



The **Fabric** of **Society**

— An Interview with **Shenzhou International
Group Holdings**

織造社會

— 專訪 **申洲國際集團控股有限公司**

Whether a Uniqlo or sport wears like Nikes and Adidas, millions of consumers worldwide have purchased apparel or manufactured by Shenzhou International Group Holdings Limited or its subsidiaries, the largest vertically integrated knitwear manufacturer in China, and a Chamber of Hong Kong Listed Companies member.

Vertical integration – maintaining various stages of production including cloth design, production and garment sewing within one corporation – has been a key to Shenzhou International Group’s profitability since it was founded in 1990. “Based on the vertical integration model, the group has been able to continuously improve production efficiency and shortened delivery times,” said Chairman Ma Jianrong. “We have modularised our production processes, which quickly produces different products in a short period of time, and greatly shortens the training period necessary for our workers.”

Modularised production was developed by Toyota in the 1970s, as a way to focus production on small teams to monitor quality. Since then, companies such as Shenzhou International Group have adapted it to centralise all production processes, effectively reducing time and logistics costs, and making production more flexible in a time-sensitive industry such as apparel.

In its early days, Shenzhou International Group sought partnerships in Japan, partnering with Uniqlo in 1997, long before it became a globally famous brand owned by Fast Retailing. The group saw growth emerging in sport and leisure wear, and formed a significant partnership with Decathlon, the French-owned sportswear retailer, in the early 2000s. “In 2006-2007, we gradually established deep cooperative relationships with Nike, Adidas and Puma,” said Mr Ma.

That followed Shenzhou International Group listing on the main board of the Hong Kong Stock Exchange on 24 November 2005. On 10 September 2018, the company became a constituent stock of the benchmark Hang Seng Index. “We are very glad that Shenzhou International has made it to Hang Seng Index,” said Mr Ma. “This manifests the market’s confidence in the prospect of the group’s development and recognition of the group’s investment value. Looking ahead, Shenzhou International will continue to adhere to its development strategies and fully utilise its advantages to generate greater shareholder value.”

不論是 Uniqlo 的休閒服，或是 Nikes 及 Adidas 的運動服，全球數以百萬的消費者均曾購買申洲國際集團控股有限公司或其附屬公司所製服裝。申洲國際集團是中國最大的垂直一體化針織品製造商，亦是香港上市公司商會的會員。

垂直一體化是指企業整合了各個生產階段，即從布料設計、生產及成衣縫製。自申洲國際集團1990年創立起，這個模式對其盈利能力舉足輕重。馬建榮主席表示：「集團基於垂直一體化模式，能夠不斷提升生產效率，縮短交付時間。我們已精益及模塊化生產流程，可在短時間內快速生產不同產品，大大縮短員工所需的培訓時間。」

精益及模塊化生產是由豐田在20世紀70年代發展出來，將重心放在小組生產，以監控品質。自此，申洲國際集團等公司採取這種生產模式，將所有生產流程集中起來，有效降低時間和物流成本，促使像服裝這類對交貨時間要求很高的行業的生產更具靈活性。

申洲國際集團早期在日本尋求合作夥伴關係，並於1997年與Uniqlo合作，遠早於Uniqlo成為迅銷（Fast Retailing）旗下國際知名品牌。該集團看到運動和休閒服裝的增長潛力，於是在2006年至2007年與運動服裝零售商Nike、Adidas和Puma建立重要合作關係。

申洲國際集團於2005年11月24日在香港聯合交易所主板上市，並於2018年9月10日成為大市指標恒生指數的成份股。馬先生表示：「我們很高興申洲國際集團獲納入恒生指數。這體現了市場對集團發展前景充滿信心，認同集團的投資價值。展望未來，申洲國際集團將繼續堅持本身的发展戰略，充分發揮優勢，創造更大的股東價值。」



Based in Ningbo, a city the size of Hong Kong in Zhejiang province, 215km south of Shanghai, Shenzhou International Group has long been an important part of China's manufacturing industry. The company has other major facilities in Quzhou, also in Zhejiang, Anqing in Anhui province and Ho Chi Minh City in Vietnam. Now it is building a US\$250 million garment factory in Cambodia scheduled to go into production in stages in the second half of 2019 and second half of 2020. With an expected completion in 2021, the expansion will create 29,000 jobs.

"During 2018, the group entered into a permanent lease contract, for a renewable term of 50 years, for a parcel of land in Phnom Penh," said Mr Ma, adding that the main construction of the garment factory would start in the first half of 2019. It is expected that the factory would start production in mid-2020. In addition, two new garment factories will be built in Vietnam, with production expected to commence in the second half of 2019 and 2021. He said that a more diversified overseas production base would enable the group to better cope with "uncertain effects under the changes in the global trade environment".



申洲國際集團總部位於上海南面215公里的浙江省寧波市，寧波市面積與香港相若。申洲國際集團長期以來一直是中國製造業的重要一員。該公司亦在浙江衢州、安徽安慶、柬埔寨金邊市和越南胡志明市設有其他重要廠房，現時則正在柬埔寨及越南擴建新的製衣廠，估計將投資超過2.5億美元，預期於2019年下半年及2020年下半年分批投產，2021年當擴建完成後，將新增29,000個職位。

「2018年期間，集團簽訂柬埔寨金邊一塊土地的永久租賃合同，可續期50年。」馬先生補充指，該製衣廠的主要建築工程已於2019年上半年動工，預計將於2020年中分批投產。而越南將先後建造兩間新製衣工廠，估計可於2019年下半年及2021年分批投產。他表示，海外生產基地更加分散有助其集團能夠更好應對「全球貿易環境轉變下的不確定影響」。

他表示，申洲國際集團期望整合不同國家的產業資源優勢。馬先生指：「我們[在中國境外]的生產力進一步提升，在客戶訂單增加下，可有效紓緩生產力不足的壓力。我們已建立更好的人才儲備，業務營運能力已經成熟，而總部與海外工廠之間的業務合作也更加順暢。」

馬先生致力繼續與國際品牌保持穩固關係，並指出必須不斷精益求精，才能與國際客戶保持建設性的長期關係。「集團擁有非常有效的產業鏈，從紗線採購和編織到印染和製衣。各環節都具標準化，沒有明顯的低效率和不足情況。」



He said Shenzhou International Group wanted to integrate the industrial resources advantage in different countries. "Our production capability [outside China] has further increased, effectively lowering the pressure of insufficient production capability resulting from an increase in customer orders," said Mr Ma. "We have established a better talent reserve, the business operation capability has matured, and the business collaboration between headquarters and overseas factories has become smoother."

Mr Ma is keen to continue the company's strong relationships with global brands, and points out that maintaining constructive long-term relationships with international clients requires constant improvement. "The group has a very efficient industrial chain, from yarn procurement and weaving to printing and dyeing and garments. All aspects are standardised with no obvious inefficiencies and shortcomings."

However, he said Shenzhou International Group must maintain its leadership in global technological advances. "We have excellent fabric innovation and research and development capabilities we develop more than 100 fabrics annually, often with our international partners," said Mr Ma. "Examples include Airism, a sweat-absorbent, breathable and soft functional fabric jointly developed with Uniqlo; Tech Fleece, a lightweight, warm and breathable fabric developed by Nike, and footwear material made with knitted fabric uppers."

While Shenzhou International Group is best known for its global exports of apparel, the Chinese domestic market is increasingly important. In calendar 2018, for example, domestic market revenues rose more than 30% to 6.3 billion yuan. "The domestic market has become our single largest market and has the fastest growth within the group," said Mr Ma.

The growth has occurred despite Chinese equity indexes faltering as data showing weaker factory activity underscores concern over slowing domestic growth. But Mr Ma is optimistic about the country's short-term outlook. "The economy in China ran smoothly in general, and with an economic structure optimised on an ongoing basis, the contribution of domestic consumption to the economic growth increased continuously."

He added that total apparel and footwear exports remained "basically stable" while that of textile products managed to maintain an upward trend. "Domestic demand for apparel products in China shows stable growth," Mr Ma said.

不過，他表示申洲國際集團必須在全球先進技術上保持領導地位。馬先生表示：「我們擁有出色的布料創新和研發能力，每年研發出100多種布料，當中經常有國際合作夥伴的參與。例子包括與Uniqlo共同研發Airism這種吸汗、透氣而又多用途的柔軟布料；Nike研發的Tech Fleece輕質、溫暖而又透氣的布料，另外還有針織布料鞋面等。」

雖然申洲國際集團以出口服裝至世界各地而聞名，但中國國內市場正日益重要。例如，2018年，其國內市場收入增長超過30%至人民幣63億元。馬先生表示：「國內市場已成為我們最大單一市場，更是集團業務中增長最快的部分。」

儘管工業活動數據轉弱，加重市場對國內經濟增長放緩的憂慮，導致中國股市指數走軟，但經濟增長仍然存在。馬先生對中國的短期前景持樂觀態度。「中國經濟總體平穩運行，經濟結構不斷優化，內需對經濟增長的貢獻越來越大。」

他補充指，服裝的出口總量「基本穩定」，而紡織品出口則保持上升勢頭。馬先生表示：「中國國內對服裝品的需求穩定增長。」

他指出，中央政府推出一系列稅項及費用寬減政策，以及要求金融機構向民企提供支援資金，這都有助製衣業發展，但他續稱，鑒於需求增長可能放緩及成本面臨上漲壓力，製衣業應確保本身的長期繁榮。

馬先生說：「紡織及製衣業應通過環保、自動化和數碼化，將重心轉移至綠色經濟，並通過提升生產效率和產品質素來增強競爭力。」



The central government, he noted, has helped the garment industry through a series of tax and fee reduction policies and by requiring financial institutions to provide private enterprises with funding support. But, he added, the industry, could ensure its own long-term prosperity, given the potential for slower demand growth and the pressure of rising costs.

“The textile and apparel industry should shift its focus to aspects of the green economy, through environmental protection, automation and digitalisation, and enhance its competitiveness through improved production efficiency and product quality,” Mr Ma said.

To acknowledge its greener practices, the Chamber of Hong Kong Listed Companies recently presented the company with a Hong Kong Sustainability Excellence Award. “Environmental protection is Shenzhou’s primary social responsibility as well as the basis of long-term viability for any enterprises,” said Mr Ma. “The group shall always remain devoted to environmental commitments, from which corporate sustainability can be realised. 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.”

Mr Ma noted there are already many environmental constraints on fabric printing and dyeing, and it is necessary to obtain sewage permits and other high-cost environmental investment. “Since its inception, the group has focused on environmental protection issues, and has taken the lead in environmental protection investment and governance in the industry,” he said. “It has also received strong support from the local government.” Shenzhou International operates advanced waste water treatment facilities in the Mainland and Vietnam, and has adopted a zealous strategy to reduce wastage at the source.



為表彰申洲國際集團推動更為環保的實踐，香港上市公司商會近來向其頒發「持續發展卓越獎」。馬先生表示：「環保是申洲的首要社會責任，也是任何企業長期發展的基石。集團將一直致力履行其對環境的承諾，藉此實現企業可持續發展。我們不僅帶來舒適的針織品，還積極追求舒適的生活水平。我們為生活創造舒適，力求使企業與自然融為一體。」

馬先生指出，布料印染過程已經有很多環境限制，必須獲得污水許可批文及進行其他高昂的環保投資。他說：「自成立以來，集團一直專注環境保護，並已率先在行業內進行環保投資和相關管治，並已獲得地方政府的大力支持。」申洲國際在國內及越南皆設有高級別污水處理設施，並著力實行源頭減排等策略。

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He said Shenzhou International Group is committed to creating economic benefits through corporate social responsibility, such as in its governance of environmental protection. "We have cooperated with the Ningbo Urban Environment Observation and Research Station, part of the Chinese Academy of Sciences, in developing technology for the treatment of exhaust gases and recycling of heat from dyeing and finishing processes in the textile industry," said Mr Ma. The Ningbo plant implements green production with the voluntary use of natural gas in place of coal and biofuel.

The Shenzhou International Group chairman acknowledged that the international markets have been affected by the continuing trade issues between China and the United States. "Given the slowdown in economic growth, global consumption demand was correspondingly sluggish," he said. "With China-US trade conflicts bringing bigger uncertainty to the export trends in the future, and the continuing increase in enterprise production cost, the domestic textile and apparel industry will suffer pressure." The Group strives to maintain its competitiveness by creating innovative fabrics, implementing environmental measures in production and investing in production line automation. Mr Ma is highly optimistic about the future development of the Group. **M**

他指申洲國際集團致力通過履行企業社會責任，例如環保管治等，力求創造經濟效益。馬先生說：「我們與中國科學院寧波城市環境觀測研究站合作開發廢氣處理技術和紡織工業染整流程中的熱力再用技術。」寧波工廠更自願性以天然氣取代煤及生物質燃料，實行綠色生產。

申洲國際集團主席承認國際市場受持續的中美貿易爭議影響。他表示：「鑑於經濟增長放緩，全球消費需求相應低迷，隨著中美貿易衝突對未來出口趨勢造成更大不確定性，加上企業生產成本不斷上漲，國內紡織及製衣業將面對壓力。」惟有不斷加強布料創新，環保生產，自動化生產線建設才能保持在行業的競爭優勢。馬主席對集團未來的發展充滿信心。 **M**

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