



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

Stock Code 股份編號: 2313

2016 年報
Annual Report



目錄 Contents

2	公司簡介	Corporate Profile
3	財務撮要	Financial Highlights
6	公司資料	Corporate Information
10	主席報告	Chairman's Statement
16	管理層討論及分析	Management Discussion and Analysis
35	企業管治報告	Corporate Governance Report
52	環境、社會及管治報告	Environmental, Social and Governance Report
97	董事及高級管理層成員履歷	Biographical Details of Directors and Members of Senior Management
105	董事會報告	Report of the Directors
119	獨立審計師報告	Independent Auditor's Report
126	綜合損益表	Consolidated Statement of Profit and Loss
127	綜合全面收益表	Consolidated Statement of Comprehensive Income
128	綜合財務狀況表	Consolidated Statement of Financial Position
130	綜合權益變動表	Consolidated Statement of Changes in Equity
131	綜合現金流量表	Consolidated Statement of Cash Flows
134	財務報表附註	Notes to Financial Statements
236	財務資料摘要	Financial Information Summary



公司簡介

Corporate Profile

申洲國際集團控股有限公司（「申洲國際」）及其附屬公司（統稱「本集團」）為中國最大的縱向一體化針織製造商，主要以代工(OEM)方式為客戶製造質量上乘的針織品。根據二零一五年中國服裝家用紡織品貿易發展報告和2015/2016年中國紡織品服裝對外貿易報告，本集團是中國出口金額最大的針織服裝生產企業及中國服裝出口企業排名首位。

本集團的生產基地位於寧波市經濟技術開發區和越南，並策略性地在中國衢州市及安慶市和柬埔寨設有製衣工廠，在上海、香港及大阪均設有銷售辦事處或代表處。現時本集團員工逾74,600人，廠房佔地面積逾389萬平方米，建築面積逾300萬平方米，每年生產各類針織服裝逾3億1千萬件。

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

為實現針織服裝代工全球最具競爭力企業目標，申洲國際已於二零零五年十一月成功在香港聯合交易所有限公司主板上市。本公司股份代號為2313，並於二零一零年三月八日起獲納入恒生綜合指數、恒生綜合行業指數（消費品）及恒生綜合中型股指數成份股。二零一四年六月，申洲國際於香港發行港幣39億元可換股債券，其代號為5762。同時，於二零一五年九月份起獲納入恒生可持續發展企業指數系列。自二零一三年六月一日起，申洲國際被納入MSCI明晟指數。

於二零一零年至二零一五年申洲國際榮登《亞洲週刊》「全球華商一千」排行榜及於二零一零年榮獲《福布斯亞洲》評選為「最佳中小上市企業」之一。申洲國際獲財華社及騰訊網評選為二零一二年、二零一五年及二零一六年度香港上市公司100強。另外，申洲國際於二零一五年十一月獲大公報評選為二零一五年度最佳公司治理上市公司之一。同時，申洲國際亦於二零一五年度獲亞洲週刊獲選為2014-2015年度中國大陸企業組的香港股市排行榜的最大市值民企大獎。本年度，申洲國際獲2016年DHL／南華早報香港商業獎項中獲選為2016年度傑出企業獎。

Shenzhou International Group Holdings Limited (“Shenzhou International”) and its subsidiaries (collectively the “Group”) is the largest vertically integrated knitwear manufacturer in China. The Group is principally engaged in the manufacturing of high-end knitwear on an OEM basis. The Group was also the knitwear garment manufacturing enterprise with the largest exporting amount of knitwear and ranked first among PRC garment exporting enterprises according to the 2015 report on the development of China’s home textile trade in the garment industry and the 2015/2016 report on China’s foreign trade in textiles and garment.

The Group’s production base is located in Economic Technical Development Zone of Ningbo and Vietnam, and the Group has strategically set up garment factories in Quzhou and Anqing of China and Cambodia. The Group also established sales offices or representative offices in Shanghai, Hong Kong and Osaka. The Group currently has over 74,600 employees. The area of the factories is over 3,890,000 sq.m. and floor area covers over 3,000,000 sq.m., which can produce various knitwear of over 310 million pieces every year.

The Group focuses on producing sports wear, casual wear and lingerie wear for major international renowned clients including UNIQLO, ADIDAS, NIKE, and PUMA. The production market is also gradually expanding from Japan to Asia Pacific, Europe and the US.

Shenzhou International was listed on the Main Board of The Stock Exchange of Hong Kong Limited in November 2005 with an aim to be the most competitive knitwear manufacturer in the world. The stock code of the Company is 2313. Shenzhou International was included in Hang Seng Composite Index, Hang Seng Composite Industry Index (Consumer Goods) and Hang Seng Composite MiddleCap Index, all effective from 8 March 2010. In June 2014, Shenzhou International issued convertible bonds of HK\$3.9 billion in Hong Kong, of which the code is 5762. Meanwhile, Shenzhou International has been included in Hang Seng Corporate Sustainability Index Series since September 2015. Shenzhou International has also been included in MSCI Index since June 1 2013..

From the year of 2010 to the year of 2015, Shenzhou International has been named in the “Top 1000 Asian Companies” List of Yazhou Zhoukan and during the year of 2010, it was recognised by Forbes Asia as one of the “Best Under A Billion” Companies. Shenzhou International was selected by Finet and QQ.COM as one of the “Top 100 HK Listed Companies” in 2012, 2015 and 2016. In addition, Shenzhou International was recognized as the one of the “2015 Best Listed Company in Corporate Governance” by Ta Kung Pao in November 2015. At the same time, Shenzhou International was awarded “The Largest Capitalization Private Company Award” in Mainland Enterprises Listed in Hong Kong Ranking in 2014-2015 by Yazhou Zhoukan in 2015. During this year, Shenzhou International was awarded “ENTERPRISE AWARD 2016” in the DHL/SCMP Hong Kong Business Awards 2016.

財務撮要

Financial Highlights

過往五年主要財務資料

KEY FINANCIAL INFORMATION FOR THE LAST FIVE YEARS

截至十二月三十一日止年度／於十二月三十一日

For the year ended 31 December/As at 31 December

		二零一六年 2016	二零一五年 2015	二零一四年 2014	二零一三年 2013	二零一二年 2012
主要財務資料 (人民幣千元)	Key Financial Information (RMB'000)					
銷售額	Sales	15,099,076	12,639,332	11,131,532	10,047,217	8,937,578
除所得稅前利潤	Profit before income tax	3,642,947	2,886,901	2,543,347	2,201,209	2,005,465
年度利潤	Profit for the year	2,947,680	2,354,842	2,066,630	1,803,912	1,621,480
本公司權益擁有人 應佔利潤	Profit attributable to equity owners of the Company	2,947,673	2,354,664	2,065,867	1,802,989	1,620,158
非流動資產	Non-current assets	8,980,567	7,450,113	5,633,884	4,324,581	3,967,507
流動資產	Current assets	12,835,495	10,911,501	10,309,144	6,992,693	5,927,902
流動負債	Current liabilities	3,094,482	2,154,769	1,265,177	985,617	1,773,275
流動資產淨值	Net current assets	9,741,013	8,756,732	9,043,967	6,007,076	4,154,627
總資產	Total assets	21,816,062	18,361,614	15,943,028	11,317,274	9,895,409
總資產減流動負債	Total assets less current liabilities	18,721,580	16,206,845	14,677,851	10,331,657	8,122,134
總權益	Total equity	15,309,602	13,089,836	11,811,326	10,331,657	8,122,134
現金及現金等價物	Cash and cash equivalents	2,105,184	1,815,678	1,428,074	2,609,050	2,144,405
主要財務比率	Key Financial ratios					
毛利率(%)	Gross profit margin (%)	32.5	30.5	29.0	28.3	28.5
淨利潤率(%)	Net profit margin (%)	19.5	18.6	18.6	18.0	18.1
淨資本負債比率(%) ⁽¹⁾	Net gearing ratio (%) ⁽¹⁾	16.6	15.0	12.6	不適用N/A	不適用N/A
流動比率	Current ratio	4.1	5.1	8.1	7.1	3.3
應收賬款之週轉期(日)	Accounts receivable turnover period (days)	56	53	49	50	55
存貨之週轉期(日)	Inventory turnover period (days)	124	121	116	110	111

附註：

Note:

1. 淨資本負債比率之計算為總借貸(銀行貸款加可換股債券)扣除現金及現金等價物與總權益之比率。

1. Net gearing ratio represents the ratio between total borrowings (bank loans plus convertible bonds), less cash and cash equivalents and total equity.

財務撮要

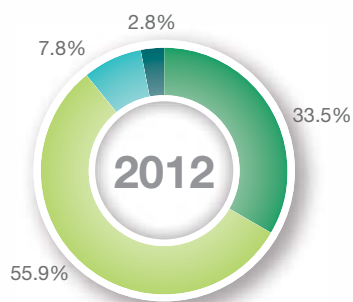
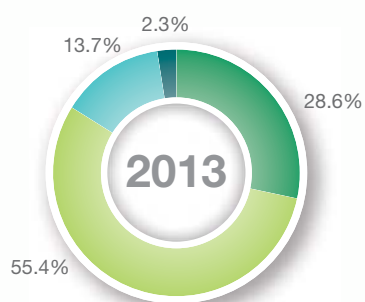
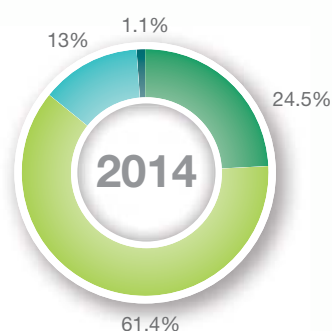
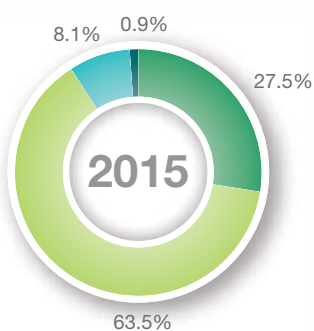
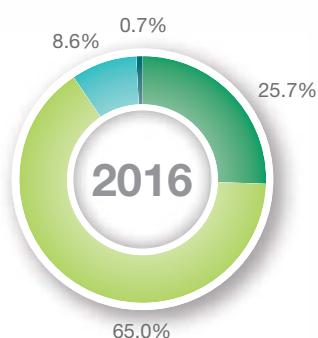
Financial Highlights

按產品類別分析的本集團銷售額

ANALYSIS OF SALES OF THE GROUP BY PRODUCTS

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

		二零一六年 2016		二零一五年 2015		二零一四年 2014		二零一三年 2013		二零一二年 2012	
		人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%
按產品	By products										
運動類	Sports wear	9,815,537	65.0	8,028,054	63.5	6,830,432	61.4	5,561,070	55.4	4,994,455	55.9
休閒類	Casual wear	3,886,024	25.7	3,476,499	27.5	2,724,394	24.5	2,872,104	28.6	2,993,648	33.5
內衣類	Lingerie wear	1,293,111	8.6	1,022,233	8.1	1,452,274	13.0	1,378,932	13.7	701,766	7.8
其他針織品	Other knitting	104,404	0.7	112,546	0.9	124,432	1.1	235,111	2.3	247,709	2.8
銷售額總計	Total sales	15,099,076	100.0	12,639,332	100.0	11,131,532	100.0	10,047,217	100.0	8,937,578	100.0



● 休閒類 Casual
 ● 運動類 Sports
 ● 內衣類 Lingerie
 ● 其他針織品 Other knitting

財務撮要

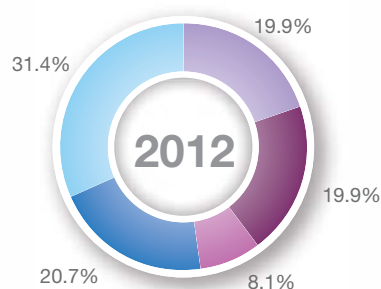
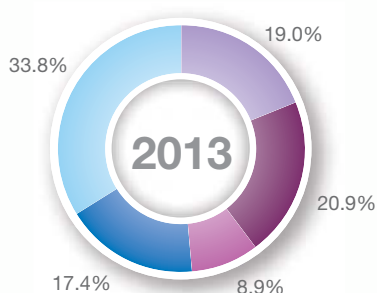
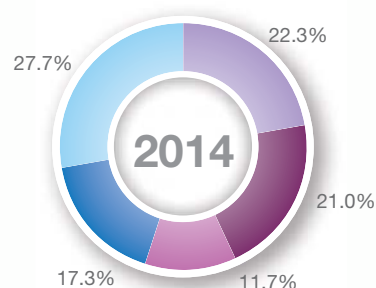
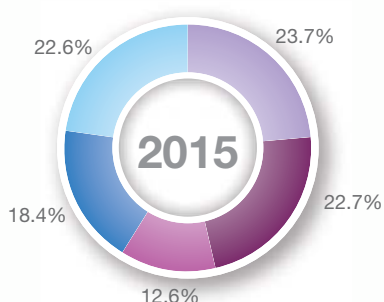
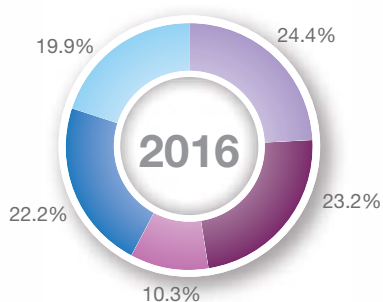
Financial Highlights

按市場分佈分析的本集團銷售額

ANALYSIS OF SALES OF THE GROUP BY REGIONAL DISTRIBUTION OF MARKET

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

		二零一六年 2016		二零一五年 2015		二零一四年 2014		二零一三年 2013		二零一二年 2012	
		人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%	人民幣千元 RMB'000	%
按市場	By market regions										
國際銷售	International sales										
歐洲	Europe	3,355,516	22.2	2,319,860	18.4	1,929,613	17.3	1,744,070	17.4	1,849,436	20.7
日本	Japan	3,003,735	19.9	2,859,692	22.6	3,081,139	27.7	3,392,580	33.8	2,805,902	31.4
美國	US	1,548,387	10.3	1,588,689	12.6	1,300,040	11.7	900,013	8.9	727,913	8.1
其他	Others	3,501,563	23.2	2,875,548	22.7	2,333,311	21.0	2,101,090	20.9	1,778,979	19.9
國內銷售	Domestic sales	3,689,875	24.4	2,995,543	23.7	2,487,429	22.3	1,909,464	19.0	1,775,348	19.9
銷售額總計	Total sales	15,099,076	100.0	12,639,332	100.0	11,131,532	100.0	10,047,217	100.0	8,937,578	100.0



● 國內銷售 Domestic Sales
 ● 其他市場 Others
 ● 美國 US
 ● 歐洲 Europe
 ● 日本 Japan

公司資料

Corporate Information

(於二零一七年三月二十七日(「最後實際可行日期」)) (as at 27 March 2017 (the “Latest Practicable Date”))

註冊名稱

Shenzhou International Group Holdings Limited

中文名稱

申洲國際集團控股有限公司

董事會

執行董事

馬建榮先生(主席)

黃關林先生

馬仁和先生

鄭妙輝女士

(於二零一七年一月一日辭任)

王存波先生

陳芝芬女士

獨立非執行董事

陳根祥先生

(於二零一七年一月一日辭任)

陳旭先生

蔣賢品先生

裘煒國先生

公司秘書

陳德興先生

授權代表

鄭妙輝女士

(於二零一七年一月一日辭任)

王存波先生

(於二零一七年一月一日獲委任)

陳德興先生

董事會主要委員會

審核委員會

蔣賢品先生(主席)

陳根祥先生

(於二零一七年一月一日辭任)

陳旭先生

裘煒國先生

薪酬委員會

陳旭先生(主席)

(於二零一七年一月一日獲委任)

陳根祥先生(主席)

(於二零一七年一月一日辭任)

馬仁和先生

蔣賢品先生

提名委員會

馬建榮先生(主席)

蔣賢品先生

裘煒國先生

註冊辦事處

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

REGISTERED NAME

Shenzhou International Group Holdings Limited

CHINESE NAME

申洲國際集團控股有限公司

BOARD OF DIRECTORS

Executive Directors

Mr. Ma Jianrong (*Chairman*)

Mr. Huang Guanlin

Mr. Ma Renhe

Ms. Zheng Miaohui

(resigned on 1 January 2017)

Mr. Wang Cunbo

Ms. Chen Zhifen

Independent Non-executive Directors

Mr. Chen Genxiang

(resigned on 1 January 2017)

Mr. Chen Xu

Mr. Jiang Xianpin

Mr. Qiu Weiguo

COMPANY SECRETARY

Mr. Chan Tak Hing Kenji

AUTHORIZED REPRESENTATIVES

Ms. Zheng Miaohui

(resigned on 1 January 2017)

Mr. Wang Cunbo

(appointed on 1 January 2017)

Mr. Chan Tak Hing Kenji

KEY BOARD COMMITTEES

Audit Committee

Mr. Jiang Xianpin (*Chairman*)

Mr. Chen Genxiang

(resigned on 1 January 2017)

Mr. Chen Xu

Mr. Qiu Weiguo

Remuneration Committee

Mr. Chen Xu (*Chairman*)

(appointed on 1 January 2017)

Mr. Chen Genxiang (*Chairman*)

(resigned on 1 January 2017)

Mr. Ma Renhe

Mr. Jiang Xianpin

Nomination Committee

Mr. Ma Jianrong (*Chairman*)

Mr. Jiang Xianpin

Mr. Qiu Weiguo

REGISTERED OFFICE

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

公司資料

Corporate Information

(於二零一七年三月二十七日(「最後實際可行日期」)) (as at 27 March 2017 (the "Latest Practicable Date"))

香港營業地點

香港九龍長沙灣
長裕街8號
億京廣場
27樓2708室

審計師

安永會計師事務所
執業會計師

法律顧問

安理國際律師事務所
龍生律師事務所
美富律師事務所

股份過戶登記總處

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

股份過戶登記處香港分處

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

主要往來銀行

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

投資者及傳媒關係顧問

iPR奧美公關

公司網址

www.shenzhouintl.com

股份編號

2313

可轉股債券編號

5762

PLACE OF BUSINESS IN HONG KONG

Unit 2708, 27th Floor
Billion Plaza
No. 8 Cheung Yue Street
Cheung Sha Wan, Kowloon, Hong Kong

AUDITORS

Ernst & Young
Certified Public Accountants

LEGAL ADVISERS

Allen & Overy
Lennon & Lawyers
Morrison & Foerster

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

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

INVESTOR AND PRESS RELATIONS ADVISER

iPR Ogilvy Limited

COMPANY WEBSITE

www.shenzhouintl.com

STOCK CODE

2313

CONVERTIBLE BOND CODE

5762

中國最大的縱向一體化
針織製造商

The Largest vertically-integrated
knitwear manufacturer in China



主席報告 Chairman's Statement



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

致各位股東：

本人謹代表申洲國際集團控股有限公司（「本公司」）的董事會（「董事會」或「董事」），欣然宣佈本公司及其附屬公司（統稱「本集團」或「集團」）二零一六年度全年業績，敬請各位股東審閱。

二零一六年度，紡織及製衣行業之經營壓力進一步加大，中國紡織服裝產品對歐盟、美國、日本三大市場之出口金額均出現下降，尤其是對美國出口金額為二十年來之首次下降；國內市場之消費上升趨勢亦明顯放緩。除市場需求下降之外，人工成本上漲、環保要求提高等對行業發展亦帶來很大壓力。長期以來，低資源成本是中國紡織服裝產業的主要優勢，但受中國經濟快速發展之影響，成本因素已轉化為行業之弱勢。在需求和成本的雙重壓力下，部分缺乏競爭力的中小企業逐步退出，行業集中度進一步提高。行業之優勢企業則加快了轉型升級，積極推進企業之技術創新和精細化管理，提高企業之信息化、自動化水平，成功轉型之企業將迎來新的發展機遇。

Dear Shareholders:

On behalf of the Board of Directors (the "Board" or the "Directors") of Shenzhou International Group Holdings Limited (the "Company"), I hereby am pleased to announce the annual results of the Company and its subsidiaries (together as the "Group") for 2016 for your kind review.

In 2016, textile and apparel industry was confronted with a bigger challenge. Exports of textile and apparel products of China to Europe, United States and Japan (top three largest markets) decreased. In particular, exports to United States dropped for the first time in the past twenty years. The upward trend of domestic consumption also declined markedly. A decrease in market demand, an increase in labor costs and stricter environmental protection requirements and other factors added a lot of pressure to the development of the industry. Historically, the low cost of resources was a major advantage of textile and apparel industry in China. However, as China's economy booms, the cost factor has become a weakness of the industry. Many small and medium-sized enterprises that are not strong enough to sustain the pressure from the changes in demands and costs had to pull out of the market, resulting in a higher market concentration ratio. Leading enterprises in the industry are speeding up their transformations and upgrades. Technical innovation, delicacy management, application of informatisation and automation technologies are what leading enterprises in the industry are working on. Successfully transformed enterprises are going to enjoy new development opportunities.

主席報告

Chairman's Statement

年內，本集團繼續擴建海外生產基地，並在產能和績效上取得了理想之進步；大陸生產基地之效率進一步提高，有效減輕了成本上升之壓力；堅持以客戶利益為中心，提升對客戶之全面服務能力；深化精益生產管理，在成本管控上取得了理想成效。在全體員工之共同努力下，本集團於艱難行業環境中再創佳績，取得了銷售收入和經營業績之理想增長。在此，本人希望投資者能肯定集團所取得之成績，並繼續支持本集團的業務發展策略。

截至二零一六年十二月三十一日止年度，本集團繼續保持了銷售收入及業績之理想增長。全年銷售額約達人民幣15,099,076,000元，較二零一五年度上升了19.5%；截至二零一六年十二月三十一日止年度的本公司股權持有人應佔利潤為人民幣2,947,673,000元，較截至二零一五年十二月三十一日止年度的人民幣2,354,664,000元上升了25.2%，每股盈利為人民幣2.11元。截至二零一六年十二月三十一日止，本集團的現金及現金等價物為人民幣2,105,184,000元。

鑒於本集團業務表現良好及財務狀況穩健，本公司董事會建議派發末期股息每股1.20港元（包括特別股息0.35港元），約相當於每股1.07人民幣元。

根據中國海關統計數據，中國紡織服裝產品之出口金額已連續二年出現下降，本行業於全球產業中之競爭優勢進一步減弱，尤其受人工成本、稅收負擔及貿易環境之不利影響。當前，中國人口老齡化趨向加重，就業總人口逐年下降，而經濟的持續增長提高了全社會之工資水平，用工密集的製造產業將長期面臨人工成本上漲之壓力。此外，一些發展中國家為吸引外國產業資本之投資，企業之稅收負擔低於中國，而服裝產業因有助於安置就業及出口創匯，更有機會享受政府之稅收優惠，一些發達經濟體為促進本國經濟之增長亦開始重視製造業，發達如美國亦計劃通過減稅來吸引製造業回歸。中國政府亦重視企業之稅費負擔，二零一六年五月，取消營業稅而改征增值稅，降低了企業稅收負擔，亦正在清理

The Group has continued to set up new factories abroad during the year, and the improvement of our production capacity and operating results are impressive. Manufacturing bases in Mainland China are becoming more efficient, effectively offsetting the pressure of increasing cost. We always put customers' interest in the first place, and try to offer better and more compressive service to customers. Our efforts on the management for lean production has effectively lowered our costs. Thanks to everyone's efforts, the Group has managed to perform well even in this difficult industry environment. Sales revenue and operating results increased ideally. I hereby hope that investors will appreciate the Group's achievement and continue to support the business development strategies of the Group.

For the year ended 31 December 2016, the Group's sales revenue and results continued to grow ideally. The annual sales was RMB15,099,076,000, representing an increase of 19.5% as compared to 2015. The profit attributable to equity holders of the Company increased from RMB2,354,664,000 in 2015 to RMB2,947,673,000 in 2016, representing an increase of 25.2%. Earnings per share was RMB2.11. As at 31 December 2016, the Group's cash and cash equivalents totalled RMB2,105,184,000.

Given that the Group has excellent results and strong financial position, the Board of the Company proposes to declare a final dividend of HK\$1.20 per share (including a special dividend of HK\$0.35), which equals to approximately RMB1.07 per share.

According to the statistics of China Customs, exports of textile and apparel products of China dropped for two consecutive years. Our industry is losing its advantages over others, due to rising labor costs, heavy taxes and changing trade environment. China's rapidly aging population has led to a shrinking labor force and as the economy grows, the level of remuneration rises as well. Manufacturing industry which is labor intensive will be confronted with a rising labor costs for a long time. In addition, many other developing countries are setting lower tax rates than that of China to attract foreign investment. Apparel industry is more likely to have a favourable tax rate from governments because the industry can create jobs, stimulate exports and obtain foreign exchange. Some developed economies are paying more attention to its manufacturing industry for the purpose of boosting their economies. For instance, the United States plans to recover manufacturing industry by lowering taxes. Meanwhile, the Government of China pays attention

主席報告

Chairman's Statement

對企業之不合理收費，但目前服裝產業在稅收負擔上較其它國家尚處於劣勢。在貿易環境上，全球主要服裝進口市場，如歐盟、美國和日本等對中國与其它欠發達國家採取了差異化的進口關稅政策，加大了進口商從中國企業的採購成本。儘管美國宣佈退出TPP，但不代表中國服裝產品的出口壓力減輕，美國新政府對中國之貿易政策尚存在較大不確定性。

行業之經營壓力，亦增加了行業之轉型動力，在當前之艱難經營環境中，企業更應充分發揮現有之基礎，確立企業發展之信心。中國較其它國家有更好的產業基礎，行業之多年發展，集聚了眾多優秀的行業人才。企業應主動進行創新變革，將企業發展與人口、資源、環境等要素相協調，追求企業之長期可持續發展。中國政府推進的供給側改革，將會淘汰一批缺乏競爭力的落後企業，更有利於行業之有序發展。產業的跨國轉移，亦會推動產業輸入國之製造成本上升。中國是全球最具有增長潛力之市場，行業之發展於國內市場亦有很大空間。企業應將製造低成本、高品質之產品作為自身之使命，並以創新產品來促進更多之消費需求。在推進轉型升級過程中，中國紡織服裝行業有希望再建新的產業優勢。

年內，本公司繼續為各專業委員會提供履行職務之充分資源保障，董事會與各專業委員會緊密合作並保持有效之溝通，所推進之各項工作均富有成效。本公司所有成員致力追求卓越的企業管治及達至公平公正的決策過程，確保維持高透明度，盡力為所有股東及各持份者提供開放的溝通渠道。

to lowering taxes for enterprises. In May 2016, Business Tax was replaced by Value-Added Tax, helping to relieve the tax burden on enterprises. The Government is also cancelling inappropriate types of charge for enterprises. However, China still has a less favourable tax rate for apparel industry than those of other countries. In terms of trading environment, the major import markets (e.g., EU, US and Japan) for apparel have imposed differential duties against China and some underdeveloped countries, resulting in higher importers' costs of procuring products from enterprises in China. Although the United States has announced to pull out of TPP, this does not mean that the pressure on exports of China's apparel products is reduced. It is still uncertain what kind of trade policy with China the new government of the United States is going to adopt.

The operational difficulties in this industry are stimulating its transformation. Under the circumstances, enterprises should make the most out of what they have already got and be ambitious about enterprise development. The knitwear industry in China has a stronger foundation than those of other countries. Lots of talents have come to this industry during the past years of development. Enterprises should do their best in innovation. For a long-term sustainable enterprise development, we should coordinate population, resources, environment etc. The Government of China are working on its supply-side structural reform. Some weak and outdated enterprises will be shut down for an orderly development. Cross-border transfer of industry will lead to the increase in the manufacturing costs in receiving countries. China's market has the greatest growth potential in the world. Our industry also has a bright future in domestic market. Enterprises should work on reducing costs, offering better products and being innovative to boost consumption. During the industrial transformation, the textile and apparel industry is likely to create more advantages over other industries.

The Company continued to provide each professional committee of the Company with all-rounded support in the past year. The Board and every committee cooperated closely and communicated effectively with each other. The results of all the projects that we worked on were impressive. Members of the Company are in pursuit of excellent corporate governance and a fair and square decision making process. We are maintaining a transparent administration to provide all shareholders and stakeholders with an open channel to communicate.

主席報告

Chairman's Statement

本人感謝各位董事一年來的辛勤付出，也感謝各級管理人員和全體員工於年內的盡忠職守，是各位之勤勉工作使本集團於行業之艱難經營環境中取得業績之理想增長。企業之經營如逆水行舟，本人希望管理團隊要居安思危、追求進步！秉持「創新變革、質量立廠」之理念，以提升自身之競爭力來促進企業之可持續發展！本人更要感謝各位股東、客戶及供應商對本公司的長期信任，期盼在今後的發展中得到一貫的支持！

對於未來之經營策略，本集團將繼續以「創新、合規」為發展之基礎，加大對人才的引進和培養力度；提升企業的信息化管理水平，促進管理效率的提高和決策的針對性；逐步提高生產的自動化水平，改善員工的工作舒適性，並降低對一線員工的技能要求；持續推進精益生產管理，以有競爭力的成本製造出優質、環保之產品。

本集團將以最大之努力去創新、變革，以提高為客戶全面服務能力為立足點，提升本集團於行業中之競爭優勢，追求企業規模和效益之理想增長，為股東創造更佳之投資回報。

董事會主席
馬建榮

香港，二零一七年三月二十七日

I appreciate every director's great efforts over the past year. I also would like to thank management personnel and other staff members for their attentiveness to duties. Thanks to everyone's dedication, the Group managed to achieve an impressive growth in such an adverse operational environment. Operating an enterprise is like a boat sailing against the current. I hope that management personnel take what we have already achieved as a beginning and forge ahead. We should also stick to the principle of "innovation breeds evolution, and quality always comes first", aiming to be stronger and contribute to the sustainable development of our enterprise! I would like to thank each shareholder, customer and supplier for their lasting trust in the Company. I hope their ongoing support will continue into the future.

In terms of the strategies for future operation, we will continue to develop the Group with the concept of "Innovation and Compliance" in mind. We will also recruit more talents and improve our trainings. The informatisation of our enterprise management will be brought to the next level for better management efficiency and better judgment. The automation level of our production will be enhanced to create more comfortable working conditions for our staff and lower the skill requirement for junior personnel. We never stop optimising our production management, aiming at offering better and greener products while reducing costs.

The Group will spare no efforts in innovating and evolving. Offering better and more comprehensive services to our customers is what we are always after. We also want to sharpen our competitive edges in the industry, expand the size of our enterprise and increase our revenue at an ideal pace, aiming at offering shareholders a better return on investment.

Ma Jianrong
Chairman of the Board

Hong Kong, 27 March 2017

透過產品多元化及
開拓優質客戶，
並優化生產流程
去提升集團競爭力

Diversify the products,
explore quality clients and optimize
production process to enhance the
Group's competitiveness



GAIN LUCKY (VN) LTD

管理層討論及分析 Management Discussion and Analysis



經營環境

二零一六年度，全球經濟復蘇緩慢，海外市場需求疲軟，國內市場增長亦明顯放緩，而消費結構之升級需求提高，行業傳統生產方式的轉型更顯緊迫。生產成本上升和人口紅利消失，使得中國紡織服裝行業在全球產業中的競爭優勢趨向弱化，產業進一步向低成本國家轉移；行業中的優勢企業加快了結構調整和轉型升級，推進了國內的行業整合，缺乏競爭力的中小企業逐步退出；中國政府推進供給側改革，對企業的環保要求提高，環境保護成本上升，包括染料、紙箱等部分原料的價格也因之上漲。

根據中國海關統計資料，二零一六年度中國紡織服裝（包括紡織紗線、織物及製品和服裝及衣著附件，下同）出口總值為2,624.4億美元，較上年下降了約7.5%。出口總值中，紡織品出口金額為1,049.9億美元，同比下降約4.1%；服裝出口金額為1,574.6億美元，同比下降約9.6%，其中針織服裝出口金額為662.6億美元，同比下降約10.2%。紡織服裝之出口金額已連續二年出現下降，服裝出口金額的降幅仍高於紡織品，而針織類服裝的出口金額

OPERATING ENVIRONMENT

In 2016, the recovery of global economy was slow amid the weak demand of overseas market as the growth of domestic market also significantly slowed down amid the increasing demand for upgrading of the consumer structure and the transformation of the traditional mode of production of the industry becoming more urgent. With the increase in production costs and the disappearance of demographic dividend, the competitive advantage of the textile and apparel industry of China became weaker and the industry further shifted to countries with lower costs. Competitive enterprises in the industry speeded up structural adjustment and transformation and upgrade as they pushed forward consolidation of the domestic industry while small and medium sized enterprises lacking competitiveness gradually quitted. As the Chinese government pushed forward the supply side reform and increased the environmental requirements of enterprises, the costs of environmental protection increased, with the prices of dyes, cartons and other raw materials also increased as a result.

According to the statistics compiled by 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) in 2016 was US\$262.44 billion, representing a decrease of approximately 7.5% year-on-year. Out of the total export value, the export value of textile products amounted to US\$104.99 billion, representing a drop of approximately 4.1% year-on-year; the garment export value amounted to US\$157.46 billion, down by approximately 9.6% year-on-year, of which the knitwear export value accounted

管理層討論及分析

Management Discussion and Analysis

已連續三年下降。二零一六年，出口至歐盟、美國和日本三個主要進口市場的金額，合計占中國當年紡織服裝出口總值的43.0%（二零一五年度：43.2%）。其中，對歐盟出口495.0億美元，同比下降6.8%；對美國出口450.2億美元，同比下降5.7%；對日本出口203.3億美元，同比下降6.1%。對主要海外市場之出口金額同時出現下降之現象為歷年少見，同時，中國服裝產品於主要進口市場之占比呈持續下降趨勢，反映中國紡織服裝產品於海外市場之競爭優勢減弱。此外，對東盟出口紡織服裝333.6億美元，較上年下降了6.9%，其中紡織品出口金額為241.2億美元，同比增長1.9%，增幅較上年下降了4.6個百分點，雖然目前東盟國家對中國紡織原料之進口依賴度仍為較高，但近年來，包括中國為主的國外產業資本將紡織服裝之生產基地向東南亞國家轉移，促進了東盟國家服裝產業原料配套的逐步改善。

二零一六年，紡織服裝出口金額位於中國前五位的沿海省份合計出口金額占全國出口總金額的比例為75.1%（二零一五年度：73.7%），較上年度上升了1.4個百分點。浙江省出口金額為646.6億美元，較上年下降了5.9%；廣東省出口金額為504.3億美元，較上年下降了3.4%；江蘇省出口金額為438.1億美元，較上年下降了0.6%；福建省出口金額為210.1億美元，較上年下降了8.2%，山東省的出口金額為208.9億美元，較上年下降了1.8%。排名前五位的沿海省份出口金額出現全面下降，為二零零九年金融危機後之首次，而占全國出口金額之占比已連續二年上升，反映沿海紡織服裝產業之發展較中西部地區仍有優勢。

根據中國海關總署發佈的統計資訊，二零一六年中國對外貿易進出口總值為36,849.3億美元，比二零一五年下降了6.8%，連續二年出現下降。其中出口總值20,974.4億美元，進口總值15,874.8億美元，分別較二零一五年度下降了7.7%和5.5%。年內，中國的進出口順差金額為5,099.6億美元，較二零一五年度的5,945.0億美元減少了845.4億美元，降幅為14.2%。根據中國國家外匯管理局的統計資料，截至二零一六年十二月三十一日止的國家外匯儲備金額為30,105.2億美元，比上年末減少了3,198.4億美元。根據中國商務部資訊，

for US\$66.26 billion, decreased by approximately 10.2% year-on-year. The export value of textile and garment products had declined for two consecutive years and the drop of garment export value remained greater than that of textile, while the knitwear export value had declined for three consecutive years. In 2016 the three major importers, namely the EU, the US and Japan, together accounted for 43.0% (2015: 43.2%) of China's total export value of textile and apparel products, of which exports to the EU decreased by 6.8% year-on-year to US\$49.5 billion; exports to the US dropped by 5.7% year-on-year to US\$45.02 billion; and exports to Japan dropped by 6.1% year-on-year to US\$20.33 billion. The decline in the export value of the major overseas markets at the same time was rare in the past. Meanwhile, the percentage of Chinese apparel products in major import markets has been declining, reflecting the weakened competitive advantage of China's textile and apparel products in the overseas market. In addition, exports to ASEAN countries dropped by 6.9% to US\$33.36 billion, of which textile export amounted to US\$24.12 billion, representing an increase of 1.9% year-on-year and the increase dropped 4.6 percentage points year-on-year. Although ASEAN countries currently still mainly rely on textile raw materials from China, foreign industrial capital including mainly China shifted the production base of textile and garment to South East Asia countries in recent years, promoting the gradual improvement of raw materials of the garment industry of ASEAN countries.

In 2016, the top five coastal provinces in terms of textile and garment export value together accounted for 75.1% (2015: 73.7%) of the total export value of China, representing an increase of 1.4 percentage point over the previous year. The export value of Zhejiang Province decreased by 5.9% over the previous year to US\$64.66 billion, and that of Guangdong Province decreased by 3.4% over the previous year to US\$50.43 billion. The export value of Jiangsu Province amounted to US\$43.81 billion, down by 0.6% over the previous year, and those of Fujian Province and Shandong Province were US\$21.01 billion and US\$20.89 billion, down by 8.2% and 1.8% over the previous year respectively. The export of all the top five coastal provinces declined, which was the first time since the financial crisis in 2009 while the proportion of their combined export value to the national export value increased for two consecutive years, reflecting the development of textile and garment industry remained competitive compared to central and western areas.

According to statistics released by the General Administration of Customs of China, the total import and export value of China's foreign trade in 2016 was US\$3,684.93 billion, decreased by 6.8% over 2015 and declined for two consecutive years. The total export value and the total import value were US\$2,097.44 billion and US\$1,587.48 billion respectively, down by 7.7% and 5.5% respectively as compared to 2015. During the year, China's import and export trade surplus amounted to US\$509.96 billion, decreased by US\$84.54 billion as compared to the US\$594.5 billion reported in 2015, representing a decline of 14.2%. According to statistics released by the State Administration of Foreign Exchange, as of 31 December 2016, the country's foreign exchange reserves amounted

管理層討論及分析

Management Discussion and Analysis

二零一六年度中國非金融類對外直接投資金額達1,701.1億美元，較上年度增長44.1%，其中流向製造業的投資為310.6億美元，同比增長116.7%。成本的快速上升和有限的資源供應，促進了中國企業向海外進行產業投資。

根據越南國家海關的初步統計資料，二零一六年，越南紡織行業的出口金額約為267.7億美元，較上年增長了5.6%，其中紡織服裝的出口金額約為238.4億美元，較上年增長了4.6%，紗線的出口金額約為29.3億美元，較上年增長了15.3%。紡織服裝主要出口至美國、日本和韓國，出口金額分別為114.5億美元、29.0億美元和22.8億美元，出口金額較二零一五年分別增長4.5%、4.1%和7.4%；紗線則主要出口至中國，出口金額約為16.5億美元，較上年增長了20.9%。根據中國海關的統計，二零一六年度中國出口至越南的紡織品金額約為100.0億美元，降幅為約3.8%，其中面料金額約為77.6億美元，降幅為約4.9%，占中國面料出口總額約14.7%。二零一七年一月二十三日，美國總統Donald Trump在白宮簽署行政命令，宣佈美國正式退出跨太平洋夥伴關係協定(TPP)。作為越南最大的服裝出口市場，美國退出TPP，改變了越南服裝產品對美國出口快速增長之預期，也將影響外國企業對越南的產業投資規模及進度。短期內，由於美國退出TPP，越南對中國服裝產品的出口影響將減輕，而未來之實質影響，還將視美國與越南是否會達成雙邊貿易協定，以及美國對中國和越南是否採取差異化之貿易政策。此外，越南在對外資的鼓勵政策及勞動力成本上較中國更具有優勢。

年內，人民幣對美元的匯率按中間價貶值了約6.4%，已連續三年對美元出現貶值，根據金融市場人民幣對美元的遠期報價，人民幣對美元尚有貶值空間；人民幣對歐元的匯率按中間價貶值了約2.9%；人民幣對日元的匯率按中間價貶值了約9.6%。自二零零五年人民幣匯率形成機制改革以來至二零一六年末，人民幣對歐元匯率累計升值約為37.1%，對日

to US\$3,010.52 billion, representing a decrease of US\$319.84 billion as compared to the end of last year. According to information released by the Ministry of Commerce of China, the Chinese non-financial outbound direct investment amounted to US\$170.11 billion, representing a growth of 44.1% year-on-year, of which US\$31.06 billion flowed to manufacturing industry, representing a growth of 116.7% year-on-year. The rapid increase in costs and the limited supply of resources promoted the industrial investment overseas of Chinese enterprises.

According to the primary statistics from the General Department of Vietnam Customs, the export value of Vietnam's textile industry was about US\$26.77 billion in 2016, representing an increase of 5.6% over the previous year. The export value of textile and garment was about US\$23.84 billion, representing an increase of 4.6% over the previous year; while the export value of yarn increased 15.3% year-on-year to about US\$2.93 billion. Vietnam's textiles and garments were mainly exported to the US, Japan and South Korea, with export values of US\$11.45 billion, US\$2.90 billion and US\$2.28 billion, respectively, representing growth rates of 4.5%, 4.1% and 7.4% respectively over 2015; Vietnam's yarns were exported mainly to China, with export value increasing by 20.9% to approximately US\$1.65 billion over the last year. According to the data compiled by China Customs, the textile export from China to Vietnam decreased by approximately 3.8% to approximately US\$10.00 billion in 2016, of which fabrics export was approximately US\$7.76 billion, representing a drop of approximately 4.9% over the previous year, and accounted for approximately 14.7% of China's total fabrics export. On 23 January 2017, the US president Donald Trump signed an executive order at the White House announcing that the US had officially withdrawn from the Trans-Pacific Partnership Agreement (TPP). As the US is Vietnam's largest garment export market, the withdrawal of the US from the TPP changed the expected rapid growth of Vietnamese clothing products export to US and would also affect the industrial investment scale and progress of foreign enterprises in Vietnam. In the short term, due to the withdrawal of the US from the TPP, Vietnam's impact on the export of China garment products will be reduced and the future real impact would depend on whether US and Vietnam would reach a bilateral trade agreement and whether US would adopt differentiated trade policies for China and Vietnam. In addition, Vietnam's incentive policy for foreign investment and labor costs are more competitive than China.

During the year, the exchange rate of RMB against US dollar depreciated by approximately 6.4% at the middle rate, representing depreciation of the exchange rate for three consecutive years. According to the forward exchange rate of RMB against US dollar in the financial market, RMB is expected to continue its downward trend against US dollar. The exchange rate of RMB against Euro and Japanese yen depreciated by approximately 2.9% and 9.6% at the middle rate respectively. From the RMB exchange rate regime reforms in 2005 to the end of 2016, the cumulative appreciation in the exchange rate of RMB against the Euro and Japanese yen are approximately 37.1% and 22.6% respectively. The moderate

管理層討論及分析

Management Discussion and Analysis

元匯率累計升值約為22.6%。人民幣對國際上主要貨幣的適度貶值，將有利於減輕中國紡織服裝企業的出口壓力。

二零一六年度，中國大陸的國內生產總值為約74.4萬億人民幣元，較上年增長了6.7%，經濟增速相對穩定。根據國家統計局的統計數據，二零一六年年末中國大陸16歲至59歲的人口總量為90,747萬人，較二零一五年下降了349萬人，而60歲及以上人口總量為23,086萬人，較上年增加了886萬人。勞動力人口數量繼續減少，而老年人口數量則持續上升，人口老齡化加重將對中國經濟及社會發展帶來很大挑戰，中國製造業將長期面臨人口年齡結構問題帶來的嚴重影響，提高製造業的自動化程度已成為保障產業競爭力的重要因素。

根據國家統計局公佈的資料，二零一六年中國棉花種植面積338萬公頃，較上年減少了42萬公頃，降幅達約11%。全年棉花產量534萬噸，較上年減產260,000噸，降幅4.6%，中國的棉花種植面積連續五年下降。據美國農業部(USDA)二零一七年二月份公佈的資料，預估2016/17年度全球棉花產量約2,295萬噸，相比2015/16年度約增產195萬噸，增幅約為9.3%，2016/17年度全球棉花的消費量約2,450萬噸，較2015/16年度的2,422萬噸增加了280,000噸，增幅約為1.1%，全球棉花的結轉庫存量為1,957萬噸，較上一年度下降了約7%，庫存消費比約為80%。預估中國的棉花庫存量約1,064萬噸，占全球庫存量約54%。中國的棉花消費量占全球消費總量約32%，進口量占全球進口總量約13%。全球棉花庫存量繼續回落，但受中國政府出售國儲棉之影響，預期二零一七年度國內棉花之市場供應仍為充足，但國儲棉品質的不確定性將對市場供求產生一定的影響。因目前全球棉花消費總量高於產出總量，全球之棉花庫存將進一步下降，中國之棉花市場價格仍低於種植成本，隨著全球庫存量的進一步下降，棉花價格仍存在進一步上漲之可能。

depreciation of Renminbi against major currencies would be beneficial to reducing the export pressure of Chinese textile and garment enterprises.

In 2016, the gross domestic product (“GDP”) of Mainland China grew by 6.7% over the previous year to about RMB74.4 trillion. The economic growth was relatively stable. According to the statistics bulletin announced by the National Bureau of Statistics of China, at the end of 2016, the population aged between 16 and 59 in Mainland China was 907.47 million, reduced by 3.49 million as compared to 2015; while the population aged 60 and above was 230.86 million, increased by 8.86 million as compared to last year. The aging population is becoming serious. The size of labor force continued to decrease while the ageing population continued to increase, which would bring great challenges to the economic and social development in China. The manufacturing industry of China would face the long-term serious impact of the problem of population age structure and the improvement in the automation of the manufacturing industry had become an important factor in guaranteeing the competitiveness of the industry.

According to the information released by the National Bureau of Statistics of China, China’s cotton cultivation area in 2016 was 3.38 million hectares, decreased by 0.42 million hectares as compared to the previous year, representing a decrease of approximately 11%. Cotton production output for the year was 5.34 million tons, representing a drop of 260,000 tons or 4.6% over the previous year. The cultivation area for cotton in China had declined for five consecutive years. According to the information released by the United States Department of Agriculture (USDA) in February 2017, the world’s cotton production output in 2016/17 is estimated to be about 22.95 million tons, representing an increase of about 1.95 million tons, or about 9.3%, as compared to 2015/16. The global cotton consumption in 2016/17 is about 24.50 million tons, representing an increase of 280,000 tons, or about 1.1%, when compared to 24.22 million tons in 2015/16. The world’s cotton carryover inventory stocks amounted to 19.57 million tons, representing a decrease of about 7% when compared to the previous year. Inventory consumption ratio was about 80%. The cotton inventory in China is estimated to be about 10.64 million tons, accounting for about 54% of the global stock. China’s cotton consumption accounts for about 32% of the world’s total consumption and cotton import accounts for about 13% of the world’s total import. The global cotton inventory continued to decline, however, affected by the sale of State cotton reserve by the Chinese Government, it is expected that the market supply of domestic cotton would remain sufficient in 2017 while the uncertainty of the quality of State cotton reserve would have certain impact on the market supply and demand. As the current total global cotton consumption was higher than the total production, the global cotton reserve would further decrease and the market price of cotton of China remained lower than the cost of planting. As the global cotton reserve further decreased, further increase in cotton price still existed.

管理層討論及分析

Management Discussion and Analysis

二零一六年度居民消費價格較二零一五年度上升了2.0%，漲幅比上年擴大0.6個百分點。工業生產者出廠價格降幅明顯收窄，二零一六年工業生產者出廠價格同比下降1.4%，降幅比上年縮小3.8個百分點，是二零一二年以來降幅最小的一年。年內，中國外匯儲備的下降減少了人民幣的市場投放量，為保持銀行體系的流動性，二零一六年三月，中國人民銀行普遍下調金融機構人民幣存款準備金率0.5個百分點，此外，人民銀行通過中期借貸便利、常備借貸便利、逆回購等金融工具來調整市場的流動性，並引導市場利率。當前實體經濟之增長並未有明顯好轉，預期人民銀行不會收縮市場之流動性，而美元加息減少了人民幣的降息空間，若存款準備金率沒有進一步下降或下降幅度輕微，則實體經濟之融資成本較難有減輕之機會。

人口老齡化、環境成本上升、資源供應受限等問題將持續影響中國紡織服裝產業的發展，提高生產的自動化程度，追求可持續發展模式是行業轉型的必然方向。此外，企業還需關注消費需求升級的變化，通過產品的持續創新，為消費者提供時尚、個性、環保的優質產品，通過產品的供給側改革來促進消費需求的上升。美國率先退出TPP後，不代表中國服裝產品的出口壓力減輕，美國新政府的貿易政策尚存在較大不確定性，有條件之企業尚需在生產基地佈局和市場多元化上防範風險。

In 2016, the consumer price index rose by 2.0% as compared to 2015, the growth increased 0.6 percentage point year-on-year. The drop of producer price for manufactured goods narrowed significantly, with the decrease of 1.4% year-on-year in 2016, the decline dropped by 3.8 percentage points as compared to last year and was the smallest since 2012. During the year, the drop in China's foreign-exchange reserves decreased RMB in the market. To keep the liquidity of the banking system, People's Bank of China cut the Renminbi deposit reserve ratio of financial institutions in general by 0.5 percentage point in March 2016. In addition, People's Bank of China adjusted the liquidity of the market and guided market interest rates by financial instruments such as convenience of middle-term and standing lending facility as well as reverse repurchase. The current growth of the real economy has not significantly improved and it is expected that the People's Bank of China would not shrink the liquidity of the market. The interest rates hike of US dollar had reduced the room of lowering the interest rates of RMB. If the deposit reserve ratio did not further decline or decline slightly, the chance of lowering financing costs of the real economy would be smaller.

Problems such as ageing population, rise of environmental costs and limited supply of resources would continue to affect the development of Chinese textile and garment industry. Enhancing production automation and pursuing sustainable development model is the inevitable direction for the transformation of the industry. In addition, enterprises also need to focus on changes in consumers' increasing demands and provide consumers with stylish, personalized, eco-friendly quality products by continuous innovation of products and promote consumers' demands by supply side reform of products. The withdrawal of US from TPP did not imply that the export pressure of China's garment products would be reduced. Significant uncertainty remained with the trade policy of the new US government and enterprises still need to prevent risks in layout of production base and market diversification.



管理層討論及分析

Management Discussion and Analysis

業務回顧

當前全行業面臨之艱難經營環境對本集團亦是很大挑戰，企業惟有持續創新，才有進一步發展之機會。二零一六年，本集團繼續擴大海外生產基地之規模；通過精細化管理和自動化設備應用，提高了集團生產效率；以客戶需求為優先，增強了短交期服務能力；深化精益生產管理，加強了成本支出之管控。二零一六年度本集團之銷售收入和股權持有人應佔利潤分別較二零一五年度上升了19.5%和25.2%，再次刷新本集團之歷史業績。

擴大海外基地之規模

年內，越南面料工廠之二期項目已全部投產，生產能力大幅提升，有效保障了本集團之產能和業績的理想增長，除供應越南和柬埔寨成衣工廠之面料需求外，亦滿足了中國大陸成衣工廠之部分面料短缺。此外，於生產管理之績效上取得了理想之進步，與中國大陸基地之業務對接更為順暢。通過相關人員的培養和儲備，在管理和技術上為面料產能的進一步擴充完成了準備。越南之成衣工廠於年初完成工程建設後，員工招聘按預期計劃推進，生產效率亦穩步提升，並已為本集團之全部核心客戶提供產品服務，隨著員工規模和生產效率的上升，越南成衣工廠將為本集團之進一步增長發揮重要作用。二零一六年末，本集團亦完成了越南特種面料項目之工程建設及部分設備之安裝，將為客戶提供相關產品之生產。

BUSINESS REVIEW

The challenging business environment faced by the whole industry is also a great challenge for the Group. Enterprises only have the opportunity to further develop with continuous innovation. In 2016, the Group continued to expand the scale of overseas production bases and the production efficiency of the Group is increased by detailed management and application of automation equipment. Products delivery time is shortened by according priority to customers' demands while control of cost of expenditure is enhanced by deepening lean production management. In 2016, the revenue and profit attributable to equity holders of the Group increased by 19.5% and 25.2% respectively over 2015, breaking historical results of the Group again.

Expand the scale of overseas bases

As the Phase II project of fabric plants commenced production in Vietnam during the year, production capacity had increased significantly, effectively guaranteeing the growth of the Group's production capacity and results. In addition to supplying the demands for fabric from garment factories in Vietnam and Cambodia, it also met certain shortage in fabric of domestic garment factories in Mainland China. In addition, satisfactory progress was made in the performance of production management and the connection with businesses of the base in Mainland China became smoother. Through training and retention of relevant personnel, preparation for further expansion of the production capacity of fabric was completed in terms of management and technical capacity. After construction of the garment factory in Vietnam was completed at the beginning of the year, staff recruitment progressed according to plan and production efficiency also steadily increased with products and services being provided to all core clients of the Group. With the increase in staff size and production efficiency, the garment factory in Vietnam will play an important role in the further growth of the Group. In late 2016, the Group also completed the construction of the special fabrics project in Vietnam and the installation of some of its equipment, and will provide clients with the production of relevant products.



管理層討論及分析

Management Discussion and Analysis

提升成衣生產之效率

中國人口老齡化趨勢的加劇，給製造業企業帶來了成本壓力和招工難度。本集團致力於持續提升企業之生產效率，以應對不斷上升之勞動力成本，並減輕員工之勞動強度，為中國大陸生產基地之長遠發展奠定扎實之基礎。年內，本集團通過自動化設備應用、生產模具開發、作業流程優化等措施，以及通過計劃管控之改進使產能利用更加均衡，並加強對員工之關懷，持續改善員工之工作和生活環境，取得了生產效率之理想提升，尤其在用工密集的製衣工序取得明顯之成效，有效減輕了成本上升之壓力。

提高客戶服務之能力

提高對客戶之全面服務能力，是本集團取得持續發展之最重要基礎。近幾年，本集團資本開支密集，保障了核心客戶訂單增長之產能需求，亦對本集團之未來發展奠定了基礎。本集團克服管理上之壓力，在較短時間內，使海外工廠達到了理想的產能規模和生產績效，更好的配合了客戶於不同市場之採購需求。尤其是越南面料工廠對柬埔寨成衣工廠之原料保障，為客戶滿足歐盟市場之採購訂單需求縮短了生產交期，同時，越南成衣工廠出口之產品為客戶滿足日本市場之採購訂單節約了關稅成本。儘管於生產排產及製造成本上受到壓力，本集團通過提高內部之精細化管理，全力配合核心客戶之短交期訂單需求。年內，本集團於產品開發上亦取得較好之成效，為客戶提供更優質之新產品是本集團客戶服務能力的重要組成。

Improve the efficiency of garment production

The intensified aging trend of China's population brought cost pressures and recruitment difficulties to manufacturing enterprises. The Group devoted efforts to continuously improving the production efficiency of enterprises for coping with rising labor costs and reducing the workload of employees, laying a solid foundation for the long-term development of production bases in Mainland China. During the year, the Group made the use of production capacity more balanced by measures such as application of automation equipment, development of production mold, optimization of job flow and improvement of planned control. We will strengthen our care of employees by continuous improvement of their working and living environment. Significant increase in production efficiency is achieved, especially in the labor-intensive garment process, effectively reducing the pressure of rising costs.

Improve customer service

Improvement of the capabilities of providing all-round customer service is the most important foundation of continuous development of the Group. In recent years, the intensive capital expenditure of the Group guaranteed meeting the demand for production capacity arising from growing orders from our core clients as well as laying the foundation for the future development of the Group. The Group overcame the pressure of management and, in a relatively short period of time, has enabled overseas factories to achieve the desired scale and performance of production and better meet clients' demands for purchase in different markets. In particular, the guarantee provided by fabric plants in Vietnam for raw materials required by garment factories in Cambodia had shortened the production and delivery time for clients to satisfy purchase orders from the European Union market while products exported by Vietnamese garment factories had saved tariff costs for clients to satisfy purchase orders from the Japanese market. Despite the pressure on production scheduling and manufacturing costs, the Group met the demands for short delivery orders from core clients by internal detailed management. During the year, the Group also achieved good results in products development. Provision of better new products for clients is an important component of the capabilities of providing customer service by the Group.

管理層討論及分析

Management Discussion and Analysis

加強成本支出之管控

年內，本集團加強成本支出之管控力度，通過精細化的用料管理促進了物料之有效利用；加強與客戶方之產品設計對接能力，運用DFM（面向製造的設計）理念，優化了產品製造的工藝性；提升各個生產環節產品的RFT（首次正確性）百分率，降低了返修成本；推廣和改進TPM（全員生產維護）管理模式，提高了設備綜合效率，同時減少了出次、報廢等引起的物料浪費。本集團為各生產部門設定相關之考核目標，通過全員參與和努力，取得了成本管控上之理想成效。

Strengthen the control of cost expenditure

During the year, the Group strengthened the control of cost expenditure, promoted the effective use of materials through detailed management of materials and strengthened the ability in matching product design of clients. The use of DFM (Design-Focused Manufacturing) concept had optimized the technique of products production; enhancing RFT (Rightness of First Time) percentage of products in various production segments had reduced the cost of correction; promotion and improvement of TPM (Total Production and Maintenance) management model had increased integrated efficiency of equipment while reducing material wastage arising from scrapping. The Group had set relevant assessment targets for each production department and achieved the desired results of cost control through participation and efforts of all staff.

財務回顧

銷售額

截至二零一六年十二月三十一日止年度的銷售額約為人民幣15,099,076,000元，較截至二零一五年十二月三十一日止年度的人民幣12,639,332,000元，增加了人民幣2,459,744,000元，增幅為約19.5%。銷售額增長的主要因為：(1)中國大陸成衣工廠生產效率提升；(2)越南生產基地之產能擴充；及(3)運動類產品之增長理想。

FINANCIAL REVIEW

Revenues

Revenue for the year ended 31 December 2016 amounted to approximately RMB15,099,076,000, representing an increase of RMB2,459,744,000 or about 19.5% when compared to RMB12,639,332,000 for the year ended 31 December 2015. The increase in revenue was mainly due to: (1) the increase in production efficiency of the garment plants in Mainland China; (2) the expansion in productivity of the factories in Vietnam; and (3) satisfactory revenue growth in sportswear.

以下為本集團二零一六年度及二零一五年度按產品類別分析的銷售額比較：

The comparison of the revenue of the Group for 2016 and 2015 by product categories is as follows:

		截至十二月三十一日止年度					
		For the year ended 31 December					
		二零一六年		二零一五年		變動	
		2016		2015		Change	
		人民幣千元	%	人民幣千元	%	人民幣千元	%
		RMB'000	%	RMB'000	%	RMB'000	%
按產品	By products						
運動類	Sports wear	9,815,537	65.0	8,028,054	63.5	1,787,483	22.3
休閒類	Casual wear	3,886,024	25.7	3,476,499	27.5	409,525	11.8
內衣類	Lingerie wear	1,293,111	8.6	1,022,233	8.1	270,878	26.5
其他針織品	Other knitting	104,404	0.7	112,546	0.9	(8,142)	(7.2)
銷售總計	Total revenue	15,099,076	100.0	12,639,332	100.0	2,459,744	19.5

管理層討論及分析

Management Discussion and Analysis

截至二零一六年十二月三十一日止年度，運動類產品之銷售額約為人民幣9,815,537,000元，較截至二零一五年十二月三十一日止年度之銷售額約人民幣8,028,054,000元，增加了人民幣1,787,483,000元，增幅為22.3%。運動類產品之銷售增長主要來自國際品牌於歐洲市場和中國大陸市場之服裝需求上升及運動類面料產品之需求增加。

休閒類產品之銷售額由截至二零一五年十二月三十一日止年度的人民幣3,476,499,000元，上升至截至二零一六年十二月三十一日止年度的人民幣3,886,024,000元，增加了人民幣409,525,000元，增幅為約11.8%，主要因中國大陸市場、臺灣市場和東南亞國家之休閒服採購需求上升。

內衣類產品之銷售額由截至二零一五年十二月三十一日止年度的人民幣1,022,233,000元，上升至截至二零一六年十二月三十一日止年度的人民幣1,293,111,000元，增加了人民幣270,878,000元，增幅為約26.5%，主要因日本市場之內衣採購需求恢復增長所致。

以下為本集團二零一六年度及二零一五年度按市場劃分之銷售額比較：

For the year ended 31 December 2016, revenue from sale of sportswear amounted to approximately RMB9,815,537,000, representing an increase of RMB1,787,483,000 or 22.3% from approximately RMB8,028,054,000 for the year ended 31 December 2015. The increase in revenue from sales of sportswear was mainly attributable to the increase in demands of international brands in the Europe and garment in the Mainland China, as well as increase in demands of sportswear fabric.

Revenue from sale of casual wear increased from RMB3,476,499,000 for the year ended 31 December 2015 to RMB3,886,024,000 for the year ended 31 December 2016, representing an increase of RMB409,525,000 or approximately 11.8%, which was mainly attributable to the increase in demand for purchase of casual wear in Mainland China, Taiwan and Southeast Asia.

Revenue from sale of lingerie products increased from RMB1,022,233,000 for the year ended 31 December 2015 to RMB1,293,111,000 for the year ended 31 December 2016, representing an increase of RMB270,878,000 or approximately 26.5%, which was mainly attributable to the increase in demand for purchase of lingerie resumed in Japan.

The comparison of the revenue of the Group for 2016 and 2015 by market regions is as follows:

		截至十二月三十一日止年度					
		For the year ended 31 December				變動	
		二零一六年		二零一五年		Change	
		2016		2015			
		人民幣千元	%	人民幣千元	%	人民幣千元	%
		RMB'000	%	RMB'000	%	RMB'000	%
按市場	By market regions						
歐洲	Europe	3,355,516	22.2	2,319,860	18.4	1,035,656	44.6
日本	Japan	3,003,735	19.9	2,859,692	22.6	144,043	5.0
美國	US	1,548,387	10.3	1,588,689	12.6	(40,302)	(2.5)
其他	Others	3,501,563	23.2	2,875,548	22.7	626,015	21.8
國際銷售小計	Sub-total for international sales	11,409,201	75.6	9,643,789	76.3	1,765,412	18.3
國內銷售	Domestic sales	3,689,875	24.4	2,995,543	23.7	694,332	23.2
銷售總計	Total revenue	15,099,076	100.0	12,639,332	100.0	2,459,744	19.5

管理層討論及分析

Management Discussion and Analysis

截至二零一六年十二月三十一日止年度，本集團於歐洲市場的銷售額約為人民幣3,355,516,000元，較截至二零一五年十二月三十一日止年度的約人民幣2,319,860,000元，增加了人民幣1,035,656,000元，增幅為約44.6%。年內，本集團於歐洲市場之銷售額首次超過日本市場，主要因歐洲市場對運動類服裝之採購需求上升及本集團於海外生產基地之產能增加。

截至二零一六年十二月三十一日止年度，本集團於日本市場的銷售額約為人民幣3,003,735,000元，較截至二零一五年十二月三十一日止年度的約人民幣2,859,692,000元，增加了人民幣144,043,000元，增幅為約5.0%。主要因日本市場之內衣類服裝採購需求恢復增加所致。

截至二零一六年十二月三十一日止年度，本集團於美國市場的銷售額約為人民幣1,548,387,000元，較截至二零一五年十二月三十一日止年度的人民幣1,588,689,000元，減少了人民幣40,302,000元，降幅為約2.5%。主要因美國市場之服裝進口需求下降所致。

包括韓國、臺灣和香港等其他市場的銷售收入繼續保持增長。截至二零一六年十二月三十一日止年度，其他市場之銷售額較上年度增長了21.8%。

截至二零一六年十二月三十一日止年度，本集團於國內市場的銷售額較上年增長了23.2%。國內銷售中的成衣銷售額約為人民幣3,601,660,000元，較上年的人民幣2,883,217,000元，增加了人民幣718,443,000元，增幅約為24.9%。國內市場之銷售增長主要來自於國際品牌於中國市場之銷售上升。

The Group's revenue from the European market for the year ended 31 December 2016 amounted to approximately RMB3,355,516,000, representing an increase of RMB1,035,656,000 or approximately 44.6% from approximately RMB2,319,860,000 for the year ended 31 December 2015. During the year, the Group's revenue from the European market surpassed the Japanese market for the first time, which was mainly attributable to the increase in demands for purchase of sportswear in Europe and the increase in productivity of the Group's overseas production bases.

For the year ended 31 December 2016, the Group's revenue from the Japanese market was approximately RMB3,003,735,000, representing an increase of RMB144,043,000 or approximately 5.0% as compared to approximately RMB2,859,692,000 for the year ended 31 December 2015. It was mainly attributable to the increase in demand for purchase of lingerie wear resumed in Japan.

The Group's revenue from the US market for the year ended 31 December 2016 amounted to approximately RMB1,548,387,000, representing a decrease of RMB40,302,000 or approximately 2.5% from RMB1,588,689,000 for the year ended 31 December 2015, which was mainly attributable to the decrease in import demand for garment in the US.

The Group maintained its satisfactory revenue growth in other markets including Korea, Taiwan and Hong Kong. Revenue from other markets for the year ended 31 December 2016 surged by 21.8% as compared with last year.

For the year ended 31 December 2016, the revenue of the Group from domestic market increased by 23.2% as compared with last year, with sales of apparels in the domestic market amounting to approximately RMB3,601,660,000, representing an increase of RMB718,443,000 or approximately 24.9% from RMB2,883,217,000 last year. Sales growth in the domestic market was mainly from the sales of international brand clients in the domestic market.

管理層討論及分析

Management Discussion and Analysis

銷售成本及毛利

截至二零一六年十二月三十一日止年度，本集團的銷售成本約為人民幣10,189,636,000元（二零一五年：人民幣8,790,416,000元）。二零一六年度本集團的銷售毛利率為32.5%，較二零一五年度的30.5%上升了約2.0個百分點。年內影響毛利率的主要因素為：(1)年內本集團於中國大陸生產基地效率之有效提升；(2)產品結構之持續優化；及(3)人民幣對美元之匯率貶值。

本公司股權持有人應佔權益

於二零一六年十二月三十一日，本公司股權持有人應佔本集團權益為人民幣15,092,944,000元（二零一五年：人民幣13,074,120,000元）。其中非流動資產為人民幣8,980,567,000元（二零一五年：人民幣7,450,113,000元）、流動資產淨值為人民幣9,741,013,000元（二零一五年：人民幣8,756,732,000元）、非流動負債為人民幣3,411,978,000元（二零一五年：人民幣3,117,009,000元）及非控制性權益為人民幣216,658,000元（二零一五年：人民幣15,716,000元）。本公司股權持有人應佔權益增加主要因年內保留盈利增加所致。

Cost of sales and gross profit

The Group's cost of sales for the year ended 31 December 2016 amounted to approximately RMB10,189,636,000 (2015: RMB8,790,416,000). The Group's gross profit margin of sales in 2016 was 32.5%, representing an increase of approximately 2.0 percentage points when compared to 30.5% in 2015. During the year, major factors affecting the gross profit margin included: (1) the significant increase in productivity of the Group's production bases in Mainland China during the year; (2) the continuous optimization of product structure; and (3) the depreciation of exchange rate of RMB against US.

Equity attributable to equity holders of the Company

As at 31 December 2016, the Group's equity attributable to equity holders of the Company amounted to RMB15,092,944,000 (2015: RMB13,074,120,000), of which non-current assets, net current assets, non-current liabilities and equity attributable to non-controlling interests amounted to RMB8,980,567,000 (2015: RMB7,450,113,000), RMB9,741,013,000 (2015: RMB8,756,732,000), RMB3,411,978,000 (2015: RMB3,117,009,000) and RMB216,658,000 (2015: RMB15,716,000), respectively. The increase in equity attributable to equity holders of the Company was mainly attributable to the increase in retained earnings during the year.



管理層討論及分析

Management Discussion and Analysis

流動資金及財務資源

截至二零一六年十二月三十一日止年度，本集團經營業務所得現金淨額約人民幣3,061,398,000元，二零一五年則約為人民幣2,259,107,000元。本集團於二零一六年十二月三十一日的現金及現金等價物為約人民幣2,105,184,000元，其中人民幣983,234,000元以人民幣計值、人民幣1,033,681,000元以美元計值、人民幣35,925,000元以港元計值、人民幣39,168,000元以歐元計值、人民幣12,256,000元以越南盾計值及餘款以其他貨幣計值（二零一五年：人民幣1,815,678,000元，其中人民幣1,038,440,000元以人民幣計值、人民幣735,870,000元以美元計值、人民幣24,531,000元以港元計值、人民幣11,510,000元以歐元計值、人民幣4,830,000元以越南盾計值及餘款以其他貨幣計值）。銀行借貸餘額為人民幣1,241,433,000元（二零一五年：人民幣656,851,000元，均為短期銀行借貸），均為短期銀行借貸。可換股債券之債務部分餘額為人民幣3,410,145,000元（二零一五年十二月三十一日：人民幣3,117,009,000元）。本集團於二零一六年十二月三十一日止之借貸淨額（銀行借貸及可換股債券之債務部分餘額減現金及現金等價物）為人民幣2,546,394,000元，於二零一五年十二月三十一日止的借貸淨額為人民幣1,958,182,000元，借貸淨額增加了人民幣588,212,000元，新增之銀行借貸主要用於本集團於越南之資本性開支及投資性金融產品。

本公司股權持有人應佔權益為人民幣15,092,944,000元（二零一五年：人民幣13,074,120,000元）。本集團現金流動狀況良好，負債對權益比率（按未償還總借貸（包括可換股債券之債務部分餘額）佔本公司股權持有人應佔權益百分比計算）為30.8%（二零一五年：28.9%）。

Liquidity and financial resources

For the year ended 31 December 2016, net cash generated from the Group's operating activities amounted to approximately RMB3,061,398,000; in 2015, it was approximately RMB2,259,107,000. Cash and cash equivalents of the Group as at 31 December 2016 was approximately RMB2,105,184,000, of which RMB983,234,000 was denominated in RMB, RMB1,033,681,000 was denominated in US dollar, RMB35,925,000 was denominated in Hong Kong dollar, RMB39,168,000 was denominated in Euro, RMB12,256,000 was denominated in Vietnamese dong and the remaining balance was denominated in other currencies (2015: RMB1,815,678,000, of which RMB1,038,440,000 was denominated in RMB, RMB735,870,000 was denominated in US dollar, RMB24,531,000 was denominated in Hong Kong dollar, RMB11,510,000 was denominated in Euro, RMB4,830,000 was denominated in Vietnamese dong and the remaining balance was denominated in other currencies). The balance of bank borrowings was RMB1,241,433,000 (2015: RMB656,851,000, all being short-term bank borrowings), all being short-term bank borrowings. The outstanding balance of the debt component of convertible bonds was RMB3,410,145,000 (as at 31 December 2015: RMB3,117,009,000). 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 2016 amounted to RMB2,546,394,000, which increased by RMB588,212,000 as compared to RMB1,958,182,000 as at 31 December 2015. The new bank borrowings was mainly utilized for capital expenditure of the Group in Vietnam and investment financial products.

Equity attributable to equity holders of the Company amounted to RMB15,092,944,000 (2015: RMB13,074,120,000). 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) of 30.8% (2015: 28.9%).



管理層討論及分析

Management Discussion and Analysis

本公司於二零一四年六月十八日（「發行日」）發行了本金總額為3,900,000,000港元（若按發行日每一港元兌人民幣元之匯率0.7942計算，折合人民幣約3,097,380,000元）之可換股債券，票面利率為0.5%，每半年支付一次利息。除非先前已贖回、兌換、購買、註銷或債券條款及條件另有規定，債券之到期日為二零一六年六月十八日（「到期日」），本公司將於到期日按其本金額之103.86%贖回。該債券之初始換股價為每股38.56港元（可予調整），於二零一六年六月十一日調整後之現行換股價為每股37.50港元（可根據其條款及條件予以進一步調整），於可換股債券按上述換股價全數轉換時，將予發行的最高股份數目將為104,000,000股。於發行日，該債券之負債部分之初步確認金額為人民幣2,846,450,000元，乃根據相同類別但不可換股之債券之市場利率3.55%計算。權益部分金額為人民幣197,140,000元已計入股東權益之儲備內。發行本債券所得款項淨額約為3,832,271,000港元，截至二零一六年十二月三十一日止，該發行所得款項已全部用作越南生產基地擴張及一般企業用途。

本集團之銀行借貸及可轉債詳情載於財務報表附註29及30。

作為本集團整體理財政策的一部分，本集團向中國的持牌銀行購買金融產品（包括委託貸款、可供出售投資），透過合法且低風險的管道最大化本集團閒置資金帶來的回報。有關購買該等金融產品的相關規模測試結果均低於5%，故而該等購買毋須遵守上市規則（如下界定）第十四章須予公佈的交易之規定。購買該等金融產品已獲董事會就監察本公司庫務管理政策執行情況而成立之投資及借貸委員會批准。該等金融產品的詳情參閱本年報之財務報表所載之附註21、22、24和25。

On 18 June 2014 (the "Issue Date"), the Company issued convertible bonds in an aggregate principal amount of HK\$3,900,000,000 (equivalent to approximately RMB3,097,380,000 if calculated at the exchange rate of HK\$1=RMB0.7942 on 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) and the current conversion price after the adjustment on 11 June 2016 is HK\$37.50 per share (subject to further adjustment in accordance with its terms and conditions). The maximum number of shares to be issued upon full conversion of the convertible bonds under the above conversion price will be 104,000,000 shares. 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 were fully used for business expansion of the production base in Vietnam and for general corporate purpose for the year ended 31 December 2016.

Details of the bank borrowings and convertible bonds of the Group are set out in notes 29 and 30 to the financial statements.

As part of the Group's overall treasury management policy, the Group purchased financial products (including entrusted loans and available-for-sale investments) from licensed banks in the PRC to maximize return on the Group's idle cash through a legal and low-risk channel. The applicable size test results in respect of the purchases of these financial products are all below 5% and thus, these purchases are not subject to the notifiable transaction requirements under Chapter 14 of the Listing Rules (as defined below). The purchases of these financial products were approved by an investment and lending committee established by the Board to monitor the execution of the Company's treasury management policy. Details of these financial products can be found in notes 21, 22, 24 and 25 to the Financial Statements contained in this annual report.

管理層討論及分析

Management Discussion and Analysis

本集團之資產抵押

本集團於越南之銀行貸款約55,302,000美元（約人民幣383,633,000元）及尚未結清之信用證餘款7,777,000歐元和1,797,000美元（合計約人民幣69,290,000元），已用德利越南之相關設備作為抵押。截至二零一六年十二月三十一日止，已抵押設備之原值為100,000,000美元（約人民幣693,700,000元），賬面淨值約為88,337,000美元（約人民幣612,791,000元）。

於二零一六年十二月三十一日，若干本集團定期存款人民幣500,000,000元（二零一五年：無）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%。

融資成本及稅項

於截至二零一六年十二月三十一日止年度，融資成本支出從截至二零一五年十二月三十一日止年度的人民幣98,733,000元，增加至人民幣119,834,000元，主要由於可換股債券之利息支出因港元兌人民幣升值而增加及年內本集團於銀行的借款平均餘額增加所致。年內本集團的美元利率介乎3.1%至3.5%（二零一五年：美元的貸利率介乎2.6%至3.0%）。

於截至二零一六年十二月三十一日止年度，本集團的所得稅開支為人民幣695,267,000元，較截至二零一五年十二月三十一日止年度的所得稅開支人民幣532,059,000元上升了人民幣163,208,000元，主要因為年內本集團應稅利潤增加所致。

Pledge of the Group's assets

Bank borrowings of the Group in Vietnam amounted to approximately US\$55,302,000 (approximately RMB383,633,000) and outstanding balance of letter of credit amounted to 7,777,000 Euro and US\$1,797,000 (totaling approximately RMB69,290,000) were pledged by relevant equipments of Gain Lucky (Vietnam) Co., Ltd.. For the year ended 31 December 2016, the costs of the pledged equipments was US\$100,000,000 (approximately RMB693,700,000) and its net book value was approximately US\$88,337,000 (approximately RMB612,791,000).

At 31 December 2016, some of the Group's time deposits with an amount of RMB500,000,000 (2015: Nil) were pledged to secure bank loans granted to the Group. The time deposits have terms of more than one year and have fixed annual rates of return at 3.5%.

Finance costs and tax

For the year ended 31 December 2016, finance costs increased from RMB98,733,000 for the year ended 31 December 2015 to RMB119,834,000, mainly due to the increase of interest expenditure of the convertible bonds resulting from the appreciation of HK\$ against RMB and the increase in average balance of the Group's bank borrowings during the year. During the year, the Group's US dollar annual borrowing rate ranged from 3.1% to 3.5% (2015: the US dollar annual borrowing rate ranged from 2.6% to 3.0%).

For the year ended 31 December 2016, income tax expense of the Group amounted to RMB695,267,000, representing an increase of RMB163,208,000 when compared to income tax expense of RMB532,059,000 for the year ended 31 December 2015. The increase in income tax expense was mainly due to the increase in taxable profit of the Group.



管理層討論及分析

Management Discussion and Analysis

本公司發行可換股債券所得款項之用途

於二零一四年六月發行可換股債券

本公司於發行日發行了本金總額為3,900,000,000港元(若按發行日每一港元兌人民幣元之匯率0.7942計算,折合人民幣約3,097,380,000元)之可換股債券,票面利率為0.5%,每半年支付一次利息。除非先前已贖回、兌換、購買、註銷或債券條款及條件另有規定,債券到期之日為到期日,本公司將於到期日按其本金額之103.86%贖回。該債券之初始換股價為每股38.56港元(可予調整),於二零一六年六月十一日調整後之現行換股價為每股37.50港元(可根據其條款及條件予以進一步調整),於可換股債券按新換股價全數轉換時,將予發行的最高股份數目將為104,000,000股。於發行日,該債券之負債部分之初步確認金額為人民幣2,846,450,000元,乃根據相同類別但不可換股之債券之市場利率3.55%計算。權益部分金額為人民幣197,140,000元已計入股東權益之儲備內。發行本債券所得款項淨額約為3,832,271,000港元,擬用作業務擴張及一般企業用途。截至二零一六年十二月三十一日止,有關發行之所得款項已全部用作越南生產基地之擴充及一般營運資金。該次發行可換股債券詳情,可分別參閱本公司於二零一四年五月二十二日、二零一四年六月十八日及二零一四年六月十九日之本公司之公告。

截至二零一六年十二月三十一日止,概無可換股債券已根據相關條款及條件兌換為本公司股份。

USE OF PROCEEDS FROM THE ISSUANCE OF CONVERTIBLE BONDS OF THE COMPANY

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) and the existing conversion price after the adjustment on 11 June 2016 is HK\$37.50 per share (subject to further adjustment in accordance with its terms and conditions). The maximum number of shares to be issued upon full conversion of the convertible bonds under the new conversion price will be 104,000,000 shares. 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 2016, the proceeds from such issue had been all utilized for expansion of the Vietnam production bases and as general working capital. For details of the issuance of convertible bonds, please refer to the announcements of the Company dated 22 May 2014, 18 June 2014 and 19 June 2014, respectively.

As of 31 December 2016, no convertible bonds have been converted into shares of the Company pursuant to the relevant terms and conditions of the convertible bonds.

管理層討論及分析

Management Discussion and Analysis

外匯風險

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

為免因人民幣兌美元之匯率出現任何變動而導致日後之現金流量減值及出現波動，本集團已安排適當數量之美元借款及與美元為聯繫匯率之港元借款。於二零一六年十二月三十一日，銀行借貸總額中，美元借款約人民幣383,633,000元（計原幣金額約55,302,000美元），港元貸款為人民幣357,800,000元（計原幣金額為400,000,000港元）（二零一五年十二月三十一日：美元貸款約人民幣70,391,000元（計原幣金額約10,840,000美元），港元貸款約人民幣586,460,000元（計原幣金額為700,000,000港元））。本集團生產基地的全球化佈局，將降低人民幣兌美元匯率波動對經營帶來的影響。

僱用、培訓及發展

於二零一六年十二月三十一日，本集團共僱用約74,600名員工。年內，員工成本總額（包括行政及管理人員）佔本集團銷售額約27.4%（二零一五年：27.9%）。本集團按僱員的表現、資歷及行業慣例釐定給予員工的報酬，而酬金政策會定期檢討。根據年度工作表現評核，僱員或會獲發放花紅及獎金。此外，本公司亦會給予僱員獎勵或其他形式的鼓勵以推動僱員個人成長及事業發展。如本集團持續向員工提供培訓，以提升彼等的技術、產品知識以及對行業品質標準的認識及本集團所有新員工均須參加入門課程，而全體員工亦可參加各類培訓課程。

EXPOSURE TO FOREIGN EXCHANGE

As the Group's sales were mainly settled in US dollar, while its purchases were mainly settled in RMB, the Group's costs and operating profit margin were affected by exchange rate fluctuations to a certain extent. The Group adopted a 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 has arranged for appropriate number of loans denominated in US dollars and loans denominated in Hong Kong dollars with linked exchange rate with US dollars. As at 31 December 2016, of the total amount of bank loans, there were loans of approximately RMB383,633,000 denominated in US dollars (approximately US\$55,302,000 in original currency), and loans of RMB357,800,000 denominated in Hong Kong dollars (HK\$400,000,000 in original currency) (31 December 2015: loans of RMB70,391,000 denominated in US dollars (approximately US\$10,840,000 in original currency) and loans of approximately RMB586,460,000 denominated in Hong Kong dollars (HK\$700,000,000 in original currency)). The global layout of the Group's production bases will reduce the impact of the exchange rate fluctuations of RMB against US dollars on operations.

EMPLOYMENT, TRAINING AND DEVELOPMENT

As at 31 December 2016, the Group employed approximately 74,600 employees in total. Total staff costs, including administrative and management staff, accounted for approximately 27.4% (2015: 27.9%) 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.

管理層討論及分析

Management Discussion and Analysis

資本開支及資本承擔

於本年度內，本集團於物業、廠房及設備和預付土地租賃款項之總投資約為人民幣2,082,682,000元，其中約54%用作購買生產設備、約42%用作興建與購買新工廠大樓和預付土地租賃款項，而餘款則用作購買其他固定資產。

於二零一六年十二月三十一日，本集團已訂約購建之土地使用權、物業、廠房和設備之資本承擔約達人民幣435,010,000元，主要以內部資源撥付。

重大投資、收購及出售

於二零一六年八月二十六日，本公司與網易公司之全資附屬公司網易（香港）有限公司（「網易香港」）簽署了股份購買協議，本公司同意向網易香港轉讓49%的馬威BVI（其持有馬威香港、馬威（中國）有限公司、安徽馬威服飾有限公司、寧波馬威服飾有限公司及上海馬威服飾有限公司）之股權，股份轉讓之交割已於二零一六年九月一日完成。馬威BVI及其附屬公司於中國大陸從事休閒及運動服裝自有品牌之零售業務。

除此以外，期內本公司概無任何其他重大投資、收購及出售。

資本負債比率

於二零一六年十二月三十一日，本集團之資本負債比率為30.8%，由未償還總借貸（包括可換股債券之債務部分餘額）佔本公司股權持有人應佔權益百分比計算。

或然負債

於二零一六年十二月三十一日，本集團概無任何重大或然負債。

報告期後事項

於最後實際可行日期，本集團概無任何重大報告期後事項。

CAPITAL EXPENDITURE AND CAPITAL COMMITMENTS

During the year, the Group's total investment in property, plant and equipment and prepaid land lease payments amounted to approximately RMB2,082,682,000, of which approximately 54% was used for the acquisition of production equipment, approximately 42% 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.

As at 31 December 2016, the Group had contracted capital commitments of approximately RMB435,010,000 in connection with the acquisition and construction of land use right, properties, plants and equipment, which will be mainly financed by internal resources.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

On 26 August 2016, the Company entered into a share purchase agreement with NetEase (Hong Kong) Limited ("NetEase HK"), a wholly-owned subsidiary of NetEase, Inc., pursuant to which the Company agreed to transfer 49% equity interests of Maxwin BVI (which holds Maxwin HK, Maxwin (China) Limited, Anhui Maxwin Fashion Co., Ltd., Ningbo Maxwin Fashion Co., Ltd. and Shanghai Maxwin Garments Co., Ltd.) to NetEase HK. The share transfer was completed on 1 September 2016. Maxwin BVI and its subsidiaries are engaged in the retail business of casual and sportswear apparel under their own brands in Mainland China.

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

GEARING RATIO

As at 31 December 2016, the Group's gearing ratio was 30.8%, calculated according to the total outstanding borrowings (including the outstanding balance of the debt component of convertible bonds) as a percentage of equity attributable to the equity holders of the Company.

CONTINGENT LIABILITIES

As at 31 December 2016, the Group has no material contingent liability.

EVENTS AFTER THE REPORTING PERIOD

As at the Latest Practicable Date, the Group has no material event after the reporting period.

管理層討論及分析

Management Discussion and Analysis

未來前景及策略

全球經濟增長放緩以及成本上漲壓力對紡織服裝企業之發展帶來很大挑戰，行業中不同企業在經營上之差異分化將不斷擴大，行業之集中度進一步增加，產業跨國轉移將逐步形成平衡，行業之進入門檻亦會逐步提高。當前行業正在經歷調整期，對於擁有較好資源要素的企業，應加快完成產業轉型，從過往的低資源成本、高物料消耗的外延擴張式增長，向高效率、精細化的內涵式增長轉變，並借助信息化和自動化的進步來促進行業之發展，行業新的增長機會正孕育於變革之中。

本集團之未來發展將以增強企業之可持續發展能力為中心，實施人才充實計劃，加強產品之研發創新，提高企業管理之資訊化水準及生產過程之自動化水準，持續推進精益生產管理等策略。

人才於企業之持續發展中為基礎性保障，基於對企業擴張及未來各級管理層換代需求之考慮，本集團將加大對人才的引進和培養力度，從中篩選出優秀且認同本集團企業文化之人才，建立各級管理層的人才儲備機制。企業在轉型和變革中，既需要依賴現有團隊之行業經驗及敬業付出，又需要借助於新加盟人才的不同專業能力，以期達到更佳之管理成效。

本集團將進一步加大資金投入和管理提升，增強企業之全面創新能力，以產品、工藝、管理等方面為創新重點，並建立良好的機制來推進創新能力的持續提升。重視對新原料的開發利用，開發優質、環保之新產品促進消費需求之增長；通過設備及工藝之創新改進，降低對生產員工的技能要求並提高員工的工作舒適性。

FUTURE PROSPECTS AND STRATEGIES

With the slowdown in global economic growth and rising costs resulting in great challenges to the development of textile and garment enterprises, differentiation in business operation of different enterprises in the industry will continue to expand and concentration of the industry will further increase. Cross-border industrial transfer will gradually strike a balance and the entry barrier of the industry will gradually increase. The current industry is undergoing a period of adjustment. Enterprises with better resources should accelerate industrial restructuring, changing from external expansion growth of low resource costs and high material consumption in the past to high efficiency and detailed internal growth. With the help of improvement in informatisation and automation, development of the industry is promoted as new growth opportunities in the industry are being conceived during the change.

The future development of the Group will focus on enhancing the sustainable development capability of enterprises, implementing the plan of strengthening manpower resources, enhancing R&D innovation of products, improving the level of informatization of enterprise management and automation level of the production process, and continuing to push forward strategies such as lean production management.

Human resources are fundamental guarantee for continuous development of enterprises. In consideration of expansion of enterprises and the need for future management succession at various levels, the Group will strengthen efforts in recruiting and training of talents, select outstanding individuals who agree with the corporate culture of the Group and establish talent pool mechanism for various levels of management. The transformation and reform of enterprises not only depend on experience in the industry and dedication of the existing team but also various professional capabilities of new entrants for achieving better management results.

The Group will further increase capital investment and management improvement, enhance all-round innovation capability of enterprises with the focus of innovation on products, technologies and management, and establish a good mechanism for promoting the continuous improvement of innovation capability. The Group will pay particular attention to the development and utilization of new raw materials, develop quality eco-friendly new products for promoting growth in demand; lower the skill requirements of production staff and improve the comfortability of staff with work through innovation and improvement of equipment and technique.

管理層討論及分析

Management Discussion and Analysis

本集團將進一步提升資訊化管理水準，來促進管理效率的提高和決策的針對性。本集團之目標在於通過資訊化使數據信息能得到快速、準確反映，並降低資訊分析處理之工作強度，通過對異常資料的分析和借助資訊系統的預警來提高資訊處理的效率和回饋干預的精確性。此外，本集團將不斷優化資訊採集的手段，及建立與自動化設備之資訊對接，提高生產過程的智慧化水準。

本集團將持續推進精益生產管理，以期達到相關資源之最佳利用，並引進節能、環保之生產設備，實現全過程的綠色製造。以有競爭力的成本製造出優質、環保的產品作為生產管理之追求目標。

當前之行業環境實屬艱難，但亦孕育著發展之機遇，本集團將努力推進創新變革，並整合資源，落實既定之發展策略，相信一定會有更好之發展前景，並為投資者創造更佳之回報。由於零售業務未達預期目標，管理層將檢討剩下51%零售業務股權的發展策略。本集團計劃未來將專注於代工業務。

The Group will further enhance the level of informatized management for promoting the improvement of management efficiency and the relevance of decision-making. The Group aims to achieve quick and accurate data and information through informatisation as well as lower the efforts for information analysis and processing while improving efficiency of information processing and accuracy of feedback intervention through the analysis of irregular data and the alert of information system. In addition, the Group will continue to optimize the means of information collection, establish better connection with information of automation equipment and improve the intelligence level of production process.

The Group will continue to promote lean production management in order to achieve optimal use of relevant resources as energy-saving, eco-friendly production equipment is introduced to achieve whole process of green manufacturing. The Group will produce quality eco-friendly products at a competitive cost, which is the goal of production and management.

The current industry environment is challenging, but still presenting development opportunities. The Group will strive to promote innovation and reform, integrate resources and implement established development strategies. We believe in brighter future prospects and will create better returns for investors. As the retail business has not reached the expected target, the management will review the development strategy of the remaining 51% equity interest in retail business. The Group plans to focus on OEM business in the future.

企業管治報告

Corporate Governance Report

企業管治

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

董事會自二零零五年十月九日起已採納本身的企業管治守則，其涵蓋香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四《企業管治常規守則》（「企業管治守則」）所載的全部守則條文，以及大部分的建議最佳常規守則。本公司於截至二零一六年十二月三十一日止年度內一直遵從企業管治守則內的所有守則條文。

CORPORATE GOVERNANCE

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

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 Governing the Listing of Securities (the "Listing Rules") 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 2016.

企業管治報告

Corporate Governance Report

董事委員會之職權範圍

為遵守上市規則及企業管治守則，本公司之審核委員會、提名委員會及薪酬委員會之職權範圍乃根據上市規則及企業管治守則之變動定期作出修訂。各委員會之職權範圍及董事名單，及彼等的角色及職能已分別於本公司及聯交所網站登載。

董事責任

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

獨立非執行董事

截至二零一六年十二月三十一日止年度，董事會符合(1)上市規則第3.10(1)條關於上市發行人的董事會必須包括至少三名獨立非執行董事的規定；(2)上市規則第3.10(2)條關於其中至少一名獨立非執行董事必須具備適當的專業資格，或具備適當的會計或相關的財務管理專長的規定；以及(3)上市規則第3.10A條所要求的獨立非執行董事必須佔董事會成員人數至少三分之一的規定。

本公司已取得各獨立非執行董事根據上市規則第3.13條所載的獨立指引就其獨立性作出的年度確認書。本公司認為所有獨立非執行董事均屬獨立人士。

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 are regularly revised based on amendments to the Listing Rules and the CG Code. Such terms of reference and the list of Directors and their roles and functions are 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 arranged for continuous professional development on the update of the Listing Rules and the related legal and regulatory requirements for the Directors.

Independent Non-executive Directors

For the year ended 31 December 2016, the Board had complied with (1) the requirement that the board of a listed issuer must include at least three independent non-executive directors under Rule 3.10(1) of the Listing Rules; (2) the requirement that at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10(2) of the Listing Rules; and (3) the requirement that the number of independent non-executive directors must represent at least one-third of the Board under Rule 3.10A of the Listing Rules.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

企業管治報告

Corporate Governance Report

董事於截至二零一六年十二月三十一日止年度內接受培訓的概要如下：

A summary of training received by the Directors during the year ended 31 December 2016 is as follows:

董事姓名 Name of Directors	培訓類別 (附註) Types of training (Note)
執行董事 Executive Directors	
馬建榮先生 Mr. Ma Jianrong	A&B
黃關林先生 Mr. Huang Guanlin	A&B
馬仁和先生 Mr. Ma Renhe	A&B
鄭妙輝女士 Ms. Zheng Miaohui (於二零一七年一月一日辭任) (resigned on 1 January 2017)	A&B
王存波先生 Mr. Wang Cunbo	A&B
陳芝芬女士 Ms. Chen Zhifen	A&B
獨立非執行董事 Independent Non-executive Directors	
陳根祥先生 Mr. Chen Genxiang (於二零一七年一月一日辭任) (resigned on 1 January 2017)	A&B
陳旭先生 Mr. Chen Xu	A&B
蔣賢品先生 Mr. Jiang Xianpin	A&B
裘煒國先生 Mr. Qiu Weiguo	A&B

企業管治報告

Corporate Governance Report

附註：

A： 出席由本公司安排之研討會

B： 閱讀有關上市規則及其他適用法律及監管規定最新發展的研討會材料與更新資料

Note:

A: attending seminars organized by the Company

B: reading seminar materials and updates relating to the latest development of the Listing Rules and other applicable legal and regulatory requirements

企業管治職能

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

與股東之通訊

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

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

Corporate governance functions

The Company 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 has invited representatives of the external auditors of the Company to attend the annual general meeting of the Company to be convened on 26 May 2017 to answer shareholders' questions relating to the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

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

企業管治報告

Corporate Governance Report

董事會

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

於最後實際可行日期，董事會由五名執行董事及三名獨立非執行董事組成。董事的個人履歷及若干董事之間的親屬關係均列載於第97頁至104頁「董事及高級管理層成員履歷」一節。董事之間概無其他重大財務、業務或相關關係。

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

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

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

THE BOARD

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

As at the Latest Practicable Date, the Board comprised five Executive Directors and three Independent Non-executive Directors, whose biographical details and family relationships among certain Directors are set out in the section headed “Biographical Details of Directors and Members of Senior Management” on pages 97 to 104. There are no other material financial, business or relevant relationships among the Directors.

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

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

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

企業管治報告

Corporate Governance Report

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

主席及集團總經理

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

獨立非執行董事的獨立性

於最後實際可行日期，獨立非執行董事所佔比率為董事會成員的37.5%，彼等皆為優秀的行政管理人員或紡織業及商界範疇的專家，具備多方面專業知識，可為本集團提供足夠的制約及平衡，以保障股東及本集團的整體利益。獨立非執行董事的角色是向董事會提供獨立及客觀的意見，以供董事會作出考慮及決定。全體獨立非執行董事已提交確認獨立性的年度確認書，並符合載於上市規則內獨立性指引的規定。

董事會處事程序

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

Directors are requested to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at Board meetings and withdraw from the meetings as appropriate. The Company follows guidelines (available at the “Corporate Governance” section of our website) at each financial reporting period to seek confirmation from Directors in respect of any transactions of the Company or its subsidiaries which are related to Directors or their associates. The identified significant related party transactions are disclosed in the notes to the financial statements of this annual report.

CHAIRMAN AND GROUP GENERAL MANGER

The Chairman of the Board and the Group General Manager have separate and distinctive roles. The Chairman of the Board is responsible for the significant operational decisions of the Group, while the Group General Manager is responsible for managing the day-to-day operations of the Group’s business. Mr. Ma Jianrong is the Chairman of the Board and Mr. Huang Guanlin is the Group General Manager.

Independence of Independent Non-executive Directors

As at the Latest Practicable Date, Independent Non-executive Directors accounted for 37.5% of the members of the Board. The Independent Non-executive Directors are outstanding executives or experts in the textile industry and business sectors who bring with them expertise in different areas. They provide adequate control and balances for the Group to protect the overall interests of the shareholders and the Group. The role of the Independent Non-executive Directors is to provide independent and objective opinions to the Board for its consideration and decisions. All Independent Non-executive Directors have submitted annual written confirmation of their independence and compliance with the independence guidelines as set out in the Listing Rules.

Board proceedings

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

企業管治報告

Corporate Governance Report

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

本公司於截至二零一六年十二月三十一日止年度內共舉行四次全體董事會會議，全體董事會現任成員於相關時間均有出席。

董事會將每年舉行最少四次會議，並於有需要時召開額外會議，以釐定整體策略方針及目標，及批准中期及年度業績及其他重大事宜。

年內，主席亦與全體獨立非執行董事舉行獨立會議，以處理業務和關注事宜。

董事會成員多元化

為求令董事會成員具備多元化的視野，本公司制訂政策在決定董事會成員的委任及續任時考慮多項因素。該等因素包括性別、年齡、文化及教育背景、種族、行業經驗、技能、知識及服務年資。

董事委員會

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

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

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

The Company held 4 full Board meetings for the year ended 31 December 2016, with all the existing members of the Board at the relevant time attended.

Board meetings will be held at least four times a year with additional meetings convened as and when necessary to determine overall strategic directions and objectives and approve interim and annual results and other significant matters.

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

BOARD DIVERSITY

In order to achieve a diversity of perspectives among members of the Board, it is the policy of the Company to consider a number of factors when deciding on appointments to the Board and the continuation of those appointments. Such factors include gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

BOARD COMMITTEES

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

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

企業管治報告

Corporate Governance Report

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。於最後實際可行日期，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。陳旭先生為薪酬委員會的主席。

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

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

薪酬委員會於二零一六年共舉行一次會議，全體成員均有出席。薪酬委員會於會上檢討董事及高級管理層的薪酬。

按等級披露本公司十名高級管理層（彼等的簡歷載於本年報第102頁至104頁）於截至二零一六年十二月三十一日止年度的薪酬詳情如下：

REMUNERATION COMMITTEE

The Company established the Remuneration Committee in compliance with the CG Code on 9 October 2005. As of the Latest Practicable Date, the Remuneration Committee comprises Mr. Ma Renhe, an Executive Director, Mr. Chen Xu and Mr. Jiang Xianpin, who are Independent Non-executive Directors. Mr. Chen Xu is Chairman of the Remuneration Committee.

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

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

The Remuneration Committee held 1 meeting with full attendance in 2016. At the meeting, it reviewed the remuneration of Directors and senior management.

Details of the remuneration by band of the 10 members of the senior management of the Company, whose biographies are set out on pages 102 to 104 of this annual report, for the year ended 31 December 2016 are set out below:

	薪酬等級 (港幣千元) Remuneration band (HK\$'000)	人數 Number of individual
1,000以下	Below 1,000	8
1,000至2,000	1,000 to 2,000	2

企業管治報告

Corporate Governance Report

提名委員會

本公司於二零零五年十月九日成立提名委員會。於最後實際可行日期，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，馬建榮先生為提名委員會的主席。

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

提名委員會於二零一六年共舉行一次會議，全體成員均有出席。提名委員會於會上檢討及推薦重新委任退任董事，以供股東於股東週年大會（「股東週年大會」）上批准。

委任及重選董事

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

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

NOMINATION COMMITTEE

The Company established the Nomination Committee on 9 October 2005. As of the Latest Practicable Date, the Nomination Committee comprises Mr. Ma Jianrong, an Executive Director, Mr. Qiu Weiguo and Mr. Jiang Xianpin, who are Independent Non-executive Directors. Mr. Ma Jianrong is Chairman of the Nomination Committee.

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

The Nomination Committee held 1 meeting with full attendance in 2016. At the meeting, it reviewed and recommended the reappointment of retiring Directors for shareholders' approval at the Annual General Meeting ("AGM").

APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

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

企業管治報告

Corporate Governance Report

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。於最後實際可行日期，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。蔣賢品先生為審核委員會的主席，其在會計、審計及財務方面的專業知識有助其領導審核委員會的運作。

審核委員會的主要責任是就本集團的財務與會計慣例、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，監督本集團風險管理工作之成效，審閱本集團的中期及全年賬目，以及評估本集團會計及財務監控是否完整有效。

審核委員會的職權範圍與香港會計師公會頒佈的《審核委員會有效運作指引》所載的推薦建議及企業管治守則條文一致，並不時因應法規之需要作出修改（包括上市規則），其詳情可參閱本公司網站www.shenzhouintl.com。

審核委員會於截至二零一六年十二月三十一日止年度共舉行三次會議，全體成員均有出席。審核委員會於會上聯同外聘審計師審閱二零一五年全年業績、財務報告及審核事宜；以及二零一六年中期業績、本集團的內部審核職能活動、業務經營的內部審核報告及持續關聯交易。

AUDIT COMMITTEE

The Company established the Audit Committee in compliance with Rules 3.21 to 3.23 of the Listing Rules on 9 October 2005. As of the Latest Practicable Date, the Audit Committee comprises three Independent Non-executive Directors, namely Mr. Jiang Xianpin, Mr. Chen Xu and Mr. Qiu Weiguo. Mr. Jiang Xianpin is Chairman of the Audit Committee. His expertise in accounting, auditing and finance enables him to provide leadership for the Committee.

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

The terms of reference of the Audit Committee are consistent with the recommendations as set out in "A Guide for Effective Audit Committee" published by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the provisions of the CG Code and are subject to amendments in response to the regulatory requirements from time to time (including the Listing Rules). Please refer to the Company's website www.shenzhouintl.com for the details.

The Audit Committee held 3 meetings for the year ended 31 December 2016 with full attendance. At the meetings, it reviewed the 2015 final results, financial report and auditing issues, with the external auditors, and the 2016 interim results, the activities of the Group's internal audit functions, the internal audit report on business operations and continuing connected transactions.

企業管治報告

Corporate Governance Report

下表顯示各董事於二零一六年內出席股東週年大會、董事會會議及董事委員會會議的詳情。董事會會議的整體出席率為100%。

Details of Director's attendance at the AGM, Board and Board Committee Meetings held in 2016 are set out in the following table. The overall attendance rate of Directors at Board meetings was 100%.

	出席／舉行會議次數				
	Meetings Attended/Held				
	董事會會議 Board Meeting	審核委員會 Audit Committee	薪酬委員會 Remuneration Committee	提名委員會 Nomination Committee	股東週年大會 AGM
執行董事					
Executive Directors					
馬建榮先生 Mr. Ma Jianrong	4/4	-	-	1/1	1/1
黃關林先生 Mr. Huang Guanlin	4/4	-	-	-	1/1
馬仁和先生 Mr. Ma Renhe	4/4	-	1/1	-	1/1
鄭妙輝女士 Ms. Zheng Miaohui	4/4	-	-	-	1/1
王存波先生 Mr. Wang Cunbo	4/4	-	-	-	1/1
陳芝芬女士 Ms. Chen Zhifen	4/4	-	-	-	1/1
獨立非執行董事					
Independent Non-executive Directors					
陳根祥先生 Mr. Chen Genxiang	4/4	3/3	1/1	-	1/1
陳旭先生 Mr. Chen Xu	4/4	3/3	1/1	-	1/1
蔣賢品先生 Mr. Jiang Xianpin	4/4	3/3	1/1	1/1	1/1
裘煒國先生 Mr. Qiu Weiguo	4/4	3/3	-	1/1	1/1

財務報告

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

FINANCIAL REPORTING

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

企業管治報告

Corporate Governance Report

風險管理及內部監控

董事會確認其對風險管理及內部監控制度及檢討其成效之責任。董事會明白本身有責任評估及釐定本公司為達成戰略目標所願承擔的風險性質及程度，並維持一個適當及有效的風險管理及內部監控系統，以及確保能儘早向股東及公眾人士如實報告本公司的業務狀況。

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

本公司的整體風險管理過程融於本集團的日常運營中，管理層獲委派分析、識別、監控、評估及應對與本集團業務活動及運營有關的風險。管理層評估本公司可接受的風險水平，設立並制定應急計劃，降低不可預測事件的影響，將其發現向審核委員會及董事會報告。審核委員會及董事會最終釐定本公司達成業務目標時所願意接納的重大風險性質及程度，並指引本集團的風險管理策略。

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

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises its responsibility of risk management and internal control system and reviewing its effectiveness. The Board acknowledges its responsibility to assess and determine the nature and degree of risks that it is willing to take in achieving strategic goals as well as to maintain an appropriate and effective risk management and internal control system and to ensure accurate reporting of the Company's state of affairs to shareholders and the public in a timely manner.

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

The overall risk management process of the Company is integrated in the day-to-day operations of the Group and the management is entrusted with duties to analyze, identify, monitor, evaluate and respond to risks associated with the business activities and operations of the Group. The management will evaluate risk levels acceptable for the Company, set up contingency plans and formulate contingency plans to minimize impact of unpredictable events and report its findings to the Audit Committee and the Board, who ultimately determine the nature and extent of significant risk that the Company is willing to take in achieving its business objectives and direct the Group's risk management strategies.

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

企業管治報告

Corporate Governance Report

董事會負責管理並透過審核委員會檢討本集團截至二零一六年十二月三十一日止年度之風險管理及內部監控系統的有效性，該內部監控系統對財務呈報、營運及合規方面以及風險管理方面進行監管，董事會認為本集團已設立內部監控系統，並妥善運作。

董事會由審核委員會協助，透過審閱管理報告及內部審計調查結果，評估風險管理及內部監控制度的有效性，並認為本公司截至二零一六年十二月三十一日止年度之風險管理及內部監控制度為有效及充足。

本集團已就處理及披露內幕消息制定程序，為本公司的董事、高級職員、高級管理層及相關僱員就處理機密信息、監察信息披露及應對查詢提供總體指引。該程序有助於確保本公司任何職員了解的任何重大消息獲及時識別、評估並向董事會報告（如有必要），並確保根據相關法律及法規及時披露本公司的內幕消息（如有需要）。為進一步加強本公司的內部管治，本公司已於二零一七年三月二十七日採取書面內幕信息披露政策，以規範信息披露的責任及程序。

外聘審計師

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

截至二零一六年十二月三十一日止年度內，由安永會計師事務所向本集團提供的審計服務的相關酬金為人民幣3,589,000元。

The Board, through the Audit Committee, reviewed the effectiveness of the risk management and internal control system of the Group for the year ended 31 December 2016, which covered controls over financial reporting, operations and compliance, as well as risk management functions, and considered that the system of internal controls in operation in the Group have been in place and functioning effectively.

Assisted by the Audit Committee, the Board assessed the effectiveness of the risk management and internal control system of the Group by reviewing the investigation results of management report and internal audits, and considered that the risk management and internal control system of the Group for the year ended 31 December 2016 was effective and adequate.

The Group has formulated procedures on the handling and disclosure of inside information which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. The procedures help ensure that any material information which comes to the knowledge of any officer of the Company should be promptly identified, assessed and reported to the Board if required, and that inside information of the Company is disclosed promptly in accordance with the relevant laws and regulations when necessary. To further enhance the internal control of the Company, the Company has adopted a written inside information disclosure policy on 27 March 2017 to standardize the responsibility and procedure of information disclosure.

EXTERNAL AUDITORS

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

The related remuneration for the audit services provided by Ernst & Young to the Group for the year ended 31 December 2016 amounted to RMB3,589,000.

企業管治報告

Corporate Governance Report

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

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

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的行為守則（「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通過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二零一六年十二月三十一日止年度內一直嚴格遵守證券交易守則有關的規定。

SECURITIES TRANSACTIONS OF DIRECTORS

The Company 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 ended 31 December 2016.

高級管理層因其在本公司所擔任的職位可能擁有未公佈股價敏感資料或內部資料，已被要求遵守證券交易守則有關交易限制的規定。

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

企業管治報告 Corporate Governance Report

公司秘書

公司秘書陳德興先生負責促成董事會的有效運作，以及董事會成員、股東及管理層之間的溝通。陳先生的履歷載於此年報第97頁至104頁的「董事及高級管理層成員履歷」一節內。年內，陳先生已接受不少於十五個小時的相關專業訓練，以提升其技能及知識。

COMPANY SECRETARY

The Company Secretary, Mr. Chan Tak Hing Kenji, is responsible for facilitating the Board process, as well as communications among Board members, with shareholders and management. Mr. Chan's biography is set out in the "Biographical Details of Directors and Members of Senior Management" section on pages 97 to 104 of this annual report. During the year, Mr. Chan undertook not less than 15 hours of professional training to update his skills and knowledge.



投資者關係及溝通

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

INVESTORS RELATIONS AND COMMUNICATION

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

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

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



企業管治報告

Corporate Governance Report

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

股東

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

董事會及高級管理人員深明彼等有責任代表全體股東的利益及竭盡所能提升股東價值。因此，本公司非常鼓勵股東於股東週年大會或股東特別大會（「股東特別大會」）提呈動議。如股東有意提出動議，必須將列明有關動議的通知書送交本公司的註冊辦事處，指定由公司秘書接收。如欲向董事會作出任何查詢，可致電本公司熱線852-2310-4919或發送電郵至2313ir@shenzhougroup.com聯絡公司秘書，或於股東週年大會或股東特別大會直接提問。關於股東召開股東週年大會或股東特別大會或於會上提呈決議案的程序，亦可透過上述途徑向公司秘書查詢。

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

SHAREHOLDERS

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

The Board and Senior Management recognize their responsibility to represent the interests of all shareholders and to maximize shareholder value. Therefore, we strongly encourage shareholders to put forward proposals at an AGM or extraordinary general meeting ("EGM") including a written notice of those proposals that could be addressed to the Company Secretary at the registered office. Enquires may be put to the Board by contacting either the Company Secretary through our hotline 852-2310-4919, email at 2313ir@shenzhougroup.com or raising questions at an AGM or EGM. Questions on the procedures for convening or putting forward proposals at an AGM or EGM may also be put to the Company Secretary by the same means.

企業管治報告

Corporate Governance Report

根據本公司之組織章程細則，倘任何一名或多名股東於提出要求日期持有本公司不少於十分之一繳足股本（附有權利可於本公司股東大會上投票），則有權向董事會或本公司秘書提交要求書，要求董事會召開股東特別大會，處理要求書上列明之任何事宜，而該大會應於提出該要求後兩(2)個月內舉行。倘於提出要求後二十一(21)日內，董事會未有召開大會，提出要求之股東（多名股東）可自行召開會議，而就董事會未能召開大會令提出要求之股東產生之所有合理開支，將由本公司彌償予提出要求之股東。

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

Pursuant to the Articles of Association of the Company, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requesting member(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requesting member(s) as a result of the failure of the Board to convene such meeting shall be reimbursed to the requesting member(s) by the Company.

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

環境、社會及管治報告

Environmental, Social and Governance Report

關於本報告

此可持續發展報告概述本集團的主要附屬公司在工作環境質量、環境保護、營運常規及社區參與等四個方面之工作方法、承諾及策略。本報告之報告期間自二零一六年一月一日起至二零一六年十二月三十一日止，本報告所披露之數據分別由人力資源部、行政事業部、財務部、能源部及其他相關部門提供，並由可持續發展部門編制整理。

本報告根據上市規則附錄27所載的「環境、社會及管治報告指引」編製。於報告期間，本公司已遵守「環境、社會及管治報告指引」所載列的「不遵守就解釋」條文。

願景

「致力於成為全球最佳服飾運營商」一是申洲對企業未來發展之定位。申洲是亞洲最大的垂直一體化成衣企業，擁有研發、設計、生產、物流等完整的運營體系。申洲對於未來之發展策略，不僅是追求企業規模之持續增長，更注重於企業競爭力之全面提升，尤其追求於創新、自動化、信息化、環境保護等方面之持續進步。

ABOUT THIS REPORT

This is the sustainability report, which outlines approaches, commitment and strategies of the Group's major subsidiaries in four aspects – workplace quality, environmental protection, operating practices and community involvement. The reporting period of this report is from 1 January 2016 to 31 December 2016. The data disclosed in this report are provided by the respective human resources, administration, finance, energy and other relevant departments, and are prepared and collected by sustainable development department.

This report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” set out in Appendix 27 of the Listing Rules. During the reporting period, the Company has complied with the “comply or explain” provisions set out in the “Environmental, Social and Governance Reporting Guide”.

VISION

Shenzhou's position for its future corporate development is to be committed to becoming the best garment operator in the worldwide. Shenzhou is the biggest vertically integrated garment enterprise, with a complete operation system including research and development, design, production and logistics. The future development strategy of Shenzhou is not only to pursue the continuous growth of the scale of the enterprise, but also to focus on the comprehensive uplift in the corporate competitiveness, especially the improvement in innovation, automation, informatisation and environmental protection.



環境、社會及管治報告

Environmental, Social and Governance Report

使命

「創建綠色企業，成就舒適生活」—綠色環保是申洲應承擔的基本社會責任，也是一個企業能夠長遠發展的基礎，集團將持之以恆的投入環保工作，實現企業之可持續發展；舒適不只是針織服飾帶給人們的觸感，更是我們努力追求的生活狀態，通過營造舒適的生活，成就企業與自然的和諧平衡。

環境保護

1. 申洲環境保護之簡介：

環境保護乃政府之核心政策之一，近年來，中國政府對於環境保護之政策力度明顯加強，通過推進供給側改革，限制或淘汰了對環境帶來破壞影響的落後產能。二零一六年一月一日起，中國政府實施了修訂後的《大氣污染防治法》，二零一六年九月一日起，實施了修訂後的《環境影響評價法》。在污染物的全過程管控、能源結構的優化、環境影響的評估以及環境問題的對策等方面有了更明確、更全面的規定，也強化了相關主體的環境責任。

於報告期間，本公司就環境保護以及廢氣、廢水及固體廢物已遵守所有對本公司有重大影響的相關法律及法規。

本集團生產過程中耗用之主要資源及能源包括：水、電、煤、生物質燃料及蒸氣，面料生產是能源消耗的主要環節。生產過程中所產生的主要廢棄物為廢水、廢氣等，廢水主要產生於印染工序，本集團通過在生產過程中對排放水進行清污分流，輕度污染的染色清洗用水經處理後可循環使用，而染色污水經嚴格處理後再進行排放。

MISSION

“Building a green enterprise and offering people a comfortable life” – Environmental protection is Shenzhou’s primary social responsibility as well as the basis of long-term viability for any enterprises. The Group shall always remain devoted to environmental commitments, from which corporate sustainability can be realized; Comfort is not merely a tactile sensation from our knitwear, but also a state of living that we so fervently pursue. By creating a life of comfort, we seek to make the enterprise one with nature.

ENVIRONMENTAL PROTECTION

1. The Profile of Shenzhou’s Environmental Protection:

Environmental protection is one of the key policies of the government. In recent years, the Chinese government has strengthened its effort in the policy of environmental protection through reform of the supply side, which restricts and eliminates the outdated production facilities that have negative impact on the environment. The Chinese government has implemented the amended Atmospheric Pollution Prevention Law since January 1 2016 and the amended Law on Environment Impact Assessment since September 1 2016. More clear and comprehensive requirements have been made in monitoring of pollutants in the whole process, optimization of energy structure, evaluation of the impact on environment and measures for environmental issues and the environmental responsibility of relevant entities are also emphasized.

During the reporting period, the Company has complied with all relevant laws and regulations that have a significant impact on the Company relating to environmental protection and emissions of gas, wastewater and solid waste.

The main resources and energy used in the process of the Group’s production include water, electricity, coal, biomass fuel and steam. Fabric production is the main process of energy consumption. The main wastes generated from production are wastewater and waste gas etc., the former of which is generated from dyeing process. Through clean water and sewage split-flow in the production process, lightly polluted water for dyeing and cleaning is recycled after treatment, and dyed polluted water is discharged after strict treatment.

環境、社會及管治報告

Environmental, Social and Governance Report

目前，本集團在中國大陸建有15,000噸每天的中水回用設施，有效減少了水資源的消耗量和污水的直接排放量。生產過程產生之大氣污染物為煙塵、二氧化硫和氮氧化物。

本集團重視污染物的全過程控制，在確定合作供應商時，重視其所提供原料之環保性；各生產部門持續改進生產工藝，力求提高工藝上的環保性；優化能源結構，逐步增加對清潔能源的使用；適時更新舊設備，通過引進更加環保、低耗的先進設備以減少資源的消耗量和污染物的排放量；在污染物的末端處理上，嚴格遵守政府之相關規定，確保合格排放。

於二零一六年度，排放的危險廢物合共16.14噸；同時，本集團也有排放非危險廢物的設施來處理非危險廢物，而排放的非危險廢物合共28,813噸。

本年度集團電力總消耗量449,939,264千瓦特小時，比去年同期上升37.7%。電力主要用於面料生產。於二零一六年度，本集團的面料產量是130,697噸，較上年增加了15.1%，面料工廠的電力消耗是345,729,747千瓦特小時，較上年增長了約18.5%。

生物質及煤的消耗總量為208,504噸，較上年增長了約30.8%。寧波面料工廠的主要燃料為生物質，越南面料工廠主要直接燃料為煤。

二零一六年度蒸汽消耗量為1,108,405噸，較上年增加了4.8%。

Currently, the Group has recycled facilities in Mainland China, with capacity of 15,000 tons of reclaimed water per day, which effectively lower water consumption and direct discharge of sewage. The air pollutant generated from production process are mainly smoke and dust, sulphur dioxide and nitrogen oxide.

The Group pays attention to the control of pollutants in the whole process and attaches importance to the environmental protection of raw materials provided by suppliers in identification of suppliers. Each production department continues to improve technique and tries to uplift the level of environmental protection in technique. It optimizes energy structure and gradually increases use of clean energy. It updates old equipment promptly through introduction of advanced equipment with environmental protection and low consumption to reduce the consumption of resources and emission of pollutants. In the final treatment of pollutants, it strictly complies with relevant requirements of government and ensures compliance with standards in emission.

In 2016, the emission of hazardous wastes was 16.14 tons in aggregate. In addition, the Group also has facilities for emission of non-hazardous wastes and the emission of non-hazardous wastes is 28,813 tons in aggregate.

The total consumption of electricity of the Group for the year was 449,939,264 kwh, representing a year-on-year increase of 37.7%. The main use of electricity was production of fabrics. In 2016, the fabric output of the Group was 130,697 tons, representing an increase of 15.1% as compared to that of last year. The electric consumption of the fabric factory was 345,729,747 kwh, representing an increase of approximately 18.5% as compared to that of last year.

The consumption of biomass and coal were 208,504 tons, representing an increase of approximately 30.8% as compared to that of last year. The main fuel for the fabric factory in Ningbo was biomass while the main direct energy of the fabric factory in Vietnam was coal.

In 2016, the consumption of steam was 1,108,405 tons, representing an increase of 4.8% as compared to that of last year.

環境、社會及管治報告

Environmental, Social and Governance Report

上述能源消耗量上升原因主要是二零一五年的統計數字未包括中國以外的主要子公司。由於越南面料工廠無外購蒸汽提供，所需之熱能主要由燃料及電力替代，且年內之面料產能增加全部來自於越南工廠，故年內本集團燃料及電力之單位消耗上升，而蒸汽之單位消耗下降。

於二零一六年度，環保的生物質及煤的消耗總量是208,504噸（二零一五年：159,441噸），其中寧波地區約100%為生物質燃料，大幅降低了二氧化硫的排放量，有效減少了對環境的不利影響。

在本年度，本集團在環保和天然資源方面的活動沒有重大的影響。而相關的環保和天然資源的政策方面，分別有100%合規的工廠排放包括廢水、廢氣、噪聲。在廢水排放方面，本集團目前的廢水排放優於標準排放。另外，本集團在本年度的新鮮用水量增加了6.3%，主要是越南面料產工廠產能提升。

另外，本集團在本年度所種的樹木有17,650棵，而覆蓋6,000平方米的草坪及2,200平方米的麥冬，因此，可以減少排放二氧化碳。再者，在寧波廠房方面，本集團透過發電廠在本年所用的電量是331,054,257千瓦特小時，而所排放的二氧化碳是344,848噸。其中，在寧波廠房方面，本集團在本年度所用的電用作處理污水大約是7,806,970千瓦特小時，而所排放的二氧化碳是8,132噸；以及，本集團在本年度所用的電用作處理清潔的水大約是2,567,500千瓦特小時，從而排放的二氧化碳是2,674噸。

The reason for the above increase in energy consumption is that the statistics in 2015 did not include major subsidiaries outside China. As there is no steam provided for the fabric factory in Vietnam, the heat energy required is mainly replaced by fuel and electricity. The production capacity of fabric for the year is totally attributed to the factory in Vietnam. Consequently, the unit consumption of fuel and electricity of the Group for the year increased while the unit consumption of steam decreased.

In 2016, the total consumption of environment-friendly biomass and coal was 208,504 tons (2015: 159,441 tons), of which approximately 100% were biomass fuel in the area of Ningbo, substantially reducing sulphur dioxide discharge and effectively reducing adverse impacts on environment.

In the current year, the Group had no significant impact on the activities of environmental protection and natural resources. In terms of the relevant policy in environmental protection and natural resources, the emission of 100% qualified factory includes waste water, waste gas and noise, respectively. In terms of the emission of waste water, the current emission of waste water of the Group is better than standard. In addition, the fresh water used by the Group for the year increased by 6.3%, which was mainly due to the increase of production capacity of fabric factory in Vietnam.

In addition, the Group planted 17,650 trees in the current year which covered a lawn of 6,000 square meters and Radix Ophiopogonis of 2,200 square meters. Therefore, emission of carbon dioxide could be reduced. Furthermore, in terms of the factory in Ningbo, the electricity consumption of the Group through the power plant was 331,054,257 kwh which resulted in the emission of carbon dioxide of 344,848 tons. Thereinto, in terms of the factory in Ningbo, the electricity consumption in treatment of waste water in the current year was approximately 7,806,970 kwh which resulted in the emission of carbon dioxide of 8,132 tons. Further, the electricity consumption in treatment of clean water in the current year was approximately 2,567,500 kwh which resulted in the emission of carbon dioxide of 2,674 tons.

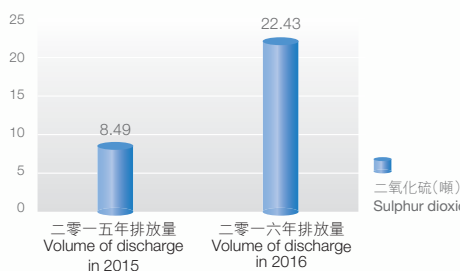
環境、社會及管治報告

Environmental, Social and Governance Report

1. 排放物

1.1. 申洲二零一六年廢水排放及煙氣排放量

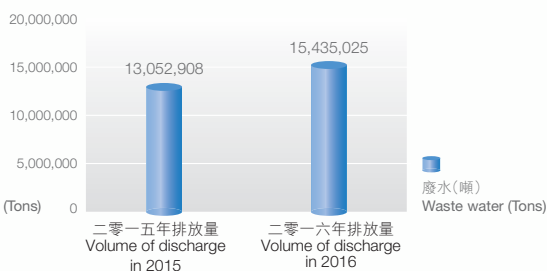
二氧化硫排放量
Volume of sulphur dioxide discharged



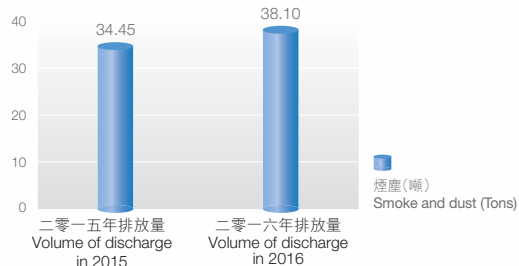
1. EMISSIONS

1.1. Shenzhou's wastewater discharge and smoke emission in 2016

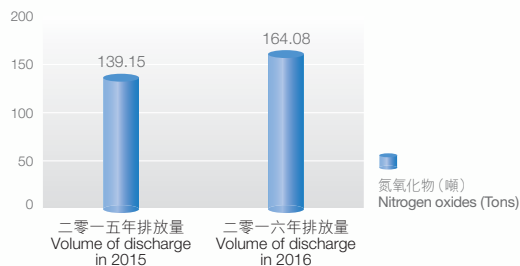
廢水排放量
Volume of waste water discharged



煙塵排放量
Volume of smoke and dust discharged



氮氧化物排放量
Volume of nitrogen oxides discharged



附註：二零一五年統計數字未有包括中國以外的子公司數據。二零一六年度之排放量上升，尤其二氧化碳之排放量大幅上升，主要原因係越南面料工廠生產所需之熱源，因缺乏採購蒸汽之供應，通過直接能源—煤轉化來供應。直接能源消耗總比的上升增加了本集團的廢氣排放量。

Note: The statistics in 2015 did not include the data of subsidiaries outside China. The emission increased in 2016 and in particular, the emission of sulphur dioxide increased significantly. The main reason is that there is no steam provided for the fabric factory in Vietnam and the heat energy required is supplied by conversion of the direct energy – coal. The increase of the proportion of direct energy consumption increases the emission of waste gas of the Group.

節能減排措施：

於二零一六年，本集團採取節能減排措施，例如：蒸汽管道改善、電機改善等，使本集團能更有效地生產，同時減低排放量。已於二零一七年初進行生物質鍋爐改造為天然氣鍋爐的舉措，將進一步減低排放。

另外，本集團將計劃實施設備的改造，還有在未來推行成衣水洗自動化及驗布中心自動化等項目。

Measures in energy conservation and emission reduction:

In 2016, the Group adopted measures in energy conservation and emission reduction, such as improvement works on steam network and motors, with a view to enhance production efficiency and reduce emission. In the beginning of 2017, we changed biomass boiler to boiler of natural gas, which would reduce emission further.

In addition, the Group plans to implement projects like transformation of facilities and promote automation of garment washing and clothing test center in the future.



環境、社會及管治報告

Environmental, Social and Governance Report

1.2. 固體廢物分類及處理

本集團對所有固體廢物進行分類及處理，而部分固體廢物則將被循環再利用，以盡量減少環境污染。根據廢物分類及管理相關規定，本集團在寧波廠房及辦事處將所有固體廢物分為四類。具體分類及重量請參見下表。

1.2. Solid waste separation and treatment

We conduct a classification and treatment process for all solid waste, part of which will be recycled and reused to minimize its pollution to the environment. Our Group classifies all solid waste into four categories according to the relevant Regulations for Waste Classification and Management in the factory and office in Ningbo. Please refer to the following table for the specific classification and weight.

類別	實例	廢物來源	二零一五年 重量(千克) Weight in 2015 (kg)	二零一六年 重量(千克) Weight in 2016 (kg)
Category	Particulars	Source of waste		
可再利用或可循環之紙板或紙製品 Reusable or recyclable paperboards and papers	廢紙盒、廢紙筒、廢紙芯、廢紙 Waste paper boxes, waste paper cones, waste paper cores, waste papers	針織、染色及製衣過程 Knitting, dyeing and garment making process	6,117,000	6,041,800
可再利用或可循環之廢織物廢 Reusable or recyclable waste fabric	織物、雜毛料 Waste fabric, pied hair	針織、染色及製衣過程 Knitting, dyeing and garment making process	17,167,021	19,055,393
再利用或回收之非危險廢物 Reusing or recycling of non-hazardous waste	塑料線芯、塑料袋 Plastic wire cores, plastic bags	針織、染色及製衣過程 Knitting, dyeing and garment making process	415,330	652,320
並無再利用或回收之非危險廢物 No reusing or recycling of non-hazardous waste	日常垃圾 Household garbage	餐廳及辦公室 Canteen and office	2,411,000	3,063,480

- 上述所有廢物均由當地不同服務供應商收集。

- All above mentioned wastes are collected by different local service providers.



環境、社會及管治報告

Environmental, Social and Governance Report

1.3. 污水處理及煙氣排放測試

本集團採取以下的設施來處理污水和煙氣排放。同時，亦使用臭氧洗水和數碼印花來提升用水的效益，另外，本集團亦設立回收鍋爐熱能系統及2016年初設立回收棉紗染色熱能，以提高本集團的能源效益，詳情如下：

為使排污符合排放標準，本集團的寧波和越南生產基地在廠房竣工後即建成一體化污水處理設施。本集團根據環境保護局之要求進行定期檢查。各有關環保部門已在污水排放口安裝在線探測裝置。

在寧波生產基地，廢水排放檢查頻率：現場檢查為實時監測；取樣檢查為每三個月一次。

本集團亦對煙氣排放進行在線監測，以確保排污符合排放標準。各有關環保部門亦已在煙氣排放口安裝在線監測裝置。在寧波生產基地，煙氣排放檢查頻率：現場檢查為實時監測；取樣檢查為每三個月一次。

1.3. Sewage treatment and testing of smoke emissions

The Group adopted the following facilities in treating sewage and smoke emissions. Meanwhile, ozone wash and digital printing were also applied to improve water efficiency. Furthermore, the Group also set up boiler heat recovery system and built yarn dye-heat recovery in the beginning of 2016 to improve the Group's energy efficiency, details of which are as follows:

The Group has set up integrated sewage treatment facilities in its Ningbo and Vietnam factories since the plants was built up to comply with the emission standards before discharging. It carries out regular inspections according to the Environmental Protection Bureau's requirements. The respective environmental protection authorities have installed online detection devices at the sewage outfalls.

At our Ningbo Factory, the frequency of inspection on wastewater discharge is: realtime monitoring for on-site inspection; once every three months for sample inspection.

The Group also conducts online monitoring on smoke emission to ensure compliance with the emission standards before discharging. The respective environmental protection authorities have also installed online monitoring devices at our smoke outfalls. At our Ningbo Factory, the frequency of inspection on smoke and gas emission is: real-time monitoring for on-site inspection; once every three months for sample inspection.



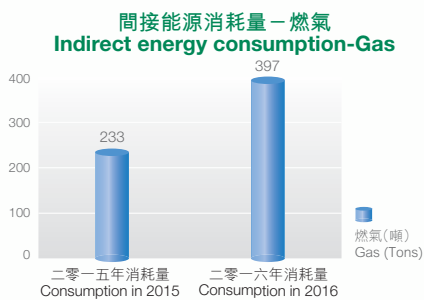
環境、社會及管治報告 Environmental, Social and Governance Report

2. 資源使用

2.1. 二零一六年之能源消耗

本集團過去兩年之主要能源消耗如下：

該數據包括集團於整個針織、染色及精加工以及製衣過程中以及其所有營運地區之能源消耗總量。



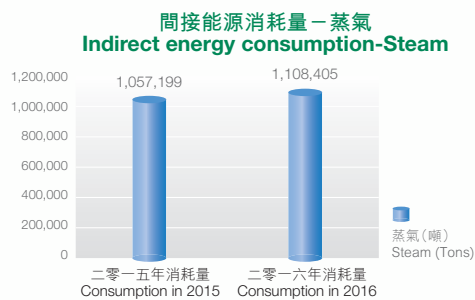
- 附註：燃氣(液化石油氣)主要用於燒毛過程
- Note: Gas (LPG) mainly used for singeing process

2. USE OF RESOURCES

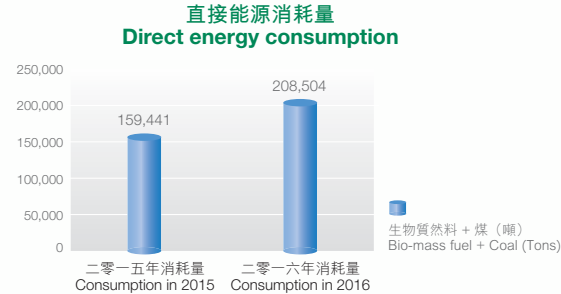
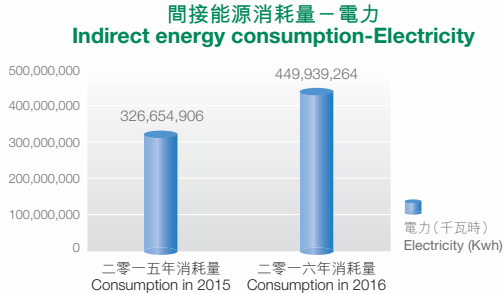
2.1. Energy consumption in 2016

Our main energy consumption in the last two years was as follows:

The data includes the Group's total energy consumption in the entire knitting, dyeing and finishing and garment manufacturing processes and all its operational regions.

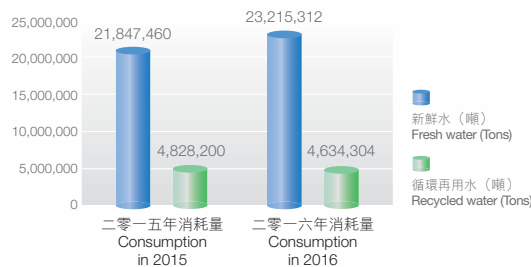


- 附註：蒸汽用於部分印染機加熱
- Note: Steam used for part of dyeing machine to heat up



- 附註：煤及生物質燃料用作鍋爐加熱的燃料
- Note: Coal and bio-mass are used as fuel for boiler to heat up

按來源劃分的耗水量 Water consumption by source



附註：二零一五年燃氣、蒸氣、電、煤及生物質燃料和水的消耗量的數據只限於中國地區，而二零一六年直接能源消耗量、間接能源消耗量 and 水的消耗量的數據則包括中國、越南和柬埔寨地區。

Note: The data of gas, steam, electricity, coal and bio-mass fuel and water consumption in 2015 is only limited to China while the data of direct energy consumption, indirect energy consumption and water consumption in 2016 includes China, Vietnam and Cambodia.

環境、社會及管治報告

Environmental, Social and Governance Report

2.2. 回收棉紗染色熱能

於二零一六年，本集團投資200,000美元建造棉紗染色熱能回收設施，該項目目前正處於改造調試階段。

該系統能夠每年生產60,000噸蒸汽，每年節省130萬美元，較將該系統的廢水降溫然後廢棄的做法效率更高。

以下是回收棉紗染色熱能的圖片：



2.2. Yarn Dye-Heat Recovery

In 2016, the Group invested USD200,000 to build yarn dye-heat recovery facility. This project is still on the stage of transformation and adjustment.

This system is capable of making 60,000 tons of steam annually which will save USD1.3 million every year. It is more efficient to dispose wasted water than discharging water after cooling-down in this system.

The following is the picture of Yarn Dye-Heat Recovery facility:

2.3. 回收鍋爐熱能

本集團設立了鍋爐熱能回收系統，於二零一六年，鍋爐熱能回收系統共生產蒸汽28,405噸供生產使用，節省成本554,116美金。

以下是回收鍋爐熱能的圖片：



2.3. Boiler Heat Recovery

The Group set up boiler heat recovery system. In 2016, the boiler heat recovery system produced 28,405 tons of steam for the use of production, which saved USD554,116.

The following is the picture of Boiler Heat Recovery system:

環境、社會及管治報告

Environmental, Social and Governance Report

3. 精益與創新

為拓展申洲的全球化布局，申洲創新中心進行新產品開發，生產技術流程改善，對我們的戰略部署顯得極其重要。

3.1. 創新中心的優勢

申洲透過創新中心要達到的願景是：在提高產品附加值和盈利能力的同時，透過創新中心與客戶做設計時引入我們對環保設計的理解，減少面料使用，減低生產排放對環境的壓力，使我們公司成為可持續發展的經營者。

- 面向生產設計(DFMA)，設計出對生產更友好的產品，提升生產力
- 產品多樣化
- 縮短產品開發周期，節省申洲和客戶在開發上所花的人力和物力
- 在設計中融入綠色產品的元素，省料，減少化學品使用
- 提升產品品質
- 使員工生產環境更安全健康

3. LEAN PRODUCTION AND INNOVATION

In order to expand the globalization layout of Shenzhou, we launch development of new products, and process improvement of manufacture technology in the innovation center which is extremely crucial to our strategic planning.

3.1. The strengths of the innovation center

The vision to be achieved by Shenzhou through its innovation center is to increase the added-value and profitability of products, while developing the Company into a sustainable operator through introducing our ideology of environmental design when designing products with our customers in the innovation centres, reducing the use of fabrics and the pressure on the environment caused by production emission.

- Design for Manufacturing and Assembly (DFMA) and design production-friendly products as well as increasing productivity
- Product diversification
- Shortening the cycle of product development and saving the labor and cost deployed by Shenzhou and its customers in R&D
- Integrating green elements in the design, reducing the use of chemicals
- Increasing the product quality
- Ensuring a healthy and safe production environment for the staff



環境、社會及管治報告

Environmental, Social and Governance Report

3.2. 智能吊掛系統

本集團一直推崇精益生產，「智能吊掛系統」由電腦控制，負責自動將生產任務分配給各個工作站作業員作業的傳遞物流工具，降低了作業員工勞動強度，減少各工序間傳遞時間，提高生產效率2-3%。

3.3. 數碼印花

透過數碼印花實現更精準和豐富的顏色，也擺脫了傳統印花對網板菲林和水的消耗，更有效地減少了電能源和資源使用，一件設計印花精美的T恤衫亦可是環保產品。

3.4. 臭氧洗水

G2 Ozone Wash，即臭氧洗水，臭氧是強氧化劑，通過G2合成的臭氧對服裝進行洗水，使衣物自然褪色而成懷舊風格，通常這一效果要通過化學助劑來完成，而G2生產消除了化學品並減少了用水，最小化了這類產品對環境的壓力。



本集團作為倡導可持續發展之企業，積極支持並維繫其作為環境保護者之角色，努力深化及內化環境意識，將低碳概念根植於整個集團。本集團堅信，其在環保方面之承諾將成為申洲之核心競爭力，引領本集團在日後取得更大成功。

越南製衣工廠從設計到建造，直至最後完成，整個流程全部符合LEED綠標規範，未來工廠的綠色評級目標是LEED銀牌。



3.2. Intelligent hanging system

The Group has always upheld lean manufacture. The “intelligent hanging system” is controlled by computers and is a transmission and logistic tool which is responsible for allocating tasks to operators in each workstation. The system lowers the heavy workload of operating staff and reduces the transmission time of each working process as well as increases the production efficiency by 2 to 3%.

3.3. Digital Print

Through digital print, more accurate and vivid colors can be achieved and consumption from film and water in traditional print way is eliminated. The consumption of power and resources can be effectively reduced. Therefore, a T-shirt with beautifully-designed printing can also be an environmental-friendly product.

3.4. Ozone Wash

G2 Ozone Wash means ozone washing. Ozone is a strong oxidant which causes the clothes to discolour naturally and forms vintage style by washing the clothes with ozone composing of G2. Generally this effect needs to be completed by chemical agents, however, G2 production replaces the use of chemicals and reduces water consumption, which minimizes the pressure on environment caused by this type of products.

As an enterprise keen on sustainable development, the Group vigorously supports and maintains its role as a proper environmental protector, proactively deepens and internalizes environmental awareness, and has the low-carbon concept deeply indoctrinated in the whole Group. We firmly believe that our commitment to environmental protection will become a part of Shenzhou’s core competitiveness, leading the Group to greater success in the future.

The process of the garment factory in Vietnam, from design and construction to completion, fulfils the standard of LEED GREEN GOAL. The future target ranking of the factory is LEED SILVER GOAL.

環境、社會及管治報告

Environmental, Social and Governance Report

4. 工作環境質量

4.1 僱員基本資料

截至二零一六年十二月三十一日，本集團僱員人數約為74,600人。所有僱員均為全職僱員，且大多數為中青年僱員。下表載列按年齡分佈、教育水平、工作地點及性別比例劃分之僱員詳情。

4. WORKPLACE QUALITY

4.1 Employees' Basic Information

As at 31 December 2016, there were about 74,600 employees working in the Group. All of them are full-time employees, and the majority are young and middle-aged employees. The tables below show the employee details by age distribution, education level, job locations and gender ratio.



按年齡範圍劃分	By Age band	人數	佔僱員總數 百分比 Percentages of total employees
20歲及以下	Below 20 and 20	8,748	11.73%
21至40歲	21 to 40	54,238	72.70%
41至50歲	41 to 50	10,650	14.28%
51歲及以上	51 and above 51	964	1.29%
總計	Total	74,600	100.00%

僱員年齡分佈
Employees Age Distribution

環境、社會及管治報告 Environmental, Social and Governance Report

性別	Gender	人數 Numbers	佔僱員總數 百分比 Percentages of total employees
男	Male	20,978	28.12%
女	Female	53,622	71.88%
總計	Total	74,600	100.00%

性別比率 Gender Ratio

按國家劃分	By Country	人數 Numbers	佔僱員總數 百分比 Percentages of total employees
中國大陸	Mainland China	51,595	69.16%
越南	Vietnam	11,880	15.93%
柬埔寨	Cambodia	11,125	14.91%
總計	Total	74,600	100.00%

僱員按地區分佈 Employees by Job Locations

按教育劃分	By Education	人數 Numbers	佔僱員總數 百分比 Percentages of total employees
研究生	Postgraduate	26	0.03%
本科及大專	Undergraduate and college	3,782	5.07%
中專高中	Technical secondary school and high school	13,123	17.59%
初中及以下	Middle school and below	57,669	77.31%
總計	Total	74,600	100.00%

僱員教育水平 Employees Education Level

環境、社會及管治報告

Environmental, Social and Governance Report

4.2 僱員流動率統計分析

截至二零一六年十二月底，共有74,600名僱員。統計顯示，本集團二零一六年每月平均僱員流動率為4.42%，較二零一五年下降0.28個百分點（二零一五年：4.7%）。二零一六年每月平均新僱員流動率為2.75%。同時，在2016年，男性的流失率為1.38%，而女性的流失率為3.13%。

下表載列按年齡分布及工作地點比例劃分之僱員平均流失率。

4.2 Statistical analysis of employee turnover rate

By the end of December 2016, there were 74,600 employees in total. According to the statistics, the Group's monthly average employee turnover rate in 2016 was 4.42%, representing a decrease of 0.28 percentage point when compared with 2015 (2015: 4.7%). The monthly average new employee turnover rate in 2016 was 2.75%. Meanwhile, the turnover rate of male employees was 1.38% while that of female employees was 3.13% in 2016.

The tables below show the average turnover rate of employees by age distribution and job locations.

按年齡範圍劃分	By Age band	僱員平均 流失率 The average turnover rate of employees
20歲及以下	Below 20 and 20	0.66%
21歲至40歲	21-40	3.56%
41歲至50歲	41-50	0.37%
51歲及以上	51 and above 51	0.04%

僱員年齡分佈

Age Distribution of Employees

按國家劃分	By Country	僱員平均 流失率 The average turnover rate of employees
中國大陸	Mainland China	5.08%
越南	Vietnam	3.53%
柬埔寨	Cambodia	2.05%
其他地區	Other regions	0.00%

僱員按地區分佈

Employees by Job Locations

環境、社會及管治報告

Environmental, Social and Governance Report

4.3 僱員的離職管理

本集團的員工如被開除，本集團會因應各地方法適用勞動合同法及其他勞工法規，而作出相關的行動或補償。

如員工在試用期間被證明不符合錄用條件；或嚴重違反用人單位的規章制度；或嚴重失職，營私舞弊，給用人單位造成重大損害；或勞動者同時與其他用人單位建立勞動關係，對完成本單位的工作任務造成嚴重影響，或者經用人單位提出，拒不改正；或因本法第二十六條第一款第一項規定的情形致使勞動合同無效；或被依法追究刑事責任等；本集團根據勞動合同法第三十九條的相關情況，本集團依法與員工解除勞動關係。同時，本集團不會支付相關補償給員工。

另外，如員工在工作期間發生以下的情況，本集團會作出相應的補償給員工。例如：勞動者患病或者非因工負傷，在規定的醫療期滿後不能從事原工作，也不能從事由用人單位另行安排的工作；或勞動者不能勝任工作，經過培訓或者調整工作崗位，仍不能勝任工作；或勞動合同訂立時所依據的客觀情況發生重大變化，致使勞動合同無法履行，經用人單位與勞動者協商，未能就變更勞動合同內容達成協議；或依照企業破產法規定進行重整；或生產經營發生嚴重困難；或企業轉產、重大技術革新或者經營方式調整，經變更勞動合同後，仍需裁減人員；或其他因勞動合同訂立時所依據的客觀經濟情況發生重大變化，致使勞動合同無法履行等。本集團會根據勞動合同法第四十條、四十一條相關的情形，本集團與員工解除勞動關係後，依據勞動合同法第四十六條支付相關的經濟補償金。

本集團開除員工的程序是先由所在部門的班組長和人事科長將具體情況上報後，總部人事科根據具體事實依法判定該員工分屬以上的那一種情況，確定後，會作出相應的情況處理或補償。

4.3 The management of employee dismissal

If an employee of the Group is dismissed, the Group will take relevant action or make compensations based on the applicable local labor contract law and other labor regulations.

Where an employee is under any of the following circumstances, the Group may dissolve the labor contract according to the Article 39 of Labor Contract Law: It is proved that the employee does not meet the recruitment conditions during the probation period; The employee seriously violates the rules and procedures set up by the employer; The employee causes any severe damage to the employer because he seriously neglects his duties or seeks private benefits; The employee simultaneously enters an employment relationship with other employers and thus seriously affects his completion of the tasks of the employer, or the employee refuses to make the ratification after his employer points out the problem; The labor contract is invalidated due to the circumstance as mentioned in Item (1), paragraph 1, Article 26 of this Law; or the employee is under investigation for criminal liabilities according to law. In addition, the Group will not pay relevant compensation to the employee.

Furthermore, if the following circumstances has occurred during the working period of an employee, the Group will make relevant compensation to the employee. For example: the employee is sick or is injured for a non-work-related reason and cannot resume his original position after the expiration of the prescribed time period for medical treatment, nor can he assume any other position arranged by the employer; the employee is incompetent to his position or is still so after training or changing his position; or the objective condition, on which the labor contract is based, has changed considerably, the labor contract is unable to be performed and no agreement on changing the contents of the labor contract is reached after negotiations between the employer and the employee; or if the Company is under restructuring according to the Enterprise Bankruptcy Law; or if the Company encounters serious difficulties in production and business operation; or if the enterprise changes products, makes important technological renovation, or adjusts the methods of its business operation, and it is still necessary to lay off the number of employees after changing the labor contract; or the objective economic condition, on which the labor contract is based, has changed considerably and the employer is unable to perform the labor contract. After the dismissal of employment relationship under the circumstances stipulated in Article 40 and Article 41 in Labour Contract Law, the Group will pay relevant compensation in accordance with Article 46 of Labour Contract Law.

The dismissal procedures of the Group are as below: the group leader and department head report specific circumstance and the human resources department in the headquarter determine its nature according to the above circumstances and take the relevant actions or make compensations.

環境、社會及管治報告 Environmental, Social and Governance Report

4.4 僱員的福利

申洲集團能有效保持偏低的僱員流動率有賴以下有效措施：

- 1、連續7年春運包車回家：2016年出資大約1,500萬元，面向安徽、四川、陝西、雲南等14個省，途徑324個返鄉點，275輛巴士，13,483人，包車接送員工回家。同時，還準備了隨車食物給員工。春節過後，將返鄉員工安全接回。



- 2、公司關注教育慈善，重現職工隊伍建設和職工子女教育工作。2011年5月，在北侖區行政中心舉行寧波申洲針織有限公司教育發展基金成立儀式。在職工子女就學方面，公司每年聯繫工會盡可能予以解決管理層員工子女的實際就學困難。

4.4 The benefit of the employee

Shenzhou Group has successfully maintained a relatively low staff turnover rate, thanks to the following effective measures:

1. For seven years in a row, chartered coaches were arranged during Chinese New Year holidays for staff to go home: contribution of approximately RMB15 million in 2016 was made for arranging 275 round-trip chartered coaches covering 324 locations in 14 provinces such as Anhui, Sichuan, Shanxi, Yunnan for 13,483 staff to go home, and to return to work after the Chinese New Year holidays safe and sound. Refreshment was provided on the coaches for our staff's enjoyment.

2. The Company is mindful of educational causes and places great emphasis on team construction of staff and education for the children of its staff. In May 2011, the inauguration ceremony of the Ningbo Shenzhou Knitting Co., Ltd. Education Development Fund was held at the administration centre in Beilun region. In the area of schooling for the children of its staff, the Company liaises with the staff union each year to resolve practical difficulties in schooling for children of management staff as far as possible.



環境、社會及管治報告 Environmental, Social and Governance Report

3、 作為勞動密集型企業，申洲集團格外重視和關心員工身心健康。公司於2011年10月公司成立了心理資訊室—「心晴部落」。「心晴部落」由專人擔任心理輔導員，工作室內設了音樂放鬆儀和宣泄擊打儀，以接待個案來訪、舉辦團隊活動以及開設講座方式為員工化解心理困擾，緩解壓力，釋放心情。

3. As a labor intensive corporation, Shenzhou Group places exceptional emphasis on and pays special attention to the wellbeing of its staff, both physically and mentally. The Company established a mental health information centre, "Joyful Community", in October 2011. With specialists serving as counsellors, "Joyful Community" is equipped with music facilities for relaxation and punching facilities for venting emotions. Through handling cases received, organising group activities and holding seminars, the centre resolves psychological distress and relieves emotional pressure of staff and gives them peace of mind.



4、 近6年平均每年員工工資漲幅約10%至12%。

4. An average rise in salary has been around 10% to 12% each year for the past six years.



5、 本集團於二零一六年度在寧波地區投資約人民幣1億元建造新的中央廚房，目的是讓員工可以吃的更安全、衛生及美味，從而保障員工的健康，降低流動率。

5. In 2016, the Group invested approximately RMB0.1 billion in Ningbo to build a new central kitchen for the purpose of providing more secure, clean and delicious food to employees to ensure their health and reduce turnover rate.



環境、社會及管治報告

Environmental, Social and Governance Report

4.5 工作條件

本集團因生產經營連續性需要，本集團經勞動部門批准，按員工工作崗位性質分別實行標準工時制度、綜合計時工作制和不定時工作制。

另外，本集團的員工上下班時間，由各部門按季節變化、生產經營需要和崗位特點另行規定。

同時，本集團的員工工作時間一般由早上8點開始工作，到下午5點下班，而正常工作時間一般不會超過8小時。如需要員工加班，員工每日加班不會超過3小時，而每月加班則不會超過36小時。

休息時間：

本集團的員工休息時間一般由中午11點半至下午12點半，分別有午飯及午休休息時間。而員工每週最少休息一天。

另外，本集團員工可享受有國家法定假期、年休假、婚假、喪假、事假及病假等等。

請假的程序：

本集團的員工請假時必須辦理請假手續，由員工本人親自填寫請假單。同時，員工應註明請假的種類、假期、時間、事由、交接事項，並提供相應的有效證明，經領導審批，並報本部門辦公室人事部進行考勤登記及備案。

健康與安全

本集團每年向僱員發放勞保用品及工具，如面具、手套及制服。

本集團關心僱員之身體健康。其為每位僱員設立僱員健康檔案，還每年組織職業病之常規檢查。

4.5 Working condition

Due to the continuity of production and operation, approved by the labor department, the Group implements standard working time system, comprehensive working time system and flexible working time system according to the working nature of employee.

In addition, the working hour is stipulated by respective department according to the season, requirement of production and operation and characteristic of the job.

The working time for the employees of the Group generally starts at 8 a.m. and finishes at 5 p.m. and the normal working time is less than 8 hours. If overtime working is needed, the daily overtime will be less than 3 hours and the monthly overtime will be less than 36 hours.

Time for rest:

Time for rest of the Group is generally from 11:30 a.m. to 12:30 p.m. There is also time for lunch and midday rest for employees. The employees have at least one day off per week.

The employees of the Group are also entitled to the national statutory holiday, annual leave, marriage leave, funeral leave, leave for personal affairs and sick leave.

Procedures for application of leave:

The employees of the Group go through the formalities when they apply for leave and sign the application form. In the meantime, employees should state the nature of leave, holiday, time, reason and handover matters and provide relevant valid certification. After the approval of leaders, it will be reported to the human resources office of the department for registration and filing.

Health and Safety

The Group distributes labor protection appliances and tools to employees every year, such as masks, gloves and uniforms.

The Group cares about the physical health of employees. It sets up employee health records for every employee and also organizes routine examination of occupational diseases.

環境、社會及管治報告

Environmental, Social and Governance Report

二零一六年共記錄78名傷員和1名重大傷害。因受傷而缺勤之日數平均為15至20天。本集團將加強在職培訓，提高職業安全意識。

本集團向僱員免費供應急救箱及藥品，以在緊急情況時發揮重要作用。本集團遵守國家勞動法律及法規，並根據國家規定嚴格安排休假及工作時間表。僱員亦有權享有年假。

於報告期間，本公司已遵守所有對本公司有重大影響的相關健康與安全法律及法規。

勞工標準

於二零零三年，本集團制定若干規定，如「嚴格禁止聘用童工管理規定」、「未成年工人管理規定」及「嚴格禁止強迫勞工管理規定」，以徹底根除童工、未成年工人及強迫勞工。

禁止強迫勞動，童工

申洲在過去22年經營中從未發生過強迫勞動或童工的案例。申洲為遵守中國、越南、柬埔寨相關法律，在公司招聘、用工、離職等經營環節中作了詳細的規定和問責程序。

所有部門認真執行上述管理規定。以下措施表明本集團如何在招聘過程中有效杜絕童工：

新僱員須於僱傭開始時提供身份證，以核實其實際年齡。

於招聘面試中，面試官將仔細觀察身份證照片與實際面孔之差別。倘差距太大或實際年齡看起來明顯更年輕，則其須由身份證識別系統或其他方式核實。

A total of 78 injuries and one significant injury were recorded in 2016. Lost work days due to injuries were 15 to 20 days on average. The Group will strengthen on-the-job trainings to raise awareness of occupational safety.

The Group supplies free first-aid kits and medicines to employees, which plays an important role in emergencies. The Group complies with national labor laws and regulations and arranges the dayoff and working timetables stringently in accordance with national requirements. Employees are also entitled to annual leave.

During the reporting period, the Company has complied with all relevant health and safety laws and regulations that have a significant impact on the Company.

Labor Standards

In 2003, the Group formulated some requirements like the “Strict Prohibition of Engaging Child Labour Administrative Provisions”, “Underage Worker Administrative Provisions” and “Strict Prohibition of Forced Labour Administrative Provisions” in order to completely eradicate child labor, underage workers and forced labor.

Strict forbiddance of forced labor and child labor

Over the past 22 years of Shenzhou’s operation, there has not been a single case of forced labor or child labor. For the purpose of compliance with the relevant laws of China, Vietnam and Cambodia, Shenzhou has laid out comprehensive provisions and accountability procedures in respect of the recruitment, labor use and dismissal.

The above administrative provisions are implemented seriously in all departments. The following measures reveal how the Group can eradicate effectively child labor during the recruitment process:

New employee must provide his/her identity card when commencing employment, so as to verify his/her actual age.

In the recruitment interview, interviewers will observe very carefully the differences between the photograph on the identity card and the genuine face. If there is much difference, or the actual age seems obvious to be younger, then it shall be verified by identity card identification system or otherwise.

環境、社會及管治報告

Environmental, Social and Governance Report

無歧視

我們建立有反歧視政策，並遵守相關法律要求。申洲在職員招募，培訓，薪酬，晉升等方面不存在任何種族，地域，性別，國籍，年齡，懷孕或殘疾等方面的歧視。

於報告期間，本公司已遵守所有對本公司有重大影響的相關僱傭及勞動法律及法規。

5. 發展及培訓

5.1 培訓

本集團高度重視內部及外部之學習及培訓，以提升僱員之教育水平及能力，並妥善培養本集團發展所需之人才。本集團成立申洲管理學院，其已成為發展本集團管理人才之搖籃，截至二零一六年底，本集團已錄得10,855人次參加培訓。



同時，參加申洲管理學院的男性員工人數是3,499人，佔百分之32.23%，而女性員工參加人數是7,356人，分別佔67.77%；在2016年，男性員工累計的培訓鐘數為29,115小時，而女性員工的培訓鐘數是53,527小時。

Zero discrimination

We have established anti-discrimination policy and comply with the requirements of relevant laws. There has been no occurrence of discrimination in Shenzhou against race, region, gender, nationality, age, pregnancy or disability in respect of employee recruitment, training, salary and promotion.

During the reporting period, the Company has complied with all relevant employment and labor laws and regulations that have a significant impact on the Company.

5. DEVELOPMENT AND TRAINING

5.1 Training

The Group attaches great importance to the internal and external studies and trainings to improve employees' education level and capabilities, and trains talents properly that are needed in the Group's development. The Group has established the Shenzhou Management Institute and it has become the cradle of developing the Group's management talents. By the end of 2016, 10,855 people had been recorded in the training.

The number of male employees who attend Shenzhou School of Management is 3,499, representing 32.23% of the total male employees while that of female employees is 7,356, representing 67.77% of the total female employees. In 2016, the cumulative training time of male employees was 29,115 hours while that of female employees was 53,527 hours.

環境、社會及管治報告

Environmental, Social and Governance Report

下表載列按員工職位的比例劃分之員工參加培訓的人數和時間：

The table below shows the training number and time of employees by job position of employees:

按員工職位	By job position	培訓人數 Number of trainees	百分比 Percentage
高級管理層	Senior Management	242	2.23%
中級管理層	Middle Management	3,206	29.53%
其他員工	Other Employees	7,407	68.24%
總計	Total	10,855	100.00%

申洲管理學院於2012年9月21日成立，初期培訓對象以製衣部管理人員為主，學院按公司對培訓的需求制定課程，致力提高班組長以上管理人員的管理水平，來提升生產現場產品的質量和效益。

Shenzhou School of Management was established on 21 September 2012. The preliminary training target was the management staff of garment manufacturing department. The school formulates the curriculum according to the training requirements of the Company and devotes to enhancing the management level of management staff above the position of group leader, so as to enhance the quality and efficiency of the products in the production site.

本集團於2014年12月起獲寧波市成功選為第三批企業工程師資格自主評價試點企業，企業工程師資格自主評價實現了企業人才評價和政府人才評價的有效結合，通過人員即獲得了企業認可也將獲得由人社部門頒發的專業技術資格證書。

The Group was successfully selected by Ningbo City as the third batch of pilot enterprises for self appraisal of enterprise engineer qualification since December 2014. Self appraisal of enterprise engineer qualification effectively combines corporate and government performance appraisal. Approved persons are recognized by the enterprise and will be awarded professional technical qualification certificate by the Ministry of Human Resources and Social Security.

除培訓機會外，本集團為部分管理層員工提供升職空間，以便其能發揮及進一步磨練其管理技能。

In addition to training opportunities, certain managerial staffs are provided with promotions to higher positions so that they can demonstrate and further hone their management skills.



環境、社會及管治報告

Environmental, Social and Governance Report

5.2 員工職場發展

我們為員工提供充裕，公平的學習、培訓和晉升的平臺和機會。申洲績效委員會在公司每個部門下設分支，建立統一機制使員工自身發展和企業發展融合起來。我們鼓勵員工鑽研本職或行業內其他技術，同時為員工們提供這樣的學習機會和職位提升調整的通道。

5.2 Career prospects for employees

Our employees have fair and adequate access to learning and trainings as well as promotion opportunities. Shenzhou's Performance Committee has set up branches in every department of the Company, establishing a standardized system whereby the development of employees and the enterprise can be mutually integrated. We encourage our employees to engage in trainings with regard to their own specialized duties and other industrial technologies, and provide such learning opportunities as well as the possibilities of promotions and adjustments to our employees.

6. 營運常規

6.1 供應鏈管理

主要營運地區：

申洲集團目前營運地區如下圖所示：綠色為申洲位於寧波之生產基地；黃色為申洲銷售辦事處；橙色為寧波以外之生產基地。

6. OPERATING PRACTICES

6.1 Supply Chain Management

Major Operating Regions:

Shenzhou Group currently has operations in the regions shown in the following picture: the green color represents the production base of Shenzhou in Ningbo; the yellow color represents the sales offices of Shenzhou; the orange color represents the production bases other than Ningbo.



申洲集團營運地區
Operating Regions of Shenzhou Group

環境、社會及管治報告

Environmental, Social and Governance Report

下表載列本集團在不同國家的主要原材料供應商數目。

The table below shows the number of major raw material suppliers of the Group by geographical region.

國家(區域)名稱	Country (District) Name	供應商數量 Number of Suppliers	百分比 Percentage
中國	China	310	78.68%
中國香港	Hong Kong, the PRC	25	6.35%
日本	Japan	16	4.06%
中國臺灣	China Taiwan	13	3.30%
越南	Vietnam	11	2.79%
泰國	Thailand	4	1.02%
中國澳門	Macau, the PRC	3	0.76%
美國	America	2	0.51%
韓國	Korea	2	0.51%
義大利	Italy	2	0.51%
馬來西亞	Malaysia	2	0.51%
新加坡	Singapore	1	0.25%
瑞士	Switzerland	1	0.25%
愛爾蘭	Ireland	1	0.25%
印度	India	1	0.25%
總計	Total	394	100.00%

本集團主要附屬公司寧波申洲針織有限公司工作體系管理關鍵工作流程之實施，同時控制並影響工作流程之橫向連接，故而使整個工作流程形成一個有機整體。

The working system of the main subsidiary of the Group, Ningbo Shenzhou Knitting Co., Ltd. (寧波申洲針織有限公司), manages the implementation of critical working processes, and controls and affects the horizontal linking up of the working processes at the same time, and all working processes form an organic integrity thereby.

為確保關鍵流程順利運轉，本集團採取系統化管理措施，制定一系列管理體制，滿足流程要求，並提供策略性執行。同時，本集團利用諸如以目標為導向之管理等各種措施，制定關鍵績效指標，控制並完善工作流程。

To ensure the smooth operation of the critical processes, the Group adopts systematic management measures and formulates a series of management systems to fulfill the requirements of the processes and provide tactical execution. At the same time, we utilize various measures such as management by objectives to stipulate key performance indicators to control and improve the working processes.

環境、社會及管治報告

Environmental, Social and Governance Report

6.2 採購流程

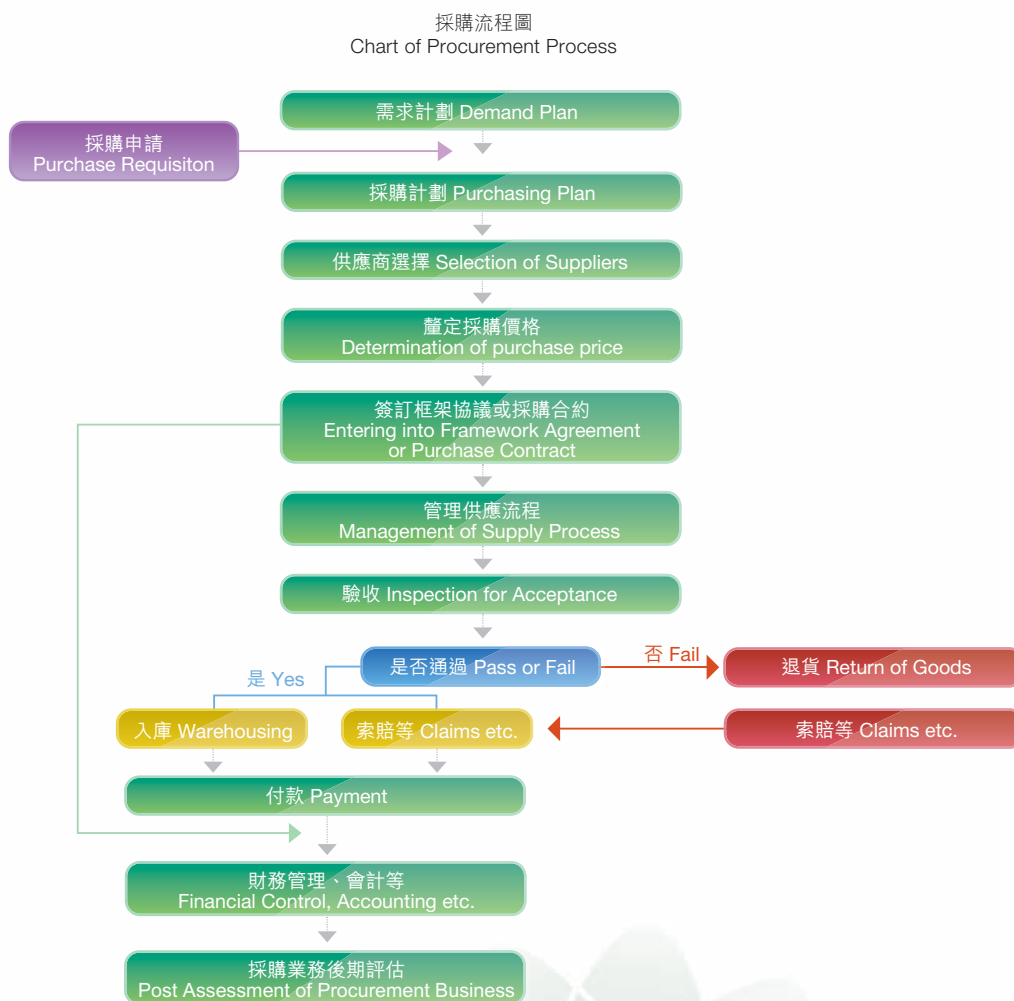
指定部門之專職員工負責本集團材料之採購。採購之材料主要包括棉紗、染料、輔料、辦公用品、固定資產、設備及零部件，以及餐廳用品。採購成本控制乃提升產品利潤之重要舉措。採購之棉紗、染料及輔料質量則將直接影響本集團之產品質量及企業形象。採購亦為影響產品競爭力之首要方面之一。

為保證採購流程之效益，本集團制定管理文件，如「採購控制流程」。下圖是本集團的採購流程圖：

6.2 Procurement process

Dedicated staff of the designated departments is responsible for the procurement of materials of the Group. The materials procured mainly include cotton yarn, dyestuffs, trims, office supplies, fixed assets, equipment and spare parts, and canteen supplies. Procurement cost control is an important measure to enhance profit on products. The quality of cotton yarn, dyestuffs and trims procured will directly affect the quality of products of the Group and the corporate image. Procurement is one of the most important aspects affecting product competitiveness.

To ensure the effectiveness of the procurement process, the Group formulates management documents such as “Procurement Control Procedures”. The chart of the procurement process of the Group is as follows:



環境、社會及管治報告

Environmental, Social and Governance Report

以下圖表是供應商關注的議題和與供應商溝通的方式：

Topics concerned by our suppliers and the channels we used to communicate with our suppliers are shown in the following chart:

關注議題	溝通方式
Topic Concerned	Communication Channel
供應商評估政策 Supplier policies and requirements	定期會談 Regular meetings
綠色產品 Green products	供應商大會 Supplier summit
產品質量 Product quality	合作技術項目 Cooperative technology projects
應對氣候變化 Response to climate changes	研討會和論壇 Workshops and forums
可持續發展 Sustainability	



供應商
Supplier

風險管理

本集團已列出化學品清單，並對危險或受限化學品進行管控，確保生產過程所使用之染料、製劑、洗滌劑嚴格遵照管控清單。未經測試及認證之化學品不得用於生產，且本集團正設立嚴格之識別及追蹤體系。

Risk management

The Group has established a list of chemicals and conducts management and control on dangerous or restricted chemicals to ensure that the dyes, agents and detergent used during production will strictly follow the management and control list. Non-tested and uncertified chemicals are not allowed to be used in production and a stringent identification and tracking system is being established.

本集團已形成一套化學品管控流程，包括染料供應商管理、來料檢查、產品測試及廢水排放檢查，確保全面之化學品應用管控。

The Group has developed a chemical management and control process which covers dyestuff supplier management, incoming materials inspection, product testing and wastewater discharge inspection, ensuring a comprehensive management and control of chemical applications.



質量管理工作要點
Focuses of Quality Control Work

環境、社會及管治報告

Environmental, Social and Governance Report

6.3 安全及環保管理流程

考慮到僱員隊伍龐大、生產設備眾多及管理跨度巨大等相關事實後，本集團的主要附屬公司已採用ISO 14001及OHSAS 18001管理體系，以便強化安全及環保。

下圖是本集團的ISO 14001及OHSAS 18001的證書：



ISO 14001 證書
ISO 14001 certificate

6.3 Safety and environmental protection management process

The Group's major subsidiaries have adopted the ISO 14001 and OHSAS 18001 management systems to strengthen the safety and environmental protection, after considering facts such as a large number of employees, plenty of production equipment and considerable management span.

The Group's ISO 14001 and OHSAS 18001 certificates are shown below:



ISO 18001 證書
ISO 18001 certificate

在安全及環保方面，本集團加強安全教育，為相關工作崗位制定安全操作規範，並加強設備維護。另一方面，考慮到僱員隊伍龐大，本集團亦注重食品安全及職業健康管理。

In terms of safety and environmental protection, the Group strengthens the safety education, establishes safety operation specifications for related job posts and enhances equipment maintenance. On the other hand, considering a large number of employees, the Group emphasizes on food safety and occupational health administration.

環境、社會及管治報告 Environmental, Social and Governance Report

本集團謹記安全、健康及環保，並為此設立安全部、應急小組及專業三廢處理系統，以減少使用有毒有害物質，從而符合三廢處理標準，以此確保僱員職業健康，保持清潔生產、節能減碳，以及應對及處理緊急情況。有關主要強調方面參見下圖。

With safety, health and environmental protection in mind, the Group has established a safety department, an emergency response team and a professional Three Wastes Treatment System to reduce the use of toxic and hazardous substances to meet the standards of Three Wastes treatment, thus ensuring the occupational health of employees, maintaining clean production, energy conservation and carbon reduction, and responding to and dealing with emergencies. For the major focus areas, see the following chart.



安全及環保工作要點
Focuses of Safety and Environmental Protection Work

同時，本集團在二零一六年度獲浙江省安全生產監督管理局頒安全生產標準化證書，和確認本集團為安全生產標準化二級企業（紡織服務），因此，本集團遵循「安全第一、預防為主、綜合治理」的方針，以隱患排查治理為基礎，提高安全生產水平，減少事故發生，保障人身安全健康，保證生產經營活動的順利進行。

In the meantime, Bureau of Work Safety of Zhejiang Province awarded Standardized Safe Production Certificate to the Group in 2016 and recognized it as Second-Class Enterprise in Production Safety Standardization (textile and garment). Therefore, based on checking and controlling of potential hazard, the Group complied with the principle of “safety first, emphasis on prevention and comprehensive governance” and uplifted safe production to reduce accidents and ensure personal safety and health as well as the smooth running of production and operation activities.

環境、社會及管治報告 Environmental, Social and Governance Report

下圖是本集團的安全生產標準化證書：

The picture below is the Standardized Safe Production Certificate:



6.4 知識產權管理體系

本集團在2015年通過中知（北京）認證有限公司頒發的知識產權管理體系認證證書，以便監管和保障公司知識產權。

6.4 Intellectual property management

The Group obtained the certification of the intellectual property management in 2015 awarded by Zhongzhi (Beijing) Certification Co., Ltd. to monitor and guarantee the intellectual property of the Company.

下圖是中知（北京）認證有限公司頒給本集團的二零一五年度的知識產權管理體系認證證書：

The picture below is the certification of the intellectual property management in 2015 awarded by Zhongzhi (Beijing) Certification Co., Ltd.:



知識產權管理體系
Certification of Intellectual Property Management

環境、社會及管治報告

Environmental, Social and Governance Report

6.5 質量管理流程

本集團在產品採購及製造中依照全面質量管理體系實施全面監測措施。有關其質量管理流程，請參見下圖。

6.5 Quality management process

The Group conducts a full range of monitoring measures in the purchase and manufacture of products based on a comprehensive quality management system. Please refer to the following chart for its quality management process.



質量控制在質量管理流程中乃至關重要之部分。其主要包括產品質量監管、檢測及測試。本集團設立質量控制之六大要點。

Quality control is a very important segment in the quality management process. It mainly embodies the supervision, inspection and testing of product quality. The Group has established six focuses of quality control.



下圖是本集團ISO 9001的證書：

The ISO 9001 certificate of the Group is shown as below:



ISO 9001 證書
ISO 9001 certificate

環境、社會及管治報告 Environmental, Social and Governance Report

6.6 客戶滿意度

本集團致力於通過傾聽瞭解客戶各種要求、期許及關注。通過下述方式，本集團已轉變並滿足客戶之要求及期許，並推動其自身之市場擴張及服務改進。此外，若客戶到訪，本集團銷售部將召集直接相關部門領導及負責人參加會面，以便全面瞭解客戶之期許。相關部門將召開特別會議，對當時未滿足客戶期許之方面尋求具體解決方案。銷售部、研發部及生產部之直接負責人將參加每週銷售及營運例會，討論現時問題及客戶要求，分析原因並尋找達致客戶要求之解決方案。

以下圖表是客戶關注的議題和與客戶溝通的方式：

6.6 Customer Satisfaction

The Group aims to understand all kinds of customer requirements, expectations and concerns by listening to them. Through the following methods, the Group has transformed and satisfied customer requirements and expectations and promoted its market expansion and service improvement. Furthermore, when customers visit the Group, the sales department will gather directly relevant department heads and the person-in-charge to attend meetings to have a comprehensive understanding of customers' expectations. The relevant departments will convene special meetings to seek specific solutions to those aspects that fail to meet customers' expectations for the time being. The direct person-in-charge from the sales, research and development and production departments will attend regular Sales and Operations meetings every week to discuss the current problems and customers' requirements, analyze the causes and find solutions to meet customers' requirements.

Topics concerned by our customers and the channels we used to communicate with our customers are shown in the following charts:

	關注議題 Topic Concerned	溝通方式 Communication Channel
 <p data-bbox="252 1417 304 1442">客戶</p> <p data-bbox="225 1458 331 1482">Customer</p>	<p data-bbox="491 1171 639 1223">可持續發展 Sustainability</p> <p data-bbox="491 1240 818 1292">員工健康安全 Employees' health and safety</p> <p data-bbox="491 1310 711 1361">社會責任 Social responsibility</p> <p data-bbox="491 1379 786 1431">舒適環保產品 Comfortable eco-products</p> <p data-bbox="491 1449 751 1500">經營業績 Operating performance</p> <p data-bbox="491 1518 786 1570">供應鏈建設 Supply chain development</p>	<p data-bbox="1023 1171 1394 1245">高層到中層定期會談 Regular meetings with senior and mid-manager</p> <p data-bbox="1023 1263 1299 1314">客戶滿意度調查 Client satisfaction survey</p> <p data-bbox="1023 1332 1169 1384">參觀工廠 Factory visits</p> <p data-bbox="1023 1402 1310 1476">走訪客戶經營總部 Visits to clients' operation headquarters</p> <p data-bbox="1023 1494 1428 1568">與客戶聯建合作中心 Co-establishing cooperative centres with clients</p>

為保障不使客戶資料外流，本公司會與特定客戶簽立保密協議，同時，亦可保護特定客戶擁有的專利權。

本集團在保障客戶的個人資料（私隱）政策方面，制定了相關程序文件《客戶關係管理制度》，以保障客戶信息資料不外流。同時，本集團在執行和監管客戶的個人資料（私隱）政策方面，公司各業務部負責人定期做好客戶信息資料的維護檢查，以防止客戶個人的私隱資料有機會流失。

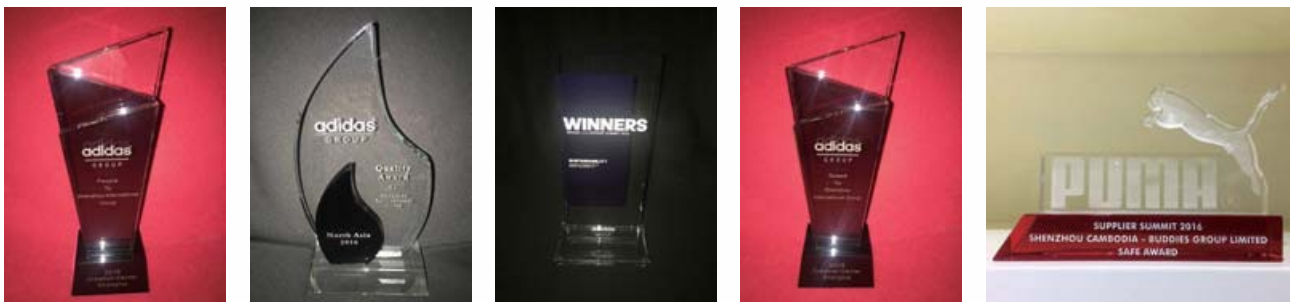
To protect the security of customers' information from leaking out, the Company entered into confidential agreements with specific customers and also protected the patents of specific customers.

In the policy of protecting the personal information (privacy) of customers, the Group establishes relevant documents of procedures, management system of customer relationship to protect the customer information from leakage. In the meantime, in the policy of implementing and monitoring the personal information (privacy) of customers, the person-in-charge of respective department conducts regular maintenance and review of the information of customers to prevent the personal and private information of customers from leakage.

環境、社會及管治報告 Environmental, Social and Governance Report

二零一六年，本集團獲阿迪達斯於上海創意中心2016頒發的「人才獎」及「速度獎」。再者，本集團在阿迪達斯的2016年度全球供應商峰會中獲阿迪達斯頒發「領導力獎」及「可持續發展獎」。同時，也獲阿迪達斯在2016年度亞洲北部地區頒發的「質量獎」及「可持續發展獎」。另外，本集團在彪馬的2016年度供應商峰會中獲得「安全獎」。下圖為阿迪達斯及彪馬頒發給本集團之獎盃。

In 2016, the Group was awarded “Talent” award and “Speed” award by Creation Center Shanghai 2016 of Adidas. Furthermore, the Group was awarded “Leadership award” and “Sustainability award” by Adidas in the Global Supplier Summit 2016 of Adidas. Meanwhile, the Group was also awarded “Quality award” and “Sustainability award” by North Asia 2016 of Adidas. In addition, the Group was awarded “Safe Award” by Supplier Summit 2016 of Puma. The following pictures are the trophies awarded to our Group by Adidas and Puma.



同時，本集團於二零一六年獲浙江省質量技術監督局頒發浙江名牌產品的證書。根據浙江省質量技術監督局公佈，本年度合共849個浙江名牌產品通過復評，有效期至二零一九年十二月三十一日。

In the meantime, the Group was awarded the Certificate of Zhejiang Famous Brand Products by the Quality and Technical Supervision Bureau of Zhejiang Province (浙江省質量技術監督局) in 2016. According to the Quality and Technical Supervision Bureau of Zhejiang Province, a total of 879 applications for Zhejiang Famous Brand Products have passed the re-assessment in the current year, which will expire on December 31 2019.

下圖是本集團在二零一六年的浙江名牌產品證書：

The picture below is the Certificate of Zhejiang Famous Brand Products:



環境、社會及管治報告 Environmental, Social and Governance Report

另外，在二零一六年度，本集團獲中國品牌研究中心、甬商研究院、甬商發展研究院及甬商理事會頒發「2016寧波品牌百強」，而其品牌價值為人民幣65.4億元。其中在二零一六年上榜的製造業品牌數量達64個，我司的品牌也佔了其一位。

下圖是本集團在二零一六年的2016寧波品名牌百強的證書：

In addition, the Group was awarded “Top 100 Ningbo Brand in 2016” by China Brand Research Center, Research Institute of Yung Business in Ningbo, Research Institute of Yung Business Development in Ningbo and Council of Yung Business in Ningbo in 2016 and the value of the brand amounted to RMB6.54 billion. In 2016, there were 64 brands for the manufacturing industry on the list, among which was a brand of the Company.

The picture below is the Certificate of Top 100 Ningbo Brand in 2016:



同時，本集團在二零一四年及二零一六年獲得浙江省技術創新能力百強企業之一，這是對本集團的技術創新能力的確認及肯定。技術創新能力百強企業是浙江省為深入實施創新驅動發展戰略、加快創新型省份建設，鼓勵企業技術創新評選出的模範先鋒，其評價指標體系由創新投入、創新產出兩個方面構成，涉及研發經費比重、研發人員比例、研發人員人均研發經費、千名研發人員智慧財產權擁有量、新產品銷售收入率、全員勞動生產率以及利稅率等七個方面。而本集團在紡織的優勢產業領域，對推進產業升級、促進區域經濟發展起到重要示範作用。

In the meantime, the Group was awarded Top 100 Technical Innovation Enterprises in Zhejiang Province in 2014 and 2016, which recognizes the technical innovation ability of the Group. The Top 100 Technical Innovation Enterprises in Zhejiang Province are the model pioneers selected for in-depth implementation of the strategy of innovation-driven development, speeding up the building of innovative province and encouraging technical innovation of enterprises. The assessment factors include devotion to innovation and innovation output and involves 7 aspects including proportion of research and development fees and staff, average research and development fees for research and development staff, the amount of intellectual property rights owned by 1,000 research and development staff, revenue rate of sales of new products, labor productivity of the whole staff and profit-taxation rate. The Group plays a model role in uplifting the industry and promoting the local economic development in its advantageous industry of textile.

環境、社會及管治報告 Environmental, Social and Governance Report

下圖是本集團在二零一四年的浙江省技術創新能力百強企業的證書：

The picture below is the certification of the Top 100 Technical Innovation Enterprises in Zhejiang Province in 2014:



於二零一五年一月份起，本集團的子公司，申洲針織的註冊商標（註冊証號：7226707）被浙江省工商行政管理局認為「浙江省著名商標」，省著名商標不僅是對本集團這近年發展形勢的肯定，更說明了申洲品牌在行內的影響力與知名度。

Since January 2015, the registered trademark of Shenzhou Knitting (registered number: 7226707), a subsidiary of the Group, was recognized as a "Famous Brand of Zhejiang Province" by Zhejiang Provincial Administration of Industry and Commerce, signifying the recognition of the Group's development over the past few years and reflecting the influence and reputation of the Shenzhou brand in the industry.

環境、社會及管治報告 Environmental, Social and Governance Report

本集團積極鼓勵研發僱員進行專利申請，引入有關發明專利授權之獎勵政策，穩步推進專利商業化，並努力創造自有品牌產品。近年來，本集團擁有35項自主研發項目，年均23個系列專利轉化為產品。本集團已擁有超過575種新產品和163件專利，其中新材料面料專利有69件，生產過程中對設備工藝改造創新的相關專利有94件。另外，也有98項新發明專利，同時也有38套企業標準（其中2016年新增了8套企業標準）。本集團引入有關技術創新之鼓勵政策，包括科學技術成就獎勵方法，並設立有關技術創新之科學全面激勵機制。

The Group vigorously encourages patents filings by research and development staff, introduces rewarding policies for the authorization of patents for inventions, steadily promotes patent commercialization and endeavors to create its own brand products. In recent years, the Group has had 35 self-developed projects with an annual average of 23 series of patents turning into products, The Group has over 575 new products, and 163 patents, including 69 patents of new materials and fabrics and 94 patents for transformation and innovation of equipment and technique during production. In addition, it also has 98 new invention patents and 38 corporate standards (including an addition of 8 corporate standards in 2016). The Group introduced encouragement policies on technological innovation, including the Rewarding Methods on Scientific and Technological Achievements and established a scientific and comprehensive incentive mechanism on technological innovation.



環境、社會及管治報告 Environmental, Social and Governance Report

於報告期間，本公司就健康及安全以及其他與產品責任相關的事宜已遵守所有對本公司有重大影響的相關法律及法規。

During the reporting period, the Company has complied with all relevant laws and regulations that have a significant impact on the Company in respect of health and safety and other matters relating to product responsibility.

7. 反貪污：

本集團創辦人兼前主席馬寶興先生及各高管人員在申洲集團成立二十多年以來，一貫秉持「誠信」，並將其融入企業文化。誠信是本集團之行為守則，亦是其道德標準。

7. ANTI-CORRUPTION:

In the over two decades of the Shenzhou Group's history, the founder and former chairman of the Group, Mr. Ma Baoxing, and each senior management have always been focusing on "integrity" in establishing the corporate culture. Integrity is the code of conduct and moral standard of the Group.

早在二零零零年初，馬先生揮筆寫就「誠信」二字，並懸掛於大廳中央，警醒每位僱員此乃本集團之原則及要求。每位僱員必須遵守，本集團亦歡迎有關部門及客戶嚴格監督。

Back in early 2000, Mr. Ma wrote the two Chinese characters "誠信 (integrity)" and hung them in the centre of the lobby hall, reminding every employee that it is the principle and requirement of the Group. Every employee must abide by it and the Group also welcomes close monitoring by related authorities and customers.



於二零一六年，本集團沒有任何有關於貪污賄賂的法律案件。

In 2016, the Group had no law suit of corruption and bribery.

環境、社會及管治報告

Environmental, Social and Governance Report

本集團已設有內部審計部門及外部安永審計師來提高本集團的反貪污標準，以防止貪污事件在本集團發生。

在本集團的員工守則內，有明確規定員工應該反腐敗，反賄賂及利益衝突等條文，因此，員工應該遵守此守則。

根據員工守則，以下是本集團防止貪污的程序：

- 1) 針對重要崗位，重點人員進行反貪污、反腐敗教育；
- 2) 所有與公司發生業務的供應商、服務商等均需簽訂《廉潔承諾書》及《反商業賄賂協議》；
- 3) 設立專門的郵箱及電話，接受公司內外對於貪污腐敗的舉報；
- 4) 內審及相關部門不定期的分析相關數據，進行調查走訪，掌握貪污腐敗行為的特點、規律，制定和完善貪污腐敗的預防措施和制度；
- 5) 對於工作發現的貪污腐敗問題，及時處理並通報相關部門，涉嫌違法犯罪的移交公安機關處理。

本集團在執行和監督防止貪污方面，會作出相應的行動，例如：在新進供應商首次簽訂合同時，必須同時簽訂《廉潔承諾書》及《反商業賄賂協議》；另外，由內審及相關部門隨時查看舉報郵箱並接聽舉報電話，對於舉報的事項應進行登記及調查，並將調查結果通報相關領導和部門，同時相關人員承諾對舉報人的個人信息進行保密；再者，由內審、法務等相關部門對日常業務流程進行監督審核，對於發現的異常信息及情況進行跟蹤調查。

如本集團員工發現貪污的情況發生，員工主要通過舉報郵箱及電話向上司反映貪污的事件，而相關的貪污的事件會由員工的上司跟進及調查。

The Group has set up internal audit department and has engaged Ernst & Young as external auditor to improve the Group's anti-corruption standard in preventing corruption in the Group.

The Group's employee handbook sets out expressed requirements in relation to anti-corruption, anti-bribery and conflict of interest. Accordingly, the employees should follow the requirements.

The anti-corruption procedures of the Group according to the guideline for the staff are as follows:

- (1) We educate major staff for some major positions in anti-corruption and anti-bribery;
- (2) Suppliers and service providers which have business relationship with the Group should sign integrity undertakings and anti-commercial bribery agreement;
- (3) We have special email and phone line to receive the report against corruption behavior from people in and outside the company;
- (4) Internal auditor and competent department analyze data irregularly, know characteristics and features of corruption behavior and implement and improve the prevention measures and systems in anti-corruption;
- (5) We should deal with the corruption matter in work in a timely manner and report to competent department. People involved in the crime should be transferred to the public security organ.

The Group takes relevant measures in implementation and monitoring of prevention of corruption. For example, when we first sign contract with new suppliers, suppliers must sign integrity undertakings and anti-commercial bribery agreement simultaneously. In addition, internal auditor and competent department check email and receive reporting calls at any time and register and investigate reporting matters. The investigation results will be reported to relevant leaders and departments and relevant staff undertake that they will keep the personal information of the informer confidential. Further, relevant departments including internal audit and legal affairs monitor and review daily course of business, track and investigate the abnormal information and circumstances.

If the staff of the Group finds corruption behavior, they primarily report corruption to senior staff through reporting email and phone calls. Senior staff will track and investigate relevant corruption matter.

環境、社會及管治報告 Environmental, Social and Governance Report

8. 社區互動

8.1. 社區參與

於二零一四年起，本集團加入了寧波市北侖區慈善總會。在二零一六年，本集團獲寧波市慈善總會頒發第四屆寧波市十大最具愛心捐贈企業的獎狀。

下圖為寧波市北侖區慈善總會頒給本集團的獎狀：

8. INTERACTION IN COMMUNITY

8.1. Community involvement

Since 2014, the Group joined Ning bo (Beilun) Charity Association. In 2016, the Group was awarded the 4th Top Ten Co. in Ningbo by Ningbo (Beilun) Charity Association.

The following picture is the certificates of merit awarded to the Group by Ningbo (Beilun) Charity Association:



本集團認為，社區支持乃企業發展驅動力之一，亦為打造「和諧申洲」之重要動力。本集團強調培養員工之社會責任意識，並鼓勵彼等參與社區福利服務。二零一六年，本集團社區參與費用及各種慈善捐款約為人民幣206萬元。

The Group considers that supporting the community is one of the driving forces for corporate development, as well as an important motivation for building a “Harmonious Shenzhou”. The Group places great emphasis on cultivating social responsibility awareness in its staff and encourages them to participate in charitable community activities. The Group contributed approximately RMB2,060,000 in 2016 towards participating in community activities and making various donations for charitable causes.

環境、社會及管治報告 Environmental, Social and Governance Report

慈善捐款的用途主要是投入在不同的慈善活動，例如：在環保方面，本集團成立環保基金；另外，在教育方面，本集團投入大約人民幣10萬元在暑期托管班，名稱為「讓愛大聲說出來」，此活動希望讓孩子過一個快樂暑期；同時，本集團資助約合共人民幣12萬元在財政上有困難的大約10名大學生，以支付學費的方式幫忙他們，令他們可以有機會圓大學夢；以及本集團設立了岷山學校獎育金，讓更多有困難的學生可以接受教育資助。

The main use of donations for charitable causes is to devote to various charity activities. For example, the Group has established environmental protection fund in the aspect of environmental protection. In addition, in the aspect of education, it invests approximately RMB100,000 in summer tutorial class, which is "Speak Love Loud", so that children can have a happy summer vacation. It also contributes approximately RMB120,000 to about 10 university students who have financial difficulties in the form of payment of tuition fees so that they can have opportunities to enter universities. Meanwhile, it establishes scholarship for Minshan School so that more students with financial difficulties can receive educational sponsorship.

以下是「讓愛大聲說出來」的活動相片：

The picture below is the activity of "Speak Love Loud":



環境、社會及管治報告 Environmental, Social and Governance Report

本集團在本年度與周邊企業共同成立了一個環保基金，而投入約人民幣100萬元在此環保基金，而此環保基金是用於北侖當地環境建設的。

The Group establishes an environmental protection fund with enterprises nearby and invests approximately RMB1 million to this fund for the purpose of protecting the local environment of Beilun.



本集團多年來積極支持無償獻血愛心事業。2008年至今，已累計組織無償獻血活動40餘次，共計獻血4,000餘人次，累計獻血量達120多萬毫升。近三年，本集團開展無償獻血17次，獻血2,000餘人，獻血量達58,000毫升。先後獲得浙江省無償獻血先進單位、市無償獻血促進獎單位等榮譽。

The Group has devoted to the free blood donation over the years. Since 2008, we have organized over 40 events for free blood donation and a total of over 4,000 people have donated blood. The blood that we have donated amounts to over 1.2 million ml. In recent 3 years, the Group has held 17 events for free blood donation with over 2,000 people and 58,000 ml blood. We have obtained the honor including Outstanding Unit for Free Blood Donation in Zhejiang and Promotion Award for Free Blood Donation of the city.

在二零一六年，本集團在北侖區紅十字會第四次會員代表大會上被授予北侖區紅十字博愛功勳獎。紅十字活動是奉獻愛心的表現，同時，可以將正能量發散，將愛心傳遞，將紅十字精神遍灑社區，致力於鑄就和諧的社區。

In 2016, the Group was awarded Red Cross Charity Award in Beilun in the fourth representative meeting of Red Cross in Beilun. The activities of Red Cross embody the dedication of love, deliver positive spirit and love, which spreads the spirit of Red Cross across the community and aims to build a harmonious community.

下圖是本集團在二零一六年獲得的北侖區紅十字博愛功勳獎的獎狀：

The picture below is Red Cross Charity Award in Beilun in 2016:



環境、社會及管治報告

Environmental, Social and Governance Report

8.2 加入非盈利組織

自二零一一年十月起，申洲成為紡織交易所 (Textile Exchange) 之會員。紡織交易所 (Textile Exchange) 為一間位於美國之非盈利組織，其宗旨為促進整個紡織價值鏈之可持續發展。申洲一直積極參與行業會議、研討會及其他活動，與相關人士共享最優方法，並討論紡織業之未來發展。

自二零一二年起，在彪馬之指導下，本集團的主要附屬公司，寧波申洲針織有限公司加入彪馬C2C (搖籃到搖籃) 閉環生態環保產品開發。從原紗挑選到印染材料再到化學助劑，該類產品符合C2C環保產品要求，並通過C2C產品認證。有關C2C之更多資料，請參閱C2C網站：www.c2c-world.com。

自二零一三年起，本集團已加入BCI組織。BCI，全稱better cotton initiative，即指良好棉花倡議，其主旨在於使全球棉花的種植更有利於棉農，更有利於種植環境，更有利於該產業的未來發展。申洲主要客戶耐克與阿迪達斯皆為BCI組織的成員，社會也越來越認同BCI的6大原則：質保，水資源，棉花種植土壤的健康，棉花種植周邊區域的生態環境的保護，棉花的質量和體面勞動，這與申洲注重社會責任、倡導善良事業的理念不謀而合，自然也就得到申洲管理層的極力推崇。

8.2 Participation in non-profit organizations

Shenzhou has become a member of Textile Exchange since October 2011. Textile Exchange is a non-profit organization based in USA, the mission of which is to promote the sustainable development of the entire textile value chain. Shenzhou has all along been actively participating in industry conferences, seminars and other activities, sharing best practices with relevant parties and discussing the future development of the textile industry.

Since 2012, guided by PUMA, our Group's major subsidiary, Ningbo Shenzhou Knitting Co., Ltd. has participated in the development of PUMA C2C (Cradle to Cradle) closed-loop ecological environmentally friendly products. From its selection of original yarns to dyeing materials, printing material and agents, this category had complied with the C2C environmentally-friendly products requirements and passed the C2C products certification. For more relevant C2C information, please refer to C2C website: www.c2c-world.com.

The Group has been a member of BCI (in full "better cotton initiative") since 2013. The keynote of BCI (in full "better cotton initiative") is to ensure the cultivation of cotton to be more beneficial to cotton farmers, the cultivation environment and the future development of the industry. Nike and Adidas, being the major customers of Shenzhou, are both members of BCI Organization. The six major principles (quality assurance, water resources, the health of soil for cotton cultivation, protection of the ecological environment of the surrounding areas of cotton cultivation, quality of cotton and decent work) of BCI are increasingly recognized by the community. These are in line with Shenzhou's rationale of emphasizing social responsibilities and promoting business with a conscience, which are therefore well-received by the management of Shenzhou.



環境、社會及管治報告 Environmental, Social and Governance Report

本集團亦重視野生動物的保護工作。本集團自二零一三年起成為世界自然基金會之純銀會員。

The Group also concerns on the protection of the wild animal. The Group became a silver member of WWF since 2013.

下圖為世界自然基金會頒發給本集團的二零一三至二零一六年度的紀念盃。

The following pictures are the trophies awarded to our Group by WWF from 2013 to 2016.



環境、社會及管治報告 Environmental, Social and Governance Report

9. 其他獎項：

可持續發展：

自二零一五年九月份起，申洲國際獲納入恒生可持續發展企業指數系列。恒生可持續發展企業指數包括在企業可持續發展表現最卓越的香港上市公司，而該指數為一項跨市場指數，涵蓋香港及內地企業可持續發展的領導者。成份股挑選程序嚴謹，過程中參考由獨立的專業評審機構香港品質保證局按照其設計之可持續發展評級框架而進行的可持續發展評級結果。此舉令恒生可持續發展企業指數系列達致客觀、可靠及具高投資性，為企業可持續發展主題之指數基金提供一系列優質基準。

下圖是申洲國際於二零一六年度的恒生可持續發展企業指數的證書：

9. OTHER AWARDS:

Sustainability:

Starting from September 2015, Shenzhou International was included in the Hang Seng Corporate Sustainability Index Series, which includes Hong Kong listed companies with the most outstanding performance in terms of corporate sustainability. The index is a cross-market index covering leaders of corporate sustainability in Hong Kong and Mainland. The constituent stocks are carefully selected with reference to the rating results of sustainability by Hong Kong Quality Assurance Agency, an independent professional accreditation body, in accordance to the framework it designed for sustainability rating. This enables the Hang Seng Corporate Sustainability Index Series to achieve objectivity, reliability and of high investment significance, offering a series of quality benchmark for the index funds under the theme of corporate sustainability.

Below is the certificate of membership of the Hang Seng Corporate Sustainability Index Series of Shenzhou International in 2016:



環境、社會及管治報告 Environmental, Social and Governance Report

公司治理：

在公司治理方面，申洲國際在二零一五年獲得外界的認同，分別獲得大公報評選為二零一五年度最佳公司治理上市公司之一，同時，亦獲得亞洲週刊選為2014-2015年度中國大陸企業組的香港股市排行榜的最大市值民企之一，另外，於二零一六年，申洲國際獲2016年DHL／南華早報香港商業獎項中獲選為2016年度「傑出企業獎」。這對於申洲國際有莫大的鼓舞，也證明外界對申洲國際的公司治理有一定的信心，因此，本集團也會繼續努力提高公司治理的水平，以滿足全球日益提升的公司治理的標準。

下圖是DHL／南華早報在香港商業獎項中頒給本集團的二零一六年度「傑出企業獎」的獎杯：

Corporate Governance:

In terms of corporate governance, Shenzhou International was recognized in 2015 and was named as one of the 2015 Best Corporate Governance Awards for Listed Companies by Ta Kung Pao, and was selected as one of the Private Companies with the Largest Market Capitalization on the Hong Kong Stocks Ranking, the Mainland Enterprises Category in 2014-2015 (2014-2015年度中國大陸企業組的香港股市排行榜的最大市值民企) by Yazhou Zhoukan. Furthermore, during 2016, Shenzhou International was awarded "ENTERPRISE AWARD" in 2016 DHL/SCMP Hong Kong Business Awards 2016. This greatly encourages Shenzhou International and proves that the community is confident in the corporate governance of Shenzhou International. Therefore, the Group will continue its efforts to raise the level of corporate governance, so as to meet the higher international standards of corporate governance.

Below is the Group's trophy of "ENTERPRISE AWARD" in 2016 by DHL/SCMP Hong Kong Business Awards 2016:



環境、社會及管治報告 Environmental, Social and Governance Report

本集團在二零一六年獲得「浙江省五一勞動獎狀」,而「浙江省五一勞動獎狀」是一個勞動者團隊所能獲得的省內最高榮譽之一,是浙江省總工會,專門為對社會作出過重要貢獻的企事業勞動者團隊頒發的一項重要榮譽。推薦標準、評選程序非常嚴格。這次推薦和評選歷經兩個多月的時間,從推薦、初審、公示、複審、終審後才正式授予了這一榮譽。

下圖是本集團在二零一六年獲得的「浙江省五一勞動獎狀」:



The Group was awarded “Zhejiang May 1st Labour Certificate” in 2016, which is one of the highest provincial honor that the labor group can get. It is also an important honor that Zhejiang Federation of Trade Unions awards to the entrepreneurial labor groups which make significant contributions to the society. The recommendation standards and the selection procedures are strict. After over 2 months of recommendation and selection, the honor was awarded officially following recommendation, preliminary review, publication, re-examination and final review.

The picture below is “Zhejiang May 1st Labour Certificate” in 2016:

節能減排:

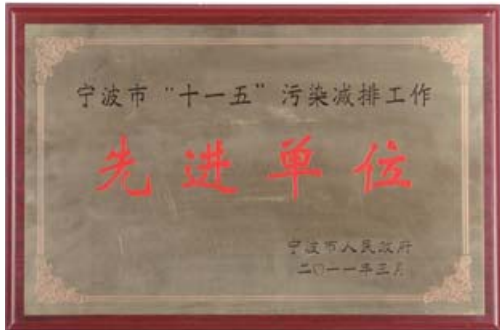
為有效提升本集團的產能及減少生產時對環境的影響,本集團一直對環保及節能減排的生產全力以赴,而本集團在2009年至本年度在節能減排方面得到的獎項,分別是2009年度節能減排先進企業、2011寧波市污染減排工作先進集體、2012年寧波市工業循環經濟示範企業、2013年寧波市節水先進企業、寧波市「十一五」節能降耗工作先進單位、寧波市「十一五」污染減排工作先進單位、寧波市工業循環經濟示範企業、中國針織行業節能減排2012、2014年浙江省節水型企業(單位),以下是本集團在節能減排方面得到的獎項:

Energy conservation and emission reduction:

To uplift the production capacity of the Group and decrease the impact on environment in production effectively, the Group has been endeavoring to energy conservation and emission reduction in production. In 2009, the Group was awarded “Enterprise with Outstanding Energy-saving and Emission-reducing in 2009”, “2011 Group with Outstanding Pollution Reduction in Ningbo”, “2012 Industrial Cyclic Economy Pilot Enterprise in Ningbo”, “2013 Enterprise with Outstanding Water-saving in Ningbo”, “Unit with Outstanding Energy Conservation and Consumption reduction in the 11th Five-year Plan in Ningbo”, “Unit with Outstanding Pollution Reduction in the 11th Five-year Plan in Ningbo”, “Model Enterprise of Industrial Recycling Economy in Ningbo”, “2012 Energy Conservation and Emission Reduction in Knitting Industry in China” and “2014 Water-saving Enterprise (Unit) in Zhejiang” from 2009 to the current year in energy conservation and emission reduction. The awards of the Group in energy conservation and emission reduction sector are as below:

環境、社會及管治報告

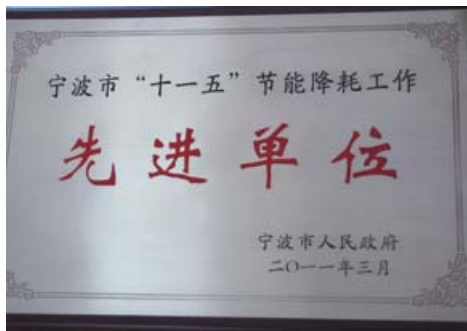
Environmental, Social and Governance Report



寧波市「十一五」污染減排工作先進單位
Unit with Outstanding Pollution Reduction in the 11th
Five-year Plan in Ningbo



2011寧波市污染減排工作先進集體
2011 Group with Outstanding Pollution Reduction
in Ningbo



寧波市「十一五」節能降耗工作先進單位
Unit with Outstanding Energy Conservation and
Consumption reduction in the 11th Five-year Plan in Ningbo



2012年寧波市工業循環經濟示範企業
2012 Industrial Cyclic Economy Pilot Enterprise in Ningbo



中國針織行業節能減排2012
2012 Energy Conservation and Emission
Reduction in Knitting Industry in China



2013年寧波市節水先進企業
2013 Enterprise with Outstanding
Water-saving in Ningbo



2014年浙江省節水型企業(單位)
2014 Water-saving Enterprise (Unit) in Zhejiang

董事及高級管理層成員履歷

Biographical Details of Directors and Members of Senior Management

執行董事

馬建榮先生，五十三歲，本集團執行董事、主席兼提名委員會主席。彼為高級經濟師，負責本集團的整體業務發展策略，在紡織業具超過三十六年經驗。馬先生在一九八九年加入本集團前，彼曾於紹興棉紡廠及杭州臨平針織服裝廠工作。加盟本集團後，馬先生曾出任本集團之最早期營運企業－寧波申洲織造集團有限公司（「寧波織造」）的織造部經理及寧波織造副總經理及總經理。彼自二零零五年四月以來一直擔任寧波申洲針織有限公司（「申洲針織」）董事長，於二零一二年四月一日獲任提名委員會主席。馬先生為浙江省人大代表，亦為中國針織工業協會副會長，曾榮獲「寧波市慈善楷模」、「浙江慈善獎－個人獎」和「中國慈善突出貢獻獎」等榮譽。馬先生為黃關林先生的姻兄及馬仁和先生的堂兄（其父親與馬仁和先生的父親為兄弟）。

黃關林先生，五十二歲，本集團執行董事兼總經理，負責本集團的生產、行銷及市場推廣等日常業務運作，在紡織業具超過二十九年經驗。黃先生畢業於浙江工業大學，主修化學工業管理工程。一九八九年加盟本集團前，彼曾於浙江省餘杭縣的絲織廠工作。加盟本集團後，黃先生曾任寧波織造的生產經營部經理及副總經理。彼自二零零五年四月以來一直擔任申洲針織總經理。於二零零五年十月至二零一二年三月，黃先生為提名委員會主席。彼為馬建榮先生的妹夫。

EXECUTIVE DIRECTORS

Mr. Ma Jianrong (馬建榮), aged 53, is an Executive Director, the Chairman of the Group and the chairman of the Nomination Committee. He is a senior economist. He is responsible for the overall business development strategy of the Group and has over 36 years of experience in the textile industry. Prior to joining the Group in 1989, he worked for Shaoxing Cotton Mill (紹興棉紡廠) and Hangzhou Linping Knitting and Garment Plant (杭州臨平針織服裝廠). After joining the Group, Mr. Ma served as the manager of the knitting and weaving department, a deputy general manager and the general manager of Ningbo Shenzhou Weaving Group Co., Ltd. ("Ningbo Weaving"), the earliest operating entity of the Group. He has been the chairman of Ningbo Shenzhou Knitting Co., Ltd. ("Shenzhou Knitting") since April 2005. He was appointed as the chairman of the Nomination Committee on 1 April 2012. Mr. Ma is a deputy to the People's Congress of Zhejiang Province. He was awarded "Charity Model of Ningbo (寧波市慈善楷模)", "Charity Prize of Zhejiang – Individual" (浙江慈善獎－個人獎) and "Prize for Outstanding Charity Contribution in China" (中國慈善突出貢獻獎). Mr. Ma is the brother-in-law of Mr. Huang Guanlin and is a cousin of Mr. Ma Renhe (his father and Mr. Ma Renhe's father are brothers).

Mr. Huang Guanlin (黃關林), aged 52, is an Executive Director and the general manager of the Group. He is responsible for the daily operations of the Group such as production, sales and marketing and has over 29 years of experience in the textile industry. Mr. Huang graduated from Zhejiang University of Technology (浙江工業大學), majoring in chemical industry management and engineering. Prior to joining the Group in 1989, he worked for a silk knitting mill in Yuhang County, Zhejiang Province. After joining the Group, Mr. Huang worked as the manager and a deputy general manager of the production and operation department of Ningbo Weaving. He has been the general manager of Shenzhou Knitting since April 2005. Mr. Huang was the chairman of the Nomination Committee during the period from October 2005 to March 2012. He is the brother-in-law of Mr. Ma Jianrong.

董事及高級管理層成員履歷

Biographical Details of Directors and Members of Senior Management

馬仁和先生，五十七歲，本集團執行董事兼副總經理，以及薪酬委員會成員，負責本集團染整事務及行政事務，在紡織業擁有逾四十年經驗。於一九八九年加入本集團前，曾在紹興棉紡廠及杭州臨平針織服裝廠工作。加盟本集團後，馬先生曾擔任寧波織造染整部經理及副總經理。彼自二零零二年五月起一直擔任申洲針織副總經理。於二零零五年十月至二零一二年三月馬先生兼任薪酬委員會主席，及後調任薪酬委員會成員。彼為馬建榮先生的堂兄（其父親與馬建榮先生之父親為兄弟）。

鄭妙輝女士，六十二歲，截至二零一六年十二月三十一日止年度，彼為本集團執行董事兼副總經理，負責本集團的財務管理，具有逾三十二年的財務管理工作經驗，並取得會計師資格證書。於一九八八年加盟本集團後，鄭女士曾任寧波織造財務部經理及總經理助理。彼自二零零五年四月至二零一七年一月擔任申洲針織副總經理。鄭女士已於二零一七年一月一日辭任本公司執行董事一職。

王存波先生，四十五歲，本集團執行董事兼副總經理，於二零零四年五月加盟本集團擔任財務部部長兼申洲針織財務總監，並於二零一一年升任本集團董事，並於二零一六年十二月十六日起任本集團副總經理。彼於一九九五年畢業於浙江工業大學，主修生物化工工程，持有工學學士學位。同年，王先生就讀浙江工業大學，並於一九九八年獲頒授管理學碩士學位。此外，彼取得中國註冊會計師證書、中國註冊稅務師證書、中國註冊資產評估師證書、高級會計師證書及中國註冊會計師執業證書及期貨相關業務許可證。王先生加盟本集團前，曾任寧波天健永德聯合會計師事務所合夥人、寧波永德企業管理諮詢事務所副總經理，彼作為執業會計師具超過六年經驗。

Mr. Ma Renhe (馬仁和), aged 57, is an Executive Director, a deputy general manager of the Group and a member of the Remuneration Committee. He is responsible for administration, dyeing and finishing affairs of the Group and has over 40 years of experience in textile industry. Prior to joining the Group in 1989, he worked for Shaoxing Cotton Mill and Hangzhou Linping Knitting and Garment Plant. After joining the Group, Mr. Ma worked as the manager and a deputy general manager of the dyeing and finishing department of Ningbo Weaving. He has been a deputy general manager of Shenzhou Knitting since May 2002. From October 2005 to March 2012, Mr. Ma was also the chairman of the Remuneration Committee and subsequently redesignated as a member of the Remuneration Committee. He is a cousin of Mr. Ma Jianrong (his father and Mr. Ma Jianrong's father are brothers).

Ms. Zheng Miaohui (鄭妙輝), aged 62, was an Executive Director and a deputy general manager of the Group during the year ended 31 December 2016. She was responsible for the financial management of the Group and she has over 32 years of experience in financial management, and she obtained an accountant qualification certificate. After joining the Group in 1988, Ms. Zheng served as the manager and an assistant to the general manager of the finance department of Ningbo Weaving. She was a deputy general manager of Shenzhou Knitting from April 2005 to January 2017. Ms. Zheng resigned on 1 January 2017 as an Executive Director of the Company.

Mr. Wang Cunbo (王存波), aged 45, is an Executive Director and a deputy general manager of the Group. He joined the Group as the department head of the finance department of the Group, promoted as the financial controller of Shenzhou Knitting in May 2004 and became deputy general manager of the group since 16 December 2016. He was appointed as a Director of the Group in 2011. He graduated from Zhejiang University of Technology (浙江工業大學), majoring in biology and chemical engineering, with a bachelor's degree in engineering in 1995. In the same year, Mr. Wang studied at Zhejiang University of Technology where he obtained a master's degree in management in 1998. In addition, he obtained the certificates of the PRC certified public accountant, the PRC registered tax agent and the PRC certified public valuer and senior accountant and the operating permit of the PRC public certified accountant engaged in securities and futures-related business. Prior to joining the Group, he was a partner of Ningbo Tianjian Yongde United Accounting Firm (寧波天健永德聯合會計師事務所), a deputy general manager of Ningbo Yongde Corporate Management and Consulting Firm (寧波永德企業管理諮詢事務所), and has over 6 years of experience as certified accountant.

董事及高級管理層成員履歷

Biographical Details of Directors and Members of Senior Management

陳芝芬女士，四十八歲，於二零一三年十二月一日已委任為執行董事，為本集團副總經理，負責所有製衣部，在紡織業具有超過二十七年經驗。於一九九零年四月加盟本集團後，彼曾任寧波織造的工段長、製衣部經理、製衣二部及六部經理、總經理助理及本集團總經理助理。於二零零零年九月至二零零三年六月期間，陳女士完成海軍工程大學課程，主修管理工程。彼亦於二零零七年畢業於TBM Lean Sigma Institute，獲得Kaizen Promotion Office Toward World-Class Manufacturing Excellence畢業證書，並於二零一二年畢業於浙江大學經濟學院，獲得現代企業家經理人高級研修班證書。

Ms. Chen Zhifen (陳芝芬), aged 48, was appointed as an Executive Director on 1 December 2013. She is a deputy general manager of the Group, responsible for all garment manufacturing departments, and has over 27 years of experience in the textile industry. After joining the Group in April 1990, she worked as the section chief, the manager of the garment manufacturing department, the manager of the No. 2 and No. 6 garment manufacturing departments, an assistant to the general manager of Ningbo Weaving and an assistant to the general manager of the Group. During the period from September 2000 to June 2003, Ms. Chen studied at Naval University of Engineering (海軍工程大學), majoring in management engineering. She also graduated from TBM LeanSigma Institute with a certificate for completion of the Kaizen Promotion Office Toward World-Class Manufacturing Excellence in 2007 and the College of Economics of Zhejiang University (浙江大學經濟學院) with a certificate for the senior seminar class for modern entrepreneur managers in 2012.

獨立非執行董事

蔣賢品先生，五十二歲，一九八二年至一九八六年期間於中華人民共和國西南財經大學就讀會計專業，並取得經濟學學士學位，主科為會計。蔣先生自一九八六年起於浙江工業大學任教，現為浙江工業大學經貿管理學院會計系教授。蔣先生亦為浙江工業大學工商管理碩士(MBA)教育中心骨幹教師，並為浙江省科技廳特聘財務專家，同時，也是浙江省金融工程學會理事及杭州思達管理諮詢公司首席財務顧問。蔣先生於二零一二年四月一日獲委任為本集團獨立非執行董事、審核委員會主席，以及薪酬委員會及提名委員會成員。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Jiang Xianpin (蔣賢品), aged 52, studied accounting in Southwestern University of Finance and Economics, the PRC (西南財經大學) from 1982 to 1986 and obtained a bachelor's degree in Economics majoring in accounting. Mr. Jiang started teaching at Zhejiang University of Technology (浙江工業大學) in 1986 and is currently a professor in the School of Accounting, Trade and Management (經貿管理學院) of Zhejiang University of Technology. Mr. Jiang is also a key teaching staff in the University's MBA Education Centre and has been engaged by the Science Technology Department of Zhejiang Province (浙江省科技廳) as its special finance expert, as well as a director of Institute of Finance Engineering, Zhejiang Province, PRC (浙江省金融工程學會), and the chief financial adviser to 杭州思達管理諮詢公司. Mr. Jiang was appointed as an Independent Non-executive Director and the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee on 1 April 2012.

董事及高級管理層成員履歷

Biographical Details of Directors and Members of Senior Management

陳根祥先生，六十九歲，於紡織業擁有逾四十七年經驗。陳先生已取得上海針織公司之染整工程師證書。陳先生於一九九八年加入本公司之附屬公司申洲針織直至退休。陳先生一直為本集團工作直至二零零七年退休，並於退休前擔任申洲針織的副總經理，負責本集團產品開發。於一九九三年加入本集團前，陳先生曾擔任上海針織二十廠廠長助理，以及上海寶葉針織有限公司副總經理。陳先生於二零一一年八月加盟本集團擔任獨立非執行董事、薪酬委員會及審核委員會成員，並於二零一二年四月升任薪酬委員會主席。陳先生已於二零一七年一月一日辭任本公司獨立非執行董事一職。

裘煒國先生，六十五歲，二零一三年四月一日加入本集團擔任獨立非執行董事、審核委員會及提名委員會成員。裘先生畢業於中共寧波市委黨校，持有大學專科學歷及擁有寧波市經濟專業中級職務經濟師資格。曾先後擔任寧波化學纖維廠廠長、寧波達利集團董事長兼總裁、寧波市紡織工業公司經理、寧波紡織集團控股公司董事長及總裁、奉化市委書記。在加入本集團前，裘先生為寧波市質量技術監督局局長及黨委書記，於二零一二年四月於該等職位榮休。

Mr. Chen Genxiang (陳根祥), aged 69, has over 47 years of experience in the textile industry. Mr. Chen obtained a certificate of dyeing and finishing engineer from 上海針織公司. Mr. Chen joined the Company's subsidiary, Shenzhou Knitting, in 1998 and served until his retirement. Mr. Chen worked for the Group until he retired in 2007 and before his retirement, he was a deputy general manager of Shenzhou Knitting responsible for the product development of the Group. Prior to joining the Group in 1993, Mr. Chen served as an assistant to the factory manager of Shanghai Knitting No. 20 Plant and a deputy general manager of Shanghai Baoye Knitting Company Limited. Mr. Chen joined the Group in August 2011 as an Independent Non-executive Director, and a member of the Remuneration Committee and Audit Committee. He was promoted to the Chairman of the Remuneration Committee in April 2012. Mr. Chen resigned on 1 January 2017 as an Independent Non-Executive Director of the Company.

Mr. Qiu Weiguo (裘煒國), aged 65, joined the Group on 1 April 2013 as an Independent Non-executive Director, and a member of the Audit Committee and the Nomination Committee. Mr. Qiu graduated from Party School of Ningbo Municipal Committee of the Communist Party of China, holding a bachelor's degree and the qualification of practicing as an economist in Ningbo (Intermediate level). He served as a factory manager of Ningbo Chemical Fibre Plant (寧波化學纖維廠), the chairman and chief executive of 寧波達利集團, a manager of 寧波市紡織工業公司, the chairman and chief executive of 寧波紡織集團控股公司, the party secretary of the Communist Party Committee of the city of Fenghua. Before joining the Group, Mr. Qiu served as the chief of Ningbo Bureau of Quality and Technical Supervision (寧波市質量技術監督局) and the secretary to the Party Committee and retired from these positions in April 2012.

董事及高級管理層成員履歷

Biographical Details of Directors and Members of Senior Management

陳旭先生，六十八歲，二零一三年十二月一日加入本集團擔任獨立非執行董事、審核委員會成員及薪酬委員會主席。陳先生畢業於杭州化學工業學校，畢業於化工機械專科及浙江省委黨校幹部培訓班。於一九七零年七月至一九八三年九月，陳先生於鎮海縣化肥廠擔任多個職位，包括調度員、生產技術課副課長、車間主任、黨委副書記及廠長。陳先生亦於一九八五年六月至一九八五年十月擔任鎮海縣委組織部副部長。彼於一九八五年十月至一九九二年三月擔任寧波市濱海（北侖）區常委及紀委書記。彼亦於一九八九年八月至一九九二年三月擔任寧波市紀委常委，於一九九二年三月至二零零三年一月相繼擔任寧波市北侖區區委副書記、書記及寧波市北侖區區人大常委會主任。於二零零二年二月至二零一一年三月，陳先生擔任寧波市人大常委會副主任。彼於二零一一年八月獲委任為寧波市人民政府諮詢委員會副主任，並於二零一三年九月退休。

Mr. Chen Xu (陳旭), aged 68, joined the Group on 1 December 2013 as an Independent Non-executive Director and a member of the Audit Committee and Chairman of the Remuneration Committee. Mr. Chen graduated from Hangzhou Chemistry and Industry Institute (杭州化學工業學校) with a diploma in chemical machinery and the Leadership Training Class of the Party School of Zhejiang Municipal Committee of the Communist Party (浙江省委黨校幹部培訓班). Between July 1970 and September 1983, Mr. Chen held various positions at Zhenhai Fertiliser Plant (鎮海縣化肥廠) including coordinator, deputy section chief of production and technology, workshop director, deputy secretary of the party committee as well as factory director. Mr. Chen also served as deputy head of the organisation department of Zhenhai County Party Committee (鎮海縣委組織部) from June 1985 to October 1985. He was a member of the standing committee and the secretary of the Commission for Discipline Inspection of Binhai (Beilun) District of Ningbo (寧波市濱海(北侖)區) between October 1985 and March 1992. He was also a member of the standing committee of the Commission for Discipline Inspection of Ningbo (寧波市紀委) between August 1989 and March 1992, the vice secretary and the secretary of the commission and the chairman of the standing committee of the Local People's Congress of Binhai (Beilun) District (寧波市北侖區人大常委會) between March 1992 and January 2003. From February 2002 to March 2011, Mr. Chen served as the vice chairman of the standing committee of the Local People's Congress of Ningbo (寧波市人大常委會). He was appointed as the deputy director of the advisory committee to the People's Government of Ningbo (寧波市人民政府諮詢委員會) in August 2011 and retired from this position in September 2013.

公司秘書

陳德興先生，四十六歲，於二零零八年九月加入本集團，現任本集團財務總監及公司秘書。陳先生擁有逾二十一年審核、財務監管、公司秘書及會計之經驗。陳先生持有工商管理碩士學位及中國商貿管理理學碩士學位，亦為英國特許公認會計師公會資深會員、香港會計師公會會員、香港註冊稅務師及英格蘭及威爾斯特許會計師公會會員。

COMPANY SECRETARY

Mr. CHAN Tak Hing, Kenji (陳德興), aged 46, joined the Group in September 2008. He is currently the Financial Controller and Company Secretary of the Group. Mr. Chan has over 21 years of experience in auditing, financial controlling, company secretarial and accounting. Mr. Chan holds a Master Degree in Business Administration and a Master of Science Degree in China Business Management. Mr. Chan is also a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants, a Certified Tax Adviser in Hong Kong and an associate member of the Institute of Chartered Accountants in England & Wales.

董事及高級管理層成員履歷

Biographical Details of Directors and Members of Senior Management

高級管理層

胡紀軍先生，四十八歲，本集團副總經理，負責本集團的行銷及市場推廣，在日本針織服裝市場具二十七年的銷售及市場推廣經驗。於一九八九年九月加盟本集團後，胡先生曾擔任寧波織造生產營運部副經理及總經理助理，負責出口銷售。彼自二零零五年四月一直擔任申洲針織副總經理。

陳嵐先生，五十一歲，本集團副總經理，負責棉紗等原材料採購及資訊管理工作，在紡織業有逾二十八年工作經驗。陳先生於一九八九年七月加盟本集團後，彼曾任寧波織造織造部經理、生產經營部副經理、原材料採購部經理、總經理助理及本集團總經理助理。

顧朝權先生，五十五歲，本集團副總經理，負責本集團的生產計劃，在紡織業具有超過二十九年經驗。於一九八九年加盟本集團前，他曾於中國寧波市北侖區政府工作。顧先生曾任寧波織造辦公室副主任、製衣部經理、製衣一部經理、總經理助理及本集團總經理助理。

言德林先生，六十二歲，本集團副總經理，主管柬埔寨製衣工廠。在紡織業具有超過二十九年經驗。彼取得助理經濟師證書。加盟本集團前，言先生曾任杭州臨平針織服裝廠設備科長、辦公室主任以及余杭協作辦公室旗下合營公司副總經理，期間他曾任余杭協作辦公室旗下柬埔寨公司總經理。於一九九九年十月加盟本集團後，言先生曾任寧波織造辦公室副主任，並自二零零五年五月以來一直擔任申洲針織總經理助理。言先生畢業於中共中央黨校函授學院，主修經濟管理。

SENIOR MANAGEMENT

Mr. Hu Jijun (胡紀軍), aged 48, is a deputy general manager of the Group. He is responsible for sales and marketing of the Group and has 27 years of sales and marketing experience in the Japanese knitwear market. After joining the Group in September 1989, Mr. Hu worked at the production and operation department of Ningbo Weaving as the deputy manager and an assistant to the general manager, responsible for export sales. He has been a deputy general manager of Shenzhou Knitting since April 2005.

Mr. Chen Lan (陳嵐), aged 51, is a deputy general manager of the Group, responsible for the procurement of raw materials, such as cotton yarn, and information management, and has over 28 years of experience in textile industry. After joining the Group in July 1989, he served as the manager of the weaving department, the deputy manager of the production and operation department, the manager of the raw materials procurement department and an assistant to the general manager of Ningbo Weaving and an assistant to the general manager of the Group.

Mr. Gu Chaoquan (顧朝權), aged 55, is a deputy general manager of the Group, responsible for the production planning of the Group, and has over 29 years of experience in textile industry. Prior to joining the Group in 1989, he worked for the government of Beilun District, Ningbo City, China. Mr. Gu served as the deputy head of the office, the manager of the garment manufacturing department, the manager of the No. 1 garment manufacturing department (製衣一部), assistant to the general manager of Ningbo Weaving and an assistant to the general manager of the Group.

Mr. Yan Delin (言德林), aged 62, is a deputy general manager of the Group, in charge of the operations of the Group's garment factory in Cambodia and has over 29 years of experience in textile industry. He has obtained the certificate of assistant economist. Prior to joining the Group, Mr. Yan worked as the head of the equipment division of Hangzhou Linping Knitting and Garment Plant, the head of its office, and a deputy general manager of joint venture companies under Yuhang Cooperative Office (余杭協作辦公室), during which, he served as the general manager of a Cambodian company under the Yuhang Cooperative Office. After joining the Group in October 1999, Mr. Yan worked as the deputy head of the office of Ningbo Weaving and has been an assistant to the general manager of Shenzhou Knitting since May 2005. He graduated from the Correspondence College at the Party School of the Central Committee of CCP, majoring in economic management.

董事及高級管理層成員履歷

Biographical Details of Directors and Members of Senior Management

江濤先生，五十歲，本集團總經理助理及Uniqlo事業部部長，於織造業具有二十一年經驗。江先生畢業於上海大學英語系，主修英語（國際貿易）。加盟本集團前，他曾於上海東方日綿有限公司工作。於一九九八年十月加盟本集團後，江先生曾任寧波織造總經理助理，負責向Uniqlo進行銷售。

Mr. Jiang Tao (江濤), aged 50, is an assistant to the general manager and the manager of the Uniqlo Business Department of the Group. He has 21 years of experience in knitting and weaving industry. Mr. Jiang graduated from the Faculty of English at Shanghai University (上海大學), majoring in English for international trade. Prior to joining the Group, he worked at Shanghai Dongfang Rimian Company Limited (上海東方日綿有限公司). After joining the Group in October 1998, Mr. Jiang served as an assistant to the general manager of Ningbo Weaving and was responsible for the sales to Uniqlo.

崔紀鋒先生，五十三歲，本集團總經理助理，負責本集團技術及品質事務，在紡織業具有逾二十八年經驗。於一九九零年加盟本集團前，彼曾任寧波北侖服裝廠技術副廠長。崔先生加盟本集團後曾於寧波織造生產經營部擔任副經理及總經理助理。

Mr. Cui Jifeng (崔紀鋒), aged 53, is an assistant to the general manager of the Group, responsible for the Group's technology and quantity affairs, and has over 28 years of experience in textile industry. Prior to joining the Group in 1990, he worked as the deputy factory manager of Ningbo Beilun Garments Plant (寧波北侖服裝廠), in charge of technology. Mr. Cui served as the deputy manager of the production and operation department and an assistant to the general manager of Ningbo Weaving.

胡永海先生，五十一歲，本集團總經理助理，負責面料技術事務，在紡織業具有超過二十八年經驗。彼取得助理經濟師證書。胡先生畢業於浙江工業大學，取得工業管理工程學士學位。彼畢業後隨即加盟本集團，曾擔任過寧波織造生產經營部助理經理、副經理及總經理助理，負責有關面料及技術事務。

Mr. Hu Yonghai (胡永海), aged 51, is an assistant to the general manager of the Group, responsible for the affairs of fabric technology, and has over 28 years of experience in textile industry. He obtained the certificate of assistant economist. Mr. Hu graduated from Zhejiang University of Technology (浙江工業大學) with a bachelor's degree in industrial management engineering. He joined the Group immediately after graduation and worked as an assistant manager, deputy manager of the production and operation department and an assistant to the general manager of Ningbo Weaving, responsible for the affairs of fabrics and technology.

馬彬先生，現年四十六歲，二零零一年加入本集團，現任本集團總經理助理和NIKE事業部部長，全面負責NIKE事業部運作項目管理和客戶關係維護。馬彬有十七年的紡織行業經驗，進入集團後參與組建的申洲歐美事業部，負責新客戶開發。二零零五年初開始全面負責NIKE業務至今。二零零九年一月被任命為本集團總經理助理。馬彬畢業於復旦大學電子工程系後，在上海財經大學工商管理學院獲得中美合作工商管理碩士學位。加入本集團前馬彬任職於國海證券，司職業務開發經理。

Mr. Ma Bin (馬彬), aged 46, joined the Group in 2001. Currently, he is an assistant to the general manager and the manager of the NIKE Business Department of the Group. He is fully in charge of the operation and project management and customer relationship maintenance of the NIKE business department. Mr. Ma has 17 years of experience in the textile industry. After joining the Group, he participated in the formation of the Shenzhou Department of European and U.S. Business and was responsible for targeting potential customers. He has been responsible for the NIKE business since early 2005. In January 2009, he was appointed as an assistant to the Group's general manager. He graduated from the Department of Electronic Engineering of the Fudan University and later obtained his SUFE-Webster joint MBA from the MBA School of Shanghai University of Finance and Economics. Before joining the Group, Mr. Ma served as the business development manager of the Sealand Securities.

董事及高級管理層成員履歷

Biographical Details of Directors and Members of Senior Management

宋慶先生，四十七歲，本集團總經理助理兼ADIDAS事業部部長。他全面主管ADIDAS事業部的日常管理和制度建設等工作，並協助總經理處理一些其他方面的工作，在紡織行業有十九年的工作經驗。宋先生於一九九四年畢業於西北工業大學計算機科學和應用系，並先後於二零零五年取得新加坡國立大學技術碩士文憑，二零零八年從上海交通大學和新加坡南洋理工大學合辦的EMBA項目畢業。在二零零七年一月加入本集團，宋先生在新加坡有十年的工作經驗，先於一九九七年在一家軟件開發公司擔任高級軟件開發工程師一年，然後於一九九八年加入紡織行業的永華工業私人有限公司，先後擔任信息技術部經理(IT Manager)和首席資訊主管(CIO)。

Mr. Song Qing (宋慶), aged 47, is an assistant to the general manager and the manager of the ADIDAS Business Department of the Group. He is fully in charge of the general management and system construction of the ADIDAS Business Department of the Group. He assists the general manager with other aspects of operations and has 19 years of experience in the textile industry. In 1994, Mr. Song graduated from the Department of Computer Science and Technology of the Northwestern Polytechnical University. He obtained a Master of Technology from the National University of Singapore in 2005 and graduated from the NTU-SJTU Joint Executive MBA (EMBA) Programme in 2008. Having joined the Group in January 2007, Mr. Song has 10 years of work experience in Singapore. Beginning in 1997, he worked as a senior software development engineer for a software development firm for a year. In 1998, he joined 永華工業私人有限公司 of the textile industry and served as its IT Manager and Chief Information Officer CIO successively.

徐惠國先生，現年六十四歲，於二零一一年加入本集團，現任本集團副總經理，負責本集團行政事務。徐先生具有超過四十五年行政管理經驗。徐先生畢業於中共中央黨校，擁有經濟管理專業本科學位及工程師資格。在加盟本集團前，先後任職於寧波電業局線路隊隊長、寧波電氣檢修安裝公司經理及黨支部書記、寧波送變電公司總經理、北侖供電局局長及寧波明耀環保熱電有限公司總經理。

Mr. Xu Huiguo (徐惠國), aged 64, joined the Group in 2011. He is currently a deputy general manager of the Group in charge of the administrative affairs of the Group. Mr. Xu has over 45 years of experience in administration and management. Mr. Xu obtained an undergraduate qualification in economic management from the Party School of the Central Committee of C.P.C. and is a qualified engineer. Prior to joining the Group, he was the team leader of the wiring team (線路隊) of Ningbo Electricity Bureau (寧波電業局), a manager and the secretary of the party branch of 寧波電氣檢修安裝公司, the general manager of 寧波送變電公司, the chief of Beilun District Electricity Bureau (北侖供電局) and the general manager of Ningbo Mingyao Environmental Thermal Power Co., Ltd.

董事會報告

Report of the Directors

申洲國際集團控股有限公司（「本公司」）董事欣然將本公司及其附屬公司（統稱「本集團」）截至二零一六年十二月三十一日止年度報告連同經已審核的財務報表呈覽。

主要業務及營運地區的分析

本公司之主要業務為投資控股及成衣貿易。其附屬公司之主要業務載於財務報表附註1。

本集團於本年度之表現按業務及地區之分析載於此年報的財務報表附註4及管理層討論及分析部份。

業務回顧及表現

有關本集團業務的中肯回顧及本集團年內表現和與業績及財務狀況相關的重要因素的討論及分析以及本集團面臨的主要風險及不確定性，分別在本年報第10至13頁的主席報告、第23至32頁的財務回顧及第21至23頁的業務回顧各章節中闡述。本集團業務的未來發展於本年報不同部分討論，包括於本年報第10頁至13頁的主席報告及第33至34頁的未來前景及策略。此外，本年報的環境、社會及管治報告中載有關於本集團表現的更多詳情，當中包括參考與環境及社會相關的主要表現指標及政策，以及與其僱員、客戶及供應商的關係。以上討論屬本董事會報告的一部分。

The Directors of Shenzhou International Group Holdings Limited (the "Company") are pleased to submit their report together with the audited financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding and garment trading. The primary activities of its subsidiaries are set out in note 1 to the financial statements.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 4 to the financial statements and the Management Discussion and Analysis section of this annual report.

BUSINESS REVIEW AND PERFORMANCE

A fair review of the business of the Group and a discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position and principal risks and uncertainties facing the group are provided in the Chairman's Statement, Financial Review and Business Review sections respectively from pages 10 to 13, pages 23 to 32 and pages 21 to 23 of this annual report. The future development of the Group's business is discussed throughout this annual report including in the Chairman's Statement and Future Prospect and Strategies from pages 10 to 13 and 33 to 34 of this annual report. In addition, more details regarding the Group's performance by reference to environmental and social-related key performance indicators and policies, as well as relationships with its employees, customers and suppliers, are provided in this annual report in the Environmental, Social and Governance Report. The discussion above forms part of this Report of the Directors.

董事會報告

Report of the Directors

業績及股息

本集團截至二零一六年十二月三十一日止年度之業績以及本公司及本集團於該日之財務狀況載於財務報表第126頁至235頁。

董事會建議就截至二零一六年十二月三十一日止年度向二零一七年六月九日名列本公司股東名冊上之股東，派發末期股息每股1.20港元（包括特別股息0.35港元）（相當於約人民幣1.07元）。惟此派息建議有待股東在二零一七年五月二十六日舉行應屆股東週年大會（「股東週年大會」）上批准後，方可作實，惟待該款項得到批准後，股息預期於二零一七年六月底派發（待相關決議案於股東週年大會通過後另行發布公告予以確認）。

截至二零一六年六月三十日止六個月並無宣派中期股息。

於截至二零一六年十二月三十一日止年度，本公司股東概無放棄或同意放棄任何股息的安排。

儲備

年內本公司及本集團儲備變動之詳情分別載於財務報表附註42及綜合權益變動表。

捐款

年內本集團的慈善捐款及其他捐獻約為人民幣2,998,000元。

物業、廠房及設備

本集團物業、廠房及設備變動詳情載於財務報表附註14。

股本

年內本公司之法定或已發行股本並無變動。

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2016 and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on pages 126 to 235.

The Board recommends the payment of a final dividend of HK\$1.20 per share (including a special dividend of HK\$0.35 per share) (equivalent to approximately RMB1.07 per share) for the year ended 31 December 2016 to shareholders whose names appear on the register of members of the Company on 9 June 2017. 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 26 May 2017 and subject to such approval having been obtained, the payment of such dividend is expected to be in late June 2017 (which will be confirmed in a separate announcement after the relevant resolution is passed at the AGM).

No interim dividend was declared for the six months ended 30 June 2016.

There was no arrangement under which a shareholder of the Company had waived or agreed to waive any dividend during the year ended 31 December 2016.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 42 to the financial statements and in the consolidated statement of changes in equity, respectively.

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately RMB2,998,000.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 14 to the financial statements.

SHARE CAPITAL

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

董事會報告

Report of the Directors

可供分派儲備

按照開曼群島公司法第二十二章（一九六一年第三號法例，經綜合及修訂）計算，本公司於二零一六年十二月三十一日的可供分派儲備為人民幣1,613,910,000元，其中人民幣1,501,687,000元已建議用作本年度末期股息。

優先購股權

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

財務資料摘要

本集團過往五個財政年度的業績、資產及負債摘要載於第236頁。

購買、出售或購回證券

本公司或其任何附屬公司於截至二零一六年十二月三十一日止年度內概無購買、贖回或出售本公司任何上市證券。

購股權計劃

於二零一六年十二月三十一日，本公司並無任何購股權計劃。

董事

本年度內及直至最後實際可行日期之董事如下：

執行董事：

馬建榮先生
黃關林先生
馬仁和先生
鄭妙輝女士（於二零一七年一月一日辭任）
王存波先生
陳芝芬女士

獨立非執行董事：

陳根祥先生（於二零一七年一月一日辭任）
陳旭先生
蔣賢品先生
裘煒國先生

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2016, calculated in accordance with the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to RMB1,613,910,000, of which RMB1,501,687,000 has been proposed as final dividend for the year.

PRE-EMPTIVE RIGHTS

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

SUMMARY OF FINANCIAL INFORMATION

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 236.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2016.

SHARE OPTION SCHEME

No share option scheme was operated by the Company as at 31 December 2016.

DIRECTORS

The Directors during the year and up to the Latest Practicable Date were:

Executive Directors:

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

Independent Non-executive Directors:

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

董事會報告

Report of the Directors

根據本公司組織章程細則第87(1)條及87(2)條，王存波先生、蔣賢品先生及裘煒國先生將於應屆股東週年大會輪值告退。惟彼等符合資格並願膺選連任。

獨立非執行董事均以三年任期委任。本公司已接獲陳旭先生、蔣賢品先生及裘煒國先生根據上市規則第3.13條之年度獨立性確認書，並認為彼等均為獨立人士。

董事之服務合約

各執行董事均與本公司簽訂服務合約，並為期三年，到期自動續期三年，必須按照本公司組織章程細則和上市規則，直至合約根據各自的服務合約條款而被終止。根據各自的服務合約，任何一方可向另一方隨時發出不少於三個月的事先書面通知，終止服務協議。

各獨立非執行董事均與本公司簽訂服務合約，並為期三年，到期自動續期三年，必須遵照本公司組織章程細則和上市規則，直至合約根據各自的服務合約條款而被終止。根據各自的服務合約，獨立非執行董事可隨時發出不少於三個月的事先書面通知，終止服務協議。

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

In accordance with Article 87(1) and 87(2) of the Company's Articles of Association, Mr. Wang Cunbo, Mr. Jiang Xianpin and Mr. Qiu Weiguo shall retire by rotation at the forthcoming AGM and, being eligible, have offered themselves for re-election thereat.

The Independent Non-executive Directors are appointed for a term of three years. The Company has received annual confirmations of independence from Mr. Chen Xu, Mr. Jiang Xianpin and Mr. Qiu Weiguo pursuant to Rule 3.13 of the Listing Rules and considers that they are all independent.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors entered into a service contract with the Company for a term of three years which will be automatically renewed for another term of three years subject to compliance with the Articles of Association of the Company and the Listing Rules until it is terminated pursuant to the terms of the respective service contract. According to the respective service contract, it may be terminated at any time by either party giving the other party not less than three months' prior written notice.

Each of the Independent Non-executive Directors entered into a service contract with the Company for a term of three years which will be automatically renewed for another term of three years subject to compliance with the Articles of Association of the Company and the Listing Rules until it is terminated pursuant to the terms of the respective service contract. According to the respective service contract, it may be terminated at any time by the Independent Non-executive Director giving not less than three months' prior written notice.

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

董事會報告

Report of the Directors

獲准許之彌償保證及董事與行政人員之責任保險

根據本公司組織章程細則及開曼群島公司法之條文規限，各名董事、核數師或本公司其他行政人員有權從本公司的資產及利潤中獲得彌償，以彌償其作為董事、核數師或本公司其他行政人員招致或蒙受的一切訴訟、成本、費用、虧損、損失及開支，任何與該等人士欺詐或不誠實行事有關之任何事宜除外。於本年度內，本公司已安排適當的董事及行政人員責任保險，保障彼等因履行其職責或相關事宜時可能要承擔的法律責任。

董事之薪酬

有關董事薪酬之詳情載於財務報表附註8。

董事之合約權益

除以下「關聯交易」及「持續關聯交易」以及財務報表附註41「關聯人士交易」所披露者外，年內，各董事在本公司或其任何控股公司、附屬公司或同系附屬公司所訂立而對本集團業務而言屬重大之交易、安排及合約中概無直接或間接擁有重大權益。

董事於競爭業務的權益

於截至二零一六年十二月三十一日止年度，本公司董事概無於與本公司或其任何附屬公司存有競爭之任何業務擁有任何權益。

董事及高級管理層成員履歷

本公司董事及本集團高級管理層成員履歷詳情載於第97頁至104頁。

PERMITTED INDEMNITY AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Pursuant to the Articles of Association of the Company and subject to the provisions of the Companies Law of the Cayman Islands, every Director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses incurred or sustained by him/her as a Director, auditor or other officer of the Company, other than for any matter in respect of any fraud or dishonesty which may attach to any such persons. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Company during the year in respect of any legal actions which may be taken against the Directors and officers in the execution and discharge of their duties or in relation thereto.

REMUNERATION OF THE DIRECTORS

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

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed under the heading "Connected transactions" and "Continuing connected transactions" below and "Related party transactions" in note 41 to the financial statements, no Director had a material interest, either directly or indirectly, in any transaction, arrangement and contract of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2016, none of the Directors of the Company had any interest in any competing business with the Company or any of its subsidiaries.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND MEMBER OF SENIOR MANAGEMENT

Brief biographical details of the Directors of the Company and members of the Senior Management of the Group are set out on pages 97 to 104.

董事會報告

Report of the Directors

董事及最高行政人員於本公司股份的權益及淡倉

於二零一六年十二月三十一日，根據證券及期貨條例（「證券及期貨條例」）第XV部第7及第8分部已知會本公司和香港聯合交易所有限公司（「聯交所」），並根據證券及期貨條例第352條而存置之登記冊所載；或根據聯交所證券上市規則（「上市規則」）內上市公司董事進行證券交易的標準守則（「證券交易守則」）已知會本公司和聯交所，有關本公司董事及最高行政人員擁有本公司及其相關法團（按證券及期貨條例第XV部之涵義）之股份、相關股份及債權證之權益及淡倉（包括根據證券及期貨條例之該等條文任何該等董事或最高行政人員擁有或被視作擁有之權益及淡倉）如下：

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

As at 31 December 2016, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which was taken or deemed to be held by any such director or chief executive under such provisions of the SFO) and were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Securities Trading Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

於本公司普通股中之好倉

Long positions in ordinary shares of the Company

名稱	附註	身份及權益類別	股份數目	佔本公司已發行股本百分比(%)
Name	Notes	Capacity and Nature of Interest	Number of Shares	Percentage of the Issued Share Capital of the Company
馬建榮先生 Mr. Ma Jianrong	1	公司權益 Corporate interests	750,332,500	53.63%
馬仁和先生 Mr. Ma Renhe	2	公司權益 Corporate interests	84,936,500	6.07%

董事會報告

Report of the Directors

附註：

1. 於二零一六年十二月三十一日，協榮有限公司（「協榮」，一家於英屬處女群島註冊成立之有限公司）持有750,332,500股股份，而千里馬投資有限公司（「千里馬」）、BMX (HK) LTD.（「BMX」）及利華企業有限公司（「利華」）則分別擁有該公司80.08%、13.92%及6.00%之權益。千里馬（一家於英屬處女群島註冊成立之有限公司）由馬建榮先生全資擁有。BMX（一家於英屬處女群島註冊成立之有限公司）由黃關林先生（為馬建榮先生之妹夫及馬寶興先生之女婿）全資擁有。利華（一家於英屬處女群島註冊成立之有限公司）由馬寶興先生（為馬建榮先生之父親）全資擁有。根據證券及期貨條例，馬建榮先生被視為於協榮所持有之750,332,500股股份中擁有權益。
2. 於二零一六年十二月三十一日，富高集團有限公司（「富高」，一家於英屬處女群島註冊成立之有限公司）持有84,936,500股股份，而MCC Group Ltd（「MCC」）及本集團若干高級管理層成員（包括執行董事鄭妙輝女士、王存波先生及陳芝芬女士）則分別擁有該公司72.94%及27.06%之權益。MCC（一家於英屬處女群島註冊成立之有限公司）由執行董事馬仁和先生（為馬建榮先生之堂兄）全資擁有。根據證券及期貨條例，馬仁和先生被視為於富高所持有之84,936,500股股份中擁有權益。

除上述披露者外，於二零一六年十二月三十一日，根據證券及期貨條例第352條記錄於本公司存置之登記冊；或根據證券交易守則已知會本公司和聯交所，本公司各董事及最高行政人員概無擁有或被視作擁有本公司及其相關法團（按證券及期貨條例第XV部之涵義）之股份、相關股份及債權證之權益或淡倉。

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

Notes:

1. As at 31 December 2016, 750,332,500 Shares were held by Keep Glory Limited (“Keep Glory”), a company incorporated in the British Virgin Islands with limited liability, which in turn was owned as to 80.08% by Splendid Steed Investments Limited (“Splendid Steed”), 13.92% by BMX (HK) LTD. (“BMX”) and 6.00% by Super China Enterprises Limited (“Super China”). Splendid Steed, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Ma Jianrong. BMX, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Huang Guanlin (brother-in-law of Mr. Ma Jianrong and son-in-law of Mr. Ma Baoxing). Super China, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Ma Baoxing (father of Mr. Ma Jianrong). By virtue of the SFO, Mr. Ma Jianrong is deemed to be interested in the 750,332,500 Shares held by Keep Glory.
2. As at 31 December 2016, 84,936,500 Shares were held by Fairco Group Limited (“Fairco”), a company incorporated in the British Virgin Islands with limited liability, which in turn was owned as to 72.94% by MCC Group Ltd (“MCC”) and 27.06% by certain senior management of the Group including Ms. Zheng Miaohui, Mr. Wang Cunbo and Ms. Chen Zhifen (all 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 a cousin of Mr. Ma Jianrong. By virtue of the SFO, Mr. Ma Renhe is deemed to be interested in the 84,936,500 Shares held by Fairco.

Save as disclosed above, as at 31 December 2016, none of the Directors and chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were recorded in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Securities Trading Code.

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

董事會報告

Report of the Directors

主要股東於本公司股份的權益及淡倉

於二零一六年十二月三十一日，下列人士（本公司董事除外）在本公司根據證券及期貨條例第336條所存置之股東名冊所記錄佔本公司已發行股本5%或以上之權益如下：

於本公司普通股中之好倉

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

At 31 December 2016, the following persons who held interests of 5% or more of the issued share capital of the Company, other than Directors of the Company, were recorded in the register of members required to be kept by the Company pursuant to Section 336 of the SFO:

Long position in ordinary shares of the Company

名稱	附註	身份及權益類別	股份數目	佔本公司已發行股本百分比(%)
Name	Notes	Capacity and Nature of Interest	Number of Shares	Percentage of the Issued Share Capital of the Company
協榮	1	實益擁有人	750,332,500	53.63%
Keep Glory	1	Beneficial owner	750,332,500	53.63%
千里馬	1	公司權益	750,332,500	53.63%
Splendid Steed	1	Corporate interests	750,332,500	53.63%
富高	2	實益擁有人	84,936,500	6.07%
Fairco	2	Beneficial owner	84,936,500	6.07%
MCC	2	公司權益	84,936,500	6.07%
MCC	2	Corporate interests	84,936,500	6.07%

附註：

Notes:

1. 於二零一六年十二月三十一日，協榮（一家於英屬處女群島註冊成立之有限公司）持有750,332,500股股份，而千里馬、BMX及利華則分別擁有該公司80.08%、13.92%及6.00%之權益。千里馬（一家於英屬處女群島註冊成立之有限公司）由馬建榮先生全資擁有。BMX（一家於英屬處女群島註冊成立之有限公司）由黃關林先生全資擁有。利華（一家於英屬處女群島註冊成立之有限公司）由馬寶興先生（為馬建榮先生之父親）全資擁有。根據證券及期貨條例，千里馬被視為於協榮所持有之750,332,500股股份中擁有權益。

1. As at 31 December 2016, 750,332,500 Shares were held by Keep Glory, a company incorporated in the British Virgin Islands with limited liability, which is owned as to 80.08% by Splendid Steed, 13.92% by BMX and 6.00% by Super China. Splendid Steed, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Ma Jianrong. BMX, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Huang Guanlin. Super China, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Ma Baoxing (father of Mr. Ma Jianrong). By virtue of the SFO, Splendid Steed is deemed to be interested in the 750,332,500 Shares held by Keep Glory.

董事會報告

Report of the Directors

2. 於二零一六年十二月三十一日，富高（一家於英屬處女群島註冊成立之有限公司）持有84,936,500股股份，而MCC及本集團若干高級管理層成員（包括執行董事鄭妙輝女士、王存波先生及陳芝芬女士）則分別擁有該公司72.94%及27.06%之權益。MCC（一家於英屬處女群島註冊成立之有限公司）由執行董事馬仁和先生（為馬建榮先生之堂兄）全資擁有。根據證券及期貨條例，MCC被視為於富高所持有之84,936,500股股份中擁有權益。

除上文所披露者外，於二零一六年十二月三十一日，除本公司董事（其權益載於上文「董事及最高行政人員於本公司股份的權益及淡倉」一節）外，概無其他人士於本公司股份及相關股份中擁有根據證券及期貨條例第336條須予記錄之權益或淡倉。

控股股東於合約中的權益

除以下「關聯交易」及「持續關聯交易」以及財務報表附註41「關聯人士交易」所披露者外，概無股東或其任何附屬公司於年內在在本公司或其任何附屬公司所訂立而對本集團業務而言屬重大之任何合約中直接或間接擁有重大權益。

管理合約

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

主要供應商及客戶

本集團的主要供應商及客戶佔截至二零一六年十二月三十一日止年度的採購額及銷售額百分比如下：

2. As at 31 December 2016, 84,936,500 Shares were held by Fairco, a company incorporated in the British Virgin Islands with limited liability, which is owned as to 72.94% by MCC and 27.06% by certain senior management of the Group including Ms. Zheng Miaohui, Mr. Wang Cunbo and Ms. Chen Zhifen (all 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 a cousin of Mr. Ma Jianrong. By virtue of the SFO, MCC is deemed to be interested in the 84,936,500 Shares held by Fairco.

Save as disclosed above, as at 31 December 2016, no person, other than the Directors of the Company, whose interests are set out in the paragraph headed “Directors and Chief Executives’ interests and short positions in the shares of the Company” above, had interest or short position in the shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

CONTROLLING SHAREHOLDER’S INTERESTS IN CONTRACTS

Save as disclosed under the heading “Connected transactions” and “Connected continuing transactions” below and “Related party transactions” in note 41 to the financial statements, no controlling shareholder or any of its subsidiaries had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries was a party during the year.

MANAGEMENT CONTRACTS

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

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of purchases and sales for the year ended 31 December 2016 attributable to the Group’s major suppliers and customers are as follows:

		佔採購額之 百分比(%) Percentage of Purchases (%)	佔銷售額之 百分比(%) Percentage of Sales (%)
最大供應商／客戶	The largest supplier/customer	17.11	25.62
五大供應商／客戶合計	Five largest suppliers/customers combined	30.35	85.73

董事會報告

Report of the Directors

首四大客戶之詳情可參閱財務報表附註4。

For further information about the top four customers, please refer to note 4 to the financial statements.

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

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

關聯交易

按照上市規則第14A章的披露規定，在財務報表附註41所披露的若干關聯方交易根據上市規則亦構成關聯交易。若干關聯人士（按上市規則定義）與本公司進行的下列交易經已訂立及／或持續進行，而本公司已符合《上市規則》第14A章的披露規定公佈作出相應的披露。其餘關聯方交易不構成本公司之關聯交易或持續關聯交易。

CONNECTED TRANSACTIONS

Certain related party transactions as disclosed in note 41 to the financial statements also constituted connected transactions under the Listing Rules, which are required to be disclosed in accordance with Chapter 14A of the Listing Rules. The following transactions between certain connected persons (as defined in the Listing Rules) and the Company have been entered into and/or are ongoing for which relevant disclosure had been made by the Company in announcements in compliance with the disclosure requirements of Chapter 14A of the Listing Rules. The remaining related party transactions do not constitute connected transactions or continuing connected transactions of the Company.

於二零一六年五月二十六日，本公司之間接全資附屬公司申洲安徽與申洲置業訂立買賣協議，據此，申洲置業同意出售及申洲安徽同意購買名為申洲新世紀桂花園之物業「物業」，包括14幢位於中國安徽望江縣城區東環路南側、新世紀路東側地塊之樓宇，代價為人民幣134,047,842元。該物業將作為本集團之員工宿舍。申洲置業由本公司主席兼執行董事馬建榮先生擁有80%權益，馬建榮先生在上市規則項下之聯繫人寧波榮榮實業投資有限公司（「榮榮實業」）擁有20%權益。因此，根據上市規則第14A.07(4)條，申洲置業因作為馬建榮先生之聯繫人而為一名關連人士。有關詳情請參閱本公司日期為二零一六年五月二十六日之公告。

On 26 May 2016, Shenzhou Knitting (Anhui) Co., Ltd. ("Shenzhou Anhui"), an indirect wholly-owned subsidiary of the Company, and Ningbo Shenzhou Properties Co., Ltd. ("Shenzhou Properties") entered into the a sale and purchase agreement, pursuant to which Shenzhou Properties agreed to sell, and Shenzhou Anhui agreed to purchase, the property (the "Property") known as Shenzhou New Century Gui Garden comprising 14 buildings located on a parcel of land located near New Century Road and East Ring Road, Cheng District, Wangjiang County, Anhui Province, the PRC at a consideration of RMB134,047,842. The Property shall be used to as staff quarters of the Group. Shenzhou Properties is owned as to 80% by Mr. Ma Jianrong, the Chairman and an executive Director of the Company, and as to 20% by Ningbo Rongrong Industrial Investment Company Limited ("Rongrong Industrial"), an associate of Mr. Ma Jianrong under the Listing Rules. As such, Shenzhou Properties is a connected person pursuant to Rule 14A.07(4) of the Listing Rules by virtue of being an associate of Mr. Ma Jianrong. Please refer to the announcement of the Company dated 26 May 2016 for details.

董事會報告

Report of the Directors

持續關聯交易

a. 租賃若干生產物業和設施

本公司全資附屬公司寧波申洲針織有限公司（「申洲針織」）於二零一三年十二月十八日與寧波申洲置業簽訂一份租賃協議，據此，申洲置業將服裝生產物業租予申洲針織，租期由二零一四年一月一日至二零一六年十二月三十一日止，申洲針織可行使續租權，按當時或低於當時市場租金額外續租三年（「租賃協議」）。申洲針織可給予申洲置業不少於三個月的通知以終止租賃協議。上述由申洲置業收取的租金，乃參照在中國寧波市日常業務過程中根據一般商業條款，從獨立第三方租賃類似物業及生產設施的市場租金予以釐定。本公司管理層已遵照董事會採納之程式以確定獨立第三方就類似物業收取之市場租金。申洲置業，由執行董事馬建榮先生及聯繫人士榮榮實業分別擁有80%及20%權益，根據上市規則第14A.07(4)條屬關聯人士。本年度內，本集團向申洲置業共支付租金人民幣8,989,000元。二零一六年十二月十六日，申洲針織與申洲置業已續簽了租賃協議為期三年，由二零一七年一月一日起至二零一九年十二月三十一日止，總年租金為人民幣10,105,380元，應由申洲針織向申洲置業就租賃協議下所有租賃的物業支付。

CONTINUING CONNECTED TRANSACTIONS

a. Lease of certain production premises and facilities

Ningbo Shenzhou Knitting Co., Ltd. ("Shenzhou Knitting"), a wholly-owned subsidiary of the Company, and Shenzhou Properties entered into a lease agreement on 18 December 2013, pursuant to which Shenzhou Properties leased to Shenzhou Knitting the apparel production properties for a period commencing on 1 January 2014 and expiring on 31 December 2016, with a right of renewal exercisable by Shenzhou Knitting for a further term of three years at or below the prevailing market rate (the "Lease Agreement"). The Lease Agreement is terminable by Shenzhou Knitting giving no less than three months' notice to Shenzhou Properties. The rental so charged by Shenzhou Properties is determined by reference to the market rates for leasing similar properties and production facilities from independent third parties under normal commercial terms during the course of ordinary business in Ningbo, China. The management of the Company has followed the procedures adopted by the Board to ascertain the market rates charged by independent third parties for similar properties. Shenzhou Properties, which is owned as to 80% by Mr. Ma Jianrong, an Executive Director, and as to 20% by Rongrong Industrial, an associate of Mr. Ma Jianrong, is a connected person by virtue of Rule 14A.07(4) of the Listing Rules. During the year, rentals paid to Shenzhou Properties by the Group amounted to RMB8,989,000. Shenzhou Knitting and Shenzhou Properties have renewed the Lease Agreement on 16 December 2016 for a term of three years commencing from 1 January 2017 and expiring on 31 December 2019 with a total annual rent of RMB10,105,380 payable by Shenzhou Knitting to Shenzhou Properties for all the properties leased under the Lease Agreement.

董事會報告

Report of the Directors

b. 提供裁剪及縫紉服務

申洲針織於二零一三年十二月十八日與寧波申洲世通針織有限公司（「申洲世通」）簽訂一份加工服務協定（「加工服務協定」）。據此，申洲世通已同意自二零一四年一月一日至二零一六年十二月三十一日止期間內向本集團提供若干裁剪服務，服務費介乎每件人民幣1.0元至人民幣1.2元，視乎所涉及之技術而定。有關費用經參考獨立供應商提供的針織服裝剪裁服務的當時市價釐訂。申洲世通，由世通間接擁有80%權益及由榮榮實業擁有20%權益，根據上市規則第14A.07(4)條屬關聯人士。本年度內，本集團向申洲世通共支付裁剪加工費人民幣10,528,000元。本集團與申洲世通之加工服務協定已於年內終止。

c. 供應包裝物料

申洲針織於二零一三年十二月十八日與紹興縣華西包裝品有限公司（「華西包裝品公司」）簽訂一份供應協定（「包裝材料供應協定」），據此，華西包裝品公司已同意按不遜於獨立第三方提供的一般商業條款向本集團不時供應包裝材料。包裝材料供應協議期限乃自二零一四年一月一日開始至二零一六年十二月三十一日止。華西包裝品公司，由執行董事黃關林先生之胞弟黃關泉先生及黃關林先生之父黃福昌先生分別擁有87.5%及12.5%權益。根據上市規則第14A.07(4)條，華西包裝品公司屬關聯人士。本年度內，本集團向華西包裝品公司共支付包裝材料採購額為人民幣48,377,000元。二零一六年十二月十六日，申洲針織與華西包裝品公司已續簽了包裝材料供應協議，為期三年，由二零一七年一月一日起至二零一九年十二月三十一日止，截至二零一七年、二零一八年及二零一九年十二月三十一日止年度，由申洲針織向華西包裝品公司支付的建議全年上限金額分別為人民幣56,000,000元、人民幣59,000,000元及人民幣64,000,000元。

b. Provision of cutting and sewing services

Shenzhou Knitting and Ningbo Shenzhou Shitong Knitwear Co. Ltd. (寧波申洲世通針織有限公司*) (“Shenzhou Shitong”) entered into a processing services agreement (the “Processing Services Agreement”) dated 18 December 2013, pursuant to which, Shenzhou Shitong agreed to provide the Group with certain cutting services for a period commencing on 1 January 2014 and expiring on 31 December 2016 at a rate of service charges ranging from RMB1.0 per piece to RMB1.2 per piece, depending on the technology involved. The related charges are determined with reference to the current market prices charged by independent suppliers for the provision of cutting services of knitted garments. Shenzhou Shitong, which is indirectly owned by Worldon as to 80% interest and owned by Rongrong Industrial as to the remaining 20% interest, is a connected person by virtue of Rule 14A.07(4) of the Listing Rules. During the year, the processing services fees paid to Shenzhou Shitong by the Group amounted to RMB10,528,000. During the year, the Processing Services Agreement between the Group and Shenzhou Shitong has been terminated.

c. Supply of packaging materials

Shenzhou Knitting and Shaoxing County Huaxi Packaging Materials Company Limited (“Huaxi Packaging Company”) entered into a supply agreement (the “Packaging Material Supply Agreement”) dated 18 December 2013, pursuant to which, Huaxi Packaging Company agreed to supply packaging materials to the Group from time to time on normal commercial terms which are no less favorable than those available from independent third parties. The Packaging Material Supply Agreement is for a term commencing on 1 January 2014 to 31 December 2016. Huaxi Packaging Company is owned as to 87.5% by Mr. Huang Guanquan, who is the younger brother of Mr. Huang Guanlin, an Executive Director, and as to 12.5% by Mr. Huang Fuchang, who is the father of Mr. Huang Guanlin. Huaxi Packaging Company is a connected person by virtue of Rule 14A.07(4) of the Listing Rules. During the year, the amount paid to Huaxi Packaging Company by the Group for the purchases of packaging materials totalled to RMB48,377,000. Shenzhou Knitting and Huaxi Packaging Company have renewed the Packaging Material Supply Agreement on 16 December 2016 for a term of three years commencing from 1 January 2017 and expiring on 31 December 2019 with proposed annual caps of RMB56,000,000, RMB59,000,000 and RMB64,000,000 for the amounts to be paid by Shenzhou Knitting to Huaxi Packaging Company for the years ending 31 December 2017, 2018 and 2019 respectively.

董事會報告

Report of the Directors

該上述持續關聯交易的詳情，可參閱本公司於二零一三年十二月十八日及二零一六年十二月十六日之公告。

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

根據所執行之工作，本公司之審計師亦致函確認並未注意到任何事項令彼等相信該等持續關聯交易：(1)未獲得本公司董事會之批准；(2)在所有重大方面未遵照本集團之訂價政策；(3)在所有重大方面未符合規管有關交易之協定；及(4)超過有關本公司於二零一三年十二月十八日公告之年度上限總額。

For further details of the above continuing connected transactions, please refer to the announcements dated 18 December 2013 and 16 December 2016 made by the Company.

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

Based on the work performed, the auditors of the Company have provided the Company a letter, confirming that nothing has come to their attention that cause them to believe that the aforesaid continuing connected transactions (1) have not been approved by the board of directors of the Company; (2) are not, in all material respects, in accordance with the pricing policies of the Group; (3) have not been entered into, in all material respects, in accordance with the terms of the relevant agreements governing the transactions; and (4) have exceeded the maximum aggregate annual values disclosed in the previous announcement dated 18 December 2013 made by the Company.

遵守法律及法規

本集團已制定合規程序，以確保遵守（尤其是）對其產生重大影響之適用法律、規則及法規，如上市規則及香港財務報告準則等。董事會負責監察有關本集團遵守法律及監管規定之政策及常規，並對有關政策定期作出審閱。相關員工及相關營運單位會不時獲悉適用法律、規則及法規之任何變動。

就本公司所知，其已於各重大方面遵守對本公司業務及營運之重大影響之相關法律及規例。

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group, such as the Listing Rules and the Hong Kong Financial Reporting Standards. The Board is responsible for monitoring the Group's policies and practices on compliance with legal and regulatory requirements and such policies are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

董事會報告

Report of the Directors

公眾持股量的足夠性

基於本公司可取閱之資料以及就董事所知，截至二零一六年十二月三十一日止年度及直至本年報刊發前最後實際可行日期，本公司一直維持上市規則所規定之公眾持股量。

審計師

安永會計師事務所已審核截至二零一六年十二月三十一日止年度之財務報表。於應屆股東週年大會將提出在下一年度續聘安永會計師事務所為本公司審計師的決議案。

承董事會命

主席
馬建榮

香港，二零一七年三月二十七日

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, for the year ended 31 December 2016 and up to the latest practicable date prior to the issue of this annual report, the Company had maintained a public float as required under the Listing Rules.

AUDITORS

Ernst & Young has audited the financial statements for the year ended 31 December 2016. A resolution for the re-appointment of Ernst & Young as auditors of the Company will be proposed at the forthcoming AGM.

By Order of the Board

Ma Jianrong
Chairman

Hong Kong, 27 March 2017

獨立審計師報告

Independent Auditor's Report



Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

安永會計師事務所
香港中環添美道1號
中信大廈22樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

致申洲國際集團控股有限公司

全體股東

(於開曼群島註冊成立的獲豁免有限公司)

意見

吾等已審計第126至235頁所載之申洲國際集團控股有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表,包括於二零一六年十二月三十一日之綜合財務狀況表、與截至該日止年度之綜合損益表、綜合全面收益表、綜合權益變動表、綜合現金流量表及綜合財務報表附註,包括主要會計政策概要。

吾等認為,綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公允地反映了貴集團於二零一六年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露規定妥為編製。

意見基準

吾等已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審計。吾等就該等準則承擔的責任在本報告審計師就審計綜合財務報表承擔的責任一節中闡述。根據香港會計師公會的職業會計師道德守則(以下簡稱「守則」),吾等獨立於貴集團,並已履行守則中的其他職業道德責任。吾等相信,吾等所獲得的審計證據能充足及適當地為吾等的審計意見提供基礎。

To the shareholders of

Shenzhou International Group Holdings Limited

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

OPINION

We have audited the consolidated financial statements of Shenzhou International Group Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 126 to 235, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

獨立審計師報告

Independent Auditor's Report

關鍵審計事項

關鍵審計事項是根據吾等的職業判斷，對本期綜合財務報表的審計最為重要的事項。該等事項是在吾等審計整體綜合財務報表及出具意見時的背景下進行處理的。吾等不會對該等事項提供單獨的意見。吾等對下述每一事項在審計中是如何應對的描述也以此為背景。

吾等已經履行了本報告審計師就審計綜合財務報表承擔的責任一節闡述的責任，包括與該等關鍵審計事項相關的責任。相應地，吾等的審計工作包括執行為應對評估的綜合財務報表重大錯報風險而設計的審計程序。吾等執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為綜合財務報表整體發表審計意見提供了基礎。

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審計事項

Key audit matter

應收賬款及票據減值風險

Impairment risks for trade and bills receivables

貴集團面臨應收賬款及票據重大結餘產生的信貸風險。於二零一六年十二月三十一日，貴集團的應收賬款及票據約人民幣2,653百萬元，佔貴集團總資產的12.2%。根據管理層的減值評估，無需計提壞賬。評估應收賬款及票據的可回收性需要管理層高水平的判斷。

The Group is exposed to credit risks arising from the significant balance of trade and bills receivables. As at 31 December 2016, the Group had trade and bills receivables of approximately RMB2,653 million, which accounted for 12.2% of the Group's total assets. No bad debt provision was provided based on the management's impairment assessment. A high level of management judgement is required when assessing the recoverability of trade and bills receivables.

關鍵審計事項在審計中是如何應對的

How our audit addressed the key audit matter

吾等評估應收賬款及票據可回收性的審計程序包括（但不僅限於）詢問管理層的特別考量並通過檢查銀行進賬審查後續收款。吾等亦通過檢查客戶的歷史償還模式檢查賬齡結餘，並對有重大逾期結餘的客戶進行財政實力評估。

Our audit procedures to assess the recoverability of trade and bills receivables included, but are not limited to, inquiry about management's special consideration and examining subsequent receipts by checking against bank receipts. We also tested aged balances by checking customers' historical repayment pattern, and evaluating the financial strength of customers with significant overdue balances.

獨立審計師報告

Independent Auditor's Report

關鍵審計事項

Key audit matter

有關應收賬款及票據的會計政策及披露載於綜合財務報表附註3及19。

The accounting policies and disclosures for trade and bills receivables are included in notes 3 and 19 to the consolidated financial statements.

存貨過剩及陳舊存貨撥備

Inventory excess and obsolescence provisions

於二零一六年十二月三十一日，存貨及相關過剩及陳舊存貨撥備總額分別為人民幣3,715百萬元及人民幣16百萬元。存貨結餘總額對綜合財務報表屬重要，評估撥備的充足性需要管理層的重大判斷。

The total inventory and related excess and obsolete provision as at 31 December 2016 amounted to RMB3,715 million and RMB16 million, respectively. The gross inventory balances are material to the consolidated financial statements and significant management judgement is required when assessing the adequacy of provision.

有關存貨及相關過剩及陳舊存貨撥備的會計政策及披露載於綜合財務報表附註3及18。

The accounting policies and disclosures for inventory and related excess and obsolescence provision are included in notes 3 and 18 to the consolidated financial statements.

關鍵審計事項在審計中是如何應對的

How our audit addressed the key audit matter

吾等對滯銷、過剩或陳舊存貨計提撥備所運用的過程、方法及假設進行評估。其包括與用於之前年度的計算比較管理層計算的一致性，並考慮是否存在任何管理層偏見現象，例如人為篡改已制定的計算方法。

We assessed the process, methods and assumptions used to develop the provision for slow moving, excess or obsolete items. This included comparing management's calculations for consistency against those used in the prior year and considering whether there was any indication of management bias such as manual overrides to the established methodology.

吾等測試管理層使用的計算陳舊存貨撥備的基礎數據的可靠性（例如存貨賬齡分析）。吾等通過評估計算標準，來測試計算結果的準確性及重新計算對產品樣本的撥備。

We tested the reliability of the underlying data used by management to calculate the inventory obsolescence provision, typically an ageing analysis of inventories. We also tested the accuracy of the resultant calculation by assessing the calculation criteria and recalculating the provision for a sample of products.

獨立審計師報告

Independent Auditor's Report

年報內的其他信息

貴公司董事需對其他信息負責。其他信息包括載於年報的信息，但不包括綜合財務報表及吾等的審計師報告。

吾等對綜合財務報表作出的意見並不涵蓋其他信息，吾等亦不就此發表任何形式的鑒證結論。

就吾等對綜合財務報表的審計而言，吾等的責任為閱讀其他信息，從而考慮其他信息是否與綜合財務報表或吾等在審計過程中所獲悉的資料存在重大不符，或者似乎有重大錯誤陳述。基於吾等已執行的工作，倘吾等認為其他信息存在重大錯誤陳述，吾等需要報告有關事實。就此，吾等並無任何報告。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而中肯的綜合財務報表，並對董事釐定為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

在編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

獨立審計師報告

Independent Auditor's Report

審計師就審計綜合財務報表承擔的責任

吾等的目標乃對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具載有吾等意見的審計師報告。我們的報告僅向全體股東作出，不可用作其他用途。吾等概不就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按香港審計準則進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，倘合理預期其個別或匯總起來可能影響使用者根據該等綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，吾等運用了專業判斷，保持了專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及取得充足且適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險比因錯誤而導致的重大錯誤陳述的風險更高。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

獨立審計師報告

Independent Auditor's Report

審計師就審計綜合財務報表承擔的責任 (續)

- 評價董事所採用會計政策的恰當性及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性從而可能導致對貴集團持續經營的能力產生重大疑慮。如果吾等認為存在重大不確定性，則有必要在審計師報告中提請使用者對綜合財務報表中的相關披露資料的關注。假若有關的披露資料不足，則吾等須修改我們的意見。吾等的結論是基於截至審計師報告日止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表（包括披露）的整體列報方式、結構和內容，包括披露資料，以及綜合財務報表是否公允反映交易和事項。
- 就貴集團中實體或業務活動的財務資料獲取充分、適當的審計證據，以對綜合財務報表發表意見。吾等負責指導、監督及執行集團審計。吾等對審計意見承擔全部責任。

除其他事項外，吾等與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等事項，包括吾等在審計期間識別出內部控制的任何重大缺陷。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

獨立審計師報告 Independent Auditor's Report

審計師就審計綜合財務報表承擔的責任 (續)

吾等還向審核委員會提交聲明，說明吾等已符合有關獨立性的相關職業道德要求，並與他們溝通所有合理地被認為會影響吾等獨立性的關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，吾等決定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。吾等於審計師報告中描述該等事項，惟於法律或法規不允許對有關事項進行公開披露或於極端罕見的情況下，倘合理預期於吾等報告中溝通某事項造成的不利後果超過該溝通產生的公眾利益，吾等決定不應於報告中溝通該事項。

本獨立審計報告的審計項目合夥人為Lai Wing Kwong.

安永會計師事務所
執業會計師
香港

二零一七年三月二十七日

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lai Wing Kwong.

Ernst & Young
Certified Public Accountants
Hong Kong

27 March 2017

綜合損益表

Consolidated Statement of Profit or Loss

截至二零一六年十二月三十一日止年度 Year ended 31 December 2016

		附註 Notes	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
收入	REVENUE	5	15,099,076	12,639,332
銷售成本	Cost of sales		(10,189,636)	(8,790,416)
毛利	Gross profit		4,909,440	3,848,916
其他收入	Other income	5	461,640	459,402
銷售及分銷成本	Selling and distribution expenses		(353,693)	(255,494)
行政開支	Administrative expenses		(1,102,797)	(962,064)
其他開支	Other expenses		(154,305)	(104,169)
融資成本	Finance costs	7	(119,834)	(98,733)
應佔一間聯營公司的損益	Share of profits and losses of an associate	17	2,496	(957)
除稅前利潤	PROFIT BEFORE TAX	6	3,642,947	2,886,901
所得稅開支	Income tax expense	11	(695,267)	(532,059)
年度利潤	PROFIT FOR THE YEAR		2,947,680	2,354,842
以下人士應佔權益：	Attributable to:			
本公司擁有人	Owners of the Company		2,947,673	2,354,664
非控制性權益	Non-controlling interests		7	178
			2,947,680	2,354,842
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	13		
基本	Basic			
一年度利潤	– For profit for the year		人民幣 2.11元 RMB2.11	人民幣1.68元 RMB1.68
攤薄	Diluted			
一年度利潤	– For profit for the year		人民幣 2.02元 RMB2.02	人民幣1.62元 RMB1.62

綜合全面收益表

Consolidated Statement of Comprehensive Income

截至二零一六年十二月三十一日止年度 Year ended 31 December 2016

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
	附註 Notes		
年度利潤	PROFIT FOR THE YEAR	2,947,680	2,354,842
其他全面收益	OTHER COMPREHENSIVE INCOME		
現金流量對沖：	Cash flow hedges:		
年度產生對沖工具 公允值變動之有效部分	Effective portion of changes in fair value of hedging instruments arising during the year	23	(2,961)
對於綜合損益表確認之 收益之重新分類調整	Reclassification adjustments for gains recognised in the consolidated statement of profit or loss	23	(6,402)
			(9,363)
匯兌差額：	Exchange differences:		
換算境外業務之匯兌差額	Exchange differences on translation of foreign operations	186,687	36,921
年度其他全面收益（除稅後）	OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	186,687	27,558
年度全面收益總額	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,134,367	2,382,400
以下人士應佔權益：	ATTRIBUTABLE TO:		
本公司擁有人	Owners of the Company	3,124,619	2,382,222
非控制性權益	Non-controlling interests	9,748	178
		3,134,367	2,382,400

綜合財務狀況表

Consolidated Statement of Financial Position

二零一六年十二月三十一日 31 December 2016

			二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
	附註 Notes			
非流動資產		NON-CURRENT ASSETS		
物業、廠房及設備	14	Property, plant and equipment	7,013,037	5,549,750
預付土地租賃款項	15	Prepaid land lease payments	923,172	931,255
無形資產	16	Intangible assets	105,228	109,450
委託貸款	21	Entrusted loans	–	550,000
抵押存款	25	Pledged deposits	500,000	–
存放於銀行的長期定期存款		Long-term time deposits at banks	350,000	300,000
長期預付款項	20	Long-term prepayments	78,328	–
於一間聯營公司之投資	17	An investment in an associate	7,173	4,677
遞延稅項資產	31	Deferred tax assets	3,629	4,981
總非流動資產		Total non-current assets	8,980,567	7,450,113
流動資產		CURRENT ASSETS		
存貨	18	Inventories	3,699,090	3,232,847
應收賬款及票據	19	Trade and bills receivables	2,652,707	2,001,783
預付款項、按金及 其他應收款項	20	Prepayments, deposits and other receivables	674,236	676,284
應收關聯人士款項	41	Amounts due from related parties	826	559
委託貸款	21	Entrusted loans	150,000	120,000
可供出售投資	22	Available-for-sale investments	3,120,000	800,000
結構存款	24	Structured deposits	–	110,000
抵押存款	25	Pledged deposits	–	1,830,908
初始存款期逾三個月之 銀行存款		Bank deposits with an initial term of over three months	433,452	323,442
現金及現金等價物	26	Cash and cash equivalents	2,105,184	1,815,678
總流動資產		Total current assets	12,835,495	10,911,501
流動負債		CURRENT LIABILITIES		
應付賬款及票據	27	Trade and bills payables	758,217	678,535
預收賬款		Advances from customers	16,650	5,130
其他應付款項及應計款項	28	Other payables and accruals	787,074	642,939
計息銀行借貸	29	Interest-bearing bank borrowings	1,241,433	656,851
應付一名關聯人士款項	41	Amount due to a related party	–	2,166
應付稅款		Tax payable	291,108	169,148
總流動負債		Total current liabilities	3,094,482	2,154,769

綜合財務狀況表

Consolidated Statement of Financial Position

二零一六年十二月三十一日 31 December 2016

		附註 Notes	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
淨流動資產	NET CURRENT ASSETS		9,741,013	8,756,732
總資產減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		18,721,580	16,206,845
非流動負債	NON-CURRENT LIABILITIES			
可換股債券	Convertible bonds	30	3,410,145	3,117,009
遞延稅項負債	Deferred tax liabilities	31	1,833	–
總非流動負債	Total non-current liabilities		3,411,978	3,117,009
淨資產	NET ASSETS		15,309,602	13,089,836
權益	EQUITY			
本公司擁有人應佔權益	Equity attributable to owners of the Company			
股本	Share capital	32	142,105	142,105
儲備	Reserves	33	14,950,839	12,932,015
			15,092,944	13,074,120
非控制性權益	Non-controlling interests		216,658	15,716
總權益	Total equity		15,309,602	13,089,836

馬建榮

Ma Jianrong

主席兼執行董事

Chairman and Executive Director

黃關林

Huang Guanlin

行政總裁兼執行董事

Chief Executive Officer and Executive Director

綜合權益變動表

Consolidated Statement of Changes in Equity

截至二零一六年十二月三十一日止年度 Year ended 31 December 2016

		本公司擁有人應佔 Attributable to owners of the Company											
		股本	股份溢價賬	可換取債券之 權益部分	對沖儲備	法定盈餘 公積金	匯兌 波動儲備	僱員股權 福利儲備	保留盈利	建議 末期股息	總計	非控制性權益	總權益
		Share capital	Share premium account	Equity component of convertible bonds	Hedging reserve	Statutory surplus reserve	Exchange fluctuation reserve	Employee equity benefits reserve	Retained profits	Proposed final dividend	Total	Non- controlling interests	Total equity
附註	Note	人民幣千元 RMB'000 (附註32) (note 32)	人民幣千元 RMB'000	人民幣千元 RMB'000 (附註30) (note 30)	人民幣千元 RMB'000 (附註23) (note 23)	人民幣千元 RMB'000 (附註33(i)) (note 33(i))	人民幣千元 RMB'000 (附註33(ii)) (note 33(ii))	人民幣千元 RMB'000 (附註33(iii)) (note 33(iii))	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一五年一月一日	At 1 January 2015	142,105	1,471,742	197,140	9,363	1,138,126	(26,787)	48,191	7,712,018	1,103,671	11,795,569	15,757	11,811,326
年度全面收益總額	Total comprehensive income for the year	-	-	-	(9,363)	-	36,921	-	2,354,664	-	2,382,222	178	2,382,400
向非控股股東派付股息	Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(219)	(219)
宣派二零一四年末期股息	Final 2014 dividend declared	-	-	-	-	-	-	-	-	(1,103,671)	(1,103,671)	-	(1,103,671)
建議二零一五年末期股息	Proposed final 2015 dividend	12	(810,094)	-	-	-	-	-	(444,034)	1,254,128	-	-	-
轉撥自保留盈利	Transfer from retained profits	-	-	-	-	12,379	-	-	(12,379)	-	-	-	-
於二零一五年十二月三十一日	At 31 December 2015	142,105	661,648*	197,140*	-*	1,150,505*	10,134*	48,191*	9,610,269*	1,254,128*	13,074,120	15,716	13,089,836

		本公司擁有人應佔 Attributable to owners of the Company											
		股本	股份溢價賬	可換取債券之 權益部分	法定盈餘 公積金	匯兌 波動儲備	僱員股權 福利儲備	其他儲備	保留盈利	建議 末期股息	總計	非控制性權益	總權益
		Share capital	Share premium account	Equity component of convertible bonds	Statutory surplus reserve	Exchange fluctuation reserve	Employee equity benefits reserve	Other reserve	Retained profits	Proposed final dividend	Total	Non- controlling interests	Total equity
附註	Notes	人民幣千元 RMB'000 (附註32) (note 32)	人民幣千元 RMB'000	人民幣千元 RMB'000 (附註30) (note 30)	人民幣千元 RMB'000 (附註33(i)) (note 33(i))	人民幣千元 RMB'000 (附註33(ii)) (note 33(ii))	人民幣千元 RMB'000 (附註33(iii)) (note 33(iii))	人民幣千元 RMB'000 (附註33(iv)) (note 33(iv))	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一六年一月一日	At 1 January 2016	142,105	661,648	197,140	1,150,505	10,134	48,191	-	9,610,269	1,254,128	13,074,120	15,716	13,089,836
年度全面收益總額	Total comprehensive income for the year	-	-	-	-	176,946	-	-	2,947,673	-	3,124,619	9,748	3,134,367
與附屬公司非控制性權益進行交易的影響	Effects of transaction with non-controlling interests of subsidiaries	34	-	-	-	-	-	148,333	-	-	148,333	(71,088)	77,245
附屬公司非控股股東注資	Capital injection from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	266,705	266,705
收購非控制性權益	Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,423)	(4,423)
宣派二零一五年末期股息	Final 2015 dividend declared	-	-	-	-	-	-	-	-	(1,254,128)	(1,254,128)	-	(1,254,128)
建議二零一六年末期股息	Proposed final 2016 dividend	12	(607,187)	-	-	-	-	-	(894,500)	1,501,687	-	-	-
轉撥自保留盈利	Transfer from retained profits	-	-	-	20,911	-	-	-	(20,911)	-	-	-	-
於二零一六年十二月三十一日	At 31 December 2016	142,105	54,461*	197,140*	1,171,416*	187,080*	48,191*	148,333*	11,642,531*	1,501,687*	15,092,944	216,658	15,309,602

* 綜合財務狀況表中之綜合儲備人民幣14,950,839,000元(二零一五年:人民幣12,932,015,000元)由這等儲備賬組成。

* These reserve accounts comprise the consolidated reserves of RMB14,950,839,000 (2015: RMB12,932,015,000) in the consolidated statement of financial position.

綜合現金流量表

Consolidated Statement of Cash Flows

截至二零一六年十二月三十一日止年度 Year ended 31 December 2016

			二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
	附註 Note			
經營業務所得現金流量		CASH FLOWS FROM OPERATING ACTIVITIES		
除稅前利潤		Profit before tax	3,642,947	2,886,901
調整：		Adjustments for:		
融資成本	7	Finance costs	119,834	98,733
應佔一間聯營公司損益	17	Share of profits and losses of an associate	(2,496)	957
利息收入	5	Interest income	(177,656)	(222,435)
出售物業、廠房及設備項目之虧損	6	Loss on disposal of items of property, plant and equipment	5,034	5,847
未實現的融資活動匯兌虧損		Unrealised exchange loss from financing activities	241,090	179,273
物業、廠房及設備項目折舊	6	Depreciation of items of property, plant and equipment	639,818	492,045
預付土地租賃款項攤銷	6	Amortisation of prepaid land lease payments	23,280	20,536
無形資產攤銷	6	Amortisation of intangible assets	12,321	9,681
			4,504,172	3,471,538
存貨增加		Increase in inventories	(466,243)	(625,637)
應收賬款及票據增加		Increase in trade and bills receivables	(650,924)	(358,866)
預付款項、按金及其他應收款項減少		Decrease in prepayments, deposits and other receivables	16,127	20,848
應收關聯人士款項增加		Increase in amounts due from related parties	(267)	(559)
應付賬款及票據增加		Increase in trade and bills payables	79,682	210,911
預收賬款增加／(減少)		Increase/(decrease) in advances from customers	11,520	(2,663)
其他應付款項及應計款項增加		Increase in other payables and accruals	162,983	39,573
應付一名關聯人士款項減少／(增加)		(Decrease)/increase in amount due to a related party	(2,166)	306
經營業務所得現金		Cash generated from operations	3,654,884	2,755,451
已付利息		Interest paid	(23,364)	(10,287)
已付香港利得稅		Hong Kong profits tax paid	(22,769)	(38,168)
已付中國企業所得稅		PRC corporate income tax paid	(547,353)	(447,889)
經營業務所得現金流量淨額		NET CASH FLOWS FROM OPERATING ACTIVITIES	3,061,398	2,259,107

綜合現金流量表

Consolidated Statement of Cash Flows

截至二零一六年十二月三十一日止年度 Year ended 31 December 2016

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
	附註 Note		
投資業務所用現金流量	CASH FLOWS USED IN INVESTING ACTIVITIES		
已收利息	Interest received	206,869	157,220
購置物業、廠房及設備項目	Purchases of items of property, plant and equipment	(2,090,085)	(1,859,912)
出售物業、廠房及設備項目之所得款項	Proceeds from disposal of items of property, plant and equipment	1,458	4,572
支付預付土地租賃款項	Payments of prepaid land lease payments	-	(177,937)
長期預付款項增加	Increase in long-term prepayments	(78,328)	-
收購其他無形資產	Purchases of other intangible assets	(8,099)	(16,285)
計入其他應收款項之金融產品減少	Decrease in financial products included in other receivables	-	470,000
有抵押存款減少／(增加)	Decrease/(increase) in pledged deposits	1,330,908	(937,425)
委託貸款減少／(增加)	Decrease/(increase) in entrusted loans	520,000	(55,000)
結構存款減少	Decrease in structured deposits	110,000	2,101,160
收購可供出售投資	Purchases of available-for-sale investments	(2,320,000)	(480,000)
銀行存款增加	Increase in bank deposits	(160,010)	(601,050)
投資業務所用現金流量淨額	NET CASH FLOWS USED IN INVESTING ACTIVITIES	(2,487,287)	(1,394,657)
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	2,035,884	928,209
償還銀行貸款	Repayment of bank loans	(1,451,302)	(318,095)
收購非控制性權益	Acquisition of non-controlling interests	(4,423)	-
與附屬公司非控制性權益進行交易所得款項	Proceeds from transaction with non-controlling interests of a subsidiary	77,245	-
附屬公司非控股股東注資	Capital injections from non-controlling shareholders of subsidiaries	266,705	-
向本公司擁有人派付股息	Dividends paid to owners of the Company	(1,254,128)	(1,103,671)
向非控制性權益派付股息	Dividends paid to non-controlling interests	-	(219)
已付利息	Interest paid	(16,890)	(15,385)
融資活動所用現金流量淨額	Net cash flows used in financing activities	(346,909)	(509,161)

綜合現金流量表

Consolidated Statement of Cash Flows

截至二零一六年十二月三十一日止年度 Year ended 31 December 2016

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
		附註 Note	
現金及現金等價物 增加淨額	NET INCREASE IN CASH AND CASH EQUIVALENTS		
		227,202	355,289
年初現金及現金等價物	Cash and cash equivalents at beginning of year	1,815,678	1,428,074
匯率變動之影響，淨額	Effect of foreign exchange rate changes, net	62,304	32,315
年終現金及現金等價物	CASH AND CASH EQUIVALENTS AT END OF YEAR	2,105,184	1,815,678
現金及現金等價物 結餘分析	ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
現金及銀行結餘	Cash and bank balances	1,961,086	1,748,380
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	144,098	67,298
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	2,105,184	1,815,678
		26	

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

1. 公司及集團資料

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

本公司及其附屬公司（統稱「本集團」）主要從事製造及銷售針織服裝產品（「針織業務」）。

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

附屬公司資料

本公司主要附屬公司之詳情如下：

名稱	註冊成立／註冊地點及 法人實體之性質	已發行股本	本公司應佔 權益百分比		主要業務及 經營地點
			直接	間接	
Name	Place of incorporation/ registration and nature of legal entity	Issued share capital	Percentage of equity attributable to the Company		Principal activities and place of operations
			Direct	Indirect	
永泰投資有限公司 （「永泰」）	英屬處女群島、 有限責任公司	30,002美元	100%	-	於英屬處女群島從事投資 控股及於香港房產租賃
Top Always Investments Ltd. (Top Always)	BVI, limited liability company	US\$30,002	100%	-	Investment holding in the BVI and property leasing in Hong Kong
寧波申洲針織有限公司 （「申洲針織」）	中國，外商獨資企業	135,000,000美元	-	100%	於中國大陸製造及銷售 針織服裝產品
Ningbo Shenzhou Knitting Co., Ltd. （"Shenzhou Knitting"）	PRC, wholly-foreign-owned enterprise	US\$135,000,000	-	100%	Manufacture and sale of knitwear products in Mainland China

1. CORPORATE AND GROUP INFORMATION

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

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the manufacture and sale of knitwear products (the "Knitwear Business").

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

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

1. 公司及集團資料 (續)

附屬公司資料 (續)

名稱	註冊成立／註冊地點及 法人實體之性質	已發行股本	本公司應佔 權益百分比		主要業務及 經營地點
			直接	間接	
Name	Place of incorporation/ registration and nature of legal entity	Issued share capital	Percentage of equity attributable to the Company		Principal activities and place of operations
			Direct	Indirect	
寧波世興針織印花有限公司 (「世興針織」)	中國· 外商獨資企業	2,100,000美元	-	100%	於中國大陸印製及 銷售針織服裝產品
Ningbo Shixing Knitwear Printing Co., Ltd. (“Shixing Printing”)	PRC, wholly-foreign-owned enterprise	US\$2,100,000	-	100%	Printing and sale of knitwear products in Mainland China
寧波甬綿時裝有限公司 (「甬綿時裝」)	中國· 外商合資企業	10,000,000美元	-	91%	於中國大陸製造及 銷售針織服裝產品
Ningbo Yongmian Fashion Garment Co., Ltd. (“Yongmian Fashion”)	PRC, foreign equity joint venture	US\$10,000,000	-	91%	Manufacture and sale of knitwear products in Mainland China
寧波申蝶時裝有限公司 (「申蝶時裝」)	中國·外商合資企業	5,000,000美元	-	100%	於中國大陸製造及 銷售針織服裝產品
Ningbo Shendie Fashion Co., Ltd. (“Shendie Fashion”)	PRC, foreign equity joint venture	US\$5,000,000	-	100%	Manufacture and sale of knitwear products in Mainland China
申洲(柬埔寨)有限公司 (「申洲柬埔寨」)	柬埔寨王國·外商獨資企業	30,000,000美元	-	100%	於柬埔寨製造及 銷售針織服裝產品
Shenzhou (Cambodia) Co., Ltd. (“Shenzhou Cambodia”)	Kingdom of Cambodia, wholly-foreign-owned enterprise	US\$30,000,000	-	100%	Manufacture and sale of knitwear products in Cambodia
寧波大千紡織品有限公司 (「大千紡織」)	中國·外商獨資企業	78,000,000美元	-	100%	於中國大陸製造及 銷售針織服裝產品
Ningbo Daqian Knitwear Co., Ltd. (“Daqian Knitting”)	PRC, wholly-foreign-owned enterprise	US\$78,000,000	-	100%	Manufacture and sale of knitwear products in Mainland China
寧波林林針織有限公司 (「林林針織」)	中國·外商獨資企業	1,050,000美元	-	100%	於中國大陸製造及 加工針織服裝產品
Ningbo Linlin Knitting Co., Ltd. (“Linlin Knitting”)	PRC, wholly-foreign-owned enterprise	US\$1,050,000	-	100%	Manufacture and processing of knitwear products in Mainland China

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

1. 公司及集團資料 (續)

附屬公司資料 (續)

名稱	註冊成立／註冊地點及 法人實體之性質	已發行股本	本公司應佔 權益百分比		主要業務及 經營地點
			直接	間接	
Name	Place of incorporation/ registration and nature of legal entity	Issued share capital	Percentage of equity attributable to the Company		Principal activities and place of operations
			Direct	Indirect	
寧波圖騰服飾有限公司 (「寧波圖騰」)	中國·外商獨資企業	4,000,000美元	-	100%	於中國大陸製造及 加工針織服裝產品
Tuton Textile (Ningbo) Co., Ltd. (“Ningbo Tuton”)	PRC, wholly-foreign-owned enterprise	US\$4,000,000	-	100%	Manufacture and processing of knitwear products in Mainland China
申洲針織(安徽)有限公司 (「申洲安徽」)	中國·外商獨資企業	10,000,000美元	-	100%	於中國大陸製造及加工 針織服裝產品
Shenzhou Knitting (Anhui) Co., Ltd. (“Shenzhou Anhui”)	PRC, wholly-foreign-owned enterprise	US\$10,000,000	-	100%	Manufacture and processing of knitwear products in Mainland China
申洲針織(衢州)有限公司 (「申洲衢州」)	中國·外商獨資企業	8,000,000美元	-	100%	於中國大陸製造及加工 針織服裝產品
Shenzhou Knitting (Quzhou) Co., Ltd. (“Shenzhou Quzhou”)	PRC, wholly-foreign-owned enterprise	US\$8,000,000	-	100%	Manufacture and processing of knitwear products in Mainland China
上海馬威服飾有限公司 (「上海馬威」)	中國·獨資經營公司	人民幣2,000,000元	-	51%	於中國大陸進行貿易業務
Shanghai Maxwin Garments Co., Ltd. (“Shanghai Maxwin”)	PRC, sole proprietorship company	RMB2,000,000	-	51%	Trading in Mainland China
寧波大千進出口有限責任 公司(「大千進出口」)	中國·有限責任公司	人民幣10,000,000元	-	100%	於中國大陸進出口商品
Ningbo Daqian Import & Export Co., Ltd. (“Daqian Import & Export”)	PRC, limited liability company	RMB10,000,000	-	100%	Import and export of commodities in Mainland China
申洲貿易有限公司(「申洲貿易」)	香港·有限責任公司	100港元	-	100%	無業務
Shenzhou Trading Co., Ltd. (“Shenzhou Trading”)	Hong Kong limited liability company	HK\$100	-	100%	Dormant

1. CORPORATE AND GROUP INFORMATION

(continued)

Information about subsidiaries (continued)

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

1. 公司及集團資料 (續)

附屬公司資料 (續)

名稱	註冊成立／註冊地點及 法人實體之性質	已發行股本	本公司應佔 權益百分比		主要業務及 經營地點
			直接	間接	
Name	Place of incorporation/ registration and nature of legal entity	Issued share capital	Percentage of equity attributable to the Company		Principal activities and place of operations
			Direct	Indirect	
永泰(香港)投資有限公司 (「永泰香港」)	香港·有限責任公司	100港元	-	100%	於香港投資控股 及進出口商品
Top Always (Hong Kong) Investment Limited (「Top Always HK」)	Hong Kong limited liability company	HK\$100	-	100%	Investment holding and import and export of commodities in Hong Kong
寧波恒質服裝檢測有限公司 (「恒質」)	中國·有限責任公司	人民幣8,000,000元	-	100%	於中國大陸進行成衣質量檢測
Ningbo Hengzhi Clothing Detection Co., Ltd. (「Hengzhi」)	PRC, limited liability company	RMB8,000,000	-	100%	Quality check of garments in Mainland China
申洲日本株式會社(「申洲日本」)	日本·有限責任公司	5,000,000日圓	-	100%	於日本進行貿易業務
Shenzhou Japan Co., Ltd. (「Shenzhou Japan」)	Japan, limited liability company	JPY5,000,000	-	100%	Trading in Japan
寧波馬威服飾有限公司 (「寧波馬威」)	中國·有限責任公司	人民幣80,000,000元	-	51%	於中國大陸進行零售業務
Ningbo Maxwin Fashion Co., Ltd. (「Ningbo Maxwin」)	PRC, limited liability company	RMB80,000,000	-	51%	Retail in Mainland China
安慶申洲進出口有限公司 (「申洲安慶」)	中國·有限責任公司	人民幣5,000,000元	-	100%	於中國大陸進出口商品
Anqing Shenzhou Import & Export Co., Ltd. (「Shenzhou Anqing」)	PRC, limited liability company	RMB5,000,000	-	100%	Import and export of commodities in Mainland China
上海馬威實業有限公司 (「馬威實業」)	中國·有限責任公司	人民幣10,000,000元	-	100%	於中國大陸進行物業 管理業務
Shanghai Maxwin Industry Co., Ltd. (「Maxwin Industry」)	PRC, limited liability company	RMB10,000,000	-	100%	Property management in Mainland China

1. CORPORATE AND GROUP INFORMATION

(continued)

Information about subsidiaries (continued)

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

1. 公司及集團資料 (續)

附屬公司資料 (續)

名稱	註冊成立／註冊地點及 法人實體之性質	已發行股本	本公司應佔 權益百分比		主要業務及 經營地點
			直接	間接	
Name	Place of incorporation/ registration and nature of legal entity	Issued share capital	Percentage of equity attributable to the Company		Principal activities and place of operations
			Direct	Indirect	
百事達投資有限公司 (「百事達投資」)	英屬處女群島、有限責任公司	10,000美元	100%	–	於英屬處女群島 從事投資控股
Buddies Investments Limited (“Buddies Investments”)	BVI, limited liability company	US\$10,000	100%	–	Investment holding in the BVI
馬威(B.V.I.)有限公司 (「馬威BVI」)	英屬處女群島、有限責任公司	10,000美元	51%	–	於英屬處女群島 從事投資控股
Maxwin (BVI) Limited (“Maxwin BVI”)	BVI, limited liability company	US\$10,000	51%	–	Investment holding in the BVI
馬威(香港)有限公司 (「馬威香港」)	香港、有限責任公司	10,000港元	–	51%	於香港從事投資控股
Maxwin (Hong Kong) Limited (“Maxwin HK”)	Hong Kong, limited liability company	HK\$10,000	–	51%	Investment holding in Hong Kong
馬威(中國)有限公司 (「馬威中國」)	中國、外商獨資企業	50,000,000美元	–	51%	於中國大陸進行貿易業務
Maxwin (China) Limited (“Maxwin China”)	PRC, wholly-foreign-owned enterprise	US\$50,000,000	–	51%	Trading in Mainland China
華耀紡織有限公司(「華耀」)	中國、外商獨資企業	60,000,000美元	–	100%	於中國大陸製造及銷售 針織服裝產品
Huayao Textile Limited (“Huayao”)	PRC, wholly-foreign-owned enterprise	US\$60,000,000	–	100%	Manufacture and sale of knitwear products in Mainland China
百事達(澳門離岸商業服務) 有限公司(「百事達澳門」)	澳門、有限責任公司	100,000葡幣	–	100%	於澳門進行貿易業務
Buddies (Macao Commercial Offshore) Limited (“Buddies Macao”)	Macao, limited liability company	MOP100,000	–	100%	Trading in Macao

1. CORPORATE AND GROUP INFORMATION

(continued)

Information about subsidiaries (continued)

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

1. 公司及集團資料 (續)

附屬公司資料 (續)

名稱	註冊成立／註冊地點及 法人實體之性質	已發行股本	本公司應佔 權益百分比		主要業務及 經營地點
			直接	間接	
Name	Place of incorporation/ registration and nature of legal entity	Issued share capital	Percentage of equity attributable to the Company		Principal activities and place of operations
			Direct	Indirect	
大千紡織(柬埔寨)有限公司 (「大千柬埔寨」)	柬埔寨王國· 外商獨資企業	40,000,000美元	-	100%	於柬埔寨製造及銷售 針織服裝產品
Daqian Textile (Cambodia) Co., Ltd. (“Daqian Cambodia”)	Kingdom of Cambodia, wholly-foreign-owned enterprise	US\$40,000,000	-	100%	Manufacture and sale of knitwear products in Cambodia
百事達集團有限公司 (「百事達集團」)	英屬處女群島·有限責任公司	1美元	-	100%	於英屬處女群島 進行投資控股
Buddies Group Limited (“Buddies Group”)	BVI, limited liability company	US\$1	-	100%	Investment holding in the BVI
大千紡織(安徽)有限公司 (「大千安徽」)	中國·外商獨資企業	8,000,000美元	-	100%	於中國大陸製造及 銷售針織服裝產品
Daqian Textile (Anhui) Co., Ltd. (“Daqian Anhui”)	PRC, wholly-foreign owned enterprise	US\$8,000,000	-	100%	Manufacture and sale of knitwear products in Mainland China
德利有限公司(「德利」)	英屬處女群島·有限責任公司	1美元	100%	-	於英屬處女群島 進行投資控股
Gain Lucky Co., Ltd. (“Gain Lucky”)	BVI, limited liability company	US\$1	100%	-	Investment holding in the BVI
Gain Lucky (Vietnam) Co.,Ltd. (「德利越南」)	越南·有限責任公司	50,000,000美元	-	100%	於越南製造及 銷售針織服裝產品
Gain Lucky (Vietnam) Co., Ltd. (“Gain Lucky Vietnam”)	Vietnam, limited liability company in Vietnam	US\$50,000,000	-	100%	Manufacture and sale of knitwear products

1. CORPORATE AND GROUP INFORMATION

(continued)

Information about subsidiaries (continued)

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

1. 公司及集團資料 (續)

附屬公司資料 (續)

名稱	註冊成立／註冊地點及 法人實體之性質	已發行股本	本公司應佔 權益百分比		主要業務及 經營地點
			直接	間接	
Name	Place of incorporation/ registration and nature of legal entity	Issued share capital	Percentage of equity attributable to the Company		Principal activities and place of operations
			Direct	Indirect	
Worldon (Vietnam) Co., Ltd. (「世通越南」)	越南·有限責任公司	36,000,000美元	–	100%	於越南製造及加工 針織服裝產品
Worldon (Vietnam) Co., Ltd. (“Worldon Vietnam”)	Vietnam, limited liability company	US\$36,000,000	–	100%	Manufacture and processing of knitwear products in Vietnam
安徽馬威服飾有限公司 (「安徽馬威」)	中國·有限責任公司	人民幣5,000,000元	–	51%	於中國大陸進行零售業務
Anhui Maxwin Fashion Co., Ltd. (“Anhui Maxwin”)	PRC, limited liability company	RMB5,000,000	–	51%	Retail in Mainland China
寧波瑞鼎新材料有限公司 (「寧波瑞鼎」)	中國·有限責任公司	人民幣44,932,428元	–	100%	於中國大陸製造及銷售 針織服裝產品
Ningbo Ruiding New Materials Co., Ltd. (“Ningbo Ruiding”)	PRC, limited liability company	RMB44,932,428	–	100%	Manufacture and sale of knitwear products in Mainland China
寧波華速服裝配送有限公司 (「寧波華速」)	中國·外商獨資企業	人民幣238,597,200元	–	100%	於中國大陸進行物業 租賃及倉庫服務
Ningbo Huasu Clothing Delivery Co., Ltd. (“Ningbo Huasu”)	PRC, limited wholly-foreign- owned enterprise	RMB238,597,200	–	100%	Property rental and warehousing service in Mainland China

1. CORPORATE AND GROUP INFORMATION

(continued)

Information about subsidiaries (continued)

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.1 編製基準

該等財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」，其包括所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例的披露規定編製。財務報表乃按歷史成本慣例法編製。除非另有註明，否則此等財務報表以人民幣（「人民幣」）呈列，所有數值均按四捨五入法調整至最接近千位。

綜合基準

綜合財務報表包括本公司及其附屬公司（統稱「本集團」）截至二零一六年十二月三十一日止年度之財務報表。附屬公司乃由本公司直接或間接控制之實體（包括結構性實體）。當本集團就參與投資對象營運所得之可變回報承受風險或享有權利，且擁有運用其對投資對象之權力影響該等回報的能力（即賦予本集團指導投資對象相關業務現時能力之現有權利）時，即表明擁有控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利的權利，則本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團之投票權及潛在投票權。

附屬公司的財務報表乃使用一致的會計政策，並按與本公司相同的報告期間編製。附屬公司的業績已由本集團取得控制權當日綜合入賬，並將繼續合併直至該等控制權終止當日為止。

2.1 BASIS OF PREPARATION

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.1 編製基準 (續)

損益及其他全面收益各個組成部分仍歸屬於本集團母公司擁有人及非控制性權益，即使此舉導致非控制性權益為負數。因本集團成員公司間交易而產生的所有集團內公司間資產及負債、權益、收入、開支及現金流量均於合併時悉數對銷。

倘有事實及情況顯示上文附屬公司所述的三個控制權元素中，有一個或以上出現變動，則本集團會重新評估是否控制投資實體。一家附屬公司之所有權權益發生變動（並無失去控制權）按權益交易入賬。

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

2.1 BASIS OF PREPARATION (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.2 會計政策變動及披露

本集團於本年度之財務報表首次採納以下新訂及經修訂的香港財務報告準則。

香港財務報告準則第10號、 香港財務報告準則第12號及 香港會計準則第28號 (二零一一年)之修訂	投資實體：應用合併 的例外規定
香港財務報告準則第11號 之修訂	收購合營業務 權益的會計 處理方法
香港財務報告準則第14號 香港會計準則第1號之修訂	監管遞延賬戶 披露計劃
香港會計準則第16號及 香港會計準則第38號之修訂	對可接受的折舊及 攤銷方法的釐清
香港會計準則第16號及 香港會計準則第41號之修訂	農業：生產性植物
香港會計準則第27號 (二零一一年)之修訂	獨立財務報表的 權益法
二零一二年至二零一四年週期 之年度改進	多項香港財務報告 準則之修訂

除香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(二零一一年)之修訂、香港財務報告準則第11號之修訂、香港財務報告準則第14號、香港會計準則第41號之修訂及香港會計準則第27號(二零一一年)之修訂對編製本集團財務報表並不適用外，有關修訂之性質及影響詳列如下：

- (a) 香港會計準則第1號之修訂包括有關財務報表呈報及披露之收窄集中改善。該等修訂澄清：
- (i) 香港會計準則第1號之重要性要求；
 - (ii) 於損益表及財務狀況表之特定項目可細分；
 - (iii) 實體可靈活安排財務報表附註的呈列順序；及

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
HKFRS 14 Amendments to HKAS 1	<i>Regulatory Deferral Accounts Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKAS 27 (2011) <i>Annual Improvements 2012- 2014 Cycle</i>	<i>Equity Method in Separate Financial Statements Amendments to a number of HKFRSs</i>

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), amendments to HKFRS 11, HKFRS 14, amendments to HKAS 41, and amendments to HKAS 27 (2011), which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

- (a) Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:
- (i) the materiality requirements in HKAS 1;
 - (ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;
 - (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.2 會計政策變動及披露 (續)

(a) (續)

- (iv) 分佔以權益法入賬之聯營公司及合營企業之其他全面收入必須作為單一項目匯總呈列，且該等項目須按其後會或不會被重新分類為損益進行分類。

此外，該等修訂澄清於財務狀況表及損益表呈列額外小計時適用之規定。該等修訂預期不會對本集團之財務報產生任何重大影響。

- (b) 香港會計準則第16號及香港會計準則第38號之修訂對香港會計準則第16號及香港會計準則第38號的原則作出明確說明，指出收益為反映經營業務（資產為其中一部分）所產生經濟利益之模式，而非反映透過使用該項資產耗用的經濟利益之模式。因此，收益法不得用於對物業、廠房及設備進行折舊，並僅可在非常有限的情況下用於攤銷無形資產。該等修訂根據未來適用法應用。該等修訂並無對本集團的財務狀況或表現造成任何影響，原因為本集團並無使用收益法計算其非流動資產的折舊。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

- (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's financial statements.

- (b) Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.2 會計政策變動及披露 (續)

(c) 於二零一四年十月頒佈的香港財務報告準則二零一二年至二零一四年週期之年度改進載列多項香港財務報告準則的修訂。該等修訂的詳情如下：

- 香港財務報告準則第5號持作出售之非流動資產及已終止經營業務：釐清出售或分派予擁有人之計劃變更不應被視為一項新的處置計劃，而是原計劃之延續。因此，應用香港財務報告準則第5號的要求並無改變。該等修訂亦釐清改變處置方法並不會改變分類為持作出售的非流動資產或處置組合之日期。該等修訂將按預期基準應用。該等修訂對本集團並無任何影響，原因是於本年度本集團並無對持作出售的處置組合之出售計劃或處置方法作出任何變更。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(c) *Annual Improvements to HKFRSs 2012-2014 Cycle* issued in October 2014 sets out amendments to a number of HKFRSs. Details of the amendments are as follows:

- HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in HKFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively. The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.3 已頒佈但尚未生效的香港財務報告準則

本集團並無於此等財務報表中應用下列已頒佈但尚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2號之修訂本	以股份為基礎付款交易之分類及計量 ²
香港財務報告準則第4號之修訂本	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約 ²
香港財務報告準則第9號	金融工具 ²

香港財務報告準則第10號及香港會計準則第28號之修訂本(二零一一年)	投資者與其聯營公司或合營企業間的資產銷售或貢獻 ⁴
香港財務報告準則第15號	客戶合約收益 ²
香港財務報告準則第15號之修訂本	香港財務報告準則第15號客戶合約收益之澄清 ²
香港財務報告準則第16號	租賃 ³
香港會計準則第7號之修訂本	披露計劃 ¹

香港會計準則第12號之修訂本	就未變現虧損確認遞延稅項資產 ¹
----------------	-----------------------------

- 1 於二零一七年一月一日或之後開始之年度期間生效
- 2 於二零一八年一月一日或之後開始之年度期間生效
- 3 於二零一九年一月一日或之後開始之年度期間生效
- 4 尚未釐定強制生效日期，惟可供採納

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions²</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts²</i>
HKFRS 9	<i>Financial Instruments²</i>

Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
HKFRS 15	<i>Revenue from Contracts with Customers²</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers²</i>
HKFRS 16	<i>Leases³</i>
Amendments to HKAS 7	<i>Disclosure Initiative¹</i>

Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses¹</i>
-----------------------	---

- 1 Effective for annual periods beginning on or after 1 January 2017
- 2 Effective for annual periods beginning on or after 1 January 2018
- 3 Effective for annual periods beginning on or after 1 January 2019
- 4 No mandatory effective date yet determined but available for adoption

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.3 已頒佈但尚未生效的香港財務報告準則 (續)

有關該等預期適用於本集團之香港財務報告準則之進一步資料如下：

香港會計師公會於二零一六年八月頒佈之香港財務報告準則第2號修訂本闡述三大範疇：歸屬條件對計量現金結算基於股份支付交易之影響；為僱員履行與基於股份支付相關之稅務責任而預扣若干金額基於股份支付交易（附有淨額結算特質）之分類；以及修改基於股份支付交易之條款及條件令其分類由現金結算改為權益結算時之會計處理方法。該等修訂本釐清計量以權益結算基於股份支付時歸屬條件之入賬方法亦適用於以現金結算基於股份支付。該等修訂本引入一個例外情況，當符合若干條件時，為僱員履行稅務責任而預扣若干金額基於股份支付交易（附有淨額結算特質），將整項分類為以權益結算基於股份支付交易。再者，該等修訂本釐清，倘以現金結算基於股份支付交易之條款及條件有所修改，令其成為以權益結算基於股份支付交易，則該交易自修改日期起作為以權益結算之交易入賬。本集團預期自二零一八年一月一日起採納該等修訂本。該等修訂本預期不會對本集團之財務報表造成任何重大影響。

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

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

The HKICPA issued amendments to HKFRS 2 in August 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet the employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The Group expects to adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.3 已頒佈但尚未生效的香港財務報告準則 (續)

於二零一四年九月，香港會計師公會頒佈香港財務報告準則第9號之最終版，將金融工具項目的各個階段合併，藉以取代香港會計準則第39號及香港財務報告準則第9號的各個先前版本。該準則引入就分類及計量、減值及對沖的會計處理引入新規定。本集團預期自二零一八年一月一日起採納香港財務報告準則第9號。本集團現時正評估採納香港財務報告準則第9號後所帶來的影響，並預期採納香港財務報告準則第9號將對本集團金融資產的分類及計量造成影響。

香港財務報告準則第10號及香港會計準則第28號（二零一一年）修訂本提出香港財務報告準則第10號及香港會計準則第28號（二零一一年）有關處理投資者與其聯營公司或合營企業進行資產出售或注資之規定時的不一致情況。該等修訂本規定當投資者與其聯營公司或合營企業進行之資產出售或注資構成一項業務時，需全數確認收益或虧損。就涉及不構成一項業務之資產交易而言，交易產生之收益或虧損於投資者之損益確認，並僅以無關聯投資者於該聯營公司或合營企業之權益為限。該等修訂本將按預期基準應用。香港會計師公會已於二零一六年一月廢除香港財務報告準則第10號及香港會計準則第28號（二零一一年）修訂本之前的強制生效日期，而新強制生效日期將於完成對聯營公司及合營企業會計處理作更廣泛檢討後釐定。然而，該等修訂本現時可供應用。

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

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group is currently assessing the impact of the standard upon adoption and expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Group's financial assets.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for application now.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.3 已頒佈但尚未生效的香港財務報告準則 (續)

香港財務報告準則第15號設立一個全新五步模式將應用於來自客戶合約收益。根據香港財務報告準則第15號，所確認的收益金額須反映一間實體就向客戶轉讓貨品或服務而有權換取之代價。香港財務報告準則第15號之原則就計量及確認收益提供一個更有組織的方法。該準則亦引入大量定性及定量披露規定，包括分拆收益總額、履約責任、不同期間合約資產及負債變動，以及主要判斷及估計的資料。該準則將取代現時香港財務報告準則下的所有收益確認規定。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，以處理識別履約責任、主事人與代理人的應用指引及知識產權許可以及過渡之實施問題。該等修訂亦擬協助確保實體於採納香港財務報告準則第15號時能更一致地應用及降低應用有關準則的成本及複雜程度。本集團預期於二零一八年一月一日採納香港財務報告準則第15號，而現時正評估於採納香港財務報告準則第15號後所帶來的影響。

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

HKFRS 15 establishes 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 will supersede 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. The Group expects to adopt HKFRS 15 on 1 January 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.3 已頒佈但尚未生效的香港財務報告準則 (續)

香港財務報告準則第16號取代香港會計準則第17號「租賃」、香港(國際財務報告詮釋委員會)－詮釋第4號「釐定安排是否包括租賃」、香港(準則詮釋委員會)－詮釋第15號「經營租賃－優惠」及香港(準則詮釋委員會)－詮釋第27號「評估涉及租賃法律形式交易之內容」。該準則載列確認、計量、呈列及披露租賃之原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項租賃確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期內支付租賃款項之負債(即租賃負債)及代表相關資產使用權之資產(即使用權資產)。除非使用權資產符合香港會計準則第40號內投資物業之定義，否則使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因支付租賃款項而減少。承租人將須分別確認租賃負債之利息開支及使用權資產之折舊開支。承租人亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定未來租賃款項之一項指數或比率變更而引致該等款項變更。承租人普遍將重新計量租賃負債之金額確認為對使用權資產之調整。香港財務報告準則第16號下之出租人會計法與香港會計準則第17號下之會計法相比並無重大變動。出租人將繼續使用香港會計準則第17號內之同一分類原則將所有租賃分類，並會區分經營租賃及融資租賃。本集團預期於二零一九年一月一日採納香港財務報告準則第16號，目前正評估採納香港財務報告準則第16號之影響。

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

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt HKFRS 16 on 1 January 2019 and is currently assessing the impact of HKFRS 16 upon adoption.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.3 已頒佈但尚未生效的香港財務報告準則 (續)

香港會計準則第7號修訂本規定實體作出披露，使財務報表使用者可評估融資活動所產生之負債變動，包括現金流量及非現金流量產生之變動。該等修訂本將導致須於財務報表作出額外披露。本集團預期自二零一七年一月一日起採納該等修訂本。

儘管香港會計準則第12號修訂本可更廣泛地應用於其他情況，惟其頒佈目的是為說明與以公允值計量之債務工具相關之未變現虧損確認遞延稅項資產。該等修訂本釐清實體於評估是否有應課稅溢利可用於抵扣可扣減暫時差額時，需要考慮稅務法例會否限制可扣減暫時差額轉回時可用於抵扣之應課稅溢利之來源。再者，該等修訂本就實體應如何釐定未來應課稅溢利提供指引，並解釋應課稅溢利可包括收回超過賬面金額之部分資產之情況。本集團預期自二零一七年一月一日起採納該等修訂本。

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

Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 January 2017.

Amendments to HKAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situations. The amendments clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The Group expects to adopt the amendments from 1 January 2017.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要

於聯營公司之投資

聯營公司為本集團於其中擁有長期權益（一般不少於20%股本投票權），並可藉此對其行使重大影響力之實體。重大影響力為參與被投資公司財務及經營政策決定之權力，惟對該等政策並無控制或共同控制權。

本集團於聯營公司之投資根據權益會計法，按本集團應佔資產淨值減任何減值虧損於綜合財務狀況表列賬。當中會作出調整以使任何可能存在的會計政策差異貫徹一致。

本集團應佔聯營公司收購後業績及其他全面收益分別計入綜合損益表及綜合全面收益表內。此外，當變動直接於聯營公司權益中確認時，本集團會於綜合權益變動表中確認其應佔的任何變動（如適用）。本集團與其聯營公司間之交易所產生之未變現損益乃按本集團於聯營公司之投資對銷，惟有證據證明所轉讓資產出現減值之未變現虧損則作別論。收購聯營公司產生之商譽計入本集團於聯營公司之投資。

倘於聯營公司之投資成為於合營公司之投資或合營公司之投資成為聯營公司之投資，保留權益不獲重新計量。取而代之，投資繼續以權益法入賬。於所有其他情況下，於失去對聯營公司之重大影響力或對合營公司之共同控制權時，本集團會按公允值計量並確認任何保留投資。於失去重大影響力或共同控制權時，聯營公司或合營公司之賬面值與保留投資公允值及出售所得款項之任何差額於損益中確認。

於聯營公司之投資分類為持作出售之投資時，其根據香港財務報告準則第5號持作出售之非流動資產及已終止經營業務入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment in an associate

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in an associate are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

業務合併及商譽

業務合併採用收購法入賬。轉讓之代價乃按收購日之公允值計量，而公允值乃指本集團轉讓之資產、本集團向被收購方之前度擁有人承擔之負債及本集團發行以換取被收購方控制權之股本權益於收購日的公允值的總和。就各業務合併而言，本集團選擇按公允值或所佔被收購方可識別資產淨值的權益比例計量於被收購方屬現時所有權權益並賦予擁有人權利於清盤時按比例分佔淨資產的非控制權益。非控制權益的其他所有成分均按公允值計量。所產生的收購相關成本計入費用。

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

倘若業務合併分階段進行，則本集團以往持有之股本權益按收購日之公允值重新計算，並將因此而產生之收益或虧損計入損益。

任何將由收購方轉讓之或然代價按公允值於收購日期確認。或然代價（被分類為屬金融工具之資產或負債）按公允值計量，而公允值變動將於損益確認。分類作權益之或然代價不會重新計量，其後結算乃於股權入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

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

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

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

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

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

倘商譽被分配至現金產生單位（或一組現金產生單位），而該單位部分業務被出售，則於釐定出售損益時，相關商譽將計入業務之賬面值。在此情況下，出售之商譽根據所出售業務之相關價值及所保留現金產生單位之部分計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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

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

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

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

公允值計量

本集團於各報告期末計量其投資物業衍生金融工具及股權投資的公允值。公允值為市場參與者間於計量日期進行的有序交易中，出售資產所收取或轉讓負債所支付之價格。公允值計量假設出售資產或轉讓負債的交易於該資產或負債的主要市場，或在無主要市場的情況下，則於對該資產或負債最有利的市場進行。本集團必須可於該主要市場或最有利市場進行交易。資產或負債的公允值乃採用市場參與者為資產或負債定價時所用的假設計量，即假設市場參與者按其最佳經濟利益行事。

非金融資產的公允值計量計及市場參與者透過使用其資產的最高及最佳用途或透過將資產出售予將使用其最高及最佳用途的另一名市場參與者而能夠產生經濟利益的能力。

本集團採用在各情況下適當的估值技術，而其有足夠數據以計量公允值，以盡量使用相關可觀察輸入數據及盡量避免使用不可觀察輸入數據。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

公允值計量 (續)

所有於財務報表中計量或披露公允值的資產及負債，乃按對整體公允值計量而言屬重大的最低層級輸入數據分類至下述的公允值層級：

- 第一級 — 基於相同資產或負債於活躍市場之報價（未經調整）
- 第二級 — 基於估值技術，其所使用之對公允值計量而言屬重大之最低層級輸入數據乃為直接或間接觀察所得
- 第三級 — 基於估值技術，其所使用之對公允值計量而言屬重大之最低層級輸入數據乃不可觀察

就於財務報表內按經常性基準確認的資產及負債而言，本集團於各報告期末按對整體公允值計量而言屬重大的最低級別輸入值重新評估分類，以釐定各公允值等級之間是否出現轉撥。

非金融資產減值

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

非金融資產減值 (續)

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

於各報告期末，將評估有否跡象顯示早前確認之減值虧損可能不再存在或可能減少。倘出現有關跡象，則估計可收回金額。早前就商譽以外資產確認之減值虧損，僅在用以釐定該資產可收回金額之估計數字出現變動時方會撥回，然而，有關數額不得高於倘於過往年度並無就資產確認減值虧損而應釐定之賬面值（扣除任何折舊／攤銷）。撥回有關減值虧損於產生期間計入綜合損益表，除非資產以重估金額列賬，在該情況下，減值虧損撥回根據該重估資產之相關會計政策入賬。

關聯人士

下列人士將被視為與本集團有關連：

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

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

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

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

關聯人士 (續)

或

(b) 倘符合下列任何條件，即實體與本集團有關連：

(i) 該實體與本集團屬同一集團之成員公司；

(ii) 一間實體為另一實體的聯營公司或合營企業（或其他實體的母公司、附屬公司或同系附屬公司）；

(iii) 該實體與本集團均為同一第三方的合營企業；

(iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；

(v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃；

(vi) 實體受(a)所識別人士控制或受共同控制；

(vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員；及

(viii) 向本集團或本集團母公司提供主要管理人員服務的該實體或其中成員群組的任何成員。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

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

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

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

類別	Category	估計可用年期 Estimated useful life	剩餘價值 Residual value
樓宇	Buildings	20 years 年	10%
廠房及機器	Plant and machinery	10 years 年	10%
汽車	Motor vehicles	5 years 年	10%
傢俬及固定裝置	Furniture and fixtures	5 years 年	0%

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

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

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

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

無形資產 (商譽除外)

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

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

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

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

Intangible assets (other than goodwill)

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

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

類別	估計可用年期
軟件	10年
用水權	20年

租賃

除法定權利之外，與資產擁有權的絕大部分回報及風險已實質撥歸本集團的租賃，均列作融資租賃。

凡資產擁有權之絕大部分回報及風險仍由出租人保留之租約，均列作經營租賃。倘本集團為出租人，根據經營租賃所擁有的資產計入非流動資產且經營租賃下來自租賃的應收租金以直線法於租賃期內在綜合損益表列支。倘本集團為承租人，則經營租賃下之應付租金（扣除任何從出租人所收取的優惠）以直線法於租賃期內在綜合損益表列支。

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

預付土地租賃款項

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

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

Category	Estimated useful life
Software	10 years
Water use right	20 years

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases.

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

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

Prepaid land lease payments

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

投資及其他金融資產

初步確認及計量

金融資產於初步確認時分類為按公允價值計量且變動計入損益之金融資產、貸款及應收款項及可供出售金融投資或劃分為指定作有效對沖的對沖工具之衍生工具(如適用)。金融資產於首次確認時以公允價值加上收購金融資產應佔之交易成本計量，惟就金融資產而言，則按公允價值計量且變動計入損益。

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

後續計量

金融資產的後續計量根據其分類如下：

按公允價值計量且變動計入損益之金融資產

按公允價值計量且變動計入損益之金融資產包括持作買賣金融資產及於初步確認時即確認為按公允價值列賬於損益表處理之財務資產。金融資產如以短期內出售為目的而購買，則分類為持作買賣金融資產。衍生工具(包括獨立嵌入式衍生工具)亦歸類為持作買賣，除非其被香港會計準則第39號指定為有效對沖工具則作別論。

按公允價值計量且變動計入損益之金融資產於財務狀況表內按公允價值列賬。在綜合損益表中，公允價值淨差額正數呈列作其他收入及收益，而公允價值淨差額負數則呈列作融資成本。該等公允價值變動並不包括該等金融資產所賺取之任何股息或利息，有關利息會根據下文「收入確認」所載之政策確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

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

Subsequent measurement

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the consolidated statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for “Revenue recognition” below.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

按公允值計量且變動計入損益之金融資產 (續)

初始確認時指定為以公允值計量且變動計入損益的金融資產於初始確認之日指定，且僅當滿足香港會計準則第39號的標準時方予指定。

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

貸款及應收款項

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss (continued)

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

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

Loans and receivables

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

持至到期投資

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

可供出售金融投資

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

初步確認後，可供出售金融投資其後按公允值計量，未實現之收益或虧損則確認為可供出售投資重估儲備內之其他全面收益，直至有關投資終止確認（屆時累計收益或虧損會計入綜合損益表內之其他收入），或投資確定出現減值（屆時累計收益或虧損會自可供出售投資重估儲備重新分類至綜合損益表內之其他收益或虧損）。於持有可供出售金融投資時賺取之利息和股息分別作為利息收入和股息收入，按照下文「收入確認」所載政策在綜合損益表確認為其他收入。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Held-to-maturity investments

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

Available-for-sale financial investments

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

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

可供出售金融投資 (續)

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

本集團評估於近期出售其可供出售金融資產之能力及意圖是否還合宜。當於少數情況下，本集團因市場疲弱而無法買賣該等資產，本集團或會選擇將該等金融資產重新分類（倘管理層能夠並有意於可見將來或至到期持有資產）。

對獲重新分類至可供出售類別以外之金融資產，於重新分類日期之公允值賬面值成為其新攤銷成本，任何該項資產已於權益中確認之過往損益均依實際利率按該項投資之剩餘年期計入損益攤銷。任何新攤銷成本及到期款項之差異，亦將以實際利率根據該項資產之剩餘年期進行攤銷。如果資產其後釐定為已減值，則在權益確認的部分需重新分類到綜合損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

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

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the consolidated statement of profit or loss.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

終止確認金融資產

金融資產(或(如適用)一項金融資產之一部分或一組同類金融資產之一部分)在下列情況將首先終止確認(即自本集團綜合財務狀況表內移除):

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

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

持續參與是以該集團就被轉讓資產作出之一項保證的形式出現,並以該項資產之原賬面值及該集團或須償還之代價數額上限(以較低者為準)計算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

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

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

金融資產減值

本集團於每個報告期末作出評核有否客觀證據，證明某項金融資產或金融資產組別已減值。倘於初始確認資產後發生之一項或多項事件對可作可靠估量之某項金融資產或金融資產組別之估計未來現金流量產生影響，則存在減值。減值證據可包括一個或多個債務人面臨重大財政困難、拖欠或未能償還利息或本金款額、彼等可能破產或進行其他財務重組及可觀察數據顯示預計未來現金流量將嚴重減少，例如與拖欠款項相關之逾期欠款或經濟狀況變動。

以攤銷成本列賬之金融資產

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

以資產之賬面值與估計未來現金流量之現值兩者之差額計量任何已識別減值虧損之金額（不包括並未產生之未來信貸虧損）。估計未來現金流量之現值由金融資產之初始實際利率（即初步確認時計算之實際利率）計算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

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

Financial assets carried at amortised cost

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

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

金融資產減值 (續)

以攤銷成本列賬之金融資產 (續)

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

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

以成本列賬之資產

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

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

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

Assets carried at cost

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

金融資產減值 (續)

可供出售金融投資

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

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

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

釐定「大幅」或「長期」時需要作出判斷。於作出判斷時，本集團會評估（其中包括）投資之公允值低於其成本之時間或幅度。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Available-for-sale financial investments

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

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

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

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

金融負債

初步確認及計量

金融負債於初始確認時乃視情況分類為透過損益以公允值列賬的金融負債、貸款及借款、或在有效對沖中被指定為對沖工具的衍生工具。

所有金融負債初次確認時按公允值確認，而倘屬貸款及借貸，則須扣除應佔的直接交易成本。

本集團之金融負債包括應付賬款及票據、其他應付款項及應計款項及計息銀行借貸與其他借貸。

後續計量

金融負債之後續計量取決於彼等之分類，並詳列如下：

按公允值計量且變動計入損益之金融負債

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

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

僅在滿足香港會計準則第39號時，於初始確認日將金融負債指定為按公允值計量且變動計入損益的金融負債。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and bills payables, other payables and accruals, and interest-bearing bank and other borrowings.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

金融負債 (續)

貸款及借貸

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

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

可換股債券

可換股票據中具有負債特質之部分於扣除交易成本後在綜合財務狀況表中列為負債。發行可換股票據時，負債部分之公允值乃採用等同之不可換股票據之市場利率釐定，而該數額乃按攤餘成本列為長期負債，直至獲全數轉換或贖回為止。所得款項餘額乃分配至轉換權，並於扣除交易成本後確認並計入股東權益。轉換權之賬面價值於其後年度不會重新計量。交易成本乃根據所得款項在負債及權益部分間之分配而於工具首次獲確認時轉撥至負債及權益部分。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Loans and borrowings

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

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

Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the consolidated statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

終止確認金融負債

金融負債於負債項下責任獲履行或取消或屆滿時終止確認。

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

抵銷金融工具

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

衍生金融工具及對沖會計法

初始確認及後續計量

本集團使用衍生金融工具（例如遠期貨幣合約及利率掉期）分別對沖其匯率風險及利率風險。該等衍生金融工具初始按於衍生合約訂立日期之公允值確認，其後按公允值重新計量。衍生工具於公允值為正數時確認為資產，而當公允值為負數時確認為負債。

衍生工具公允值變動所產生之任何收益或虧損直接計入綜合損益表，除現金流對沖之有效部分在其他全面收益中確認及其後倘對沖項目影響損益則重新分類至損益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

Any gains or losses arising from changes in fair value of derivatives are taken directly to the consolidated statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

衍生金融工具及對沖會計法 (續)

初始確認及後續計量 (續)

就對沖會計法而言，對沖分為：

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedge accounting (continued)

Initial recognition and subsequent measurement (continued)

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

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

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

衍生金融工具及對沖會計法 (續)

符合對沖會計法嚴格標準之對沖按以下方法列賬：

現金流量對沖

對沖工具之有效損益部分直接於其他全面收益之對沖儲備確認，而無效部分則即時於綜合損益表確認。

倘被對沖交易對損益產生影響（例如被對沖之融資收入或融資支出已確認或當一宗預期銷售發生時），則計入其他全面收益之數額轉撥至綜合損益表。倘對沖項目為非金融資產或非金融負債之成本，其他全面收益內確認之金額於同期或於所收購資產或所承擔負債影響綜合損益表期間轉撥至綜合損益表。

倘對沖工具到期或售出、終止或被行使，而且並無被取代或接續有效（作為對沖策略之一部分），或倘其指定作為對沖項目之資格遭撤銷，或當對沖不再符合對沖會計之標準時，先前於其他全面收益確認之金額仍保留於其他全面收益，直至預期交易發生或滿足外幣確定承諾時為止。

流動及非流動分類

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedge accounting (continued)

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

Cash flow hedges

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

Amounts recognised in other comprehensive income are transferred to the consolidated statement of profit or loss when the hedged transaction affects profit or loss, such as when hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in other comprehensive income are transferred to the consolidated statement of profit or loss in the same period or periods during which the asset acquired or liability assumed affects the consolidated statement of profit or loss.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, the amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction occurs or the foreign currency firm commitment is met.

Current versus non-current classification

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

衍生金融工具及對沖會計法 (續)

流動及非流動分類 (續)

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

存貨

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

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款以及可隨時轉換為已知數額現金之高度流通短期投資，有關投資所承受價值變動風險不大，到期日一般為購入後三個月內，再扣除在要求時須償還及構成貴集團現金管理方面一個完整部分之銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括手頭及銀行現金，當中包括存款期、及等同於現金之資產且用途不限之定期存款。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedge accounting (continued)

Current versus non-current classification (continued)

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

Inventories

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

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

撥備

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

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

所得稅

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

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

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

Income tax

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

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

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項負債就所有應課稅暫時差額確認，惟下列情況除外：

- 遞延稅項負債來自初始確認之商譽或由非業務合併交易而產生的資產或負債，且於進行交易時沒有對會計利潤或應課稅利潤或虧損構成影響；及
- 就與於附屬公司及一間聯營公司之投資有關之應課稅暫時差額而言，如可以控制撥回暫時差額之時間及暫時差額於可見將來不大可能撥回。

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

- 遞延稅項資產與初次確認非業務合併交易產生的資產或負債產生之可扣稅暫時差額有關，且於進行交易時沒有對會計利潤或應課稅利潤或虧損構成影響；及
- 就與於附屬公司及一間聯營公司之投資有關之可扣稅暫時差額而言，只有在暫時差額可能於可見將來撥回，且可能有應課稅利潤以動用暫時差額之情況下，方會確認遞延稅項資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

所得稅 (續)

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

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

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

政府補助

當可以合理確定將會收取補助及已符合所有附帶條件，則按公允值確認政府補助。如補助與某項開支有關，則於相關期間確認為收入，以將擬補足開支有系統地支銷。

如補助與某項資產有關，其公允值則計入遞延收入賬目，於有關資產之預計可用年期按每年相等之金額撥入綜合損益表，或從資產之賬面值扣除，通過遞減折舊方式撥入綜合損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

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

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

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the consolidated statement of profit or loss by way of a reduced depreciation charge.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

收入確認

當本集團可能獲得經濟利益，而有關收入能夠可靠計算時，則按下列基準確認收入：

- (a) 銷售貨品收入於擁有權之大部分風險及回報已轉讓予買方時確認，惟本集團必須不再持有擁有權通常伴隨之相關程度管理權力，亦不再實際控制已售出貨品；
- (b) 租賃收入按租賃期之時間比例基礎確認；
- (c) 利息收入以實際利率法按權責發生制確認，按於金融工具預計可用年期及更短時期（如適用）將估計未來現金流入貼現至金融資產之賬面淨值之利率計算；及
- (d) 股息收入於股東收取款項的權利確立時確認。

僱員福利

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) rental income, on a time proportion basis over the lease terms;
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (d) dividend income, when the shareholders' right to receive payment has been established.

Employee benefits

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

僱員福利 (續)

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

借貸成本

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

股息

末期股息將於股東大會上獲股東批准後確認為負債。

中期股息於建議同時宣派，蓋因本公司之組織章程授權董事宣派中期股息。因此，中期股息於建議宣派後隨即確認為負債。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

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

Borrowing costs

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

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company’s memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

外幣

該等財務報表以本公司之功能貨幣人民幣呈列。本集團各實體決定其個別呈列貨幣，而列入各實體財務報表之各自之項目乃按該功能貨幣計量。本集團主要營運實體之功能貨幣為美元。本集團實體所記錄之外幣交易使用於交易日期之各自之現行功能貨幣匯率初步入賬。以外幣列值之貨幣資產及負債按報告期末適用之功能貨幣匯率換算。來自結算及換算貨幣之差額於綜合損益表內確認。

以外幣歷史成本計算之非貨幣項目，按最初交易日期之匯率換算；而以外幣按公允值計算之非貨幣項目，則按計量公允值當日之匯率換算。換算按公允值計量之非貨幣項目而產生的收益或虧損，按確認該項目（即已於其他全面收益或損益確認其公允值收益或虧損的項目，其換算差額亦分別於其他全面收益或損益確認）的公允值變動的收益或虧損一致的方法處理。

若干位於中國大陸境外附屬公司之功能貨幣為人民幣以外貨幣。於報告期末，該等實體之資產及負債已按報告期末之現行匯率換算為人民幣，而彼等之損益表則以年內加權平均匯率換算為人民幣。

所得匯兌差額於其他全面收入確認，並累計至匯兌波動儲備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own presentation currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of major operating entities of the Group is United States Dollars ("USD"). Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain subsidiaries located outside Mainland China are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period, and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

2.4 主要會計政策概要 (續)

外幣 (續)

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

3. 重要會計判斷及估計

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

判斷

於應用本集團會計政策之過程中，除下文討論涉及估計之判斷外，管理層已作出下列判斷，而該等判斷對財務報表內所確認之金額構成之影響最為重大：

投資物業與自置物業的分類

本集團決定物業是否符合投資物業的資格，並已制訂出作此判斷的準則。投資物業是為賺取租金或資本增值或同時為此兩項目的而持有的物業。因此，本集團會考慮一項物業所產生之現金流量是否基本上與本集團持有的其他資產無關。某些物業的部份是為賺取租金或資本增值而持有，而物業內的另一些部份是為用於生產或供應貨品或服務或作行政用途而持有。倘若此等部份可以分開出售或根據融資租賃分開出租，本集團將把有關部份分開入帳。倘若該等部份無法分開出售，則只會用於生產或供應貨品或服務或作行政用途而持有的部份並不重要時，有關物業才會列作投資物業。本集團對各項物業作判斷，決定配套服務的重大程度是否會令是否物業並不符合投資物業的資格。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in financial statements:

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

3. 重要會計判斷及估計 (續)

估計之不確定因素

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

應收賬款及票據減值

本集團管理層審核應收賬款及票據的賬齡分析、過往還款狀況，並考慮未來現金流量之預期，以確定應收賬款及票據減值。根據年末及年末後客戶的聲譽、大型交易額及重大還款額，管理層認為應收賬款及票據結餘並無可回收性問題，因此，未做撥備。

存貨過剩及陳舊存貨撥備

管理層於報告期末審核賬齡分析，並對本期不再適合使用的陳舊及滯銷存貨項目作出撥備。管理層主要根據最近期發票價格及目前市況估計該等原材料、在製品及製成品的可變現淨值。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

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

Impairment of trade and bills receivables

Management of the Group reviews aging analysis, repayment history of its trade and bill receivables and takes into consideration the estimation of future cash flows to determine impairment of trade and bill receivables. According to the good reputation of the customers, large transaction volumes and significant repayment amounts during and after the year end, management concludes that the trade and bill receivables balance does not have recoverability issue and hence, no provision is provided.

Inventory excess and obsolescence provisions

Management of the Group reviews aging analysis at the end of the reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are not suitable for use in current production. Management estimates the net realisable value for such raw materials, work in progress and finished goods based primarily on the latest invoice prices and current market conditions.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

3. 重要會計判斷及估計 (續)

估計之不確定因素 (續)

物業、廠房及設備之可用年期

本集團管理層釐定之預計可用年期及相關折舊費用。該估計乃根據過往性質及功能類似之物業、廠房及設備之實際可用年期作出。由於技術不斷創新及競爭對手就行業週期作出相應行動，有關估計可出現大幅變動。倘可用年期少於先前估計之可用年期，管理層將提高折舊費用，或撤銷或撤減已報廢或出售之技術上過期或非戰略式資產。

非金融資產 (商譽除外) 減值

本集團於各報告期末評估所有非金融資產是否有任何減值跡象。並無可使用期限之無形資產每年及出現減值跡象時進行減值測試。其他非金融資產則於有跡象顯示賬面值可能不可收回時進行減值測試。當資產或現金產生單位之賬面值超過其可收回金額 (即其公允值減出售成本與其使用價值兩者之較高者) 時，即為出現減值。公允值減出售成本乃根據來自類似資產之公平交易中具約束力之銷售交易所獲得之數據或可觀察市價減出售該資產之增量成本計算。於採用使用價值計算時，管理層必須估計來自該資產或現金產生單位之預期未來現金流量，並選擇合適之貼現率，以計算該等現金流量之現值。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Useful lives of property, plant and equipment

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

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

3. 重要會計判斷及估計 (續)

估計之不確定因素 (續)

遞延稅項資產

如將可能有應課稅利潤可與未動用稅項虧損抵銷，則會就未動用稅項虧損確認遞延稅項資產。於釐定可確認之遞延稅項資產金額時，管理層需要作出重大判斷，有關判斷將根據可能出現未來應課稅利潤之時間及數額，以及未來稅務規劃策略作出。於二零一六年十二月三十一日，並無有關已確認稅項虧損之遞延稅項資產（二零一五年：零）。於二零一六年十二月三十一日，累計稅項虧損金額約人民幣586,042,000元（二零一五年：人民幣491,471,000元），將於一至五年內到期，用於抵銷未來應課稅利潤。進一步詳情載於財務報表附註31。

4. 經營分部資料

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

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
中國大陸	Mainland China	3,689,875	2,995,543
歐盟	European Union	3,355,516	2,319,860
日本	Japan	3,003,735	2,859,692
美國	United States of America	1,548,387	1,588,689
其他區域	Other regions	3,501,563	2,875,548
		15,099,076	12,639,332

上述收入資料乃按產品交付地點劃分。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. There were no deferred tax assets relating to recognised tax losses at 31 December 2016 (2015: Nil). The amount of accumulated tax losses at 31 December 2016 was approximately RMB586,042,000 (2015: RMB491,471,000), which will expire in one to five years for offsetting against future taxable profits. Further details are given in note 31 to the financial statements.

4. OPERATING SEGMENT INFORMATION

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

Geographical information

(a) Revenue from external customers

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

4. 經營分部資料 (續)

地區資料 (續)

(b) 非流動資產

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
中國大陸	Mainland China	4,816,266	4,334,664
越南	Vietnam	3,161,473	2,149,758
柬埔寨	Cambodia	135,094	99,474
其他區域	Other regions	6,932	6,559
		8,119,765	6,590,455

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

主要客戶之資料

來自以下主要客戶之收入分別佔本集團收入8%或以上：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
客戶甲	Customer A	3,868,526	3,390,452
客戶乙	Customer B	3,421,963	2,738,298
客戶丙	Customer C	3,368,179	3,137,291
客戶丁	Customer D	1,319,019	1,092,108

4. OPERATING SEGMENT INFORMATION

(continued)

Geographical information (continued)

(b) Non-current assets

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

Information about major customers

Revenue from major customers which individually accounts for 8% or more of the Group's revenue is as follows:

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

5. 收入及其他收入

收入為已出售貨物扣除退貨及貿易折扣撥備後之發票淨值。

收入及其他收入分析如下：

5. REVENUE AND OTHER INCOME

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue and other income is as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
收入	Revenue		
銷售貨物	Sale of goods	15,099,076	12,639,332
其他收入	Other income		
政府補助	Government grants	261,275	216,410
銀行利息收入	Bank interest income	149,171	187,189
委託貸款利息收入	Interest income from entrusted loans	28,485	35,246
租金收入	Rental income	22,709	20,557
		461,640	459,402

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

6. 除稅前利潤

本集團之除稅前利潤已扣除／（計入）：

6. PROFIT BEFORE TAX

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

	附註 Notes	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
已出售存貨成本	Cost of inventories sold	10,180,276	8,778,279
折舊	Depreciation	639,818	492,045
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	23,280	20,536
無形資產攤銷	Amortisation of intangible assets	12,321	9,681
根據經營租賃應付之 最低租金款項	Minimum lease payments under operating leases	103,862	84,049
審計師酬金	Auditor's remuneration	3,589	2,783
僱員福利開支（包括 董事及最高行政人員 酬金）：	Employee benefit expense (including directors' and chief executive's remuneration):		
工資及薪金	Wages and salaries	3,732,745	3,249,587
退休計劃供款	Pension scheme contributions	266,562	180,709
其他福利	Other benefits	136,199	98,492
		4,135,506	3,528,788
匯兌差額淨額*	Foreign exchange differences, net*	138,831	87,503
撇減存貨至可實現淨值	Write-down of inventories to net realisable value	1,900	11,023
銀行利息收入	Bank interest income	(149,171)	(187,189)
委託貸款利息收入	Interest income from entrusted loans	(28,485)	(35,246)
出售物業、廠房及 設備項目之虧損	Loss on disposal of items of property, plant and equipment	5,034	5,847

* 截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度之匯兌差額淨額已計入綜合損益表之「其他開支」內。

* The net foreign exchange differences for the years ended 31 December 2016 and 31 December 2015 are included in "Other expenses" on the face of the consolidated statement of profit or loss.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

7. 融資成本

融資成本分析如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
可換股債券之利息	Interest on convertible bonds	96,470	88,446
銀行借貸之利息	Interest on bank borrowings	23,364	10,287
		119,834	98,733

7. FINANCE COSTS

An analysis of finance costs is as follows:

8. 董事及最高行政人員之酬金

根據上市規則及香港公司條例第383(1)(a)、(b)、(c)及(f)條的規定及公司(披露董事利益資料)規例第2部規定，本年度董事及最高行政人員之酬金披露如下：

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the disclosure requirements of Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
袍金	Fees	156	156
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	7,417	7,354
退休計劃供款	Pension scheme contributions	96	95
		7,513	7,449
		7,669	7,605

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

8. 董事及最高行政人員之酬金 (續)

執行董事 (包括最高行政人員) 及獨立非執行董事

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

Executive directors (including the chief executive), and independent non-executive directors

		袍金	薪金、津貼及 實物利益	退休計劃 供款	酬金總額
		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
二零一六年	2016				
執行董事：	Executive directors:				
馬建榮先生	Mr. Ma Jianrong	-	1,489	26	1,515
黃關林先生 (行政總裁)	Mr. Huang Guanlin (Chief executive)	-	1,340	25	1,365
馬仁和先生	Mr. Ma Renhe	-	1,184	25	1,209
鄭妙輝女士 (於二零一七年 一月一日辭任)	Ms. Zheng Miaohui (resigned on 1 January 2017)	-	1,150	-	1,150
王存波先生	Mr. Wang Cunbo	-	971	10	981
陳芝芬女士	Ms. Chen Zhifen	-	1,131	10	1,141
		-	7,265	96	7,361
獨立非執行董事：	Independent non-executive directors:				
蔣賢品先生	Mr. Jiang Xianpin	96	38	-	134
陳根祥先生 (於二零一七年一月 一日辭任)	Mr. Chen Genxiang (resigned on 1 January 2017)	60	38	-	98
裘煒國先生	Mr. Qiu Weiguo	-	38	-	38
陳旭先生	Mr. Chen Xu	-	38	-	38
		156	152	-	308
		156	7,417	96	7,669

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

8. 董事及最高行政人員之酬金 (續)

執行董事 (包括最高行政人員) 及獨立非執行董事 (續)

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

Executive directors (including the chief executive), and independent non-executive directors (continued)

		袍金	薪金、津貼及 實物利益 Salaries, allowances and benefits in kind	退休計劃 供款 Pension scheme contributions	酬金總額 Total remuneration
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
二零一五年	2015				
執行董事：	Executive directors:				
馬建榮先生	Mr. Ma Jianrong	–	1,503	27	1,530
黃關林先生 (行政總裁)	Mr. Huang Guanlin (Chief executive)	–	1,370	24	1,394
馬仁和先生	Mr. Ma Renhe	–	1,048	24	1,072
鄭妙輝女士 (於二零一七年一月 一日辭任)	Ms. Zheng Miaohui (resigned on 1 January 2017)	–	1,136	–	1,136
王存波先生	Mr. Wang Cunbo	–	981	10	991
陳芝芬女士	Ms. Chen Zhifen	–	1,144	10	1,154
		–	7,182	95	7,277
獨立非執行董事：	Independent non-executive directors:				
蔣賢品先生	Mr. Jiang Xianpin	96	43	–	139
陳根祥先生 (於二零一七年 一月一日辭任)	Mr. Chen Genxiang (resigned on 1 January 2017)	60	43	–	103
裘煒國先生	Mr. Qiu Weiguo	–	43	–	43
陳旭先生	Mr. Chen Xu	–	43	–	43
		156	172	–	328
		156	7,354	95	7,605

年內，並無董事或最高行政人員放棄或同意放棄任何酬金之安排。

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

9. 五名最高薪酬僱員

年內五名最高薪酬僱員並不包括任何董事或最高行政人員（二零一五年：無），彼等之酬金詳情載於上文附註8。年內五名（二零一五年：五名）非本公司董事或最高行政人員最高薪酬僱員之酬金詳情如下：

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year did not include any director or chief executive (2015: None), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the five (2015: Five) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	8,801	8,567
退休計劃供款	Pension scheme contributions	21	39
		8,822	8,606

酬金介乎以下組別之非董事及最高行政人員最高薪酬僱員人數：

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		僱員人數 Number of employees	
		二零一六年 2016	二零一五年 2015
1,000,001港元至 2,000,000港元	HK\$1,000,001 to HK\$2,000,000	3	1
超過2,000,000港元	Over HK\$2,000,000	2	4
		5	5

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

10. 退休福利

10. RETIREMENT BENEFITS

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
於綜合損益表中扣除	Charged to the consolidated statement of profit or loss		
– 退休福利供款	– Retirement benefit contributions	266,562	180,709

本集團於中國大陸之全職僱員之退休福利受多項由政府資助之退休金計劃所保障。按照該等計劃，本集團須作出之保險費及福利供款按僱員薪金總額之若干百分比計算，並設有若干上限內承擔，並向有關政府當局繳納。

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

分別於柬埔寨王國及越南註冊成立之全資附屬公司申洲柬埔寨、大千柬埔寨、Gain Lucky Vietnam及Worldon Vietnam須根據有關當地機關之規定按僱員薪金向退休福利計劃供款（界定供款）。

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

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

Shenzhou Cambodia, Daqian Cambodia, Gain Lucky Vietnam and Worldon Vietnam, wholly-owned subsidiaries incorporated in the Kingdom of Cambodia and Vietnam respectively, are required to contribute amounts based on employees' salaries (defined contribution) to the retirement benefit schemes as stipulated by the relevant local authorities.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

10. 退休福利 (續)

於澳門註冊成立之全資附屬公司百事達達澳門，須按當地相關部門規定向退休福利計劃作出若干金額之供款。

除上文所述之供款外，本集團毋須承擔其他退休後福利或住房公積金之責任。

11. 所得稅

截至二零一六年及二零一五年十二月三十一日止年度之所得稅開支主要成分為：

10. RETIREMENT BENEFITS (continued)

Buddies Macao, a wholly-owned subsidiary incorporated in Macao, is required to contribute a certain amount to the retirement benefit scheme as stipulated by the relevant local authority.

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

11. INCOME TAX

The major components of income tax expense for the years ended 31 December 2016 and 2015 are:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
香港之當期利得稅	Current Hong Kong profits tax	39,366	27,053
中國大陸之當期企業所得稅(「企業所得稅」)	Current Mainland China corporate income tax (“CIT”)	652,716	497,297
遞延稅項	Deferred taxation	3,185	7,709
		695,267	532,059

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。由於本公司於香港經營業務，故其於香港產生之估計應課稅利潤須按16.5%(二零一五年：16.5%)之稅率繳付香港利得稅。

於英屬處女群島註冊成立之附屬公司毋須繳納所得稅，原因為該等附屬公司於英屬處女群島並無營業地點(只有註冊辦事處)，亦無於英屬處女群島進行任何業務。因此，於英屬處女群島註冊成立之附屬公司永泰投資有限公司(「永泰」)、百事達投資有限公司(「百事達投資」)、馬威(B.V.I.)有限公司(「馬威BVI」)、百事達集團有限公司(「百事達集團」)及德利有限公司(「德利」)均毋須納稅。由於永泰於香港從事物業租賃業務，故其於香港產生之估計應課稅利潤須按16.5%(二零一五年：16.5%)之稅率繳付香港利得稅。

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Council that no law enacted in the Cayman Islands imposing any tax to be levied on profits, income, gain or appreciation shall apply to the Company or its operations. As the Company carries on business in Hong Kong, it is subject to Hong Kong profits tax at a rate of 16.5% (2015: 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 (but only a registered office) 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% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

11. 所得稅 (續)

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

於香港註冊成立之附屬公司申洲貿易有限公司（「申洲貿易」）、永泰（香港）投資有限公司（「永泰香港」）及馬威（香港）有限公司（「馬威香港」）須按16.5%（二零一五年：16.5%）利得稅稅率就於香港產生之估計應課稅利潤繳納稅項。

於日本註冊成立之全資附屬公司申洲日本株式會社（「申洲日本」）根據日本稅務法須按所得稅稅率30%就於日本產生之應課稅利潤繳納稅項。由於年內申洲日本並無於日本產生任何應課稅利潤，故並無就日本所得稅計提撥備。

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

11. INCOME TAX (continued)

Pursuant to the Law of Taxation in Cambodia, Shenzhou (Cambodia) Co., Ltd. (“Shenzhou Cambodia”) and Daqian Textile (Cambodia) Co., Ltd. (“Daqian Cambodia”), wholly-owned subsidiaries incorporated in the Kingdom of Cambodia, are subject to income tax at a rate of 20%, and Daqian Cambodia is entitled to an exemption from income tax for the first four profit-making years starting from 2015. Shenzhou Cambodia had no assessable profits during the 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% (2015: 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 in Japan, 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 (Vietnam) Co., Ltd. (“Gain Lucky Vietnam”) and Worldon (Vietnam) Company Limited (“Worldon Vietnam”), wholly-owned subsidiaries incorporated in Vietnam, are subject to income tax at a rate of 20%, and are entitled to be exempted from income tax for the first two profit-making years and subject to a lower tax rate of 10% from the third year to the sixth year. The period of tax privilege will start from the earlier of the first profit-making year or the fourth year since its establishment. Furthermore, under the laws and regulations of Vietnam, provided that (a) the total investment of at least VND6,000 billion (approximately US\$300 million) is paid by June 2016 and January 2018 for Gain Lucky Vietnam and Worldon Vietnam, respectively; and (b) it maintains a minimum annual revenue of US\$500 million within three years from the date of generating revenue, or it employs more than 3,000 staff members within three years from the date on which revenue is first generated, it will be subject to a lower profits tax rate of 10%, and the profits tax will be waived for four years and 50% of its profits tax will be waived for the nine years thereafter. Gain Lucky Vietnam had met the aforesaid criteria in 2016 and is entitled to enjoy the tax privilege. Worldon Vietnam had no assessable profits during the year.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

11. 所得稅 (續)

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

根據中華人民共和國企業所得稅法（「新企業所得稅法」），各中國附屬公司於年內須就應課稅收入按25%之稅率繳稅（根據新企業所得稅法釐定）。

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

11. INCOME TAX (continued)

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 are subject to a tax rate of 25% on their assessable income.

During 2016, Ningbo Daqian Knitwear Co., Ltd. (“Daqian Knitting”), a wholly-owned subsidiary established in Mainland China, was qualified as a High-New Technology Enterprise (“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 2016.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

11. 所得稅 (續)

稅項開支與會計利潤乘以截至二零一六年及二零一五年十二月三十一日止課稅年度之中國境內稅率之對賬如下：

11. INCOME TAX (continued)

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 2016 and 2015 is as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
除稅前利潤	Profit before tax	3,642,947	2,886,901
以法定稅率25% (二零一五年: 25%) 計算之稅項	Tax at the statutory tax rate of 25% (2015: 25%)	910,737	721,725
特定司法權區或地方部門 實施之較低稅率	Lower tax rates for specific jurisdictions or enacted by local authorities	(267,836)	(206,230)
對以前期間當期稅項的 調整	Adjustments in respect of current tax of previous periods	(13,790)	(123)
應佔聯營公司損益	Profits and losses attributable to associate	(624)	239
毋須課稅收入	Income not subject to tax	(2,210)	(10)
不可扣稅支出	Expenses not deductible for tax	21,398	18,328
年內未確認之稅項虧損	Tax losses not recognised during the year	67,114	41,511
利用以前未確認的可抵 扣稅項虧損	Utilisation of previously unrecognised deductible tax losses	(38,052)	(43,381)
		676,737	532,059
就本集團中國附屬公司 已分派利潤繳納5% 預扣稅	Withholding tax at 5% on the distributed profits of the Group's PRC subsidiaries	15,000	—
就一間附屬公司非控制性 權益交易所得款項 繳納10%預扣稅	Withholding tax at 10% on the proceeds from transaction with non-controlling interests of a subsidiary	3,530	—
		18,530	—
		695,267	532,059

財務報表附註 Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

12. 股息

12. DIVIDENDS

	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
擬派末期股息每股普通股 1.20港元（包括特別股息 0.35港元）（二零一五年： 1.07港元（包括特別股息 0.35港元））	Proposed final dividend of HK\$1.20 (including a special dividend of HK\$0.35) (2015: HK\$1.07 (including a special dividend of HK\$0.35)) per ordinary share	
	1,501,687	1,254,128

本年度之擬派末期股息須由本公司股東於應屆股東週年大會上批准。

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

13. 本公司普通股股權持有人應佔每股盈利

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

a) 基本

每股基本盈利乃根據本公司普通股股權擁有人應佔利潤除以年內已發行普通股加權平均數計算。

a) Basic

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

	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
本公司普通股股權 擁有人應佔利潤	Profit attributable to ordinary equity holders of the Company	
	2,947,673	2,354,664
已發行普通股加權 平均數（千股）	Weighted average number of ordinary shares in issue (thousands)	
	1,399,000	1,399,000

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

13. 本公司普通股股權持有人應佔每股盈利 (續)

b) 攤薄

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

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (continued)

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.

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
本公司普通股股權 擁有人應佔利潤	Profit attributable to ordinary equity holders of the Company	2,947,673	2,354,664
可換股債券利息開支 (除稅後)	Interest expense on convertible bonds (net of tax)	93,684	73,852
用於釐定每股攤薄 盈利之利潤	Profit used to determine diluted earnings per share	3,041,357	2,428,516
已發行普通股加權平均數 (千股)	Weighted average number of ordinary shares in issue (thousands)	1,399,000	1,399,000
就以下各項調整： 假設兌換可換股債券 (千股)	Adjustment for: Assumed conversion of convertible bonds (thousands)	104,000	102,632
用於計算每股攤薄 盈利之普通股加權 平均數(千股)	Weighted average number of ordinary shares for diluted earnings per share (thousands)	1,503,000	1,501,632

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

14. 物業、廠房及設備

14. PROPERTY, PLANT AND EQUIPMENT

		樓宇	廠房及機器	汽車	傢俬及 固定裝置 Furniture and fixtures	在建工程	總計
		Buildings	Plant and machinery	Motor vehicles	Construction in progress		Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
賬面淨值：	Net book value:						
於二零一五年十二月三十一日	At 31 December 2015	2,528,427	2,138,968	62,141	99,691	720,523	5,549,750
成本：	Cost:						
於二零一六年一月一日	At 1 January 2016	3,284,630	4,193,289	128,111	262,193	720,523	8,588,746
添置	Additions	144,872	559,937	15,118	53,842	1,254,176	2,027,945
轉撥	Transfers	962,092	638,606	978	28,263	(1,629,939)	-
出售	Disposals	(26,377)	(32,240)	(6,498)	(3,166)	-	(68,281)
匯兌調整	Exchange realignment	46,958	45,069	1,581	3,165	-	96,773
於二零一六年十二月三十一日	At 31 December 2016	4,412,175	5,404,661	139,290	344,297	344,760	10,645,183
累計折舊：	Accumulated depreciation:						
於二零一六年一月一日	At 1 January 2016	756,203	2,054,321	65,970	162,502	-	3,038,996
年度折舊撥備	Depreciation provided during the year	224,409	347,652	17,940	49,817	-	639,818
出售	Disposals	(26,377)	(27,268)	(5,731)	(2,413)	-	(61,789)
匯兌調整	Exchange realignment	2,663	11,131	425	902	-	15,121
於二零一六年十二月三十一日	At 31 December 2016	956,898	2,385,836	78,604	210,808	-	3,632,146
賬面淨值：	Net book value:						
於二零一六年十二月三十一日	At 31 December 2016	3,455,277	3,018,825	60,686	133,489	344,760	7,013,037
賬面淨值：	Net book value:						
於二零一四年十二月三十一日	At 31 December 2014	2,065,668	1,842,776	41,184	58,438	175,794	4,183,860
成本：	Cost:						
於二零一五年一月一日	At 1 January 2015	2,709,297	3,651,307	102,429	197,656	175,794	6,836,483
添置	Additions	37,202	308,600	35,466	62,195	1,420,284	1,863,747
轉撥	Transfers	588,671	278,852	2,824	5,208	(875,555)	-
出售	Disposals	(51,415)	(53,724)	(12,946)	(2,984)	-	(121,069)
匯兌調整	Exchange realignment	875	8,254	338	118	-	9,585
於二零一五年十二月三十一日	At 31 December 2015	3,284,630	4,193,289	128,111	262,193	720,523	8,588,746
累計折舊：	Accumulated depreciation:						
於二零一五年一月一日	At 1 January 2015	643,629	1,808,531	61,245	139,218	-	2,652,623
年度折舊撥備	Depreciation provided during the year	163,453	286,501	16,174	25,917	-	492,045
出售	Disposals	(51,415)	(44,870)	(11,639)	(2,726)	-	(110,650)
匯兌調整	Exchange realignment	536	4,159	190	93	-	4,978
於二零一五年十二月三十一日	At 31 December 2015	756,203	2,054,321	65,970	162,502	-	3,038,996
賬面淨值：	Net book value:						
於二零一五年十二月三十一日	At 31 December 2015	2,528,427	2,138,968	62,141	99,691	720,523	5,549,750

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

14. 物業、廠房及設備 (續)

於二零一六年十二月三十一日，本集團若干設備賬面淨值約人民幣612,791,000元（二零一五年：人民幣258,418,000元）已作抵押作為本集團所獲授若干銀行貸款之擔保（附註29）。

於本報告日期，本集團正為其若干樓宇申請所有權證，於二零一六年十二月三十一日賬面淨值總額約人民幣1,697,554,000元。本公司董事認為本集團有權合法並有效佔有及使用上述樓宇。本公司董事亦認為上述事宜不會對本集團於二零一六年十二月三十一日的財務狀況有重大影響。

14. PROPERTY, PLANT AND EQUIPMENT

(continued)

At 31 December 2016, certain of the Group's equipment with a net carrying amount of approximately RMB612,791,000 (2015: RMB258,418,000) were pledged to secured certain bank loans granted to the Group (note 29).

As at the date of this report, the Group was in the process of applying for the title certificates of certain of its buildings with an aggregate net carrying amount of approximately RMB1,697,554,000 as at 31 December 2016. The directors of the Company are of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned buildings. The directors of the Company are also of the opinion that the aforesaid matters will not have any significant impact on the Group's financial position as at 31 December 2016.

15. 預付土地租賃款項

15. PREPAID LAND LEASE PAYMENTS

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
成本：	Cost:		
於一月一日	At 1 January	1,027,888	849,951
添置	Additions	–	177,937
匯兌調整	Exchange realignment	15,623	–
於十二月三十一日	At 31 December	1,043,511	1,027,888
累計攤銷：	Accumulated amortisation:		
於一月一日	At 1 January	96,633	76,097
年內攤銷	Amortisation during the year	23,280	20,536
匯兌調整	Exchange realignment	426	–
於十二月三十一日	At 31 December	120,339	96,633
賬面淨值：	Net book value:		
於十二月三十一日	At 31 December	923,172	931,255
於一月一日	At 1 January	931,255	773,854

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

16. 無形資產

16. INTANGIBLE ASSETS

		軟件 Software 人民幣千元 RMB'000	用水權* Water Use Right* 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一六年 十二月三十一日	31 December 2016			
於二零一六年一月一日之 成本，已扣減累計攤銷	Cost at 1 January 2016, net of accumulated amortisation	29,362	80,088	109,450
添置	Additions	8,099	–	8,099
年度攤銷撥備	Amortisation provided during the year	(5,871)	(6,450)	(12,321)
於二零一六年 十二月三十一日	At 31 December 2016	31,590	73,638	105,228
於二零一六年 十二月三十一日：	At 31 December 2016:			
成本	Cost	45,189	129,000	174,189
累計攤銷	Accumulated amortisation	(13,599)	(55,362)	(68,961)
賬面淨值	Net carrying amount	31,590	73,638	105,228
		軟件 Software 人民幣千元 RMB'000	用水權* Water Use Right* 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一五年 十二月三十一日	31 December 2015			
於二零一五年一月一日之 成本，已扣減累計攤銷	Cost at 1 January 2015, net of accumulated amortisation	16,308	86,538	102,846
添置	Additions	16,285	–	16,285
年度攤銷撥備	Amortisation provided during the year	(3,231)	(6,450)	(9,681)
於二零一五年 十二月三十一日	At 31 December 2015	29,362	80,088	109,450
於二零一五年 十二月三十一日：	At 31 December 2015:			
成本	Cost	37,090	129,000	166,090
累計攤銷	Accumulated amortisation	(7,728)	(48,912)	(56,640)
賬面淨值	Net carrying amount	29,362	80,088	109,450

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

16. 無形資產 (續)

* 根據本集團與寧波市北侖區政府於二零零六年四月訂立之協議以及本集團、寧波市北侖區水利局與寧波市自來水總公司於二零零八年訂立之三份補充協議，本集團已同意向當地政府支付人民幣129,000,000元，以保證以優惠價持續獲得水資源供應，為期20年（「用水權」）。於二零一六年十二月三十一日，本集團已支付人民幣53,000,000元（二零一五年：人民幣53,000,000元），而餘額人民幣76,000,000元已計入其他應付款項。

16. INTANGIBLE ASSETS (continued)

* Pursuant to an agreement entered into by the Group and the Government of Beilun District, Ningbo City, in April 2006 and three supplementary agreements entered into by the Group, Ningbo Beilun Water Conservancy Bureau and Ningbo Water Supply General Company in 2008, the Group has agreed to pay the local government an amount of RMB129 million in exchange for a guaranteed constant water supply with a favourable price for a period of 20 years ("Water Use Right"). As at 31 December 2016, the Group has paid an amount of RMB53,000,000 (2015: RMB53,000,000), and the remaining amount of RMB76,000,000 was included in other payables.

17. 於一間聯營公司之投資

17. AN INVESTMENT IN AN ASSOCIATE

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
攤佔資產淨額	Share of net assets	7,173	4,677

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，並被視作本集團之關聯方。

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

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

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

下表詳述本集團並非重大之聯營公司之財務資料：

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

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
應佔聯營公司年度利潤及其他全面收益	Share of the associate's profit for the year and other comprehensive income	2,496	(957)
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	7,173	4,677

財務報表附註 Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

18. 存貨

18. INVENTORIES

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
原材料	Raw materials	773,025	800,877
在製品	Work in progress	1,525,175	1,295,316
製成品	Finished goods	1,416,990	1,160,208
		3,715,190	3,256,401
撥備	Provision	(16,100)	(23,554)
		3,699,090	3,232,847

19. 應收賬款及票據

19. TRADE AND BILLS RECEIVABLES

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
應收賬款及票據	Trade and bills receivables	2,652,707	2,001,783

本集團與客戶之貿易往來主要以信貸形式進行，信貸期約六個月以內。高級管理層會定期檢討逾期末付結餘。

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.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

19. 應收賬款及票據 (續)

於報告期末，根據發票日期計算之應收賬款及票據賬齡分析如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
三個月內	Within three months	2,445,597	1,902,454
三個月以上	Over three months	207,110	99,329
		2,652,707	2,001,783

並無單獨或共同被視為已減值之應收賬款及票據之賬齡分析如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
未逾期或減值	Neither past due nor impaired	2,620,070	1,993,905
逾期少於三個月	Less than three months past due	8,766	3,135
逾期三個月以上	Over three months past due	23,871	4,743
		2,652,707	2,001,783

未逾期或減值之應收款項與近期並無拖欠記錄之客戶有關。

已逾期但未減值之應收款項與若干獨立客戶有關，該等客戶向本集團付款之記錄良好。根據過往經驗，本公司董事認為，由於信貸質素並無重大變動，且該等結餘仍被視為可全數收回，故無須就該等結餘計提減值撥備。本集團並無就該等結餘持有任何抵押品或制定其他提升信貸質素安排。

19. TRADE AND BILLS RECEIVABLES (continued)

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

The aged analysis of the trade and bills receivables that are not individually nor collectively considered to be impaired is as follows:

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

19. 應收賬款及票據 (續)

於十二月三十一日，應收賬款及票據以下列貨幣計值：

19. TRADE AND BILLS RECEIVABLES (continued)

At 31 December, the trade and bills receivables were denominated in the following currencies:

		二零一六年 2016		二零一五年 2015	
	原幣 Original currency 千元 in thousand	折合人民幣 RMB equivalent 人民幣千元 RMB'000	原幣 Original currency 千元 in thousand	折合人民幣 RMB equivalent 人民幣千元 RMB'000	
美元	US\$	243,710	1,690,614	178,429	1,158,647
人民幣	RMB		962,093		843,136
			2,652,707		2,001,783

應收賬款及票據之賬面值與其公允值相若。

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

20. 預付款項、按金及其他應收款項 20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 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	125,029	150,929
– 購買物業、廠房及設備 項目	– Purchase of items of property, plant and equipment	86,782	43,490
– 預付租金及按金	– Prepaid rental and deposits	124,375	115,648
– 其他	– Others	15,356	15,319
應收及可收回增值稅退款	VAT refund receivable and recoverable	183,540	195,906
應收利息	Interest receivable	69,797	99,010
其他應收款項	Other receivables	69,357	55,982
		674,236	676,284
非即期	Non-current		
長期預付款項*	Long-term prepayments*	78,328	–

上述資產均無逾期或減值。上述結餘所包含之金融資產與近期並無欠款記錄之應收款項有關。

預付款項、按金及其他應收款項之賬面值與其公允值相若。

* 長期預付款項是土地使用權之預付款項。

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

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

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

21. 委託貸款

21. ENTRUSTED LOANS

		二零一六年 2016			二零一五年 2015		
		利率(%)	到期日	本金金額 人民幣千元 Principal amount RMB'000	利率(%)	到期日	本金金額 人民幣千元 Principal amount RMB'000
		Interest rate (%)	Maturity		Interest rate (%)	Maturity	
即期	Current						
委託貸款－有擔保	Entrusted loans – guaranteed	6.40	2017	150,000	5.05 - 5.10	2016	120,000
非即期	Non-current						
委託貸款－有擔保	Entrusted loans – guaranteed			-	6.21 - 6.40	2017	550,000
				150,000			670,000

於二零一六年十二月三十一日，委託貸款由一中國大陸持牌銀行提供擔保。

As at 31 December 2016, entrusted loans are guaranteed by a licensed bank in Mainland China.

22. 可供出售投資

22. AVAILABLE-FOR-SALE INVESTMENTS

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 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	3,120,000	800,000

於二零一六年十二月三十一日，由多間金融機構所發行若干賬面值為人民幣3,120,000,000元（二零一五年：人民幣800,000,000元）的金融產品乃按成本減減值入賬。在按各金融機構分組時根據香港聯合交易所有限公司證券上市規則（「上市規則」）第14.07條對該等金融產品進行之相關規模測試均小於5%，故投資於該等金融產品並不構成本公司於上市規則項下之須予通知交易。董事認為彼等之公允值不能可靠計量。金融產品之年期少於一年且預期年回報率最高達4.8%（二零一五年：5.0%）。根據相關合約或通知，該等金融產品於到期日時保本。本集團不擬於近期出售該等金融產品。

As at 31 December 2016, certain financial products issued by several financial institutions with a carrying amount of RMB3,120,000,000 (2015: RMB800,000,000) were stated at cost less impairment. The relevant size tests pursuant to Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for such financial products, when grouped by each financial institution, are all less than 5% and the investment in such financial products do not constitute notifiable transactions of the Company under the Listing Rules. The directors are of the opinion that their fair value cannot be measured reliably. The financial products have terms of less than one year and have expected annual rates of return up to 4.8% (2015: 5.0%). 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.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

23. 衍生金融工具

23. DERIVATIVE FINANCIAL INSTRUMENTS

		二零一六年		二零一五年	
		2016		2015	
		資產	負債	資產	負債
		Assets	Liabilities	Assets	Liabilities
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
遠期貨幣合約	Forward currency contracts	-	-	-	-

遠期貨幣合約－現金流量對沖

遠期貨幣合約指定用作對海外客戶之預測未來銷售之對沖工具。遠期貨幣合約結餘隨預計外幣銷售之水平及外匯遠期利率之變動而改變。本集團在二零一六年沒有進行任何遠期貨幣合約。

遠期貨幣合約的年期與預測未來銷售年期相符。在二零一五年，虧損淨額人民幣9,363,000元按下列方式計入對沖儲備：

Forward currency contracts – cash flow hedges

Forward currency contracts are designated as hedging instruments in respect of forecast future sales to overseas customers. The forward currency contract balances vary with the levels of expected foreign currency sales and changes in foreign exchange forward rates. The Group did not enter into any forward currency contracts in 2016.

The terms of the forward currency contracts match the terms of the forecast future sales. Net losses of RMB9,363,000 for the year 2015 were included in the hedging reserve as follows:

		二零一五年
		2015
		人民幣千元
		RMB'000
計入對沖儲備之公允值虧損總額	Total fair value losses included in the hedging reserve	(3,529)
公允值收益之遞延稅項	Deferred tax on fair value gains	568
從綜合損益表中確認之其他全面收益重新分類	Reclassified from other comprehensive income recognised in the consolidated statement of profit or loss	(7,685)
重新分類至損益之遞延稅項	Deferred tax on reclassification to profit or loss	1,283
現金流量對沖之虧損淨額	Net losses on cash flow hedges	(9,363)

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

24. 結構存款

24. STRUCTURED DEPOSITS

	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 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	
	-	110,000

於二零一五年十二月三十一日，結構存款期限於一年以內，固定年回報率為3.6%。根據有關合約或通告，該等結構存款將於到期日時保本，並不可於到期日前提前贖回。該等結構存款於本年度到期。

As at 31 December 2015, the structured deposits had terms of less than one year with fixed annual rates of return at 3.6%. Pursuant to the underlying contracts or notices, these structured deposits are capital and return guaranteed upon the maturity date. No redemption ahead of the maturity date is allowed. These structured deposits matured in the current year.

25. 抵押存款

25. PLEDGED DEPOSITS

	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
流動	Current	
就外幣掉期作出抵押	Pledged for foreign currency swaps	-
非流動	Non-current	
就銀行貸款作出抵押	Pledged for bank loans	-
	500,000	1,830,908

於二零一六年十二月三十一日，若干本集團定期存款人民幣500,000,000元（二零一五年：無）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%。

At 31 December 2016, certain of the Group's time deposits with an amount of RMB500,000,000 (2015: Nil) 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%.

於二零一五年十二月三十一日，為數208,046,000美元、5,800,000,000日圓、14,000,000歐元以及22,866,000瑞士法郎（折合約人民幣1,830,908,000元）之銀行結餘已作抵押，直至本集團結清所持的若干外匯掉期為止，並按介乎1.2厘至2.9厘之固定年利率計息。該等交易已於本年度完成。

As at 31 December 2015, bank balance of US\$208,046,000, JPY5,800,000,000, EUR14,000,000 and CHF22,866,000, equivalent to approximately RMB1,830,908,000 were restricted until certain foreign currency swap transactions held by the Group were settled, carrying fixed interest rates from 1.2% to 2.9% per annum. These foreign currency swap transactions were completed in current year.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

26. 現金及現金等價物

26. CASH AND CASH EQUIVALENTS

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
現金及銀行結餘	Cash and bank balances	1,961,086	1,748,380
初始存款期少於三個月之 銀行存款	Bank deposits with an initial term of less than three months	144,098	67,298
現金及現金等價物	Cash and cash equivalents	2,105,184	1,815,678

於報告期末，本集團以人民幣計值之現金及銀行結餘約為人民幣983,234,000元（二零一五年：人民幣1,038,440,000元）。人民幣不可自由兌換為其他貨幣。然而，根據中國大陸之外匯管理條例及結匯、售匯及付匯管理規定，本集團獲批准透過獲授權可以進行匯兌業務之銀行將人民幣兌換為其他貨幣。

存放於銀行之現金按銀行之每日存款利率以浮動利率賺取利息。短期存款以一日至三個月不等之不同期間存置，視乎本集團之即時現金需求而定，並按相應短期存款利率賺取利息。銀行結餘已存入最近並無違約記錄之信譽良好銀行。現金及現金等價物之賬面值與其公允值相若。

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately RMB983,234,000 (2015: RMB1,038,440,000). The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

27. 應付賬款及票據

於報告期末，應付賬款及票據賬齡分析如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
六個月內	Within six months	739,842	642,818
六個月至一年	Six months to one year	4,377	21,636
一年至兩年	One year to two years	3,632	4,341
兩年以上	Over two years	10,366	9,740
		758,217	678,535

應付賬款及票據不計息。應付賬款及票據之賬面值與其公允值相若。

27. TRADE AND BILLS PAYABLES

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

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

28. 其他應付款項及應計款項

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
應計開支	Accrued expenses	408,765	296,989
用水權應付款項(附註16)	Payable for Water Use Right (note 16)	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	56,048	74,896
有關建築工程之保證金	Guarantee deposits related to construction projects	9,143	5,740
客戶預收款項	Advance from customers	48,268	70,133
租賃按金	Rental deposits	4,359	5,921
其他應付稅項	Other taxes payable	122,983	52,660
應付非控制性權益之股息	Dividends payable to non-controlling interests	587	587
其他	Others	60,921	60,013
		787,074	642,939

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。

28. OTHER PAYABLES AND ACCRUALS

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

29. 計息銀行借貸

29. INTEREST-BEARING BANK BORROWINGS

		二零一六年 2016			二零一五年 2015		
		實際利率 (厘)	到期日	人民幣千元	實際利率 (厘)	到期日	人民幣千元
		Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
流動	Current						
銀行貸款—無抵押 (按要求還款)	Bank loans – unsecured (due for repayment on demand)	HIBOR +0.81	2017	357,800	LIBOR/ HIBOR +1 – 1.35	2016	586,460
銀行貸款—有抵押 (按要求還款)	Bank loans – secured (due for repayment on demand)	2.6 – 3.5	2019 – 2021*	883,633	2.9 – 3.0	2019 – 2020*	70,391
				1,241,433			656,851

* 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.

		二零一六年 2016	二零一五年 2015
		人民幣千元 RMB'000	人民幣千元 RMB'000
細分為：	Analysed into:		
須於下列期間償還之銀行貸 款及透支：	Bank loans and overdrafts repayable:		
一年內或按要求	Within one year or on demand	1,241,433	656,851

(a) 於二零一六年十二月三十一日，所有借貸均以美元、港元及人民幣計值。

(a) As at 31 December 2016, the borrowings were denominated in United States dollars, Hong Kong dollars and RMB.

(b) 本集團若干銀行貸款乃由下述者作抵押：

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

(i) 本集團若干設備之按揭，於二零一六年十二月三十一日之賬面值總額約人民幣612,791,000元（二零一五年：人民幣258,418,000元）；及

(i) mortgages over certain of the Group's equipment, which had an aggregate carrying value as at 31 December 2016 of approximately RMB612,791,000 (2015: RMB258,418,000); and

(ii) 本集團之若干定期存款抵押，達人民幣500,000,000元（二零一五年：無）。

(ii) the pledge of certain of the Group's time deposits amounting to RMB500,000,000 (2015: Nil).

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

30. 可換股債券

30. CONVERTIBLE BONDS

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
於二零一四年六月十八日	Face value of convertible bonds		
發行之可換股債券之面值	issued on 18 June 2014	3,097,380	3,097,380
發行費用	Issuing expenses	(53,790)	(53,790)
權益部分	Equity component	(197,140)	(197,140)
於二零一四年六月十八日	Liability component on initial recognition		
初步確認時的負債部分	on 18 June 2014	2,846,450	2,846,450
匯率變動影響	Effect of exchange rate changes	373,834	160,278
累計融資成本	Accumulated finance costs	231,023	134,553
應付利息	Interest paid	(41,162)	(24,272)
負債部分	Liability component	3,410,145	3,117,009

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

負債部份及權益部份之公允值於可換股債券發行時釐定。

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

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

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

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

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

30. 可換股債券 (續)

於二零一六年十二月三十一日，可換股債券的公允值與其賬面值相若。

於二零一六年十二月三十一日，概無債券持有人將其債券轉換為本公司之普通股。

31. 遞延稅項

遞延所得稅賬目之總變動如下：

30. CONVERTIBLE BONDS (continued)

The fair value of the convertible bonds approximated to their carrying amount as at 31 December 2016.

As at 31 December 2016, no bond holders have converted their bonds into ordinary shares of the Company.

31. DEFERRED TAX

The gross movements in the deferred tax accounts are as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
年初	At beginning of year	4,981	10,840
於本年度損益表扣除之 遞延稅項 (附註11)	Deferred tax charged to the statement of profit or loss during the year (note 11)	(3,185)	(7,709)
於本年度權益計入之 遞延稅項	Deferred tax credited to equity during the year	-	1,850
年終	At end of year	1,796	4,981

遞延稅項資產及負債於年內之變動：

The movements in deferred tax assets and liabilities during the year are as follows:

(a) 遞延稅項資產

(a) Deferred tax assets

		撥備 Provisions 人民幣千元 RMB'000
於二零一五年一月一日	At 1 January 2015	12,690
於本年度損益表扣除之 遞延稅項	Deferred tax charged to the statement of profit or loss during the year	(7,709)
二零一五年十二月三十一日	At 31 December 2015	4,981
於本年度損益表扣除之 遞延稅項	Deferred tax charged to the statement of profit or loss during the year	(1,352)
於二零一六年十二月三十一日	At 31 December 2016	3,629

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

31. 遞延稅項 (續)

(a) 遞延稅項資產 (續)

於二零一六年十二月三十一日，本集團有累計稅務虧損約人民幣586,042,000元（二零一五年：人民幣491,471,000元）將於一至五年內列期，用以抵銷未來應課稅利潤。本集團並未就此等可扣稅暫時差額確認遞延稅項資產，原因為其認為不大可能有應課稅利潤以供抵銷可扣稅暫時差額。

於中國大陸、柬埔寨王國及越南產生並可用於抵銷未來應課稅利潤之稅務虧損將於一至五年到期。

(b) 遞延稅項負債

31. DEFERRED TAX (continued)

(a) Deferred tax assets (continued)

The Group had accumulated tax losses of approximately RMB586,042,000 as at 31 December 2016 (2015: RMB491,471,000), which will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these deductible temporary differences as it is not considered probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The tax losses arising in Mainland China, the Kingdom of Cambodia and Vietnam for offsetting against future taxable profits will expire in one to five years.

(b) Deferred tax liabilities

		折舊撥備超出 有關折舊的 金額 Depreciation allowance in excess of related depreciation 人民幣千元 RMB'000	現金流量 對沖項目 Cash flow hedges 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一五年一月一日	At 1 January 2015	-	1,850	1,850
於本年度損益表 計入之遞延稅項	Deferred tax credited to the statement of profit or loss during the year	-	(1,850)	(1,850)
於二零一五年 十二月三十一日	At 31 December 2015	-	-	-
於本年度損益表 扣除之遞延稅項	Deferred tax charged to the statement of profit or loss during the year	1,833	-	1,833
於二零一六年 十二月三十一日	At 31 December 2016	1,833	-	1,833

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

31. 遞延稅項 (續)

(b) 遞延稅項負債 (續)

根據中國企業所得稅法，於二零零八年一月一日起，於中國大陸成立之海外投資企業所宣派之股息須徵收10%預扣稅。倘中國與海外投資者所屬司法權區有稅務安排，則可應用較低之預扣稅率。就本集團而言，適用稅率為5%。稅務機關於二零零八年二月二十二日頒佈財稅(2008)第1號，訂明以於二零零七年十二月三十一日的保留盈利宣派及匯出中國之股息獲豁免繳納預扣稅。

於二零一六年十二月三十一日，概無就本集團於中國大陸成立之附屬公司須繳交預扣稅之未匯出盈利之應付預扣稅而確認遞延稅項。董事認為，該等附屬公司於可見將來分派該等未匯出盈利之可能性不大。於二零一六年十二月三十一日，與投資於中國大陸附屬公司有關尚未確認遞延稅項負債之暫時差額總數約為人民幣12,293,092,000元(二零一五年：人民幣9,956,484,000元)。

31. DEFERRED TAX (continued)

(b) Deferred tax liabilities (continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared from the foreign investment enterprises established in Mainland China effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax arrangement between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. On 22 February 2008, Caishui (2008) No. 1 was promulgated by the tax authorities to specify that dividends declared and remitted out of the PRC from the retained profits as at 31 December 2007 are exempted from withholding tax.

At 31 December 2016, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such unremitted earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB12,293,092,000 at 31 December 2016 (2015: RMB9,956,484,000).

32. 股本

股份

32. SHARE CAPITAL

Shares

		二零一六年 2016		二零一五年 2015	
		千港元 HK\$'000	人民幣千元 RMB'000	千港元 HK\$'000	人民幣千元 RMB'000
已發行及繳足：	Issued and fully paid:				
1,399,000,000股	1,399,000,000 (2015:				
(二零一五年：	1,399,000,000) ordinary				
1,399,000,000)每股面值	shares of HK\$0.10 each				
0.10港元之普通股		139,900	142,105	139,900	142,105

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

33. 儲備

本集團於目前及過往年度之儲備金額及其變動已呈列於財務報表第130頁綜合權益變動表。

(i) 法定盈餘公積金（「法定盈餘公積金」）

根據中國公司法及中國大陸附屬公司之組織章程細則，各中國大陸附屬公司須將按照中國公認會計原則釐定之除稅後利潤10%撥入至法定盈餘公積金，直至有關公積金達到註冊股本之50%為止。部分法定盈餘公積金可用於增加繳足股本，惟資本化後之餘額不得少於註冊股本之25%。

(ii) 匯兌波動儲備

匯兌波動儲備用作記錄因換算海外附屬公司之財務報表產生之匯兌差額。

(iii) 其他儲備

其他儲備指不喪失控制權的情況下，部分出售附屬公司所獲得的代價超過於交易日期非控制性權益賬面值部分。

33. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 130 of the financial statements.

(i) Statutory surplus reserve ("SSR")

In accordance with the Company Law of the PRC and the articles of association of the Mainland China subsidiaries, each of the Mainland China subsidiaries is required to allocate 10% of their profit after tax, as determined in accordance with the PRC generally accepted accounting principles, to the SSR until the reserve reaches 50% of its registered capital. Part of the SSR may be converted to increase paid-up capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

(ii) Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of the foreign subsidiaries.

(iii) Other reserve

The other reserve represents the excess of the consideration received for partial disposal of a subsidiary without loss of control, over the carrying amount of the non-controlling interests as at the transaction date.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

34. 非控股權益之交易

(a) 不喪失控制權情況下出售附屬公司權益

於二零一六年八月二十六日，本公司與網易（香港）有限公司就出售4,900股馬威BVI普通股訂立一份購股協議，代價約人民幣77,245,000元。

(b) 截至二零一六年十二月三十一日止年度，與非控制性權益的交易對本公司權益持有人應佔權益的影響

34. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Disposal of interest in a subsidiary without loss of control

On 26 August 2016, the Company and NetEase (Hong Kong) Limited entered into a share purchase agreement in relation to the sales of 4,900 ordinary shares of Maxwin BVI at a consideration of approximately RMB77,245,000.

(b) Effects of transactions with non-controlling interests on the equity attributable to owners of the Company for the year ended 31 December 2016

		對權益總額 的影響 Effect on the total equity 人民幣千元 RMB'000
<hr/>		
本公司股東應佔權益變動來自：	Changes in equity attributable to shareholders of the Company arising from:	
— 不喪失控制權情況下出售附屬公司權益	– disposal of interest in a subsidiary without loss of control	148,333
<hr/>		

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

35. 按類別劃分之金融工具

於報告期末，各類別金融工具之賬面值如下：

金融資產

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

		二零一六年 2016		
		貸款及 應收款項	可供出售 金融資產	總計
		Loans and receivables	Available- for-sale financial assets	Total
		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	-	3,120,000	3,120,000
應收賬款及票據	Trade and bills receivables	2,652,707	-	2,652,707
計入預付款項、 按金及其他應收款項之 金融資產	Financial assets included in prepayments, deposits and other receivables	139,154	-	139,154
應收關聯人士款項	Amounts due from related parties	826	-	826
委託貸款	Entrusted loans	150,000	-	150,000
已抵押存款	Pledged deposits	500,000	-	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	783,452	-	783,452
現金及現金等價物	Cash and cash equivalents	2,105,184	-	2,105,184
		6,331,323	3,120,000	9,451,323

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

35. 按類別劃分之金融工具 (續)

金融資產 (續)

35. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

Financial assets (continued)

		二零一五年 2015		
		貸款及 應收款項	可供出售 金融資產	總計
		Loans and receivables	Available- for-sale financial assets	Total
		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	–	800,000	800,000
應收賬款及票據	Trade and bills receivables	2,001,783	–	2,001,783
計入預付款項、 按金及其他應收款項之 金融資產	Financial assets included in prepayments, deposits and other receivables	154,992	–	154,992
應收關聯人士款項	Amounts due from related parties	559	–	559
委託貸款	Entrusted loans	670,000	–	670,000
結構存款	Structured deposits	110,000	–	110,000
已抵押存款	Pledged deposits	1,830,908	–	1,830,908
初始存款期逾三個月之 銀行存款	Bank deposits with an initial term of over three months	623,442	–	623,442
現金及現金等價物	Cash and cash equivalents	1,815,678	–	1,815,678
		7,207,362	800,000	8,007,362

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

35. 按類別劃分之金融工具 (續)

金融負債

35. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

Financial liabilities

		二零一六年 2016 按攤銷成本 計算之 金融負債 Financial liabilities at amortised cost 人民幣千元 RMB'000	二零一五年 2015 按攤銷成本 計算之 金融負債 Financial liabilities at amortised cost 人民幣千元 RMB'000
應付賬款及票據	Trade and bills payables	758,217	678,535
計入其他應付款項及 應計款項之金融負債	Financial liabilities included in other payables and accruals	330,041	275,817
應付關聯人士款項	Amount due to a related party	-	2,166
可換股債券	Convertible bonds	3,410,145	3,117,009
計息銀行借貸	Interest-bearing bank borrowings	1,241,433	656,851
		5,739,836	4,730,378

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

36. 金融工具之公允值及公允值層級

本集團之金融工具賬面值及公允值（其賬面值與公允值合理相若者除外）如下：

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

		賬面值		公允值	
		Carrying amounts		Fair values	
		二零一六年	二零一五年	二零一六年	二零一五年
		2016	2015	2016	2015
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
金融資產：	Financial assets:				
可供出售投資	Available-for-sale investments	3,120,000	800,000	3,111,449	798,472
應收賬款及票據	Trade and bills receivables	2,652,707	2,001,783	2,652,707	2,001,783
計入預付款項、 按金及其他應收款項之 金融資產	Financial assets included in prepayments, deposits and other receivables	139,154	154,992	139,154	154,992
應收關聯人士款項	Amounts due from related parties	826	559	826	559
委託貸款	Entrusted loans	150,000	670,000	152,405	688,288
結構存款	Structured deposits	-	110,000	-	110,009
已抵押存款	Pledged deposits	500,000	1,830,908	497,255	1,824,280
初始存款期逾三個月之 銀行存款	Bank deposits with an initial term of over three months	783,452	623,442	765,498	622,811
現金及現金等價物	Cash and cash equivalents	2,105,184	1,815,678	2,105,184	1,815,678
		9,451,323	8,007,362	9,424,478	8,016,872
金融負債：	Financial liabilities:				
應付賬款及票據	Trade and bills payables	758,217	678,535	758,217	678,535
計入其他應付款項及 應計款項之金融負債	Financial liabilities included in other payables and accruals	330,041	275,817	330,041	275,817
應付關聯人士款項	Amount due to a related party	-	2,166	-	2,166
可換股債券	Convertible bonds	3,410,145	3,117,009	3,410,145	3,117,009
計息銀行借貸	Interest-bearing bank borrowings	1,241,433	656,851	1,216,901	648,273
		5,739,836	4,730,378	5,715,304	4,721,800

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

36. 金融工具之公允值及公允值層級 (續)

金融資產及負債之公允值以該工具於自願交易方(而非強迫或清盤銷售)當前交易下的可交易金額入賬。下列方法及假設乃用於估算公允值：

現金及現金等價物、初始存款期逾三個月之銀行存款即期部分、委託貸款、結構存款、已抵押存款即期部分、可供出售投資、應收賬款及票據、計入預付款項、按金及其他應收款項之金融資產、應付賬款及票據、計入其他應付款項及應計款項之金融負債及應收／應付附屬公司款項的公允值與其賬面值相若，主要原因為該等工具於短期內到期。

初始存款期逾三個月之銀行存款非即期部分、已抵押存款非即期部分、計息銀行借貸及可換股債券之公允值乃使用具有類似條款、信貸風險及餘下到期日之工具現時可取得之利率貼現預期未來現金流量而計算。

37. 財務風險管理目標及政策

除衍生工具外，本集團之主要金融工具包括可換股債券、銀行貸款及現金以及短期定期存款。該等金融工具主要旨在為本集團營運籌集所需資金。本集團亦有多種其他金融資產及負債，例如直接從營運產生之應收賬款及應付賬款。

本集團金融工具產生之主要風險為利率風險、外匯風險、信貸風險及流動資金風險。董事會審閱及協定政策以管理各項風險，有關政策於下文概述。

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of cash and cash equivalents, the current portion of bank deposits with an initial term of over three months, entrusted loans, structured deposits, the current portion of pledged deposits, available-for-sale investments, trade and bills receivables, financial assets included in prepayments, deposits and other receivables, trade and bills payables, financial liabilities included in other payables and accruals and amounts due from/to subsidiaries approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the non-current portion of bank deposits with an initial term of over three months, the non-current portion of pledged deposits, the interest-bearing bank borrowings and convertible bonds have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise convertible bonds, bank loans and cash and short-term time deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

37. 財務風險管理目標及政策

(續)

利率風險

本集團所面對市場利率變動風險主要與本集團浮息長期債務責任(包括載有按要求還款條文且須於一年後到期償還之銀行借貸)有關。

下表列示於報告期末,在所有其他變數不變之情況下,本集團除稅前利潤對利率合理可能變動之敏感度分析。

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations (including the bank borrowings due to repayment after one year which contain a repayment on demand clause) with floating interest rates.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit before tax.

		上調/ (下調)基點	除稅前 利潤增加/ (減少)
		Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax
			人民幣千元 RMB'000
二零一六年	2016		
如利率上調	If interest rate increases	50	(44,182)
如利率下調	If interest rate decreases	(50)	44,182
二零一五年	2015		
如利率上調	If interest rate increases	50	(3,520)
如利率下調	If interest rate decreases	(50)	3,520

外匯風險

本集團面對交易貨幣風險。該等風險來自銷售。本集團約76%(二零一五年:76%)銷售以外幣計值,而非以進行銷售之經營單位功能貨幣人民幣計值。

Foreign currency risk

The Group has transactional currency exposures. These exposures arise from sales. Approximately 76% (2015: 76%) of the Group's sales were denominated in foreign currencies other than the functional currency of RMB of the operating units making the sales.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

37. 財務風險管理目標及政策

(續)

外匯風險 (續)

下表列示於報告期末，在所有其他變數不變之情況下，本集團除稅前利潤對美元匯率合理可能變動之敏感度分析（由於貨幣資產及負債之公允值改變所致）。

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in US\$ exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

		外幣匯率 上升 / (下跌)	對除稅前 利潤之影響
		Increase/ (decrease) in foreign currency rate	Effect on profit before tax
		%	人民幣千元 RMB'000
二零一六年	2016		
倘人民幣兌美元升值	If RMB strengthens against US\$	5	(84,110)
倘人民幣兌美元貶值	If RMB weakens against US\$	(5)	84,110
二零一五年	2015		
倘人民幣兌美元升值	If RMB strengthens against US\$	5	(46,722)
倘人民幣兌美元貶值	If RMB weakens against US\$	(5)	46,722

信貸風險

本集團僅與知名及信譽良好之第三方進行交易。本集團之政策為所有欲按信貸期進行交易之客戶，必須經過信貸核實程序。此外，本集團持續監察應收款項結餘，且本集團面對之壞賬風險並不重大。

本集團其他金融資產（包括現金及現金等價物、初始存款期逾三個月之銀行存款、委託貸款、結構存款、抵押存款、可供出售投資、計入預付款項、按金及其他應收款項之金融資產、應收關聯人士款項）之信貸風險來自交易對手違約，所承受最高風險相等於該等工具之賬面值。

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, bank deposits with an initial term of over three months, entrusted loans, structured deposits, pledged deposits, available-for-sale investments, financial assets included in prepayments, deposits, and other receivables, amounts due from related parties, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

37. 財務風險管理目標及政策

(續)

信貸風險 (續)

由於本集團只與知名且信譽良好之第三方進行交易，因此毋須抵押品。信貸集中風險按客戶／交易對手管理。於報告期末，本集團有若干信貸集中風險，因本集團34%（二零一五年：30%）及92%（二零一五年：96%）應收賬款及票據分別來自本集團之最大客戶及五大客戶。由於本集團之主要客戶均為世界著名品牌公司，其與本集團已建立長期業務關係，因此，本集團可妥善管理信貸集中風險。

有關本集團來自應收賬款及票據之信貸風險進一步量化數據，於財務報表附註19披露。

流動資金風險

本集團透過循環流動資金計劃工具監控資金短缺風險。有關工具考慮其金融工具及金融資產（例如應收賬款及票據）之到期日以及經營業務之預計現金流量。

於報告期末，按照已訂約無貼現付款計算，本集團金融負債之到期日情況如下：

		二零一六年 2016					
		六個月至					
按要 求	少於六個月	少於十二個月	一至兩年	兩年以上	總計		
	6 to						
	Less than	less than	1 to 2	Over	Total		
On demand	6 months	12 months	years	2 years			
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
應付賬款及票據	Trade and bills payables	18,375	739,842	-	-	758,217	
其他應付款項	Other payables	330,041	-	-	-	330,041	
可換股債券	Convertible bonds	-	8,721	8,721	17,443	3,532,156	
計息銀行借貸	Interest-bearing bank borrowings	-	374,473	12,866	25,732	916,179	
		348,416	1,123,036	21,587	43,175	4,413,450	
						5,949,664	

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. At the end of the reporting period, the Group had certain concentrations of credit risk as 34% (2015: 30%) and 92% (2015: 96%) of the Group's trade and bills receivables were due from the Group's largest customer and the five largest customers, respectively. As the major customers of the Group are all world-famous brand companies, which have established long-term business relationships with the Group, concentrations of credit risk are well managed by the Group.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in note 19 to the financial statements.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and bills receivables) and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

37. 財務風險管理目標及政策

(續)

流動資金風險

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

		二零一五年					
		2015					
		六個月至					
	按要 求	少於六個月	少於十二個月	一至兩年	兩年以上	總計	
		Less than 6 months	less than 12 months	1 to 2 years	Over 2 years	Total	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
應付賬款及票據	Trade and bills payables	35,717	642,818	-	-	678,535	
其他應付款項	Other payables	275,817	-	-	-	275,817	
應付一名關聯人士款項	Amount due to a related party	-	2,166	-	-	2,166	
可換股債券	Convertible bonds	-	8,169	8,169	3,291,926	3,324,601	
計息銀行借貸	Interest-bearing bank borrowings	-	593,185	1,040	74,972	671,278	
		311,534	1,246,338	9,209	3,366,898	4,952,397	

資本管理

本集團資本管理之主要目標在於維護本集團持續經營之能力及維持良好資本比率，以支持其業務及為股東爭取最大價值。

本集團根據經濟狀況變動管理及調整其資本架構。為維持或調整資本架構，本集團可能調整向股東派付之股息、向股東發還資本或發行新股。截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度，有關管理資本的目標、政策或程序並無變動。

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 31 December 2015.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

37. 財務風險管理目標及政策

(續)

資本管理 (續)

本集團採用資本負債比率(即債務淨額除經調整資本加債務淨額)監控資本。債務淨額包括計息銀行借貸、應付賬款及票據、其他應付款項及應計款項以及應付一名關聯人士款項，減現金及現金等價物。資本包括可換股債券負債部分及本公司擁有人應佔權益。於報告期末，資本負債比率如下：

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. Net debt includes interest-bearing bank borrowings, trade and bills payables, other payables and accruals, and an amount due to a related party, less cash and cash equivalents. Capital includes the liability component of convertible bonds and equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
計息銀行借貸	Interest-bearing bank borrowings	1,241,433	656,851
應付賬款及票據	Trade and bills payables	758,217	678,535
其他應付款項及應計款項	Other payables and accruals	738,806	572,806
應付關聯人士款項	Amount due to a related party	-	2,166
現金及現金等價物	Cash and cash equivalents	(2,105,184)	(1,815,678)
債務淨額	Net debt	633,272	94,680
可換股債券，負債部份	Convertible bonds, the liability component	3,410,145	3,117,009
本公司擁有人應佔權益	Equity attributable to owners of the Company	15,092,944	13,074,120
經調整資本	Adjusted capital	18,503,089	16,191,129
資本及債務淨額	Capital and net debt	19,136,361	16,285,809
資本負債比率	Gearing ratio	3%	1%

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

38. 資產抵押

有關本集團就其資產抵押之銀行貸款之詳情分別載於財務報表附註14、25及29。

39. 承擔

(a) 經營租賃承擔

本集團根據不可撤銷經營租賃安排租賃其若干辦公室物業及廠房。

於二零一六年十二月三十一日，本集團根據不可撤銷經營租賃應付之未來最低租金如下：

38. PLEDGE OF ASSETS

Details of the Group's bank loans, which are secured by the assets of the Group, are included in notes 14, 25 and 29, respectively, to the financial statements.

39. COMMITMENTS

(a) Operating lease commitments

The Group leases certain of its office premises and plant under non-cancellable operating lease arrangements.

At 31 December 2016, the Group had total future minimum lease payments under non-cancellable operating leases as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
一年內	Within one year	95,430	81,293
第二至第五年 (包括首尾兩年)	In the second to fifth years, inclusive	269,761	178,760
五年後	After five years	143,783	152,166
		508,974	412,219

(b) 資本承擔

(b) Capital commitments

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
已訂約但未撥備： 購置物業、廠房及設備	Contracted, but not provided for: Acquisition of property, plant and equipment	325,766	329,813
購置土地使用權	Acquisition of land use right	109,244	—
		435,010	329,813

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

39. 承擔 (續)

(c) 未平倉遠期外匯合約

於二零一五年十二月三十一日，本集團有須於一年內出售以208,046,000美元換取約人民幣1,323,531,000元、以5,800,000,000日圓換取約人民幣298,265,000元、以14,000,000歐元換取約人民幣103,260,000元，以22,866,000瑞士法郎換取約人民幣156,944,000元的遠期外匯合約的承擔。於二零一六年，本集團沒有作出有關承擔。

40. 或然負債

於二零一六年十二月三十一日，本集團並無重大或然負債。

41. 關聯人士交易

(a) 本集團主要管理人員之酬金

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
董事及高級管理人員酬金	Remuneration of directors and senior management	24,663	23,904

有關董事及最高行政人員薪金之進一步詳情載於財務報表附註8。

(b) 與關聯人士之交易

(i) 一次性交易

根據二零一六年五月二十六日的買賣協議，本集團向寧波申洲置業有限公司（「申洲置業」）*收購位於中國安徽省望江縣的物業，總現金對價約人民幣134,048,000元。

39. COMMITMENTS (continued)

(c) Outstanding forward foreign exchange contracts

As at 31 December 2015, the Group had commitments to sell forward foreign exchange contracts of US\$208,046,000 for approximately RMB1,323,531,000, JPY5,800,000,000 for approximately RMB298,265,000, EUR14,000,000 for approximately RMB103,260,000, CHF22,866,000 for approximately RMB156,944,000 within one year. As at 31 December 2016, the Group had no such commitment.

40. CONTINGENT LIABILITIES

As at 31 December 2016, the Group had no significant contingent liabilities.

41. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel of the Group

Further details of the directors' and chief executive's emoluments are included in note 8 to the financial statements.

(b) Transactions with related parties

(i) One-off transaction

Pursuant to Sale and Purchase Agreement dated 26 May 2016, the Group acquired property situated at Wangjiang County, Anhui Province, People's Republic of China from Ningbo Shenzhou Properties Co., Ltd. ("Shenzhou Properties")* at an aggregate cash consideration of approximately RMB134,048,000.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

41. 關聯人士交易 (續)

(b) 與關聯人士之交易 (續)

(ii) 與關聯人士之持續交易

除本財務報表其他地方詳述之交易外，本集團於年內曾與關聯人士進行下列重大交易：

41. RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with related parties (continued)

(ii) Continuing transactions with related parties

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
向申洲置業租賃 服裝生產物業	Lease of apparel production properties from Shenzhou Properties	8,989	9,284
寧波申洲世通針織 有限公司 (「申洲世通」)* 提供之加工服務	Processing services provided by Ningbo Shenzhou Shitong Knitwear Co., Ltd. (“Shenzhou Shitong”)*	10,528	13,589
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”)**	48,377	46,438
寧波艾利***提供 印花服務	Printing service provided by Ningbo Avery***	59,371	31,105

* 申洲置業及申洲世通由本公司一名執行董事控制。

** 華西包裝品公司由本公司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 and Shenzhou Shitong are controlled by one of the Company's executive directors.

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

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

The purchase and lease from the related parties were made according to the published prices and conditions offered by the related companies to their major customers.

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

41. 關聯人士交易 (續)

(c) 與關聯人士之未償還結餘

本集團與其關聯人士有以下結餘：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
應收關聯人士款項	Amount due from related parties		
— 與貿易有關：	– trade related:		
申洲置業	Shenzhou Properties	70	559
寧波艾利	Ningbo Avery	756	–
		826	559
應付關聯人士款項：	Amount due to a related party		
— 與貿易有關	– trade related:		
華西包裝品公司	Huaxi Packaging Company	–	2,166

41. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balance with related parties

The Group had the following balance with its related parties:

42. 本公司財務狀況表

本公司於本報告期末之財務狀況表之詳情載列如下：

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 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	6	18
於附屬公司之投資	Investments in subsidiaries	883,681	648,422
給予附屬公司之貸款	Loans to subsidiaries	4,451,989	5,408,283
非流動資產總值	Total non-current assets	5,335,676	6,056,723
流動資產	CURRENT ASSETS		
應收賬款	Trade receivables	149,101	92,481
其他應收賬款	Other receivables	3,019,144	2,069,645
給予附屬公司之貸款	Loans to subsidiaries	1,037,814	583,493
應收附屬公司款項	Amounts due from subsidiaries	267,961	88,538
現金及現金等價物	Cash and cash equivalents	122,631	231,968
總流動資產	Total current assets	4,596,651	3,066,125

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

42. 本公司財務狀況表 (續)

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
流動負債	CURRENT LIABILITIES		
其他應付款項及應計款項	Other payables and accruals	261	823
計息銀行借貸	Interest-bearing bank borrowings	357,800	586,460
應付附屬公司款項	Amounts due to subsidiaries	3,781,988	2,746,797
應繳稅項	Tax payable	8,262	(12,112)
總流動負債	Total current liabilities	4,148,311	3,321,968
淨流動資產 / (負債)	NET CURRENT ASSETS/(LIABILITIES)	448,340	(255,843)
總資產減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES	5,784,016	5,800,880
非流動負債	NON-CURRENT LIABILITIES		
可換股債券	Convertible bonds	3,410,145	3,117,009
總非流動負債	Total non-current liabilities	3,410,145	3,117,009
淨資產	Net assets	2,373,871	2,683,871
權益	EQUITY		
股本	Share capital	142,105	142,105
儲備 (附註)	Reserves (note)	2,231,766	2,541,766
總權益	Total equity	2,373,871	2,683,871

財務報表附註

Notes to Financial Statements

二零一六年十二月三十一日 31 December 2016

42. 本公司財務狀況表 (續)

附註：

本公司的儲備摘要如下：

		股份溢價賬	股本盈餘	可換股債券之 權益部份 Equity component of convertible bonds	對沖儲備	匯兌 波動儲備	保留盈利	建議末期股息	總計
		Share premium account 人民幣千元 RMB'000	Capital surplus 人民幣千元 RMB'000	人民幣千元 RMB'000	Hedging reserve 人民幣千元 RMB'000	Exchange fluctuation reserve 人民幣千元 RMB'000	Retained profits 人民幣千元 RMB'000	Proposed final dividend 人民幣千元 RMB'000	Total 人民幣千元 RMB'000
二零一五年一月一日	At 1 January 2015	1,471,742	727,430	197,140	9,363	(484,711)	89,986	1,103,671	3,114,621
年度全面收益總額	Total comprehensive income for the year	-	-	-	(9,363)	105,744	434,435	-	530,816
宣派二零一四年末期股息	Final 2014 dividend declared	-	-	-	-	-	-	(1,103,671)	(1,103,671)
建議二零一五年末期股息	Proposed final 2015 dividend	(810,094)	-	-	-	-	(444,034)	1,254,128	-
於二零一五年十二月三十一日	At 31 December 2015	661,648	727,430	197,140	-	(378,967)	80,387	1,254,128	2,541,766
年度全面收益總額	Total comprehensive income for the year	-	-	-	-	72,253	871,875	-	944,128
宣派二零一五年末期股息	Final 2015 dividend declared	-	-	-	-	-	-	(1,254,128)	(1,254,128)
建議二零一六年末期股息	Proposed final 2016 dividend	(607,187)	-	-	-	-	(894,500)	1,501,687	-
於二零一六年十二月三十一日	At 31 December 2016	54,461	727,430	197,140	-	(306,714)	57,762	1,501,687	2,231,766

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

43. 批准財務報表

董事會於二零一七年三月二十七日批准並授權刊發財務報表。

43. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 March 2017.

財務資料摘要

Financial Information Summary

(除另有註明外，所有金額以人民幣千元列示) (Amounts expressed in RMB'000 unless otherwise stated)

本集團根據本財務報表所載基準編製以往五個財政年度之已公佈業績以及資產、負債及少數股東權益概要載列如下：

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, prepared on the basis as set out herein, is set out below:

		截至十二月三十一日止年度／於十二月三十一日				
		For the year ended 31 December/As at 31 December				
		二零一六年	二零一五年	二零一四年	二零一三年	二零一二年
		2016	2015	2014	2013	2012
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
業績	Results					
收入	Revenue	15,099,076	12,639,332	11,131,532	10,047,217	8,937,578
融資成本	Finance costs	(119,834)	(98,733)	(46,442)	(10,010)	(29,987)
除稅前利潤	Profit before tax	3,642,947	2,886,901	2,543,347	2,201,209	2,005,465
所得稅開支	Income tax expense	(695,267)	(532,059)	(476,717)	(397,297)	(383,985)
年度利潤	Profit for the year	2,947,680	2,354,842	2,066,630	1,803,912	1,621,480
以下人士應佔權益：	Attributable to:					
母公司擁有人	Owners of the parent	2,947,673	2,354,664	2,065,867	1,802,989	1,620,158
非控制性權益	Non-controlling interests	7	178	763	923	1,322
		2,947,680	2,354,842	2,066,630	1,803,912	1,621,480
資產、負債及非控制性權益	Assets, Liabilities and Non-controlling Interests					
總資產	Total assets	21,816,062	18,361,614	15,943,028	11,317,274	9,895,409
總負債	Total liabilities	(6,506,460)	(5,271,778)	(4,131,702)	(985,617)	(1,773,275)
非控制性權益	Non-controlling interests	(216,658)	(15,716)	(15,757)	(15,393)	(34,764)
		15,092,944	13,074,120	11,795,569	10,316,264	8,087,370

附註：本集團截至二零一五年及二零一六年十二月三十一日止兩個年度各年之綜合業績，以及於二零一五年及二零一六年十二月三十一日之綜合資產、負債及非控制性權益即財務報表第126頁至第235頁所載者。

Note: The consolidated results of the Group for each of the two years ended 31 December 2015 and 2016 and the consolidated assets, liabilities and non-controlling interests of the Group as at 31 December 2015 and 2016 are those set out on pages 126 to 235 of the financial statements.

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

Ningbo Office 寧波辦事處

18 Yongjiang Road
Ningbo Economic and Technical
Development Zone
Ningbo, Zhejiang Province, PRC

中國浙江省寧波市
寧波經濟技術開發區
甬江路18號

Tel 電話: (86) 574 8698 0102
Fax 傳真: (86) 574 8698 0162

Hong Kong Office
香港辦事處

Unit 2708, 27th Floor
Billion Plaza
8 Cheung Yue Street
Kowloon, Hong Kong

香港九龍長裕街8號
億京廣場27樓2708室

Tel 電話: (852) 2310 4919
Fax 傳真: (852) 2310 4929

Shanghai Office
上海辦事處

26th Floor You Yi Time Building
159 Zhao Jia Bang Road
Xu Hui District
Shanghai, PRC

中國上海徐匯區
肇家濱路159號
上海友誼時代大廈26樓

Tel 電話: (86) 21 6403 1166
Fax 傳真: (86) 21 5496 0947