲備。

Cost of sales and gross profit

The Group's cost of sales for the six months ended 30 June 2017 amounted to RMB5,647,242,000 (for the six months ended 30 June 2016: RMB4,735,992,000). The Group's gross profit margin of sales for the six months ended 30 June 2017 was 31.7%, representing a decrease of approximately 0.2 percentage point when compared to 31.9% for the six months ended 30 June 2016. Gross profit margin is basically stable. During the reporting period, major factors affecting the gross profit margin were the positive effects on gross profit margin caused by the Group's effective increase in productivity and continued optimization of product structure, and such positive factors were mitigated by the inflation of wage costs and raw material prices.

Equity attributable to equity holders of the Company

As at 30 June 2017, the Group's equity attributable to equity holders of the Company amounted to RMB18,162,591,000 (at 31 December 2016: RMB15,092,944,000), of which non-current assets, net current assets, non-current liabilities and equity attributable to non-controlling interests amounted to RMB8,810,051,000 (at 31 December 2016: RMB8,980,567,000), RMB10,080,009,000 (at 31 December 2016: RMB9,741,013,000), RMB529,094,000 (at 31 December 2016: RMB3,411,978,000) and RMB198,375,000 (at 31 December 2016: RMB216,658,000), respectively. The changes in equity attributable to equity holders of the Company are mainly due to 1) during the reporting period, some holders of convertible bonds converted their bonds to ordinary shares of the Company; 2) increase in profitability of the Group; and 3) reduction in reserves during the reporting period after payment of final dividend for 2016 to shareholders of the Company.



流動資金及財務資源

截至二零一七年六月三十日止六個月，本集團經營業務所得現金淨額約為人民幣1,501,957,000元(二零一六年六月三十日止六個月：人民幣1,689,791,000元)。本集團於二零一七年六月三十日之現金及現金等價物為人民幣1,972,595,000元，其中人民幣855,034,000元以人民幣計值，人民幣1,088,616,000元以美元計值，人民幣20,989,000元以港元計值，人民幣6,421,000元以越南盾計值，人民幣444,000元以歐元計值及餘款以其他貨幣計值(二零一六年十二月三十一日：人民幣2,105,184,000元，其中人民幣983,234,000元以人民幣計值，人民幣1,033,681,000元以美元計值，人民幣35,925,000元以港元計值，人民幣39,168,000元以歐元計值，人民幣12,256,000元以越南盾計值及餘款以其他貨幣計值)，銀行借貸餘額為人民幣1,664,102,000元(二零一六年十二月三十一日：人民幣1,241,433,000元)，均為短期銀行借貸，可換股債券之債務部分餘額為人民幣525,897,000元(二零一六年十二月三十一日：人民幣3,410,145,000元)。本集團於二零一七年六月三十日止之借貸淨額(銀行借貸及可換股債券之債務部分餘額減現金及現金等價物)為人民幣217,404,000元(二零一六年十二月三十一日：借貸淨額為人民幣2,546,394,000元)，借貸淨額減少了人民幣2,328,990,000元，借貸淨額之大幅下降主要係期內可換股債券轉換為本公司之普通股票所致。若不計可換股債券之影響，本集團於二零一七年六月三十日止為現金淨額人民幣308,493,000元(二零一六年十二月三十一日：現金淨額人民幣863,751,000元)。

本公司股權持有人應佔權益為人民幣18,162,591,000元(二零一六年十二月三十一日：人民幣15,092,944,000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(包括可換股債券之債務部分餘額)佔本公司股權持有人應佔權益百分比計算)為12.1%(二零一六年十二月三十一日：30.8%)。

Liquidity and financial resources

For the six months ended 30 June 2017, net cash generated from the Group's operating activities amounted to approximately RMB1,501,957,000 (for the six months ended 30 June 2016: RMB1,689,791,000). Cash and cash equivalents of the Group as at 30 June 2017 was RMB1,972,595,000, of which RMB855,034,000 was denominated in RMB, RMB1,088,616,000 was denominated in US dollar, RMB20,989,000 was denominated in Hong Kong dollar, RMB6,421,000 was denominated in Vietnamese dong, RMB444,000 was denominated in Euro, and the remaining balance was denominated in other currencies (as at 31 December 2016: RMB2,105,184,000, of which RMB983,234,000 was denominated in RMB, RMB1,033,681,000 was denominated in US dollar, RMB35,925,000 was denominated in Hong Kong dollar, RMB39,168,000 was denominated in Euro, RMB12,256,000 was denominated in Vietnamese dong and the remaining balance was denominated in other currencies), and the balance of bank borrowings was RMB1,664,102,000 (at 31 December 2016: RMB1,241,433,000), all being short-term bank borrowings, the outstanding balance of the liability component of convertible bonds was RMB525,897,000 (at 31 December 2016: RMB3,410,145,000). The Group's net borrowings (the balance of bank borrowings and the liability component of convertible bonds, less cash and cash equivalents) at 30 June 2017 was RMB217,404,000 (at 31 December 2016: net borrowings was RMB2,546,394,000). Net borrowings decreased by RMB2,328,990,000, with the dramatic decrease in net borrowings due mainly to the conversion of convertible bonds into the Company's ordinary shares during the reporting period. Excluding the implications of the convertible bonds, the Group's net cash as at 30 June 2017 is RMB308,493,000 (at 31 December 2016: net cash was RMB863,751,000).

Equity attributable to equity holders of the Company amounted to RMB18,162,591,000 (at 31 December 2016: RMB15,092,944,000). The Group was in a good cash flow position, with a debt to equity ratio (calculated according to total outstanding borrowings (including the balance of the liability component of convertible bonds) as a percentage of equity attributable to the equity holders of the Company) of 12.1% (at 31 December 2016: 30.8%).

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



本公司於二零一四年六月十八日(「發行日」)發行了本金總額為3,900,000,000港元(若按每一港元對人民幣元之匯率0.7942計算,折合人民幣約3,097,380,000元)之可換股債券,票面利率為0.5%,每半年支付一次利息。除非先前已贖回、兌換、購買、註銷或債券條款及條件另有規定,債券之到期日為二零一九年六月十八日(「到期日」),本公司將於到期日按其本金額之103.86%贖回。該債券之初始換股價為每股38.56港元(可予調整),於本報告披露日之最新調整後換股價為每股37.01港元。於發行日,該債券之負債部份之初步確認金額為人民幣2,846,450,000元,乃根據相同類別但不可換股之債券之市場利率3.55%計算。權益部份金額為人民幣197,140,000元已計入股東權益之儲備內。發行本債券所得款項淨額約為3,832,271,000港元,已用作業務擴張及一般企業用途。於期內,總計面值為3,286,000,000港元之可換股債券已轉換為本公司之股份,對應新增加本公司之普通股份87,632,300股。

作為本集團整體理財政策的一部分,本集團向中國的持牌銀行購買金融產品(包括委託貸款、可供出售投資、有抵押存款),透過合法且低風險的渠道最大化本集團閒置資金帶來的回報。有關購買該等金融產品的相關規模測試結果均低於5%,故而該等購買毋須遵守上市規則第十四章須予公佈的交易之規定。購買該等金融產品已獲董事會就監察本集團庫務管理政策執行情況而成立之投資及借貸委員會批准。該等金融產品的詳情參閱本報告之財務報表所載之附註17、18及19。

On 18 June 2014 (the "Issue Date"), the Company issued convertible bonds in an aggregate principal amount of HK\$3,900,000,000 (equivalent to approximately RMB3,097,380,000 if calculated at the exchange rate of HK\$1 = RMB0.7942), bearing a coupon rate of 0.5% and payable semi-annually. Unless previously redeemed, converted, purchased, cancelled or otherwise provided in the terms and conditions of the bonds, the maturity date of convertible bonds is on 18 June 2019 (the "Maturity Date") and the Company will redeem the convertible bonds at 103.86% of their principal amounts on the Maturity Date. The initial conversion price of the bonds is HK\$38.56 per ordinary share (subject to adjustment) and the current conversion price on the date of disclosure of this report after adjustments is HK\$37.01 per ordinary share. On the Issue Date, the initial recognition amount of RMB2,846,450,000 for the liability component of the bonds was calculated using a market interest rate of 3.55% for a non-convertible bond of same class. Equity component amount of RMB197,140,000 was credited to the reserves of shareholders' equity. Net proceeds from the issue of these bonds were approximately HK\$3,832,271,000, which were fully used for business expansion and for general corporate purpose. During the reporting period, convertible bonds with an aggregate face value of HK\$3,286,000,000 have been converted into shares of the Company, corresponding to an addition of 87,632,300 shares of the Company's ordinary shares.

As part of the Group's overall treasury management policy, the Group purchased financial products (including entrusted loans, available-for-sale investments, and pledged deposits) from licensed banks in the PRC to maximize return on the Group's idle cash through a legal and low-risk channel. The applicable size test results in respect of the purchases of these financial products are all below 5% and thus, these purchases are not subject to the notifiable transaction requirements under Chapter 14 of the Listing Rules. The purchases of these financial products were approved by an investment and lending committee established by the Board to monitor the execution of the Group's treasury management policy. Details of these financial products can be found in notes 17, 18, 19 to the Financial Statements contained in this report.

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

融資成本及稅項

於截至二零一七年六月三十日止六個月，融資成本從截至二零一六年六月三十日止六個月之人民幣53,724,000元(其中：可換股債券之融資成本約人民幣46,823,000元)，上升至人民幣66,521,000元(其中：可換股債券之融資成本約人民幣40,948,000元)，主要是期內本集團向銀行的借款平均餘額增加所致。

截至二零一七年六月三十日止六個月，本集團之所得稅支出從截至二零一六年六月三十日止六個月之人民幣303,763,000元下降至人民幣294,768,000元，主要係本集團之越南附屬公司於期內獲利並享受所得稅優惠政策而降低了本集團之整體稅負。

本集團之資產抵押

於二零一七年六月三十日，為數約43,535,000美元(約人民幣300,000,000元)之銀行結餘已與相關銀行簽訂遠期售匯協議，同時以該等銀行結餘為抵押存放於相關銀行，到期結匯成人民幣之總金額約為人民幣302,559,000元。這些已抵押存款乃按1.8%之固定利率計息，並於協議簽訂日起一年內到期。

本集團於越南之銀行貸款約56,535,000美元(約折人民幣382,992,000元)及尚未結清之信用證餘款18,144,000歐元和411,000美元(合計約人民幣143,394,000元)，已用德利(越南)有限公司之相關設備及廠房作為抵押，截至二零一七年六月三十日止，已抵押設備及廠房之原值為158,000,000美元(約折人民幣1,070,355,000元)，帳面淨值為137,739,000美元(約折人民幣933,096,000元)。

於二零一七年六月三十日，若干本集團定期存款人民幣500,000,000元(二零一六年十二月三十一日：人民幣500,000,000元)已作為本集團獲授予有擔保銀行貸款之抵押。定期存款期限超過一年，固定年利率為3.5%。

Finance costs and tax

For the six months ended 30 June 2017, finance costs increased from RMB53,724,000 (including: finance costs of convertible bonds of approximately RMB46,823,000) for the six months ended 30 June 2016 to RMB66,521,000 (including: finance costs of convertible bonds of approximately RMB40,948,000), mainly due to the increase in average balance of the Group's bank borrowings during the reporting period.

For the six months ended 30 June 2017, income tax expense of the Group fell from RMB303,763,000 for the six months ended 30 June 2016 to RMB294,768,000, mainly due to the Group's subsidiary in Vietnam being profitable and enjoying preferential income tax policies during the reporting period, thus lowering the general tax burden of the Group.

Pledge of the Group's assets

As at 30 June 2017, an amount of approximately US\$43,535,000 (approximately RMB300,000,000) of bank balance has been signed with the relevant bank for a forward exchange contract, while such bank balance is pledged as deposit to the relevant bank at the same time, and the total settlement amount in Renminbi at maturity will be RMB302,559,000. Such pledged deposit accrue interest at a fixed rate of 1.8%, and will mature within one year from the date of the agreement.

Bank borrowings of the Group in Vietnam amounted to approximately US\$56,535,000 (approximately RMB382,992,000) and outstanding balance of letter of credit amounted to EUR18,144,000 and US\$411,000 (total approximately RMB143,394,000) were pledged by relevant plant and equipments of Gain Lucky (Vietnam) Limited. As at 30 June 2017, the costs of the pledged plant and equipments was US\$158,000,000 (approximately RMB1,070,355,000) and its net book value was US\$137,739,000 (approximately RMB933,096,000).

As at 30 June 2017, some of the Group's time deposits with an amount of RMB500,000,000 (31 December 2016: RMB500,000,000) were pledged to secure bank loans granted to the Group. The time deposits have terms of more than one year and have fixed annual rates of return at 3.5%.

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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，匯率波動對本集團之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之匯率波動之現狀，採用相應政策對沖部份有關外匯風險。對沖金額視乎本集團預期之美元收益、採購、資本開支，還需要顧及市場預測美元兌人民幣之匯率波動而定。

於二零一七年六月三十日，為數約43,535,000美元(約人民幣300,000,000元)之銀行結餘已與相關銀行簽訂遠期售匯協議，同時以該等銀行結餘為抵押存放於相關銀行，到期結匯成人民幣之總金額約為人民幣302,559,000元。這些已抵押存款乃按1.8%之固定利率計息，並於協議簽訂日起一年內到期。

為免因人民幣兌美元之匯率出現任何變動而導致日後之現金流量減值及出現波動。本集團已安排適當數量之美元借款及與美元為聯繫匯率之港元貸款，於二零一七年六月三十日，銀行借貸總額中，美元貸款約人民幣382,992,000元(計原幣金額約56,535,000美元)，港元貸款為人民幣781,110,000元(計原幣金額為900,000,000港元)(二零一六年十二月三十一日：美元貸款約人民幣383,633,000元(計原幣金額約55,302,000美元)，港元貸款約人民幣357,800,000元(計原幣金額為400,000,000港元))。本集團海外生產基地規模的擴大，將降低人民幣兌美元匯率波動對經營帶來的影響。

Exposure to foreign exchange

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

As at 30 June 2017, an amount of approximately US\$43,535,000 (approximately RMB300,000,000) of bank balance has been signed with the relevant bank for a forward exchange contract, while such bank balance is pledged as deposit to the relevant bank at the same time, and the total settlement amount in Renminbi at maturity will be RMB302,559,000. Such pledged deposit accrue interest at a fixed rate of 1.8%, and will mature within one year from the date of the agreement.

To avoid the reduction in the value of future cash flows and the volatility thereof arising from any exchange rate movement between RMB and US dollar, the Group has arranged for appropriate number of loans denominated in US dollars and loans denominated in Hong Kong dollars with linked exchange rate with US dollars. As at 30 June 2017, of the total amount of bank loans, there were loans of approximately RMB382,992,000 denominated in US dollars (approximately US\$56,535,000 in original currency), and loans of RMB781,110,000 denominated in Hong Kong dollars (HK\$900,000,000 in original currency) (at 31 December 2016: loans of approximately RMB383,633,000 denominated in US dollars (approximately US\$55,302,000 in original currency) and loans of approximately RMB357,800,000 denominated in Hong Kong dollars (HK\$400,000,000 in original currency)). The expansion layout of the Group's overseas production bases will reduce the impact of the exchange rate fluctuations of RMB against US dollars on operations.



管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

僱用、培訓及發展

於二零一七年六月三十日，本集團共僱用約81,580名員工。期內，員工成本總額(包括管理及行政人員)佔本集團銷售額約30.2%(截至二零一六年六月三十日止六個月：28.5%)。本集團按僱員之表現、資歷及行業慣例釐定給予員工之報酬，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他形式之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，以提升彼等之技術、產品知識以及對行業品質標準之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

於截至二零一七年六月三十日止六個月內，本集團於物業、廠房及設備、預付土地租賃款和無形資產之總投資約為人民幣535,960,000元，其中約49%用作購買生產設備、約46%用作興建及購買新工廠大樓和預付土地租賃款，而餘款則用作購買其他固定資產和軟件。

於二零一七年六月三十日，本集團已訂約購建之物業、廠房和設備之資本承擔約達人民幣534,864,000元。主要以內部資源所得款項淨額撥付。

重大投資、收購及出售

本集團正於越南投資面料及成衣工廠，截至二零一七年六月三十日止六個月，本集團於越南之累計投資額已達約630,000,000美元。

此外，期內本公司概無任何其他重大投資、收購及出售。

資本負債比率

於二零一七年六月三十日，本集團之資本負債比率為12.1%，由未償還總借貸(包括可換股債券之債務部分餘額)佔本公司股權持有人應佔權益百分比計算。

Employment, training and development

As at 30 June 2017, the Group employed approximately 81,580 employees in total. Total staff costs, including administrative and management staff, accounted for approximately 30.2% (for the six months ended 30 June 2016: 28.5%) of the Group's sales during the reporting period. 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. In addition, the Company also offered staff rewards or other form of incentives to motivate personal growth and career development of the employees, such as the Group offering continuous training to the employees to enhance their technical and product knowledge as well as their knowledge of industry quality standards. All new employees of the Group are required to attend an introductory course, while there are also various types of training courses available to all employees attending.

Capital expenditure and capital commitments

For the six months ended 30 June 2017, the Group's total investment in property, plant and equipment, prepaid land lease payments and intangible assets amounted to approximately RMB535,960,000, of which approximately 49% was used for the acquisition of production equipment, approximately 46% for the construction and acquisition of new factory buildings and land lease prepayments, and the remaining balance was used for the purchase of other fixed assets and softwares.

As at 30 June 2017, the Group had contracted capital commitments of approximately RMB534,864,000 in connection with the acquisition and construction of properties, plants and equipment, which will be mainly financed by the net proceeds from internal resources.

Significant Investments, Acquisitions And Disposals

The Group is investing in a fabrics and garment plant in Vietnam. For the six months ended 30 June 2017, the Group's aggregate investment amount in Vietnam has reached approximately US\$630,000,000.

Save for the aforesaid, the Company did not have any other significant investments, acquisitions and disposals during the reporting period.

Gearing ratio

As at 30 June 2017, the Group's gearing ratio was 12.1%, calculated according to the total outstanding borrowings (including the outstanding balance of the liability component of convertible bonds) as a percentage of equity attributable to the equity holders of the Company.

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

或然負債

於二零一七年六月三十日，本集團概無任何重大或然負債(二零一六年十二月三十一日：無)。

Contingent liabilities

As at 30 June 2017, the Group has no significant contingent liability. (at 31 December 2016: Nil)

未來前景及策略

當前紡織服裝行業之經營環境更趨嚴峻，全球經濟增長放緩，美國、歐盟及日本等主要進口市場之消費需求疲軟；全球品牌商之採購向越南、孟加拉、印度等低成本國家轉移；人工成本之上升無放緩跡象，環境資源對行業之約束加大。受艱難之經營環境影響，行業尚在繼續進行整合。未來發展策略上，本集團將堅持以企業可持續發展為中心，進一步加大研發投入，持續提升生產效率，擴大海外基地之產能規模，以在行業整合中獲取更大之市場份額。

本集團將繼續提升企業的可持續發展能力，尤其通過設備更新、工藝改進等措施進一步提高節能減排之效果，並加大與外部科研機構在環保項目上的研發合作。此外，本集團將推進在人力資源儲備及企業運行合規性上的持續改善。

本集團將以科技創新為企業發展之重要驅動力，持續引進和培養優秀之人才，在現有技術中心基礎上，將新建綜合性的研發中心，並加強與外部科研機構之合作交流。通過創新研發，為客戶提供差異化之優質產品，以迎合消費者之需求升級。

FUTURE PROSPECTS AND STRATEGIES

The current operating environment for the textiles and apparels industry is more challenging than ever, with global economic growth slowing down and consumer demand in major import markets such as the U.S., the Euro zone and Japan weakening; global brand procurement is transferring to low cost countries such as Vietnam, Bangladesh, and India; there is no sign of a slowdown in the inflation of wage costs, and the limitations of environmental resources on the industry is increasing. Impacted by the difficult operating environment, the industry is still continuing to conduct integration. In our future development strategy, the Group will insist on sustainable corporate development as our core, further increasing R&D investment, sustaining growth in productivity, and expanding the size of production capacity in our overseas bases, in order to obtain a larger market share in the integration of the industry.

The Group will continue to increase our enterprise sustainable development capability, particularly through measures such as equipment renewal and technical improvement to further increase the effect of energy savings and emissions reductions, and expand R&D collaboration with external scientific research organisations on environmental protection projects. Additionally, the Group will advance the continued improvement of human resource retention and compliance in enterprise operations.

The Group will take scientific and technological innovation as a major driver of our corporate development, continue to introduce and train outstanding talents, construct a new integrated R&D center on the basis of our existing technology center, and strengthen cooperative exchange with external scientific research organisations. Through innovative R&D, we will provide differentiated quality products to clients, in order to meet the escalating demands of consumers.

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

本集團將繼續擴大越南和柬埔寨海外生產基地之產能規模，使其實際產能達到預定之設計目標，以有利於進一步降低固定成本之分攤。基於中國大陸不斷上升之生產成本及資源供給的有限性，本集團將根據海外生產基地的實際運行情況，亦有可能在現有擴充計劃上再進一步加大投資規模，並為此做好相應之前期準備。

本集團將持續提升企業之生產效率，擴大自動化設備在生產上的應用範圍，細化精益生產管理工作，加強對基層管理幹部的持續培訓，以及通過提高福利及改善待遇來更好的穩定員工，努力提高生產效率來應對持續上漲之生產成本。

服裝市場之龐大消費需求，為企業之進一步發展提供了機會。本集團正視行業目前所處之艱難環境，通過創新變革，借助現代科技來改進傳統行業之生產模式，持續提升本集團於行業中的競爭力，我們對未來之發展前景充滿信心。

The Group will continue to expand the size of the production capacity of its overseas production bases in Vietnam and Cambodia, so that its actual production capacity will reach its expected and designed target, in order to benefit further lowering of fixed costs amortising. As production costs in China continue to rise and resource supplies are limited, the Group will, based on the actual operating conditions of its overseas production bases, consider further increasing the size of its investment on the basis of existing expansion plans, and will make the corresponding advanced preparations for such a move.

The Group will continue to increase our corporate productivity, expand the application scope of automation equipment in production, refine and streamline production management work, strengthen the sustained training of grassroots management cadets, and improve staff retention through raising welfare and improving conditions, striving to raise productivity to counter the sustained inflation of production costs.

The massive consumer demand in the apparels market provides opportunity for our enterprise to further development. The Group takes on the difficult challenges faced by the industry head on, and through innovative reforms and relying on modern technology to improve production models of traditional industry, will continue to raise the competitiveness of the Group in the industry. We are fully confident in our future prospects.

中期綜合損益表

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

未經審核

Unaudited

截至六月三十日止六個月

For the six months ended 30 June

		附註 Notes	二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
收入	REVENUE	4	8,263,585	6,951,773
銷售成本	Cost of sales	5	(5,647,242)	(4,735,992)
毛利	Gross profit		2,616,343	2,215,781
其他收入	Other income	6	400,507	330,911
銷售及分銷成本	Selling and distribution expenses	5	(214,045)	(166,456)
行政開支	Administrative expenses	5	(592,312)	(519,965)
其他開支	Other expenses	7	(65,357)	(53,746)
融資成本	Finance costs	8	(66,521)	(53,724)
應佔一間聯營公司利潤	Share of profits of an associate	13	1,551	993
除稅前利潤	PROFIT BEFORE TAX		2,080,166	1,753,794
所得稅開支	Income tax expense	9	(294,768)	(303,763)
期內利潤	Profit for the period		1,785,398	1,450,031
以下人士應佔權益：	Attributable to:			
本公司擁有人	Owners of the Company		1,798,664	1,449,896
非控制性權益	Non-controlling interests		(13,266)	135
			1,785,398	1,450,031
本公司普通股股權 持有人應佔每股盈利	EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	10		
基本	Basic		人民幣1.27元	人民幣1.04元
– 期內利潤	– For profit for the period		RMB1.27	RMB1.04
攤薄	Diluted		人民幣1.22元	人民幣0.99元
– 期內利潤	– For profit for the period		RMB1.22	RMB0.99

第28頁至50頁的附註為該等中期綜合財務報表的組成部份。

The notes on pages 28 to 50 form an integral part of these interim consolidated financial statements.

中期綜合全面收益表

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

未經審核

Unaudited

截至六月三十日止六個月

For the six months ended 30 June

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
期內利潤	Profit for the period	1,785,398	1,450,031
其他全面收益	Other comprehensive income		
換算境外業務之 匯兌盈利	Exchange gain on translation of foreign operations	12,194	85,845
期內其他全面收益 (除稅後)	Other comprehensive income for the period, net of tax	12,194	85,845
期內全面收益總額	Total comprehensive income for the period	1,797,592	1,535,876
以下人士應佔權益：	Attributable to:		
本公司擁有人	Owners of the Company	1,815,875	1,535,741
非控制性權益	Non-controlling interests	(18,283)	135
		1,797,592	1,535,876

第28頁至50頁的附註為該等中期綜合財務報表的組成部份。

The notes on pages 28 to 50 form an integral part of these interim consolidated financial statements.

中期綜合財務狀況表

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一七年六月三十日 As at 30 June 2017

			未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
	附註 Notes			
非流動資產	NON-CURRENT ASSETS			
物業、廠房及設備	Property, plant and equipment	12	7,018,984	7,013,037
預付土地租賃款項	Prepaid land lease payments	12	978,054	923,172
無形資產	Intangible assets	12	100,874	105,228
抵押存款	Pledged deposits	19	500,000	500,000
存放於銀行的長期定期存款	Long-term time deposits at banks		150,000	350,000
長期預付款項	Long-term prepayments	15	45,899	78,328
於一間聯營公司之投資	An investment in an associate	13	8,724	7,173
遞延稅項資產	Deferred tax assets		7,516	3,629
總非流動資產	Total non-current assets		8,810,051	8,980,567
流動資產	CURRENT ASSETS			
存貨	Inventories	14	4,341,319	3,699,090
應收賬款及票據	Trade and bills receivables	15	2,402,518	2,652,707
預付款項、按金及 其他應收款項	Prepayments, deposits and other receivables	16	913,238	674,236
應收關聯人士款項	Amounts due from related parties	26b	1,827	826
委託貸款	Entrusted loans	17	150,000	150,000
可供出售投資	Available-for-sale investments	18	2,915,000	3,120,000
抵押存款	Pledged deposits	19	300,000	—
初始存款期逾三個月 之銀行存款	Bank deposits with an initial term of over three months		547,355	433,452
現金及現金等價物	Cash and cash equivalents		1,972,595	2,105,184
總流動資產	Total current assets		13,543,852	12,835,495
流動負債	CURRENT LIABILITIES			
應付賬款	Trade payables	20	864,239	758,217
預收賬款	Advances from customers		11,708	16,650
其他應付款項及應計款項	Other payables and accruals	21	667,887	787,074
計息銀行借貸	Interest-bearing bank borrowings	22	1,664,102	1,241,433
應付一名關聯人士款項	Amounts due to a related party	26b	2,384	—
應付稅款	Tax payable		253,523	291,108
總流動負債	Total current liabilities		3,463,843	3,094,482
淨流動資產	NET CURRENT ASSETS		10,080,009	9,741,013
總資產減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		18,890,060	18,721,580

中期綜合財務狀況表(續)
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

於二零一七年六月三十日 As at 30 June 2017

		附註 Note	未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
非流動負債	NON-CURRENT LIABILITIES			
可換股債券	Convertible bonds	23	525,897	3,410,145
遞延稅項負債	Deferred tax liabilities		3,197	1,833
總非流動負債	Total non-current liabilities		529,094	3,411,978
淨資產	Net assets		18,360,966	15,309,602
權益	EQUITY			
本公司擁有人應佔權益	Equity attributable to owners of the Company			
股本	Share capital		149,784	142,105
儲備	Reserves		18,012,807	14,950,839
			18,162,591	15,092,944
非控制性權益	Non-controlling interests		198,375	216,658
總權益	Total equity		18,360,966	15,309,602

第28頁至50頁的附註為該等中期綜合財務報表的組成部份。

The notes on pages 28 to 50 form an integral part of these interim consolidated financial statements.

中期綜合權益變動表

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

		本公司擁有人應佔										非控制 性權益	總權益
		Attributable to owners of the Company											
		股本	股份溢價賬	可換股債券 之權益部分	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			
		Share capital	Share premium account	component of convertible bonds	Statutory surplus reserve	Exchange fluctuation reserve	equity benefits 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	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		
截至二零一六年 六月三十日止 六個月(未經審核)	For the six months ended 30 June 2016 (unaudited)												
於二零一六年 一月一日的結餘	Balance at 1 January 2016	142,105	661,648	197,140	1,150,505	10,134	48,191	9,610,269	1,254,128	13,074,120	15,716	13,089,836	
期內全面收益總額	Total comprehensive income for the period	—	—	—	—	85,845	—	1,449,896	—	1,535,741	135	1,535,876	
轉撥非控制性權益	Transfer of non- controlling interests	—	—	—	—	—	—	—	—	—	(4,423)	(4,423)	
宣派二零一五年 末期股息	Final 2015 dividend declared	—	—	—	—	—	—	—	(1,254,128)	(1,254,128)	—	(1,254,128)	
於二零一六年 六月三十日的結餘	Balance at 30 June 2016	142,105	661,648	197,140	1,150,505	95,979	48,191	11,060,165	—	13,355,733	11,428	13,367,161	
		本公司擁有人應佔										非控制 性權益	總權益
		Attributable to owners of the Company											
		股本	股份溢價賬	可換股債券 之權益部分	法定盈餘 公積金	匯兌 波動儲備	僱員股權 福利儲備	其他儲備	保留盈利	擬派 末期股息	總計		
		Share capital	Share premium account	component of convertible bonds	Statutory surplus reserve	Exchange fluctuation reserve	equity benefits reserve	Other 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	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		
截至二零一七年 六月三十日止 六個月(未經審核)	For the six months ended 30 June 2017 (unaudited)												
於二零一七年 一月一日的結餘	Balance at 1 January 2017	142,105	54,461	197,140	1,171,416	187,080	48,191	148,333	11,642,531	1,501,687	15,092,944	216,658	15,309,602
期內全面收益總額	Total comprehensive income for the period	—	—	—	—	17,211	—	—	1,798,664	—	1,815,875	(18,283)	1,797,592
兌換可換股債券	Conversion of convertible bonds	7,679	3,007,483	(166,103)	—	—	—	—	—	—	2,849,059	—	2,849,059
宣派二零一六年 末期股息	Final 2016 dividend declared	—	(93,600)	—	—	—	—	—	—	(1,501,687)	(1,595,287)	—	(1,595,287)
於二零一七年 六月三十日的結餘	Balance at 30 June 2017	149,784	2,968,344	31,037	1,171,416	204,291	48,191	148,333	13,441,195	—	18,162,591	198,375	18,360,966

第28頁至50頁的附註為該等中期綜合財務報表的組成部份。

The notes on pages 28 to 50 form an integral part of these interim consolidated financial statements.

中期綜合現金流量表

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

未經審核

Unaudited

截至六月三十日止六個月

For the six months ended 30 June

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 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	2,080,166	1,753,794
調整：	Adjustment for:		
融資成本	Finance costs	66,521	53,724
應佔一間聯營公司利潤	Share of profits of an associate	(1,551)	(993)
利息收入	Interest income	(77,187)	(79,208)
出售物業、廠房及設備項目之虧損	Loss on disposal of items of property, plant and equipment	22,598	3,178
未實現的融資活動匯兌(收益)/虧損	Unrealised exchange (gain)/loss from financing activities	(74,750)	63,261
物業、廠房及設備項目折舊	Depreciation of items of property, plant and equipment	366,150	298,533
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	11,899	11,475
無形資產攤銷	Amortisation of intangible assets	7,008	5,718
		2,400,854	2,109,482
存貨增加	Increase in inventories	(642,229)	(63,354)
應收賬款及票據減少/(增加)	Decrease/(increase) in trade and bills receivables	250,189	(73,247)
預付款項、按金及其他應收款項增加	Increase in prepayments, deposits and other receivable	(96,900)	(9,052)
應收關聯人士款項增加	Increase in amounts due from related parties	(1,001)	(230)
應付帳款增加	Increase in trade payables	106,022	52,899
預收賬款(減少)/增加	(Decrease)/increase in advances from customers	(4,942)	2,036
其他應付款項及應計款項(減少)/增加	(Decrease)/increase in other payables and accruals	(152,434)	19,478
應付一名關聯人士款項增加	Increase in amounts due to a related party	2,384	3,754
經營業務所得現金	Cash generated from operations	1,861,943	2,041,766
已付利息	Interest paid	(25,572)	(6,901)
已付香港利得稅	Hong Kong profits tax paid	—	(135)
已付中國企業所得稅	PRC corporate income tax paid	(334,414)	(344,939)
經營業務所得現金流量淨額	Net cash flows from operating activities	1,501,957	1,689,791

中期綜合現金流量表(續)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
投資業務所用現金流量	CASH FLOWS USED IN INVESTING ACTIVITIES		
已收利息	Interest received	67,898	128,488
購置物業、廠房及設備項目	Purchases of items of property, plant and equipment	(569,948)	(1,087,080)
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	515	2,734
支付預付土地租賃款項	Payments of prepaid land lease payments	(32,260)	—
長期預付款項減少	Decrease in long-term prepayments	32,429	—
收購其他無形資產	Purchases of other intangible assets	(2,529)	(4,459)
收購一間附屬公司	Payment for acquisition of a subsidiary	(35,657)	—
抵押存款(增加)/減少	(Increase)/decrease in pledged deposits	(300,000)	1,380,905
委託貸款減少	Decrease in entrusted loans	—	500,000
結構存款減少	Decrease in structured deposits	—	110,000
可供出售投資減少/(增加)	Decrease/(increase) in available-for-sale investments	205,000	(1,580,000)
銀行存款減少/(增加)	Decrease/(increase) in bank deposits	86,096	(509,001)
投資活動所用現金流量淨額	Net cash flows used in investing activities	(548,456)	(1,058,413)
融資活動所用現金流量	CASH FLOWS USED IN FINANCING ACTIVITIES		
新借銀行貸款	New bank loans	832,912	1,356,124
償還銀行貸款	Repayment of bank loans	(402,294)	(591,547)
收購非控制性權益	Acquisition of non-controlling interest	—	(4,423)
向本公司擁有人派付股息	Dividends paid to owners of the Company	(1,590,418)	(1,254,128)
已付利息	Interest paid	(1,388)	(8,251)
融資活動所用現金流量淨額	Net cash flows used in financing activities	(1,161,188)	(502,225)

中期綜合現金流量表(續)
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

未經審核
Unaudited
截至六月三十日止六個月
For the six months ended 30 June

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
現金及現金等價物(減少)/增加淨額	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(207,687)	129,153
期初現金及現金等價物	Cash and cash equivalents at beginning of the period	2,105,184	1,815,678
匯率變動之影響淨額	Effect of foreign exchange rate changes, net	75,098	39,908
期末現金及現金等價物	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,972,595	1,984,739
現金及現金等價物結餘分析	ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
現金及銀行結餘	Cash and bank balances	1,954,358	1,950,761
於獲取時原定少於三個月到期之定期存款	Time deposits with original maturity of less than three months when acquired	18,237	33,978
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	1,972,595	1,984,739

第28頁至50頁的附註為該等中期綜合財務報表的組成部份。

The notes on pages 28 to 50 form an integral part of these interim consolidated financial statements.

中期簡明綜合財務報表附註

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

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。

除另有指明外，該等未經審核中期綜合財務報表均以人民幣(「人民幣」)列值，且所有數值均按四捨五入法調整至最接近千位。董事會於二零一七年八月二十日批准刊發該等未經審核中期簡明綜合財務報表。

2. 編製基準

截至二零一七年六月三十日止六個月的該等未經審核中期簡明綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務申報」及香港聯合交易所有限公司證券上市規則之披露規定編製。該等未經審核中期簡明綜合財務報表不包括全年財務報表所需之一切資料及披露，並應與根據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」)編製之截至二零一六年十二月三十一日止年度的全年財務報表一併閱覽。

1. GENERAL 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 and its subsidiaries (collectively referred to as the "Group") are principally engaged in the manufacture and sale of knitwear products.

These unaudited interim condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand, except when otherwise stated. These unaudited interim condensed consolidated financial statements have been approved for issue by the Board on 20 August 2017.

2. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

中期簡明綜合財務報表附註(續)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

3. 重要會計政策

除採納如下列示的自二零一七年一月一日起生效之修訂準則外，編製中期簡明綜合財務報表時採用之會計政策與編製本集團截至二零一六年十二月三十一日止年度之年度綜合財務報表時所採用者一致：

(a) 本集團採納之經修訂準則

集團於二零一七年一月一日起之財政年度首次應用下列修訂準則。

香港會計準則 第7號修訂本	披露計劃
香港會計準則 第12號修訂本	就未變現虧損 確認遞延稅項 資產
二零一四至二零一 六年週期之年度 改進所載香港財 務報告準則 第12號之修訂	於其他實體之 權益披露

應用以上修訂香港財務報告準則對財務報表沒有重大財務影響。

(b) 已頒佈但尚未生效之香港財務報告準則

本集團並無於該等財務報表內應用下列已頒佈但尚未生效之經修訂香港財務報告準則。

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016, except for the adoption of the revised standards and interpretations effective on 1 January 2017, noted below:

(a) Revised standards adopted by the Group

The Group has adopted the following revised standards for the first time for the financial year beginning 1 January 2017.

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRS 12 included in <i>Annual Improvements</i> 2014–2016 Cycle	<i>Disclosure of Interests in Other Entities</i>

The adoption of these revised HKFRSs has had no significant financial effect on these financial statements.

(b) Issued but not effective HKFRSs

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

中期簡明綜合財務報表附註(續)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

3. 重要會計政策(續)

(b) 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則 第2號修訂本	股份支付交易的 分類及計量 ¹
香港財務報告準則 第4號修訂本	與香港財務報告準則 第4號保險合約 一併應用的香港 財務報告準則 第9號金融工具 ¹
香港財務報告準則 第9號	金融工具 ¹
香港財務報告準則 第10號與香港會計 準則第28號修訂本 (二零一一年)	投資者與其聯營 公司或合營公司 間之資產出售或 注資 ³
香港財務報告準則 第15號	客戶合約收入 ¹
香港財務報告準則 第15號修訂本	對香港財務報告準則 第15號客戶合約 收入的澄清 ¹
香港財務報告準則 第16號	租賃 ²
香港會計準則第40號 修訂本	轉讓投資物業 ¹
香港(國際財務報告 詮釋委員會)一 詮釋第22號	外幣交易及預付 代價 ¹
香港(國際財務報告 詮釋委員會)一 詮釋第23號	稅務處理的不確 定性 ²
二零一四至二零一六 年週期之年度改進 所載香港會計準則 第28號之修訂	於聯營公司及合營 企業的投資 ¹

- ¹ 於二零一八年一月一日或之後開始的年度期間生效
- ² 於二零一九年一月一日或之後開始的年度期間生效
- ³ 並未釐定強制性生效日期，但可提早採納

本集團正評估首次應用新訂及經修訂香港財務報告準則的影響。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Issued but not effective HKFRSs (Continued)

Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
HKFRS 9	Financial Instruments ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers ¹
HKFRS 16	Leases ²
Amendments to HKAS 40	Transfers of Investment Property ¹
HK (IFRIC) Interpretation 22	Foreign Currency Transactions and Advance Consideration ¹
HK (IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments ²
Amendments to HKAS 28 included in Annual Improvements 2014–2016 Cycle	Investments in Associates and Joint Ventures ¹

- ¹ Effective for annual periods beginning on or after 1 January 2018
- ² Effective for annual periods beginning on or after 1 January 2019
- ³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application.

中期簡明綜合財務報表附註(續)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

4. 分部資料

為方便管理，本集團按其產品劃分為不同業務單元，其中只有一個呈報經營分部：製造及銷售針織服裝產品。管理層以各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。

地區資料

(a) 按貨物交付地劃分之外部客戶收入

4. SEGMENT INFORMATION

For management purposes, the Group is organized 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.

Geographical information

(a) Revenue from external customers by location of goods delivery

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
中國內地	Mainland China	1,977,013	1,651,105
歐盟	European Union	1,930,968	1,519,001
日本	Japan	1,496,797	1,484,553
美國	United States of America	1,025,146	707,460
其他區域	Other regions	1,833,661	1,589,654
		8,263,585	6,951,773

(b) 非流動資產

(b) Non-current assets

		未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
中國內地	Mainland China	4,992,494	4,816,266
越南	Vietnam	3,023,071	3,161,473
柬埔寨	Cambodia	121,864	135,094
其他區域	Other regions	6,382	6,932
		8,143,811	8,119,765

中期簡明綜合財務報表附註(續)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

4. 分部資料(續)

地區資料(續)

(b) 非流動資產(續)

上述非流動資產資料乃按資產所在地劃分，並不包括抵押存款、長期定期銀行存款、於一間聯營公司之投資及遞延稅項資產。

主要客戶之資料

來自以下主要客戶之收入分別佔本集團總收入10%或以上：

4. SEGMENT INFORMATION (Continued)

Geographical information (Continued)

(b) Non-current assets (Continued)

The non-current asset information above is based on the locations of the assets and excludes pledged deposits, long-term time deposits at banks, an investment in an associate and deferred tax assets.

Information about major customers

Revenue from major customers which individually accounts for 10% or more of the Group's total revenue are as follows:

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
客戶甲	Customer A	2,393,026	1,828,948
客戶乙	Customer B	1,678,398	1,598,332
客戶丙	Customer C	1,629,304	1,479,731
客戶丁	Customer D	844,308	580,756
		6,545,036	5,487,767

中期簡明綜合財務報表附註(續)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

5. 按性質分類的費用

包括銷售成本、銷售及分銷成本和行政開支之內費用分析如下：

5. EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
僱員福利開支	Employee benefit expenses		
工資及薪金	Wages and salaries	2,192,404	1,801,439
退休福利供款	Retirement benefit contributions	236,179	110,994
其他福利	Other benefits	69,117	71,754
		2,497,700	1,984,187
折舊、攤銷及減值開支	Depreciation, amortisation and impairment expenses	385,057	315,726
製成品及在製品的存貨變動	Changes in inventories of finished goods and work in progress	(484,111)	(196,772)
所用的原材料及消耗品	Raw materials and consumables utilized	3,272,864	2,647,141
公用開支	Utilities expenses	341,644	294,662
運輸開支	Transportation expenses	76,812	63,005
物業經營租賃開支	Operating lease expenses for properties	67,215	47,416
外包	Outsourcing	41,570	34,170
辦公室開支	Office expenses	40,177	22,359
修理費	Repair expenses	32,296	27,672
稅費	Taxation	31,397	44,559
排污費	Charges for disposing pollutants	14,883	14,676
差旅費	Traveling expenses	9,208	9,163
交際開支	Entertainment expenses	8,780	9,254
檢測費	Inspection fees	6,515	5,719
捐贈	Donation	1,248	1,132
其他開支	Other expenses	110,344	98,344
總銷售成本、銷售及分銷成本和行政開支	Total cost of sales, selling and distribution costs and administrative expenses	6,453,599	5,422,413

中期簡明綜合財務報表附註(續)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

6. 其他收入

6. OTHER INCOME

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
其他收入	Other income		
政府獎勵	Government incentives	314,832	238,541
銀行利息收入	Bank interest income	72,375	63,523
委託貸款利息收入	Interest income from entrusted loans	4,812	15,685
租金收入	Rental income	8,488	13,162
		400,507	330,911

7. 其他開支

7. OTHER EXPENSES

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
出售物業、廠房及設備項目 之虧損	Loss on disposal of items of property, plant and equipment	22,598	3,178
租賃成本	Rental cost	4,866	5,301
匯兌損失淨額	Exchange losses, net	37,893	45,267
		65,357	53,746

中期簡明綜合財務報表附註(續)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

8. 融資成本

8. FINANCE COSTS

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
須於五年內悉數償還之 銀行貸款、透支及其他貸款 之利息	Interest on bank loans, overdrafts and other loans wholly repayable within five years	25,573	6,901
可換股債券之利息	Interest on convertible bonds	40,948	46,823
		66,521	53,724

9. 所得稅

9. INCOME TAX

截至二零一七年及二零一六年六月三十日止六個月之所得稅開支主要成分為：

The major components of income tax expenses for the six months ended 30 June 2017 and 2016 are:

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
香港之當期利得稅	Current Hong Kong profits tax	14,223	3,271
中國大陸之當期企業 所得稅(「企業所得稅」)	Current Mainland China corporate income tax ("CIT")	283,068	298,590
遞延稅項	Deferred taxation	(2,523)	1,902
		294,768	303,763

中期簡明綜合財務報表附註(續)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

9. 所得稅(續)

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、收入、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%(截至二零一六年六月三十日止六個月:16.5%)之稅率繳付香港利得稅。

於英屬處女群島(「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,於英屬處女群島註冊成立之附屬公司永泰投資有限公司(「永泰」)、百事達投資有限公司、百事達集團有限公司、馬威(B.V.I.)有限公司及德利有限公司均毋須納稅。由於永泰於香港從事物業租賃業務,故其於香港產生之估計應課稅利潤須按16.5%(截至二零一六年六月三十日止六個月:16.5%)之稅率繳付香港利得稅。

根據柬埔寨王國稅務法,於柬埔寨王國註冊成立之全資附屬公司申洲(柬埔寨)有限公司(「申洲柬埔寨」)及大千紡織(柬埔寨)有限公司(「大千柬埔寨」)須按20%稅率繳納所得稅,及大千柬埔寨自二零一五年開始的四個獲利年度獲豁免繳納所得稅。申洲柬埔寨於期內並無應課稅利潤。

於香港註冊成立之全資附屬公司申洲貿易有限公司、永泰(香港)投資有限公司及馬威(香港)有限公司須按16.5%(截至二零一六年六月三十日止六個月:16.5%)稅率就於香港產生之估計應課稅利潤繳納利得稅。

9. INCOME TAX (Continued)

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 enacted in the Cayman Islands imposing any tax to be levied on profits, income, 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 a rate of 16.5% (for the six months ended 30 June 2016: 16.5%) on the estimated assessable profits arising in Hong Kong.

The subsidiaries incorporated in the British Virgin Islands ("BVI") are not subject to income tax as these subsidiaries do not have a place of business (but only a registered office) or carry on any business in the BVI. Accordingly, Top Always Investments Ltd. ("Top Always"), Buddies Investments Limited, Buddies Group Limited, Maxwin (B.V.I.) Limited and Gain Lucky Co., Ltd., subsidiaries incorporated in the BVI, are not subject to tax. As Top Always was engaged in the property leasing business in Hong Kong, it is subject to Hong Kong profits tax at a rate of 16.5% (for the six months ended 30 June 2016: 16.5%) on the estimated assessable profit arising in Hong Kong.

Pursuant to the Law of Taxation in Cambodia, Shenzhou (Cambodia) Co., Ltd. ("Shenzhou Cambodia") and Daqian Textile (Cambodia) Co., Ltd. ("Daqian Cambodia"), wholly-owned subsidiaries incorporated in the Kingdom of Cambodia, are subject to income tax at a rate of 20%, and Daqian Cambodia is entitled to an exemption from income tax for the first four profit-making years starting from 2015. Shenzhou Cambodia had no assessable profits during the reporting period.

Shenzhou Trading Company Limited, Top Always (Hong Kong) Investments Limited and Maxwin (Hong Kong) Limited, wholly-owned subsidiaries incorporated in Hong Kong, are subject to profits tax at a rate of 16.5% (for the six months ended 30 June 2016: 16.5%) on the estimated assessable profits arising in Hong Kong.

9. 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30%就於日本產生之應課稅利潤繳納稅項。由於期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。

於越南註冊成立之全資附屬公司Gain Lucky (Vietnam) Limited (「德利越南」) 和 Worldon (Vietnam) Company Limited (「世通越南」) 須按稅率20%繳納所得稅，且於首兩個獲利年度獲豁免繳納所得稅並於第三年至第六年按較低稅率10%繳納所得稅。稅項優惠期將自首個獲利年度或自其成立起計第四年(以較早者為準)起計。此外，根據越南法律及法規，倘(a)德利越南及世通越南於二零一六年六月及二零一八年一月前分別繳納至少60,000億越南盾(約3億美元)的總投資額及；(b)自其產生收入之日起三年內可保持最低年收入5億美元，或自首次產生收入之日起三年內僱傭超過3,000名員工，其可按較低稅率10%繳納所得稅，並可獲豁免首四年，及其後九年可減免50%所得稅。德利越南於二零一六年已符合上述標準，享有稅項優惠。世通越南於期內並無應課稅利潤。

由於根據澳門相關稅法，於澳門註冊成立之全資附屬公司百事達(澳門離岸商業服務)有限公司(「百事達澳門」)獲豁免繳納澳門所得稅，故並無就百事達澳門作出澳門所得稅撥備。

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須就應課稅收入按25%之稅率繳稅(根據新企業所得稅法釐定)。

9. 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 30% 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 reporting period.

Gain Lucky (Vietnam) Limited ("Gain Lucky Vietnam") and Worldon (Vietnam) Company Limited ("Worldon Vietnam"), wholly-owned subsidiaries incorporated in Vietnam, are subject to income tax at a rate of 20%, and are entitled to be exempted from income tax for the first two profit-making years and subject to a lower tax rate of 10% from the third year to the sixth year. The period of tax privilege will start from the earlier of first profit-making year or the fourth year since its establishment. Furthermore, under the laws and regulations of Vietnam, provided that (a) the total investment of at least VND6,000 billion (approximately US\$300 million) is paid by June 2016 and January 2018 for Gain Lucky Vietnam and Worldon Vietnam, respectively; and (b) it maintains a minimum annual revenue of US\$500 million within three years from the date of generating revenue, or is employs more than 3,000 staff members within three years from the date on which revenue is first generated, it will be subject to a lower profits tax rate of 10%, and the profits tax will be waived for the four years and 50% of its profits tax will be waived for the nine years thereafter. Gain Lucky Vietnam had met the aforesaid criteria in 2016 and is entitled to enjoy the tax privilege. Worldon Vietnam had no assessable profits during the reporting period.

No provision for Macao Complementary Tax has been made for Buddies (Macao Commercial Offshore) Limited ("Buddies Macao"), a wholly-owned subsidiary incorporated in Macao, as Buddies Macao is exempted from Macao Complementary Tax pursuant to Macao's relevant tax legislations.

Pursuant to the Corporate Income Tax Law of the People's Republic of China (the "New CIT Law"), the PRC subsidiaries for the period as determined in accordance with the New CIT Law are subject to a tax rate of 25% on their assessable income.

中期簡明綜合財務報表附註(續)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

9. 所得稅(續)

於二零一六年，於中國大陸成立之全資附屬公司寧波大千紡織品有限公司(「大千紡織」)乃合資格作為浙江省之高新技術企業。因此，大千紡織有權於二零一六年一月一日起計三年享有所得稅優惠稅率15%。

10. 本公司普通股股權持有人應佔每股盈利

(a) 基本

期內本公司普通股股權持有人應佔每股盈利乃按照本公司股權持有人應佔綜合利潤約人民幣1,798,664,000元(截至二零一六年六月三十日止六個月：人民幣1,449,896,000元)以及已發行普通股的加權平均數1,412,837,323股(截至二零一六年六月三十日止六個月：1,399,000,000股)計算。

(b) 攤薄

每股攤薄盈利假設所有具攤薄潛力的普通股已獲兌換而對發行在外之普通股加權平均股數作出調整計算。本公司只有一類具攤薄潛力的普通股：可換股債券。當中假設可換股債券已轉換為普通股，而淨利潤亦作調整以抵銷利息開支減稅項影響。

11. 股息

根據董事會於二零一七年八月二十日通過之一項決議案，董事會宣布派發中期股息每股0.70港元(截至二零一六年六月三十日止六個月：無)，按二零一七年六月三十日止已發行股數暫估，總計約1,040,643,000港元(約人民幣903,174,000元)。此宣派股息尚未於本簡明中期綜合財務資料內反映為應付股息，惟將於截至二零一七年十二月三十一日止年度反映為分派儲備。

9. INCOME TAX (Continued)

During 2016, Ningbo Daqian Knitwear Co., Ltd ("Daqian Knitting"), a wholly-owned subsidiary established in Mainland China, was qualified as a High-New Technology Enterprise of Zhejiang Province. As a result, Daqian Knitting had been entitled to a concessionary rate of income tax at 15% for three years commencing 1 January 2016.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

(a) Basic

The calculation of earnings per share attributable to ordinary equity holders of the company for the period is based on the consolidated profit attributable to equity holders of the company of approximately RMB1,798,664,000 (for the six months ended 30 June 2016: RMB1,449,896,000) and on the weighted average number of 1,412,837,323 (for the six months ended 30 June 2016: 1,399,000,000) ordinary shares in issue.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares: convertible bonds. The convertible bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the effect of interest expense.

11. DIVIDEND

Pursuant to resolution passed by the Board on 20 August 2017, the Board declared an interim dividend of HK\$0.70 per share (for the six months ended 30 June 2016: Nil), totaling approximately HK\$1,040,643,000 (equivalent to approximately RMB903,174,000), estimated based on the shares in issue as at 30 June 2017. This declared dividend is not reflected as a dividend payable in this condensed interim consolidated financial information, but will be reflected as an appropriation of reserve for the year ending 31 December 2017.

中期簡明綜合財務報表附註(續)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

12. 資本開支

12. CAPITAL EXPENDITURES

		物業、廠房 及設備 Property, plant and equipment 人民幣千元 RMB'000	預付土地 租賃款項 Prepaid land lease payments 人民幣千元 RMB'000	用水權 Water use right 人民幣千元 RMB'000	軟件 Software 人民幣千元 RMB'000
未經審核	Unaudited				
截至二零一六年	For the six months ended				
六月三十日	30 June 2016				
止六個月					
於二零一六年	Opening net book amount				
一月一日之	at 1 January 2016				
期初帳面淨額		5,549,750	931,255	80,088	29,362
添置	Additions	805,748	—	—	4,459
處置	Disposals	(5,912)	—	—	—
折舊／攤銷	Depreciation/amortisation	(298,533)	(11,475)	(3,225)	(2,493)
匯兌差額	Exchange differences	38,618	7,117	—	202
於二零一六年	Closing net book amount				
六月三十日之	at 30 June 2016				
期末帳面淨額		6,089,671	926,897	76,863	31,530
未經審核	Unaudited				
截至二零一七年	For the six months ended				
六月三十日	30 June 2017				
止六個月					
於二零一七年	Opening net book amount				
一月一日之	at 1 January 2017				
期初帳面淨額		7,013,037	923,172	73,638	31,590
添置	Additions	460,613	72,587	—	2,760
處置	Disposals	(23,113)	—	—	—
折舊／攤銷	Depreciation/amortisation	(366,150)	(11,899)	(3,225)	(3,783)
匯兌差額	Exchange differences	(65,403)	(5,806)	—	(106)
於二零一七年	Closing net book amount				
六月三十日之	at 30 June 2017				
期末帳面淨額		7,018,984	978,054	70,413	30,461

中期簡明綜合財務報表附註(續)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

13. 於一間聯營公司之投資

13. INVESTMENT IN AN ASSOCIATE

	未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
攤佔資產淨額	Share of net assets	8,724
		7,173

寧波艾利申洲針織印花有限公司(「寧波艾利」)為本集團一間聯營公司，並被視為本集團之關聯方。

Ningbo Avery Dennison Shenzhou Knitting and Printing Co., Ltd (“Ningbo Avery”) is an associate of the Group and is considered to be a related party of the Group.

本集團於該聯營公司之持股量由通過本公司一間全資附屬公司持有之30%的權益股份組成。

The Group's shareholding in the associate comprises the 30% equity shares held through a wholly-owned subsidiary of the Company.

下表詳述本集團並非重大之聯營公司之財務資料：

The following table illustrates the financial information of the Group's associate that is not material:

	未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
應佔聯營公司之本期利潤及其他全面收益	Share of the associate's profit for the period and other comprehensive income	1,551	993
本集團於聯營公司投資之賬面值總額	Aggregate carrying amount of the Group's investment in the associate	8,724	5,670

中期簡明綜合財務報表附註(續)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

14. 存貨

14. INVENTORIES

		未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
原材料	Raw materials	946,147	773,025
在製品	Work in progress	1,676,579	1,525,175
製成品	Finished goods	1,749,697	1,416,990
		4,372,423	3,715,190
撥備	Provision	(31,104)	(16,100)
		4,341,319	3,699,090

15. 應收賬款及票據

15. TRADE AND BILLS RECEIVABLES

本集團與客戶之貿易往來主要以信貸形式進行，信貸期介乎六個月以內。高級管理層會定期檢討逾期未付結餘。應收賬款及票據的賬齡分析如下：

The Group's trading terms with its customers are mainly on credit with credit terms of within six months. Overdue balances are reviewed regularly by senior management. The ageing analysis of trade and bills receivables is as follows:

		未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
三個月內	Within three months	2,376,044	2,445,597
三個月以上	Over three months	26,474	207,110
		2,402,518	2,652,707

應收賬款及票據的帳面值與其公允值相若。

The carrying amounts of trade and bills receivables approximate to their fair values.

中期簡明綜合財務報表附註(續)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

16. 預付款項、按金及其他應收款項 16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
即期	Current		
預付款項及按金	Prepayments and deposits		
– 購買原材料	– Purchase of raw materials	168,859	125,029
– 購買物業、廠房及設備項目	– Purchase of items of property, plant and equipment	219,595	86,782
– 預付租金及按金	– Prepaid rental and deposits	127,434	124,375
– 其他	– Others	8,498	15,356
應收及可收回增值稅退款	VAT refund receivable and recoverable	210,797	183,540
應收利息	Interest receivable	79,086	69,797
其他應收款項	Other receivables	98,969	69,357
		913,238	674,236
非即期	Non-Current		
長期預付款項*	Long-term prepayments*	45,899	78,328

預付款項、按金及其他應收款項之賬面值與其公允值相若。

The carrying amounts of the prepayments, deposits and other receivables approximate to their fair values.

* 長期預付款項是土地使用權之預付款項。

* Long-term prepayments represent the payment for land use right.

中期簡明綜合財務報表附註(續)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

17. 委託貸款

17. ENTRUSTED LOANS

	未經審核 Unaudited			經審核 Audited		
	利率(%) Interest rate (%)	到期日 Maturity	二零一七年 六月三十日 30 June 2017 本金金額 人民幣千元 Principal amount RMB'000	利率(%) Interest rate (%)	到期日 Maturity	二零一六年 十二月三十一日 31 December 2016 本金金額 人民幣千元 Principal amount RMB'000
流動 Current						
委託貸款一有擔保 Entrusted loans-guaranteed	6.40	2017	150,000	6.40	2017	150,000

於二零一七年六月三十日，委託貸款由一中國大陸持牌銀行提供擔保。

As at 30 June 2017, entrusted loans are guaranteed by a licensed bank in Mainland China.

18. 可供出售投資

18. AVAILABLE-FOR-SALE INVESTMENTS

	未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
由金融機構發行的金融產品 Financial products issued by financial institutions	2,915,000	3,120,000

於二零一七年六月三十日，由多間金融機構所發行若干帳面值為人民幣2,915,000,000元(二零一六年十二月三十一日：人民幣3,120,000,000元)的金融產品乃按成本減減值入賬。在按各金融機構分組時根據香港聯合交易所有限公司證券上市規則(「上市規則」)第14.07條對該等金融產品進行之相關規模測試均小於5%，故投資於該等金融產品並不構成本公司於上市規則項下之須予通知交易。董事認為彼等之公允值不能可靠計量。金融產品之年期少於一年且預期年回報率最高達4.8%(二零一六年十二月三十一日：4.8%)。根據相關合約或通知，該等金融產品於到期日時保本。本集團不擬於近期出售該等金融產品。

As at 30 June 2017, certain financial products issued by several financial institutions with a carrying amount of RMB 2,915,000,000 (31 December 2016: RMB3,120,000,000) were stated at cost less impairment. The relevant size tests pursuant to Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for such financial products, when grouped by each financial institution, are all less than 5% and the investment in such financial products do not constitute notifiable transactions of the company under the Listing Rules. The directors are of the opinion that their fair value cannot be measured reliably. The financial products have terms of less than one year and have expected annual rates of return up to 4.8% (31 December 2016: 4.8%). Pursuant to the underlying contracts or notices, these financial products are capital guaranteed upon the maturity date. The Group does not intend to dispose them in the near future.

中期簡明綜合財務報表附註(續)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

19. 抵押存款

19. PLEDGED DEPOSITS

		未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
流動	Current		
就外幣掉期作出抵押	Pledged for foreign currency swaps	300,000	—
非流動	Non-current		
就銀行貸款作出抵押	Pledged for bank loans	500,000	500,000
		800,000	500,000

於二零一七年六月三十日，為數43,535,000美元(約人民幣300,000,000元)(二零一六年十二月三十一日：零)之銀行結餘乃已作抵押，直至本集團結清所持的若干外匯掉期為止。該等已抵押存款乃按1.8%的固定利率計息。

於二零一七年六月三十日，若干本集團定期存款人民幣500,000,000元(二零一六年十二月三十一日：人民幣500,000,000元)已就授予本集團之有抵押銀行貸款作抵押。定期存款期限超過一年，固定年利率為3.5%。

As at 30 June 2017, bank balance of US\$43,535,000 (approximately RMB300,000,000) (31 December 2016: Nil) were restricted until certain foreign currency swaps held by the Group are settled. The pledged deposits carry interest at fixed rate of 1.8% per annum.

As at 30 June 2017, certain of the Group's time deposits with an amount of RMB500,000,000 (31 December 2016: RMB500,000,000) were pledged to secured bank loans granted to the Group. The time deposits have terms of more than one year and have fixed annual rates of return at 3.5%.

20. 應付賬款

20. TRADE PAYABLES

於結算日，應付賬款之賬齡分析如下：

An aged analysis of the trade payables as at the balance sheet date is as follows:

		未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
六個月內	Within six months	835,277	739,842
六個月至一年	six months to one year	15,301	4,377
一年至二年	one year to two years	1,813	3,632
二年以上	over two years	11,848	10,366
		864,239	758,217

中期簡明綜合財務報表附註(續)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

21. 其他應付款項及應計款項 21. OTHER PAYABLES AND ACCRUALS

		未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
應計開支	Accrued expenses	350,359	408,765
用水權應付款項	Payable for Water Use Right	76,000	76,000
購置物業、廠房及 設備之應付款項	Payables for purchase of property, plant and equipment	69,725	56,048
有關建築工程之保證金	Guarantee deposits related to construction projects	12,266	9,143
客戶預收款項	Advance from customers	41,552	48,268
租賃按金	Rental deposits	11,077	4,359
應付收購一家附屬公司款項	Payable for acquisition of a subsidiary	10,720	—
其他應付稅項	Other taxes payable	44,878	122,983
應付本公司股東之股息	Dividends payable to Shareholder of the Company	4,869	—
應付非控制性權益之股息	Dividends payable to non-controlling interests	587	587
其他	Others	45,854	60,921
		667,887	787,074

其他應付款項及應計款項之帳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.

22. 計息銀行借貸 22. INTEREST-BEARING BANK BORROWINGS

		未經審核 Unaudited 二零一七年六月三十日 30 June 2017		經審核 Audited 二零一六年十二月三十一日 31 December 2016		
		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					
銀行貸款一無抵押 (按要求償還)	Bank loans-unsecured (due for repayment on demand)	HIBOR+ 0.6-0.7	2018	781,110	HIBOR+ 0.81	2017 357,800
銀行貸款一有抵押 (按要求償還)	Bank loans-secured (due for repayment on demand)	2.6-3.7	2019-2022*	882,992	2.6-3.5	2019-2021 883,633
				1,664,102		1,241,433

* 該等銀行借貸計入流動負債，原因為銀行擁有絕對權力可隨時要求以現金還款而毋須進一步考慮本集團意見，及要求本集團償還欠付銀行之任何結餘。

* These bank borrowings are included in current liabilities as the banks have an overriding right to call for cash repayment on demand at any time without further reference to the Group and to demand settlement of any balance owing by the Group to the banks.

中期簡明綜合財務報表附註(續)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

22. 計息銀行借貸(續)

22. INTEREST-BEARING BANK BORROWINGS (Continued)

		未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
細分為：	Analysed into:		
須於下列期間償還之銀行貸款	Bank loans and overdrafts repayable:		
及透支：			
一年內或按要求	Within one year or on demand	1,664,102	1,241,433

(a) 於二零一七年六月三十日，所有借貸均以美元、港元及人民幣計值。

(a) As at 30 June 2017, the borrowings were denominated in United States dollars, Hong Kong dollars and RMB.

(b) 本集團若干銀行貸款乃由下述者作抵押：

(b) Certain of the Group's bank loans are secured by:

(i) 本集團若干設備及廠房之抵押，於二零一七年六月三十日之賬面值總額約人民幣933,096,000元(二零一六年十二月三十一日：人民幣612,791,000元)；及

(i) mortgages over certain of the Group's equipment and plant, which had an aggregate carrying value as at 30 June 2017 of approximately RMB933,096,000 (31 December 2016: RMB612,791,000); and

(ii) 本集團之若干定期存款抵押，達人民幣500,000,000元(二零一六年十二月三十一日：人民幣500,000,000元)

(ii) the pledge of certain of the Group's time deposits amounting to RMB50,000,000 (31 December 2016: RMB500,000,000).

中期簡明綜合財務報表附註(續)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

23. 可換股債券

23. CONVERTIBLE BONDS

		未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
於二零一四年六月十八日 發行之可換股債券之面值	Face value of convertible bonds issued on 18 June 2014	3,097,380	3,097,380
發行費用	Issuing expenses	(53,790)	(53,790)
權益部分	Equity component	(197,140)	(197,140)
二零一四年六月十八日 初步確認的負債部分	Liability component on initial recognition on 18 June 2014	2,846,450	2,846,450
匯率變動影響	Effect of exchange rate changes	298,358	373,834
累計融資成本	Accumulated finance costs	271,971	231,023
已付利息	Interest paid	(41,823)	(41,162)
轉為公司股本	Converted to shares of the Company	(2,849,059)	—
負債部分	Liability component	525,897	3,410,145

於二零一四年六月十八日，本公司發行本金總額3,900,000,000港元於二零一九年六月十八日到期之可換股債券，初步換股價為每股本公司普通股38.56港元（可予調整），票面利率為0.5厘。除非之前已贖回、轉換、購回或註銷，否則該等債券將於到期日按本金額之103.86%贖回。於二零一五年六月十三日、二零一六年六月十一日及二零一七年六月十日，經宣派二零一四年、二零一五年及二零一六年末期股息後，換股價分別調整為每股本公司普通股38.00港元，37.50港元和37.01港元。

負債部份及權益部份之公允值於可換股債券發行時釐定。

負債部份之公允值，乃根據相同類別但不可換股的債券之市場利率3.55厘計算。餘額代表權益部份之價值，計入股東權益中之儲備內。

於二零一七年六月三十日，可換股債券的公允值與其賬面值相若。

On 18 June 2014, the Company issued convertible bonds which will be due on 18 June 2019, in the aggregate principal amount of HK\$3,900,000,000 with an initial conversion price of HK\$38.56 (subject to adjustment) per ordinary share of the Company, and the coupon rate is 0.5%. Unless previously redeemed, converted, purchased or cancelled, these bonds will be redeemed at 103.86% of their principal amount on the maturity date. On 13 June 2015, 11 June 2016 and 10 June 2017, the conversion price has been adjusted to HK\$38.00, HK\$37.50 and HK\$37.01 per ordinary share of the Company respectively, upon the declaration of the final dividend of 2014, 2015 and 2016 respectively.

The fair values of the liability component and the equity component were determined upon the issuance of the convertible bonds.

The fair values of the liability component was calculated using a market interest rate of 3.55% for an equivalent non-convertible bond. The residual amount, representing the value of equity component, is included in reserves in shareholders' equity.

The fair value of the convertible bonds approximated to their carrying amounts as at 30 June 2017.

中期簡明綜合財務報表附註(續)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

23. 可換股債券(續)

於二零一七年六月三十日，已有債券持有人將面值為3,286,000,000港元之可換股債券轉換為本公司普通股87,632,300股。

23. CONVERTIBLE BONDS (Continued)

As at 30 June 2017, certain of bond holders have converted their bonds with face value of HK\$3,286,000,000 into 87,632,300 ordinary shares of the Company.

24. 承擔

資本承擔

24. COMMITMENTS

Capital commitments

		未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
已訂約但未撥備：	Contracted, but not provided for:		
購置物業、廠房及設備	Acquisition of property, plant and equipment	434,870	325,766
購置土地使用權	Acquisition of land use right	108,994	109,244
		543,864	435,010

25. 或然負債

於二零一七年六月三十日，本集團並無重大或然負債(二零一六年十二月三十一日：無)。

25. CONTINGENT LIABILITIES

As at 30 June 2017, the Group had no significant contingent liabilities (at 31 December 2016: Nil).

中期簡明綜合財務報表附註(續)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

26. 關聯人士交易

(a) 與關聯人士之持續交易

本集團截至二零一七年及二零一六年六月三十日止六個月與其關聯人士(包括董事及其聯繫人以及由控股股東控制之公司)進行下列持續重大交易：

26. RELATED PARTY TRANSACTIONS

(a) Continuing transactions with related parties

The Group had the following continuing significant transactions with its related parties, including directors and their associates and companies controlled by the controlling shareholder, for the six months ended 30 June 2017 and 2016:

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
向寧波申洲置業有限公司 (「申洲置業」)* 租賃服裝生產物業	Lease of apparel production properties from Ningbo Shenzhou Properties Co., Ltd. ("Shenzhou Properties")*	4,812	4,405
寧波申洲世通針織有限公司 (「申洲世通」)* 提供之加工服務	Processing services provided by Ningbo Shenzhou Shitong Knitwear Co., Ltd. ("Shenzhou Shitong")*	—	8,377
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 packaging materials from Shaoxing County Huaxi Packaging Materials Company Limited ("Huaxi Packaging Company")**	24,510	24,315
寧波艾利申洲針織印花有限公司 (「寧波艾利」)*** 提供印花服務	Printing service provided by Ningbo Avery Dennison Shenzhou Knitting and Printing Co., Ltd. ("Ningbo Avery")***	36,268	25,739

* 申洲置業及申洲世通由本公司其中一名執行董事控制。

** 華西包裝品公司由本公司其中一名執行董事之親屬控制。

*** 寧波艾利為本集團之聯營公司，視作本集團之關聯人士。該交易並未構成上市規則第14A章界定的持續關聯交易。

* Shenzhou Properties and Shenzhou Shitong are controlled by one of the Company's executive directors.

** Huaxi Packaging Company is controlled by the relatives of one of the Company's executive directors.

*** Ningbo Avery is an associate of the Group and is considered to be a related party of the Group. This transaction does not constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

向關聯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。

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.

中期簡明綜合財務報表附註(續)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一七年六月三十日止六個月 For the six months ended 30 June 2017

26. 關聯人士交易 (續)

(b) 與關聯人士之結餘

本集團與其關聯人士有以下結餘：

26. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties

The Group had the following balances with its related parties:

		未經審核 Unaudited 二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000	經審核 Audited 二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
應收關聯人士款項	Amounts due from related parties		
– 與貿易相關	– Trade related		
申洲置業	Shenzhou Properties	444	70
寧波艾利	Ningbo Avery	1,383	756
		1,827	826
應付一名關聯人士款項	Amounts due to a related party		
– 與貿易相關	– Trade related		
華西包裝品公司	Huaxi Packaging Company	2,384	—

(c) 主要管理人員酬金

(c) Key management compensation

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
薪金及其他短期	Salaries and other short-term		
僱員福利	employee benefits	12,087	11,988
離職後福利	Post-employment benefits	69	63
		12,156	12,051

主要客戶及供應商

截至二零一七年六月三十日止六個月，本集團向五大客戶之銷售額佔總銷售額約83%（截至二零一六年六月三十日止六個月：83%）。本集團自五大供應商之採購額佔總採購額約32%（截至二零一六年六月三十日止六個月：31%）。本集團旨在與主要客戶及供應商維持長期合作關係以擴展其業務。

董事於競爭業務的權益

於截至二零一七年六月三十日止六個月，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。

董事及最高行政人員於本公司股份的權益及淡倉

於二零一七年六月三十日，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：或根據上市規則內上市發行人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：

MAJOR CUSTOMERS AND SUPPLIERS

For the six months ended 30 June 2017, the Group's sales to the top five customers accounted for approximately 83% (for the six months ended 30 June 2016: 83%) of its total sales. The Group's purchases from the top five suppliers accounted for approximately 32% (for the six months ended 30 June 2016: 31%) of its total purchases. The Group aims at maintaining the long-term cooperative relationship with reputable customers and suppliers in order to expand its business.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

For the six months ended 30 June 2017, none of the Directors had any interest in any business competing with the Company or any of its subsidiaries.

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

As at 30 June 2017, 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 (the "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 were held or deemed to be held by any such directors 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 Issuers (the "Model Code") contained in the Listing Rules, were as follows:

其他資料(續) OTHER INFORMATION (CONTINUED)

於本公司普通股中之好倉

Long positions in ordinary shares of the Company

姓名	附註	身份及權益類別	股份數目	佔本公司已發行股本概約百分比 Approximate Percentage of the Issued Share Capital of the Company
Name	Notes	Capacity and Nature of Interest	Number of Shares	
馬建榮先生 Mr. Ma Jianrong	1	公司權益 Corporate interest	750,332,500	50.47%
馬仁和先生 Mr. Ma Renhe	2	公司權益 Corporate interest	84,936,500	5.71%

附註：

Notes:

1. 於二零一七年六月三十日，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750,332,500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」）則分別擁有該公司約80.08%、約13.92%及約6.00%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750,332,500股股份中擁有權益。

2. 於二零一七年六月三十日，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84,936,500股股份，而MCC Group Ltd.（「MCC」）及本集團若干高級管理層成員（包括執行董事王存波先生及陳芝芬女士）則分別擁有該公司72.94%及27.06%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84,936,500股股份中擁有權益。

1. As at 30 June 2017, 750,332,500 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 approximately 80.08% by Splendid Steed Investments Limited ("Splendid Steed"), approximately 13.92% by BMX (HK) LTD. ("BMX") and approximately 6.00% 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 750,332,500 Shares held by Keep Glory.

2. As at 30 June 2017, 84,936,500 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 72.94% by MCC Group Ltd. ("MCC") and 27.06% by certain senior management of the Group including Mr. Wang Cunbo and Ms. Chen Zhifen (they are executive Directors). MCC, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Ma Renhe, an executive Director and cousin of Mr. Ma Jianrong. By virtue of the SFO, Mr. Ma Renhe is deemed to be interested in the 84,936,500 Shares held by Fairco.

其他資料(續) OTHER INFORMATION (CONTINUED)

除上述披露者外，於二零一七年六月三十日，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期內概無訂立任何安排，令本公司董事或最高行政人員(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關法團之股份或相關股份或債權證而獲益。

Save as disclosed above, as at 30 June 2017, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions 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 reporting period was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors or chief executive of the Company (including their spouses and children under 18 years of age) to benefit from the acquisition of the shares or underlying shares in, or debentures of, the Company or its associated corporations.

主要股東於本公司股份的權益及淡倉

於二零一七年六月三十日，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 30 June 2017, the following persons who held interests in 5% or more of the issued share capital of the Company, other than the 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 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概約百分比
Name	Notes	Capacity and Nature of Interest	Number of Shares	Approximate Percentage of the Issued Share Capital of the Company
協榮	1	實益擁有人	750,332,500	50.47%
Keep Glory	1	Beneficial owner	750,332,500	50.47%
千里馬	1	公司權益	750,332,500	50.47%
Splendid Steed	1	Corporate interest	750,332,500	50.47%
富高	2	實益擁有人	84,936,500	5.71%
Fairco	2	Beneficial owner	84,936,500	5.71%

其他資料(續) OTHER INFORMATION (CONTINUED)

名稱	附註	身份及權益類別	股份數目	佔本公司已發行 股本概約百分比 Approximate Percentage of the Issued Share Capital of the Company
Name	Notes	Capacity and Nature of Interest	Number of Shares	
MCC	2	公司權益	84,936,500	5.71%
MCC	2	Corporate interest	84,936,500	5.71%

附註：

Notes:

1. 於二零一七年六月三十日，協榮（一家於英屬處女群島註冊成立之有限公司）持有750,332,500股股份，而千里馬、BMX及利華則分別擁有該公司80.08%、13.92%及6.00%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，千里馬被視為於協榮所持有之750,332,500股股份中擁有權益。

2. 於二零一七年六月三十日，富高（一家於英屬處女群島註冊成立之有限公司）持有84,936,500股股份，而MCC及本集團若干高級管理層成員（包括執行董事王存波先生及陳芝芬女士）則分別擁有該公司72.94%及27.06%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84,936,500股股份中擁有權益。

1. As at 30 June 2017, 750,332,500 Shares were held by Keep Glory, a company incorporated in the British Virgin Islands with limited liability, which is owned as to 80.08% by Splendid Steed, 13.92% by BMX and 6.00% 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 750,332,500 Shares held by Keep Glory.

2. As at 30 June 2017, 84,936,500 Shares were held by Fairco, a company incorporated in the British Virgin Islands with limited liability, which is owned as to 72.94% by MCC and 27.06% by certain senior management of the Group including Mr. Wang Cunbo and Ms. Chen Zhifen (executive Directors). 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 84,936,500 Shares held by Fairco.

除上文所披露者外，於二零一七年六月三十日，除董事(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。

Save as disclosed above, as at 30 June 2017, no person, other than the Directors, whose interests are set out in the section headed "Directors and Chief Executive's 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.

股息

在本公司於二零一七年五月二十六日舉行之股東周年大會上，本公司股東批准派付截至二零一六年十二月三十一日止年度之末期股息每股1.20港元(相當於約人民幣1.07元)(包括特別股息0.35港元)予二零一七年六月九日營業時間結束時名列本公司股東名冊之股東。本公司於二零一七年六月十四日以現金派發該股息。

董事會決議派付截至二零一七年六月三十日止六個月之中期股息，每股0.70港元(相等於約人民幣0.61元)予二零一七年九月八日(截至二零一六年六月三十日止六個月：無)營業時間結束時名列本公司股東名冊之股東。中期股票預期於二零一七年九月二十六日派發。

暫停辦理股份過戶登記手續

為確定股東有權獲派中期股息，本公司將於二零一七年九月六日至二零一七年九月八日(首尾兩天包括在內)暫停辦理股份過戶登記手續，在此期間股份之轉讓手續將不予辦理。如欲獲派上述中期股息，須於二零一七年九月五日下午四時三十分前，將所有過戶文件連同有關股票一併送達本公司之股份過戶登記處香港分行的香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716鋪。

企業管治

董事會於二零一五年十月九日已採納本身之企業管治守則。此乃上市規則附錄十四《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。

DIVIDEND

At the Company's annual general meeting held on 26 May 2017, the shareholders of the Company approved the payment of a final dividend of HK\$1.20 (equivalent to approximately RMB1.07) (including a special dividend of HK\$0.35) per share for the year ended 31 December 2016 to the shareholders whose names appeared on the register of members of the Company at the close of business on 9 June 2017. The dividend was paid by the Company on 14 June 2017 in cash.

The Board had resolved to declare an interim dividend of HK\$0.70 (equivalent to approximately RMB0.61) per share for the six months ended 30 June 2017 (for the six months ended 30 June 2016: Nil) to the shareholders whose names appeared on the register of members of the Company at the close of business on 8 September 2017. The interim dividend is expected to be paid on 26 September 2017.

Closure of Register of Members

To ascertain shareholders' entitlement to the interim dividend, the register of members of the Company will be closed from 6 September 2017 to 8 September 2017, both days inclusive, during which period no transfer of the shares of the Company will be effected. To qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by no later than 4:30 p.m. on 5 September 2017.

CORPORATE GOVERNANCE

On 9 October 2005, the Board adopted its own Code of Corporate Governance, which covers all of 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 to the Listing Rules.

其他資料(續)

OTHER INFORMATION (CONTINUED)

本公司於截至二零一七年六月三十日止六個月內一直遵從企業管治守則內的所有守則條文。就本公司之企業管治常規而言，本報告期間與二零一六年年報披露之資料並無重大變動。

董事委員會之職權範圍

各董事會委員會之職權範圍及董事名單及彼等的角色及職能已分別於本公司及聯交所網站登載。

董事責任

董事須參加持續專業發展以發展及補充根據企業管治守則所載守則條文第A.6.5條之知識及技術。本公司已就上市規則之更新及相關法律及監管規定，為董事安排持續專業發展。

企業管治職能

本公司已於二零一二年三月二十六日根據企業管治守則所載守則條文第D.3條，採納企業管治職能之職權範圍，並於二零一二年四月一日起生效。根據企業管治職能之職權範圍，董事會須負責發展及檢討及／或監督本集團企業管治之政策及常規；董事及高級管理層之培訓及持續專業發展及提供建議；遵守法定及監管規定；僱員及董事適用之操守守則及合規手冊(如有)；本集團遵守企業管治守則。

與股東之通訊

根據企業管治守則所載之守則條文第E.1.2條，本公司邀請本公司外部核數師之代表出席本公司於二零一七年五月二十六日舉行之股東週年大會，回答股東關於進行核數、編製核數師報告及報告內容、會計政策及核數師獨立性之問題。

本公司已採納股東通訊政策及程序，供股東提名董事候選人，由二零一二年三月二十六日起生效。有關政策及程序已登載於本公司網站。

The Company has complied with all the code provisions of the CG Code throughout the six months ended 30 June 2017. There have not been any material changes to the Company's corporate governance practices during the reporting period as compared with the information disclosed in the 2016 annual report.

Terms of Reference of Board Committees

The terms of reference for each Board committee and the list of Directors and their roles and functions have been published on the websites of the Company and the Stock Exchange, respectively.

Responsibilities of Directors

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills pursuant to the code provision A.6.5 set out in the CG Code. The Company has arranged for continuous professional development on the updates of the Listing Rules and the related legal and regulatory requirements for the Directors.

Corporate Governance Functions

The Company has adopted the terms of reference for corporate governance functions on 26 March 2012 in compliance with the code provision D.3 set out in the CG Code, effective from 1 April 2012. Pursuant to the terms of reference of the corporate governance functions, the Board shall be responsible for developing and reviewing and/or monitoring the policies and practices on corporate governance of the Group; training and continuous professional development of the Directors and senior management and making recommendations; compliance with legal and regulatory requirements; the code of conduct and compliance manual (if any) applicable to employees and the Directors; and the Group's compliance with the CG Code.

Communications with shareholders

Pursuant to the code provision E.1.2 set out in the CG Code, the Company invited representatives of the external auditors of the Company to attend the annual general meeting of the Company held on 26 May 2017 to answer shareholders' questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditors' independence.

The Company has adopted a shareholders' communication policy and procedures for shareholders to propose a person for election as a Director with effect from 26 March 2012. Such policy and procedures are available on the website of the Company.

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本公司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截至二零一七年六月三十日止六個月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及內部資料，已被要求遵守證券交易守則有關交易限制的規定。

董事資料之變動

截至二零一七年六月三十日止六個月，須根據上市規則第13.51(2)條之第(a)至(e)段及第(g)段將予披露及已披露之資料概無變動。

購買、出售或贖回本公司之上市證券

除根據本公司之可換股債券所兌換而發行之本公司之87,632,300股普通股外，本公司或其任何附屬公司於截至二零一七年六月三十日止六個月概無購買、贖回或出售本公司任何上市證券。

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 (the "Securities Trading Code"). A copy of the Securities Trading Code is provided to all Directors on their appointment. Reminders 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 deal in the Company's securities prior to the announcement of 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 on this matter, all Directors have confirmed their strict compliance with the relevant provisions of the Securities Trading Code throughout the six months ended 30 June 2017.

Senior management may possess unpublished price-sensitive information or inside information due to their positions in the Company, and hence, are required to comply with the dealing restrictions under the Securities Trading Code.

CHANGES TO INFORMATION OF DIRECTORS

During the six months ended 30 June 2017, there were no changes to the information which are required to be disclosed and has been disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save as the issuance of 87,632,300 ordinary shares of the Company pursuant to conversion of the convertible bonds of the Company, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities for the six months ended 30 June 2017.

其他資料(續) OTHER INFORMATION (CONTINUED)

購股權計劃

本公司於二零一七年六月三十日概無採納購股權計劃。

董事會

董事會負責本公司的管治工作，並管理股東所委託的資產負責。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、監管其表現及評估管理策略的有效性。

於本報告日期，執行董事為馬建榮先生、黃關林先生、馬仁和先生、王存波先生及陳芝芬女士，獨立非執行董事則為陳旭先生、蔣賢品先生及裘煒國先生。於二零一七年一月一日，鄭妙輝女士辭任本公司執行董事一職，陳根祥先生辭任本公司獨立非執行董事一職。於二零一七年六月二日，徐暢成先生辭任本公司獨立非執行董事一職。

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。截至本報告刊發時，審核委員會共有三名獨立非執行董事，分別為蔣賢品先生、陳旭先生及裘煒國先生，蔣賢品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。於二零一七年一月一日，陳根祥先生已辭任審核委員會會員。

審核委員會的主要責任是就本集團的財務與會計慣例、風險管理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檢討本集團會計及財務監控是否完整有效。

SHARE OPTION SCHEME

No share option scheme was operated by the Company as at 30 June 2017.

THE BOARD

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

As at the date of this report, the executive Directors are Mr. Ma Jianrong, Mr. Huang Guanlin, Mr. Ma Renhe, Mr. Wang Cunbo and Ms. Chen Zhifen; and the independent non-executive Directors are Mr. Chen Xu, Mr. Jiang Xianpin and Mr. Qiu Weiguo. On 1 January 2017, Ms. Zheng Miaohui resigned as an executive Director of the Company and Mr. Cheng Genxiang resigned as an independent non-executive Director of the Company. On 2 June 2017, Mr. Xu Changcheng resigned an independent non-executive Director of the Company.

AUDIT COMMITTEE

The Company established the Audit Committee in compliance with Rules 3.21 to 3.23 of the Listing Rules on 9 October 2005. As of the issuance of this report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Jiang Xianpin, Mr. Chen Xu and Mr. Qiu Weiguo. Mr. Jiang Xianpin is the Chairman of the Audit Committee. His expertise in accounting, auditing and finance enables him to lead the Audit Committee. On 1 January 2017, Mr. Chen Genxiang resigned as the member of the Audit Committee.

The principal responsibilities of the Audit Committee are to conduct critical and objective reviews of the Group's financial and accounting practices, risk management and internal controls. These include determining 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.

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，並按相關要求，不時作出更新修定。

審核委員會已聯同管理層檢討本集團所採納之會計原則及慣例，並討論核數、風險管理、內部監控及財務報表等事宜(包括審閱截至二零一七年六月三十日止六個月之未經審核財務報表)。

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。截至本報告刊發時，薪酬委員會包括執行董事馬仁和先生及獨立非執行董事陳旭先生及蔣賢品先生。於二零一七年一月一日，陳根祥先生已辭任薪酬委員會主席，並由陳旭先生填補有關空缺，因此，陳旭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。薪酬委員會就個別執行董事及高級管理層之薪酬組合向董事會作出推薦建議。董事概無參與有關其本身薪酬的討論。

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。

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 HKICPA and the provisions of the CG Code, and are updated and amended according to the relevant requirements from time to time.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed matters relating to auditing, risk management, internal control and financial statements, including a review of the unaudited financial statements for the six months ended 30 June 2017.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee in compliance with the CG Code on 9 October 2005. As of the issuance of this report, the Remuneration Committee comprises Mr. Ma Renhe, an executive Director, Mr. Chen Xu and Mr. Jiang Xianpin, independent non-executive Directors. On 1 January 2017, Mr. Chen Genxiang resigned as the chairman of remuneration committee and Mr. Chen Xu is appointed to fill the vacancy, hence, Mr. Chen Xu 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. The Remuneration Committee makes recommendations to the Board on the remuneration packages of individual executive directors and senior management. No Director will take part in any discussion on his or her own remuneration.

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, market rates and factors such as each Director's workload, responsibility, and job complexity are taken into account.

其他資料(續) OTHER INFORMATION (CONTINUED)

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。截至本報告刊發時，提名委員會包括執行董事馬建榮先生及兩名獨立非執行董事裘煒國先生及蔣賢品先生，馬建榮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。

公眾持股量之充足性

基於本公司公開可得之資料及據董事所知，於本報告日期，公眾持有本公司之已發行股本總數最少25%。

承董事會命
申洲國際集團控股有限公司
主席
馬建榮

香港，二零一七年八月二十日

NOMINATION COMMITTEE

The Company established the Nomination Committee on 9 October 2005. As of the issuance of this report, the Nomination Committee comprises Mr. Ma Jianrong, an executive Director, Mr. Qiu Weiguo and Mr. Jiang Xianpin, both independent non-executive Directors. Mr. Ma Jianrong was 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 accordingly; regularly review the structure, size and composition (including skills, knowledge and experience) of the Board and make recommendations to the Board for any proposed changes.

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.

By Order of the Board
Shenzhou International Group Holdings Limited
Ma Jianrong
Chairman

Hong Kong, 20 August 2017

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

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