



SHENZHOU INTERNATIONAL
GROUP HOLDINGS LIMITED

申洲國際集團控股有限公司*

STOCK CODE 股份編號：2313



2018

Interim Report

中 期 報 告

目錄 CONTENT

2	公司資料 Corporate Information
6	二零一八年中中期業績摘要 Financial Highlights for 2018 Interim Results
7	管理層討論及分析 Management Discussion and Analysis
21	中期綜合損益表 Interim Consolidated Statement of Profit or Loss
22	中期綜合全面收益表 Interim Consolidated Statement of Comprehensive Income
23	中期綜合財務狀況表 Interim Consolidated Statement of Financial Position
25	中期綜合權益變動表 Interim Consolidated Statement of Changes in Equity
26	中期綜合現金流量表 Interim Consolidated Statement of Cash Flows
29	中期簡明綜合財務報表附註 Notes to the Interim Condensed Consolidated Financial Statements
59	其他資料 Other Information

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
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
Mr. Wang Cunbo
Ms. Chen Zhifen

獨立非執行董事

陳旭先生
蔣賢品先生
裘煒國先生
張炳生先生
(於二零一八年九月一日獲委任)

Independent Non-executive Directors

Mr. Chen Xu
Mr. Jiang Xianpin
Mr. Qiu Weiguo
Mr. Zhang Bingsheng
(appointed on 1 September 2018)

公司秘書

陳德興先生

COMPANY SECRETARY

Mr. Chan Tak Hing Kenji

授權代表

王存波先生
陳德興先生

AUTHORIZED REPRESENTATIVES

Mr. Wang Cunbo
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)
陳旭先生
裘煒國先生
張炳生先生
(於二零一八年九月一日獲委任)

薪酬委員會

陳旭先生(主席)
馬仁和先生
蔣賢品先生
張炳生先生
(於二零一八年九月一日獲委任)

提名委員會

馬建榮先生(主席)
蔣賢品先生
裘煒國先生
張炳生先生
(於二零一八年九月一日獲委任)

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

KEY BOARD COMMITTEES

Audit Committee

Mr. Jiang Xianpin (*Chairman*)
Mr. Chen Xu
Mr. Qiu Weiguo
Mr. Zhang Bingsheng
(appointed on 1 September 2018)

Remuneration Committee

Mr. Chen Xu (*Chairman*)
Mr. Ma Renhe
Mr. Jiang Xianpin
Mr. Zhang Bingsheng
(appointed on 1 September 2018)

Nomination Committee

Mr. Ma Jianrong (*Chairman*)
Mr. Jiang Xianpin
Mr. Qiu Weiguo
Mr. Zhang Bingsheng
(appointed on 1 September 2018)

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

公司資料(續) CORPORATE INFORMATION (CONTINUED)

審計師

安永會計師事務所
執業會計師

AUDITORS

Ernst & Young
Certified Public Accountants

法律顧問

龍生律師事務所
美富律師事務所

LEGAL ADVISERS

Lennon & Lawyers
Morrison & Foerster

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

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

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號舖

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

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
中國光大銀行股份有限公司
星展銀行(香港)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
大華銀行有限公司

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 Everbright Bank Co., Ltd.
DBS Bank (Hong Kong) Limited
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
United Overseas Bank Limited

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

**INVESTOR AND PRESS RELATIONS
ADVISER**

iPR Ogilvy Limited

COMPANY WEBSITE

www.shenzhouintl.com

STOCK CODE

2313

二零一八年中期業績摘要

FINANCIAL HIGHLIGHTS FOR 2018 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」)欣然公布本公司及其附屬公司(統稱為「本集團」)截至二零一八年六月三十日止六個月(「期內」)之未經審核中期業績，連同二零一七年同期之比較數字。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 2018 (the "Reporting Period"), together with the comparative amounts for the corresponding period of 2017. 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	
		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
銷售額	Sales	9,159,900	8,263,585
毛利	Gross profit	2,956,863	2,616,343
除稅前利潤	Profit before tax	2,428,493	2,080,166
本公司股權持有人應佔利潤	Profit attributable to equity holders of the Company	2,178,871	1,798,664
毛利率(%)	Gross profit margin (%)	32.3	31.7
淨利潤率(%)	Net profit margin (%)	23.8	21.8
每股盈利(人民幣元)	Earnings per share (RMB)	1.45	1.27
		二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000
資產總值	Total assets	25,243,532	24,093,205 ⁽²⁾
總權益	Total equity	21,085,622	19,824,653 ⁽²⁾
現金及現金等價物	Cash and cash equivalents	1,643,650	2,471,401 ⁽²⁾
資本負債比率 ⁽¹⁾ (%)	Gearing ratio ⁽¹⁾ (%)	10.6	10.9
流動比率	Current ratio	3.9 : 1	3.6 : 1
應收賬款的周轉期(日)	Accounts receivables turnover period (days)	55	55
存貨的周轉期(日)	Inventory turnover period (days)	140	120

附註:

Notes:

- 資本負債比率之計算為未償還總借貸與本公司股權持有人應佔權益之比率。
- 二零一七年十二月三十一日之已審核數據。

- Gearing ratio represents the ratio between total borrowings outstanding and equity attributable to equity holders of the Company.
- The figures as at 31 December 2017 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二零一八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」)一並參閱。

The following management discussion and analysis should be read in conjunction with the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2018 and its notes ("financial statements") contained in this interim report.

業務回顧

根據中國海關之統計資料，二零一八年一至六月中國之紡織服裝(包括紡織紗線、織物及制品和服裝及衣著附件，下同)出口總值為約1,275.2億美元，較上年同期增長了約3.2%。出口總值中，紡織品出口金額為約583.3億美元，同比增長約10.3%；服裝出口金額為約691.9億美元，同比下降約2.0%。國際市場之需求呈穩中有升之趨勢，惟受制於相對較高的勞動力成本影響，中國大陸服裝產品的出口競爭力有輕微下降；而紡織品得益於良好的技術基礎和產業配套，出口增長率較上年同期提高了約7個百分點。國內服裝消費市場方面，根據國家統計局之資料，二零一八年一至六月限額以上企業商品零售額中，服裝鞋帽及針紡制品之零售總額為約人民幣6,651億元(其中服裝類之零售總額為約人民幣4,792億元)，同比增長約9.2%(服裝類同比增長約10.1%)；全國網上穿著類商品零售額同比增長約24.1%，增速較上年同期提高約3.3個百分點。國內市場之消費需求繼續保持了較快增長。

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 2018 was approximately US\$127.52 billion, representing a growth of approximately 3.2% over the same period last year. Out of the total export value, the export value of textile products amounted to approximately US\$58.33 billion, representing a growth of approximately 10.3% over the same period last year; the garment export value amounted to approximately US\$69.19 billion, representing a decrease of approximately 2.0% over the same period last year. Demand from international market has seen a trend of steady increase. However, constrained by the effect of a relatively high labour cost, the export competitiveness of clothing products in mainland China slightly decreased. Benefiting from the good technical base and industry support, export growth rate of textile products increased by approximately 7 percentage points over the same period last year. As for the domestic apparels consumption market's aspect, according to data from the National Bureau of Statistics, the amount of retail sales of products manufactured by enterprises above designated size from January to June 2018, total retail sales of apparels, footwear and headwear, and knitted products was approximately RMB665.1 billion (of which total retail sales of apparels was approximately RMB479.2 billion), representing a year-on-year growth of approximately 9.2% (year-on-year growth of apparels was approximately 10.1%). The amount of sales of national online retail products in the wearing segment has seen a year-on-year increase of approximately 24.1%, representing a year-on-year increase of approximately 3.3 percentage points over the same period last year. The consumption demand from domestic market continued to maintain a rapid growth.

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

越南作為全球第三大服裝出口國，保持了較高的出口增長率。根據越南海關之統計資料，二零一八年一至六月，越南之紡織服裝出口金額約為136.4億美元，較上年同期增長了約15.7%。二零一八年一至六月，越南從國外進口面料金額約為62.7億美元，較上年同期增長了約14.2%；越南出口紗線金額約為19.9億美元，較上年同期增長了約19.1%。越南之服裝生產所需面料主要從中國進口，而紗線則主要出口給中國企業，中國與越南之紡織服裝產業鏈形成了良好的互補關係，並促進了產業的協同發展。

期內，國內市場之需求穩定增長，國際市場之需求相對平穩。行業之能源成本及環保成本進一步上升；人工成本上漲趨勢亦未改變；主要原材料紗線之價格仍有小幅上升；人民幣對美元之匯率則先升後貶。雖然中國政府將生產企業之增值稅稅率下調了1個百分點，但出口企業之實際稅負並未由此得到減輕。

Vietnam, being the world's third largest apparel export country, maintained a higher growth rate in exports. According to statistical data from the Vietnam Customs, from January to June 2018, the export value of Vietnam's textiles and apparels was approximately US\$13.64 billion, representing a growth of approximately 15.7% over the same period last year. For January to June 2018, Vietnam's import value of fabrics from foreign countries was approximately US\$6.27 billion, representing a growth of approximately 14.2% over the same period last year; Vietnam's export value of yarns was approximately US\$1.99 billion, representing a growth of approximately 19.1% over the same period last year. Fabrics required for apparel production in Vietnam were mainly imported from China, whereas yarns were mainly exported to China enterprises, creating a good complementary relationship between textiles and apparels industry chain of China and Vietnam, thereby facilitating synergistic development in the industry.

During the period, demand from domestic market increased steadily while demand from international market remained relatively steady. Energy cost and environmental protection cost of the industry further increased, and the rising trend of labour cost also remained unchanged. Price of yarns, being our primary raw material, increased slightly; the exchange rate of RMB against USD dropped after appreciation. Although the PRC government has lowered the VAT tax rate of production enterprises by 1 percentage point, the actual tax burden of export enterprises was not alleviated accordingly.

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

二零一八年一至六月，本集團之銷售收入和經營業績再創歷史同期新高，銷售收入和毛利額分別較二零一七年同期增長了約10.8%和約13.0%，稅後淨利同比增長達約21.1%，實現每股盈利人民幣1.45元。回顧期內，海外基地的產能擴充保障了本集團業務的穩定增長；國內面料工廠之生產流水線更新，有效降低了資源的消耗水平；本集團生產效率之持續提升，減輕了成本上漲帶來的經營壓力。

期內，本集團海外生產基地的產能進一步擴充，更好地滿足了主要客戶對本集團的訂單增長需求。此外，產能規模的上升使得單位產品之固定開支攤銷進一步下降，各生產要素資源之利用達到更佳水平。海外工廠之一體化生產模式趨向成熟，既節省了客戶之採購成本，亦縮短了產品之交貨期，尤其在當前貿易保護主義重新抬頭的大環境下，生產基地的跨國布局有效降低了客戶的採購風險。

From January to June 2018, the sales revenue and operating results of the Group had once again hit a record high for the same period, with sales revenue and gross profit grew by approximately 10.8% and approximately 13.0% respectively over the same period in 2017, and net profit after tax increased by approximately 21.1% over the same period last year, realising earnings per share of RMB1.45. During the period under review, the expansion of productivity of overseas bases ensured a steady growth of the Group's business. A renewal of assembly lines for domestic fabric plants was conducted, which effectively reduced resource consumption level. The Group's productivity continued to grow, which alleviated the operational pressure from the rising cost.

During the period, the productivity of the Group's overseas production bases further enhanced, which better satisfied the growth in demand of the Group's orders from major customers. Furthermore, the expansion in production scale has resulted in a further reduction in amortization of fixed expense of our unit products and higher level of utilization of each production elemental resource. The integrated production model of overseas plants is tending to more mature, in that procurement cost for our customers can be saved while product delivery period can be shortened, in particular, under the current general environment where trade protectionism returns again, the multinational layout of our production bases has effectively reduced procurement risks for our customers.



管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

期內，本集團繼續推進國內面料工廠之設備更新改造，為避免本集團之正常生產任務受到影響，改造工程按計劃分步、有序實施。盡管更新改造工程尚未全面完成，而項目之成效已有初步體現，國內面料工廠水、電等資源之單位消耗已有明顯下降，企業生產對環境之影響亦有得到改善。新設備在自動化、信息化方面的改進，亦使本集團達到了減員增效之目標。期內，國內面料工廠之鍋爐改造工程已全部完成，基礎燃料由原來的生物質顆粒替換為天然氣，消除了粉塵顆粒物的排放，及顯著降低了廢氣的排放量，雖然企業的運營成本有所增加，但於企業之可持續發展上更具重要意義。資源消耗水平和污染物排放總量的下降，為今後國內面料工廠之產能擴充提供了一定的空間。

期內，本集團之生產效率進一步提升，尤其是用工密集的制衣工序效率的提升，有效減輕了人工成本上漲帶來的經營壓力。通過自動化設備的應用，以及精益生產管理的深化，國內基地的用工總人數較上年同期有所下降，而產量較同期反而提升。越南之成衣工廠，員工人數已接近預期規模，員工之生產效率較上年同期有大幅提升。期內，本集團員工成本總額佔收入之比重較上年同期下降了約2個百分點。為應對不確定之國際貿易環境及整合不同國家間的資源優勢，本集團在進一步夯實現有管理基礎之上，將繼續擴大海外基地的產能規模。

During the period, the Group continued to carry forward the upgrade and reformation of the equipment in the fabric factories in the PRC. In order to avoid the normal production tasks of the Group being affected, the reformation engineering was conducted by stages and in order as scheduled. Although the upgrade and reformation engineering have not been fully completed, the results of the projects were primarily realized. The unit consumption of those resources like water and electricity in the fabric factories in the PRC was seen a significant decline, and the level of impacts to the environment caused by the production of enterprises has also been improved. The improvement in terms of automatization and informatization for new equipment has enabled the Group to achieve the target of staff-reduction and performance-improvement. During the period, the reformation engineering of the boiler in the fabric factories in the PRC has fully completed. The basic fuel has been replaced with natural gas from the original biomass-particles, which eliminated the discharge of dust particles, as well as significantly reduced the discharge of waste gases. Despite operating costs of enterprises increasing, it entails a more profound meaning in terms of the development of sustainability for enterprises. The overall reduction in terms of emission level of resource consumption and pollutant discharge has provided certain room for the expansion of production capacities for fabric factories in the PRC from now on.

During the period, the productivity of the Group has been further enhanced, especially the enhancement in the efficiency of the intensive manufacturing processes of apparels, which effectively alleviated the operation pressure from the rising labor costs. Through the utilizing automatic equipment and the deepening of lean production and management, the total number of staff in our base in the PRC decreased from that of same period last year, but it showed an increase of production volume for the same period. In Vietnam, the apparel factories and the number of staff have almost reached the expected scale, with a significant increase of the productivity among staff compared to that of same period last year. During the period, the Group's total staff cost as a proportion of the income decreased by approximately 2 percentage points as compared to that of same period last year. To cope with the uncertainty among international trade environment, and to consolidate the advantages in terms of resources among the different countries, the Group will continue to expand the scale of production capacities of overseas bases, on the basis of further consolidating the existing management foundation.

本集團經營業績

銷售額

本集團銷售額由截至二零一七年六月三十日止六個月之約人民幣8,263,585,000元，增加至截至二零一八年六月三十日止六個月之約人民幣9,159,900,000元，增加了約人民幣896,315,000元，增幅約為10.8%。期內，本集團之銷售收入保持理想增長，主要係：1) 主要客戶之訂單需求保持較理想增長；2) 本集團海外生產基地之產能得到進一步擴充；3) 期內，本集團各部門之生產效率保持有效提升。惟期內之多數月份人民幣相對美元之匯率處於升值狀態，抵減了收入的增幅。

以下為本集團截至二零一八年六月三十日止六個月及截至二零一七年六月三十日止六個月按產品類別分析之銷售額比較：

OPERATION PERFORMANCE OF THE GROUP

Revenue

The revenue of the Group increased by approximately RMB896,315,000 to approximately RMB9,159,900,000 for the six months ended 30 June 2018 from approximately RMB8,263,585,000 for the six months ended 30 June 2017, with a growth rate of approximately 10.8%. During the period, the sales revenue of the Group achieved ideal growth, mainly attributable to: 1) the demand from our major customers achieved ideal growth; 2) the production capacities of the overseas production bases of the Group were further expanded; and 3) the productivity for each department of the Group maintained effective increase during the period. However, the appreciation of exchange rate of RMB against USD for most months during the period reduced the increasing level of the income.

The comparison of revenue of the Group analyzed as per product category for the six months ended 30 June 2018 and the six months ended 30 June 2017 is as below:

		截至六月三十日止六個月 For the six months ended 30 June					
		二零一八年 2018		二零一七年 2017		變動 Changes	
		人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%
按產品	By products						
運動類	Sportswear	6,215,593	67.9	5,518,787	66.8	696,806	12.6
休閒類	Casual wear	2,164,359	23.6	2,061,078	24.9	103,281	5.0
內衣類	Lingerie	714,412	7.8	620,510	7.5	93,902	15.1
其他針織品	Other knitwear	65,536	0.7	63,210	0.8	2,326	3.7
銷售額總計	Total revenue	9,159,900	100.0	8,263,585	100.0	896,315	10.8

截至二零一八年六月三十日止六個月，運動類產品之銷售額為約人民幣6,215,593,000元，較截至二零一七年六月三十日止六個月之銷售額約人民幣5,518,787,000元，上升了約人民幣696,806,000元，增幅約為12.6%。運動類產品之銷售增長主要來自國際品牌於美國市場和中國大陸市場之服裝需求上升。

For the six months ended 30 June 2018, revenue from sales of sportswear products was approximately RMB6,215,593,000, which was increased by approximately RMB696,806,000 from approximately RMB5,518,787,000 for the six months ended 30 June 2017 with a growth rate of approximately 12.6%. The increase in revenue from sales of sportswear products was mainly attributable to the increase of the demands for apparel of international brands in the US market and mainland China market.

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

休閒類產品之銷售額由截至二零一七年六月三十日止六個月之約人民幣2,061,078,000元，上升至截至二零一八年六月三十日止六個月之約人民幣2,164,359,000元，增加了約人民幣103,281,000元，增幅約為5.0%。主要係來自中國大陸市場之休閒服裝採購需求上升。

For the six months ended 30 June 2018, revenue from sales of casual wear products was approximately RMB2,164,359,000, which was increased by approximately RMB103,281,000 from approximately RMB2,061,078,000 for the six months ended 30 June 2017 with a growth rate of approximately 5.0%. Such increase was mainly attributable to the increase of the procurement demands for casual wear in mainland China market.

內衣類產品之銷售額由截至二零一七年六月三十日止六個月之約人民幣620,510,000元，增加至截至二零一八年六月三十日止六個月之約人民幣714,412,000元，增加了約人民幣93,902,000元，增幅約為15.1%。主要係中國大陸市場及日本市場之內衣採購需求增加所致。

For the six months ended 30 June 2018, revenue from sales of lingerie products was approximately RMB714,412,000, which was increased by approximately RMB93,902,000 from approximately RMB620,510,000 for the six months ended 30 June 2017 with a growth rate of approximately 15.1%. Such increase was mainly attributable to the increase of the procurement demands for lingerie wear in both mainland China and Japanese markets.

以下為本集團截至二零一八年六月三十日止六個月及截至二零一七年六月三十日止六個月按市場劃分之銷售額比較：

The comparison of revenue of the Group analyzed as per market segmentation for the six months ended 30 June 2018 and the six months ended 30 June 2017 is as below:

		截至六月三十日止六個月 For the six months ended 30 June					
		二零一八年 2018		二零一七年 2017		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	1,851,673	20.2	1,930,968	23.4	(79,295)	(4.1)
日本	Japan	1,428,645	15.6	1,496,797	18.1	(68,152)	(4.6)
美國	US	1,284,561	14.0	1,025,146	12.4	259,415	25.3
其他市場	Others	1,977,403	21.6	1,833,661	22.2	143,742	7.8
國際銷售小計	Sub-total for international sales	6,542,282	71.4	6,286,572	76.1	255,710	4.1
國內銷售	Domestic sales	2,617,618	28.6	1,977,013	23.9	640,605	32.4
銷售額總計	Total revenue	9,159,900	100.0	8,263,585	100.0	896,315	10.8

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

截至二零一八年六月三十日止六個月，本集團於歐洲市場之銷售額為約人民幣1,851,673,000元，較截至二零一七年六月三十日止六個月之約人民幣1,930,968,000元，減少了約人民幣79,295,000元，降幅約為4.1%。期內歐洲市場之銷售額下降，主要係歐洲市場對運動類服裝之採購需求下降所致。

For the six months ended 30 June 2018, the revenue of the Group in the European market was approximately RMB1,851,673,000, representing a decrease of approximately RMB79,295,000 from approximately RMB1,930,968,000 for the six months ended 30 June 2017, with a decrease rate of approximately 4.1%. During the period, the decrease of the revenue in European market was mainly attributable to the decline in the procurement demand of sportswear in European market.

截至二零一八年六月三十日止六個月，本集團於日本市場之銷售額為約人民幣1,428,645,000元，較截至二零一七年六月三十日止六個月之約人民幣1,496,797,000元，減少了約人民幣68,152,000元，降幅約為4.6%。期內日本市場之銷售額下降，主要係本集團所承接之日本市場休閒類服裝訂單減少所致。

For the six months ended 30 June 2018, the revenue of the Group in the Japanese market was approximately RMB1,428,645,000, representing a decrease of approximately RMB68,152,000 from approximately RMB1,496,797,000 for the six months ended 30 June 2017, with a decrease rate of approximately 4.6%. During the period, the decrease of revenue in the Japanese markets was mainly attributable to the decrease in the orders of casual wear undertaken by the Group in the Japanese market.

截至二零一八年六月三十日止六個月，本集團於美國市場之銷售額為約人民幣1,284,561,000元，較截至二零一七年六月三十日止六個月之約人民幣1,025,146,000元，增加了約人民幣259,415,000元，增幅約為25.3%。本集團於美國市場之銷售保持大幅增長，主要係美國市場之運動類產品訂單需求隨着經濟復甦錄得理想增長。

For the six months ended 30 June 2018, the revenue of the Group in the US market was approximately RMB1,284,561,000, representing an increase of approximately RMB259,415,000 from approximately RMB1,025,146,000 for the six months ended 30 June 2017, with an increase rate of approximately 25.3%. The significant increase of sales of the Group in US market was mainly attributable to ideal growth in the demands of orders for sportswear products in the US market according to the recovery of economy.

包括韓國、台灣和香港等其他市場之銷售收入繼續保持增長。截至二零一八年六月三十日止六個月，其他市場之銷售額較截至二零一七年六月三十日止六個月增長了約7.8%。

The revenue from other markets including the Republic of Korea, Taiwan, and Hong Kong continued to remain steady growth. For the six months ended 30 June 2018, the revenue of other markets showed a growth of approximately 7.8% from that of the six months ended 30 June 2017.

截至二零一八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約32.4%。國內銷售中之成衣銷售額約為人民幣2,532,741,000元，較上年同期之約人民幣1,920,327,000元明顯增加了約人民幣612,414,000元，增幅約為31.9%。期內，國內市場成為了本集團最大且增長最快的單一市場，得益於國內居民消費能力之持續提升，本集團大部分客戶之國內訂單需求均有明顯增加。

For the six months ended 30 June 2018, the revenue of the Group from domestic market increase by approximately 32.4% as compared with the same period last year. Among domestic revenue, revenue of the apparels was approximately RMB2,532,741,000, which significantly increased by RMB612,414,000 from approximately RMB1,920,327,000 for the same period last year, with a growth rate of approximately 31.9%. During the period, domestic market has become the single largest market with the fastest growth within the Group. Benefiting from the continuous increasing of consumption power of domestic residents, the demand in domestic orders from most customers of the Group has shown a significant increase.

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

銷售成本及毛利

本集團截至二零一八年六月三十日止六個月之銷售成本為約人民幣6,203,037,000元(截至二零一七年六月三十日止六個月:約人民幣5,647,242,000元)。截至二零一八年六月三十日止六個月本集團銷售毛利率約為32.3%，較截至二零一七年六月三十日止六個月之約31.7%上升了約0.6個百分點，毛利率小幅回升。期內毛利率之影響因素主要為：1)本集團海外基地之產能規模上升，因而降低了單位產品之固定成本分攤；2)期內本集團之生產效率繼續得到有效提升；3)而該等正面因素受期內人民幣對美元之匯率升值所抵減。

本公司股權持有人應佔權益

於二零一八年六月三十日，本公司股權持有人應佔本集團權益為約人民幣20,907,234,000元(二零一七年十二月三十一日:約人民幣19,621,181,000元)。其中非流動資產為約人民幣9,131,326,000元(二零一七年十二月三十一日:約人民幣8,886,726,000元)、流動資產淨值為約人民幣11,960,053,000元(二零一七年十二月三十一日:約人民幣10,941,124,000元)、非流動負債為約人民幣5,757,000元(二零一七年十二月三十一日:約人民幣3,197,000元)及非控制性權益為約人民幣178,388,000元(二零一七年十二月三十一日:約人民幣203,472,000元)。本公司股權持有人應佔權益變動主要係：1)本集團經營盈利增加；及2)期內向本公司股權持有人派付二零一七年度之末期股息而減少儲備。

Cost of sales and gross profit

The cost of sales of the Group for the six months ended 30 June 2018 amounted to approximately RMB6,203,037,000 (for the six months ended 30 June 2017: approximately RMB5,647,242,000). The gross profit margin of sales of the Group for the six months ended 30 June 2018 was approximately 32.3%, representing a slight increase of approximately 0.6 percentage points than that of approximately 31.7% for the six months ended 30 June 2017. The factors influencing the gross profit margin during the period were mainly attributed to: 1) the increase of the scale of production capacity in the overseas production bases of the Group, which reduced the share of fixed costs of the unit product; 2) the continuous effective improvement of productivity of the Group during the period; and 3) those positive factors were offset by the appreciation of exchange rate of RMB against USD during the period.

Equity attributable to equity holders of the Company

As at 30 June 2018, the Group's equity attributable to equity holders of the Company amounted to approximately RMB20,907,234,000 (31 December 2017: approximately RMB19,621,181,000), in which non-current assets was approximately RMB9,131,326,000 (31 December 2017: approximately RMB8,886,726,000), net current assets of approximately RMB11,960,053,000 (31 December 2017: approximately RMB10,941,124,000), non-current liability of approximately RMB5,757,000 (31 December 2017: approximately RMB3,197,000) and equity attributable to non-controlling interests of approximately RMB178,388,000 (31 December 2017: approximately RMB203,472,000). The change of equity attributable to equity holders of the Company was mainly attributable to: 1) the increase of operating profitability of the Group; and 2) the decrease of reserves resulting from the payment of final dividend of 2017 to the equity holders of the Company during the period.



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

流動資金及財務資源

截至二零一八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1,671,542,000元(二零一七年六月三十日止六個月：約人民幣1,501,957,000元)。本集團於二零一八年六月三十日之現金及現金等價物為約人民幣1,643,650,000元，其中約人民幣383,602,000元以人民幣計值，約人民幣1,231,692,000元以美元計值，約人民幣10,304,000元以港元計值，約人民幣8,495,000元以越南盾計值，約人民幣7,044,000元以歐元計值及餘款以其他貨幣計值(二零一七年十二月三十一日：約人民幣2,471,401,000元，其中約人民幣352,935,000元以人民幣計值，約人民幣2,080,308,000元以美元計值，約人民幣20,220,000元以歐元計值，約人民幣11,793,000元以港元計值，約人民幣4,451,000元以越南盾計值及餘款以其他貨幣計值)。銀行借貸餘額約為人民幣2,206,079,000元(二零一七年十二月三十一日：約人民幣2,130,409,000元)，均為短期銀行借貸。本集團於二零一八年六月三十日之借貸淨額(銀行借貸減現金及現金等價物)約為人民幣562,429,000元(二零一七年十二月三十一日：現金淨額(現金及現金等價物減銀行借貸)約為人民幣340,992,000元)，借貸淨額增加了約人民幣903,421,000元，借貸淨額之增加主要係本集團之投資活動所用現金增加，包括將部分閒餘現金用於購買投資性銀行理財產品。

本公司股權持有人應佔權益為約人民幣20,907,234,000元(二零一七年十二月三十一日：約人民幣19,621,181,000元)。本集團現金流動狀況良好。負債對權益比率(按未償還總借貸佔本公司股權持有人應佔權益百分比計算)為約10.6%(二零一七年十二月三十一日：約10.9%)。

Liquidity and financial resources

For the six months ended 30 June 2018, net cash generated from the Group's operating activities amounted to approximately RMB1,671,542,000 (for the six months ended 30 June 2017: approximately RMB1,501,957,000). Cash and cash equivalents of the Group as at 30 June 2018 was approximately RMB1,643,650,000, of which approximately RMB383,602,000 was denominated in RMB, approximately RMB1,231,692,000 was denominated in USD, approximately RMB10,304,000 was denominated in Hong Kong dollar, approximately RMB8,495,000 was denominated in Vietnamese dong, approximately RMB7,044,000 was denominated in Euro, and the remaining balance was denominated in other currencies (31 December 2017: approximately RMB2,471,401,000, of which approximately RMB352,935,000 was denominated in RMB, approximately RMB2,080,308,000 was denominated in USD, approximately RMB20,220,000 was denominated in Euro, approximately RMB11,793,000 was denominated in Hong Kong dollar, approximately RMB4,451,000 was denominated in Vietnamese dong and the remaining balance was denominated in other currencies). The balance of bank borrowings was approximately RMB2,206,079,000 (31 December 2017: approximately RMB2,130,409,000), all of which were short-term bank borrowings. As at 30 June 2018, the Group's net borrowings (bank borrowings less cash and cash equivalents) was approximately RMB562,429,000 (31 December 2017: net cash (cash and cash equivalents less bank borrowings) amounted to approximately RMB340,992,000). Net borrowings increased by approximately RMB903,421,000, which was mainly attributable to the increase in cash used in investing activities of the Group including applying certain idle cash in purchasing financial products of the bank for investments.

Equity attributable to the equity holders of the Company amounted to approximately RMB20,907,234,000 (31 December 2017: approximately RMB19,621,181,000). The Group was in a good cash flow position, with a debt to equity ratio (calculated based on the percentage of total outstanding borrowings over equity attributable to the equity holders of the Company) of approximately 10.6% (31 December 2017: approximately 10.9%).

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

作為本集團整體理財政策的一部分，本集團向多間中國的持牌銀行購買理財產品(包括可按公平值計入損益表之金融資產、委託貸款、抵押存款、結構性存款)，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。有關購買該等銀行理財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香港聯合交易所有限公司證券上市規則(「上市規則」)第十四章須予公布的交易之規定。購買該等銀行理財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。該等銀行理財產品的詳情參閱本報告之財務報表所載之附註17、18、19及20。

融資成本及稅項

於截至二零一八年六月三十日止六個月，融資成本從截至二零一七年六月三十日止六個月之約人民幣66,521,000元(其中：可換股債券之融資成本約人民幣40,948,000元)，下降至約人民幣25,592,000元。融資成本之大幅下降，主要是上年同期之融資成本中包括可換股債券之計提利息，而該等可換股債券已於二零一七年度內全數轉換為本公司之普通股股份。

截至二零一八年六月三十日止六個月，本集團之所得稅支出從截至二零一七年六月三十日止六個月之約人民幣294,768,000元下降至約人民幣274,708,000元。本集團之整體稅負下降，主要係本集團之越南附屬公司於期內盈利上升並享受所得稅優惠政策，及期內人民幣對美元之匯率升值和中國大陸面料工廠之設備更新改造對產能之影響，降低了國內子公司之盈利水平。

本集團之資產抵押

於二零一八年六月三十日，為數約78,114,000美元(約人民幣500,000,000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507,218,000元。這些已抵押存款乃按最高之年固定利率3.06%計息，並於協議簽訂日起一年內到期。

於二零一八年六月三十日，若干本集團定期存款人民幣500,000,000元(二零一七年十二月三十一日：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%。

As part of the Group's overall treasury management policy, the Group purchased financial products (including financial assets at fair value through profit or loss, entrusted loans, pledged deposits and structured deposits) from certain 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 purchase of these financial products are all below 5%, thus these purchases are not subject to the notifiable transaction requirements under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The purchase of these bank financial products has been approved by the investment and lending committee established by the Board to monitor the execution of the Group's treasury management policy. Details of these bank financial products are set forth in notes 17, 18, 19 and 20 to the Financial Statements contained in this report.

Finance costs and tax

For the six months ended 30 June 2018, finance costs decreased from approximately RMB66,521,000 (including: finance costs of convertible bonds of approximately RMB40,948,000) for the six months ended 30 June 2017 to approximately RMB25,592,000. The finance costs decreased significantly mainly due to the fact that finance costs for the same period last year included accrued interests on convertible bonds which have been converted into ordinary share of the Company during 2017.

For the six months ended 30 June 2018, income tax expense of the Group dropped from approximately RMB294,768,000 for the six months ended 30 June 2017 to approximately RMB274,708,000. The overall tax liabilities of the Group decreased, which was mainly due to the fact that the Group's subsidiary in Vietnam recorded increase in profit for the period and enjoyed preferential income tax policies, RMB appreciated against USD during the period, and the effect to production capacity arising from renewal and reconstruction of equipments of fabric plants in the mainland China, which lowered the earnings level of our PRC subsidiaries.

Pledge of the Group's assets

As at 30 June 2018, a forward exchange contract has been entered into with the relevant bank for bank balance amounting to approximately US\$78,114,000 (approximately RMB500,000,000), while such bank balance is pledged to the relevant bank as deposit at the same time, and the total settlement amount in RMB at maturity will be approximately RMB507,218,000. Such pledged deposits accrue interest at a maximum fixed annual rate of 3.06%, and will mature within one year from the date of the agreement.

As at 30 June 2018, certain fixed deposits of the Group amounting to RMB500,000,000 (31 December 2017: RMB500,000,000) have been pledged to secure the bank loans granted to the Group. The term of fixed deposits was more than one year, with a fixed annual interest rate of 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。

於二零一八年六月三十日，為數約78,114,000美元(約人民幣500,000,000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507,218,000元。這些已抵押存款乃按最高之年固定利率3.06%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系匯率之港元借款，於二零一八年六月三十日，銀行借貸總額中，美元貸款約人民幣525,739,000元(計原幣金額約79,458,000美元)，港元貸款為約人民幣1,180,340,000元(計原幣金額為1,400,000,000港元)(二零一七年十二月三十一日：美元貸款約人民幣460,149,000元(計原幣金額約70,422,000美元)，港元貸款約人民幣1,170,260,000元(計原幣金額為1,400,000,000港元))。本集團海外生產基地規模的擴大，將進一步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 USD, while its procurements 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 responding policies in light of the existing fluctuations of exchange rate between USD and RMB to hedge certain risk exposure in respect of foreign exchange. The amounts applied for hedging depend on the Group's expected revenue, procurement and capital expenditure in USD, as well as considering the market forecast of fluctuations in the exchange rate of USD against RMB in the market.

As at 30 June 2018, a forward exchange contract has been signed with the relevant bank for the bank balance amounting to approximately US\$78,114,000 (approximately RMB500,000,000), while such bank balance is pledged to the relevant bank as deposit at the same time, and the total settlement amount in RMB at maturity was approximately RMB507,218,000. Such pledged deposit accrues interest at a maximum fixed annual rate of 3.06%, and will mature within one year from the date of the agreement.

To avoid the reduction in the value of cash flow and the volatility thereof arising from any changes on the exchange rate between RMB and USD in the future, the Group has arranged adequate amount of borrowings denominated in USD and borrowings denominated in Hong Kong dollars which have a linked exchange rate with USD. As at 30 June 2018, of the total amount of bank loans, there were loans of approximately RMB525,739,000 denominated in USD (approximately US\$79,458,000 in original currency), loans of approximately RMB1,180,340,000 denominated in Hong Kong dollars (HK\$1,400,000,000 in original currency) (31 December 2017: loans of approximately RMB460,149,000 denominated in USD (approximately US\$70,422,000 in original currency) and loans of approximately RMB1,170,260,000 denominated in Hong Kong dollars (HK\$1,400,000,000 in original currency)). The expansion of the Group's overseas production bases will further mitigate the impact of the exchange rate fluctuations of RMB against USD on operations.

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

僱用、培訓及發展

於二零一八年六月三十日，本集團共僱用約84,130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28.2%（截至二零一七年六月三十日止六個月：約30.2%）。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質量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

於截至二零一八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755,479,000元，其中約45%用作購買生產設備、約30%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。

於二零一八年六月三十日，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473,456,000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

期內本公司並無重大投資、收購及出售。

資本負債比率

於二零一八年六月三十日，本集團之資本負債比率為約10.6%，由未償還總借貸餘額佔本公司股權持有人應佔權益百分比計算。

或然負債

於二零一八年六月三十日，本集團概無任何重大或然負債（二零一七年十二月三十一日：無）。

Employment, training and development

As at 30 June 2018, the Group employed approximately 84,130 employees in total. During the period, the total staff costs, including administrative and management staff, accounted for approximately 28.2% (for the six months ended 30 June 2017: approximately 30.2%) of the Group's sales amount. 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, for instance, the Group offered training to its staff continuously to enhance their technical and product knowledge as well as their understanding of quality standards in industry. All of the new employees of the Group are required to attend an introductory course, while there are also various types of training courses available for all employees to attend.

Capital expenditure and capital commitments

For the six months ended 30 June 2018, the Group's total investment in property, plant and equipment, prepaid land lease payments and intangible assets amounted to approximately RMB755,479,000, of which approximately 45% was used for the acquisition of production equipment, approximately 30% 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 software.

As at 30 June 2018, the Group had contracted capital commitments of approximately RMB473,456,000 in connection with the acquisition and construction of properties, plants and equipment, which will be mainly financed by the Group's internal resources.

Significant investments, acquisitions and disposals

The Company had no significant investment, acquisition and disposal during the period.

Gearing ratio

As at 30 June 2018, the Group's gearing ratio was approximately 10.6%, calculated based on the balance of the total outstanding borrowings as a percentage of equity attributable to the equity holders of the Company.

Contingent liabilities

As at 30 June 2018, the Group had no significant contingent liability. (31 December 2017: Nil).

未來前景及策略

當前中美貿易爭端有升級之勢，作為全球前二大經濟體間相互實施貿易保護政策，將對全球經濟增長帶來不利影響。目前，美國是全球最具消費能力的單一市場，而中國是最具消費增長潛力的市場。美國之服裝消費品的最大供應國為中國，其次為越南、孟加拉，進口自中國、越南及孟加拉之服裝佔美國服裝進口總額之比重超過50%，而越南、孟加拉之服裝生產所需面料主要自中國進口。儘管紡織服裝產業在中美兩國間並不存在產業競爭，且進口自中國之服裝產品短期內較難為其他國家所替代，但若貿易爭端升級，中國之服裝產品對美國之出口亦有可能受到影響。

面對不確定之貿易環境，本集團立足於增強企業競爭力為發展策略之首要考慮，提升本集團對客戶之服務能力，為消費者生產更優質之服裝產品。本集團將重視在環境保護、生產效率、產品創新、設備升級等方面的持續改進，為企業之長遠發展夯實基礎。並重視客戶於中國市場之訂單需求，同時進一步擴充海外基地之產能規模以降低國際市場之貿易政策變動風險。

業務發展與周邊環境相協調是企業的基本社會職責，近年來本集團不斷加大於環保改善方面的資金投入，避免了因政府環保政策收緊對生產穩定性帶來的影響。本集團將繼續對現有環保設施進行升級改造，引入先進環保技術，減少污染物的排放量。從採用環保原料、清潔能源到設備升級、工藝控制、末端治理等生產全過程推行可持續發展理念，為消費者提供優質且環保之產品，亦最大程度減少生產對周邊環境之不利影響。本集團將提升環保能力確立為企業競爭力之重要元素。

FUTURE PROSPECTS AND STRATEGIES

The prevailing trade dispute between the PRC and the US is likely to escalate, and the implementation of protective policies regarding trades will create adverse impact on global economic growth, as the PRC and the US are the two largest economies in the world. At present, the US is the single market with highest consumption capacity around the world, while the PRC is a market with the biggest growth potential in respect of consumption. The largest provider of clothing consumer goods for the US is the PRC, followed by Vietnam and Bangladesh. Imported clothing from the PRC, Vietnam and Bangladesh in the US accounted for more than 50% in total, while fabrics required for clothing production in Vietnam and Bangladesh are mainly imported from the PRC. Although there is no competition between the PRC and the US in textiles and clothing industry and the clothing products imported from the PRC could hardly be replaced by that from other countries in the short term, the export of clothing products from the PRC to the US may still be affected if the trade dispute escalates.

Faced with an uncertain trade environment, the Group places its first priority on the enhancement of corporate competitiveness in terms of development strategies. The Group promotes its service capacity towards customer and provides clothing products with higher quality to consumers. The Group will attach importance to continuous improvements in several respects such as environment protection, productivity, products innovation and the equipment upgrades, in order to build a solid base for long term development of the corporate. It also focuses on the order demands from customers in the PRC markets, and further expands the scale of production capacity of its overseas bases at the same time, so as to minimize the risks of changes on trade policies in global market.

As the coordination between business development and surrounding environment is the basic social responsibility of a corporate, the Group has continuously increasing its capital investment in the improvement of environment in recent years, and avoided impact on production stability as a results of the government tightening environmental policies. The Group will continue upgrading and improving its existing environmental-friendly equipment, introducing advanced environmental-friendly techniques and reducing the emission of pollutants. It will utilize environmental-friendly raw materials and clean energy, as well as promote the concept of sustainable development in the whole production process such as upgrading equipment, controlling techniques, end-of-pipe treatment, so as to provide environmental-friendly products with high quality to consumers, and minimize adverse impacts created by the production towards its surrounding environment. The Group regards the ability to improve environmental awareness as a vital element of corporate competitiveness.

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

人口老齡化加快及就業觀念的變化，使得勞動力成本持續上升及招工難度加大，用工密集的行業特點使服裝產業將長期面臨該項挑戰。本集團將創造條件來降低對員工的技能要求，提供相對舒適的工作環境，實施持續的培訓教育，激發員工的能動性。本集團將應用更多的自動化設備及提升精益生產管理能力，並通過全員參與創新改進，來實現生產效率之持續提升。

創新能力為企業之核心競爭力，本集團將專注於紡織服裝之主業，持續完善創新機制，為研發團隊提供良好的工作環境，培養及引進優秀之行業人才。通過與供應商及客戶分享行業之發展趨勢，以創新產品來驅動業務之增長。

本集團將按既定之發展策略，努力提高於行業中之競爭能力，為客戶創造更大之價值，為消費者提供更佳之產品，為投資者創造更理想之回報。

The rapid trend of aging and changes on the concept of employment result in a continuous rising of labour costs and an increase in the difficulty in hiring, posing challenges to the clothing industry in the long term due to its labour intensive industry characteristics. The Group will create opportunities to lower its requirement on the skill of staff and provide a relative comfortable working environment, as well as conduct continuous training education so as to motivate its staff. The Group will apply more automated equipment and promote its management capacity towards lean production, and realize continuous enhancement of productivity through innovation and improvement participated by all staff.

As the innovation ability is the core competitiveness of a corporate, the Group will focus on the principal business of textile and garment, and continuously improve its innovation mechanism, so as to provide a pleasant working environment for its research and development team to train and introduce excellent talents to the industry. We will share the development trends of the industry with our suppliers and customers and drive the business growth by innovating new products.

The Group strives to enhance its competitiveness in the industry according to its existing development strategies, so as to create more value for our customers, provide products with higher quality to consumers and bring better returns for investors.



中期綜合損益表

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

		未經審核 Unaudited	
		截至六月三十日止六個月 For the six months ended 30 June	
		二零一八年 2018	二零一七年 2017
		人民幣千元 RMB'000	人民幣千元 RMB'000
	附註 Notes		
收入	REVENUE	4	
		9,159,900	8,263,585
銷售成本	Cost of sales	5	
		(6,203,037)	(5,647,242)
毛利	Gross profit		
		2,956,863	2,616,343
其他收入及收益	Other income and gains	6	
		442,543	400,507
銷售及分銷成本	Selling and distribution expenses	5	
		(249,638)	(214,045)
行政開支	Administrative expenses	5	
		(688,129)	(592,312)
其他開支	Other expenses	7	
		(9,485)	(65,357)
融資成本	Finance costs	8	
		(25,592)	(66,521)
應佔一間聯營公司利潤	Share of profits of an associate	13	
		1,931	1,551
除稅前利潤	PROFIT BEFORE TAX		
		2,428,493	2,080,166
所得稅開支	Income tax expense	9	
		(274,708)	(294,768)
期內利潤	Profit for the period		
		2,153,785	1,785,398
以下人士應佔權益：	Attributable to:		
本公司擁有人	Owners of the Company		
		2,178,871	1,798,664
非控制性權益	Non-controlling interests		
		(25,086)	(13,266)
		2,153,785	1,785,398
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		
– 期內利潤	– For profit for the period	人民幣1.45元 RMB1.45	人民幣1.27元 RMB1.27
攤薄	Diluted		
– 期內利潤	– For profit for the period	不適用 N/A	人民幣1.22元 RMB1.22

第29頁至58頁的附註為該等中期綜合財務報表的組成部份。

The notes on pages 29 to 58 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

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
期內利潤	Profit for the period	2,153,785	1,785,398
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	49,592	12,194
期內其他全面收益 (除稅後)	Other comprehensive income for the period, net of tax	49,592	12,194
期內全面收益總額	Total comprehensive income for the period	2,203,377	1,797,592
以下人士應佔權益：	Attributable to:		
本公司擁有人	Owners of the Company	2,228,461	1,815,875
非控制性權益	Non-controlling interests	(25,084)	(18,283)
		2,203,377	1,797,592

第29頁至58頁的附註為該等中期綜合財務報表的組成部份。

The notes on pages 29 to 58 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

於二零一八年六月三十日 As at 30 June 2018

		附註 Notes	未經審核 Unaudited 二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	經審核 Audited 二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000
非流動資產	NON-CURRENT ASSETS			
物業、廠房及設備	Property, plant and equipment	12	7,472,909	7,116,787
預付土地租賃款項	Prepaid land lease payments	12	943,642	956,908
無形資產	Intangible assets	12	97,749	98,257
抵押存款	Pledged deposits	20	500,000	500,000
存放於銀行的長期定期存款	Long-term time deposits at banks		50,000	150,000
長期預付款項	Long-term prepayments	16	44,505	44,291
於一間聯營公司之投資	An investment in an associate	13	12,782	10,851
遞延稅項資產	Deferred tax assets		9,739	9,632
總非流動資產	Total non-current assets		9,131,326	8,886,726
流動資產	CURRENT ASSETS			
存貨	Inventories	14	5,140,725	4,477,489
應收賬款及票據	Trade and bills receivables	15	2,719,057	2,814,779
預付款項、按金及 其他應收款項	Prepayments, deposits and other receivables	16	1,006,604	809,786
應收關聯人士款項	Amounts due from related parties	26(b)	2,302	606
委託貸款	Entrusted loans	17	600,000	—
按公平值計入損益表之金融 資產／可供出售投資	Financial assets at fair value through profit or loss/Available-for-sale investments	3.1/18	3,340,852	2,976,900
結構存款	Structured deposits	19	750,000	1,050,000
抵押存款	Pledged deposits	20	500,000	—
初始存款期逾三個月之 銀行存款	Bank deposits with an initial term of over three months		409,016	605,518
現金及現金等價物	Cash and cash equivalents		1,643,650	2,471,401
總流動資產	Total current assets		16,112,206	15,206,479
流動負債	CURRENT LIABILITIES			
應付賬款	Trade payables	21	1,007,288	873,106
預收賬款	Advances from customers		18,277	26,225
其他應付款項及應計款項	Other payables and accruals	22	618,610	944,649
計息銀行借貸	Interest-bearing bank borrowings	23	2,206,079	2,130,409
應付一名關聯人士款項	Amounts due to a related party	26(b)	3,282	—
應付稅款	Tax payable		298,617	290,966
總流動負債	Total current liabilities		4,152,153	4,265,355
淨流動資產	NET CURRENT ASSETS		11,960,053	10,941,124
總資產減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		21,091,379	19,827,850

中期綜合財務狀況表(續)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

於二零一八年六月三十日 As at 30 June 2018

		未經審核 Unaudited 二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	經審核 Audited 二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000
非流動負債	NON-CURRENT LIABILITIES		
遞延稅項負債	Deferred tax liabilities	5,757	3,197
總非流動負債	Total non-current liabilities	5,757	3,197
淨資產	Net assets	21,085,622	19,824,653
權益	EQUITY		
本公司擁有人應佔權益	Equity attributable to owners of the Company		
股本	Share capital	151,200	151,200
儲備	Reserves	20,756,034	19,469,981
		20,907,234	19,621,181
非控制性權益	Non-controlling interests	178,388	203,472
總權益	Total equity	21,085,622	19,824,653

第29頁至58頁的附註為該等中期綜合財務報表的組成部份。

The notes on pages 29 to 58 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

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

		本公司擁有人應佔 Attributable to owners of the Company										
		股本	股份溢價賬	可換股債券 之權益部分 Equity	法定盈餘 公積金	匯兌 波動儲備	僱員股權 福利儲備 Employee equity benefits reserve	其他儲備	保留盈利	總計	非控制 性權益	總權益
		Share capital	Share premium account	component of convertible bonds	Statutory surplus reserve	Exchange fluctuation reserve		Other reserve	Retained profits	Total	Non- controlling interests	Total equity
		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	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	13,144,218	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

		本公司擁有人應佔 Attributable to owners of the Company									
		股本	股份溢價賬	法定盈餘 公積金	匯兌 波動儲備	僱員股權 福利儲備 Employee equity benefits reserve	其他儲備	保留盈利	總計	非控制 性權益	總權益
		Share capital	Share premium account	Statutory surplus reserve	Exchange fluctuation reserve		Other reserve	Retained profits	Total	Non- controlling interests	Total equity
		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
截至二零一八年六月三十日止 六個月(未經審核)	For the six months ended 30 June 2018 (unaudited)										
於二零一八年一月一日的結餘	Balance at 1 January 2018	151,200	2,629,606	1,250,887	67,183	48,191	148,333	15,325,781	19,621,181	203,472	19,824,653
期內全面收益總額	Total comprehensive income for the period	—	—	—	49,590	—	—	2,178,871 (942,408)	2,228,461 (942,408)	(25,084)	2,203,377 (942,408)
宣派二零一七年年末股息	Final 2017 dividend declared	—	—	—	—	—	—	—	—	—	—
於二零一八年六月三十日 的結餘	Balance at 30 June 2018	151,200	2,629,606	1,250,887	116,773	48,191	148,333	16,562,244	20,907,234	178,388	21,085,622

第29頁至58頁的附註為該等中期綜合財務報表的組成部份。

The notes on pages 29 to 58 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

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

未經審核

Unaudited

截至六月三十日止六個月

For the six months ended 30 June

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 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	2,428,493	2,080,166
調整：	Adjustment for:		
融資成本	Finance costs	25,592	66,521
應佔一間聯營公司利潤	Share of profits of an associate	(1,931)	(1,551)
利息收入	Interest income	(119,102)	(77,187)
出售物業、廠房及設備項目之虧損	Loss on disposal of items of property, plant and equipment	4,518	22,598
未實現的融資活動匯兌收益	Unrealised exchange gain from financing activities	—	(74,750)
物業、廠房及設備項目折舊	Depreciation of items of property, Plant and equipment	410,300	366,150
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	14,439	11,899
無形資產攤銷	Amortisation of intangible assets	5,716	7,008
存貨撥備計入	Accrual provision of inventories	12,558	15,004
		2,780,583	2,415,858
存貨增加	Increase in inventories	(675,794)	(657,233)
應收賬款及票據減少	Decrease in trade and bills receivables	95,722	250,189
預付款項、按金及 其他應收款項增加	Increase in prepayments, deposits and other receivable	(47,696)	(96,900)
應收關聯人士款項增加	Increase in amounts due from related parties	(1,696)	(1,001)
應付賬款增加	Increase in trade payables	134,182	106,022
預收賬款減少	Decrease in advances from customers	(7,948)	(4,942)
其他應付款項及應計款項減少	Decrease in other payables and accruals	(318,662)	(152,434)
應付一名關聯人士款項增加	Increase in amounts due to a related party	3,282	2,384
經營業務所得現金	Cash generated from operations	1,961,973	1,861,943
已付利息	Interest paid	(25,592)	(25,572)
已付越南利得稅	Vietnam profits tax paid	(3,068)	—
已付中國企業所得稅	PRC corporate income tax paid	(261,771)	(334,414)
經營業務所得現金流量淨額	Net cash flows from operating activities	1,671,542	1,501,957

中期綜合現金流量表(續)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

		未經審核 Unaudited	
		截至六月三十日止六個月 For the six months ended 30 June	
		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 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	146,363	67,898
購置物業、廠房及設備項目	Purchases of items of property, plant and equipment	(877,475)	(569,948)
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	5,660	515
支付預付土地租賃款項	Payments of prepaid land lease payments	(56,800)	(32,260)
長期預付款項(增加)/減少	(Increase)/decrease in long-term prepayments	(214)	32,429
收購其他無形資產	Purchases of other intangible assets	(5,204)	(2,529)
收購一間附屬公司	Payment for acquisition of a subsidiary	—	(35,657)
抵押存款增加	Increase in pledged deposits	(500,000)	(300,000)
委託貸款增加	Increase in entrusted loans	(600,000)	—
結構存款減少	Decrease in structured deposits	300,000	—
(購買)/贖回按公平值計入 損益表之金融資產，淨額 (二零一七年：可供出售投資)	(Purchase)/Redemption of financial assets at fair value through profit or loss, net (2017: available-for-sale investments)	(363,952)	205,000
銀行存款減少	Decrease in bank deposits	296,502	86,096
投資活動所用現金流量淨額	Net cash flows used in investing activities	(1,655,120)	(548,456)
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	1,150,288	832,912
償還銀行貸款	Repayment of bank loans	(1,080,220)	(402,294)
向本公司擁有人派付股息	Dividends paid to owners of the Company	(942,381)	(1,590,418)
已付利息	Interest paid	—	(1,388)
融資活動所用現金流量淨額	Net cash flows used in financing activities	(872,313)	(1,161,188)

中期綜合現金流量表(續)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
現金及現金等價物減少淨額	NET DECREASE IN CASH AND CASH EQUIVALENTS	(855,891)	(207,687)
期初現金及現金等價物	Cash and cash equivalents at beginning of the period	2,471,401	2,105,184
匯率變動之影響淨額	Effect of foreign exchange rate changes, net	28,140	75,098
期末現金及現金等價物	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,643,650	1,972,595
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	1,577,484	1,954,358
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	66,166	18,237
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	1,643,650	1,972,595

第29頁至58頁的附註為該等中期綜合財務報表的組成部份。

The notes on pages 29 to 58 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

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

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。董事會於二零一八年八月二十七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

截至二零一八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」)編製之截至二零一七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 27 August 2018.

2. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements for the six months ended 30 June 2018 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 2017, 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)

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

3. 重大會計政策

除採下列自二零一八年一月一日起生效的修訂準則及詮釋外，編製中期簡明綜合財務報表時採用的會計政策與編製本集團截至二零一七年十二月三十一日止年度的年度財務報表時所採用者一致：

3.1 會計政策及披露變動

本集團已於本期財務報表中首次採納下列新訂及經修訂香港財務報告準則。

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
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
香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收入
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
香港會計準則第40號修訂本	轉讓投資物業
香港(國際財務報告詮釋委員會)－詮釋第22號	外幣交易及預付代價
二零一四年至二零一六年週期的年度改進	香港財務報告準則第1號及香港會計準則第28號的修訂

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 2017, except for the adoption of the revised standards and interpretations effective on 1 January 2018, noted below:

3.1 Changes in accounting policies and disclosures

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

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i>
Amendments to HKAS 40	<i>Transfers of Investment Property</i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
Annual Improvements 2014–2016 Cycle	Amendments to HKFRS 1 and HKAS 28

中期簡明綜合財務報表附註(續)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

3. 重大會計政策(續)

3.1 會計政策及披露變動(續)

除下文有關香港財務報告準則第9號及香港財務報告準則第15號的進一步闡述外，採納該等新訂及經修訂香港財務報告準則對本集團未經審核中期財務資料並無重大影響。採納香港財務報告準則第9號及香港財務報告準則第15號的主要影響如下：

(a) 香港財務報告準則第9號「金融工具」

香港財務報告準則第9號將金融工具項目的所有階段結集一起，並於二零一八年一月一日或之後年度期間代替香港會計準則第39號及香港財務報告準則第9號的所有先前版本。本集團並未就香港財務報告準則第9號範圍內的金融工具重列二零一七年比較資料。因此，二零一七年比較資料乃根據香港會計準則第39號呈報，且不能與二零一八年所呈列資料進行比較。

分類及計量

除若干應收賬款外，根據香港財務報告準則第9號，本集團初步按公允值加交易成本(如屬並非按公允值計入損益的金融資產)計量金融資產。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Changes in accounting policies and disclosures (Continued)

Other than as further explained below regarding the impact of HKFRS 9 and HKFRS 15, the adoption of the new and revised HKFRSs has had no material impact on the unaudited interim financial information of the Group. The principal affects for adopting HKFRS 9 and HKFRS 15 are as follows:

(a) HKFRS 9 Financial Instruments

HKFRS 9 brings together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9 for annual periods on or after 1 January 2018. The Group has not restated comparative information for 2017 for financial instruments in the scope of HKFRS 9. Therefore, the comparative information for 2017 is reported under HKAS 39 and is not comparable to the information presented for 2018.

Classification and measurement

Except for certain debtors, under HKFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

3. 重大會計政策(續)

3.1 會計政策及披露變動(續)

(a) 香港財務報告準則第9號
「金融工具」(續)

分類及計量(續)

根據香港財務報告準則第9號，債務金融工具其後按公允值計入損益表(「按公允值計入損益表」)、按攤銷成本或按公允值計入其他全面收益(「按公允值計入其他全面收益」)計量。分類乃基於兩個標準而作出：本集團管理資產的業務模式；及有關工具的合約現金流量是否屬於「純粹」就未償還本金而「支付的本金及利息」(「SPPI標準」)。

本集團債務金融資產的新分類及計量如下：

- 按攤銷成本計量之債務工具，指在業務模式內以持有金融資產以收取符合SPPI標準的合約現金流量為目的額金融資產。此類別包括本集團的應收賬款及票據、預付款項、按金及其他應收款項所中的金融資產、應收關聯人士款項、結構存款、委託貸款、抵押資產、初始存款期逾三個月之銀行存款及現金及現金等價物。

3. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

3.1 Changes in accounting policies and disclosures (Continued)

(a) HKFRS 9 Financial Instruments (Continued)

Classification and measurement (Continued)

Under HKFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss ("FVPL"), amortised cost, or fair value through other comprehensive income ("FVOCI"). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the "SPPI criterion").

The new classification and measurement of the Group's debt financial assets is, as follows:

- *Debt instruments at amortised cost* for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade and bills receivables, financial assets included in prepayments, deposits and other receivables, amounts due from related parties, structured deposits, entrusted loans, pledged deposits, bank deposits with an initial term of over three months, and cash and cash equivalents.

中期簡明綜合財務報表附註(續)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

3. 重大會計政策(續)

3.1 會計政策及披露變動(續)

(a) 香港財務報告準則第9號「金融工具」(續)

分類及計量(續)

其他金融資產的分類及其後計量如下：

- 按公平值計入損益的金融資產，包括本集團於初步確認或過渡時並無不可撤回地選擇分類為按公平值計入損益的衍生工具及有價股權工具。此類別亦包括其現金流量特徵不符合SPPI標準的債務工具，或並非以收取合約現金流量或同時收取合約現金流量及出售該等金融資產為目的的業務模式內持有的債務工具。此類別亦包括香港會計準則第39號下本集團的可供出售投資。

本集團已於初次應用日期(二零一八年一月一日)進行業務模式評估，並應用於並未於二零一八年一月一日前終止確認的金融資產。有關債務工具的合約現金流量是否僅包括本金及利息的評估，乃根據初步確認資產時的事實及情況進行。

本集團金融負債的會計處理方法與香港會計準則第39號所規定者大致相同。與香港會計準則第39號的規定相似，香港財務報告準則第9號規定須將或然代價負債視作按公允值計量的金融工具處理，而公允值變動於損益表內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Changes in accounting policies and disclosures (Continued)

(a) HKFRS 9 Financial Instruments (Continued)

Classification and measurement (Continued)

Other financial assets are classified and subsequently measured, as follows:

- *Financial assets at FVPL* comprise derivative instruments and quoted equity instruments which the Group had not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. This category includes the Group's available-for-sale investments under HKAS 39.

The assessment of the Group's business models was made as of the date of initial application, 1 January 2018, and applied to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under HKAS 39. Similar to the requirements of HKAS 39, HKFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in profit or loss.

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

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

3. 重大會計政策(續)

3.1 會計政策及披露變動(續)

(a) 香港財務報告準則第9號
「金融工具」(續)

減值

採納香港財務報告準則第9號完全改變本集團就金融資產減值虧損的會計處理方法，有關準則以具有前瞻性的預期信貸虧損(「預期信貸虧損」)法取代香港會計準則第39號的已產生虧損法。

香港財務報告準則第9號規定本集團須就所有並非按公允值計入損益表持有的貸款及其他債務金融資產記錄預期信貸虧損撥備。

預期信貸虧損撥備乃基於根據合約應付的合約現金流量與本集團預期收取的所有現金流量之間的差額計算。短缺其後按有關資產的實際利率(「實際利率」)近似值貼現。

就應收賬款及票據而言，本集團應用了有關準則的簡化處理方法及已根據可使用年期預期信貸虧損評估預期信貸虧損。採納新方法並無對二零一八年一月一日的期初資產負債表及截至二零一八年六月三十日止六個月的財務資料構成任何影響。應收賬款及票據於無合理預期可收回的情況下撇銷。並無合理預期可收回的指標包括(其中包括)債務人無法配合本集團的償還計劃。

3. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

3.1 Changes in accounting policies and disclosures (Continued)

(a) HKFRS 9 Financial Instruments (Continued)

Impairment

The adoption of HKFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach.

HKFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

The ECL allowance is based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate ("EIR").

For trade and bills receivables, the Group has applied the standard's simplified approach and has reassessed ECLs based on lifetime expected credit losses. The adoption of new approach did not result in any impact on the amounts reported in the opening balance sheet on January 1, 2018 and the financial information during the six months ended June 30, 2018. Trade and bills receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

中期簡明綜合財務報表附註(續)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

3. 重大會計政策(續)

3.1 會計政策及披露變動(續)

(a) 香港財務報告準則第9號「金融工具」(續)

減值(續)

其他應收款項乃基於十二個月預期信貸虧損評估減值。十二個月預期信貸虧損為報告日期後十二個月內(如有關資產的預期年限少於十二個月則為較短期間)可能發生違約事件而導致的預期信貸虧損，為可使用年期預期信貸虧損的一部份。然而，倘信貸風險自產生以來大幅上升，則有關撥備將根據可使用年期預期信貸虧損計算。

下文概述本集團金融資產於二零一八年一月一日(本集團初次應用香港財務報告準則第9號之日)之變動：

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Changes in accounting policies and disclosures (Continued)

(a) HKFRS 9 Financial Instruments (Continued)

Impairment (Continued)

Other receivables are assessed for impairment based on 12-month expected credit losses: 12-month ECLs are the portion of lifetime ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the asset is less than 12 months). However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The following summaries the changes for the Group's financial assets on 1 January 2018, the Group's date of initial application of HKFRS 9:

		原先呈列 可供 出售投資的 金融資產	應用香港財務 報告準則第9號 後重新分類 Reclassification	香港財務報告 準則第9號按公 平值計入損益 表的金融資產
		Originally stated Available-for-sale financial assets	upon application of HKFRS 9	HKFRS 9 Financial assets at FVPL
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
可供出售投資	Available-for-sale investments	2,976,900	(2,976,900)	—
按公平值計入損益表的 金融資產	Financial assets at fair value through profit or loss	—	2,976,900	2,976,900
		2,976,900	—	2,976,900

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

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

3. 重大會計政策(續)

3.1 會計政策及披露變動(續)

(b) 香港財務報告準則第15號「客戶合約收入」

香港財務報告準則第15號於二零一四年七月頒佈，就客戶合約產生的收入建立了一個全新的五步模式。根據香港財務報告準則第15號，收入按可反映實體轉讓貨品或服務予客戶時預期有權換取的代價金確認。香港財務報告準則第15號的原則為計量及確認收入提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括劃分總收入、關於履約責任的資料、在不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計。該準則已取代香港財務報告準則項下所有現行收入確認規定。於二零一六年六月，香港會計師公會頒佈香港財務報告準則第15號的修訂，藉以闡述有關識別履約責任、委託人及代理人以及知識產權許可的應用指引及過渡安排的落實執行問題。此外，有關修訂旨在協助確保實體在採納香港財務報告準則第15號時能更一致地應用有關準則，以及降低應用有關準則的成本及複雜程度。

3. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

3.1 Changes in accounting policies and disclosures (Continued)

(b) HKFRS 15 Revenue from Contracts with Customers

HKFRS 15, issued in July 2014, established a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard has superseded all current revenue recognition requirements under HKFRSs. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard.

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

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

3. 重大會計政策(續)

3.1 會計政策及披露變動(續)

(b) 香港財務報告準則第15號「客戶合約收入」(續)

本集團已自二零一八年一月一日採納香港財務報告準則第15號「客戶合約收入」，並導致會計政策有所變動。根據香港財務報告準則第15號過渡條文，本集團已用修改追溯的方式採用新規定。本集團已評估採納香港財務報告準則第15號對本集團財務報表的影響。根據有關評估，採納香港財務報告準則第15號對本集團的收入確認並無重大影響。

**3. SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

3.1 Changes in accounting policies and disclosures (Continued)

(b) HKFRS 15 Revenue from Contracts with Customers (Continued)

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies. In accordance with the transition provisions in HKFRS 15, the Group has adopted the new rules using modified retrospective method. The Group assessed the impacts of adopting HKFRS 15 on its financial statements. Based on the assessment, the adoption of HKFRS 15 has no significant impact on the Group's revenue recognition.

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

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

3. 重大會計政策 (續)

3.2 已頒佈但未生效的香港財務報告準則

本集團於該等財務報表中並無應用下列已頒佈但未生效的新訂及經修訂香港財務報告準則。

香港財務報告準則第9號修訂本	具有負補償的預付款項特性 ¹
香港財務報告準則第10號修訂本	投資者與其聯營公司或合營企業之間的資產出售或投入 ³
香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ²
香港會計準則第28號修訂本	於聯營公司及合營企業的長期權益 ¹
香港(國際財務報告詮釋委員會)–詮釋第23號	所得稅處理的不確定性 ¹
二零一五年至二零一七年週期的年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號的修訂 ¹

¹ 於二零一九年一月一日或之後開始的財政年度生效

² 於二零二一年一月一日或之後開始的財政年度生效

³ 尚未釐定強制生效日期惟可供應用

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 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.

Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> ¹
Amendments to HKFRS 10	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
HKFRS 16	<i>Leases</i> ¹
HKFRS 17	<i>Insurance Contracts</i> ²
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ¹
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> ¹
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 ¹

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after 1 January 2021

³ No mandatory effective date yet determined but available for adoption

中期簡明綜合財務報表附註(續)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

3. 重大會計政策(續)

3.2 已頒佈但未生效的香港財務報告準則(續)

本集團正評估首次應用該等新訂及經修訂香港財務報告準則的影響。至今，本集團認為該等新訂及經修訂香港財務報告準則可能導致會計政策變動，然而不會對本集團經營業績及財務狀況構成重大影響。

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) 外部客戶收入

中國大陸	Mainland China
歐盟	European Union
日本	Japan
美國	United States of America
其他區域	Other regions

上述收入資料乃按產品交付地點劃分。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Issued but not effective HKFRSs (Continued)

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs may result in changes in accounting policies and are unlikely to have a significant impact on the Group's results of operations and financial position.

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

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
中國大陸	Mainland China	2,617,618	1,977,013
歐盟	European Union	1,851,673	1,930,968
日本	Japan	1,428,645	1,496,797
美國	United States of America	1,284,560	1,025,146
其他區域	Other regions	1,977,404	1,833,661
		9,159,900	8,263,585

The revenue information above is based on the delivery destinations of the products.

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

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

4. 分部資料(續)

地區資料(續)

(b) 非流動資產

		未經審核 Unaudited 二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	經審核 Audited 二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000
中國大陸	Mainland China	4,982,060	5,005,773
越南	Vietnam	3,283,864	3,066,377
柬埔寨	Cambodia	134,596	138,291
其他區域	Other regions	158,285	5,802
		8,558,805	8,216,243

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、長期銀行定期存款、於一間聯營公司之投資及遞延稅項資產。

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.

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9%或以上：

Information about major customers

Revenue from major customers which individually accounts for 9% 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 二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
客戶甲	Customer A	2,715,676	2,393,026
客戶乙	Customer B	1,773,452	1,629,304
客戶丙	Customer C	1,740,315	1,678,398
客戶丁	Customer D	860,212	844,308
		7,089,655	6,545,036

中期簡明綜合財務報表附註(續)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

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	
		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
僱員福利開支	Employee benefit expenses		
工資及薪金	Wages and salaries	2,291,690	2,192,404
退休福利供款	Retirement benefit contributions	208,037	236,179
其他福利	Other benefits	82,026	69,117
		2,581,753	2,497,700
折舊、攤銷及減值開支	Depreciation, amortisation and impairment expenses	430,455	385,057
製成品及在製品的存貨變動	Changes in inventories of finished goods and work in progress	(577,440)	(484,111)
所用的原材料及消耗品	Raw materials and consumables utilized	3,861,406	3,272,864
公用開支	Utilities expenses	382,621	341,644
物業經營租賃開支	Operating lease expenses for properties	84,015	67,215
運輸開支	Transportation expenses	70,274	76,812
修理費	Repair expenses	52,260	32,296
辦公室開支	Office expenses	46,379	40,177
稅費	Taxation	28,932	31,397
外包	Outsourcing	27,881	41,570
排污費	Charges for disposing pollutants	13,719	14,883
差旅費	Traveling expenses	12,768	9,208
交際開支	Entertainment expenses	11,467	8,780
檢測費	Inspection fees	8,124	6,515
捐贈	Donation	1,057	1,248
其他開支	Other expenses	105,133	110,344
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	7,140,804	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)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

6. 其他收入及收益

6. OTHER INCOME AND GAINS

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
其他收入	Other income		
政府獎勵	Government incentives	291,691	314,832
銀行利息收入	Bank interest income	118,931	72,375
委託貸款利息收入	Interest income from entrusted loans	171	4,812
租金收入	Rental income	10,433	8,488
		421,226	400,507
收益	Gains		
匯兌收益淨額	Exchange gains, net	21,317	—
		442,543	400,507

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	
		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 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	4,518	22,598
租賃成本	Rental cost	4,967	4,866
匯兌損失，淨額	Exchange losses, net	—	37,893
		9,485	65,357

中期簡明綜合財務報表附註(續)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

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	
		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 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	25,592	25,573
可換股債券之利息	Interest on convertible bonds	—	40,948
		25,592	66,521

9. 所得稅

9. INCOME TAX

截至二零一八年及二零一七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 2018 and 2017 are:

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
香港之當期利得稅	Current Hong Kong profits tax	16,612	14,223
越南之當期利得稅	Current Vietnam profits tax	3,068	—
中國大陸之當期企業所得稅 (「企業所得稅」)	Current Mainland China corporate income tax ("CIT")	252,575	283,068
遞延稅項	Deferred taxation	2,453	(2,523)
		274,708	294,768

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

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

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其業務所得利潤、收入、收益或增值徵稅。

本公司及其附屬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%(截至二零一七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)，或並無於英屬處女群島進行任何業務，因此毋須納稅。

於柬埔寨王國註冊成立之附屬公司須按20%(截至二零一七年六月三十日止六個月：20%)稅率繳納所得稅。根據柬埔寨王國稅務法，若干附屬公司的首四個獲利年度獲豁免繳納所得稅。

於日本註冊成立之附屬公司根據日本稅務法須按所得稅稅率30%(截至二零一七年六月三十日止六個月：30%)就於日本產生之應課稅利潤繳納稅項。

於越南註冊成立之附屬公司須按稅率20%繳納所得稅。根據越南法律及法規，若干附屬公司可按較低稅率10%繳納所得稅。此外，若干附屬公司可獲豁免首四年及其後九年可減免50%所得稅。

由於根據澳門相關稅法，於澳門註冊成立之附屬公司獲豁免繳納澳門得稅。

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%之稅率繳納(根據新企業所得稅法釐定)。若干附屬公司符合高新技術企業(「高新技術企業」)資格，故有權自二零一六年一月一日起三年享有15%之所得稅優惠稅率。

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.

The Company and the subsidiaries which carry on business in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% (for the six months ended 30 June 2017: 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, and therefore are not subject to tax.

The subsidiaries incorporated in the Kingdom of Cambodia, are subject to income tax at a rate of 20% (for the six months ended 30 June 2017: 20%). Certain subsidiaries are entitled to an exemption from income tax for the first four profit-making years pursuant to the law of Taxation in Cambodia.

The subsidiaries incorporated in Japan, under the Law of Taxation in Japan, is subject to income tax at a rate of 30% (for the six months ended 30 June 2017: 30%) of the assessable profits arising in Japan.

The subsidiaries incorporated in Vietnam, are subject to income tax at a rate of 20%. Under the laws and regulations of Vietnam, Certain subsidiaries are entitled to enjoy a lower profits tax rate of 10%. Furthermore, certain subsidiaries are entitled to an exemption from income tax for four years and 50% reduction for the nine years thereafter.

The subsidiary incorporated in Macao is exempted from Macao Complementary tax pursuant to Macao's relevant tax legislations.

Pursuant to the corporate income tax of the People's Republic of China (the "New CIT Law"), the PRC subsidiaries as determined for the period in accordance with the New CIT Law are subject to a tax rate or 25% on their assessable income. Certain subsidiary is qualified as a High-New Technology Enterprise ("HNTE"), and is entitled to a concessionary rate of income tax at 15% for three years commencing 1 January 2016.

中期簡明綜合財務報表附註(續)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

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2,178,871,000元(截至二零一七年六月三十日止六個月:人民幣1,798,664,000元)以及已發行普通股的加權平均數1,503,222,397股(截至二零一七年六月三十日止六個月:1,412,837,323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。截至二零一八年六月三十日止期間,本集團並無已發行之普通股具潛在攤薄影響,因此,本集團並無就攤薄調整本期間呈列的每股基本盈利金額。

11. 股息

根據董事會於二零一八年八月二十七日通過之一項決議案,董事會宣布派發中期股息每股0.85港元(截至二零一七年六月三十日止六個月:每股0.70港元),總計約1,277,739,000港元(約人民幣1,077,262,000元)。此宣派股息尚未於本簡明中期財務資料內反映為應付股息,惟將於截至二零一八年十二月三十一日止年度反映為分派儲備。

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 RMB2,178,871,000 (for the six months ended 30 June 2017: RMB1,798,664,000) and on the weighted average number of 1,503,222,397 (for the six months ended 30 June 2017: 1,412,837,323) 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. No adjustment has been made to the basic earnings per share amounts presented for the period ended 30 June 2018 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the period.

11. DIVIDEND

Pursuant to resolution passed by the Board on 27 August 2018, the Board declared an interim dividend of HK\$0.85 per share (for the six months ended 30 June 2017: HK\$0.70 per share), totaling approximately HK\$1,277,739,000 (equivalent to approximately RMB1,077,262,000). 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 2018.

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

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

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 at				
一月一日之	1 January 2017				
期初賬面淨額		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 at				
六月三十日之	30 June 2017				
期末賬面淨額		7,018,984	978,054	70,413	30,461
未經審核	Unaudited				
截至二零一八年	For the six months ended				
六月三十日	30 June 2018				
止六個月					
於二零一八年	Opening net book amount at				
一月一日之	1 January 2018				
期初賬面淨額		7,116,787	956,908	67,188	31,069
添置	Additions	750,274	—	—	5,205
處置	Disposals	(10,179)	—	—	—
折舊／攤銷	Depreciation/amortisation	(410,300)	(14,439)	(3,225)	(2,491)
匯兌差額	Exchange differences	26,327	1,173	—	3
於二零一八年	Closing net book amount at				
六月三十日之	30 June 2018				
期末賬面淨額		7,472,909	943,642	63,963	33,786

中期簡明綜合財務報表附註(續)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

13. 於一間聯營公司之投資 13. AN INVESTMENT IN AN ASSOCIATE

		未經審核 Unaudited 二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	經審核 Audited 二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000
攤佔資產淨額	Share of net assets	12,782	10,851

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指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 represents 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 二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 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	1,931	1,551
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	12,782	8,724

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

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

14. 存貨

14. INVENTORIES

		未經審核 Unaudited 二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	經審核 Audited 二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000
原材料	Raw materials	1,093,308	994,954
在製品	Work in progress	1,954,713	1,677,620
製成品	Finished goods	2,148,021	1,847,674
		5,196,042	4,520,248
撥備	Provision	(55,317)	(42,759)
		5,140,725	4,477,489

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 二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	經審核 Audited 二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000
三個月內	Within three months	2,635,286	2,709,033
三個月以上	Over three months	83,771	105,746
		2,719,057	2,814,779

應收賬款及票據的賬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)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

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 二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	經審核 Audited 二零一七年 十二月三十一日 31 December 2017 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	145,099	130,460
– 購買物業、廠房及設備項目	– Purchase of items of property, plant and equipment	280,606	104,223
– 預付租金及按金	– Prepaid rental and deposits	114,555	106,432
– 其他	– Others	15,922	13,900
應收及可收回增值稅退款	VAT refund receivable and recoverable	232,930	256,004
應收利息	Interest receivable	78,858	106,119
其他應收款項	Other receivables	138,634	92,648
		1,006,604	809,786
非即期	Non-Current		
長期預付款項*	Long-term prepayments*	44,505	44,291

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)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

17. 委託貸款

17. ENTRUSTED LOANS

		未經審核 Unaudited			經審核 Audited		
		二零一八年 六月三十日 30 June 2018			二零一七年 十二月三十一日 31 December 2017		
		利率(%) Interest rate (%)	到期日 Maturity	本金金額 人民幣千元 Principal amount RMB'000	利率(%) Interest rate (%)	到期日 Maturity	本金金額 人民幣千元 Principal amount RMB'000
流動 委託貸款—無擔保	Current Entrusted loans – unsecured	5.20	二零一八年 2018	600,000	不適用 N/A	不適用 N/A	—

**18. 按公平值計入損益表之
金融資產**

**18. FINANCIAL ASSETS AT FAIR VALUE
THROUGH PROFIT OR LOSS**

		未經審核 Unaudited	經審核 Audited
		二零一八年 六月三十日 30 June 2018	二零一七年 十二月三十一日 31 December 2017
		人民幣千元 RMB'000	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	3,340,852	2,976,900

於二零一八年六月三十日，由多間金融機構所發行若干賬面值為人民幣3,340,852,000元(二零一七年十二月三十一日：人民幣2,976,900,000元)的金融產品乃按公平值計入損益表入賬。有關購買該等金融產品的相關適用規模測試結果均低於5%，故而該等購買毋須遵守香港聯合交易所有限公司證券上市規則(「上市規則」)第十四章須予公布的交易之規定。金融產品之年期少於一年且預期年回報率最高達5.2%(二零一七年十二月三十一日：5.5%)。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。本賬目在2017年同期列賬為「可供出售投資」。

As at 30 June 2018, certain financial products issued by several financial institutions with a carrying amount of RMB3,340,852,000 (31 December 2017: RMB2,976,900,000) were stated at fair value through profit or loss. 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The financial products have terms of less than one year and have expected annual rates of return up to 5.2% (31 December 2017: 5.5%). Pursuant to the underlying contracts or notices, these financial products are capital guaranteed upon the maturity date. The Group does not intend to dispose of them in the near future. This account was stated as "Available-for-sale investments" during the corresponding period of 2017.

中期簡明綜合財務報表附註(續)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

19. 結構存款

19. STRUCTURED DEPOSITS

		未經審核 Unaudited 二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	經審核 Audited 二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000
存放於中國持牌銀行的 結構存款，按攤銷成本計	Structured deposits in licensed banks in the PRC, at amortised cost	750,000	1,050,000

於二零一八年六月三十日，結構存款期限於一年以內，固定回報率高達4.75%（二零一七年十二月三十一日：4.65%）。根據有關合約或通知，該等結構存款保本且保證收益。

As at 30 June 2018, the structured deposits had terms of less than one year with fixed annual rates of return up to 4.75% (31 December 2017: 4.65%). Pursuant to the underlying contracts or notices, these structured deposits are capital and return guaranteed.

20. 抵押存款

20. PLEDGED DEPOSITS

		未經審核 Unaudited 二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	經審核 Audited 二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000
流動	Current		
就外幣掉期作出抵押	Pledged for foreign currency swaps	500,000	—
非流動	Non-current		
就銀行貸款作出抵押	Pledged for bank loans	500,000	500,000
		1,000,000	500,000

於二零一八年六月三十日，為數78,114,000美元（約人民幣500,000,000元）（二零一七年十二月三十一日：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最高之年固定利率3.06%計息。

As at 30 June 2018, bank balance of US\$78,114,000 (approximately RMB500,000,000) (31 December 2017: Nil) were restricted until certain foreign currency swaps held by the Group are settled. The pledged deposits carry interest at fixed annual rates of return up to 3.06%.

中期簡明綜合財務報表附註(續)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

20. 抵押存款(續)

於二零一八年六月三十日，若干本集團定期存款人民幣500,000,000元(二零一七年十二月三十一日：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%。

20. PLEDGED DEPOSITS (Continued)

As at 30 June 2018, certain of the Group's time deposits with an amount of RMB500,000,000 (31 December 2017: 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%.

21. 應付賬款

於結算日，應付賬款之賬齡分析如下：

21. TRADE PAYABLES

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

		未經審核 Unaudited 二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	經審核 Audited 二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000
六個月內	Within six months	986,669	847,695
六個月至一年	Six months to one year	5,520	7,761
一年至二年	One year to two years	1,750	7,630
二年以上	Over two years	13,349	10,020
		1,007,288	873,106

應付賬款不計息。應付賬款之賬面值與其公允值相若。

The trade payables are non-interest-bearing. The carrying amounts of the trade payables 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)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

22. 其他應付款項及應計款項 22. OTHER PAYABLES AND ACCRUALS

		未經審核 Unaudited 二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	經審核 Audited 二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000
應計開支	Accrued expenses	377,379	626,742
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	18,374	18,954
有關建築工程之應付款項及 保證金	Payables and guarantee deposits related to construction projects	45,547	52,371
租賃按金	Rental deposits	15,182	10,640
其他應付稅項	Other taxes payable	37,728	100,732
其他	Others	48,400	59,210
		618,610	944,649

其他應付款項及應計款項之賬面值與其
公允值相若。其他應付款項不計息。

The carrying amounts of the other payables and accruals approximate
to their fair values. Other payables are non-interest-bearing.

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

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

23. 計息銀行借貸

23. INTEREST-BEARING BANK BORROWINGS

		未經審核 Unaudited 二零一八年六月三十日 30 June 2018			經審核 Audited 二零一七年十二月三十一日 31 December 2017		
		實際利率 (厘) Effective interest rate (%)	到期日 Maturity	人民幣千元 RMB'000	實際利率 (厘) Effective interest rate (%)	到期日 Maturity	人民幣千元 RMB'000
流動	Current						
銀行貸款－無抵押 (按要求償還)	Bank loans – unsecured (due for repayment on demand)	HIBOR + 0.55–0.70	2018–2019	1,180,340	HIBOR+ +0.55–0.72	2018	1,170,260
銀行貸款－無抵押 (按要求償還)	Bank loans – unsecured (due for repayment on demand)	6M LIBOR +0.75/ 1M LIBOR +0.40	2018	239,820	不適用 N/A	不適用 N/A	—
銀行貸款－無抵押 (按要求償還)	Bank loans – unsecured (due for repayment on demand)	2.80	2018	67,368	不適用 N/A	不適用 N/A	—
銀行貸款－無抵押 (按要求償還)	Bank loans – unsecured (due for repayment on demand)	3M LIBOR +0.24	2020–2022*	218,551	不適用 N/A	不適用 N/A	—
銀行貸款－有抵押 (按要求償還)	Bank loans – secured (due for repayment on demand)	2.65	2019*	500,000	2.65	2019*	500,000
銀行貸款－有抵押 (按要求償還)	Bank loans – secured (due for repayment on demand)	不適用 N/A	不適用 N/A	—	6M LIBOR +0.75/ 3M LIBOR +2.40	2018–2022*	460,149
				2,206,079			2,130,409

* 該等銀行借貸計入流動負債內，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)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

23. 計息銀行借貸(續)

**23. INTEREST-BEARING BANK BORROWINGS
(Continued)**

		未經審核 Unaudited 二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	經審核 Audited 二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000
細分為：	Analysed into		
須於下列期間償還之	Bank loans and overdrafts repayable:		
銀行貸款及透支：			
一年內或按要求	Within one year or on demand	2,206,079	2,130,409

(a) 於二零一八年六月三十日，銀行借貸結餘約人民幣525,739,000元以美元計值，約人民幣1,180,340,000元以港元計值，約人民幣500,000,000元以人民幣計值。

(b) 本集團若干銀行貸款乃由下述者作抵押：

本集團之若干定期存款抵押，達人民幣500,000,000元(二零一七年十二月三十一日：人民幣500,000,000元)

(a) As at 30 June 2018, Bank borrowing balances of approximately RMB525,739,000 were denominated in US dollars, approximately RMB1,180,340,000 were denominated in Hong Kong dollars, and approximately RMB500,000,000 were denominated in RMB, respectively.

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

the pledge of certain of the Group's time deposits amounting to RMB500,000,000 (31 December 2017: 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)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

24. 承擔

資本承擔

24. COMMITMENTS

Capital commitments

		未經審核 Unaudited 二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	經審核 Audited 二零一七年 十二月三十一日 31 December 2017 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	367,001	577,922
購置土地使用權	Acquisition of land use right	106,455	105,130
		473,456	683,052

25. 或然負債

於二零一八年六月三十日，本集團並無重大或然負債(二零一七年十二月三十一日：無)。

25. CONTINGENT LIABILITIES

As at 30 June 2018, the Group had no significant contingent liabilities (at 31 December 2017: Nil).

中期簡明綜合財務報表附註(續)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

26. 關聯人士交易

(a) 與關聯人士之持續交易

本集團截至二零一八年及二零一七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 2018 and 2017:

		未經審核 Unaudited 截至六月三十日止六個月 For the six months ended 30 June	
		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 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	4,812
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")**	19,376	24,510
寧波艾利*** 提供印花服務	Printing service provided by Ningbo Avery***	52,307	36,268
向寧波艾利***提供銷售及 營銷服務以及一般支援服務	Sales and marketing services and general support services provided to Ningbo Avery***	2,626	1,879

* 申洲置業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。

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。

* Shenzhou Properties is 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.

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)**

截至二零一八年六月三十日止六個月 For the six months ended 30 June 2018

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 二零一八年 六月三十日 30 June 2018 人民幣千元 RMB'000	經審核 Audited 二零一七年 十二月三十一日 31 December 2017 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	444
寧波艾利	Ningbo Avery	1,858	162
		2,302	606
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	3,282	—

(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 二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
薪金及其他	Salaries and other short-term		
短期僱員福利	employee benefits	12,151	12,087
離職後福利	Post-employment benefits	70	69
		12,221	12,156

主要客戶及供應商

截至二零一八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82%（截至二零一七年六月三十日止六個月：約83%）。本集團自五大供應商的採購額佔總採購額約30%（截至二零一七年六月三十日止六個月：約32%）。本集團旨在與信譽良好的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

截至二零一八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的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

於二零一八年六月三十日，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條而存置的登記冊所載：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部的涵義）的股份、相關股份及債權證的權益及淡倉（包括根據證券及期貨條例的該等條文，任何該等董事或最高行政人員擁有或被視作擁有的權益及淡倉）如下：

MAJOR CUSTOMERS AND SUPPLIERS

For the six months ended 30 June 2018, the Group's sales to the top five customers accounted for approximately 82% (for the six months ended 30 June 2017: approximately 83%) of its total sales. The Group's purchases from the top five suppliers accounted for approximately 30% (for the six months ended 30 June 2017: approximately 32%) 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 2018, none of the Directors had any interest in any business that is in competition with the business of 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 2018, 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)

於本公司普通股中的好倉

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
Name	Notes	Capacity and Nature of Interest	Number of Shares	Approximate Percentage of the Issued Share Capital of the Company
馬建榮先生 Mr. Ma Jianrong	1	公司權益 Corporate interest	700,803,750	46.62%
馬仁和先生 Mr. Ma Renhe	2	公司權益 Corporate interest	79,465,250	5.29%

附註：

Notes:

1. 於二零一八年六月三十日，協榮有限公司（「協榮」，一家於英屬處女群島註冊成立的有限公司）持有700,803,750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78.89%、14.69%及6.42%的權益。千里馬（一家於英屬處女群島註冊成立的有限公司）由馬建榮先生全資擁有。BMX（一家於英屬處女群島註冊成立的有限公司）由黃關林先生（為馬建榮先生的妹夫及馬寶興先生的女婿）全資擁有。利華（一家於英屬處女群島註冊成立的有限公司）由馬寶興先生（為馬建榮先生的父親）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的700,803,750股股份中擁有權益。

2. 於二零一八年六月三十日，富高集團有限公司（「富高」，一家於英屬處女群島註冊成立的有限公司）持有79,465,250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77.08%及22.92%的權益。MCC（一家於英屬處女群島註冊成立的有限公司）由執行董事馬仁和先生（為馬建榮先生的堂兄）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的79,465,250股股份中擁有權益。

1. As at 30 June 2018, 700,803,750 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 78.89% by Splendid Steed Investments Limited ("Splendid Steed"), 14.69% by BMX (HK) LTD. ("BMX") and 6.42% 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 700,803,750 Shares held by Keep Glory.

2. As at 30 June 2018, 79,465,250 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 77.08% by MCC Group Ltd. ("MCC") and 22.92% 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 79,465,250 Shares held by Fairco.

其他資料(續) OTHER INFORMATION (CONTINUED)

除上述披露者外，於二零一八年六月三十日，根據證券及期貨條例第352條記錄於本公司存置的登記冊；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部的涵義)的股份、相關股份及債權證的權益或淡倉。

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(包括其配偶或未滿十八歲的子女)可藉購入本公司或其相關法團的股份或相關股份或債權證而獲益。

Save as disclosed above, as at 30 June 2018, 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

於二零一八年六月三十日，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條所存置的股東名冊所記錄佔本公司已發行股本5%或以上的權益：

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

At 30 June 2018, 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:

於本公司普通股中的好倉

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	700,803,750	46.62%
Keep Glory	1	Beneficial owner	700,803,750	46.62%
千里馬	1	公司權益	700,803,750	46.62%
Splendid Steed	1	Corporate interest	700,803,750	46.62%
富高	2	實益擁有人	79,465,250	5.29%
Fairco	2	Beneficial owner	79,465,250	5.29%

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	79,465,250	5.29%
MCC	2	Corporate interest	79,465,250	5.29%

附註：

Notes:

1. 於二零一八年六月三十日，協榮（一家於英屬處女群島註冊成立的有限公司）持有700,803,750股股份，而千里馬、BMX及利華則分別擁有該公司78.89%、14.69%及6.42%的權益。千里馬（一家於英屬處女群島註冊成立的有限公司）由馬建榮先生全資擁有。BMX（一家於英屬處女群島註冊成立的有限公司）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的有限公司）由馬寶興先生（為馬建榮先生的父親）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的700,803,750股股份中擁有權益。

2. 於二零一八年六月三十日，富高（一家於英屬處女群島註冊成立的有限公司）持有79,465,250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77.08%及22.92%的權益。MCC（一家於英屬處女群島註冊成立的有限公司）由執行董事馬仁和先生（為馬建榮先生的堂兄）全資擁有。根據證券及期貨條例，MCC被視為於富高所持有的79,465,250股股份中擁有權益。

1. As at 30 June 2018, 700,803,750 Shares were held by Keep Glory, a company incorporated in the British Virgin Islands with limited liability, which is owned as to 78.89% by Splendid Steed, 14.69% by BMX and 6.42% 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 700,803,750 Shares held by Keep Glory.

2. As at 30 June 2018, 79,465,250 Shares were held by Fairco, a company incorporated in the British Virgin Islands with limited liability, which is owned as to 77.08% by MCC and 22.92% 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 79,465,250 Shares held by Fairco.

除上文所披露者外，於二零一八年六月三十日，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條須予記錄的權益或淡倉。

股息

於期內，在本公司於二零一八年五月二十五日舉行的股東周年大會上，本公司股東批准派付截至二零一七年十二月三十一日止年度的末期股息每股0.75港元(相當於約人民幣0.65元)予二零一八年六月六日營業時間結束時名列本公司股東名冊的股東。本公司於二零一八年六月二十二日以現金派發該股息。

董事會決議宣派截至二零一八年六月三十日止六個月的中期股息，每股0.85港元(相當於約人民幣0.72元)(截至二零一七年六月三十日止六個月：每股0.70港元)予二零一八年九月十三日營業時間結束時名列本公司股東名冊的股東。中期股息預期於二零一八年九月二十七日或之前派發。

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，本公司將於二零一八年九月十一日至二零一八年九月十三日(首尾兩天包括在內)暫停辦理股份過戶登記手續，在此期間，股份轉讓手續將不予辦理。如欲獲派上述中期股息，須於二零一八年九月十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的股份過戶登記處香港分處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舖。

企業管治

董事會於二零零五年十月九日已採納本身的企業管治守則，該守則包括上市規則附錄十四《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。

Save as disclosed above, as at 30 June 2018, 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.

DIVIDEND

During the reporting period, at the Company’s annual general meeting held on 25 May 2018, the shareholders of the Company approved the payment of a final dividend of HK\$0.75 (equivalent to approximately RMB0.65) per share for the year ended 31 December 2017 to the shareholders whose names appeared on the register of members of the Company at the close of business on 6 June 2018. The dividend was paid by the Company on 22 June 2018 in cash.

The Board had resolved to declare an interim dividend of HK\$0.85 (equivalent to approximately RMB0.72) per share for the six months ended 30 June 2018 (for the six months ended 30 June 2017: HK\$0.70 per share) to the shareholders whose names appeared on the register of members of the Company at the close of business on 13 September 2018. The interim dividend is expected to be paid on or before 27 September 2018.

Closure of Register of Members

To ascertain shareholders’ entitlement to the interim dividend, the register of members of the Company will be closed from 11 September 2018 to 13 September 2018, 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 10 September 2018.

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)

本公司於截至二零一八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。本公司於本報告期間的企業管治常規與二零一七年年報披露的資料並無重大變動。

董事委員會的職權範圍

各董事會委員會的職權範圍以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條的知識及技術。本公司已就上市規則的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，採納企業管治職能的職權範圍，並於二零一二年四月一日起生效。根據企業管治職能的職權範圍，董事會須負責發展及檢討及／或監督本集團企業管治的政策及常規、董事及高級管理層的培訓及持續專業發展，並提供建議、遵守法定及監管規定的情況、僱員及董事適用的操守守則及合規手冊(如有)，以及本集團遵守企業管治守則的情況。

與股東的通訊

根據企業管治守則所載的守則條文第E.1.2條，本公司邀請本公司外部核數師的代表出席本公司於二零一八年五月二十五日舉行的股東週年大會，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的問題。

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 2018. 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 2017 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, 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 25 May 2018 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二零一八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，故彼等須遵守證券交易守則有關交易限制的規定。

董事資料之變動

截至二零一八年六月三十日止六個月，須根據上市規則第13.51(2)條第(a)至(e)段及第(g)段將予披露及已披露的資料概無變動。

購買、出售或贖回本公司的上市證券

本公司或其任何附屬公司於期內概無購買、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 2018.

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 2018, 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

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 2018.

其他資料(續) OTHER INFORMATION (CONTINUED)

購股權計劃

本公司於二零一八年六月三十日概無採納購股權計劃。

SHARE OPTION SCHEME

No share option scheme was adopted by the Company as at 30 June 2018.

董事會

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

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.

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。於二零一八年九月一日，張炳生先生獲委任為本公司獨立非執行董事。

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 September 2018, Mr. Zhang Bingsheng was appointed as an independent non-executive Director of the Company.

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。於本報告日期，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。彼在會計、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。於二零一八年九月一日，張炳生先生獲委任為本公司審核委員會成員。

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 the date 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 September 2018, Mr. Zhang Bingsheng was appointed as the member of the Audit Committee of the Company.

審核委員會的主要職責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。

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的會計原則及慣例，並討論核數、風險管理、內部監控及財務報表等事宜(包括審閱截至二零一八年六月三十日止六個月的未經審核財務報表)。

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。於本報告日，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。陳旭先生是薪酬委員會的主席。於二零一八年九月一日，張炳生先生獲委任為本公司薪酬委員會成員。

薪酬委員會的主要職責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的薪酬待遇向董事會作出推薦建議。董事不得參與有關其本身薪酬的討論。

本公司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 2018.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee in compliance with the CG Code on 9 October 2005. As at the date of this report, the Remuneration Committee comprises Mr. Ma Renhe, an executive Director, Mr. Chen Xu and Mr. Jiang Xianpin, independent non-executive Directors. Mr. Chen Xu is the Chairman of the Remuneration Committee. On 1 September 2018, Mr. Zhang Bingsheng was appointed as the member of Remuneration Committee of the Company.

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。截至本報告日，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。於二零一八年九月一日，張炳生先生獲委任為本公司提名委員會成員。

提名委員會的主要職責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。

公眾持股量充足性

根據本公司公開可得資料及據董事所知，於本報告日期，公眾持有本公司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，二零一八年八月二十七日

NOMINATION COMMITTEE

The Company established the Nomination Committee on 9 October 2005. As at the date of this report, the Nomination Committee comprises Mr. Ma Jianrong, an executive Director, Mr. Qiu Weiguo and Mr. Jiang Xianpin, two independent non-executive Directors. Mr. Ma Jianrong was the Chairman of the Nomination Committee. On 1 September 2018, Mr. Zhang Bingsheng was appointed as the member of Nomination Committee of the Company.

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, 27 August 2018

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

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