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

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 2313)

PRELIMINARY ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

HIGHLIGHTS

- Sales for the year ended 31 December 2014 amounted to approximately RMB11,131,532,000, representing an increase of 10.8% when compared with the year of 2013.
- For the year ended 31 December 2014, percentage of sports goods sales to total sales was approximately 61.4%. Sports goods sales increased significantly by 22.8% when compared with the year of 2013.
- For the year ended 31 December 2014, percentage of lingerie sales to total sales was approximately 13.0%. Lingerie sales increased by 5.3% when compared with the year of 2013.
- Gross profit margin stood at 29.0% in 2014, increasing from last year by 0.7 percentage point. Gross profit for the year ended 31 December 2014 amounted to RMB3,226,621,000, representing an increase of 13.7% when compared with the year of 2013.
- Net profit for the year ended 31 December 2014 amounted to RMB2,066,630,000, an increase of approximately 14.6% when compared with the year of 2013.
- Proposed to declare a final dividend of HK$1.00 (approximately RMB0.79) per ordinary share (including a special dividend of HK$0.35), representing an increase of 33.3% when compared with HK$0.75 (approximately RMB0.59) of 2013.

* *for identification purposes only*

The board of directors (the "Board") of Shenzhou International Group Holdings Limited ("Shenzhou International" or the "Company") is pleased to present the results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014, together with the comparative amounts for the corresponding year of 2013 as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	Notes	2014 RMB'000	2013 RMB'000
REVENUE	4	**11,131,532**	10,047,217
Cost of sales		**(7,904,911)**	(7,208,534)
Gross profit		**3,226,621**	2,838,683
Other income and gains	4	**420,167**	295,633
Selling and distribution expenses		**(247,957)**	(164,449)
Administrative expenses		**(792,868)**	(696,653)
Other expenses		**(15,328)**	(61,995)
Finance costs	5	**(46,442)**	(10,010)
Share of profits and losses of an associate		**(846)**	–
PROFIT BEFORE TAX	6	**2,543,347**	2,201,209
Income tax expense	7	**(476,717)**	(397,297)
PROFIT FOR THE YEAR		**2,066,630**	1,803,912
Attributable to:			
Owners of the Company		**2,065,867**	1,802,989
Non-controlling interests		**763**	923
		2,066,630	1,803,912
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		
Basic			
– For profit for the year		**RMB1.48**	RMB1.32
Diluted			
– For profit for the year		**RMB1.45**	RMB1.32

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014	2013
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**2,066,630**	1,803,912
OTHER COMPREHENSIVE INCOME		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the year	**14,679**	14,860
Reclassification adjustments for gains recognised in the consolidated statement of profit or loss	**(7,908)**	(9,427)
	6,771	5,433
Exchange differences on translation of foreign operations	**34,447**	(41,372)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**41,218**	(35,939)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**2,107,848**	1,767,973
Attributable to:		
Owners of the Company	**2,107,085**	1,767,050
Non-controlling interests	**763**	923
	2,107,848	1,767,973

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2014

	Notes	2014 RMB'000	2013 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**4,183,860**	3,518,230
Prepaid land lease payments		**773,854**	696,871
Intangible assets		**102,846**	101,909
Entrusted loans		**555,000**	–
Investments in an associate		**5,634**	–
Deferred tax assets		**12,690**	7,571
Total non-current assets		**5,633,884**	4,324,581
CURRENT ASSETS			
Inventories		**2,607,210**	2,424,899
Trade and bills receivables	*10*	**1,642,917**	1,374,991
Prepayments, deposits and other receivables		**1,112,694**	352,872
Entrusted loans		**60,000**	–
Available-for-sale investments		**320,000**	200,000
Derivative financial instruments		**11,214**	3,456
Structured deposits		**2,211,160**	–
Pledged deposits		**893,483**	–
Bank deposits with an initial term of over three months		**22,392**	27,425
Cash and cash equivalents		**1,428,074**	2,609,050
Total current assets		**10,309,144**	6,992,693
CURRENT LIABILITIES			
Trade and bills payables	*11*	**467,624**	391,749
Advances from customers		**7,793**	14,095
Other payables and accruals		**610,308**	531,168
Interest-bearing bank borrowings		**46,737**	–
Amounts due to related parties		**1,860**	–
Tax payable		**130,855**	48,605
Total current liabilities		**1,265,177**	985,617
NET CURRENT ASSETS		**9,043,967**	6,007,076
TOTAL ASSETS LESS CURRENT LIABILITIES		**14,677,851**	10,331,657
NON-CURRENT LIABILITIES			
Convertible bonds		**2,864,675**	–
Deferred tax liabilities		**1,850**	–
Total non-current liabilities		**2,866,525**	–
Net assets		**11,811,326**	10,331,657

	Note	2014 RMB'000	2013 RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital		**142,105**	142,105
Reserves		**10,549,793**	9,349,239
Proposed final dividend	*8*	**1,103,671**	824,920
		11,795,569	10,316,264
Non-controlling interests		**15,757**	15,393
Total equity		**11,811,326**	10,331,657

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendment to HKFRS 2 included in *Annual Improvements 2010-2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to HKFRS 3 included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendment to HKFRS 13 included in *Annual Improvements 2010-2012 Cycle*	*Short-term Receivables and Payables*
Amendment to HKFRS 1 included in *Annual Improvements 2011-2013 Cycle*	*Meaning of Effective HKFRSs*

[1] *Effective from 1 July 2014*

Except for the amendment to HKFRS 1 which is only relevant to an entity's first HKFRS financial statements, the adoption of the above revised standards and interpretation has had no significant financial effect on these financial statements.

3. OPERATING SEGMENT INFORMATION

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

Geographical information

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

	2014	2013
	RMB'000	*RMB'000*
Japan	**3,081,139**	3,392,580
Mainland China	**2,487,429**	1,909,464
European Union	**1,929,613**	1,744,070
United States of America	**1,300,040**	900,013
Other countries	**2,333,311**	2,101,090
	11,131,532	10,047,217

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

(b) Non-current assets

	2014	2013
	RMB'000	*RMB'000*
Mainland China	**4,053,915**	3,969,826
Vietnam	**902,972**	225,293
Cambodia	**96,851**	114,522
Other countries	**6,822**	7,369
	5,060,560	4,317,010

The non-current asset information of continuing operations above is based on the locations of the assets and excludes entrusted loans, investment in an associate and deferred tax assets.

Information about major customers

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

	2014	2013
	RMB'000	*RMB'000*
Customer A	**2,610,476**	1,841,726
Customer B	**2,367,393**	2,109,537
Customer C	**2,331,925**	2,368,357
Customer D	**1,204,197**	1,164,292

4. REVENUE, OTHER INCOME AND GAINS

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

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

	Group	
	2014	2013
	RMB'000	*RMB'000*
Revenue		
Sale of goods	**11,131,532**	10,047,217
Other income		
Government grants	**273,801**	241,675
Bank interest income	**90,710**	33,501
Other interest income	**34,725**	–
Rental income	**20,931**	19,528
	420,167	294,704
Gains		
Fair value gains, net:		
Derivative instruments-transactions not qualifying as hedges	**–**	929
	420,167	295,633

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Group	
	2014	2013
	RMB'000	*RMB'000*
Interest on bank borrowings wholly repayable within five years	**1,608**	10,010
Interest on convertible bonds	**44,834**	–
	46,442	10,010

6. PROFIT BEFORE TAX

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

	Group	
	2014	2013
	RMB'000	*RMB'000*
Cost of inventories sold	**7,132,905**	7,155,938
Depreciation	**415,749**	385,769
Amortisation of prepaid land lease payments	**18,928**	13,693
Amortisation of intangible assets	**7,966**	7,356
Minimum lease payments under operating leases:		
Buildings	**82,660**	57,123
Auditors' remuneration	**2,600**	2,474
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**2,648,458**	2,247,883
Pension scheme contributions	**126,157**	101,784
Other benefits	**83,572**	94,443
	2,858,187	2,444,110
Foreign exchange differences, net*	**2,375**	47,781
Write-down of inventories to net realisable value	**10,522**	4,147
Fair value gains, net:		
Derivative instruments – transactions not qualifying as hedges**	**–**	(929)
Bank interest income	**(90,710)**	(33,501)
Other interest income	**(34,725)**	–
Loss on disposal of items of property, plant and equipment	**2,838**	4,320

* *The foreign exchange differences, net for the years ended 31 December 2014 and 31 December 2013 are included in "Other expenses" on the face of the consolidated statement of profit or loss.*

** *The fair value gains for the years ended 31 December 2013 are included in "Other income and gains" on the face of the consolidated statement of profit or loss.*

7. INCOME TAX

The major components of income tax expense for the years ended 31 December 2014 and 2013 are:

	Group	
	2014	2013
	RMB'000	*RMB'000*
Current Hong Kong profits tax	**23,497**	31,028
Current Mainland China corporate income tax ("CIT")	**457,475**	366,263
Deferred taxation	**(4,255)**	6
	476,717	397,297

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 or income or gain or appreciation shall apply to the Company or its operations. As the Company carries on business in Hong Kong, it is subject to Hong Kong profits tax at a rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong.

The subsidiaries incorporated in the BVI are not subject to income tax as these subsidiaries do not have a place of business (other than a registered office only) or carry on any business in the BVI. Accordingly, Top Always Investments Ltd. ("Top Always"), Buddies Investments Limited ("Buddies Investments"), Maxwin (B.V.I.) Limited ("Maxwin BVI"), Buddies Group Limited ("Buddies Group"), and Gain Lucky Co., Ltd. ("Gain Lucky"), subsidiaries incorporated in the BVI, are not subject to tax. As Top Always was engaged in the property leasing business in Hong Kong, it is subject to Hong Kong profits tax at a rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong.

Shenzhou Cambodia and Daqian Cambodia, wholly-owned subsidiaries incorporated in the Kingdom of Cambodia, under the Law on Taxation, are subject to income tax at rate of 20%, and Daqian Cambodia is entitled to be exempted from income tax for the first four profit-making years. Shenzhou Cambodia and Daqian Cambodia had no assessable profits during the year.

Shenzhou Trading Company Limited ("Shenzhou Trading"), Top Always (Hong Kong) Investment Limited ("Top Always HK") and Maxwin (Hong Kong) Limited ("Maxwin HK"), subsidiaries incorporated in Hong Kong, are subject to profits tax at a rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong.

Shenzhou Japan Co., Ltd. ("Shenzhou Japan"), a wholly-owned subsidiary incorporated in Japan, under the Law of Taxation, is subject to income tax at a rate of 30% of the assessable profits arising in Japan. No provision for Japan income tax has been made as Shenzhou Japan had no assessable profits arising in Japan during the year.

Gain Lucky (Viet Nam) Limited ("Gain Lucky Vietnam"), a wholly-owned subsidiary incorporated in Vietnam, is subject to income tax at a rate of 20%. Gain Lucky Vietnam is entitled to be exempted from income tax for the first two profit-making years and subject to a lower tax rate of 10% from the third year to the sixth year. The period of tax privilege will start from the earlier of the first profit–making year and the fourth year since its establishment. Furthermore, under the laws of Vietnam, provided that (a) the total investment of at least VND6,000 billion (approximately US$300 million) is paid by June 2016 and (b) Gain Lucky Vietnam maintains a minimum annual revenue of US$500 million within 3 years from the date of generating revenue, or it employs more than 3,000 staff members within 3 years from the date of generating revenue, it will be subject to a lower profits tax rate of 10%, and the profits tax will be waived for the first 4 years and 50% of its profits tax will be waived for 9 years thereafter.

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

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

During 2013, Ningbo Daqian Knitwear Co., Ltd. ("Daqian Knitting"), a wholly-owned subsidiary incorporated in mainland China, was qualified as a High-New Technology Enterprise ("HNTE") of Zhejiang Province. As a result, Daqian Knitting had been entitled to a concessionary rate of income tax at 15% for three years commencing 1 January 2013.

A reconciliation between the tax expense and the product of accounting profit multiplied by the PRC's domestic tax rate for the tax years ended 31 December 2014 and 2013 is as follows:

	Group	
	2014	2013
	RMB'000	*RMB'000*
Profit before tax	**2,543,347**	2,201,209
Tax at the statutory tax rate of 25% (2013: 25%)	**635,837**	550,302
Lower tax rates for specific jurisdictions or enacted by local authorities	**(194,790)**	(184,058)
Adjustments in respect of current tax of previous periods	**(3,900)**	(4,846)
Profits and losses attributable to associates	**212**	–
Income not subject to tax	**(210)**	–
Expenses not deductible for tax	**8,383**	2,280
Tax losses not recognised during the year	**35,852**	39,960
Utilisation of previously unrecognised deductible tax losses	**(4,667)**	(6,341)
	476,717	397,297

8. DIVIDENDS

	Company	
	2014	2013
	RMB'000	*RMB'000*
Proposed final dividend of HK$1.00 (including a Special dividend of HK$0.35) (2013: HK$0.75 (including a special dividend of HK$0.20)) per ordinary share	**1,103,671**	824,920

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

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

a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares in issue during the year.

	Group	
	2014	2013
	RMB'000	*RMB'000*
Profit attributable to owners of the Company	**2,065,867**	1,802,989
Weighted average number of ordinary shares in issue (thousands)	**1,399,000**	1,365,351

b) Diluted

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

	Group	
	2014	2013
	RMB'000	*RMB'000*
Profit attributable to owners of the Company	**2,065,867**	1,802,989
Interest expense on convertible bonds (net of tax)	**37,437**	–
Profit used to determine diluted earnings per share	**2,103,304**	1,802,989
Weighted average number of ordinary shares in issue (thousands)	**1,399,000**	1,365,351
Adjustments for:		
Assumed conversion of convertible bonds (thousands)	**54,953**	–
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**1,453,953**	1,365,351

10. TRADE AND BILLS RECEIVABLES

	Group	
	2014	2013
	RMB'000	*RMB'000*
Trade and bills receivables	**1,642,917**	1,374,991
Impairment	**–**	–
	1,642,917	1,374,991

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.

An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	2014	2013
	RMB'000	*RMB'000*
Within three months	**1,542,666**	1,341,794
Over three months	**100,251**	33,197
	1,642,917	1,374,991

11. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period is as follows:

	Group	
	2014	2013
	RMB'000	*RMB'000*
Within six months	**454,016**	377,273
Six months to one year	**1,781**	5,136
One year to two years	**5,032**	943
Over two years	**6,795**	8,397
	467,624	391,749

The trade and bills payables are non-interest-bearing. The carrying amounts of the trade and bills payables approximate to their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FUTURE PROSPECTS AND STRATEGIES

Business Review

In 2014, the operating environment for the textile and garment industry has not shown remarkable improvement. The difficulties in recruitment were an especially challenging problem, it heightened the labor costs and inflicted considerable pressure on the enterprises. To excel in the unfavorable operating environment, the Group has exerted great effort in deepening its lean production management, strengthening the R&D of new products, and optimizing its product structure. As a result, the Group has attained outstanding growth in revenue and achieved decent operating results. In 2014, the revenue and profit attributable to equity holders increased by 10.8% and 14.6% respectively over 2013, both reaching historical high levels. Furthermore, the Group has carried on the construction of its overseas production bases as scheduled, paving way for the Group's solid development in the long run.

Construction of overseas bases

The continuously rising labor costs in China, together with the unfavorable tariff policies targeting Chinese garment products in major import markets, have imposed considerable cost pressure on the Group's production in China. To cope with the adverse operating environment in China, the Group has accelerated the construction of a vertically-integrated production model abroad. After a year of construction, the Phase I project in the fabric production base in Tay Ninh Province, Vietnam, has commenced production in November 2014. The Group has assigned a team of management and technical experts to the factory in Vietnam. Trainings were completed by the key employees in Vietnam prior to the commencement of production. The fabrics project is now progressing smoothly, with the Phrase I production capacity gradually expanding to the designated level. During the year, the Group has also begun the construction of the garment factory in Vietnam, the investment license for which was granted by the Vietnam government in January 2015. The fabrics production base in Vietnam will supply fabrics to garment factories of the Group in Cambodia and Vietnam, which has lifted the abilities of the garment factories overseas to react swiftly and reduced transportation costs.

Lean production management

During the year, the Group has further reinforced its lean production management, thereby efficiently minimizing the negative impacts caused by the hike in labor costs. With the purpose to improve the utilization rate of raw materials, special attention was paid to the delicacy management of raw materials; in addition, the per product unit energy consumption levels for electricity and steam etc. have continued to decrease. The production levels in the factories in China fell short of expectation in the second quarter of 2014 due to unusual employee movement. In light of this, the Group has responded effectively by strengthening its lean production management and increasing the stability of its employees. As a result, the productivity of the employees has shown remarkable improvement in the second half of the year, with an output level significantly surpassing the corresponding period in the previous year, and the orders placed by clients for the year were successfully completed.

Facilitate R&D and product innovations

To further enhance the Group's competitive edges in the textile and garment industry, the Group has placed stronger emphasis on R&D and innovative activities during the year, encouraging R&D team members to vigorously develop new products and explore new technologies. Aside from the established Engineering Technology Centre, the Group is constructing its Corporate Innovation Centre. Through relentlessly promoting R&D and innovative activities, the Group strives to provide garment products that are of high-quality and environmental friendly to consumers. It also targets to enhance the cost competitiveness of its products by improving production techniques and optimizing procedures in the production process.

Optimize product structure

To prioritize the allocation of production resources to key customers, the Group has further reduced the orders undertaken from small and medium-sized customers. The sales to key customers has maintained satisfactory growth, and the customer mix is improved. During the year, the sport product segment has continued to grow rapidly, contributing 61.4% of the total revenue, representing an increase of 22.8% as compared to the previous year; the lingerie product segment's percentage of contribution to total revenue has remained relatively stable. In the retail business, the Group continued to control the pace of expansion in its store network. There are currently 38 directly-managed stores in locations such as Shanghai City, and cities in Zhejiang, Jiangsu and Anhui Province. The Group has concentrated its resources in developing quality key customers and produced products with reasonable returns under limited capacity to achieve presentable performance for the year.

FINANCIAL REVIEW

Revenues

Revenue for the year ended 31 December 2014 amounted to approximately RMB11,131,532,000, representing an increase of RMB1,084,315,000 or about 10.8% when compared to RMB10,047,217,000 for the year ended 31 December 2013. The increase in revenue was mainly due to: (1) satisfactory revenue growth in sportswear; (2) the improvement in the efficiency of the Phase II factories in Anhui and Cambodia has raised the Group's productivity; (3) the increase in employee stability in the second half of the year has lifted production efficiency, and (4) expansion in production capacity in the new material factory in Ningbo.

The comparison of the revenue of the Group for 2014 and 2013 by product categories is as follows:

	For the year ended 31 December					
	2014		2013		Change	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
By product						
Sportswear	**6,830,432**	**61.4**	5,561,070	55.4	1,269,362	22.8
Casual wear	**2,724,394**	**24.5**	2,872,104	28.6	(147,710)	(5.1)
Lingerie	**1,452,274**	**13.0**	1,378,932	13.7	73,342	5.3
Other knitwear	**124,432**	**1.1**	235,111	2.3	(110,679)	(47.1)
Total revenue	**11,131,532**	**100.0**	10,047,217	100.0	1,084,315	10.8

For the year ended 31 December 2014, revenue from sale of sportswear amounted to approximately RMB6,830,432,000, representing an increase of RMB1,269,362,000 or 22.8% from approximately RMB5,561,070,000 for the year ended 31 December 2013. The Group has built stable strategic partnerships with international sportswear brands, which has continued to boost the Group's shares in the major customers' procurement volumes. During the year, the revenue from sale of domestic sportswear brands was approximately RMB193,426,000, representing an increase of RMB99,440,000 when compared to RMB93,986,000 in the previous year. While restructuring its customer mix, the Group has enlarged the scale of business cooperation with existing domestic customers.

Revenue from sale of casual wear dropped from RMB2,872,104,000 for the year ended 31 December 2013 to RMB2,724,394,000 for the year ended 31 December 2014, representing a decrease of RMB147,710,000 or approximately 5.1%. The decrease in revenue from sale of casual wear was mainly attributable to the diminishing demand for casual wear in Japan, and the sales reduction of casual wear applied to certain small and medium-sized clients, so as to satisfy the growing orders from strategic clients.

Revenue from sale of lingerie products increased from RMB1,378,932,000 for the year ended 31 December 2013 to RMB1,452,274,000 for the year ended 31 December 2014, representing a gain of RMB73,342,000 or approximately 5.3%. When compared to the remarkable growth in the previous two years, the revenue growth in sales of lingerie has moderated during the year, primarily due to the scale adjustment for customer demand.

The comparison of the revenue of the Group for 2014 and 2013 by market regions is as follows:

	For the year ended 31 December					
	2014		2013		Change	
	RMB'000	***%***	*RMB'000*	*%*	*RMB'000*	*%*
By market regions						
Japan	**3,081,139**	**27.7**	3,392,580	33.8	(311,441)	(9.2)
Europe	**1,929,613**	**17.3**	1,744,070	17.4	185,543	10.6
US	**1,300,040**	**11.7**	900,013	8.9	400,027	44.4
Other countries	**2,333,311**	**21.0**	2,101,090	20.9	232,221	11.1
Sub-total for international sales	**8,644,103**	**77.7**	8,137,753	81.0	506,350	6.2
Domestic sales	**2,487,429**	**22.3**	1,909,464	19.0	577,965	30.3
Total revenue	**11,131,532**	**100.0**	10,047,217	100.0	1,084,315	10.8

For the year ended 31 December 2014, the Group's revenue from the Japanese market was approximately RMB3,081,139,000, representing a decrease of RMB311,441,000 or approximately 9.2% as compared to approximately RMB3,392,580,000 for the year ended 31 December 2013. Import demand for garment in Japan has tumbled because of the steep depreciation of the Japanese yen and the increase in sales tax. The Group's revenue from Japan has decreased mainly due to: the decline in sales of casual wear in Japan. Furthermore, to meet the growing demand from its sportswear clients, the Group has trimmed orders from some of its Japanese clients.

The Group's revenue from the European market for the year ended 31 December 2014 amounted to approximately RMB1,929,613,000, representing an increase of RMB185,543,000 or approximately 10.6% from approximately RMB1,744,070,000 for the year ended 31 December 2013. During the year, despite the sharp depreciation of the Euro, the Group has achieved excellent revenue growth in the European market. The Group's sale in the EU market was facilitated by the relatively favorable tariff policies in the EU towards garment products from Cambodia, and the increase in efficiency and garment productivity in the Group's Phase II factory in Cambodia. The EU has terminated the Generalized System of Preferences treatment on Chinese garment products since 1 January 2015, the overseas production bases are increasingly important for the Group's sale in the EU market.

The Group's revenue from the US market for the year ended 31 December 2014 amounted to approximately RMB1,300,040,000, representing a significant increase of RMB400,027,000 or approximately 44.4% from RMB900,013,000 for the year ended 31 December 2013. The remarkable growth of the Group's sales from the US market was mainly attributable to the rising demand for sportswear. The exchange rate of RMB against US dollar remained relatively stable with mild depreciation expectation, and the US economic recovery will lead to stronger demand, both scenarios are favorable for the Group's sales in the US. The US market is becoming a key market for the Group.

The Group maintained its satisfactory revenue growth in other markets including Korea, Russia and Hong Kong. Revenue from other markets for the year ended 31 December 2014 surged by 11.1% as compared with last year.

For the year ended 31 December 2014, the revenue of the Group from domestic market has apparently gained 30.3% as compared with last year, with sales of apparels in the domestic market amounted to approximately RMB2,372,946,000, representing an increase of RMB655,459,000 or approximately 38.2% from RMB1,717,487,000 last year. During the year, the Group's sales from core customers in the domestic market has maintained rapid growth. Furthermore, the demand from domestic sportswear brands has increased notably as well.

Cost of sales and gross profit

The Group's cost of sales for the year ended 31 December 2014 amounted to approximately RMB7,904,911,000 (2013: RMB7,208,534,000). The Group's gross profit margin of sales in 2014 was 29.0%, representing an increase of approximately 0.7 percentage point when compared to 28.3% in 2013. During the year, major factors affecting the gross profit margin included: (1) the lean production management has resulted in improvement in efficiency and savings in material usage; (2) the product structure of the Group continued to optimize; (3) the exchange rate of RMB against US dollar has stabilized; and (4) the prices of raw materials stayed at a relatively low level, and the hike in labor costs has inflicted pressure on costs.

Equity attributable to equity holders of the Company

As at 31 December 2014, the Group's equity attributable to equity holders of the Company amounted to RMB11,795,569,000 (2013: RMB10,316,264,000), of which non-current assets, net current assets, non-current liabilities and equity attributable to non-controlling interests amounted to RMB5,633,884,000 (2013: RMB4,324,581,000), RMB9,043,967,000 (2013: RMB6,007,076,000), RMB2,866,525,000(2013: nil) and RMB15,757,000 (2013: RMB15,393,000) respectively. The increase in equity attributable to equity holders of the Company was mainly because of the increase in retained earnings during the year, and the equity component of convertible bonds was credited to reserves.

Liquidity and financial resources

For the year ended 31 December 2014, net cash generated from the Group's operating activities amounted to approximately RMB1,918,441,000; in 2013, it was approximately RMB1,709,301,000. Cash and cash equivalents of the Group as at 31 December 2014 amounted to RMB1,428,074,000 (2013: RMB2,609,050,000). The balance of bank borrowings was RMB46,737,000 (2013: nil), all being short-term bank borrowings. The outstanding balance of the debt component of convertible bonds was RMB2,864,675,000 (as at 31 December 2013: nil). Net borrowings (bank borrowings and the balance of the debt component of convertible bonds less cash and cash equivalents) of the Group as at 31 December 2014 amounted to RMB1,483,338,000. Net cash (cash and cash equivalents less bank borrowings and the balance of the debt component of convertible bonds) decreased by RMB4,092,388,000 from RMB2,609,050,000 as at 31 December 2013, mainly due to: the Group has invested its surplus fund in low risk assets to increase the yield of idle cash, and the capital expenditure for the overseas production bases has increased during the year.

Equity attributable to equity holders of the Company amounted to RMB11,795,569,000 (2013: RMB10,316,264,000). The Group was in a good cash flow position, with a debt to equity ratio (total outstanding borrowings (including the balance of the debt component of convertible bonds) as a percentage of equity attributable to the equity holders of the Company) was 24.7% (2013: nil).

The Company issued convertible bonds in an aggregate principal amount of HK$3,900,000,000 (equivalent to approximately RMB3,097,380,000 if calculated at the exchange rate of HK$1=RMB0.7942 on 18 June 2014 (the "Issue Date")), bearing a coupon rate of 0.5% and payable semi-annually. The maturity date of convertible bonds is on 18 June 2019 (the "Maturity Date"), unless previously redeemed, converted, purchased, cancelled or otherwise provided in the terms and conditions of the bonds. The Company will redeem the convertible bonds at 103.86% of their principal amounts on the Maturity Date. The initial conversion price of the bonds is HK$38.56 per share (subject to adjustment). On the Issue Date, the initial recognition amount of RMB2,846,450,000 for the liability component of the bonds was calculated using a market interest rate of 3.55% for a non-convertible bond of the same class. Equity component amount of RMB197,140,000 was credited to the reserves of shareholders' equity. Net proceeds from the issue of these bonds were approximately HK$3,832,271,000, which was intended to be used for business expansion and for general corporate purpose.

Pledge of assets

As at 31 December 2014, bank balances of US$144,854,052 (approximately RMB893,483,500) (2013: nil) were pledged until certain foreign currency swaps held by the Group are settled. The pledged deposits carry interest at fixed rates ranging from 1.2% to 2.5% per annum.

Finance costs and tax

For the year ended 31 December 2014, finance costs increased from RMB10,010,000 for the year ended 31 December 2013 to RMB46,442,000, mainly due to the issuance of convertible bonds by the Group during the year, the new finance cost incurred for the issuance of convertible bonds was RMB44,834,000. During the year, the Group's US dollar annual borrowing rate ranged from 2.6% to 2.8% (2013: the US dollar annual borrowing rate ranged from 1.1553% to 2.83%, and the RMB borrowing rate was 2.50%).

For the year ended 31 December 2014, income tax expense of the Group amounted to RMB476,717,000, representing an increase of RMB79,420,000 when compared to income tax expense of RMB397,297,000 for the year ended 31 December 2013. The increase in income tax expense was mainly due to the increase in taxable profit of the Group.

USE OF PROCEEDS FROM THE PLACING OF NEW SHARES AND ALTERNATIVE FUNDING OF THE COMPANY

The placing of new shares in April 2012

The Company completed a placing of 85,000,000 new shares on 26 April 2012 and raised net proceeds of approximately HK$1,158,650,000 (equivalent to approximately RMB939,548,000 based on the exchange rate of HK dollar against RMB of HK$1:RMB0.8109) after related share issue expenses. The intended use of the proceeds from the placing of new shares and the actual use of those proceeds during the year are set out as follows:

- an amount of approximately RMB608,174,000 shall be used to establish new textile production facilities in Mainland China and to purchase and construct the relevant equipment and plants. As of 31 December 2014, the amount had been fully utilized;

- an amount of approximately RMB121,635,000 shall be used to set up new garment production facilities and to purchase the relevant production equipment. As of 31 December 2014, the amount had been fully utilized;

- an amount of approximately RMB81,090,000 shall be used to expand the Group's retail network. As of 31 December 2014, approximately RMB59,083,000 in total had been used; and

- an amount of approximately RMB128,649,000 shall be used to repay part of the Group's short-term bank loans. As of 31 December 2014, the amount had been fully utilized.

As at 31 December 2014, the remaining net proceeds amounting to approximately RMB22,007,000 have been placed as bank deposits in Hong Kong and Mainland China. For the details of such placing of new shares, please refer to the announcements of the Company dated 16 April 2012 and 26 April 2012.

The placing of new shares in June 2013

The Company completed a placing of 69,000,000 new shares on 28 June 2013 and raised net proceeds of approximately HK$1,527,464,000 (equivalent to approximately RMB1,216,626,000 based on the exchange rate of HK dollar against RMB of HK$1:RMB0.7965) after related share issue expenses. The intended use of the proceeds from such placing of new shares is set out as follows:

- the proceeds will be used to build and construct a production facility for the manufacture of fabrics in Vietnam (the "Vietnam Project") in phases, as to approximately HK$777,000,000 for the building and construction of phase I of the Vietnam Project, including long term leasehold land use right, construction of buildings and staff quarters, construction of sewage system and infrastructure, purchase of machinery and equipment, etc; and

- the residual amount of the proceeds of approximately HK$750,464,000 will be used to build and construct phase II of the Vietnam Project and as general working capital.

As of 31 December 2014, approximately HK$1,140,500,000 of the proceeds from such placing had been utilized and the balance of approximately HK$386,964,000 was placed in bank as deposits in Hong Kong and Mainland China. For the details of such placing of new shares, please refer to the announcements of the Company dated 18 June 2013 and 28 June 2013. For details of the Vietnam Project, please refer to the announcement of the Company dated 28 May 2013.

Issuance of convertible bonds in June 2014

The Company issued convertible bonds in an aggregate principal amount of HK$3,900,000,000 (equivalent to approximately RMB3,097,380,000 when calculated with the exchange rate of HK$1=RMB0.7942 on the Issue Date) on the Issue Date, bearing a coupon rate of 0.5% and payable semi-annually. The maturity date of convertible bonds is on the Maturity Date, unless early redeemed, converted, purchased, cancelled or otherwise provided in the terms and conditions of the bonds. The Company will redeem the convertible bonds at 103.86% of their principal amounts on the Maturity Date. The initial conversion price of the bonds is HK$38.56 per share (subject to adjustment). On the Issue Date, the initial recognition amount of RMB2,846,450,000 for the liability component of the bonds was calculated using a market interest rate of 3.55% for a non-convertible bond of the same class. Equity component amount of RMB197,140,000 was credited to the reserves of shareholders' equity. Net proceeds from the issue of those bonds were approximately HK$3,832,271,000, which was intended to be used for business expansion and for general corporate purpose. As of 31 December 2014, approximately HK$1,049,250,000 of the proceeds from such issue had been utilized as general working capital.

As of 31 December 2014, no convertible bonds have been converted into shares of the Company pursuant to the relevant terms.

Exposure to foreign exchange

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

To avoid the reduction in the value of future cash flows and the volatility thereof arising from any exchange rate movement between RMB and US dollar, the Group entered into forward contracts in selling US dollar. As of 31 December 2014, the aggregate amount of the outstanding US dollar forward contracts was approximately US$260,000,000 (as at 31 December 2013: approximately US$60,000,000). As the exchange rate of RMB against the US dollar has stabilized, the aforementioned forward contracts had already been effectively offset by various NDF contracts during the year. The expansion of the overseas production bases of the Group will add to the cost expenditure in US dollar, and is conducive to offsetting the volatility of the exchange rate between RMB and US dollar. In addition, the Group will also consider the arrangement of appropriate amount of loans in foreign currency according to the bank interest rates and capital requirements.

Employment, training and development

As at 31 December 2014, the Group employed approximately 62,000 employees in total. Total staff costs, including administrative and management staff, accounted for approximately 25.7% (2013: 24.3%) of the Group's sales during the year. The Group remunerated its staff according to their performances, qualifications and industry practices, and conducted regular reviews of its remuneration policy. Employees may receive discretionary bonuses and monetary rewards based on their ratings in annual performance appraisals. The Company also offered rewards or other incentives to motivate personal growth and career development of the employees, such as ongoing opportunities for training to enhance their technical and product knowledge as well as their knowledge of industry quality standards. Each new employee of the Group is required to attend an introductory course, while there are also various types of training courses available to all employees of the Group.

Capital expenditure and commitments

During the year, the Group's total investment in property, plant and equipment and prepaid land lease payments amounted to approximately RMB1,183,343,000, of which approximately 43% was used for the acquisition of production equipment, approximately 54% for the construction and acquisition of new factory buildings and prepaid land lease payments, and the remaining balance was used for the purchase of other fixed assets.

Contingent liabilities

As at 31 December 2014, the banking facilities granted to a subsidiary subject to guarantees given to banks by the Company were RMB238,641,000 (2013: nil), of which approximately RMB46,737,413 (2013: nil) were utilised at the end of the reporting period.

Events after the Reporting Period

Save for the granting of investment license by the Vietnam government in January 2015 in respect of the garment factory in Vietnam as disclosed in this announcement. there were no other significant subsequent events happened from 31 December 2014 up to the date of this announcement which would have material effect to the Group.

FUTURE PROSPECTS AND STRATEGIES

Challenges and opportunities coexist in the operating environment of the Chinese textile and garment industry. Factors such as the shortage of labor, rising costs of resources, increasingly stringent requirements on environmental protection, and the divergence in the tariff policies of importing countries, all call for a higher pace of restructuring in Chinese enterprises. Although the operating environment of the Chinese textile and garment industry is full of headwinds, it possesses advantages that are absent in other countries. Examples of such advantages include comprehensive industrial facilities, outstanding talents in the industry and superior infrastructure etc. To excel in their future developments, it is essential for Chinese textile and garment enterprises to consolidate their global resources and to complement each other's advantages. The Group will continue to reinforce its production bases in the Mainland China, while at the same time speed up the construction of its vertically-integrated production model overseas, hence gradually expanding the scale of production bases abroad.

The soar in labor costs and stringent requirements on environmental protection will be major long-term challenges for Chinese textile and garment enterprises. Through progressively enhancing the automation of its equipment, the Group will reduce the reliance on labor in production; it will continue to implement lean production management, improve the utilization rate of raw materials, and deepen its planning management to maximize productivities of production lines; it will also further promote the welfare of employees by improving their living amenities and working environment, thus lifting production efficiency with increased job stabilities of employees; the Group will continue to implement a clean production model that meets environmental protection and energy conservation principles, increase the recycle rate of water resources, renovate part of the existing production lines with energy-conservative and low emission high-tech equipment, emphasize control on the whole production process to optimize environmental protection efforts, satisfy the increasingly strict environmental protection regulations set by the government, and meet customers' and the public's expectation regarding corporations' responsibilities to conserve the environment.

The Group will continue to expedite the construction of its production bases overseas, so as to build and optimize its vertically-integrated production model. The Group will enlarge the pool of management talents overseas by combining internal training and outside recruitment. With the support of all of its divisions, the Group will promptly raise the management capabilities of the factories overseas to a satisfactory standard. It aims to be the first to seize opportunities in the competitive industrial platform abroad, and to efficiently sharpen its competitive edges. In 2014, the Phase I fabric factory in Tay Ninh Province, Vietnam, has already successfully commenced production. The Group will complete the construction of the Phase II fabric factory. The complementary garment factory in Vietnam will also be constructed in full speed, and are expected to commence operations in the third quarter of 2015. The Group is confident on the development of its foreign production bases, which are built on the R&D and management capabilities of its Chinese base.

Looking ahead, the Group will sustainably improve its management capabilities and consolidate its global value chain, then it will be able to bolster the corporate's integrated competitiveness, provide environmental friendly and high-quality products to consumers, and offer more comprehensive and speedy services to customers. The Group will strive for growth opportunities in challenging times, and exert every effort to achieve excellent operating performances. The management is cautiously optimistic towards the business performance of the Company in 2015.

FINAL DIVIDEND (INCLUDING SPECIAL DIVIDEND)

The Board recommends the payment of a final dividend of HK$1.00 (including a special dividend of HK$0.35) (equivalent to approximately RMB0.79) per share for the year ended 31 December 2014 to shareholders whose name appear on the register of members of the Company on 12 June 2015. However, the proposed payment of the dividend shall be subject to approval by shareholders at the forthcoming annual general meeting (the "AGM") to be held on 28 May 2015.

BOOK CLOSURE

The Register of Members of the Company will be closed from 22 May 2015 to 28 May 2015, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible for attending and voting at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 21 May 2015.

The Register of Members of the Company will be closed from 9 June 2015 to 12 June 2015, both dates inclusive, during such period no transfer of shares will be registered. In order to qualify for the said final dividend (including special dividend) which will be resolved and voted at the AGM, all transfers, accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 8 June 2015.

CORPORATE GOVERNANCE

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 Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 9 October 2005.

The Company had complied with all the code provisions of the CG Code throughout the year ended 31 December 2014.

Terms of Reference of Board Committees

In order to comply with the Listing Rules and the CG Code, the terms of reference of each of the audit committee, nomination committee and remuneration committee of the Company have been revised accordingly. Such terms of reference 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 required pursuant to the code provision A.6.5 set out in the CG Code. The Company has arranged for continuous professional development on the update of the Listing Rules and the related legal and regulatory requirements for the Directors.

Corporate governance functions

The Company has adopted the terms of reference for corporate governance functions on 26 March 2012 in compliance with the code provision D.3 set out in the CG Code, effective from 1 April 2012. Pursuant to the terms of reference of the corporate governance functions, the Board shall be responsible for developing and reviewing and/or monitoring the policies and practices on corporate governance of the Group; training and continuous professional development of 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 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 AGM of the Company to be held on 28 May 2015 to answer shareholders' questions about the conduct of audit, the preparation and contents of the auditors' report, the accounting policies and the auditor's independence.

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

SECURITIES TRANSACTIONS OF DIRECTORS

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

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

AUDIT COMMITTEE

The Audit Committee has reviewed with the management and the external auditors of the Company this annual results and the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial statements matters including the review of the financial statements for the year ended 31 December 2014.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's auditors, Ernst & Young, certified public accountants, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company issued convertible bonds in an aggregate principal amount of HK$3,900,000,000 (equivalent to approximately RMB3,097,380,000 if calculated at an exchange rate of HK$1=RMB0.7942 on the Issue Date), bearing a coupon rate of 0.5% and payable semi-annually. The maturity date of convertible bonds is on the Maturity Date, unless previously redeemed, converted, purchased, cancelled or otherwise provided in the terms and conditions of the bonds. The Company will redeem the convertible bonds at 103.86% of their principal amounts on the Maturity Date. The initial conversion price of the bonds is HK$38.56 per share (subject to adjustment). On the Issue Date, the initial recognition amount of RMB2,846,450,000 for the liability component of the bonds was calculated using a market interest rate of 3.55% for a non-convertible bond of the same class. Equity component amount of RMB197,140,000 was credited to the reserves of shareholders' equity. For relevant details, please refer to the announcements of the Company dated 22 May 2014, 18 June 2014 and 19 June 2014, respectively.

Save for the issuing of convertible bonds of the Company mentioned above, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2014.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

The annual report of the Company, which contains all the information required by the Listing Rules, will be sent to shareholders and published on the website of the Stock Exchange (www. hkex.com. hk) and the Company's website (www.shenzhouintl.com) in due course.

ANNUAL GENERAL MEETING

The AGM will be held at 7th Floor, the Group's Office Building, No. 18 Yongjiang Road, Beilun District, Ningbo, Zhejiang Province, the PRC, on 28 May 2015 at 10:00 a.m.. Notice of the AGM will be published and issued in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Ma Jianrong, Mr. Huang Guanlin, Mr. Ma Renhe, Ms. Zheng Miaohui, Mr. Wang Cunbo and Ms. Chen Zhifen; and four independent non-executive Directors, namely Mr. Chen Genxiang, Mr. Chen Xu, Mr. Jiang Xianpin and Mr. Qiu Weiguo.

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

Hong Kong, 25 March 2015