



# Global Dairy Holdings Limited 環球乳業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 01007



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## Corporate Information 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Zhao Chuan Wen (*Chairman*)  
Mr. Zhao Yu (*Chief executive officer*)  
Mr. Xia Yuan Jun (*Deputy chief executive officer*)  
Mr. Fu Chong (*Chief operations officer*)  
Mr. Fong Pin Jan (*Chief financial officer*)

#### Independent non-executive Directors

Mr. Cheung Hok Fung Alexander  
Ms. Chan Wah Man Carman  
Mr. Zhang Zhou

### AUDIT COMMITTEE

Ms. Chan Wah Man Carman (*Chairman*)  
Mr. Cheung Hok Fung Alexander  
Mr. Zhang Zhou

### REMUNERATION COMMITTEE

Mr. Zhang Zhou (*Chairman*)  
Ms. Chan Wah Man Carman  
Mr. Cheung Hok Fung Alexander  
Mr. Zhao Yu  
Mr. Zhao Chuan Wen

### NOMINATION COMMITTEE

Mr. Cheung Hok Fung Alexander (*Chairman*)  
Ms. Chan Wah Man Carman  
Mr. Zhang Zhou  
Mr. Zhao Yu

### COMPANY SECRETARY

Ms. Ho Wing Yan, *ACIS, ACS*

### AUTHORISED REPRESENTATIVES

Mr. Fong Pin Jan  
Ms. Ho Wing Yan, *ACIS, ACS*

### REGISTERED OFFICE

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

### 董事會

#### 執行董事

趙傳文先生(*主席*)  
趙宇先生(*首席執行官*)  
夏元軍先生(*副首席執行官*)  
付翀先生(*首席營運官*)  
方秉權先生(*首席財務官*)

#### 獨立非執行董事

張學鋒先生  
陳華敏女士  
張舟先生

### 審核委員會

陳華敏女士(*主席*)  
張學鋒先生  
張舟先生

### 薪酬委員會

張舟先生(*主席*)  
陳華敏女士  
張學鋒先生  
趙宇先生  
趙傳文先生

### 提名委員會

張學鋒先生(*主席*)  
陳華敏女士  
張舟先生  
趙宇先生

### 公司秘書

何詠欣女士, *ACIS, ACS*

### 授權代表

方秉權先生  
何詠欣女士, *ACIS, ACS*

### 註冊辦事處

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

## Corporate Information 公司資料

### HEADQUARTERS IN CHINA

18 Kilometer An Sa Road  
Daqing High-Tech Industrial Development Zone  
Daqing City  
Heilongjiang Province  
PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

35th floor, Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

### PRINCIPAL BANKERS

Long Jiang Bank, Daqing Development Zone Branch  
China Construction Bank, Daqing branch  
Credit Suisse AG  
Credit Suisse AG, Hong Kong Branch

### LEGAL ADVISERS

Stephenson Harwood (*as to Hong Kong law*)  
Pillsbury Winthrop Shaw Pittman LLP (*as to US law*)  
Jingtian & Gongcheng (*as to PRC law*)  
Loo & Partners LLP (*as to Singapore law*)  
Conyers Dill & Pearman (*as to Cayman Islands law*)

### COMPLIANCE ADVISER

Quam Capital Limited

### AUDITORS

Deloitte Touche Tohmatsu

### 中國總部

中國  
黑龍江省  
大慶市  
大慶高新技術產業開發區  
安薩路18公里處

### 香港主要營業地點

香港  
中環  
花園道1號  
中銀大廈35樓

### 主要往來銀行

龍江銀行大慶開發區支行  
中國建設銀行大慶分行  
Credit Suisse AG  
Credit Suisse AG, 香港分行

### 法律顧問

羅夏信律師事務所(*香港法律*)  
必百瑞律師事務所(*美國法律*)  
競天公誠律師事務所(*中國法律*)  
俊昭法律事務所(*新加坡法律*)  
Conyers Dill & Pearman (*開曼群島法律*)

### 合規顧問

華富嘉洛企業融資有限公司

### 核數師

德勤•關黃陳方會計師行

## Corporate Information 公司資料

### SHARE REGISTRARS

#### 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

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

### LISTING EXCHANGE INFORMATION

#### Place of Listing

Main Board, The Stock Exchange of Hong Kong Limited

#### Stock Code

1007

### COMPANY WEBSITE

[www.global-dairy.com.cn](http://www.global-dairy.com.cn)

### 股份登記

#### 主要股份過戶登記處

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

#### 香港證券登記處

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

### 上市交易所資料

#### 上市地點

香港聯合交易所有限公司主板

#### 股份代號

1007

### 公司網址

[www.global-dairy.com.cn](http://www.global-dairy.com.cn)

## Corporate Profile 公司簡介

We are one of the top ten local brand milk powder companies in the People's Republic of China (the "PRC") market. We are principally engaged in the production, marketing, and sale of medium-to-high and premium-priced milk formula products in China. Our dairy products are classified into the following two main categories:

- milk formula products; and
- whole milk powder products.

Our milk formula products and whole milk powder products include a full range for infants and children. Our infant and paediatric milk formula products aim to supply the balanced nutrition that an infant or a child needs in his or her first few months and throughout the various stages of childhood growth and development. In addition, we have milk formula products fortified with various vitamins and essential minerals that aim to provide supplements in meeting special nutritional requirements for older children, adults, the elderly, pregnant and lactating women. Directors (the "Directors") of Global Dairy Holdings Limited ("Global Dairy" or the "Company") believe that our broad range of products enables us to better target consumers across different income groups with different product value propositions, thereby satisfying their particular needs.

Our main product category, milk formula products, comprises the Shi Jia Brand 仕加配方奶粉系列, the Emilon Brand 愛美樂配方奶粉系列 and the Daqing Brand 大慶牌配方奶粉系列. The products in our Shi Jia Brand are designed for consumers of premium-priced milk formula products which are suitable for infants and children at different growth stages as well as post-natal women. We aim to target our Shi Jia Brand at consumers in second and third tier municipalities, particularly eastern coastal cities of the PRC. The products in our Emilon Brand are designed for consumers of medium-to-high priced milk formula products catering for the changing nutritional needs of growing infants and children. We aim to target our Emilon Brand at consumers in second and third tier municipalities. The products in our Daqing Milk Formula Brand are designed for consumers of low-to-medium priced milk formula products suitable for children, adults and the elderly. We aim to target our Daqing Milk Formula Brand at consumers in villages and counties near second and third tier municipalities. Our whole milk powder products are sold under the brand 大慶牌 "Daqing". In addition, we produce a variety of ice cream products under our own brand 慶乳 "Qingru" with over 10 flavours.

我們是中華人民共和國(「中國」)市場十大本土品牌奶粉公司之一。我們主要於中國從事生產、營銷及銷售中高端及超高端價位配方奶粉產品。我們的乳製品主要分為以下兩大類：

- 配方奶粉產品；及
- 全脂奶粉產品。

我們的配方奶粉產品及全脂奶粉產品乃針對全年齡段嬰幼兒。我們的嬰幼兒配方奶粉產品皆在為初生數月的嬰兒及處於成長及發育階段的兒童提供均衡的營養。此外，我們的配方奶粉產品添加了多種維他命及礦物質，可滿足大齡兒童、成人、老年人、孕婦及哺乳期女性補充特殊營養的需求。環球乳業控股有限公司(「本公司」)董事(認為，我們的產品種類繁多，讓我們能夠針對不同收入階層且產品價值取向各異的消費者，從而滿足他們的獨特需要。

我們的主要產品系列為配方奶粉產品，包括仕加配方奶粉系列、愛美樂配方奶粉系列及大慶牌配方奶粉系列。仕加配方奶粉系列產品乃專門為超高端價位配方奶粉產品的消費者設計，適合不同生長階段的嬰幼兒及產後婦女。我們的仕加配方奶粉系列主要針對二、三線城市(特別是中國東部沿海城市)的消費者。愛美樂配方奶粉系列產品可滿足嬰幼兒在成長階段的不同營養需要，為中高端價位配方奶粉產品的消費者而設。我們的愛美樂配方奶粉系列主要針對二、三線城市的消費者。大慶牌配方奶粉系列產品適合兒童、成人及老年人飲用，為中低端價位配方奶粉產品的消費者而設。我們的大慶牌配方奶粉系列主要針對二、三線城市周邊的農村及縣城的消費者。我們的全脂奶粉產品乃以「大慶牌」出售。此外，我們以自有品牌「慶乳」生產超過十種口味冰淇淋產品。

## Corporate Profile

### 公司簡介

We mainly sell our milk formula products and whole milk powder products through an extensive network of over 140 distributors in China which are independent third parties. Our distributors sell our milk formula products and whole milk powder products to their sub-distributors or directly to retail outlets, such as department stores, shopping malls, supermarkets, and children's and parenting specialty stores, in 21 provinces and Chongqing municipality. We have non-exclusive agreements with all of our current distributors. These agreements are generally for a term of one year. Our Directors have confirmed that a majority of our current distributors with whom we have entered into the distribution agreements are privately-owned entities. In general, we require our distributors to pay the full purchase price before we deliver our products to them. Our distributors are only permitted to sell our milk formula products and whole milk powder products in their designated distribution areas under the distribution agreements. We monitor and ensure, through our district sales managers for each geographical region, that our distributors do not compete in the same designated distribution areas. If any of our distributors is in breach of the above term of the distribution agreements, we have the right to terminate the relevant distribution agreement. We also sell our milk formula products and Daqing sweetened whole milk powder directly to supermarkets, and other retail chain stores in Daqing municipality and other customers who purchase from us on an ad hoc basis, and our whole milk powder (packaged in 25 kg bags) directly to our customers such as food processing enterprises. We intend to continue selling our milk formula products and whole milk powder products in Heilongjiang province through our distributors and by way of direct sale, and in areas outside Heilongjiang province through our distributors. For each of the financial years ended 31 December 2009 and 31 December 2010, approximately 69.1% and 85.5% of our sales, respectively, were made to our distributors. We sell our ice cream products directly to retail outlets in Daqing municipality and the areas which are in close proximity to Daqing municipality.

我們主要在中國透過由超過140名經銷商(彼等均為獨立第三方)組成的龐大網絡銷售配方奶粉產品及全脂奶粉產品。我們的經銷商在21個省份及重慶市內向其下級分銷商出售配方奶粉產品及全脂奶粉產品，或直接向零售網點，如百貨商店、購物中心、超市、母嬰用品專賣店出售配方奶粉產品及全脂奶粉產品。我們現時與所有經銷商訂立非獨家協議。該等協議通常為期一年。董事確認，與我們訂有分銷協議的現有經銷商中大部分為私營實體。一般而言，我們要求經銷商在交貨前支付全部購買價。我們的經銷商僅獲許根據分銷協議在其指定分銷區域銷售我們的配方奶粉產品及全脂奶粉產品。我們會監察及確保(透過我們在各地區的區域銷售經理)我們的經銷商不在相同指定分銷區域競爭。倘我們的任何經銷商違反分銷協議的上述條款，我們有權終止相關分銷協議。我們亦直接向大慶市的超市、其他零售連鎖店及臨時向我們購買產品的其他客戶出售我們的配方奶粉產品及大慶牌全脂甜奶粉，並直接向我們的客戶(如食品加工企業)出售全脂奶粉產品(25公斤袋裝)。我們擬繼續透過經銷商及以直銷方式在黑龍江省及透過經銷商在黑龍江省以外地區銷售我們的配方奶粉產品及全脂奶粉產品。截至二零零九年十二月三十一日及二零一零年十二月三十一日止財政年度各年，約69.1%及85.5%的銷售分別向我們的經銷商作出。我們直接向大慶市及其周邊區域的零售網點出售冰淇淋產品。

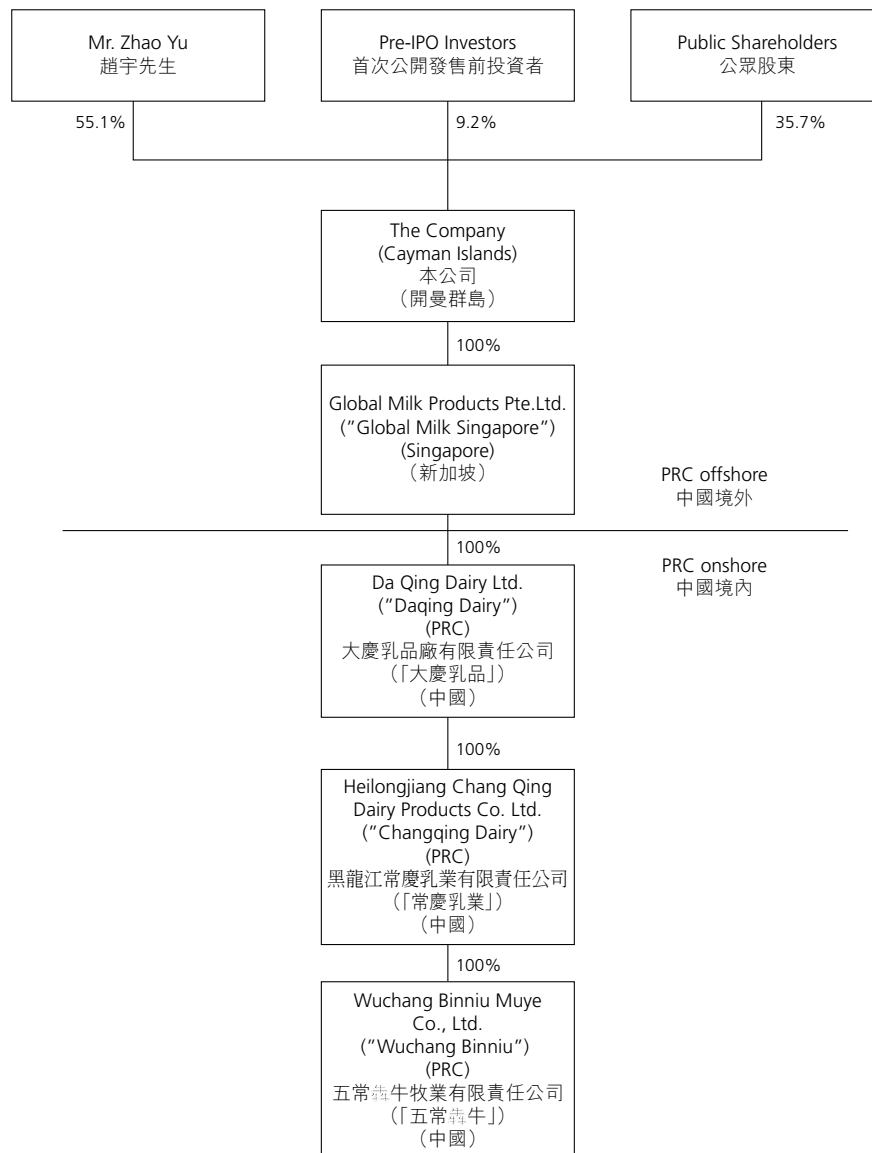
## Corporate Profile 公司簡介

According to the report dated 7 October 2010 prepared by Euromonitor International Limited in relation to milk powder market in the PRC (the "Euromonitor International Report"), we ranked ninth among the local brand owners in the baby milk powder and other milk powder market in China with a 1.5% of market share and 15th among the brand owners in the milk powder market in China (which comprised both foreign and local brand owners) with a 1.5% of market share in terms of sales value in 2009.

根據由Euromonitor International Limited 編製有關中國奶粉市場的日期為二零一零年十月七日的報告(「Euromonitor International 報告」)報告，按二零零九年銷售價值計，本公司品牌在中國嬰兒奶粉及其他奶粉市場排名第九位(僅包括中國品牌，而本公司品牌擁有1.5%市場佔有率)及在中國奶粉市場排名第15位(包括外國品牌和本地品牌，而本公司品牌擁有1.5%市場佔有率)。

As at 31 December 2010, the shareholding structure of the Company and its subsidiaries was as follows:

於二零一零年十二月三十一日，本公司及其附屬公司(「本集團」)的股權架構如下：





## Corporate Profile

### 公司簡介

Mr. Zhao Yu (“Mr. Zhao”) is the beneficial owner of 557,172,000 shares of the Company (the “Shares”), representing approximately 55.1% of the issued share capital of the Company.

趙宇先生(「趙先生」)為本公司557,172,000股股份(「股份」)的實益擁有人，該股份佔本公司已發行股本約55.1%。

## Financial Summary 財務概要

A summary of results and assets and liabilities of the Company is as following: 本公司業績及資產與負債的概要如下：

### RESULTS

### 業績

		Year ended 31 December 截至十二月三十一日止年度			For the period from 8 October 2007 to 31 December 2007 二零零七年 十月八日至 十二月三十一 期間 二零零七年 RMB'000 人民幣千元
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	
Revenue	收益	<b>921,886</b>	510,035	197,369	—
Cost of sales	銷售成本	<b>(443,655)</b>	(274,137)	(110,357)	—
Gross profit	毛利	<b>478,231</b>	235,898	87,012	—
Other gains and losses	其他收益及虧損	<b>(968)</b>	6,797	7,039	—
Selling and distribution expenses	銷售及開支	<b>(44,276)</b>	(18,934)	(5,627)	—
Administrative expenses	行政開支	<b>(51,717)</b>	(19,134)	(9,000)	—
Finance costs	財務費用	<b>(14,672)</b>	(9,258)	(1,423)	—
Profit before taxation	除稅前溢利	<b>366,598</b>	195,369	78,001	—
Income tax expenses	所得稅開支	<b>(106,010)</b>	(61,900)	(23,866)	—
Profit and total comprehensive income for the year	年內溢利及 全面收益總額	<b>260,588</b>	133,469	54,135	—
Earnings per share	每股盈利				
— Basis (RMB)	— 基本(人民幣)	<b>0.333</b>	0.242	0.098	—

## Financial Summary

### 財務概要

#### ASSETS AND LIABILITIES

#### 資產與負債

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Non-current assets	非流動資產	580,321	596,738	401,803	—
Current assets	流動資產	1,302,001	233,473	129,152	23
Current liabilities	流動負債	(168,356)	(503,841)	(457,973)	(23)
Net current assets (liabilities)	非流動資產(負債)淨額	1,133,645	(270,368)	(328,821)	—
Total assets less current liabilities	總資產減流動負債	1,713,966	326,370	72,982	—
Non-current liabilities	非流動負債	(122,960)	(23,898)	(18,847)	—
Net assets	資產淨額	1,591,006	302,472	54,135	—
Shareholders' equity	股東權益	1,591,006	302,472	54,135	—

The financial information for the year ended 31 December 2007, 31 December 2008 and 31 December 2009 was extracted from the Company's prospectus dated 15 October 2010.

截至二零零七年十二月三十一日、二零零八年十二月三十一日及二零零九年十二月三十一日止年度財務資料乃摘自本公司日期為二零一零年十月十五日之招股章程。

## Chairman's Statement 主席報告書

Dear Shareholders,

On behalf of the board of Directors (the "Board") of Global Dairy Holdings Limited and its subsidiaries (collectively referred to as the "Group"), I am pleased to present to you the annual results for the year ended 31 December 2010 (the "Review Year").

### PUBLIC LISTING

2010 marks a development milestone for the Group. With the joint effort of all parties, the Group was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 October 2010. This allows the Group to successfully access international capital markets in order to strengthen its financial position, to significantly enhance its corporate image, as well as to further capture the enormous opportunities of the Chinese dairy market.

### BUSINESS REVIEW

In 2010, China's economy maintained sustainable growth, while accelerated urbanization and increasing disposable income per capita promoted continuous improvement of the macro business environment in the domestic dairy industry. However, the incidences of hormone-tainted milk formula products posed serious threats to Chinese dairy companies, and as a result reduced consumption demand for Chinese branded milk products, and further initiated another round of consolidation in the industry. During the Review Year, although the Chinese dairy industry faced various challenges, by leveraging on a diverse product range, strong brand recognition and active marketing strategies, the Group successfully maintained strong growth from its outstanding 2009 results. In 2010, the Group recorded a turnover of RMB921.9 million, an increase of approximately 80.8% as compared to approximately RMB510.0 million last year; and profit attributable to shareholders of the Company (the "Shareholders") of approximately RMB260.6 million, representing a significant increase of 95.2% as compared to approximately RMB 133.5 million last year. Basic earnings per share was approximately RMB0.333. Specifically, sales and gross margin of formula milk products reached RMB851.8 million and 55.5% respectively, becoming the major driving force behind the strong growth of the Group's business.

尊敬的各位股東：

本人謹代表環球乳業控股有限公司(「環球乳業」或「本公司」，與其附屬公司合稱「本集團」)董事會(「董事會」)欣然向各位股東呈報環球乳業截至二零一零年十二月三十一日止年度(「回顧年度」)的全年業績。

### 上市融資

二零一零年是本集團發展的重要里程碑。在各方的共同努力下，本集團於二零一零年十月二十八日在香港聯合交易所有限公司(「聯交所」)主板上市，使本集團的業務發展成功與國際資本平台接軌，並得以加強財政實力，大幅提升企業形象，進一步抓住中國乳製品市場的巨大商機。

### 業務回顧

二零一零年，中國經濟持續發展，城市化進程加快，人均可支配收入進一步提高，促使中國乳製品行業的宏觀營商環境不斷改善。然而，性早熟奶粉事件的出現卻為中國乳製品企業帶來嚴峻的挑戰，打擊了消費者對中國品牌奶粉的消費意欲，推動市場新一輪的整合潮。於回顧年度內，中國乳製品行業雖然面對不同挑戰，然而本集團憑借豐富的產品組合、良好的品牌知名度及積極的市場拓展策略，成功延續二零零九年的亮麗業績，保持業務強勁增長。於二零一零年，本集團總營業額達到人民幣921.9百萬元，較去年同期約人民幣510.0百萬元大幅增長約80.8%；本公司股東(「股東」)應佔溢利約為人民幣260.6百萬元，較去年同期約人民幣133.5百萬元大幅增長95.2%；每股基本盈利約為人民幣0.333元。其中，配方奶粉產品的營業額及毛利率分別達到人民幣851.8百萬元及55.5%，成為推動本集團業績增長的主要動力。

## Chairman's Statement

### 主席報告書

To ensure the stable development of China's dairy industry, the Central Government has issued several policies during the Review Year. Through production licensing reviews, companies that have small operational scale, unqualified production conditions or weak quality assurance are expected to be eliminated in order to promote industry consolidation, and to gradually enhance consumer confidence in Chinese dairy brands. With numerous policies from the Central Government regulating small and medium enterprises and supporting industry consolidation, the industry will be able to maintain its upward trend of sustainable development. As one of the top local formula milk product brand names in China, Global Dairy possesses a range of renowned and reputable brands, and a diverse series of products. With stringent quality control processes, our products have been well-known and trusted for having a high level of hygiene and safety standards. Together with rising consumer confidence in cost-effective domestic dairy brands, our competitive advantages will provide tremendous support and impetus to the sustainable development of the Group.

With effective product positioning and strong brand recognition, the Group has expanded its market share in the second and third tier markets during the Review Year through its extensive distribution network composed of over 140 direct distributors in 21 provinces and one municipality, as well as retail outlets such as department stores, children's and parenting specialty stores and maternity stores in China, to establish a more competitive strategic distribution model. In addition, targeting the market of premium-priced milk formula products, the Group has introduced high margin products in the first half of 2010, which provide balanced nutrition to post-natal women and babies in different ages, and has further increased the Group's presence in the target market. With strong brand recognition, successful strategic market allocation and sales strategy, "Shi Jia" series products have been well received by the market since its introduction, building a solid foundation for sustainable business development. In the future, the Group will continue to target the needs of niche markets and to develop and launch new products in a timely manner to further consolidate its leading market position in a highly fragmented market and to continuously improve business performance.

為保障中國乳製品行業的穩定發展，中央政府於回顧年度內先後發佈了多項政策，通過生產許可審查細則淘汰規模小、生產條件差、質量保障能力弱的企業，推進行業整合，逐步提升消費者對中國品牌乳製品的信心。在中央政府多項規範中小企業及支持行業整合的政策帶動下，整個行業將可保持持續發展的良好勢頭。環球乳業作為中國知名的本土品牌奶粉公司之一，不但擁有信譽卓越的奶粉品牌和廣泛的產品系列，其產品更在嚴謹的質量監控制度下，具有高度的衛生安全水平，深受市場歡迎和信賴。隨著消費者對高性價比的國內品牌奶粉的信心不斷提高，將為本集團的業務持續發展提供巨大的支持和動力。

憑借靈活的產品定位及良好的品牌知名度，本集團於回顧年度內通過在21個省份及一個直轄市內由超過140家直接經銷商組成的龐大分銷網絡，以及於零售網點如購物中心、母嬰產品專賣店及婦產用品店等建立新分銷渠道，進一步擴大了二、三線市場份額，並形成更具競爭力的策略性分銷模式。此外，本集團針對超高端價位配方奶粉產品的消費者的市場需求，於二零一零年上半年推出高毛利的配方奶粉產品系列，為不同成長階段的嬰兒和產後婦女提供均衡營養，進一步擴大本集團的目標市場基礎。憑借本集團良好的品牌效應、成功的策略性市場佈局和銷售戰略，「仕加」系列產品自推出以來大受市場歡迎，為業務持續發展奠定更堅實的基礎。本集團未來將繼續針對特定市場的需求，適時研發及推出新的產品，使本集團在高度分散的市場中繼續鞏固其領先的市場地位，不斷提升業務表現。

## Chairman's Statement 主席報告書

During the Review Year, through upgrading production equipment and construction of new plants, the Group continued to significantly increase the total designed production capacity of formula milk products and whole milk powder products to approximately 20,000 tons per annum, when our newly completed plant in Wuchang City is put into operations, this will further increase our production capacity to approximately 30,000 tons per annum and will accordingly help to increase market penetration rate, and capture any lucrative opportunities from accelerating industry integration and rising demand for quality dairy products.

Reliable and stable supply of quality milk from upstream sources is critical to our business, which also helps in maintaining the long-term sustainable and stable development of China's dairy industry. During the Review Year, the Group expanded its upstream business pursuant to the use of proceeds as stated during the public listing in Hong Kong, to steadily realize its long-term development strategy of vertical integration. Located between 43-53 degrees north latitude, the world's dairy belt region, Heilongjiang Province is China's second largest milk producing region with fertile grasslands. The Group has entered into a framework agreement with the People's Government of Wuchang Municipality, Heilongjiang Province on 3 November 2010, for the construction of an upstream high-quality eco-friendly dairy farm. By capturing the business opportunities arising from a lack of large-scaled high-quality dairy farms, the Group will become the only vertically integrated dairy enterprise listed in Hong Kong, and further ensure a stable supply of quality milk to strengthen its competitive advantages in both pricing and sales, as well as continuously promote business development.

With the persistent hard work of its strong workforce, Global Dairy recorded improving results in a year full of challenges. As one of the top ten local formula milk product brand names, Global Dairy has renowned dairy brands with a long history, diverse product range and a vertically integrated business model. Through top quality milk source supplies and stringent quality control processes, Global Dairy has been maintaining a first-class track record since its establishment 40 years ago, with which its products have been well-known for a high level of hygiene and safety standards. In the future, the Company will continuously expand its nationwide production capacity allocation, actively

本集團於回顧年度內繼續通過生產設備的升級改造及建設新廠房，大幅提升配方奶粉產品及全脂奶粉產品的總設計產能至每年約20,000噸，隨著我們位於五常市的新竣工廠房正式投產，我們的產能將進一步擴大至每年約30,000噸，從而有助增加市場滲透率，迎接行業加速整合及優質乳製品需求日益增加所帶來的商機。

上游可靠及穩定的優質奶源供應對我們的業務及需求至關重要，亦有利於中國乳製品行業的長期持續穩定發展。於回顧年度內，本集團按照於香港上市時募集資金的運用計劃，擴展上游業務，穩步實現上下游業務垂直綜合一體化的長期發展策略。黑龍江位於北緯43至53度的世界產奶帶內，擁有豐沃的草場，是中國第二大原奶產地。本集團於二零一零年十一月三日與黑龍江省五常市人民政府簽訂了框架協議，落實興建上游優質乳牛生態牧場，抓緊大規模優質牧場稀缺的商機，成為香港唯一一家擁有垂直綜合一體化業務模式的乳製品上市企業，有助本集團進一步確保優質奶源供應，鞏固定價及銷售方面的市場競爭優勢，持續推動業務發展。

在這充滿挑戰的一年，憑借本集團上下全體員工的不懈努力，環球乳業的業績實現了穩步增長。作為中國十大本土品牌奶粉公司，環球乳業擁有歷史悠久的奶粉品牌、豐富的產品系列和垂直整合的商業模式；憑借優質的奶源供應及嚴謹的產品質量控制系統，自成立40年來一直保持產品質量的高度衛生安全水平，深受市場歡迎及信賴。本集團將持續拓展全國性銷售網絡，積極開發中高端產品組合及穩步

## Chairman's Statement

### 主席報告書

develop medium-to-high range products, build up an upstream production base for quality milk, strive to realize its long-term development strategy of vertical integration and become one of the most competitive milk product manufacturing companies in China.

### PROSPECTS

As the global economy is gradually recovering and China's economy is expected to maintain its strong growth momentum, it is optimistic that the operating environment will continue to improve in the coming year. Driven by increasing urbanization, increasing per capita income from urban and rural households the purchasing power for quality brand-name milk products is also rising. Market demand for quality brand-name milk products in second and third tier markets is expected to remain strong.

The Central Government has introduced a number of measures conducive to industry consolidation in the second half of 2010, which has laid a solid foundation for the sustainable and stable development of the Chinese dairy industry, and has provided a good environment for the growth of brand-name dairy producers. In the future, the Group will continue to improve its nationwide strategic allocation of its distribution network, and through effective product positioning and market strategies of its "Daqing", "Emilon" and "Shi Jia" series, grasp the business opportunities arising from industry consolidation to improve the Group's profitability, and to promote sustainable and stable business development. In addition, the Group also plans to strengthen brand name recognition through various marketing campaigns and direct marketing programs, and to steadily expand the coverage of our distribution channels, so as to offer impetus to future business development.

Benefiting from a favorable economic environment and advantageous government policies, our management team will continue to realize the long-term development strategy of vertical integration, as well as to capture the enormous opportunities arising from industry consolidation through the continuous improvement of our distribution network and the development of medium-to-high priced milk products, to deliver even better results in 2011.

建立上游優質奶源生產基地，實現上下游垂直綜合一體化業務模式的長期發展策略，力爭成為最具競爭力的中國品牌乳製品企業。

### 前景

隨著環球宏觀經濟逐步復甦，中國經濟有望繼續保持強勁的增長勢頭，預期市場營商環境將不斷改善。在城市化進程的帶動下，中國城鎮及農村家庭的人均收入不斷增加，消費者對優質品牌奶粉的購買力將不斷上升，二、三線市場對優質品牌奶粉的需求將保持旺盛。

中央政府在二零一零年下半年先後推出多項有利行業整合發展的措施，為中國乳製品行業的持續穩定發展打下了堅實基礎，為優質品牌乳企提供良好的成長環境。未來本集團將繼續完善全國分銷網絡的策略性佈局，並憑借「大慶」、「愛美樂」及「仕加」等品牌不同的產品定位和市場策略，把握行業整合帶來的商機，提升集團的盈利能力，促進未來業務的持續穩定發展。此外，本集團亦計劃透過各種產品宣傳活動及直接推廣計劃，加強品牌建設，穩步擴展集團分銷渠道的覆蓋範圍，從而為業務發展增添動力。

在有利的經濟及政策環境下，本集團的專業管理團隊將在二零一一年繼續努力實現上下游垂直綜合一體化的長期發展策略，並通過不斷完善分銷網絡及開發中高端產品組合，抓緊行業整合所帶來的龐大機遇，追求更佳業績。

## Chairman's Statement 主席報告書

### ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my gratitude to our staff for their faithful contribution and dedication, and to every agency who has contributed to the Group's successful public listing in Hong Kong. My gratitude also goes to our Shareholders, customers and business partners for their support and trust.

Looking forward, the Group will remain committed to the highest product quality, continuously enhance its corporate image. Moreover, Global Dairy will aim at becoming the most competitive milk product manufacturing companies in China, realizing steady development in China's growing dairy market and bringing satisfactory returns to Shareholders.

*Chairman*  
**Zhao Chuan Wen**

Hong Kong, 16 March 2011

### 致謝

藉此機會，本人謹代表董事會對公司全體員工之忠誠服務和貢獻以及各中介機構為本集團成功於香港上市所作出的努力，深表謝意，也衷心感謝各股東、客戶和商業夥伴的支持和信任。

今後，本集團上下必定謹守追求產品質量最高水平的承諾，不斷提升自身品牌的市場地位，以成為最具競爭力的中國品牌乳品企業為目標，在中國日益增長的乳製品市場中穩步發展，為股東帶來理想回報。

*主席*  
**趙傳文**

香港，二零一一年三月十六日



## Management Discussion and Analysis 管理層討論與分析

### BUSINESS REVIEW

#### Growth in distribution network

The Group's sales expansion mainly comes from the growth of its distribution network. The number of distributors grew from 67 in 2009 to over 140 direct distributors in 2010. The strategy of using a direct single tier distribution model with effect from 2009, paid off as the percentage of revenue contributed by distributors increased from 69.1% in 2009 to 85.5% in 2010. This strategy allows channel profits to be shared by fewer participants thereby increasing the motivation of distributors and their channels to promote our products.

The Group has distribution presence in 21 provinces and one municipality in the PRC. Our distributors are typically responsible for sales in the cities in which they are located in their immediate neighbouring cities. As such, the growth in our distribution network comes from securing committed distributors in more cities across the PRC. The revenue growth in 2010 remains broad based, with the top five distributors accounting for approximately 7.2% (2009: approximately 12.0%) of total revenue.

#### New products

During the Review Year, the Group launched a new brand of formula milk powder under the Shi Jia brand name during the second quarter. The Shi Jia brand has two series, a premium paediatric milk formula for babies and a premium post natal milk formula for mothers. Shi Jia brand has achieved revenues of RMB43.4 million (or 4.7% of total revenue) in its first year of launch. In the coming year, the Group will leverage on its previous expertise in developing new brands like Emilon (launched in 2007 and is the major contributor to revenue at present) to further refine the brand and sales strategy of Shi Jia brand in the coming years.

### 業務回顧

#### 分銷網絡增長

本集團銷售增長主要來自其分銷網絡的擴張。於二零一零年，經銷商數目由二零零九年67家增至超過140家直接經銷商。使用直接單線分銷模式的策略自二零零九年起生效，而經銷商貢獻之收益百分比由二零零九年的69.1%上升至二零一零年的85.5%，此策略讓可分享渠道溢利的參與者減少，從而激勵經銷商及彼等推廣本集團產品的渠道。

本集團的分銷網點遍佈中國21個省份及一個直轄市。我們的經銷商一般負責於彼等所在城市及周邊鄰近城市進行銷售。因此，本集團透過在中國更多城市獲得經銷商而促使分銷網絡擴張。二零一零年的收益增長基礎保持廣闊，五大經銷商佔總收益約7.2%（二零零九年：12.0%）。

#### 新產品

於回顧年度，本集團於年內第二季以仕加品牌推出新的配方奶粉品牌。仕加品牌旗下擁有兩個奶粉系列，包括優質嬰幼兒配方奶粉及為產後婦女飲用的優質配方奶粉。仕加品牌於推出首年已錄得人民幣43.4百萬元的收益（或佔總收益4.7%）。未來數年，本集團將利用其於發展愛美樂（於二零零七年推出，為現時的主要收益來源）的新品牌的過往經驗，進一步將仕加品牌及銷售策略臻完善。

## Management Discussion and Analysis 管理層討論與分析

The Group also introduced a new series under our Emilon brand known as “Youzhi” during the second quarter of 2010. The Youzhi series is currently the most competitively priced product in the Emilon brand and this will allow the Group to compete with smaller regional competitors more effectively especially in third tier and below cities. Emilon Youzhi series achieved revenues of RMB140.2 million (or 15.2% of total revenue) in its first year of launch.

With a view to increase margins and compensate for increase in raw materials costs, the Group has also began the process of repackaging some of our products, changing the formulation and re-launching them. One key example is the rebranding of our sweetened whole milk powder to the Daqing Traditional Milk Powder that comes in convenient 25 gram sachets and that contains lower level of sugar to target health conscious consumers, launched in November 2010.

### Vertical integration upstream

As part of the overall strategy to contain costs and reclaim margins in raw milk production currently enjoyed by our suppliers, the Group has commenced the development of dairy farms as disclosed in the Company’s prospectus (the “Prospectus”). The Group established a new wholly owned subsidiary, Wuchang Benniu Muye Co., Ltd (五常犇牛牧業有限公司) (“Wuchang Benniu”), to develop and operate the Wuchang farm. The progress of the Wuchang farm is on track and upon completion in early 2012, will comprise 10,000 heads of dairy cows that can yield approximately 42,000 tonnes of raw milk per annum.

本集團於二零一零年第二季亦推出了愛美樂品牌的全新系列「優智」。目前，優智系列乃愛美樂品牌中價格最具競爭力的產品，致使本集團能更有效地與較小規模之地區競爭對手較量，尤其是三線及以下城市。愛美樂優智系列於推出首年錄得之收益為人民幣140.2百萬元(或佔總收益15.2%)。

為提高毛利率及為抵消原材料成本上漲，本集團亦已開始為產品進行重新包裝、更改配方並重新推出。其中一個主要例子是，我們將全脂加糖奶粉與大慶牌傳統奶粉整合後於二零一零年十一月重新推出，並以25克裝發售，包裝更為輕便之餘，產品所含糖份亦較低，以滿足注重健康的顧客群。

### 垂直整合上游

控制成本及取得供應商目前在生乳生產時享有之利潤率乃我們整體策略的一部分。誠如招股章程所披露，本集團已開始發展牧場。本集團成立一家新的全資附屬公司五常犇牛牧業有限公司(「五常犇牛」)以發展及經營五常牧場。五常牧場進展順利，於二零一二年初竣工後，牧場將容納10,000頭乳牛，並可年產高達約42,000噸生乳。

## Management Discussion and Analysis

### 管理層討論與分析

#### Brand performance

The performance of the various brands of milk powder sold by the Group are analysed as follows:

#### 品牌表現

本集團銷售的各個奶粉品牌的表現分析如下：

		Year ended 31 Dec 2010			Year ended 31 Dec 2009				
		截至二零一零年十二月三十一日止年度			截至二零零九年十二月三十一日止年度				
		Revenue	ASP	GM%	Revenue	ASP	GM%		
		收益	平均售價	毛利率%	收益	平均售價	毛利率%		
		RMB'000	%	RMB/kg	RMB'000	%	RMB/kg		
		人民幣千元	%	人民幣/ 公斤	人民幣千元	%	人民幣/ 公斤		
Whole milk powder	全脂奶粉	48,320	5.2%	24.5	3.6%	61,671	12.1%	21.8	18.4%
Formula milk powder	配方奶粉								
— Daqing series	— 大慶系列	161,422	17.5%	36.0	33.8%	122,936	24.1%	30.9	39.0%
— Emilon series	— 愛美樂系列	647,028	70.2%	71.5	59.8%	308,669	60.5%	78.6	59.3%
— Shi Jia series	— 仕加系列	43,395	4.7%	152.5	71.8%	—	—	—	—
Total milk powder	奶粉總計	900,165	97.6%	57.0	52.7%	493,276	96.7%	45.9	49.1%

#### Whole milk powder

The whole milk powder business lines comprise mainly industrial whole milk powder in 25kg packaging that we sell to other dairy producers as well as sweetened whole milk powder for general purpose use that we sell to consumers through our distribution network and retail chain stores. Revenues from whole milk powder declined from RMB61.7 million in 2009 to RMB48.3 million in 2010 and its contribution to overall revenue fell from 12.1% in 2009 to 5.2% in 2010. This product segment commands the lowest margins among all our offerings and we typically produce whole milk powder for sale only when we have excess capacity and raw milk supplies. The increase in average selling price ("ASP") from RMB21.8/kg in 2009 to RMB24.5/kg in 2010 is not sufficient to offset the increase in price of raw milk, resulting in gross margin ("GM") erosion from 18.4% in 2009 to 3.6% in 2010.

#### 全脂奶粉產品

全脂奶粉業務線主要包括售予其他奶品生產商的25千克裝工業用全脂奶粉，以及透過分銷網絡及零售連鎖店售予顧客作一般用途的全脂加糖奶粉。全脂奶粉收益由二零零九年人民幣61.7百萬元減少至二零一零年人民幣48.3百萬元，而其所佔整體收益則由二零零九年12.1%降至二零一零年5.2%。此產品分部的毛利率在本集團全部出售產品中最低，本集團一般只於有過剩產能及生乳供應時方生產全脂奶粉以供出售。平均售價由二零零九年人民幣21.8元/公斤升至二零一零年人民幣24.5元/公斤，惟並不足以抵消生乳的價格升幅，導致二零一零年的毛利率由二零零九年的18.4%降至3.6%。

## Management Discussion and Analysis 管理層討論與分析

### Formula milk powder — Daqing

The revenue from the sales of Daqing series, Formula milk under our Daqing Brand, increased from RMB122.9 million in 2009 to RMB161.4 million in 2010. During the year under review, ASP increased from RMB30.9/kg in 2009 to RMB36.0/kg in 2010 as a result of price adjustments. However, the price increase is not sufficient to totally offset the increase in the raw material costs resulting in a decline in gross margins from 39.0% in 2009 to 33.8% in 2010. Daqing series is targeted at the lower middle income tier consumers and is the most price sensitive brand in our line up. As such, management emphasis more on developing our higher margin brands of Emilon and Shi Jia, resulting in the increase of revenue contribution by these brands (in aggregate) from 60.5% in 2009 to 74.9% in 2010.

### Formula milk powder — Emilon

The Emilon brand of formula comprises three series of baby formula milk with different price points targeted at different consumer groups as well as different geographical markets with different levels of disposable income. Together these series give the Group depth in its product offerings, enabling the Group to compete more effectively against smaller regional competitors.

Revenue from sales of Emilon increased from RMB308.7 million in 2009 to RMB647.0 million in 2010. The growth in Emilon series is mainly a result of the following factors:

- a) expansion of our distribution network, especially in areas outside of the north-eastern provinces where the Emilon brand is more popular;
- b) success of our product strategy and positioning of our Emilon brand; and
- c) the launch of our Youzhi series during the second quarter of 2010. Youzhi series is currently the most competitively priced product in the Emilon brand and this will allow the Group to compete with smaller regional competitors more effectively especially in third tier and below cities. Emilon Youzhi series achieved revenues of RMB140.2 million (or 15.2% of total revenue) in its first year of launch.

### 配方奶粉 — 大慶

大慶配方奶粉系列的銷售收益由二零零九年人民幣122.9百萬元上升至二零一零年人民幣161.4百萬元。於回顧年內，由於價格調整，產品平均售價由二零零九年人民幣30.9元／公斤上升至二零一零年人民幣36.0元／公斤。然而，售價上升並不足以完全彌補原材料成本之升幅，導致毛利率由二零零九年39.0%下跌至二零一零年33.8%。大慶系列以中等偏低收入之消費者為目標，且屬於我們的產品線中價格最為敏感的品牌。因此，管理層更致力發展利潤率較高的品牌 — 愛美樂及仕加，故該等品牌(合共)之收益貢獻有所增加，由二零零九年60.5%增至二零一零年74.9%。

### 配方奶粉 — 愛美樂

愛美樂品牌配方奶粉包括三個價格定位不同的嬰兒配方系列，針對不同的顧客群及可支配收入水平不一的地區性市場。該等系列讓本集團提供的產品更全面，令本集團能更有效地與較小規模之地區競爭對手較量。

愛美樂的銷售收益由二零零九年人民幣308.7百萬元增加至二零一零年人民幣647.0百萬元。愛美樂系列之銷售增長主要受益於下列因素：

- a) 分銷網絡得到擴充，尤其是在愛美樂品牌較受歡迎的東北省以外地區；
- b) 愛美樂品牌的產品策略及品牌定位取得成功；及
- c) 於二零一零年第二季推出優智系列。目前，優智系列乃愛美樂品牌中價格最具競爭力的產品，將使本集團能更有效地與較小規模之地區競爭對手較量，尤其是在三線及以下城市。愛美樂優智系列於其推出首年錄得之收益為人民幣140.2百萬元(或佔總收益15.2%)。

## Management Discussion and Analysis

### 管理層討論與分析

The launch of Youzhi series has effectively reduced the ASP of the Emilon brand as a whole from RMB78.6/kg in 2009 to RMB71.5/kg in 2010 due to its lower selling prices. However, gross margins have increased from 59.3% in 2009 to 59.8% in 2010. This is mainly due to upward price adjustments as well as the fact that raw milk constitutes only 30% of the total cost of production of the Emilon brand as compared to approximately 50% and 80% for the Daqing brand and whole milk powder products, respectively.

#### *Formula milk powder — Shi Jia*

The Shi Jia brand performed to the management's expectations, achieving revenues of RMB43.4 million (or 4.7% of total revenue) in its first year of launch. Shi Jia brand currently has the highest ASP of RMB152.5/kg and as well as gross margins of 71.8%. Given its product price point, Shi Jia brand is targeted at our premium consumers in the markets we operate in as well as in key second tier and coastal cities with higher disposable incomes.

由於優智系列售價較低，其推出市場後令愛美樂品牌的整體平均售價由二零零九年人民幣78.6元／公斤降低至二零一零年人民幣71.5元／公斤。然而，毛利率則由二零零九年59.3%微升至二零一零年59.8%。此乃主要由於價格上調及生乳僅佔愛美樂品牌總生產成本的30%，而佔大慶品牌及全脂奶粉產品則分別約為50%及80%。

#### *配方奶粉 — 仕加*

仕加品牌的表現符合管理層預期，於其推出首年錄得之收益為人民幣43.4百萬元(或佔總收益4.7%)。仕加品牌目前最高平均售價為人民幣152.5元／公斤及毛利率為71.8%。基於產品價格之定位，仕加品牌的目標顧客是我們經營的市場中，以及在可支配收入較高的主要二線城市及沿海城市中的優質顧客。

## Management Discussion and Analysis 管理層討論與分析

### FINANCIAL REVIEW

#### Our year ended 31 December 2010 compared to our year ended 31 December 2009

##### Revenue

Our revenue increased by 80.8% from RMB510.0 million for the year ended 31 December 2009 to RMB921.9 million for the year ended 31 December 2010. The increase in our revenue for the year ended 31 December 2010 was driven by a strong growth in our milk formula products across all ranges of our milk formula products by RMB420.2 million and the sales growth of our ice cream products by RMB5.0 million, which was offset by a decline of RMB13.4 million in our whole milk products.

The growth in revenue for the year ended 31 December 2010 is mainly due to the following factors:

- a) the growth in our distribution network from 67 in 2009 to over 140 direct distributors in 2010;
- b) launch of new products like the Youzhi series under our Emilon brand and Shi Jia brand formula milk powder and post natal mother milk powder. These new products contribute RMB183.7 million in revenue or 20% of total revenue in 2010; and
- c) the removal of capacity constrains faced in 2009 with the commencement of operations of our new 300 ton daily raw milk processing plant in Daqing.

The increase in revenue demonstrates the success of our product strategy as well as validated the effectiveness of our distribution model and brand building efforts through targeted advertising on China Central Television (“CCTV”).

### 財務回顧

截至二零一零年十二月三十一日止年度與截至二零零九年十二月三十一日止年度比較

##### 收益

我們的收益由截至二零零九年十二月三十一日止年度之人民幣510.0百萬元增加至截至二零一零年十二月三十一日止年度之人民幣921.9百萬元，增幅為80.8%。我們於截至二零一零年十二月三十一日止年度之收益增加主要得益於我們全系列配方奶粉產品強勁增長人民幣420.2百萬元以及我們的冰淇淋產品銷售增長人民幣5.0百萬元所致，惟因我們的全脂奶粉產品銷售收益減少人民幣13.4百萬元而有所抵消。

截至二零一零年十二月三十一日止年度之收益增長主要受益於下列因素：

- a) 分銷網絡由二零零九年67家擴大至二零一零年的超過140家直接經銷商；
- b) 以愛美樂品牌推出優智系列，以及仕加品牌的配方及產後婦女奶粉的面世。該等新產品為二零一零年貢獻收益達到人民幣183.7百萬元或佔總收益20%；及
- c) 由於大慶的生乳加工生產廠房開始運作，每日可處理300噸生乳，令於二零零九年所面臨的產能限制得以消除。

收益增長顯示出本集團的產品策略成功，並證明分銷模式之有效性及透過於中國中央電視台（「中央台」）宣傳建立品牌所作之努力。

## Management Discussion and Analysis

### 管理層討論與分析

#### Cost of sales

Our cost of sales increased by RMB169.6 million or 61.9% from RMB274.1 million for the year ended 31 December 2009 to RMB443.7 million for the year ended 31 December 2010. The increase in our cost of sales for the year ended 31 December 2010 was lower than the increase in sales for the same period. This was mainly due to the change in product mix in favour of higher margin milk formula products such as our Emilon series and Shi Jia series, which resulted in a lower cost of sales incurred per dollar of sales.

#### Gross profits

Our gross profits increased by RMB242.3 million or 102.7% from RMB235.9 million for the year ended 31 December 2009 to RMB478.2 million for the year ended 31 December 2010. Our gross profit margins increased from 46.3% in the year ended 31 December 2009 to 51.9% in the year ended 31 December 2010 primarily due to the introduction of our Shi Jia series with relatively higher gross profit margin of 71.8% and the shift in our product series mix in favour of the higher gross profit margin milk formula products (Emilon series and Shi Jia series) from 60.5% of revenue as at 31 December 2009 to 74.9% of revenue as at 31 December 2010.

#### Other gains and losses

Our other losses for the year ended 31 December 2010 amounted to RMB1.0 million which comprised exchange losses of RMB1.3 million arising from exchange losses on a foreign currency denominated loan owing to Pre-IPO Investors that was repaid during the year and bank balances held in foreign currency, loss of disposal of property plant and equipment of RMB0.6 million, offset by interest income of RMB1.0 million.

#### 銷售成本

我們的銷售成本由截至二零零九年十二月三十一日止年度的人民幣274.1百萬元增加人民幣169.6百萬元或61.9%至截至二零一零年十二月三十一日止年度的人民幣443.7百萬元。我們於截至二零一零年十二月三十一日止年度的銷售成本增幅低於同期的銷量增幅。此乃主要由於產品組合轉至偏向利潤率較高的配方奶粉產品(如愛美樂系列以及仕加系列)，從而令每單位收益所產生的銷售成本更低。

#### 毛利

我們的毛利由截至二零零九年十二月三十一日止年度人民幣235.9百萬元增加人民幣242.3百萬元或102.7%至截至二零一零年十二月三十一日止年度的人民幣478.2百萬元。我們的毛利率由截至二零零九年十二月三十一日止年度的46.3%提高至截至二零一零年十二月三十一日止年度的51.9%，此乃主要由於引入仕加配方奶粉系列(其具有相對較高的71.8%毛利率)，以及產品組合轉至偏向毛利率較高的配方奶粉產品(愛美樂系列及仕加系列)所致，而較高毛利率的配方奶粉產品從截至二零零九年十二月三十一日佔收益的60.5%增加到截至二零一零年十二月三十一日佔收益的74.9%。

#### 其他收益及虧損

我們於截至二零一零年十二月三十一日止年度的其他虧損為人民幣1.0百萬元，當中包括由於年內已償還首次公開發售前投資者以外幣列值之所欠貸款及以外幣列值之所持銀行結餘之匯兌虧損所產生之匯兌虧損人民幣1.3百萬元、出售物業及廠房及設備之虧損人民幣0.6百萬元，與利息收入人民幣1.0百萬元所抵消。

## Management Discussion and Analysis 管理層討論與分析

### Selling and distribution expenses

Details of selling and distribution expenses are:

### 銷售及分銷開支

銷售及分銷開支明細如下：

		Year ended 31 December 2010 截至二零一零年 十二月三十一日 止年度 RMB'000 人民幣千元	Year ended 31 December 2009 截至二零零九年 十二月三十一日 止年度 RMB'000 人民幣千元
Staff and welfare cost	員工及福利成本	4,031	2,079
Freight and insurance	運費及保險	6,774	3,465
Advertising and promotion	宣傳及推廣	28,490	11,422
Others	其他	4,981	1,968
		<b>44,276</b>	<b>18,934</b>

Our selling and distribution expenses increased by RMB25.4 million or 134.4% from RMB18.9 million in the year ended 31 December 2009 to RMB44.3 million in the year ended 31 December 2010. The increase was mainly due to the increase in advertising and promotional expenses by RMB17.1 million as a result of the conduct of an advertising and marketing campaign on CCTV to increase brand awareness and to attract more potential distributors to our network. In addition, our staff and welfare cost increased by RMB2.0 million as we increased head counts to cater for the expansion of our distribution network and freight and insurance cost by RMB3.3 million as a result of increased revenues.

我們的銷售及分銷開支由截至二零零九年十二月三十一日止年度的人民幣18.9百萬元增加人民幣25.4百萬元或134.4%至截至二零一零年十二月三十一日止年度的人民幣44.3百萬元。該增加主要由於在中央台進行廣告及營銷活動而產生的廣告及促銷開支增加人民幣17.1百萬元所致。該等廣告及促銷活動旨在提升品牌知名度，同時吸引更多潛在經銷商加入我們的網絡。此外，我們亦增加員工及福利成本以滿足分銷網絡擴充，故員工及福利成本增加人民幣2.0百萬元，而運費及保險成本則隨著收益增加而上升人民幣3.3百萬元。



## Management Discussion and Analysis

### 管理層討論與分析

#### Administrative expenses

Details of administration expenses are:

		Year ended 31 December 2010 截至二零一零年 十二月三十一日 止年度 RMB'000 人民幣千元	Year ended 31 December 2009 截至二零零九年 十二月三十一日 止年度 RMB'000 人民幣千元
Staff and welfare cost	員工及福利成本	7,981	5,629
Depreciation	折舊	5,297	3,462
Property usage taxes	物業使用稅	4,774	2,259
Amortisation of trademarks	商標攤銷	1,520	1,520
Professional fees related to the global offering	與全球發售有關的專業費用	21,570	—
Others	其他	10,575	6,264
		<b>51,717</b>	<b>19,134</b>

Our administrative expenses increased by RMB32.6 million or 170.7% from RMB19.1 million in the year ended 31 December 2009 to RMB51.7 million in the year ended 31 December 2010. The increase was primarily due to the professional fees incurred in respect of the global offering exercise in October 2010 amounting to RMB21.6 million as well as the increase in administration staff costs, depreciation and additional property usage tax arising from Daqing Dairy amounting to RMB2.4 million, RMB1.8 million and RMB2.5 million, respectively.

#### Finance cost

Our finance cost increased by RMB5.4 million or 58.1% from RMB9.3 million in the year ended 31 December 2009 to RMB14.7 million in the year ended 31 December 2010. The increase was mainly due to increase in interest on loan from Pre-IPO Investors amounting to RMB8.9 million, offset by a decrease in the interest on bank borrowings as a result of lower outstanding bank loan balances in 2010 as compared to 2009.

#### 行政開支

行政開支明細如下：

		Year ended 31 December 2010 截至二零一零年 十二月三十一日 止年度 RMB'000 人民幣千元	Year ended 31 December 2009 截至二零零九年 十二月三十一日 止年度 RMB'000 人民幣千元
Staff and welfare cost	員工及福利成本	7,981	5,629
Depreciation	折舊	5,297	3,462
Property usage taxes	物業使用稅	4,774	2,259
Amortisation of trademarks	商標攤銷	1,520	1,520
Professional fees related to the global offering	與全球發售有關的專業費用	21,570	—
Others	其他	10,575	6,264
		<b>51,717</b>	<b>19,134</b>

我們的行政開支由截至二零零九年十二月三十一日止年度的人民幣19.1百萬元增加人民幣32.6百萬元或170.7%至截至二零一零年十二月三十一日止年度的人民幣51.7百萬元。該增加主要由於二零一零年十月之全球發售所產生的專業費用人民幣21.6百萬元，以及大慶乳品產生的行政人員成本、折舊及額外物業使用稅分別增加金額人民幣2.4百萬元、人民幣1.8百萬元及人民幣2.5百萬元所致。

#### 財務費用

我們的財務費用由截至二零零九年十二月三十一日止年度的人民幣9.3百萬元增加人民幣5.4百萬元或58.1%至截至二零一零年十二月三十一日止年度的人民幣14.7百萬元。該增加主要由於首次公開發售前投資者貸款利息增至人民幣8.9百萬元所致，惟已由於二零一零年之未償銀行貸款結餘較二零零九年為低而產生的銀行借款利息減少所抵消。

## Management Discussion and Analysis 管理層討論與分析

### *Income tax expense*

Our income tax expense increased by 71.2% from RMB61.9 million for the financial year ended 31 December 2009 to RMB106.0 million for the financial year ended 31 December 2010. This increase was primarily due to an increase in profit, which was partially offset by a decrease in the effective tax rate from 31.7% to 28.9% from the financial year ended 31 December 2009 to the financial year ended 31 December 2010 due to the fact that no provision was made for withholding tax on potential dividend distribution to its offshore holding company as management has decided to retain undistributed profits for the year ended 31 December 2010 for the purpose of expanding the business.

### *Profit for the year*

Our profit for the year increased by 95.2% from RMB133.5 million for the financial year ended 31 December 2009 to RMB260.6 million for the financial year ended 31 December 2010, as a result of the factors discussed above, and net profit margin increased from 26.2% to 28.3%. Our Directors consider that our net profit margin is relatively high as a result of our ability to effectively control our selling and distribution costs as well as administrative costs.

## MATERIAL INVESTMENTS AND ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the year ended 31 December 2010, except for the Group reorganisation for the preparation of listing as described in the Prospectus and the incorporation of Wuchang Benniu with registered capital of RMB5.0 million, there were no material investments and acquisitions and disposals of subsidiaries.

### *所得稅開支*

我們的所得稅開支由截至二零零九年十二月三十一日止財政年度的人民幣61.9百萬元增加71.2%至截至二零一零年十二月三十一日止財政年度人民幣106.0百萬元。此增長主要由於溢利增加所致，惟已由於實際稅率由截至二零零九年十二月三十一日止財政年度的31.7%降至截至二零一零年十二月三十一日止財政年度的28.9%而部分抵消。實際稅率之下降乃由於管理層決定保留截至二零一零年十二月三十一日止年度未分配溢利以作擴充業務之用，致使概無就向其離岸控股公司分派潛在股息之預扣稅作出撥備。

### *年度溢利*

年度溢利自截至二零零九年十二月三十一日止財政年度的人民幣133.5百萬元增加95.2%至截至二零一零年十二月三十一日止財政年度的人員幣260.6百萬元，此乃由於上文論述的因素，而純利率則自26.2%增加至28.3%。本公司董事認為，純利率相對較高乃由於本公司能有效控制銷售及分銷成本以及行政成本所致。

## 附屬公司的重大投資、收購及出售

截至二零一零年十二月三十一日止年度，概無有關附屬公司的重大投資、收購及出售，惟本集團為籌備上市而進行的集團重組(誠如招股章程所述)以及註冊成立五常犇牛(其註冊資本為人民幣5.0百萬元)除外。

## Management Discussion and Analysis 管理層討論與分析

### FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group intends to explore investment opportunities to commence the development of the second phase of our vertical integration plan that should see the Group achieve self sufficiency in raw milk supplies. As at the date of this report, we have not entered into any legally binding agreement or arrangement with respect to the upward integration opportunities mentioned above. The Group will make appropriate announcements on its plans as and when such plans materialise.

### FINANCIAL RESOURCES, LIQUIDITY AND PLEDGE OF ASSETS

As at 31 December 2010, the net assets of the Group amounted to approximately RMB1,591.0 million (2009: approximately RMB302.4 million); the current assets of the Group amounted to approximately RMB1,302.0 million (2009: approximately RMB233.5 million), of which approximately RMB1,265.2 million (2009: approximately RMB184.0 million) were cash and bank deposits.

The Group usually applies its cash flows generated internally to meet its operational needs. Following the fund raising of the global offering in October 2010, the Group has sufficient financial resources and liquidity that are sufficient to meet its daily business operations and future development.

As at 31 December 2010, there are no pledges on any of its assets of the Group.

### 重大投資的未來計劃

本集團擬探求投資機會，以發展我們垂直整合計劃的第二期，令本集團可達致生乳供應的自給自足。截至本公佈日期，本公司並無就上述往上整合機會訂立任何具法律約束力的協議或安排。本集團將於落實計劃時就有關計劃作出適當的公佈。

### 財務資源、流動資金及資產抵押

於二零一零年十二月三十一日，本集團的淨資產約為人民幣1,591.0百萬元(二零零九年：約人民幣302.4百萬元)，本集團流動資產約為人民幣1,302.0百萬元(二零零九年：約人民幣233.5百萬元)，其中約人民幣1,265.2百萬元(二零零九年：約人民幣184.0百萬元)為現金及銀行存款。

本集團通常運用由內部產生的現金流以應付營運需求。於二零一零年十月的全球發售的集資後，本集團擁有充裕的財務資源及流動資金，足以應付其日常業務經營及未來發展。

於二零一零年十二月三十一日，本集團概無抵押任何資產。

## Management Discussion and Analysis 管理層討論與分析

### CAPITAL STRUCTURE

The Company's capital structure only comprises ordinary shares. The movements in the Company's authorised and issued ordinary share capital during the period between 15 October 2009 (date of incorporation) and 31 December 2010 are as follows:

- (a) The Company was incorporated in the Cayman Islands on 15 October 2009 with an authorised share capital of HK\$380,000, divided into 38,000,000 ordinary shares of HK\$0.01 each in the Company. On the date of incorporation, one share of HK\$0.01 was allotted and issued fully paid at par to a third party, which was subsequently transferred to Mr. Zhao.
- (b) On 15 October 2009, Mr Zhao transferred his 100% shareholding in Global Milk Singapore to the Company pursuant to a share sale and purchase agreement dated the same date in consideration of the Company issuing 550 ordinary shares of HK\$0.01 each in the Company, credited as fully paid, to Mr. Zhao.
- (c) On 18 November 2009, Mr Zhao transferred an aggregate of 57 ordinary shares of HK\$0.01 each in the Company to Kenmoore Mezza9 Ltd. pursuant to a share transfer agreement dated 1 November 2009.
- (d) On 3 February 2010, each ordinary share of HK\$0.01 in the authorised and issued share capital of the Company was subdivided into 1,000 ordinary shares of HK\$0.00001 such that its resultant authorised share capital was HK\$380,000 divided into 38,000,000,000 ordinary shares of HK\$0.00001 each and its resultant issued share capital was HK\$5.51 divided into 551,000 ordinary shares of HK\$0.00001 each in the Company.
- (e) On 4 February 2010, pursuant to an investment agreement dated 20 November 2009 entered into among certain investors (the "Pre-IPO Investors"), Mr. Zhao Chuan Wen, Mr. Zhao and the Company, the Company issued an aggregate of 127,829 ordinary shares of HK\$0.00001 each in the Company to the Pre-IPO Investors, for a consideration of S\$21.0 million (equivalent to RMB102,275,000).

### 資本架構

本公司的資本架構僅包括普通股。本公司自二零零九年十月十五日(註冊成立日期)起至二零一零年十二月三十一日止期間的法定及已發行普通股股本的變動如下:

- (a) 本公司於二零零九年十月十五日在開曼群島註冊成立，其法定股本為380,000港元，分為38,000,000股每股面值0.01港元的普通股。於註冊成立日期，本公司一股面值0.01港元的普通股以繳足方式配發及發行予一名第三方，該股份隨後於同日轉讓予趙先生。
- (b) 於二零零九年十月十五日，趙先生根據於同日訂立的股份買賣協議將其於Global Milk Singapore的全部股權轉讓予本公司，而本公司向趙先生發行550股每股面值0.01港元入賬列為繳足的普通股作為對價。
- (c) 於二零零九年十一月十八日，趙先生根據日期為二零零九年十一月一日的股份轉讓協議向Kenmoore Mezza9 Ltd.轉該合共57股每股面值0.01港元之本公司普通股。
- (d) 於二零一零年二月三日，本公司的法定及已發行股本中每股面值0.01港元的股份拆細為1,000股每股面值0.00001港元的股份(「股份拆細」)，導致本公司的法定股本380,000港元，分為38,000,000,000股每股面值0.00001港元之普通股，而本公司的已發行股本5.51港元，分為551,000股每股面值0.00001港元的本公司普通股。
- (e) 於二零一零年二月四日，根據若干投資者(「該等首次公開發售前投資者」)、趙傳文先生、趙先生及本公司於二零零九年十一月二十日訂立的投資協議，本公司向該等首次公開發售前投資者發行合共127,829股每股面值0.00001港元的普通股，對價為21.0百萬新幣(相當於人民幣102,275,000元)。

## Management Discussion and Analysis

### 管理層討論與分析

- (f) Pursuant to a share subscription agreement dated 20 November 2009 entered into between the Company and Mr. Zhao, on 4 February 2010, the Company issued an aggregate of 63,171 ordinary shares of HK\$0.00001 each to Mr. Zhao, for a consideration of RMB125,000,000.
- (f) 於二零一零年二月四日，根據本公司與趙先生於二零零九年十一月二十日訂立的股份認購協議，本公司向趙先生發行合共63,171股每股面值0.00001港元的普通股，對價為人民幣125,000,000元。
- (g) On 24 March 2010, pursuant to a second series funding agreement entered into between, among others, the Company and the Pre-IPO Investors, the Company issued an aggregate of 15,879 ordinary shares of HK\$0.00001 each to the Pre-IPO Investors for a consideration of S\$5.25 million (equivalent to RMB25,505,000).
- (g) 於二零一零年三月二十四日，根據本公司與(其中包括)該等首次公開發售前投資者訂立的第二系列融資協議，本公司向該等首次公開發售前投資者發行合共15,879股每股面值0.00001港元的普通股，總對價為5.25百萬新幣(相當於人民幣25,505,000元)。
- (h) Pursuant to the written resolutions of all shareholders entitled to vote at general meetings of the Company, which were passed on 10 October 2010, an amount of approximately HK\$7,571.22 standing to the credit of the share premium account of the Company was capitalised and applied to pay up in full at par a total of 757,122,121 new ordinary shares of HK\$0.00001 each for allotment and issue to the shareholders of the Company whose names appeared on the register of members of the Company on 9 October 2010 and details of which are set out in the paragraph headed "Further Information about the Group — Written resolutions of the Shareholders passed on 10 October 2010" in Appendix VI "Statutory and General Information" to the Prospectus.
- (h) 根據有權於本公司週年大會上投票的所有股東的書面決議案(於二零一零年十月十日獲通過)，本公司股份溢價賬的進賬額約7,571.22港元已撥充資本，並利用該筆款項按面值繳足全數757,122,121股新普通股，以便向於二零一零年十月九日名列本公司股東名冊上之本公司股東配發及發行該等股份(「資本化發行」)，有關詳情載於招股章程附錄六「法定及一般資料」的「有關本集團的其他資料 — 我們的股東於二零一零年十月十日通過的書面決議案」一段。
- (i) On 28 October 2010, the Company issued 252,620,000 new ordinary shares of HK\$0.00001 each at issue price of HK\$4.39 per ordinary share pursuant to the listing of the Company's shares.
- (i) 於二零一零年十月二十八日，根據本公司股份之上市，本公司按發行價每股普通股4.39港元發行252,620,000股每股面值0.00001港元的新普通股。

All of the ordinary shares issued by the Company during the period subsequent to the date of incorporation of the Company rank pari passu with the then existing ordinary shares in all respects.

本公司於其註冊成立日期後期間所發行的所有普通股與當時現有普通股於所有方面均享有同等權益。

## Management Discussion and Analysis 管理層討論與分析

### GEARING RATIO

As at 31 December 2010, the Group's current liabilities amounted to approximately RMB168.4 million (2009: approximately RMB503.8 million).

The net assets value per share of the Group was approximately RMB1.57 per share as at 31 December 2010 (2009: approximately RMB0.55 per share). The net asset value per share was computed based on 1,010,500,000 ordinary shares (2009: 551,000,727 shares) in issue as at 31 December 2010.

The Group's current ratio was approximately 7.7 (2009: approximately 0.5). Our gearing is computed based on total interest bearing indebtedness over total assets. The gearing ratio as at 31 December 2010 was approximately 5.3% (2009: approximately 36.4%) which was mainly due to bank borrowings of RMB100.0 million (2009: RMB302.3 million).

### INTEREST AND FOREIGN EXCHANGE RISK

During the year ended 31 December 2010, the Group did not have debt obligations with floating interest rates (2009: nil). Accordingly, the Group had no significant interest rate risk.

Substantially all of the Group's businesses are denominated in RMB, which is the Group's functional currency. As at 31 December 2010, the Group had bank balances of RMB9.9 million (2009: nil) denominated in HK\$.

### CREDIT RISK

The Group trades only with recognised and creditworthy third parties. The Group seeks to maintain strict control over its outstanding receivables and closely monitors the collection to minimise credit risk. As the Group's risk exposure spreads over a diversified portfolio of customers, there is no significant concentration of credit risk.

The carrying amounts of cash and cash equivalents, trade receivables, other receivables and other financial assets, represent the Group's maximum exposure to credit risk in relation to the Group's other financial assets.

### 資產負債比率

於二零一零年十二月三十一日，本集團的流動負債約為人民幣168.4百萬元(二零零九年：約人民幣503.8百萬元)。

本集團於二零一零年十二月三十一日的每股資產淨值約為每股人民幣1.57元(二零零九年：約每股人民幣0.55元)。每股資產淨值乃根據於二零一零年十二月三十一日已發行的1,010,500,000股(二零零九年：551,000,727股)普通股計算。

本集團之流動比率約為7.7(二零零九年：約0.5)。本公司的資產負債乃以總計息負債除以總資產計算。於二零一零年十二月三十一日，資產負債比率約為5.3%(二零零九年：約36.4%)，主要由於銀行借款人民幣100.0百萬元(二零零九年：人民幣302.3百萬元)所致。

### 利率及外匯風險

於截至二零一零年十二月三十一日止年度，本集團並無按浮動利率的負債承擔(二零零九年：無)。因此，本集團並無重大利率風險。

本集團絕大部分業務均以本集團的功能貨幣人民幣計值。於二零一零年十二月三十一日，本集團的銀行結餘人民幣9.9百萬元(二零零九年：零)以港元計值。

### 信貸風險

本集團僅與著名及具信譽的第三方進行交易。本集團對尚未償付的應收款項保持嚴格監控，並密切監察收款情況，以將信貸風險減至最低。由於本集團面臨的風險涉及多元化的客戶組合，故並無高度集中的信貸風險。

現金及現金等價物、應收貿易賬款、其他應收款項及其他財務資產的賬面值指本集團就其他財務資產面臨的最高信貸風險。

## Management Discussion and Analysis

### 管理層討論與分析

#### COMMITMENTS

As at 31 December 2010, the Group had the following capital commitments:

	<b>31 December 2010 二零一零年 十二月三十一日 RMB'000 人民幣千元</b>	31 December 2009 二零零九年 十二月三十一日 RMB'000 人民幣千元
Capital expenditure in respect of acquisition of property, plant and equipment		
— contracted for but not provided in the consolidated financial statements	11,189	10,297
— authorised for but not contracted for	298,580	—
<b>Total</b>	<b>309,769</b>	<b>10,297</b>

On 19 November 2010, the Company made the following announcement that the Board has resolved on 18 November 2010 to approve, inter alia, the investment in and construction of a dairy farm (the "Group's Dairy Farm") by Changqing Dairy, an indirect wholly-owned subsidiary of the Company, in Erhe Township which is approximately 30 km north-east of Wuchang City centre, Heilongjiang Province, the PRC (the "Project").

The Company will use approximately HK\$350.9 million of the net proceeds from the global offering to fund the Project which will comprise approximately RMB300 million for the acquisition of the land use rights of the requisite parcel of land (including fees payable for the grant of permission to occupy such land), the construction of the Group's Dairy Farm and the purchase of dairy cows. The Group will also invest approximately RMB40 million for the construction of a bio-organic fertilizers and bio-gas power generation facility for the Group's Dairy Farm.

#### CONTINGENT LIABILITIES

As at 31 December 2010, the Group had no significant contingent liabilities (2009: nil).

#### 承擔

於二零一零年十二月三十一日，本集團有以下資本承擔：

	<b>31 December 2010 二零一零年 十二月三十一日 RMB'000 人民幣千元</b>	31 December 2009 二零零九年 十二月三十一日 RMB'000 人民幣千元
Capital expenditure in respect of acquisition of property, plant and equipment		
— contracted for but not provided in the consolidated financial statements	11,189	10,297
— authorised for but not contracted for	298,580	—
<b>Total</b>	<b>309,769</b>	<b>10,297</b>

於二零一零年十一月十九日，本公司作出以下公佈（「該公佈」），董事會於二零一零年十一月十八日決議通過並批准（其中包括）由常慶乳業（屬本公司的間接全資附屬公司）在距離中國黑龍江省五常市中心東北部約30公里的二河鄉投資及建設奶牛牧場（「集團牧場」）（「項目」）。

本公司將運用全球發售所得款項淨額約350.9百萬港元作為項目的資金，其中約人民幣300百萬元會用於取得所需土地的土地使用權（包括佔用該土地所須支付的款項）、建設集團牧場及購買奶牛。本集團亦將投資約人民幣40百萬元於建設集團牧場的生物有機肥和沼氣發電設施。

#### 或然負債

於二零一零年十二月三十一日，本集團並無重大或然負債（二零零九年：無）。

## Management Discussion and Analysis 管理層討論與分析

### USE OF PROCEEDS

As at 31 December 2010, the balance of the net proceeds of the fund raising by the Company in the global offering amounted to approximately RMB791.4 million were totally placed with reputable financial institutions for interest income.

The Group intends to use these net proceeds for the following purposes:

### 所得款項用途

於二零一零年十二月三十一日，本公司自全球發售所籌集到的所得款項淨額結餘約為人民幣791.4百萬元，已悉數存於聲譽良好的金融機構，以收取利息收入。

本集團擬使用該等所得款項作以下用途：

Use of proceeds 所得款項用途		Allocated 已分配 RMB'000 人民幣千元	Utilised 已分配 RMB'000 人民幣千元	Balance 已分配 RMB'000 人民幣千元
1)	Approximately 34.7% will be used for implementing our expansion plans on investments upstream in cattle farms and acquisitions of related production equipment and facilities;			
1)	約34.7% 將用作實施本公司有關投資上遊牧場的擴展計劃及收購相關生產設備及設施；	308,841	(4,600)	304,241
2)	Approximately 25.5% will be used for reinforcing and expanding of our distribution network;			
2)	約25.5% 將用作加強及擴展本公司的經銷網絡；	226,959	—	226,959
3)	Approximately 20.4% will be used for advertising, marketing and promotion of existing and new products;			
3)	約20.4% 將用作現有及新產品的廣告、市場推廣及宣傳；	181,567	(12,140)	169,427
4)	Approximately 9.2% for repayment of loan extended by the Pre-IPO Investors to our Company (which is referred to as the Second Loan in the sub-section headed "Investment in the Company prior to the Global Offering" in the section headed "History, Reorganisation and Group Structure" in the Prospectus) and the interests accrued thereon;			
4)	約9.2% 償還首次公開發售前投資者向本公司授出的貸款(指招股章程「歷史、重組及集團架構」一節「全球發售前於本公司的投資」分節所述的第二筆貸款)及該貸款所累計的利息；	81,883	(81,883)	—
5)	Approximately 10.2% will be used for working capital and other general corporate purposes			
5)	約10.2% 將用作營運資金及其他公司一般用途	90,784	—	90,784
Total	總計	890,034	(98,623)	791,411

The Directors do not anticipate any change to its plan on the use of proceeds as stated in the Prospectus.

董事並不預期其於招股章程所述之所得款項使用計劃會出現任何改變。



## Management Discussion and Analysis

### 管理層討論與分析

#### EMPLOYEES

As at 31 December 2010, the Group employed 545 (2009: 430) employees. The increase in the number of employees was due to the expansion of the Group's business to cope with business promotion and market exploration. The salary levels of employees are determined by their performance, qualifications, experience and contribution to the Group with reference to general market trend.

The total employee expenses of the Group including Directors' remuneration charged to the consolidated statement of comprehensive income for the year ended 31 December 2010 amounted to approximately RMB16.7 million (2009: approximately RMB8.4 million). The increase in total employee expenses was due to the increase in employees and salary increments adjusted in accordance with labour market trend.

#### PROSPECTS

Subsequent to the Melamine incident in 2008, the PRC government has introduced a number of regulations and measures which are aimed at controlling and improving food safety in the dairy products industry and for the purpose of regaining the confidence of consumers. In addition, the government has also introduced new production licensing requirements to drive consolidation within the dairy industry as well as introduced favourable incentives to encourage upstream integration among dairy producers. We believe these measures are favourable to the development of the industry in general and the Group in particular.

The Group has a successful track record in launching new products in the past and will continue to do so in order to increase our products' appeal across all segments of our target market. We have also increased our selling prices of our products to offset the consequences brought by the increase in the cost of the raw materials in early 2011. This should help us mitigate the effects from inflationary pressures expected in 2011.

#### 僱員

於二零一零年十二月三十一日，本集團僱用545名(二零零九年：430名)僱員。僱員數目增加主要由於本集團為配合業務推廣及開發市場而擴充業務。僱員的薪金水平乃經參考一般市場趨勢按彼等的表現、資歷、經驗及對本集團的貢獻而釐定。

本集團之僱員總支出(包括計入截至二零一零年十二月三十一日止年度的綜合全面收益表的董事酬金)約為人民幣16.7百萬元(二零零九年：約人民幣8.4百萬元)。僱員總開支增加主要是由於僱員增加及薪金按勞工市場趨勢調整而上升。

#### 前景

二零零八年發生三聚氰胺事件後，中國政府推出多項規例及措施，旨在控制及提高乳製品行業的食品安全，恢復消費者的信心。此外，中國政府亦已推出新訂生產許可規定，藉此推動乳製品行業的整合，並引入有利的獎勵機制，以鼓勵乳製品製造商之上游整合發展。本公司相信，該等措施有利行業(尤其是本集團)的整體發展。

本集團過往在推出新產品方面的成績驕人，並將繼續貫徹執行有關策略，以提高本公司產品於目標市場所有界別的需求。本公司亦已提高產品售價，以抵消於二零一一年初上漲的原材料成本。此舉將有助本公司減輕預期於二零一一年出現的通脹壓力所造成的影響。

## Management Discussion and Analysis 管理層討論與分析

Our growth in 2011 will be driven by the expansion of our distribution network via the selection and appointment of committed distributors in cities where we do not yet have a presence, with special emphasis on our key markets of 2nd tier, 3rd tier and below cities. For the Shi Jia brand, we have deployed a task force made up of experienced sales personnel to explore non traditional distribution channels within the 2nd tier cities and wealthy coastal cities on the eastern seaboard, building upon our initial success in penetrating several 2nd tier cities in 2010.

本公司於二零一一年的增長將由分銷網絡的擴張所推動，此乃透過於本公司目前並無業務的城市，尤其是主要的二、三線及以下城市的市場，篩選及委任可信賴的經銷商而進行。就仕加品牌而言，繼本公司於二零一零年初次成功打入多個二線城市後，本公司已指派由經驗豐富的銷售人員所組成的專責團隊，於二線城市及較富裕的東部沿海城市探索非傳統的分銷渠道。

## Biographical Details of Directors and Senior Management 董事及高級管理層履歷

### DIRECTORS AND SENIOR MANAGEMENT

#### Executive Directors

**Zhao Chuan Wen (趙傳文)** (“Mr. Zhao CW”), aged 57, was appointed as our executive Director and Chairman on 10 October 2010. He is responsible for formulating the Group’s business strategies. Mr. Zhao CW has been Daqing Dairy’s honorary director since June 2006 and has played a pivotal role in the growth and expansion of Daqing Dairy over the years. He indirectly owns a controlling stake in Sino Construction Limited (“Sino Construction”), a Singapore-listed company, and he is the legal representative and sole director of its subsidiaries, namely 大慶大正建築安裝有限公司 (Daqing City Dazheng Building Installation Co., Ltd.\*), 大慶市百信源商品混凝土有限公司 (Daqing City Baixinyuan Concrete Products Co., Ltd.\*) and 大慶鑫源建築安裝有限公司 (Da Qing Xinyuan Construction Planning Co., Ltd.\*). He stepped down from the position as the chief executive officer of Sino Construction in April 2010. In addition, he is also the legal representative and the sole director of 大慶市大正房地產開發有限公司 (Daqing City Dazheng Real Estate Development Co., Ltd.\*), a company involved in the real estate business in Daqing. Mr. Zhao CW graduated from 大慶石油學院 (Daqing Petroleum Institute\*) (now known as 東北石油大學 (Northeast Petroleum University)) majoring in Civil Construction on 15 July 1979. Mr. Zhao CW is the father of Mr. Zhao Yu. He serves as the executive chairman of Sino Construction which was listed on the official list of the Singapore Exchange Limited on 12 June 2008.

**Zhao Yu (趙宇)** (“Mr. Zhao”), aged 25, was appointed as a Director on 15 October 2009 and he is our executive Director and chief executive officer of the Company, responsible for executing the overall business strategies, facilitating business development and managing the operations of the Group. He has been with the Group since October 2007 and he is currently the sole executive director and legal representative of Daqing Dairy and Changqing Dairy, since December 2009 and November 2009, respectively and he is, according to PRC laws and regulations, the highest executive authority of these two companies. Prior to joining the Group, Mr. Zhao was the chief executive officer of 上海騰源廣告有限公司 (Shanghai Teng Yuan Advertising Co., Ltd.\*) (“Shanghai Teng Yuan”) between August 2007 and May 2008. During his prior appointment with

### 董事及高級管理層

#### 執行董事

**趙傳文**(「趙傳文先生」)，57歲，於二零一零年十月十日獲委任為執行董事兼主席。彼負責制定本集團的業務策略。趙傳文先生自二零零六年六月起擔任大慶乳品的名譽董事，在大慶乳品多年來增長及擴張中發揮著舉足輕重的作用。彼間接擁有中建有限公司(一間新加坡上市公司)的控制權，並為中建多家附屬公司(包括大慶大正建築安裝有限公司、大慶市百信源商品混凝土有限公司及大慶鑫源建築安裝有限公司)的法人代表及唯一董事。彼於二零一零年四月退任中建首席執行官職位。此外，彼亦為大慶市大正房地產開發有限公司(一家在大慶從事房地產業務的公司)的法人代表及唯一董事。趙傳文先生於一九七九年七月十五日畢業於大慶石油學院(現稱東北石油大學)，主修土木建築專業。趙傳文先生為趙宇先生的父親。彼為中建(於二零零八年六月十二日在新加坡證券交易所正式掛牌上市)的執行主席。

**趙宇**(「趙先生」)，25歲，於二零零九年十月十五日獲委任為董事，彼現任本公司執行董事兼首席執行官，負責執行整體的業務策略、促進業務發展及管理本集團的營運。彼自二零零七年十月加入本集團，目前彼分別自二零零九年十二月起及自二零零九年十一月起擔任大慶乳品唯一執行董事及常慶乳業法人代表，且根據中國法律法規彼為這兩家公司最高行政權力的擁有人。加入本集團前，趙先生於二零零七年八月至二零零八年五月期間擔任上海騰源廣告有限公司(「上海騰源」)行政總裁。於過往任職於上海騰源(「上海騰源」)期間，趙先生負責整

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Shanghai Teng Yuan, Mr. Zhao was responsible for the overall operational and business strategies and for overseeing the operations of this company. Shanghai Teng Yuan was engaged in the advertising and promotion business in the PRC. Mr. Zhao is the son of Mr. Zhao Chuan Wen.

**Xia Yuan Jun (夏元軍)** (“Mr. Xia”), aged 47, was appointed as our executive Director and deputy chief executive officer of the Company on 10 October 2010. He is primarily responsible for overseeing product development as well as assisting chief executive officer of the Company in executing the overall business strategies, facilitating business development, and managing the operations of the Group. Mr. Xia joined the Group in March 2008 as Daqing Dairy’s general manager, a position he currently holds. He was also appointed, at the time of its establishment, and still is the general manager of Changqing Dairy. Mr. Xia is a senior food engineer (食品高級工程師). He graduated from 東北財經大學 (Dongbei University of Finance and Economics) with an executive master of business administration (高級管理人員工商管理碩士) in January 2007. He has approximately 22 years of experience in the dairy industry. He was the deputy general manager of 黑龍江省完達山乳業股份有限公司 (Heilongjiang Wondersun Dairy Co., Ltd\*), a dairy company in the PRC between July 1987 and June 2004. From June 2004 till March 2008, he was the deputy general manager of 西安銀橋生物科技有限公司 (Xi’an Yinqiao Biological Science and Technology Co. Ltd), also a dairy company in the PRC.

**Fu Chong (付翀)** (“Mr. Fu”), aged 45, was appointed as our executive Director and chief operations officer of the Company on 10 October 2010. He is primarily responsible for the overall operations, strategic and business development of the Group. He graduated from 內蒙古師範大學 (Inner Mongolia Normal University) with a master of science degree on 9 June 1990 and a Bachelor of Science degree on 10 July 1987. Mr. Fu joined the Group in July 2009 as an assistant general manager of the strategic planning of Daqing Dairy prior to his appointment as our Director. During his term with 內蒙古伊利實業集團股份有限公司 (Inner Mongolia Yili Industrial Group Co., Ltd.), a dairy company in the PRC, from July 1995 to July 2005, Mr. Fu held various managerial positions including general manager of development department, general manager of information centre,

體經營及業務策略及監管該公司的營運業務。上海騰源在中國從事廣告及宣傳業務。趙先生為趙傳文先生的兒子。

**夏元軍**(「夏先生」)，47歲，於二零一零年十月十日獲委任為本公司執行董事兼副首席執行官。彼主要負責監督產品開發，並協助本公司首席執行官執行整體的業務策略、促進業務發展及管理本集團的營運。夏先生於二零零八年三月加入本集團，出任大慶乳品總經理，目前仍擔任該職位。於常慶乳業成立時，彼亦獲委任總經理及目前仍擔任該職位。夏先生為食品高級工程師。彼於二零零七年一月畢業於東北財經大學，取得高級管理人員工商管理碩士學位。彼於乳品行業擁有約22年經驗。一九八七年七月至二零零四年六月期間，彼為一家中國乳品公司黑龍江省完達山乳業股份有限公司的副總經理。自二零零四年六月直至二零零八年三月止，彼為另一家中國乳品公司西安銀橋生物科技有限公司的副總經理。

**付翀**(「付先生」)，45歲，於二零一零年十月十日獲委任為本公司執行董事兼首席營運官，主要負責本集團的整體營運、策略及業務發展。彼於一九九零年六月九日畢業於內蒙古師範大學，取得理學碩士學位，並於一九八七年七月十日取得理學學士學位。二零零九年七月，付先生加入本集團，在其獲委任為本公司董事前，擔任大慶乳品戰略策劃副總經理。彼於一九九五年七月至二零零五年七月於中國乳品公司內蒙古伊利實業集團股份有限公司任職期間，曾擔任多個管理職位，包括發展部總經理、商

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chief information officer, general manager of the group's key customers, assistant general manager of its sales centre and member of the group's strategies management committee.

**Fong Pin Jan (方秉權)** ("Mr. Fong"), aged 37, was appointed as our executive Director and chief financial officer of the Company on 10 October 2010. He is primarily responsible for the overall financial affairs and management of the Group, including financial reporting and internal controls, strategic review of potential investments, corporate finance and fund raising and tax structuring. Mr. Fong is also a director of the Singapore subsidiary of the Company, Global Milk Singapore since 30 June 2009. Prior to joining the Group, Mr. Fong was appointed as the chief financial officer of Sino Construction between July 2009 and April 2010. Between October 2007 and December 2008, Mr. Fong was the chief financial officer of 雀氏(福建)實業發展有限公司 (Chiaus (Fujian) Industrial Development Co., Ltd.), a company incorporated in the PRC. From July 1998 to September 2007, Mr. Fong was employed as a professional auditor in Ernst & Young. He was also the senior manager in Ernst & Young's IPO team. He graduated from Nanyang Technological University in Singapore with a degree of bachelor of accountancy (second class honours (upper division)) on 4 July 1998 and is a member of the Institute of Certified Public Accountants of Singapore. Mr. Fong serves as a non-executive director of Sino Construction, which was listed on the official list of the Singapore Exchange Limited, on 23 April 2010.

情中心總經理、首席信息官、集團重點客戶總經理、營銷中心常務副總經理以及集團戰略管理委員會成員。

**方秉權**(「方先生」)，37歲，於二零一零年十月十日獲委任為本公司執行董事兼首席財務官。彼主要負責本集團的整體財務及管理事宜，包括財務報告及內部監控、潛在投資的策略審核、機構融資與資金募集以及稅務構組。自二零零九年六月三十日起，方先生亦成為本公司新加坡附屬公司Global Milk Singapore董事。加入本集團前，方先生於二零零九年七月至二零一零年四月期間出任中建財務總監。二零零七年十月至二零零八年十二月期間，方先生擔任一家中國註冊成立公司雀氏(福建)實業發展有限公司財務總監。一九九八年七月至二零零七年九月期間，方先生受聘為安永會計師事務所專業核數師。彼亦曾任安永會計師事務所首次公開發售團隊的高級經理。彼於一九九八年七月四日畢業於新加坡南洋科技大學，持有會計學(二級甲等榮譽)學士學位，現為新加坡執業會計師公會會員。方先生於二零一零年四月二十三日擔任新加坡證券交易所上市公司中建非執行董事。

## Biographical Details of Directors and Senior Management 董事及高級管理層履歷

### Independent Non-executive Directors

**Cheung Hok Fung Alexander (張學鋒)** (“Mr. Cheung”), aged 45, was appointed as our independent non-executive Director on 10 October 2010. He is currently a Barrister practising in Hong Kong. He has over 20 years of experience in corporate governance, auditing, tax planning and compliance. He is a Certified Public Accountant in Hong Kong, a Chartered Accountant of New Zealand and a member of The Chartered Association of Certified Accountants. He holds a professional diploma in company secretaryship and administration from Hong Kong Polytechnic, a master and a bachelor degree of laws from the University of New England, Australia.

Mr. Cheung served as an independent non-executive director of Asia Silk Holdings Limited (stock code: 5GP) from February 2007 till August 2010. He currently serves as the lead independent director and audit committee’s chairman of Combine Will International Holdings Limited (stock code: F4I). Both Asia Silk Holdings Limited and Combine Will International Holdings Limited are companies listed on the Singapore Exchange Limited.

**Chan Wah Man Carman (陳華敏)** (“Ms. Chan”), aged 42, was appointed as our independent non-executive Director on 10 October 2010. Ms. Chan graduated from Bemidji State University in the State of Minnesota, the United States with a degree of bachelor of science in August 1993 and obtained a degree of master of accounting from Curtin University of Technology, Australia in February 2000. She is also a member of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant in Australia. Ms. Chan has over 17 years of experience in private equity, corporate finance and financial advisory. She is licensed to conduct Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. Between March 1998 and August 2001, she was an assistant director at Baring Capital (China) Management Limited, ING Group and between January 2002 and December 2003, she was an associate director at Suez Asia (Hong Kong) Limited. From January 2004 until January 2008, she was employed in various companies involving in fund raising activities and assisted these companies in the preparation of initial public offerings. From February 2008 to April 2009, she was an associate director at Rabobank International Hong Kong Branch, handling mergers and acquisitions and corporate advisory

### 獨立非執行董事

**張學鋒**(「張先生」)，45歲，於二零一零年十月十日獲委任為獨立非執行董事。彼現時為香港執業大律師。彼於企業管治、審計、稅務規劃及合規方面有逾20年經驗。彼為香港執業會計師、新西蘭特許會計師及特許公認會計師公會會員。彼持有香港理工學院的公司秘書及行政專業文憑及澳洲新英格蘭大學(University of New England, Australia)的法律碩士學位及學士學位。

張先生自二零零七年二月至二零一零年八月擔任Asia Silk Holdings Limited(股份代號: 5GP)的獨立非執行董事。彼現時擔任Combine Will International Holdings Limited(股份代號: F4I)的主要獨立董事及審核委員會主席。Asia Silk Holdings Limited及Combine Will International Holdings Limited均於新加坡證券交易所上市。

**陳華敏**(「陳女士」)，42歲，於二零一零年十月十日獲委任為獨立非執行董事。陳華敏女士一九九三年八月畢業於美國明尼蘇達州伯米吉州立大學(Bemidji State University)，取得理學學士學位，並於二零零零年二月取得澳洲柯廷科技大學(Curtin University of Technology)會計碩士學位。彼亦為香港會計師公會會員及澳洲執業會計師。陳女士於私人投資、企業融資及財務諮詢方面擁有逾17年經驗。彼為證券及期貨條例第6類(就企業融資提供意見)及第9類(提供資產管理)受規管活動的持牌人。一九九八年三月至二零零一年八月，彼於ING集團屬下的Baring Capital (China) Management Limited任職助理董事。二零零二年一月至二零零三年十二月，彼為Suez Asia (Hong Kong) Limited副董事。二零零四年一月至二零零八年一月，彼受僱於多家從事集資活動的公司，並協助該等公司籌備首次公開發售。二零零八年二月至二零零九年四月，彼為荷蘭合作國際銀行香港分行副董事，曾處理多宗併購及企業

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deals. She is currently the head of private equity department at Wallbanck Brothers Securities (Hong Kong) Limited. Ms. Chan is an independent non-executive director of Man Wah Holdings Limited (stock code: 01999), a company listed on the Main Board of the Stock Exchange.

**Zhang Zhou (張舟)**, aged 47, was appointed as our independent non-executive Director on 10 October 2010. Mr. Zhang graduated from 北京師範大學 (Beijing Normal University) with a bachelor degree in economics in July 1985 and obtained a master degree in economics from 復旦大學 (Fudan University) in July 1994. He is an associate professor specialising in international trade and finance. From July 1985 until July 2002, he was a lecturer and an associate professor at 內蒙古大學經濟管理學院 (School of Economics and Management, Inner Mongolia University). Since August 2002, Mr. Zhang has been an associate professor at 哈爾濱工業大學(威海) (Harbin Institute of Technology at Weihai) where he speaks on, among other subjects, marketing, brand strategy management, advertising, relationship marketing and integrated marketing communications. From April 2004 to April 2005, Mr. Zhang was employed as the general manager of brand management department at 內蒙古伊利實業集團股份有限公司 (Inner Mongolia Yili Industrial Group Co., Ltd.).

### SENIOR MANAGEMENT

**Ma Zhan Jun (馬占軍)**, aged 36, is the financial controller of Daqing Dairy primarily responsible for managing the financial operations of Daqing Dairy. He joined the Group in October 1996 after he graduated from 佳木斯工學院 (Jiamusi Institute of Technology\*) majoring in accounting on 10 July 1996.

**Du Wei (杜偉)** ("Mr. Du"), aged 38, is Daqing Dairy's assistant general manager (sales and logistics) and primarily responsible for managing the sales and logistics operations of Daqing Dairy. He joined our Group in January 1996. Mr. Du graduated from 中共哈爾濱市委黨校 (Harbin Party School of The Communist Party of China\*) majoring in economic management on 10 January 2000.

**Zhang Bing (張兵)**, aged 40, is currently the assistant general manager (production) of Daqing Dairy's production department and is primarily responsible for managing our Daqing production facilities. He joined our Group in March 2009 as the deputy

諮詢交易。彼目前為 Wallbanck Brothers Securities (Hong Kong) Limited 私人投資部主管。陳女士為聯交所主板上市公司敏華控股有限公司(股份代號: 01999)的獨立非執董事。

**張舟**，47歲，於二零一零年十月十日獲委任為獨立非執行董事。張舟先生於一九八五年七月畢業於北京師範大學，取得經濟學學士學位，並於一九九四年七月取得復旦大學經濟學碩士學位。彼為副教授，專門研究國際貿易和金融。於一九八五年七月直至二零零二年七月間，彼為內蒙古大學經濟管理學院講師及副教授。自二零零二年八月至今，張舟先生為哈爾濱工業大學(威海)副教授，教授科目包括營銷、品牌戰略管理、廣告學、關係營銷及綜合營銷傳訊。於二零零四年四月至二零零五年四月期間，張舟先生曾任內蒙古伊利實業集團股份有限公司品牌管理部總經理。

### 高級管理層

**馬占軍**，36歲，現為大慶乳品財務總監，主要負責管理大慶乳品財務運作。一九九六年七月十日，彼畢業於佳木斯工學院，主修會計學，其後於一九九六年十月加入本集團。

**杜偉**(「杜先生」)，38歲，現為大慶乳品的副總經理(銷售及物流)，主要負責管理大慶乳品的銷售及物流營運。彼於一九九六年一月加入本集團。二零零零年一月十日，杜先生畢業於中共哈爾濱市委黨校，主修經濟管理學。

**張兵**，40歲，現為大慶乳品副總經理(生產)，主要負責管理我們大慶生產設施。彼於二零零九年三月加入本集團，出任大慶乳品生產部副經理，並於二零零九年九月晉升至現職。於

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assistant general manager of Daqing Dairy's production department before his promotion to his current position in September 2009. He received tertiary education from 佳木斯市聯合職工大學 (Jiamusi Employee University\*) in disciplines relating to Food Engineering between September 1990 and July 1993. He has over eight years of experience in the dairy industry. Prior to joining the Group, he held management positions at various dairy products companies. From February 2001 until January 2007, he was the manager of the production department at 黑龍江省完達山乳業股份有限公司 (Heilongjiang Wondersun Dairy Co., Ltd\*). Between February 2007 and August 2007, he was employed as consultant at 上海得丁企業管理諮詢有限公司 (Shanghai Denton Management Consultancy Ltd\*) where he was responsible for providing consultancy services in relation to dairy production. From September 2007 until December 2008, he was the manager of 雅士利集團龍江分公司 (Yashily Group Longjiang Branch\*).

**Shi Ji Yu (石繼瑜)** ("Mr. Shi"), aged 40, Daqing Dairy's assistant general manager (purchasing) and primarily responsible for managing the raw material purchasing and milk procurement operations of Daqing Dairy. Between August 2008 and October 2009, he was also the assistant general manager of Changqing Dairy. Mr. Shi joined the Group in August 2006. He received tertiary education from 大慶職工大學 (Daqing Employee University\*) in disciplines relating to mining machinery between August 1993 and July 1996. Prior to joining the Group, he worked at 大慶石油第四採油廠 (Fourth Oil Production Factory of Daqing Oil Field\*) from 1999 to 2006.

**Gao Feng (高峰)** ("Mr. Gao"), aged 46, is an executive officer of the Group primarily responsible for developing the dairy farm business. He joined the Group in March 2010. Mr. Gao is a senior veterinarian. He received tertiary education from 黑龍江八一農墾大學 (Heilongjiang Bayi Agricultural University) in disciplines relating to veterinary. He also completed an advanced livestock management training at the same university in December 1994. Prior to joining the Group, Mr. Gao held various positions as veterinarian, head of cattle production and head of animal husbandry in 黑龍江省八五一一農場 (Heilongjiang Province 8511 Farm\*) in China between August 1981 and December 1994. From January 1995 to November 1996, he was the assistant head of the cattle farm with 黑龍江省和平牧場 (Heilongjiang Province Heping Farm\*) and head of the dairy

一九九零年九月至一九九三年七月，彼在佳木斯市聯合職工大學接受專上教育，攻讀食品工程專業。彼於乳品行業擁有逾8年經驗，加入本集團前，彼曾在多家乳品公司擔任管理職位。於二零零一年二月直至二零零七年一月，彼於黑龍江省完達山乳業股份有限公司擔任生產部經理。二零零七年二月至二零零七年八月期間，彼受聘於上海得丁企業管理諮詢有限公司擔任顧問，負責就乳品生產提供顧問服務。於二零零七年九月至二零零八年十二月期間，彼為雅士利集團龍江分公司經理。

**石繼瑜** (「石先生」)，40歲，現為大慶乳品副總經理(採購)，主要負責管理大慶乳品的原材料購買及牛奶採購營運。二零零八年八月至二零零九年十月期間，彼亦擔任常慶乳業的副經理。石先生於二零零六年八月加入本集團。於一九九三年八月至一九九六年七月期間，彼在大慶職工大學接受專上教育，攻讀礦物機械專業。加入本集團前，彼於一九九九年至二零零六年期間曾任職於大慶石油第四採油廠。

**高峰** (「高先生」)，46歲，現為本集團執行官，主要負責發展本公司牧場業務。彼於二零一零年三月加入本集團。高先生為高級獸醫師，曾在黑龍江八一農墾大學接受專上教育，攻讀獸醫專業，並於一九九四年十二月完成高級畜牧管理培訓。在加入本集團前，於一九八一年八月至一九九四年十二月期間，高先生先後於中國黑龍江省八五一一農場擔任獸醫師、農場繁育站站長、農場畜牧科科長多項職務。於一九九五年一月至一九九六年十一月期間，彼擔任黑龍江省和平牧場副場長及黑龍江省和平乳品廠廠長。於一九九七年四月，高先生亦獲



## Biographical Details of Directors and Senior Management 董事及高級管理層履歷

factory of 黑龍江省和平乳品廠 (Heilongjiang Province Heping Dairy Factory\*). In April 1997, Mr. Gao was also appointed as assistant head of 黑龍江省八五八農場 (Heilongjiang Province 858 Farm\*). Thereafter, Mr. Gao was a general manager at 黑龍江農墾完達山牧業有限公司 (Heilongjiang Agricultural Wondersun Livestock Co., Ltd.\*), a subsidiary of 黑龍江完達山哈爾濱乳品有限公司 (Heilongjiang Wondersun Harbin Dairy Co., Ltd\*), a dairy company in the PRC. In that capacity, Mr. Gao was charged with the management and the day to day operations of 黑龍江農墾完達山牧業有限公司 (Heilongjiang Agricultural Wondersun Livestock Co., Ltd.\*), which is responsible for the establishment and management of cattle farms, the production and supply of raw milk and cattle feed for the group of companies of 黑龍江完達山哈爾濱乳品有限公司 (Heilongjiang Wondersun Harbin Dairy Co., Ltd\*).

**Zhao Jin Xiang (趙金祥)**, aged 39, is the deputy assistant general manager of Daqing Dairy's production department primarily responsible for assisting our assistant general manager of production department in formulating production plan and managing the production. He has been with our Group since December 1989. Between September 1993 and July 1997, he studied at 黑龍江大學 (Heilongjiang University) and majored in Economic Management.

委任為黑龍江省八五八農場副場長。其後，高先生曾於中國乳品公司黑龍江完達山哈爾濱乳品有限公司旗下附屬公司黑龍江農墾完達山牧業有限公司擔任總經理。高先生於此職位負責黑龍江農墾完達山牧業有限公司的管理及日常經營，即負責黑龍江完達山哈爾濱乳品有限公司集團各公司的牧場建設和管理以及奶源和牛飼料的生產和供應。

**趙金祥**，39歲，為大慶乳品生產部副經理，主要負責協助本公司副總經理(生產)制訂生產計劃及管理生產。彼自一九八九年十二月起加入本集團。一九九三年九月至一九九七年七月，彼就讀於黑龍江大學，主修經濟管理。

\* An asterisk following an English name denotes that the English name is for identification purpose only.

以[\*]號註明的英文名稱表示英文名稱僅供識別。

## Report of the Directors 董事會報告書

The Directors submit herewith their annual report together with the audited financial statements for the year ended 31 December 2010.

董事會茲提呈截至二零一零年十二月三十一日止年度之年度報告及經審核財務報表。

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

### 香港主要營業地點

The Company is a limited liability company incorporated in the Cayman Islands and its principal place of business in Hong Kong is 35th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong.

本公司在開曼群島註冊成立為有限公司，其於香港的主要營業地點位於香港中環花園道1號中銀大廈第35樓。

### PRINCIPAL ACTIVITIES

### 主要業務

The principal activity of the Company is engaged in the production, marketing, and sale of medium-to-high and premium-priced milk formula products in China. The principal activities and other particulars of the subsidiaries of the Company are set out in note 33 to the financial statements.

本公司於中國之主要業務乃從事生產、營銷及銷售中高端及超高端價位配方奶粉產品。本公司附屬公司的主要業務及其他詳情載於財務報表附註33。

### RESULTS AND APPROPRIATION

### 業績及溢利分配

The results of the Group for the year ended 31 December 2010 are set out in the consolidated statement of comprehensive income on page 67.

本集團截至二零一零年十二月三十一日止年度之業績載列於第67頁之綜合全面收益表。

### MAJOR CUSTOMERS AND SUPPLIERS

### 主要客戶及供應商

The Group's top five customers accounted for approximately 7.3% (2009: approximately 16.2%) of the total sales. The top five suppliers accounted for approximately 39.7% (2009: approximately 46.3%) of the total purchases for the year. In addition, the Group's largest customer accounted for approximately 1.6% (2009: approximately 4.0%) of the total sales and the Group's largest supplier accounted for approximately 16.3% (2009: approximately 13.6%) of the total purchases for the year.

本集團五大客戶佔銷售總額約7.3% (二零零九年：約16.2%)。五大供應商佔年度採購總額約39.7% (二零零九年：約46.3%)。此外，本集團最大客戶佔銷售總額約1.6% (二零零九年：約4.0%)及本集團之最大供應商佔年度採購總額約16.3% (二零零九年：約13.6%)。

At no time during the year have the Directors, their associates or any Shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

年內，概無本公司董事、其聯繫人或據董事所悉擁有本公司股本超過5%之任何本公司股東 (「股東」) 於該等主要客戶及供應商中擁有任何權益。

## Report of the Directors 董事會報告書

### FINANCIAL STATEMENTS

The result of the Group for the year ended 31 December 2010 and the state of the Company's and the Group's affairs as at 31 December 2010 are set out in the financial statements on pages 67 to 144.

### DISTRIBUTABLE RESERVE

The Company's reserves available for distribution represent the share premium and accumulated losses which in aggregate amounted to RMB1,109.1 million as at 31 December 2010.

### DIVIDENDS

The Board has decided not to issue a dividend for the year ended 31 December 2010 (2009: nil).

### FIXED ASSETS

Details of movements in fixed assets during the year are set out in note 16 to the financial statements.

### SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 26 to the financial statements.

### 財務報表

本集團於截至二零一零年十二月三十一日止年度的業績及本公司與本集團於二零一零年十二月三十一日的財務狀況載於第67至144頁之財務報表。

### 可分派儲備

於二零一零年十二月三十一日，本公司可供分派儲備指股份溢價及累積虧損，合共為人民幣1,109.1百萬元。

### 股息

董事會決議不會就截至二零一零年十二月三十一日止年度派發股息(二零零九年：零)。

### 固定資產

年內的固定資產變動詳情載於財務報表附註16。

### 股本

本公司於年內的股本變動詳情載於財務報表附註26。

## Report of the Directors 董事會報告書

### DIRECTORS

The Directors during the financial year and up to the date of this report were:

#### Executive Directors

- Mr. Zhao Chuan Wen (*Chairman*)  
(appointed on 10 October 2010)
- Mr. Zhao Yu (*Chief Executive Officer*)  
(appointed on 15 October 2009)
- Mr. Xia Yuan Jun (*Deputy Chief Executive Officer*)  
(appointed on 10 October 2010)
- Mr. Fu Chong (*Chief Operations Officer*)  
(appointed on 10 October 2010)
- Mr. Fong Pin Jan (*Chief Financial Officer*)  
(appointed on 10 October 2010)

#### Independent Non-executive Directors

- Mr. Cheung Hok Fung Alexander  
(appointed on 10 October 2010)
- Ms. Chan Wah Man Carman  
(appointed on 10 October 2010)
- Mr. Zhang Zhou  
(appointed on 10 October 2010)

Pursuant to article 84(1) of the articles of association of the Company, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Mr. Zhao Yu, executive Director, shall retire at the forthcoming annual general meeting of the Company and shall then be eligible, offer himself for rotation at the forthcoming annual general meeting of the Company.

By virtue of article 83(3) of the articles of association of the Company, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of

### 董事

於本財政年度及截至本報告日期，董事包括：

#### 執行董事

- 趙傳文先生(主席)  
(於二零一零年十月十日獲委任)
- 趙宇先生(首席執行官)  
(於二零零九年十月十五日獲委任)
- 夏元軍先生(副首席執行官)  
(於二零一零年十月十日獲委任)
- 付翀先生(首席營運官)  
(於二零一零年十月十日獲委任)
- 方秉權先生(首席財務官)  
(於二零一零年十月十日獲委任)

#### 獨立非執行董事

- 張學鋒先生  
(於二零一零年十月十日獲委任)
- 陳華敏女士  
(於二零一零年十月十日獲委任)
- 張舟先生  
(於二零一零年十月十日獲委任)

根據本公司章程細則第84(1)條，在每屆股東週年大會上，當時三分之一的董事(若其人數並非三(3)的倍數，則以最接近但不少於三分之一的人數)將輪流退任，惟每位董事必須最少每三年於股東週年大會上退任一次。執行董事趙宇先生必須於本公司應屆股東週年大會上退任，並於該大會上合資格膺選連任。

根據本公司章程細則第83(3)條，董事有權不時及隨時委任任何人士為董事以填補臨時董事會空缺或增添董事。獲董事會委任填補臨時空缺的任何董事須一直擔任該職務，直至本公司舉行其獲委任後的首屆股東大會為止，並於該大會上膺選連任，而獲董事會委任新

## Report of the Directors

### 董事會報告書

Shareholders after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. The Directors namely Mr. Zhao Chuan Wen, Mr. Xia Yuan Jun, Mr. Fu Chong, Mr. Fong Pin Jan, Mr. Cheung Hok Fung Alexander, Ms. Chan Wah Man Carman and Mr. Zhang Zhou shall hold office only until the forthcoming annual general meeting of the Company and shall then be eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

Each of the Directors has entered into a service contract or an appointment letter with the Company for an initial term of three years commencing from the date of listing of the Company on 28 October 2010 (the "Listing Date") on the Stock Exchange.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of independent pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company considers all of the independent non-executive Directors are independent.

加入現有董事會的任何董事，則須擔任該職務直至本公司舉行下屆股東週年大會為止，並於其該大會上合資格膺選連任。董事(即趙傳文先生、夏元軍先生、付翀先生、方秉權先生、張學鋒先生、陳華敏先生及張舟先生)須擔任該職務，直至本公司應屆股東週年大會為止，並於本公司應屆股東週年大會上合資格膺選連任。

各董事已與本公司訂立服務合約或委任書，初步自本公司於二零一零年十月二十八日(「上市日期」)在香港聯合交易所有限公司(「聯交所」)上市當日起計為期三年。

根據聯交所證券上市規則(「上市規則」)第3.13條，本公司已收到每名獨立非執行董事就其獨立性作出的年度確認函，而本公司認為所有獨立非執行董事均屬獨立人士。

## Report of the Directors 董事會報告書

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

### 董事及主要行政人員於股份、相關股份及債權證的權益或淡倉

As at 31 December 2010, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as follows:

於二零一零年十二月三十一日，董事及本公司主要行政人員於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據該證券及期貨條例規定被當作或視為擁有的權益或淡倉)，或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益或淡倉如下：

Name of Director 董事姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Mr. Zhao Yu 趙宇先生	Registered owner 註冊擁有人	557,172,000 (L)	55.14%

(L): Long position

(L): 好倉

Save as disclosed above, as at 31 December 2010, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者截至二零一零年十二月三十一日外，董事或本公司主要行政人員並無於本公司及其相聯法團(定義見證券及期貨條例第XV部)股份、相關股份或債券中擁有或視為擁有根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

## Report of the Directors 董事會報告書

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the reporting period was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures, of the Company or its associated corporations (with the meaning of Part XV of the SFO).

### SUBSTANTIAL SHAREHOLDERS' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2010, no person (other than Directors or chief executives of the Company) was interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules.

As at 31 December 2010, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") which was approved by the written resolutions of all the Shareholders and adopted by the resolutions of the Board passed on 10 October 2010 (the "Adoption Date"). The Share Option Scheme is for a period of 10 years commencing from the Adoption Date, after which period no further options

### 董事購買股份或債券的權利

除上文所披露者外，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任何時間概無訂立任何安排促使董事及本公司主要行政人員(包括彼等的配偶及未成年子女)可於本公司或其聯營法團(定義見證券及期貨條例第XV部)任何股份、相關股份或債權證持有任何權益或淡倉。

### 主要股東於股份、相關股份或債權證的權益及淡倉

於二零一零年十二月三十一日，概無人士(董事或本公司主要行政人員除外)按本公司根據證券及期貨條例第336條須存置的權益登記冊所示，或於根據證券及期貨條例第XV部第2及3分部的條文及聯交所上市規則須披露的本公司已發行股本中擁有5%或以上權益。

於二零一零年十二月三十一日，概無任何人士(董事或本公司主要行政人員除外)曾知會本公司其於根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露，或於根據證券及期貨條例第336條須記錄於該條所述登記冊的本公司股份、相關股份或債權證中擁有權益或淡倉。

### 購股權計劃

本公司採納經全體董事以書面決議案批准並以及於二零一零年十月十日(「採納日期」)通過的董事會決議案採納的購股權計劃(「購股權計劃」)。購股權計劃自採納日期起為期10年，其

## Report of the Directors 董事會報告書

shall be granted. Since the adoption of the Share Option Scheme, no option has been granted, exercised, cancelled or lapsed pursuant to the Share Option Scheme.

The purpose of the Share Option Scheme is to reward the Participants (as defined below) who have contributed to the Group and to encourage the participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

Under the Share Option Scheme, the Board may offer (the "Offer") options to the Directors (including executive Directors, non-executive Directors and independent non-executive Directors and any of their respective associates) and employees (including any of their associates) of the Group, companies owned by directors of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group (the "Participants"), to subscribe for Shares in the Company in accordance with the terms of the Share Option Scheme.

The total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 10% in nominal amount of the aggregate of Shares in issue on the Listing Date without prior approval from the Shareholders. The maximum number of Shares issued and to be issued upon exercise of the options granted to a single Participant under the Share Option Scheme and any other share option scheme of the Company (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue for the time being.

Any Offer will remain open for acceptance by a Participant for 28 days from the date of grant and is deemed to be accepted when the Company receives from the relevant Participant the Offer letter signed by him/her specifying the number of Shares in respect of which the Offer is accepted and a remittance to the Company of HK\$1.00 as consideration for the grant of option. The option may be exercised at any time during the period to be determined and notified by the Board to the Participant at the time of making an Offer which shall not be

後將不得另行授出購股權。自採納購股權計劃以來，概無任何購股權根據購股權計劃被授出、行使、註銷或已告失效。

購股權計劃旨在獎勵為本集團作出貢獻的參與者(定義見下文)，並鼓勵參與者致力於為本公司及其股東之整體利益而提升本公司及其股份的價值。

根據購股權計劃，董事會可向本集團董事董事(包括執行董事、非執行董事及獨立非執行董事以及彼等各自之任何聯繫人)及僱員(包括彼等之任何聯繫人)、本集團董事擁有的公司以及董事會依其唯一酌情權認為已經或將會為本集團作出貢獻之本集團任何成員公司的任何顧問、諮詢師、分銷商、承包商、供應商、代理、客戶、業務夥伴、合營業務夥伴、發起人、服務供應商(「參與者」)提呈可根據購股權計劃條款認購本公司股份之購股權(「要約」)。

未經股東事先批准，根據購股權計劃及本公司任何其他購股權計劃可授出的購股權之相關股份總數合共不得超過於上市日期已發行股份總數賬面值之10%。因行使根據購股權計劃及本公司任何其他購股權計劃而授予單一股東的購股權(包括已行使及尚未行使購股權)而已發行及將予發行的股份數目於任何12個月期間最多不得超過當時已發行股份之1%。

任何要約自授出日期起計28日內可供參與者接納，並於本公司自相關參與者接獲列明所接納要約之相關股份數目的經其簽署的要約函件以及作為授出購股權的代價匯予本公司之1.00港元之時被視為已獲接納。購股權可於董事會於提出要約之時釐定並知會參與者之期間內隨時行使，惟自授出日期起計不得超過10年。行使價將由董事會釐定，惟無論如何不得低於(i)股份的賬面值，(ii)股份於授出日期在聯交



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later than 10 years from the date of grant. The exercise price will be determined by the Board, and but in any event shall not be less than the higher of (i) the nominal value of the Shares, (ii) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, or (iii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the date of grant.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company had maintained the public float as required under the Listing Rules.

### DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company, its holding companies, or any of its subsidiaries was a party, and in which a Director had a material interest, subsisted at the end of the reporting period or at any time during the reporting period.

### LIQUIDITY AND FINANCIAL RESOURCES

As of 31 December 2010, bank balances and cash of the Group amounted to approximately RMB1,265.2 million (2009: approximately RMB184.0 million).

As of 31 December 2010, the Group had bank borrowings of approximately RMB100.0 million (2009: approximately RMB302.3 million).

### GEARING RATIO

As at 31 December 2010, the Group's current liabilities amounted to approximately RMB168.4 million (2009: approximately RMB503.8 million).

所發佈的每日股價表所報的收市價，或(iii)股份於緊接授出日期前五個營業日在聯交所發佈的每日報價表所報的平均收市價三者中之最高者。

### 公眾持股量

根據本公司所獲資料及就董事所知，截至本報告日期，本公司已維持上市規則規定的公眾持股量。

### 董事的合約權益

於年末或年內任何時間，概無本公司、其控股公司或其任何附屬公司為董事擁有重大權益的合約的訂約方。

### 流動資金及財務資源

截至二零一零年十二月三十一日，本集團的銀行結餘及現金約為人民幣1,265.2百萬元(二零零九年：約人民幣184.0百萬元)。

截至二零一零年十二月三十一日，本集團的銀行借款約為人民幣100.0百萬元(二零零九年：約人民幣302.3百萬元)。

### 資產負債比率

於二零一零年十二月三十一日，本集團的流動負債約為人民幣168.4百萬元(二零零九年：約人民幣503.8百萬元)。

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The net assets value per share of the Group was approximately RMB1.57 per share as at 31 December 2010 (2009: approximately RMB0.55 per share). The net asset value per share was computed based on 1,010,500,000 ordinary shares (2009: 551,000,727 shares) in issue as at 31 December 2010.

The Group's current ratio was approximately 7.7 (2009: approximately 0.5). Our gearing is computed based on total interest bearing indebtedness over total assets. The gearing ratio as at 31 December 2010 was approximately 5.3% (2009: approximately 36.4%) which was mainly due to a bank borrowings of RMB100.0 million (2009: RMB302.3 million).

### CHARGES AND CONTINGENT LIABILITIES

As at 31 December 2010, the Group had no charges on its assets nor any material contingent liabilities.

### FOREIGN EXCHANGE RATE RISK

Our revenue and expenditures are denominated in RMB, which is currently not a freely convertible currency. Furthermore, most of our transactions are conducted in RMB, however, the Group undertakes certain transactions denominated in Singapore dollars and US dollars and we will require foreign currencies for dividend payment (if any) to our Shareholders. As a result, we are exposed to foreign currency fluctuations. Additionally, any appreciation of RMB may affect the value of, and any dividends payable on, our Shares in foreign currency terms. The Group currently does not use any derivative contracts to hedge against its exposure to foreign currency risk. However, the Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rate.

本集團於二零一零年十二月三十一日的每股資產淨值約為每股人民幣1.57元(二零零九年:約每股人民幣0.55元)。每股資產淨值乃根據於二零一零年十二月三十一日已發行的1,010,500,000股(二零零九年:551,000,727股)普通股計算。

本集團之流動比率約為7.7(二零零九年:約0.5)。本公司的資產負債乃以總計息負債除以總資產計算。於二零一零年十二月三十一日,資產負債比率約為5.3%(二零零九年:約36.4%),主要由於銀行借款人民幣100.0百萬元(二零零九年:人民幣302.3百萬元)所致。

### 抵押及或然負債

於二零一零年十二月三十一日,本集團並無資產抵押,亦無任何重大或然負債。

### 匯率風險

我們的收益及開支均以人民幣計值,而人民幣現時並非自由兌換貨幣。再者,我們大部分交易均以人民幣進行。然而,本集團亦進行若干以新加坡貨幣及美元計值的交易,故我們將會需要外幣向我們股東派付股息(如有)。因此,我們面臨外匯風險。另外,人民幣升值或會影響我們以外幣計值的股份價值及任何應派付股息。現時,本集團並無使用任何衍生合約對沖外匯風險。然而,本集團密切監控外匯匯率變動,管理外匯風險。

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### HUMAN RESOURCES

As at 31 December 2010, the Group employed 545 employees. The emolument policy of the employees of the Group is determined on the basis of their merit, qualifications and competence. The Company adopted the Share Option Scheme to provide incentive to Directors and employees. Please refer to the paragraphs headed "Share Option Scheme" in this report for details of such scheme.

As at 31 December 2010, the total staff costs amounted to approximately RMB16.7 million (2009: approximately RMB8.4 million). The Company maintains a Share Option Scheme for the purpose of providing incentives and rewards to the Participants for their contributions to the Group.

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past three financial periods is set out in the financial highlight section on pages 9 to 10 of this report.

### RETIREMENT BENEFIT PLANS

The employees of the Group in the PRC are members of a state-managed retirement benefits scheme operated by the PRC Government. The Group is required to contribute a specified percentage of its payroll costs to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

Particulars of employee retirement benefit plans of the Group are set out in note 29 to the financial statements.

### 人力資源

於二零一零年十二月三十一日，本集團擁有 545名僱員。本集團僱員的薪酬政策乃根據彼等的表現、資歷及能力釐定。本公司採納購股權計劃，為董事及僱員提供獎勵。有關計劃的詳情請參閱本報告中「購股權計劃」一段。

於二零一零年十二月三十一日，員工成本總額合共約人民幣16.7百萬元(二零零九年：約人民幣8.4百萬元)。本公司設立購股權計劃，旨在鼓勵及回饋對本集團有所貢獻之參與者。

### 財務摘要

本集團過往三個財政期間的業績與資產及負債摘要載於本報告第9至10頁財務摘要一節。

### 退休福利計劃

本集團於中國的僱員均為由中國政府經辦的國有管理退休福利計劃成員。本集團須以其薪資成本特定百分比向退休福利計劃供款，為福利撥付資金。本集團就退休福利計劃應負的唯一責任為根據計劃撥付特定供款。

有關本集團僱員退休福利計劃的詳情載於財務報表附註29。

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### CONNECTED TRANSACTIONS

The Group has entered into various transactions with certain parties which are deemed to be connected persons as defined under the Listing Rules during the Review Year, all of which other than exempt continuing connected transactions have been discontinued. Details of our relationship with these connected persons and the details of these discontinued connected transactions are set out below:

#### Sino Construction and its subsidiaries

Mr. Zhao CW, our Executive Director and Chairman, and the father of Mr. Zhao, our Chief Executive Officer, is the executive chairman of Sino Construction. Sino Construction was listed on the official list of the Singapore Exchange Limited on 12 June 2008 and Mr. Zhao CW indirectly controls more than 30% of the shares eligible to vote at general meetings of Sino Construction. He stepped down from the position as the chief executive officer of Sino Construction in April 2010. 大慶市大正建築安裝有限公司 (Daqing City Dazheng Building Installation Co., Ltd.\*) (“Dazheng Building”) and 大慶市百信源商品混凝土有限公司 (Daqing City Baixinyuan Concrete Products Co., Ltd.\*) (“Daqing Baixinyuan”) are wholly owned by Sino Construction through its direct wholly-owned subsidiary, 大慶鑫源建築安裝有限公司 (Da Qing Xinyuan Construction Planning Co. Ltd.\*) (formerly known as 大慶鑫源建築策劃有限公司 (Da Qing Xinyuan Construction Planning Co. Ltd. \*)). Mr. Zhao CW is also the legal representative and the sole director of Daqing Xinyuan, Dazheng Building and Daqing Baixinyuan. As a result, each of Sino Construction, Dazheng Building and Daqing Baixinyuan is our connected person as defined under Rule 14A.11(4) of the Listing Rules.

### 關連交易

本集團與若干人士訂立多項交易，於回顧年度該等人士被視為上市規則所界定的關連人士，所有交易(除獲豁免的持續關連交易外)均已終止。本公司與該等關連人士的關係及該等已終止關連交易的詳情如下：

#### 中建及其附屬公司

本公司執行董事兼主席趙傳文先生(為首席執行官趙先生之父親)是中建的執行主席。中建於二零零八年六月十二日在新加坡證券交易所正式掛牌上市。趙傳文先生間接控制合資格於中建股東大會上投票的逾30%股份。其於二零一零年四月退任中建首席執行官職位。大慶市大正建築安裝有限公司(「大正建築」)及大慶市百信源商品混凝土有限公司(「大慶百信源」)由中建透過其直接全資附屬公司大慶鑫源建築安裝有限公司(前稱大慶鑫源建築策劃有限公司)全資擁有。趙傳文先生亦為大慶鑫源、大正建築及大慶百信源的法人代表及唯一董事。因此，中建、大正建築及大慶百信源各自均為上市規則第14A.11(4)條所界定的關連人士。

## Report of the Directors 董事會報告書

大慶市萬隆久盛經貿有限公司 (Daqing Wan Long Jiu Sheng Trading Co., Ltd\*) ("Daqing Wanlong")

大慶市萬隆久盛經貿有限公司(「大慶萬隆」)

Ms. Cao Yan Xia (曹硯霞) and Mr. Li Zhan Jun (李戰軍) directly controlled 100% of the equity interest eligible to vote at general meetings of Daqing Wanlong, as to 2% and 98%, respectively. Ms. Cao Yan Xia is the sister of Madam Cao Yan Ming who is the mother of Mr. Zhao, our controlling Shareholder, executive Director and chief executive officer, and Mr. Li Zhan Jun is Ms. Cao Yan Xia's husband. As a result, Daqing Wanlong is a connected person as defined under Rule 14A.11(4) the Listing Rules.

曹硯霞女士及李戰軍先生直接控制合資格於大慶萬隆的股東大會上投票的全部股權，而彼等分別控制2%及98%。曹硯霞女士為曹硯銘女士的姊妹，曹硯銘女士為我們的控股股東、執行董事兼首席執行官趙先生的母親，而李戰軍先生為曹硯霞女士的丈夫。因此，大慶萬隆為關連人士(定義見上市規則第14A.11(4)條)。

### 1. Provision of a corporate guarantee by Dazheng Building in connection with a loan granted to Changqing Dairy

Dazheng Building provided a corporate guarantee in favour of Daqing City Commercial Bank on 31 August 2009 as security for a loan of RMB40 million granted to Changqing Dairy by Daqing City Commercial Bank Co., Ltd. The duration of the loan is for the period commencing on 31 August 2009 and expiring on 25 August 2010. The term of the corporate guarantee commenced on the date of the loan agreement and will be in effect for two years after the expiry of the loan or until the full repayment by Changqing Dairy under the loan agreement. The loan was repaid and the corporate guarantee has been released. We do not intend to rely on Dazheng Building to furnish any guarantees or other securities to secure our future bank borrowings.

### 1. 大正建築就授予常慶乳業的一筆貸款提供公司擔保

大正建築於二零零九年八月三十一日作出以大慶市商業銀行為受益人的公司擔保，作為大慶市商業銀行股份有限公司授予常慶乳業的一筆人民幣40百萬元貸款的抵押品。該筆貸款的期限自二零零九年八月三十一日起至二零一零八月二十五日屆滿。公司擔保的期限自貸款協議日期開始，並將於貸款屆滿後兩年內有效或直至常慶乳業根據貸款協議全額償還為止。該項貸款已償還，公司擔保已經解除。本公司無意依賴大正建築提供任何擔保或其他抵押品以擔保日後的銀行借貸。

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### 2. Provision of a pledge of assets by Daqing Baixinyuan in connection with a loan granted to Daqing Dairy

Daqing Baixinyuan provided a pledge over its property located at No. 94-2, Wan Feng Lu, Long Feng District, Daqing, PRC in favour of China Construction Bank Corporation Limited (Daqing Branch) as security for a loan of RMB100 million granted to Daqing Dairy by China Construction Bank Corporation Limited (Daqing Branch) pursuant to an undated agreement between the parties. The term of the loan is for one year commencing from 22 January 2009 until 21 January 2010. We have repaid this loan and the pledge has been released. We do not intend to rely on Daqing Baixinyuan to furnish any guarantees or other securities to secure our future bank borrowings.

### 3. Provision of loan by Daqing Wanlong to Daqing Dairy

Pursuant to a loan agreement dated 9 April 2010 made between Daqing Wanlong and Daqing Dairy, Daqing Wanlong agreed to provide a non-interest bearing loan in the sum of RMB50.0 million to Daqing Dairy for its working capital purposes. Daqing Wanlong and Daqing Dairy agreed that the loan amount shall be repaid by Daqing Dairy within 15 business days of Daqing Wanlong's demand for repayment provided that Daqing Wanlong shall not make such a repayment demand within 90 days from the date on which the loan is made. Daqing Wanlong disbursed the entire loan amount of RMB50.0 million to Daqing Dairy in April 2010 and Daqing Dairy had repaid the entire loan in the end of July 2010. We had procured the loan from Daqing Wanlong purely as a precautionary measure against any unanticipated operational cash requirement whilst we undertook restructuring of our loans and we do not intend to procure any loan from Daqing Wanlong in the future.

### 2. 大慶百信源就大慶乳品獲授的一筆貸款提供資產抵押

根據訂約方之間一項無日期協議，大慶百信源以其位於中國大慶龍鳳區萬峰路94-2號的物業抵押予中國建設銀行股份有限公司(大慶分行)，作為中國建設銀行股份有限公司(大慶分行)授予大慶乳品一筆人民幣100百萬元貸款的擔保。該貸款的期限為期一年，由二零零九年一月二十二日起至二零一零年一月二十一日止。本公司已償還此筆貸款及抵押已獲解除。本公司並無計劃依賴大慶百信源提供任何擔保或其他抵押品以擔保日後的銀行借貸。

### 3. 由大慶萬隆向大慶乳品提供貸款

根據大慶萬隆與大慶乳品於二零一零年四月九日訂立的貸款協議，大慶萬隆同意向大慶乳品提供總額達人民幣50.0百萬元的免息貸款用作營運資金。大慶萬隆及大慶乳品同意，貸款金額須於大慶萬隆提出還款要求後15個營業日之內由大慶乳品償還，惟大慶萬隆不得於發放貸款日期起計90日內提出有關還款要求。大慶萬隆於二零一零年四月向大慶乳品悉數發放為數人民幣50.0百萬元的貸款，而大慶乳品已於二零一零年七月底償還全部貸款。本公司自大慶萬隆獲取貸款純為預防在貸款重組過程中出現任何意料之外營運現金需求的一項防範措施，本公司並無計劃於日後向大慶萬隆獲取任何貸款。

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### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Review Year.

### AUDITORS

Deloitte Touche Tohmatsu retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditors of the Company is to be proposed at the forthcoming annual general meeting of the Company.

By Order of the Board  
**Zhao Chuan Wen**  
*Chairman*  
Hong Kong, 16 March 2011

### 優先購股權

本公司章程細則及開曼群島(即本公司註冊成立的司法權區)法例概無優先購股權條文。

### 購買、贖回或出售本公司上市證券

於回顧年內，本公司或其任何附屬公司概無購買、贖回或出售任何本公司之上市證券。

### 核數師

德勤•關黃陳方會計師行將告退任，惟符合資格膺選連任。擬於本公司應屆股東週年大會提呈續聘德勤•關黃陳方會計師行為本公司核數師的決議案。

承董事會命  
主席  
**趙傳文**  
香港，二零一一年三月十六日

## Corporate Governance Report 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The Directors recognise the importance of incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability to the Shareholders as a whole. The Board strived to uphold good corporate governance and adopt sound corporate governance practices. This report outlines the principles and the code provisions of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules, which have been adopted by the Group.

In accordance with the requirements of the Listing Rules, the Company has established an audit committee (the "Audit Committee"). The Company has also established a nomination committee (the "Nomination Committee") and a remuneration committee (the "Remuneration Committee") with defined terms of reference. The terms of reference of these Board committees are available upon request.

During the year ended 31 December 2010, all code provisions set out in the CG Code were fulfilled by the Company.

### MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the required standard for securities transactions by Directors. The Company has made specific enquiries of all Directors and all Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the year ended 31 December 2010.

### 企業管治常規

董事認同為達致向整體股東有效的問責性，在本集團管理架構及內部控制程序引進良好企業管治元素非常重要。董事會依然努力貫徹良好企業管治，並採用健全的企業管治常規。本報告概述本集團已採用的上市規則附錄十四所載列的《企業管治常規守則》（「企業管治守則」）的原則及守則條文。

根據上市規則的規定，本公司已成立審核委員會（「審核委員會」）。本公司亦已成立具明文職權範圍的提名委員會（「提名委員會」）及薪酬委員會（「薪酬委員會」）。該等董事會屬下委員會的職權範圍可應要求提供。

截至二零一零年十二月三十一日止年度內，本公司已遵循守則所載的全部守則條文。

### 董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的標準守則作為董事進行證券交易的規定標準。本公司已向全體董事作出具體查詢，且全體董事已確認於截至二零一零年十二月三十一日止整個年度，彼等一直遵守標準守則所載的規定標準及有關董事進行證券交易的操守準則。



## Corporate Governance Report 企業管治報告

### BOARD OF DIRECTORS

#### Composition of the Board of Directors

As at 31 December 2010, the Board comprises five executive Directors and three independent non-executive Directors. The composition of the Board during the year ended 31 December 2010 was as follows:

#### Executive Directors

- Mr. Zhao Chuan Wen (*Chairman*)  
(appointed on 10 October 2010)
- Mr. Zhao Yu (*Chief Executive Officer*)  
(appointed on 15 October 2009)
- Mr. Xia Yuan Jun (*Deputy Chief Executive Officer*)  
(appointed on 10 October 2010)
- Mr. Fu Chong (*Chief Operations Officer*)  
(appointed on 10 October 2010)
- Mr. Fong Pin Jan (*Chief Financial Officer*)  
(appointed on 10 October 2010)

#### Independent Non-executive Directors

- Mr. Cheung Hok Fung Alexander  
(appointed on 10 October 2010)
- Ms. Chan Wah Man Carman  
(appointed on 10 October 2010)
- Mr. Zhang Zhou  
(appointed on 10 October 2010)

The biographical details of all Directors are set out in pages 34 to 40 of this report. Save as disclosed in this report, none of the Directors has any other financial, business, family or other material or relevant relationships among members of the Board.

The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The Board brings a variety of experiences and expertises to the Company.

The roles of the chairman and chief executive officer are segregated and are not exercised by the same individual.

### 董事會

#### 董事會的組成

於二零一零年十二月三十一日，董事會由五名執行董事及三名獨立非執行董事組成。於截至二零一零年十二月三十一日止年度內，董事會的組成情況如下：

#### 執行董事

- 趙傳文先生(主席)  
(於二零一零年十月十日獲委任)
- 趙宇先生(首席執行官)  
(於二零零九年十月十五日獲委任)
- 夏元軍先生(副首席執行官)  
(於二零一零年十月十日獲委任)
- 付翀先生(首席營運官)  
(於二零一零年十月十日獲委任)
- 方秉權先生(首席財務官)  
(於二零一零年十月十日獲委任)

#### 獨立非執行董事

- 張學鋒先生  
(於二零一零年十月十日獲委任)
- 陳華敏女士  
(於二零一零年十月十日獲委任)
- 張舟先生  
(於二零一零年十月十日獲委任)

全體董事的詳細履歷載於本報告第34至40頁。除本報告披露者外，董事會成員之間並無任何其他財務、業務、親屬或其他重大或相關關係。

董事會結構平衡，每名董事均具備與本集團業務有關的深厚行業知識、豐富的企業及策略規劃經驗及或專業知識。董事會為本公司帶來各種各樣的經驗及專業知識。

主席與首席執行官的職責應區分，並非由同一人擔任。

## Corporate Governance Report 企業管治報告

### Functions of the Board

The principal function of the Board is to consider and approve strategies, financial objectives, annual budget, investment proposals of the Group and to assume the responsibilities of corporate governance of the Group. The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to the executive Directors, senior management and certain specific responsibilities to the Board committees.

### Board Meetings and Board Practices

The Company was listed on the Main Board of the Stock Exchange on 28 October 2010. During the year ended 31 December 2010, the Board held one board meeting. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company's articles of association. The company secretary of the Company (the "Company Secretary") will assist the chairman to prepare the agenda of the meeting and each Director may request to include any matters in the agenda for the regular Board meetings. Generally, at least 14 days notice would be given for the regular Board meetings by the Company. The Directors will receive details of agenda items for decision at least 3 days before each regular Board meeting. The Company Secretary is responsible for distributing detailed documents to Directors prior to the meetings of the Board, to ensure that the Directors are able to make informed decisions regarding the matters to be discussed in the meetings so that they may receive accurate, timely and clear information. All Directors may access the advice and services of the Company Secretary who regularly updates the Board on governance and regulatory matters. All Directors will also be provided with sufficient resources to discharge their duties, and upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expense. The Company Secretary is also responsible for ensuring the procedures of the Board meetings are observed and providing the Board with opinions on matters in relation to the compliance with the procedures of the Board meetings. All minutes of Board meetings were recorded in sufficient detail the matters considered by the Board and the decisions reached.

### 董事會的職能

董事會的主要職能為考慮及批核本集團的策略、財務目標、年度預算及投資建議，以及承擔本集團企業管治的責任。董事會將執行日常運作、業務策略及本集團業務管理的權力及責任授予執行董事及高級管理層，並將若干具體責任授予董事會屬下委員會。

### 董事會會議及董事會常規

本公司於二零一零年十月二十八日於聯交所主板上市。於截至二零一零年十二月三十一日止年度內，董事會召開了一次會議。根據本公司章程細則，董事可親身或透過其他電子通訊方式出席會議。本公司的公司秘書（「公司秘書」）將協助主席預備會議議程，各董事均可要求將任何事宜加入定期董事會會議議程之內。本公司一般於舉行定期董事會會議前至少14日發出通告。董事將於舉行各董事會會議至少3日前收到詳細議程，以便作出決定。公司秘書負責於舉行董事會會議前將詳細文件交予各董事，以確保董事可以收到準確、及時和清晰的資料，以便就會議上將予討論的事宜作出知情決定。公司秘書向全體董事提供意見及服務，並定期向董事會提供管治及規管事宜的最新資料。所有董事亦將獲得充分的資源以履行其職責，並在合理的要求下，可按合適的情況尋求獨立專業意見，費用由本公司承擔。公司秘書亦負責確保各董事遵守董事會會議程序，並就遵守董事會會議程序的事宜向董事會提供意見。董事會會議的所有會議記錄需足夠詳細地記錄董事會已考慮的事項及作出的決定。

## Corporate Governance Report 企業管治報告

For the year ended 31 December 2010, one Board meeting was held. Details of the attendance of Directors are as follows:

於截至二零一零年十二月三十一日止年度，已召開了一次會議。各董事的出席詳情如下：

### Name of the Director

#### 董事姓名

#### Executive Directors

##### 執行董事

Mr. Zhao Chuan Wen ( <i>Chairman</i> ) (appointed on 10 October 2010)	1/1
趙傳文先生(主席)(於二零一零年十月十日獲委任)	
Mr. Zhao Yu ( <i>Chief Executive Officer</i> ) (appointed on 15 October 2009)	1/1
趙宇先生(首席執行官)(於二零零九年十月十五日獲委任)	
Mr. Xia Yuan Jun ( <i>Deputy Chief Executive Officer</i> ) (appointed on 10 October 2010)	1/1
夏元軍先生(副首席執行官)(於二零一零年十月十日獲委任)	
Mr. Fu Chong ( <i>Chief Operations Officer</i> ) (appointed on 10 October 2010)	1/1
付翀先生(首席營運官)(於二零一零年十月十日獲委任)	
Mr. Fong Pin Jan ( <i>Chief Financial Officer</i> ) (appointed on 10 October 2010)	1/1
方秉權先生(首席財務官)(於二零一零年十月十日獲委任)	

#### Independent Non-executive Directors

##### 獨立非執行董事

Mr. Cheung Hok Fung Alexander (appointed on 10 October 2010)	1/1
張學鋒先生(於二零一零年十月十日獲委任)	
Ms. Chan Wah Man Carman (appointed on 10 October 2010)	1/1
陳華敏女士(於二零一零年十月十日獲委任)	
Mr. Zhang Zhou (appointed on 10 October 2010)	1/1
張舟先生(於二零一零年十月十日獲委任)	

#### Directors' Appointment, Re-election and Removal

Each of the Directors has entered into a service contract or appointment letter with the Company for an initial term of three years commencing from the Listing Date as 28 October 2010, and subject to termination in accordance with the provisions of the service contract or appointment letter giving the other not less than three months' prior written notice.

By virtue of article 83(3) of the articles of association of the Company, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his appointment and be subject to re-election

#### 委任、重選及罷免董事

各董事已與本公司訂立服務合約或委任書，自上市日期(二零一零年十月二十八日)起初步任期為期三年，惟根據服務合約或委任書的條文，其中一方可向對方發出至少三個月的事先書面通知而予以終止。

根據本公司的章程細則第83(3)條，董事有權不時及隨時委任任何人士為董事以填補臨時董事空缺或增添董事。獲委任填補臨時空缺的任何董事須一直擔任該職務，直至本公司舉行其獲委任後的首屆股東大會為止，並於該大會上膺選連任，而獲委任新加入現行董

## Corporate Governance Report 企業管治報告

at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In compliance with the code provision in A.4.2 of the CG Code all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to the article 84(1) of the articles of association of the Company, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

### Independent Non-executive Directors

In compliance with Rule 3.10(1) of the Listing Rules, there are three independent non-executive Directors. Among the three independent non-executive Directors, one has appropriate professional qualification in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules. The Company has received from each of its independent non-executive Directors the written confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company, based on such confirmation, considers Mr. Cheung Hok Fung Alexander, Ms. Chan Wah Man Carman and Mr. Zhang Zhou to be independent.

### Delegation of Powers

The Board delegates day-to-day operations of the Group to executive Directors and management of the Company with department heads responsible for different aspects of the business/functions, while reserving certain key matters in making strategic decision for its approval. When the Board delegates aspects of its management and administration functions to management, it gives clear directions as to the powers of management, in particular, with respect to the circumstances where management need to report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

事會的任何董事，則須擔任該職務直至本公司舉行下屆股東週年大會為止，並於該大會上合資格膺選連任。

遵照守則的守則條文第A.4.2條的規定，全體董事必須最少每三年輪流退任一次。此外，根據本公司章程細則第84(1)條，在每屆股東週年大會上，當時三分之一的董事(若其人數並非三(3)的倍數，則以最接近但不超過三分之一的人數)將輪流退任，惟每位董事必須最少每三年於股東週年大會上退任一次。

### 獨立非執行董事

遵照上市規則第3.10(1)條的規定，本公司有三名獨立非執行董事。根據上市規則第3.10(2)條的規定，在該三名獨立非執行董事中有一名擁有合適的會計專業資格或相關財務管理專業知識。本公司已收到各獨立非執行董事根據上市規則第3.13條發出的獨立性書面確認書。本公司按照有關確認，認為張學鋒先生、陳華敏女士及張舟先生均為獨立人士。

### 授權

董事會授權執行董事及本公司管理層負責本集團的日常營運，亦授權部門主管負責不同的業務職責，惟若干重大事項的策略決定仍須經董事會批准。董事會授權管理層負責管理及行政職務時會對管理層的權力作出明確指示，特別是代表本公司作出決定或訂立任何承擔前須向董事會報告並獲董事會事先批准。

## Corporate Governance Report 企業管治報告

### BOARD COMMITTEES

#### Audit Committee

The Audit Committee was established on 10 October 2010 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the CG Code as set out in Appendix 14 of the Listing Rules. The primary duties of the Audit Committee are to provide the Board with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board. The Audit Committee consists of three independent non-executive Directors, namely, Ms. Chan Wah Man Carman (being the chairman of the Audit Committee and a Hong Kong Certified Public Accountant), Mr. Cheung Hok Fung Alexander and Mr. Zhang Zhou.

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2010.

As the Company was listed on 28 October 2010, the Audit Committee did not conduct any meeting during the year ended 31 December 2010.

#### Remuneration Committee

The Remuneration Committee was established on 10 October 2010 with written terms of reference in compliance with paragraph B1 of the CG Code as set out in Appendix 14 of the Listing Rules. The primary duties of the Remuneration Committee include (but without limitation): (a) making recommendations to the Directors on the policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (b) determining the terms of the specific remuneration package of the Directors and senior management; (c) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time; and (d) considering and approving the grant of share options to eligible Participants under the Share Option Scheme. The Remuneration Committee consists of five members, of whom three are independent non-executive Directors, being Mr. Zhang Zhou (as the chairman of the

### 董事委員會

#### 審核委員會

本公司遵照上市規則第3.21條及上市規則附錄十四《企業管治常規守則》第C3段的規定，於二零一零年十月十日成立具書面職權範圍的審核委員會。審核委員會的主要職責是就本集團財務報告程序、內部控制及風險管理制度的有效程度向本集團董事會提供獨立檢討，監管審計程序及履行董事會所委派的其他職務及責任。審核委員會由三名獨立非執行董事組成，包括陳華敏女士（即審核委員會主席，彼為香港執業會計師）、張學鋒先生及張舟先生。

審核委員會已審閱本集團截至二零一零年十二月三十一日止年度的綜合財務報表。

由於本公司於二零一零年十月二十八日上市，故審核委員會於截至二零一零年十二月三十一日止年度內並無召開任何會議。

#### 薪酬委員會

本公司遵照上市規則附錄十四《企業管治常規守則》第B1段的規定，於二零一零年十月十日成立具書面職權範圍的薪酬委員會。薪酬委員會的主要職責包括（但不限於）：(a) 就全體董事及高級管理層的薪酬政策及結構，以及就制訂該等薪酬政策設立正式而具透明度的程序，向董事作出建議；(b) 釐定董事及高級管理層的具體薪酬福利條款；(c) 參照董事不時議決的公司目標及宗旨，檢討及批准按表現為基準的薪酬；及(d) 審議及批准向購股權計劃的合資格參與者授予購股權。薪酬委員會由五名成員組成，其中三名為獨立非執行董事，即張舟先生（為薪酬委員會主席）、張學鋒先生及陳

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Remuneration Committee), Mr. Cheung Hok Fung Alexander and Ms. Chan Wah Man Carman, and two executive Directors, namely, Mr. Zhao Yu, also our chief executive officer, and Mr. Zhao Chun Wen, also our Chairman.

As the Company was listed on 28 October 2010, the Remuneration Committee did not conduct any meeting during the year ended 31 December 2010.

### Remuneration Policy for Directors and Senior Management

The emolument policy of the employees of the Group is determined on the basis of their merit, qualifications and competence.

The emoluments of the Directors are recommended and determined by the Remuneration Committee, having regard to the corporate goals and objectives resolved by Directors from time to time. Directors are entitled to an aggregate annual basic salary. In addition, each of the executive Directors is also entitled to a discretionary bonus as determined by the Remuneration Committee by reference to the performance of the Group.

The Company has adopted a Share Option Scheme on 10 October 2010. The purpose of the Share Option Scheme is to reward eligible Participants who have contributed to the Group and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

華敏女士，以及兩名執行董事，即趙宇先生(亦為首席執行官)及趙傳文先生(亦為本公司主席)。

由於本公司於二零一零年十月二十八日上市，故薪酬委員會於截至二零一零年十二月三十一日止年度內並無召開任何會議。

### 董事及高級管理層的薪酬政策

本集團僱員的薪酬政策按彼等的價值、資質及能力而釐定。

董事酬金乃經考慮董事不時議決的公司目標，由薪酬委員會建議及釐定。董事有權享有基本年薪總額。此外，各執行董事亦可有權享有薪酬委員會經參考本集團業績而釐定的酌情花紅。

本公司於二零一零年十月十日採納購股權計劃。購股權計劃旨在獎勵對本集團有貢獻之合資格參與者，並鼓勵參與者致力為本公司及其股東之整體利益提升本公司及其股份的價值。

## Corporate Governance Report 企業管治報告

### Nomination Committee

The Nomination Committee was established on 10 October 2010 with written terms of reference of the Company as recommended in paragraph A4.5 of the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Nomination Committee are to formulate the nomination procedures and standards for candidates for Directors and senior management, to conduct preliminary review of the qualifications and other credentials of the candidates for Directors and senior management and to recommend suitable candidates for Directors and senior management to the Board. The Nomination Committee currently comprises one executive Director, namely Mr. Zhao Yu, and three independent non-executive Directors, namely Mr. Cheung Hok Fung Alexander, Ms. Chan Man Wah Carman and Mr. Zhang Zhou. Mr. Cheung Hok Fung Alexander is the chairman of the Nomination Committee.

As the Company was listed on 28 October 2010, the Nomination Committee did not conduct any meeting during the year ended 31 December 2010.

## ACCOUNTABILITY AND AUDIT

### Directors' and Auditor's Responsibilities for the Financial Statements

The Board acknowledges its responsibility to prepare the Group's financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31 December 2010, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

### 提名委員會

根據上市規則附錄十四《企業管治常規守則》第A4.5段的建議，具書面職權範圍的提名委員會於二零一零年十月十日成立。提名委員會的主要職責為就董事及高級管理層人選制定提名程序及標準，以初步審閱董事及高級管理層人選的資格及其他重要證明，並向董事會推薦合適的董事及高級管理層人選。提名委員會目前由一名執行董事(即趙宇先生)及三名獨立非執行董事(即張學鋒先生、陳華敏女士及張舟先生)組成，張學鋒先生為提名委員會主席。

由於本公司於二零一零年十月二十八日上市，故提名委員會於截至二零一零年十二月三十一日止年度並未舉行任何會議。

### 問責及審核

#### 董事及核數師對財務報表的責任

董事會知悉有責任編製本集團各財政期間的財務報表，以真實而公允地呈列本集團該期間的財務狀況及業績與現金流量。編製截至二零一零年十二月三十一日止年度的財務報表時，董事會已選取適用會計政策並貫徹使用，並審慎、公允而合理地作出判斷及估計，以及按持續經營基準編製財務報表。董事有責任作出一切合理而必須的步驟，保護本集團的資產，並且防止及偵查欺詐及其他不正常情況。

## Corporate Governance Report 企業管治報告

### Auditors' Remuneration

During the year ended 31 December 2010, the remuneration paid or payable to the Company's auditors, Deloitte Touche Tohmatsu, in respect of their audit and non-audit services were as follows:

Type of Services 服務類別		RMB'000 人民幣千元
Audit services	核數服務	1,380
Non-audit services (listing fee)	非核數服務(上市費用)	4,981
<b>Total</b>	<b>總計</b>	<b>6,361</b>

### 核數師酬金

於截至二零一零年十二月三十一日止年度，就核數及非核數服務已付或應付核數師德勤•關黃陳方會計師行的酬金如下：

### INTERNAL CONTROL

The Board acknowledges its responsibility for the effectiveness of the Group's internal control systems. Subsequent to the listing on 28 October 2010, the Company is in the process to engage an independent professional body to conduct an annual review of the effectiveness of the internal control systems of the Group.

### 內部控制

董事會知悉其須對本集團內部控制系統成效負責。緊隨於二零一零年十月二十八日上市後，本公司正在進行委聘獨立專業機構對本集團內部控制系統的有效性進行年度檢討。

### INVESTORS AND SHAREHOLDERS RELATIONS

The Board recognises the importance of maintaining clear, timely and effective communication with the Shareholders and investors. The Board also recognises that effective communication with investors is the key to establish investor confidence and to attract new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure that the investors and the Shareholders receive accurate, clear, comprehensive and timely information of the Group by the publication of annual reports, interim reports, announcements and circulars. The Company also publishes all documents on the Company's website at [www.global-dairy.com.cn](http://www.global-dairy.com.cn). The Board continues to maintain regular dialogues with institutional investors and analysts to keep them informed of the Group's strategy, operations, management and plans. The Directors and the committee members are available to answer questions at annual general meetings of the Company. Separate resolutions would be proposed at general meetings of the Company on each substantially separate issue.

### 投資者及股東關係

董事會認同與本公司股東及投資者保持清晰、及時而有效的溝通的重要性。董事會亦認同與投資者進行有效溝通是建立投資者信心及吸引新投資者的關鍵所在。因此，本集團致力保持高透明度，確保本公司投資者及股東通過刊發年報、中期報告、公佈及通函得到準確、清晰、完整而及時的本公司資料，而本公司亦在公司網站[www.global-dairy.com.cn](http://www.global-dairy.com.cn)刊登全部文件。董事會與機構投資者及分析員保持定期溝通，讓彼等得悉本集團的策略、營運、管理及計劃。董事及委員會成員均出席股東週年大會解答問題。各區別分明的議題須以獨立決議案方式於股東大會上提呈。



## Corporate Governance Report 企業管治報告

### Shareholders' Right

The Company shall adhere to the amendments to the Listing Rules effective from 1 January 2009 such that all votes of the Shareholders at general meetings will be taken by poll. The results of voting by poll will be declared at the meeting and published on the websites of the Stock Exchange and the Company respectively.

Shareholders may put forward their proposals or inquiries to the Board by sending their written request to the Company's correspondence address in Hong Kong.

### 股東權利

本公司須遵守二零零九年一月一日起生效的上市規則修訂，股東於股東大會的所有投票須以點票方式表決。投票結果將於大會上宣佈，並將分別在聯交所及本公司的網站上公佈。

股東可將書面要求發送至本公司在香港的通訊地址，藉此向董事會提交建議或諮詢。

## Independent Auditor's Report 獨立核數師報告書

### TO THE MEMBERS OF GLOBAL DAIRY HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of Global Dairy Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 67 to 144, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board 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.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

### 致環球乳業控股有限公司股東

*(於開曼群島註冊成立的有限公司)*

本行已審核環球乳業控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)載於第67至144頁的綜合財務報表，其中包括於二零一零年十二月三十一日的綜合財務狀況表，與截至該日止年度的綜合全面收益表、綜合權益變動表及綜合現金流量變動表，以及主要會計政策概要及其他資料解釋。

### 董事對綜合財務報表的責任

本公司董事須負責遵照國際會計準則理事會所頒佈之國際財務報告準則及香港公司條例披露規定編製及真實而公平地呈列該等綜合財務報表，且有關內部控制對董事編製綜合財務報表而言乃屬必要，以確保其並無重大錯誤陳述(不論其由欺詐或錯誤引起)。

### 核數師之責任

吾等之責任是根據吾等之審核對該等綜合財務報表作出意見，並按協定之委聘條款僅向閣下(作為一個團體)報告，且不得作其他用途。吾等不會就本報告之內容向任何其他人士負有或承擔任何責任。吾等已根據香港會計師公會頒佈之香港審計準則進行審核。該等準則要求吾等遵守道德規範，並規劃及執行審核工作，以合理確定該等綜合財務報表是否不存有任何重大錯誤陳述。

## Independent Auditor's Report

### 獨立核數師報告書

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, the consolidated financial statements give a true and fair view of the Group's state of affairs as at 31 December 2010, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants

Hong Kong  
16 March 2011

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述之風險。於作出該等風險評估時，核數師考慮與該公司編製及真實而公平地呈列綜合財務報表相關之內部控制，以設計適當之審核程序，但並非旨在就公司之內部控制之效能發表意見。審核亦包括評估董事所採用之會計政策之合適性及作出之會計估算之合理性，以及就綜合財務報表之整體呈列方式作出評估。

吾等相信，吾等所獲得之審核憑證是充足及恰當地為吾等之審核意見提供基礎。

### 意見

吾等認為，該等綜合財務報表已根據國際財務報告準則真實而公平地反映貴集團於二零一零年十二月三十一日之財務狀況及截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

**德勤•關黃陳方會計師行**  
執業會計師

香港  
二零一一年三月十六日

## Consolidated Statement of Comprehensive Income

### 綜合全面收益表

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

		Notes	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
		附註		
<b>Revenue</b>	<b>收益</b>	8	<b>921,886</b>	510,035
Cost of sales	銷售成本		<b>(443,655)</b>	(274,137)
<b>Gross profit</b>	<b>毛利</b>		<b>478,231</b>	235,898
Other gains and losses	其他收益及虧損	9	<b>(968)</b>	6,797
Selling and distribution expenses	銷售及分銷開支		<b>(44,276)</b>	(18,934)
Administration expenses	行政開支		<b>(51,717)</b>	(19,134)
Finance costs	財務費用	10	<b>(14,672)</b>	(9,258)
<b>Profit before taxation</b>	<b>除稅前溢利</b>	11	<b>366,598</b>	195,369
Income tax expenses	所得稅開支	13	<b>(106,010)</b>	(61,900)
<b>Profit and total comprehensive income</b>	<b>溢利及全面收益總額</b>		<b>260,588</b>	133,469
Earnings per share — Basic (RMB)	每股盈利 — 基本(人民幣)	15	<b>0.333</b>	0.242

## Consolidated Statement of Financial Position

### 綜合財務狀況表

at 31 December 2010 於二零一零年十二月三十一日

		Notes 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	16	526,894	540,993
Prepaid lease payments	預付租賃款	17	38,451	39,555
Intangible assets	無形資產	18	11,535	13,055
Deposits for acquisition of property, plant and equipment	收購物業、廠房及設備的按金		—	3,135
Deferred tax assets	遞延稅項資產	19	3,441	—
			<b>580,321</b>	596,738
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	20	20,219	24,449
Trade and other receivables	應收貿易賬款及其他應收款項	21	15,711	24,205
Prepaid lease payments	預付租賃款	17	847	847
Bank balances and cash	銀行結餘及現金	22 & 28	1,265,224	183,972
			<b>1,302,001</b>	233,473
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other liabilities	貿易及其他負債	23	111,488	66,600
Income tax liabilities	所得稅負債		56,868	32,691
Borrowings	借款	24	—	302,275
Subscription money received	已收認購款	25	—	102,275
			<b>168,356</b>	503,841
<b>Net current assets (liabilities)</b>	<b>流動資產(負債)淨額</b>		<b>1,133,645</b>	(270,368)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,713,966</b>	326,730

## Consolidated Statement of Financial Position

### 綜合財務狀況表

at 31 December 2010 於二零一零年十二月三十一日

		Notes	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
		附註		
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	26	9	—
Reserves	儲備		<b>1,590,997</b>	302,472
			<b>1,591,006</b>	302,472
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	19	<b>22,960</b>	23,898
Borrowings	借款	24	<b>100,000</b>	—
			<b>122,960</b>	23,898
			<b>1,713,966</b>	326,730

The consolidated financial statements on pages 67 to 144 were approved and authorised for issue by the board of directors on 16 March 2011 and are signed on its behalf by:

第67頁至第144頁之綜合財務報表乃於二零一一年三月十六日經董事會批准及授權刊發，並由以下董事代表簽署：

**Zhao Chuan Wen**  
趙傳文  
DIRECTOR  
董事

**Zhao Yu**  
趙宇  
DIRECTOR  
董事

## Consolidated Statement of Changes in Equity

### 綜合權益變動表

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

		Share capital	Other paid-in capital	Share premium	Statutory surplus reserve	Retained earnings	Total
		股本	其他 繳足資本	股份溢價	法定 盈餘儲備	保留盈利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		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
			(see note (a) below) (見下文 附註(a))		(see note (b) below) (見下文 附註(b))		
At 1 January 2009	於二零零九年一月一日	—	—	—	11,310	42,825	54,135
Profit and total comprehensive income for the year	年度溢利及全面收入總額	—	—	—	—	133,469	133,469
Subscription money received (see note (a) below)	已收認購款 (見下文附註(a))	—	114,868	—	—	—	114,868
Transfer	轉讓	—	—	—	14,362	(14,362)	—
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日及二零一零年一月一日	—	114,868	—	25,672	161,932	302,472
Issue of shares to Mr Zhao (see note (a) below)	向趙先生發行股份 (見下文附註(a))	—	(114,868)	125,000	—	—	10,132
Issue of shares to the Investors (as defined in note 26 (d)) (see note 26 (d) and note 26 (f))	向投資者發行股份 (定義見附註26(d)) (見附註26(d)及附註26(f))	—	—	127,780	—	—	127,780
Capitalisation Issue (as defined in note 26 (g))	資本化發行 (定義見附註26(g))	7	—	(7)	—	—	—
Issue of new shares upon the listing of the Company's shares	於本公司股份上市時 發行新股份	2	—	943,829	—	—	943,831
Transaction costs attributable to issue of new shares	新股份發行應佔 交易成本	—	—	(53,797)	—	—	(53,797)
Profit and total comprehensive income for the year	年度溢利及全面 收入總額	—	—	—	—	260,588	260,588
Transfer	轉讓	—	—	—	30,274	(30,274)	—
At 31 December 2010	於二零一零年 十二月三十一日	9	—	1,142,805	55,946	392,246	1,591,006

## Consolidated Statement of Changes in Equity 綜合權益變動表

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

### Notes:

#### a. Other paid-in capital

As at 31 December 2009, the amount represented the non-refundable partial payment of subscription money received from 趙宇 (Mr Zhao Yu, "Mr Zhao") in December 2009 in respect of a share subscription agreement entered into between the Company and Mr Zhao dated 20 November 2009. Together with an additional money of RMB10,132,000 settled in February 2010 (see note 28 (c)), an aggregate of 63,171 ordinary shares of HK\$0.00001 each in the Company were issued to Mr Zhao on 4 February 2010, details of which are set out in note 26 (e).

#### b. Statutory surplus reserve

As stipulated by the relevant laws and regulations for enterprises in the People's Republic of China (the "PRC"), the Company's PRC subsidiaries are required to maintain a statutory surplus reserve fund which is non-distributable. The appropriations to such reserve are made out of net profit after taxation of the statutory financial statements of the relevant PRC subsidiaries. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.

### 附註：

#### a. 其他繳足資本

於二零零九年十二月三十一日，該款項指就本公司與趙宇(趙宇先生，「趙先生」)於二零零九年十一月二十日訂立的股份認購協議，於二零零九年十二月向趙先生收取的不可退款部分認購款。連同於二零一零年二月結算額外款項人民幣10,132,000元(見附註28(c))，於二零一零年二月四日本公司合共63,171股每股0.00001港元之普通股已獲發行予趙先生，有關詳情載於附註26(e)。

#### b. 法定盈餘儲備

按中華人民共和國(「中國」)企業的相关法律及法規規定，本公司中國附屬公司須存置不可分派的法定盈餘儲備基金。該等儲備的撥款乃來自中國相關附屬公司法定財務報表的除稅後純利。法定盈餘儲備基金可用於彌補過往年度虧損(如有)，並可以資本化發行的方式轉換為資本。



## Consolidated Statement of Cash Flows

### 綜合現金流量表

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

	Notes 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>		
Profit before taxation	除稅前溢利	<b>366,598</b>	195,369
Adjustments for:	經調整：		
Finance costs	財務費用	<b>14,672</b>	9,258
Interest income	利息收入	<b>(971)</b>	(8,494)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>26,338</b>	19,195
Release of prepaid lease payments	預付租賃款撥回	<b>1,104</b>	655
Amortisation of intangible assets	無形資產攤銷	<b>1,520</b>	1,520
Losses on disposals of property, plant and equipment	出售物業、廠房及設備虧損	<b>590</b>	366
Exchange gain on subscription money received and loans from Investors	已收認購款及來自投資人貸款匯兌收益	<b>(256)</b>	(1,308)
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	<b>409,595</b>	216,561
Decrease in inventories	存貨減少	<b>4,230</b>	23,459
Decrease (increase) in trade and other receivables	應收貿易賬款及其他應收款項減少(增加)	<b>8,494</b>	(11,843)
Increase in trade and other payables	應付貿易賬款及其他應付款項增加	<b>46,098</b>	13,294
Cash generated from operations	業務所得現金	<b>468,417</b>	241,471
Income tax paid	已付所得稅	<b>(86,212)</b>	(44,663)
Interest paid	已付利息	<b>(11,845)</b>	(9,025)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>經營業務所得現金淨額</b>	<b>370,360</b>	187,783
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Purchase of property, plant and equipment	購買物業、廠房及設備	<b>(11,138)</b>	(125,297)
Interest received	已收利息	<b>971</b>	406
Proceeds on disposals of property, plant and equipment	出售物業、廠房及設備所得款項	<b>467</b>	191
Cash outflow relating to Daqing Dairy Acquisition (as defined in note 2)	有關大慶乳品收購事項的現金流出(定義見附註2)	—	(318,776)
Amount advanced to Changqing Dairy (as defined in note 2)	墊付予常慶乳業款項(定義見附註2)	—	(52,489)
Net cash inflow relating to Changqing Dairy Acquisition	有關常慶乳業收購事項的現金流入淨額	—	32,908

## Consolidated Statement of Cash Flows

### 綜合現金流量表

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

		Notes	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
		附註		
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>投資活動所用現金淨額</b>		<b>(9,700)</b>	(463,057)
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>			
Issue of new shares upon the listing of the Company's shares	於本公司股份上市時發行新股份		<b>943,831</b>	—
Bank borrowings raised	已籌集銀行借貸		<b>100,000</b>	160,000
Amount advanced from a related party	來自關連方墊款		<b>50,000</b>	—
Loans from the Investors	來自投資者的貸款	24 (d) & 28 (b)	<b>44,888</b>	—
Repayments of bank borrowings	償還銀行借款		<b>(200,000)</b>	(60,000)
Repayments of loans from the Investors	償還投資者貸款		<b>(76,514)</b>	—
Amount repaid to a related party	償還一名關連方款項		<b>(50,000)</b>	(30,000)
Cash paid to Mr Zhao	已付趙先生現金	28 (c)	<b>(37,816)</b>	—
Transaction costs attributable to issue of new shares	發行新股應佔交易成本		<b>(53,797)</b>	—
Other paid-in capital received from Mr Zhao	已收趙先生其他繳足資本		—	114,868
Subscription money received and loans granted from the Investors	已收認購款及向投資者所授貸款		—	205,858
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>融資活動所得現金淨額</b>		<b>720,592</b>	390,726
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物增加淨額</b>		<b>1,081,252</b>	115,452
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>年初現金及現金等價物</b>		<b>183,972</b>	68,520
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash</b>	<b>年末現金及現金等價物 (指銀行結餘及現金)</b>		<b>1,265,224</b>	183,972

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 1. GENERAL

Global Dairy Holdings Limited (the “Company”) is a limited company incorporated in the Cayman Islands on 15 October 2009.

The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is 18 Kilometer An Sa Road, Daqing High-Tech Industrial Development Zone, Daqing City, Heilongjiang Province, PRC.

The consolidated financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are presented in Renminbi (“RMB”), the currency of the primary economic environment in which the principal subsidiaries of the Company operate (the functional currency of the Company and the principal subsidiaries).

The Company acts as an investment holding company. The Group is mainly engaged in the manufacture, marketing and sales of dairy products. The principal activities of the subsidiaries of the Company are set out in note 33.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 28 October 2010 (the “Listing”).

#### 1. 一般資料

環球乳業控股有限公司(「本公司»)於二零零九年十月十五日在開曼群島註冊成立為有限公司。

本公司註冊處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司的主要營業地點為中國黑龍江省大慶市高新區安薩路18公里處。

本公司及其附屬公司(以下統稱為「本集團»)的綜合財務報表以本公司的主要附屬公司經營所在主要經濟環境的貨幣人民幣(「人民幣」·本公司及其主要附屬公司的功能貨幣)呈列。

本公司為一間投資控股公司。本集團主要從事事乳製品製造、市場推廣及銷售業務。本公司的主要附屬公司的主要業務乃載列於附註33。

本公司的股份已自二零一零年十月二十八日起在香港聯合交易所有限公司(「聯交所»)主板上市(「上市»)。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Global Milk Products Pte. Ltd. (“Global Milk Singapore”), a subsidiary of the Company, was incorporated on 15 September 2006 as a private limited company in Singapore and allotted and issued one ordinary share to a third party (the “Third Party”). On 8 October 2007, the Third Party transferred the one ordinary share in Global Milk Singapore to Mr Zhao, the controlling shareholder of the Company. On 25 July 2008, Global Milk Singapore acquired the entire equity interest of 大慶乳品廠有限責任公司 (Da Qing Dairy Ltd.#, “Daqing Dairy”) (the “Daqing Dairy Acquisition”) and further, on 16 November 2009, Daqing Dairy acquired the entire equity interest of 黑龍江常慶乳業有限責任公司 (Heilongjiang Chang Qing Dairy Products Co., Ltd.#, “Changqing Dairy”) (the “Changqing Dairy Acquisition”). These two acquisitions are recognised by using the purchase accounting method.

Pursuant to the group reorganisation (the “Group Reorganisation”) to rationalise the structure of the Group in preparation for the listing of the Company’s shares on the Stock Exchange, the Company became the holding company of the Group on 15 October 2009 by interspersing the Company between Global Milk Singapore and Mr Zhao. Details of the Group Reorganisation were set out in the prospectus dated 15 October 2010 issued by the Company (the “Prospectus”).

The consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year ended 31 December 2009 have been prepared on the basis as if the Company had always been the holding company of the companies now comprising the Group throughout the year ended 31 December 2009, or since the respective dates of incorporation of the relevant entity, where there is a shorter period.

# The English names are for identification purpose only.

## 2. 綜合財務報表呈列基準

本公司附屬公司Global Milk Products Pte. Ltd. (「Global Milk Singapore」)於二零零六年九月十五日在新加坡註冊成立為一間私人有限公司並向一名第三方(「第三方」)配發及發行一股普通股。於二零零七年十月八日，第三方將Global Milk Singapore一股普通股轉讓予本公司控股股東趙先生。於二零零八年七月二十五日，Global Milk Singapore收購大慶乳品廠有限責任公司(「大慶乳品」)的全部股權(「大慶乳品收購事項」)，且於二零零九年十一月十六日，大慶乳品進一步收購黑龍江常慶乳業有限責任公司(「常慶乳業」)的全部股權(「常慶乳業收購事項」)。該兩項收購事項乃通過購買會計法確認。

根據為籌備本公司股份於聯交所上市而使本集團架構合理化進行的集團重組(「集團重組」)，通過將本公司於Global Milk Singapore與趙先生之間進行分拆，本公司於二零零九年十月十五日成為本集團控股公司。有關集團重組詳情載於本公司日期為二零一零年十月十五日刊發的招股章程(「招股章程」)內。

於編製本集團截至二零零九年十二月三十一日止年度的綜合全面收益表、綜合權益變動表及綜合現金流量表時，假設本公司於整個截至二零零九年十二月三十一日止年度或有關實體的各自成立日期(按較短期間計)一直為目前組成本集團的公司的控股公司。

# 英文名稱僅供識別。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

### 3. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

In the current year, the Group has applied the following new and revised standards, amendments and interpretations issued by the International Accounting Standards Board (“IASB”):

IFRSs (Amendments)	Amendments to IFRS 5 as part of Improvements to IFRSs issued in 2008
IFRSs (Amendments)	Improvements to IFRSs issued in 2009
IAS 27 (Revised)	Consolidated and Separate Financial Statements
IAS 39 (Amendment)	Eligible Hedged Items
IFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
IFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
IFRS 3 (Revised)	Business Combinations
IFRIC — INT 17	Distributions of Non-cash Assets to Owners

The application of the above new and revised Standards and Interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

### 3. 應用國際財務報告準則(「國際財務報告準則」)

於本年度，本集團已應用以下由國際會計準則理事會(「國際會計準則理事會」)頒佈的新訂及經修訂的準則、修訂本及詮釋：

國際財務報告準則(經修本)	國際財務報告準則第5號的修訂本(作為二零零八年頒佈的國際財務報告準則改進之一部份)
國際財務報告準則(修訂本)	二零零九年頒佈之國際財務報告準則的改進
國際會計準則第27號(經修訂)	綜合及獨立財務報表
國際會計準則第39號(修訂本)	合資格對沖項目
國際財務報告準則第1號(修訂本)	首次採納者之額外豁免
國際財務報告準則第2號(修訂本)	集團現金結算以股份為基礎付款交易
國際財務報告準則第3號(經修訂)	業務合併
國際財務報告詮釋委員會 — 詮釋第17號	向擁有人分派非現金資產

於本年度應用以上新訂及經修訂的準則及詮釋並未對於該等綜合財務報表內呈報之賬目及／或於該等綜合財務報表內載列之披露造成重大影響。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

### 3. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

The Group has not early adopted the following new and revised standards, amendments or interpretations that have been issued but are not yet effective:

IFRSs (Amendments)	Improvements to IFRSs 2010 <sup>1</sup>
IFRS 1 (Amendments)	Limited Exemption from Comparative IFRS7 Disclosures for First-time Adopters <sup>2</sup>
IFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters <sup>3</sup>
IFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets <sup>3</sup>
IFRS 9	Financial Instruments <sup>4</sup>
IAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets <sup>5</sup>
IAS 24 (Revised)	Related Party Disclosures <sup>6</sup>
IAS 32 (Amendments)	Classification of Rights Issues <sup>7</sup>
IFRIC 14 (Amendments)	Prepayments of a Minimum Funding Requirement <sup>6</sup>
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2010

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2011

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2013

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2012

<sup>6</sup> Effective for annual periods beginning on or after 1 January 2011

<sup>7</sup> Effective for annual periods beginning on or after 1 February 2010

The directors of the Company anticipate that the application of these new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.

### 3. 應用國際財務報告準則(「國際財務報告準則」)(續)

本集團並無提早採納以下已頒佈惟尚未生效的新訂及經修訂的準則、修訂或詮釋：

國際財務報告準則 (修訂本)	二零一零年國際財務報告準則的改進 <sup>1</sup>
國際財務報告準則第1號 (修訂本)	國際財務報告準則第7號對首次採納者披露比較數字的有限豁免 <sup>2</sup>
國際財務報告準則第1號 (修訂本)	嚴重高通脹及剔除首次採納者之固定日期 <sup>3</sup>
國際財務報告準則第7號 (修訂本)	披露 — 金融資產轉讓 <sup>3</sup>
國際財務報告準則第9號	金融工具 <sup>4</sup>
國際會計準則第12號 (修訂本)	遞延稅項：收回相關資產 <sup>5</sup>
國際會計準則第24號 (經修訂)	關連人士披露 <sup>6</sup>
國際會計準則第32號 (修訂本)	供股分類 <sup>7</sup>
國際財務報告詮釋委員會第14號 (修訂本)	最低資金要求的預付款項 <sup>6</sup>
國際財務報告詮釋委員會第19號	以股本工具消除金融負債 <sup>2</sup>

<sup>1</sup> 於二零一零年七月一日及二零一一年一月一日(如適用)或之後開始的年度期間生效

<sup>2</sup> 於二零一零年七月一日或之後開始的年度期間生效

<sup>3</sup> 於二零一一年七月一日或之後開始的年度期間生效

<sup>4</sup> 於二零一三年一月一日或之後開始的年度期間生效

<sup>5</sup> 於二零一二年一月一日或之後開始的年度期間生效

<sup>6</sup> 於二零一一年一月一日或之後開始的年度期間生效

<sup>7</sup> 於二零一零年二月一日或之後開始的年度期間生效

董事預期，採用上述新訂或經修訂的準則及詮釋將不會對本集團的財務狀況構成重大影響。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

##### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All significant intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

#### 4. 重要會計政策概要

誠如下文會計政策所解釋，綜合財務報表乃按照歷史成本法編製。

綜合財務報表根據國際會計準則理事會所頒佈的國際財務報告準則編製。此外，綜合財務報表包括按照聯交所證券上市規則及香港公司條例所規定的適用披露。

##### 綜合基準

綜合財務報表包含本公司及由本公司控制的實體(其附屬公司)的財務報表。如本公司有權管理某個實體的財務及經營政策以通過其業務獲益，即表示本公司對其有控制權。

於本年度收購或出售的附屬公司業績，在計入綜合全面收益表時乃分別自收購生效日期起計入或計至出售生效日期止(如適用)。

如必要時，就附屬公司的財務報表作出調整，使彼等的會計政策與本集團所採用者一致。

所有集團內重大交易、結餘、收入及支出於綜合賬目時抵銷。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Business combinations

##### *Business combinations that took place on or after 1 January 2010*

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred 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. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with IFRS 2 "Share-based Payment" at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that Standard.

##### 業務合併

##### *於二零一零年一月一日或之後的業務合併*

業務收購乃採用收購法入賬。於業務合併轉撥的代價按公平值計量，而計算方法為本集團所轉撥資產、本集團對被收購方原擁有人產生的負債及本集團就交換被收購方的控制權發行的股權於收購日期的公平值總和。與收購事項有關的成本於產生時在損益中確認。

於收購日期，已收購的可識別資產及已承擔負債於收購日期按其公平價值予以確認，惟下列各項除外：

- 遞延稅項資產或負債及與僱員福利安排有關的負債或資產分別根據國際會計準則第12號「所得稅」及國際會計準則第19號「僱員福利」確認及計量；
- 與被收購方以股份為基礎付款交易有關的負債或股本工具或以本集團以股份為基礎付款交易重置被收購方以股份為基礎付款交易乃根據國際財務報告準則第2號「以股份為基礎付款」計量；及
- 根據國際財務報告準則第5號「持作出售的非流動資產及已終止經營業務」劃分為持作出售的資產(或出售組合)根據該項準則計量。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 4. 重要會計政策概要(續)

##### Business combinations (continued)

##### Business combinations that took place on or after 1 January 2010 (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

##### 業務合併(續)

##### 於二零一零年一月一日或之後的業務合併(續)

所轉撥代價、與被收購方的任何非控股權益及收購方先前持有被收購方股權(如有)的公平值合計,倘超出所收購可識別資產及所承擔負債於收購日期的淨額,超出的部分確認為商譽。倘(經評估後)已收購的可識別資產及承擔的負債於收購日的淨額超出所轉撥代價、於被收購方任何非控股權益的金額及收購方先前持有被收購方權益(如有)的公平值總和,超出部分即時於損益中確認為議價收購收益。

倘業務合併分階段完成,本集團以往持有的被收購方股權按收購日期(即本集團取得控制權當日)的公平值重新計量,產生的收益或虧損(如有)於損益確認。過往於收購日期前於其他全面收益確認之被收購方權益所產生款額於損益重新分類(倘有關處理方法適用於出售權益)。

任何於收購日期前在其他全面收益確認並於權益累計的以往持有的股權價值變動,於本集團取得被收購方的控制權時重新分類至損益。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Business combinations (continued)

##### *Business combinations that took place prior to 1 January 2010*

Acquisition of businesses was accounted for using the purchase method. The cost of the acquisition was measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that met the relevant conditions for recognition were generally recognised at their fair value at the acquisition date.

Goodwill arising on acquisition was recognised as an asset and initially measured at cost, being the excess of the cost of the acquisition over the Group's interest in the recognised amounts of the identifiable assets, liabilities and contingent liabilities recognised. If, after assessment, the Group's interest in the recognised amounts of the acquiree's identifiable assets, liabilities and contingent liabilities exceeded the cost of the acquisition, the excess was recognised immediately in profit or loss.

Business combinations achieved in stages were accounted for as separate steps. Goodwill was determined at each step. Any additional acquisition did not affect the previously recognised goodwill.

##### 業務合併(續)

##### *二零一零年一月一日之前的業務合併*

根據業務合併收購業務以購買法入賬。收購成本按交換當日所給予的資產、所產生或承擔的負債，以及本集團為控制被收購公司而發行股本工具的公平值，另加業務合併直接應佔的任何成本計量。被收購公司的可識別資產、負債及或然負債，如符合相關確認條件，均以收購日期的公平值確認。

收購附屬公司所生產的商譽確認為資產，並最初以成本計量，即業務合併的成本高於本集團於已確認可識別資產、負債及或然負債的公平淨值的權益的金額。倘重估後，本集團所佔被收購公司的已確認可識別資產、負債及或然負債的公平淨值的權益高於業務合併成本，則超出的金額即時於損益賬內確認。

分階段進行的業務合併將會分段入賬。商譽亦會分段釐定。任何其他收購並不會對過往經確認的商譽造成影響。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Goodwill

Goodwill arising on acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit on pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### 4. 重要會計政策概要(續)

##### 商譽

收購業務產生的商譽按成本值減任何累計減值虧損計量並於綜合財務狀況表中單獨列示。

就減值測試而言，收購所產生的商譽乃被分配到預期從收購的協同效應中受益的各相關現金產生單位。

已獲分配商譽的現金產生單位每年或凡單位可能出現減值的跡象時進行減值測試。就一個財政年度中收購產生的商譽而言，已獲分配商譽的現金產生單位須於該財政年度結束之前進行減值測試。當現金產生單位的可收回數額少於該單位的賬面值，則減值虧損須予分配，以削減分配到該單位的任何商譽的賬面值，及其後以單位各資產的賬面值為基準按比例分配予該單位的其他資產。商譽的任何減值虧損均直接於損益賬中予以確認。商譽的減值虧損於其後期間不予撥回。

出售相關現金產生單位時，被資本化的商譽的應佔數額於出售時計入對出售產生的損益數額的釐定過程中。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Revenue from sale of goods is recognised when goods are delivered and legal title is passed.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

##### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### *The Group as lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

##### 收益確認

收益按已收或應收代價的公平值計算，即就於一般營業過程中所售貨品及所提供服務應收取的金額(扣除折讓及銷售相關稅項)。

銷售貨品於貨品運送及所有權轉移時予以確認。

金融資產的利息收入乃於經濟利益可能流入本集團及收益金額能可靠計量時予以確認。金融資產的利息收入乃按未清還本金，以適用的實際利率按時間比例計算。有關利率指將金融資產的估計未來所收現金在估計可使用期內於初步確認時折現至資產賬面淨值的利率。

##### 租賃

如租賃的條款訂明向承租人轉讓擁有權的絕大部分風險及回報，則該租賃分類為融資租賃。所有其他租賃分類為經營租賃。

##### *本集團作為承租人*

經營租賃的應付租金在有關租賃期內按直線法確認為開支，惟另一系統基準為更具代表性之時間段除外，據此，租賃資產產生之經濟利益於該時間段內消耗。經營租賃項下產生之或有租金於其產生期內確認為開支。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 4. 重要會計政策概要(續)

##### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

##### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### 外幣

於編製各獨立集團實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)進行的交易均按交易日期的適用匯率入賬列作各自功能貨幣(即實體經營所在主要經濟環境的貨幣)。於本報告期末，以外幣列值的貨幣項目均按該日的適用匯率重新換算。按歷史成本計量並以外幣計值的非貨幣項目不會重新換算。

結算貨幣項目及重新換算貨幣項目產生的匯兌差額於其產生期間在損益賬入賬。

##### 稅項

所得稅開支指現時應繳稅項及遞延稅項的總和。

現時應繳稅項按年度的應課稅溢利計算。應課稅溢利與綜合全面收益表所報溢利不同。此乃由於其不包括在其他年度應課稅或可減稅的收入或開支項目，亦不包括永不須課稅或減稅的項目。本集團的即期稅負債採用本報告期末已經或大致採用的稅率計算。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) 4. 重要會計政策概要(續)

#### Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

#### 稅項(續)

遞延稅項按財務資料內資產及負債賬面值與用於計算應課稅溢利的相應稅基兩者的差額確認。遞延稅項負債通常會就所有應課稅暫時差異予以確認。遞延稅項資產的確認度，則一般限於可用作抵銷可能將會產生應課稅溢利的可減稅暫時差額。若暫時差額因商譽或因一項既不影響應課稅溢利亦不影響會計溢利的交易(業務合併除外)而開始確認資產及負債而引致，則不會確認該等資產及負債。

遞延稅項資產按於附屬公司投資相關的應課稅暫時差額確認，惟若本集團可控制暫時差額的撥回而暫時差額於可見將來應不會撥回的情況除外。與該等投資相關的可扣稅暫時差額所產生的遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額的益處且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值於各報告期末均作檢討，直至無足夠應課稅溢利可供全部或部分資產可予回收為止。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 4. 重要會計政策概要(續)

##### Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, deferred tax is also recognised in other comprehensive income or directly in equity.

##### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as 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 eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### 稅項(續)

遞延稅項資產及負債乃按預期於負債償還或資產變現期間的適用稅率計算，所根據的稅率(及稅法)乃於本報告期末已頒佈或已實質頒佈。遞延稅項負債及資產的計量反映本集團於本報告期末，預期將要收回或償還其資產及負債的賬面值的稅務後果。

本年度遞延稅項於損益賬確認，惟倘遞延稅項有關事項於其他全面收益表或直接在股本中獲確認的情況下，則遞延稅項亦會於其他全面收益表或直接於股本中確認。

##### 借款成本

對於需要長時間為擬定用途或出售作準備的資產，由收購、建設或生產符合規定的資產所直接產生的借款成本，將計入該資產的成本，直到資產大體上達到擬定用途或出售時為止。

特定借款於用作合格資產開支前的臨時投資所得投資收入從合資格資本化的借款成本中扣除。

所有其他借款成本會於產生期間於損益賬確認。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 4. 重要會計政策概要(續)

##### Retirement benefit costs

Payments to state-managed retirement benefits schemes are charged as expenses when employees have rendered service entitling them to the contributions.

##### Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Construction in progress represents property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of property, plant and equipment, other than construction in progress, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

##### 退休福利成本

向國家管理的退休福利計劃所作的供款於僱員提供使其享有該等供款的服務時列作開支。

##### 物業、廠房及設備

物業、廠房及設備(在建工程除外)以成本減其後累計折舊及累計減值虧損列值。

在建工程按指興建過程中用於生產、供應或行政目的的物業、廠房及設備。在建工程按成本減任何確認的減值虧損列賬。成本包括專業費用及合資化資本及根據本集團會計政策進行資本化的借款成本。該等物業於竣工及擬作指定用途時分類為物業、廠房及設備的適當類別。在建工程完工後用於擬定用途被歸類為物業、廠房及設備的適當類別。該等資產按其他資產的相同基準於資產用作擬定用途時開始折舊。

就其他物業、廠房及設備提供折舊撥備以根據其估計可使用年內撇銷其成本，按直線法計及其估計剩餘價值。估計可使用年期，估計剩餘價值和折舊方法會在每年年末覆核，併採用未來適用法對估計變更的影響進行核算。

物業、廠房及設備項目於出售時或預期持續使用該資產後亦將不會產生任何經濟利益之時，取消確認。取消確認該等資產所產生的任何收益或虧損(根據所得款項淨額與項目賬面值之間的差額計算)於取消確認該項目的期間計入利潤或虧損。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Prepaid lease payments

Prepaid lease payments represent payments for leasehold land and are released over the lease terms on a straight-line basis. Prepaid lease payments which are to be released in the next twelve months or less are classified as current assets.

##### Intangible assets

###### *Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

###### *Research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;

#### 4. 重要會計政策概要(續)

##### 預付租賃款

預計租賃款指租賃土地付款，乃於租賃期間按直線法攤銷。於未來十二個月或少於十二個月將予攤銷的預付租金歸類為流動資產。

##### 無形資產

###### *獨立收購的無形資產*

獨立收購的無形資產按成本扣除累計攤銷及累計減值虧損列賬。該等無形資產乃以直線法按其估計可使用年期進行攤銷。估計可使用年期及攤銷方法乃於本報告期末檢討，任何估計變動的影響按預先計提的基準入賬。

###### *研發支出*

研究工作之費用於產生之期間確認為開支。

因內部開發活動(或內部項目之開發階段)而產生之無形資產，僅於顯示下列各項後才確認：

- 完成無形資產之技術可行性報告致使該無形資產可供使用或銷售；
- 有意完成、使用或銷售該無形資產；
- 可使用或銷售該無形資產；

## Notes to the Consolidated Financial Statements 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) 4. 重要會計政策概要(續)

#### Intangible assets (continued)

#### Research and development expenditure (continued)

- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### 無形資產(續)

#### 研發支出(續)

- 該無形資產如何產生日後經濟利益；
- 具備充裕之技術、財務及其他資源，以完成開發工作及使用或銷售該無形資產；及
- 能夠可靠衡量該無形資產於開發時之開支。

內部產生之無形資產初步確認金額為自無形資產首次符合上述確認標準日期所產生之開支。倘並無可確認之內部產生無形資產，則開發成本於產生的期間於損益內確認。

於初步確認後，內部產生之無形資產按與分別收購之無形資產相同之基準以成本減累計攤銷及累計減值虧損計量。

## Notes to the Consolidated Financial Statements

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for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Intangible assets (continued)

##### Intangible assets acquired in a business combination

##### Trademarks

Trademarks acquired in a business combination are identified and recognised separately from goodwill where it satisfies the definition of an intangible asset and its fair values can be measured reliably. The costs of trademarks are their fair value at the acquisition date. Subsequent to initial recognition, intangible asset with finite useful life are carried at cost less accumulated amortisation and any accumulated impairment loss. The intangible asset will be amortised on a straight-line basis over its useful lives.

Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

##### Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

#### 4. 重要會計政策概要(續)

##### 無形資產(續)

##### 於業務合併中收購的無形資產

##### 商標

當商譽符合無形資產的定義，且其公平值能可靠計量時，於業務合併中收購的商標單獨自商譽中識別及確認。商標的成本於收購日期為其公平值。初步確認後，具有有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損列賬。無形資產將按直線法於其可使用年期攤銷。

取消確認無形資產時產生的收益及虧損乃計量為出售所得款項淨額與資產賬面值之間的差額，並當資產取消確認時於損益賬內確認。

##### 有形資產及無形資產(商譽除外)減值

在各個報告期期末，本集團檢討其有形和無形資產的賬面值，以釐定是否有任何跡象顯示該等資產已發生減值損失。倘存在任何該等跡象，則會對資產的可收回金額作出估計，以釐定減值虧損的程度(如有)。倘無法估計一項資產的可收回金額，則本集團會估計該資產所屬現金產生單位的可收回金額。倘可識別合理及一致的分配基準，則公司資產亦分配至個別現金產生單位，或以可識別合理及一致的分配基準將其分配至最小組別的現金產生單位。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) 4. 重要會計政策概要(續)

#### Impairment of tangible and intangible assets other than goodwill (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

#### 有形資產及無形資產(商譽除外)減值(續)

可收回金額為減除銷售成本後的公平值與使用價值的較高者。於評估使用價值時，估計未來現金流乃使用除稅前折現率折減至其現值，以反映現時市場對貨幣時間值的評估及該資產(其估計未來現金流尚未予以調整)特有的風險。

倘一項資產(或現金產生單位)的可收回數額估計為少於其賬面值，該項資產(或現金產生單位)的賬面值削減至其可收回數額。減值虧損即時於損益內確認。

當減值虧損其後撥回時，該項資產(或現金產生單位)的賬面值增至其可收回數額的經修訂估計數額，但所增加的賬面值不得超過該項資產(或現金產生單位)於以往年度原未確認減值虧損所釐定的賬面值。一項減值虧損撥回即時於損益內確認。

#### 存貨

存貨按成本及可變現淨值中較低者列賬，而成本乃按加權平均法計算。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### Financial assets

The Group's financial assets are classified into loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

#### 4. 重要會計政策概要(續)

##### 金融工具

金融資產及金融負債於集團實體成為該工具合約條文的訂約方時，於綜合財務狀況表內確認。

金融資產及金融負債初始按公平值計量。收購或發行金融資產及金融負債直接應佔的交易成本(透過損益賬按公平值處理的金融資產及金融負債除外)於初始確認時被加入金融資產或金融負債的公平值，或從金融資產或金融負債的公平值扣除(如適用)。收購透過損益以公平值計算的金融資產或金融負債的直接應佔交易成本即時於損益內確認。

##### 金融資產

本集團的金融資產分類為貸款及應收款項。貸款及應收款項為並未於交投活躍的市場內報價而附帶固定或可議定付款的非衍生金融資產。於初步確認後的本報告期末，貸款及應收款項(包括應收貿易賬款及其他應收款項與銀行結餘及現金)使用實際利率法按攤銷成本減任何可識別減值虧損列賬(見下文有關金融資產減值虧損的會計政策)。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Financial instruments (continued)

##### Financial assets (continued)

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

##### Impairment of financial assets

The financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been affected.

The objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

##### 金融工具(續)

##### 金融資產(續)

##### 實際利率法

實際利率法乃計算金融資產的攤銷成本及按有關期間攤分利息收入的方法。實際利率乃按金融資產預計可使用年期(或按較短期間(倘適用))完全折讓估計未來現金收入(包括構成實際利率整體部份的所有已付或已收費用、交易成本及其他溢價或折讓)的比率計入初步確認的賬面淨值。

就債務工具而言，利息收入按實際利率基準確認。

##### 金融資產減值

在本報告期末會評估金融資產是否出現減值跡象。倘有客觀證據證明金融資產的估計未來現金流量因初次確認該金融資產後發生的一項或多項事件而受到影響，則會對金融資產的估計未來現金流量進行減值。

減值的客觀證據可能包括：

- 發行人或交易對手出現重大財務困難；或
- 違約，例如未能繳付或拖欠利息或本金；或
- 借款人有可能面臨破產或財務重組。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Financial instruments (continued)

##### Financial assets (continued)

##### Impairment of financial assets (continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit terms of the customers, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### 4. 重要會計政策概要(續)

##### 金融工具(續)

##### 金融資產(續)

##### 金融資產減值(續)

倘若若干類型的金融資產(如應收貿易賬款)被評估為不會個別地減值,則於其後按集體基準進行減值評估。應收款項組合出現減值的客觀證據可包括本集團過往收集付款的經驗、組合內超過客戶平均信貸期的拖欠款項的數目增加以及拖欠應收款相關的國家或本地經濟狀況出現可觀察的變動。

就按攤銷成本計算的金融資產而言,當有資產減值的客觀證據時,減值虧損會於損益賬確認,且按資產賬面值與以原本實際利率折讓的估計未來現金流量與現值之間的差額計量。

所有金融資產的賬面值直接按減值虧損扣減,惟應收款項除外,應收款項的賬面值則通過使用撥備賬目扣減。撥備賬目的賬面值的變動在損益賬中確認。當某項應收款項視為不能收回,該款項會在撥備賬目撇銷。其後收回早前撇銷的數額會記入損益賬。

就按攤銷成本計算的金融資產而言,減值虧損的數額減少,而該減少在客觀上可與減值虧損獲確認後發生的事件有關,則之前確認的減值虧損會通過損益撥回至當日資產的賬面值,惟不超過倘減值未獲確認時的攤銷成本。

## Notes to the Consolidated Financial Statements

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Financial instruments (continued)

##### Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

##### Financial liabilities

Financial liabilities (including borrowings, trade and other payables and subscription money received) are subsequently measured at amortised cost, using the effective interest method.

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis and is included in finance costs.

##### 金融工具(續)

##### 金融負債及權益工具

由一集團實體發行的金融負債及權益工具乃根據已訂立的合約安排內容以及金融負債及權益工具的定義分類。

##### 權益工具

股本權益工具為證明於集團經扣除其所有負債後所剩餘權益之任何合約。集團實體發行的權益工具以已收所得款項減直接發行成本列賬。

##### 金融負債

金融負債(包括借款、應付貿易賬款及其他應付款項及收取的認購款項)其後以實際利率法按攤銷成本計量。

##### 實際利率法

實際利率法乃計算金融負債的攤銷成本及按有關期間攤分利息支出的方法。實際利率乃按金融負債預計可使用年期(或按較短期間(倘適用))完全折讓估計未來現金付款的比率計入初步確認的賬面淨值。

利息開支按實際利率確認，並計入財務費用。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 4. 重要會計政策概要(續)

##### Financial instruments (continued)

##### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

##### Financial instruments (續)

##### 終止確認

當從資產收取現金流量的權利屆滿，或金融資產被轉讓以及本集團已轉讓所持的金融資產的絕大部分風險及回報時，則會終止確認金融資產。

於終止確認全部金融資產時，該資產的賬面值與已收及應收代價總和的差額及於其他全面收益表確認的累計虧損以及累計股本在損益賬中確認。

除全面取消確認外(即當本集團保留購回部分已轉讓資產之選擇權或保留不會導致保留擁有權絕大部分風險及回報之餘下權益，及本集團保留控制權)，於取消確認金融資產時，本集團會將金融資產之過往賬面值，根據於其確認為繼續參與之部分及不再確認之部分於轉讓日期之相對公平值在兩者間作出分配，而不再確認部分已於其他全面收益確認之已收代價及獲分配之任何累計收益或虧損之總和，乃於損益內確認。已於其他全面收益確認之累計收益或虧損，將按繼續確認之部分及不再確認之部分之相對公平值間作出分配。

當有關合約所指明的債項已清償、取消或到期時，則會終止確認金融負債。終止確認的金融負債的賬面值與已付及應付代價的差額在損益賬中確認。

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### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 5. KEY SOURCE OF ESTIMATION

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the 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.

##### (a) Estimated impairment of inventories

The Group assesses periodically if the inventories have been suffered from any impairment in accordance with the accounting policy stated in note 4.

The identification of impairment of inventories requires the use of judgement and estimates of expected future cash inflows. Where the expectation is different from the original estimate, such difference will impact carrying value of inventories and impairment loss in the year in which such estimate has been changed. The directors of the Company are satisfied that this risk is minimal and no allowance for obsolete and slow moving inventories was provided during the year ended 31 December 2010 (2009: nil). The carrying amount of inventories as at 31 December 2010 was approximately RMB20,219,000 (2009: RMB24,449,000).

#### 5. 估計的主要來源

本公司董事於應用附註4所載本集團的會計政策時，須對從其他來源不顯而易見的資產及負債的賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及被認為關的其他因素而作出。實際結果或會與該等估計有所不同。

估計及相關假設會持續作出檢討。倘會計估計修訂僅影響修訂估計期間，則有關修訂會在該期間確認；或倘有關修訂既影響當期亦影響未來期間，則有關修訂會在修訂期間及未來期間確認。

於本報告期末，具有導致下個財政年度資產及負債的賬面值作出重大調整的重大風險的估計不確定因素的主要來源如下：

##### (a) 存貨的估計減值

本集團按照附註4所載會計政策，定期評估存貨有否減值。

辨別存貨減值需要對預計未來現金流量運用判斷及估計。倘若預期有別於原先估計，則有關差異將影響到有關估計出現變動的年度存貨的賬面值及減值虧損。本公司董事信納該風險甚微且並無就陳舊及滯銷存貨於截至二零一零年十二月三十一日止年度作出撥備(二零零九年：無)。於二零一零年十二月三十一日，存貨的賬面值約為人民幣20,219,000元(二零零九年：人民幣24,449,000元)。

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### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 5. KEY SOURCE OF ESTIMATION (continued)

##### (b) Estimated impairment of trade and other receivables

As explained in note 4, trade and other receivables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

The identification of bad and doubtful debts requires the use of judgement and estimates of expected future cash inflows. Where the expectation is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debts expenses in the year in which such estimate has been changed. The directors of the Company are satisfied that this risk is minimal and no allowance for doubtful debts was provided during the year ended 31 December 2010 (2009: nil). The carrying amount of trade and other receivables as at 31 December 2010 was approximately RMB15,711,000 (2009: RMB24,205,000).

##### (c) Useful life and residual value of property, plant and equipment

The management determines the residual value, useful lives and related depreciation charges for its property, plant and equipment. These estimates are based on the historical experience of the actual residual value and useful lives of plant and equipment of similar nature and functions and may vary significantly as a result of technical innovation and keen competition from competitors, resulting in higher depreciation charge and/or write-off or write-down of technically obsolete assets when residual value or useful lives are less than previously estimated. The carrying amount of property, plant and equipment as at 31 December 2010 was approximately RMB526,894,000 (2009: RMB540,993,000).

#### 5. 估計的主要來源(續)

##### (b) 應收貿易賬款及其他應收款項的估計減值

如附註4所載，應收貿易賬款及其他應收款項初步按公平值計量，其後按實際利息法以攤銷成本計量。倘有客觀證據顯示資產減值，則會對於損益中確認的估計不可收回款項作出適當撥備。

辨別呆壞賬需要對預計未來現金流量運用判斷及估計。倘若預期有別於原先估計，則有關差異將影響到有關估計出現變動的年度應收貿易賬款及其他應收款項的賬面值及呆賬開支。本公司董事信納該風險甚微且並無就該等呆帳開支於截至二零一零年十二月三十一日止年度作出撥備(二零零九年：無)。於二零一零年十二月三十一日，應收貿易賬款及其他應收款項的賬面值約為人民幣15,711,000元(二零零九年：人民幣24,205,000元)。

##### (c) 物業、廠房及設備之可用年期及剩餘價值

管理層釐定其物業、廠房及設備之剩餘價值、可用年期及相關折舊開支。此等估計乃按類似性質及功能之廠房及設備之實際剩餘價值及可用年期過往經驗作出，及技術日新月異及來自競爭對手之激烈競爭，可能令剩餘價值或可用年期出現重大改變。倘剩餘價值或可用年期少於之前估計，本集團之管理層將增加折舊開支，並／或撇銷或撇減技術落後之資產。於二零一零年十二月三十一日，物業、廠房及設備的賬面值約為人民幣526,894,000元(二零零九年：人民幣540,993,000元)。

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### 綜合財務報表附註

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#### 6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which included borrowings and net of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings.

The directors of the Company review the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through new share issues as well as the issue of new debts or the redemption of existing debts.

#### 6. 資本風險管理

本集團的資金管理旨在確保本集團旗下實體的持續經營能力，同時透過優化債務及股本結構為股東謀求最大回報。本集團的整體策略自上個年度無任何變動。

本集團的資本架構包括債務淨額，其包括有借款、現金淨額及現金等價物及本公司股東應佔股權(含已發行股本、儲備及保留盈利)。

本公司董事定期檢討資本架構。本集團考慮資本成本及各類資本的相關風險，並將透過發行新股以及發行新債券或贖回現有債券等措施使整體資本架構保持平衡。

#### 7. FINANCIAL INSTRUMENTS

##### (a) Categories of financial instruments

Financial assets:	金融資產：
Loans and receivables (including cash and cash equivalents)	貸款及應收款(包括現金及現金等價物)
Financial liabilities:	金融負債：
Liabilities measured at amortised costs	按攤銷成本計量的負債

#### 7. 金融工具

##### (a) 金融工具之分類

2010	2009
二零一零年	二零零九年
RMB'000	RMB'000
人民幣千元	人民幣千元
<b>1,276,195</b>	197,545
<b>136,236</b>	440,575

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### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 7. FINANCIAL INSTRUMENTS (continued)

##### (b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, trade and other payables, borrowings, bank balances and cash and subscription money received. Details of these financial instruments are disclosed in respective notes.

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's overall strategy remains unchanged from prior year.

##### (c) Market risk

The Group's activities expose it primarily to the market risks including interest risk (note 7 (c) (i)) and foreign currency risk (note 7 (c) (ii)). There has been no change to the Group's exposure to these market risks or the manner in which it manages and measures the risks from prior year.

###### (i) Interest rate risk management

The fair value interest rate risk of the Group relates primarily to fixed rate interest bank borrowings and loan from Investors. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

#### 7. 金融工具(續)

##### (b) 金融風險管理目標及政策

本集團的主要金融工具包括應收貿易賬款及其他應收款項、應付貿易賬款及其他應付款項、借款、銀行結餘及現金及收取的認購款項。該等金融工具的詳情披露於相關附註內。

與該等金融工具及如何降低風險的政策相關的風險載於下文。

本公司董事管理及監控該等風險以確保及時有效地實行適當措施。本集團的整體策略自上個年度無任何變動。

##### (c) 市場風險

本集團的業務主要涉及市場風險，包括利率風險(附註7(c)(i))及外匯風險(附註7(c)(ii))。本集團於有關期間內所承擔的市場風險或其管理及計量有關風險的方式並無任何重大改變。

###### (i) 利率風險管理

本集團的公平值利率風險主要與定息銀行借款及來自投資者的貸款有關。本集團現時並無任何利率對沖政策。然而，管理層監控利率風險，並考慮於有需要時為重大利率風險作對沖。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

### 7. FINANCIAL INSTRUMENTS (continued)

#### (c) Market risk (continued)

##### (i) Interest rate risk management (continued)

The Group's cash flow interest rate risk relates primarily to variable rate bank balances. The directors of the Company consider that the Group is not exposed to significant interest rate risks attributable to variable rate bank balances and thus, no sensitivity analysis to interest rate risk is presented.

##### (ii) Foreign currency risk management

Foreign currency risk is the risk that the holding of foreign currency assets and liabilities will affect the Group's financial position as a result of a change in foreign currency exchange rates. Certain bank balances and cash, subscription money received and borrowings of the Group are denominated in foreign currencies, details of which are set out in respective notes, expose the Group to foreign currency risk.

The Group currently does not use any derivative contracts to hedge against its exposure to foreign currency risk. However the Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rate.

### 7. 金融工具(續)

#### (c) 市場風險(續)

##### (i) 利率風險管理(續)

本集團的現金流利率風險主要與按可變動利率銀行結餘有關。本公司董事認為本集團並無承擔可變動利率銀行結餘的重大利率風險，因此，並無呈列利率風險的敏感度分析。

##### (ii) 外匯風險管理

外匯風險指由於外幣匯率的變動，持有外幣資產和負債將影響本集團財務狀況的風險。本集團之若干銀行結餘及現金、所收取認購款項及借款乃以外幣列值，令本集團承受外幣風險，有關詳情載於相關附註。

本集團現時並無使用任何衍生工具合約對沖其須承受的外匯風險。然而，本集團透過緊密監察外匯匯率變動管理其外匯風險。

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#### 7. FINANCIAL INSTRUMENTS (continued)

##### (c) Market risk (continued)

###### (ii) Foreign currency risk management (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each respective reporting period are as follows:

	Liabilities 負債		Assets 資產	
	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
United States Dollars ("USD") 美元(「美元」)	—	—	2,483	1,441
Singapore Dollars ("SGD") 新幣(「新幣」)	—	204,640	550	523
Hong Kong Dollars ("HKD") 港元(「港元」)	—	—	9,897	—
	—	204,640	12,930	1,964

The Group is mainly exposed to the currency of the USD, SGD and HKD.

The following table details the Group's sensitivity to a 10% increase and decrease in RMB against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

#### 7. 金融工具(續)

##### (c) 市場風險(續)

###### (ii) 外匯風險管理(續)

本集團以外幣列值的貨幣資產及貨幣負債於各報告期末之賬面值如下：

本集團主要面對美元、新幣及港元之風險。

下表詳述本集團的人民幣兌相關外幣增減10%之敏感度。10%之敏感度是用於內部呈報外幣風險給主要管理人員及代表管理評估合理可能改變之外匯兌換率。

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### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 7. FINANCIAL INSTRUMENTS (continued)

##### (c) Market risk (continued)

###### (ii) Foreign currency risk management (continued)

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. The sensitivity analysis includes loans from Investors and bank balances denominated in currencies other than functional currency of the relevant group entities.

A positive (negative) number below indicates an increase/(decrease) in post-tax profit where RMB strengthen 10% against the relevant foreign currencies.

Post-tax profit would (decrease) increase by 稅後溢利會(減少)增加

For a 10% weakening of the RMB against the relevant foreign currencies, there would be an equal and opposite impact on the profit after taxation.

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposures do not reflect the exposure during the year.

#### 7. 金融工具(續)

##### (c) 市場風險(續)

###### (ii) 外匯風險管理(續)

敏感度分析僅包括以外幣列值的未兌現幣值項目及於年末為外匯兌換率的10%變動而調整外幣折算。敏感度分析包括來自投資者的貸款以及相關集團實體的功能貨幣以外的貨幣列值的銀行結餘。

下列正數(負數)表示人民幣兌相關外幣出現人民幣升值10%所導致除稅後溢利增加/(減少)。

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
	<b>(1,293)</b>	20,268

倘人民幣兌相關外幣貶值10%，則會對稅後溢利構成同等幅度的相反效果。

本公司董事認為，敏感度分析未能代表內在外匯風險，原因是年終的風險並未反映年內的風險。



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#### 7. FINANCIAL INSTRUMENTS (continued)

##### (d) Credit risk management

As at 31 December 2010, the Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the directors of the Company have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the directors of the Company review the recoverability of each trade debt at the end of each of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

As at 31 December 2010, the Group has concentration of credit risk as the Group's trade receivables of approximately RMB8,082,000 (2009: RMB8,974,000), representing 77% (2009: 70%) of total trade receivables, were derived from five major customers. In order to minimise the credit risk, the directors of the Company continuously monitor the level of exposure to ensure that follow-up actions and/or corrective actions are taken promptly to lower exposure or even to recover the overdue debts. The Group has no significant concentration of credit risk on the remaining trade receivables, with exposure spread over a number of counterparties and customers.

The Group has concentration of credit risk on liquid funds which are deposited mainly with several banks in the PRC. However, the credit risk on bank balances is limited because the majority of the counterparties are banks with good reputation assigned by international credit-rating agencies.

#### 7. 金融工具(續)

##### (d) 信貸風險管理

於二零一零年十二月三十一日，倘對手方未能履行彼等的承擔，則本集團就每類已確認金融資產所須承受的最大信貸風險為各綜合財務狀況表所載資產的賬面值。

為盡量降低信貸風險，本公司董事已委派一組人員負責釐定信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期債務。此外，於各報告期期末，本公司董事會檢討各債項的可收回性，以確保能就不可收回金額作出足夠的減值虧損。就此而言，本公司董事認為本集團的信貸風險已大大降低。

於二零一零年十二月三十一日，乃因本集團的應收貿易款項約達人民幣8,082,000元(二零零九年：人民幣8,974,000元)，佔應收貿易款項總額的77%(二零零九年：70%)，而該等應收貿易款項錄自五名主要客戶，故本集團存在信貸集中的風險。為盡可能減輕信貸風險，本公司董事持續監控風險水準，以確保即時採取跟進及／或矯正措施，以減輕風險或甚至收回逾期債務。由於風險分散於多名對手方及客戶，故本集團並無重大餘下應收款的集中信貸風險。

本集團存放於中國若干銀行的流動資金的信貸風險集中。然而，銀行結餘的信貸風險屬有限，因為大部分交易對手為良好聲譽的銀行或具有國際信貸評級代理授予良好信貸評級的良好聲譽銀行。

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for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 7. FINANCIAL INSTRUMENTS (continued)

##### (e) Liquidity risk management

Ultimate responsibility for liquidity risk rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

#### 7. 金融工具(續)

##### (e) 流動資金風險管理

流動資金風險的最終責任由董事會承擔，而董事會已設立合適的流動資金風險管理架構，以管理本集團的短期、中期及長期融資及流動資金管理需要。本集團透過持續監察預測及實際現金流量而維持充足儲備，以管理流動資金風險。

下表詳列本集團的基於協定償還期限的非衍生金融負債的餘下合約到期情況。

該等表格乃根據本集團於最早還款日期可被要求償還的金融負債的未折現現金流量編製而成，包括利息及本金的現金流量。

		Weighted average interest rate	Less than 3 months	3 months to 1 year	1 to 2 years	2 to 3 years	Total undiscounted cash flows	Carrying amounts
		加權平均利率	三個月以內	三個月至一年	一年至兩年	二年至三年	未折現現金流總額	賬面值
		%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			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
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>							
As at 31 December 2010	於二零一零年十二月三十一日							
Trade and other payables	應付貿易賬款及其他應付款項		36,236	—	—	—	36,236	36,236
Fixed rates interest borrowings	固定利率借款	5.3	1,328	3,982	5,310	102,655	113,275	100,000
			<b>37,564</b>	<b>3,982</b>	<b>5,310</b>	<b>102,655</b>	<b>149,511</b>	<b>136,236</b>
As at 31 December 2009	於二零零九年十二月三十一日							
Trade and other payables	應付貿易賬款及其他應付款項		36,025	—	—	—	36,025	36,025
Loans from Investors	來自投資者的貸款	7.3	103,499	—	—	—	103,499	102,275
Fixed rates interest borrowings	固定利率借款	5.6	100,291	103,636	—	—	203,927	200,000
Subscription money received	收取的認購款項		102,275	—	—	—	102,275	102,275
			<b>342,090</b>	<b>103,636</b>	<b>—</b>	<b>—</b>	<b>445,726</b>	<b>440,575</b>

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 7. FINANCIAL INSTRUMENTS (continued)

##### (f) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using rates from observable current market transaction as input.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values at the end of the reporting period.

#### 7. 金融工具(續)

##### (f) 金融工具的公平值

金融資產及金融負債的公平值按照根據使用可觀察的現行市場交易作輸入資料的折現現金流量分析的普遍接納定價模式釐定。

本公司董事認為，綜合財務報表中列賬的金融資產及金融負債的賬面值與彼等於本報告期末的公平值相若。

#### 8. REVENUE AND SEGMENT INFORMATION

##### (a) Revenue

Revenue represents the net amounts received and receivable for sales of goods to customers during the year.

##### (b) Segment information

The Group operates and manages its business as a single segment that includes primarily the manufacture and sales of milk powder products and ice cream products. The Group's chief operating decision maker has been identified as the Chief Executive Officer, who reviews revenue analysis by major products and the profit of the Group for the year when making decisions about allocating resources and assessing performance of the Group. As no other discrete financial information is available for assessment of performance of different products, no segment information is presented.

#### 8. 收益及分部資料

##### (a) 收益

收益指於年內就售予客戶的貨物銷售額的已收及應收款項淨額。

##### (b) 分部資料

本集團將其業務作為單一分部經營及管理，其主要包括生產及銷售奶粉產品及冰淇淋產品。本集團的主要經營決策者為首席執行官，彼在作出有關本集團資源分配及表現評估的決策時，乃按主要產品的收益分析及本集團年度的溢利。由於沒有其他連續財務資料可供查閱以評估不同產品的表現，故並無呈列分部資料。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 8. REVENUE AND SEGMENT INFORMATION (continued)

##### (b) Segment information (continued)

###### Information about products

###### Analysis of revenue

The following table sets forth a breakdown of the Group's revenue by major products during the year:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Revenue from:	來自以下各項的收益：		
Sales of milk powder products	銷售奶粉產品		
— whole milk	— 全脂奶粉	48,320	61,671
— formula milk	— 配方奶粉	851,845	431,605
		<b>900,165</b>	493,276
Sales of ice cream products	銷售冰淇淋產品	21,721	16,759
		<b>921,886</b>	510,035

###### Information about geographical areas

All of the Group's revenue is derived from customers based in the PRC and all of the Group's non-current assets are also located in the PRC and thus, no geographical information has been presented.

###### Information about major customers

During the two years ended 31 December 2010, there was no customer individually accounted for over 10% of the Group's total revenue.

#### 8. 收益及分部資料(續)

##### (b) 分部資料

###### 有關產品的資料

###### 收益分析

本集團於年內的主要產品收益的分析載列於下表：

###### 有關地理區域的資料

本集團所有收益來自中國的客戶，而本集團所有非流動資產亦位於中國，因此，並無呈列地理資料。

###### 有關主要客戶的資料

於截至二零一零年十二月三十一日止兩個年度，並無個別客戶佔本集團總收益的10%以上。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 9. OTHER GAINS AND LOSSES

#### 9. 其他收益及虧損

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Other gains and losses:	其他收益及虧損：		
Interest income from:	利息收入來自以下各項：		
— Changing Dairy (see note 30 (a) and note 30 (b))	— 常慶乳業(見附註30(a)及附註30(b))	—	8,088
— Others	— 其他	971	406
		971	8,494
Loss on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	(590)	(366)
Loss on sales of raw materials to 黑龍江金天然乳業有限責任公司 (Heilongjiang Jintianran Dairy Co., Ltd.#, “Jintianran Dairy”), a former related company (see note 30 (a) and note 30 (b))	向前關連公司黑龍江金天然乳業有限責任公司(「金天然乳業」)銷售原材料的虧損(見附註30(a)及附註30(b))	—	(2,890)
Gains on sales of scarp materials to 大慶市百信源商品混凝土有限公司(Daqing City Baixinyuan Concrete Products Co., Ltd.#, “Daqing Baixinyuan”), a related company (see note 30 (a) and note 30 (b))	向關連公司大慶市百信源商品混凝土有限公司(「大慶百信源」)銷售廢料的收益(見附註30(a)及附註30(b))	—	251
Exchange (losses) gains	匯兌(虧損)收益	(1,349)	1,308
		(968)	6,797

# The English names are for identification purpose only.

# 英文名稱僅供識別。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 10. FINANCE COSTS

#### 10. 財務費用

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Finance costs comprises:	財務費用包括：		
Interest on:	利息：		
— bank borrowings wholly repayable with five years	— 於五年內全部償還的 銀行借款	5,815	9,025
— Loans from Investors	— 投資者貸款	8,857	233
		<b>14,672</b>	<b>9,258</b>

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 11. PROFIT BEFORE TAXATION

#### 11. 除稅前溢利

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Profit before taxation has been arrived at after charging:	經扣除下列各項後的除稅前溢利：		
Staff costs (including directors' emoluments):	員工成本 (包括董事薪酬)：		
— Salaries and wages	— 工資及報酬	15,368	7,865
— Retirement benefit scheme contributions	— 退休金計劃供款	1,325	568
		<b>16,693</b>	8,433
Depreciation and amortisation:	折舊及攤銷		
— Property, plant and equipment	— 物業、廠房及設備	26,338	19,195
— Intangible assets	— 無形資產	1,520	1,520
		<b>27,858</b>	20,715
Release of prepaid lease payments	撥回預付租賃款	1,104	655
Cost of inventories recognised as an expense	確認為一項開支的存貨成本	443,655	274,137
Research and development expenses	研發支出	163	104
Auditors' remuneration	核數師薪酬	1,380	100

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

##### (a) Directors' emoluments

Details of the emoluments paid or payable to directors of the Company are as follows:

#### 12. 董事及僱員薪酬

##### (a) 董事薪酬

已付或應付本公司董事薪酬詳情如下：

		Year ended 31 December 2010 截至二零一零年十二月三十一日止年度			
		Directors' fees	Retirement benefit scheme contributions	Other emoluments	Total
		董事袍金	退休金計劃供款	其他薪酬	總額
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors:	執行董事：				
— 趙傳文 (Mr Zhao Chuan Wen, "Mr Zhao CW")	— 趙傳文 (「趙傳文先生」)	167	—	—	167
— Mr Zhao	— 趙先生	167	—	124	291
— 夏元軍 (Mr Xia Yuan Jun, "Mr Xia")	— 夏元軍 (「夏先生」)	100	3	103	206
— 付翀 (Mr Fu Chong, "Mr Fu")	— 付翀 (「付先生」)	100	3	84	187
— 方秉權 (Mr Fong Pin Jan, "Mr Fong")	— 方秉權 (「方先生」)	100	—	—	100
Independent non-executive directors:	獨立非執行董事：				
— 張學鋒 (Mr Cheung Hok Fung Alexander, "Mr Cheung")	— 張學鋒 (「張先生」)	75	—	—	75
— 陳華敏 (Ms Chan Wah Man Carman, "Ms Chan")	— 陳華敏 (「陳女士」)	75	—	—	75
— 張舟	— 張舟	75	—	—	75
		859	6	311	1,176



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

##### (a) Directors' emoluments (continued)

Executive directors:	執行董事：
— Mr Zhao CW	— 趙傳文先生
— Mr Zhao	— 趙先生
— Mr Xia	— 夏先生
— Mr Fu	— 付先生
— Mr Fong	— 方先生
Independent non-executive directors:	獨立非執行董事：
— Mr Cheung	— 張先生
— Ms Chan	— 陳女士
— Mr Zhang Zhou	— 張舟先生

During the year ended 31 December 2010, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2009: nil). None of the directors has waived any remuneration during the year ended 31 December 2010 (2009: nil).

#### 12. 董事及僱員薪酬(續)

##### (a) 董事薪酬(續)

Year ended 31 December 2009 截至二零零九年十二月三十一日止年度				
Retirement				
Directors' fees	benefit scheme contributions	Other emoluments	Total	
董事袍金	退休金計劃供款	其他薪酬	總額	
RMB'000	RMB'000	RMB'000	RMB'000	
人民幣千元	人民幣千元	人民幣千元	人民幣千元	
—	—	—	—	
—	—	—	—	
—	3	61	64	
—	1	31	32	
—	—	—	—	
—	—	—	—	
—	—	—	—	
—	—	—	—	
—	4	92	96	

於截至二零一零年十二月三十一日止年度，本集團並無向本公司董事支付薪酬，以作為加盟集團的鼓勵或作為離職補償的酬金(二零零九年：無)。於截至二零一零年十二月三十一日止年度，概無董事放棄任何酬金(二零零九年：無)。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

##### (b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, 4 were directors of the Company for the year ended 31 December 2010 (2009: 1 director), details of whose emoluments are included in the disclosures above.

The emoluments of the remaining 1 individual during the year ended 31 December 2010 (2009: 4 individuals) were as follows:

Salaries and allowances	薪酬及工資
Retirement benefit scheme contributions	退休福利計劃供款

During the years ended 31 December 2010 and 31 December 2009, the emoluments of each of the five highest paid individuals were within HK\$1,000,000.

During the year ended 31 December 2010, no remuneration was paid by the Group to any of the five individuals with the highest emoluments in the Group as an inducement to join or upon joining the Group or as compensation for loss of office (2009: nil).

#### 12. 董事及僱員薪酬(續)

##### (b) 僱員薪酬

於截至二零一零年十二月三十一日止年度，本集團五名最高薪人士中有4名為本公司董事(二零零九年：1名)，彼等薪酬詳情載於上文披露中。

於截至二零一零年十二月三十一日止年度，餘下1名(二零零九年：4名)人士的薪酬如下：

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Salaries and allowances	137	242
Retirement benefit scheme contributions	2	11
	<b>139</b>	<b>253</b>

於截至二零一零年十二月三十一日及二零零九年十二月三十一日止年度，五名最高薪人士各自的薪酬均低於1,000,000港元。

於截至二零一零年十二月三十一日止年度，本集團並無向本集團五名最高薪人士支付酬金(二零零九年：無)，以作為加盟集團的鼓勵或作為離職補償的酬金。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 13. INCOME TAX EXPENSES

#### 13. 所得稅開支

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Income tax expenses comprise:	所得稅開支包括：		
Current PRC enterprise income tax	即期中國企業所得稅	110,389	56,849
Deferred taxation (see note 19)	遞延稅項(見附註19)	(4,379)	5,051
		<b>106,010</b>	<b>61,900</b>

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profit arising in Hong Kong for the year.

由於本集團於年內概無於香港產生任何應課稅利潤，故並無作出香港所得稅撥備。

The statutory tax rate of Global Milk Singapore for the year ended 31 December 2010 was 17% (2009: 17%). No provision for Singapore income tax has been made as the Group did not derive any taxable income in Singapore for the year ended 31 December 2010 (2009: nil).

Global Milk Singapore於截至二零一零年十二月三十一日止年度按17% (二零零九年：17%)的法定稅率繳稅。由於本集團於截至二零一零年十二月三十一日止年度概無自新加坡錄得任何應課稅收入，故並無作出新加坡所得稅撥備(二零零九年：無)。

The statutory tax rate of Daqing Dairy and Changqing Dairy, the Company's PRC subsidiaries for the year ended 31 December 2010 was 25% (2009: 25%).

於截至二零一零年十二月三十一日止年度，本公司的中國附屬公司大慶乳品及常慶乳業的法定稅率為25% (二零零九年：25%)。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

### 13. INCOME TAX EXPENSES (continued)

The income tax expenses can be reconciled to the profit before taxation per the consolidated statement of comprehensive income as follows:

### 13. 所得稅開支(續)

於年內的所得稅開支與各綜合全面收益表內的除稅前利潤對賬如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Profit before taxation	除稅前利潤	<b>366,598</b>	195,369
Tax at the PRC enterprise income tax rate (note (a) below)	按中國企業所得稅稅率之稅項(下文附註(a))	<b>91,650</b>	48,842
Effect of sales rebates (note (b) below) and other expenses that are not deductible for tax purpose	不可扣稅銷售返利(下文附註(b))及開支的影響	<b>13,453</b>	6,720
Tax effect of income not taxable for tax purpose	不可扣稅收入的稅務影響	<b>(1,078)</b>	(327)
Withholding income tax provision on dividend from the PRC subsidiaries	來自中國附屬公司的股息的預提所得稅撥備	—	6,463
Effect of unrecognised deductible losses and deductible temporary differences	未確認可抵扣虧損及可抵扣暫時性差異的影響	<b>1,985</b>	202
		<b>106,010</b>	61,900

*Notes:*

- (a) The PRC income tax rate represents the income tax rate applicable to Daqing Dairy of which the Group's principal operations are substantially based throughout the year.
- (b) Pursuant to the relevant laws and regulations in the PRC, during the two years ended 31 December 2010 certain sales rebates payable to customers are non-deductible for tax purpose as the Group did not obtain the relevant tax deduction documents from its customers. The directors of the Company represented that in view of a substantial number of customers involved, it was not practicable and the cost would be out of benefit for the Group to obtain such tax deduction documents from the customers. As such, the related amounts have been accounted for as non-deductible item for tax purpose.

*附註：*

- (a) 中國企業所得稅稅率指大慶乳品適用的所得稅稅率，大慶乳品為本集團於整個年度的主要經營附屬公司。
- (b) 根據中國有關法律及法規，於截至二零一零年十二月三十一日止兩個年度，應付客戶的若干銷售返利為不可扣稅，原因是本集團並沒有向客戶取得相關扣稅檔。本公司董事表示，鑒於所涉及客戶數目龐大，本集團向客戶收取有關扣稅文件均並不實際可行，且所涉及成本亦不符合本集團的利益。因此，有關金額已入賬為不可扣稅項目。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 14. DIVIDENDS

No dividend has been paid or proposed by the Company during the two years ended 31 December 2010.

#### 15. EARNINGS PER SHARE

The calculation of the earnings per share for the year ended 31 December 2010 is based on the profit attributable to the equity holders of the Company for the year of approximately RMB260,558,000 (2009: RMB133,469,000) and on the weighted average number of 781,507,977 shares (2009: 551,000,727 shares) in issue during the year.

The weighted average number of shares for the purpose of calculating the basic earnings per share for the two years ended 31 December 2010 have been determined as if the Group Reorganisation had been effective on 8 October 2007 and the effect of the 1,000-for-one Share Subdivision (as defined in note 26 (c)) and Capitalisation Issue (as defined in note 26 (g)) are adjusted retrospectively.

There were no potential dilutive shares in existence during the two years ended 31 December 2010 and therefore, no diluted earnings per share amounts have been presented.

#### 14. 股息

本公司於截至二零一零年十二月三十一日止兩年並無支付或擬派任何股息。

#### 15. 每股盈利

截至二零一零年十二月三十一日止年度的每股盈利計算乃分別基於年內本公司股權持有人應佔溢利約人民幣260,558,000元(二零零九年:人民幣133,469,000元)及已發行股份的加權平均數781,507,977股(二零零九年:551,000,727股)。

用於計算截至二零一零年十二月三十一日止兩個年度每股基本盈利的加權平均股份數目乃假設集團重組已於二零零七年十月八日生效而釐定，而以1,000股換一股的股份分拆(定義見附註26(c))的影響及資本化發行(定義見附註26(g))均獲追溯調整。

由於截至二零一零年十二月三十一日止兩個年度並無潛在攤薄股份，因此亦無呈列攤薄每股盈利。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

### 16. PROPERTY, PLANT AND EQUIPMENT

### 16. 物業、廠房及設備

		Buildings	Plant and machinery	Furniture, fixtures and office equipment 傢俬、固定 裝置及辦公 設備	Motor vehicles	Construction in progress	Total
		樓宇 RMB'000 人民幣千元	廠房及機械 RMB'000 人民幣千元	RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
<b>COST</b>	<b>成本</b>						
At 1 January 2009	於二零零九年一月一日	102,968	84,126	1,258	5,271	18,107	211,730
Addition relating to Changqing Dairy Acquisition (see note 27)	有關大慶乳品收購事項的添置(見附註27)	—	—	—	301	226,165	226,466
Additions	添置	—	66,070	3,141	3,530	55,468	128,209
Transfer	轉讓	47,654	3,946	—	—	(51,600)	—
Disposals	出售	(245)	(442)	(32)	—	—	(719)
At 31 December 2009	於二零零九年十二月三十一日	150,377	153,700	4,367	9,102	248,140	565,686
Additions	添置	—	3,731	2,190	1,329	6,046	13,296
Transfer	轉讓	17,328	11,371	1,851	60	(30,610)	—
Disposals	出售	(367)	—	—	(1,443)	—	(1,810)
At 31 December 2010	於二零一零年十二月三十一日	167,338	168,802	8,408	9,048	223,576	577,172
<b>ACCUMULATED DEPRECIATION</b>	<b>累計折舊</b>						
At 1 January 2009	於二零零九年一月一日	2,143	3,165	83	269	—	5,660
Provided for the year	年內撥備	8,162	9,741	400	892	—	19,195
Eliminated on disposals	出售時對銷	(47)	(104)	(11)	—	—	(162)
At 31 December 2009	於二零零九年十二月三十一日	10,258	12,802	472	1,161	—	24,693
Provided for the period	年內撥備	8,221	15,866	1,264	987	—	26,338
Eliminated on disposals	出售時對銷	(305)	—	—	(448)	—	(753)
At 31 December 2010	於二零一零年十二月三十一日	18,174	28,668	1,736	1,700	—	50,278
<b>CARRYING VALUES</b>	<b>賬面值</b>						
At 31 December 2010	於二零一零年十二月三十一日	149,164	140,134	6,672	7,348	223,576	526,894
At 31 December 2009	於二零零九年十二月三十一日	140,119	140,898	3,895	7,941	248,140	540,993

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 16. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment, other than construction in progress, after taking into account of their estimate residual values, are depreciated on a straight-line basis at the following rates per annum:

Buildings	20 years
Plant and machinery	10 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	8 years

The buildings shown above are situated on land use rights in the PRC which are held by the Group under medium-term lease.

As at 31 December 2009, the Group pledged its property, plant and equipment with a carrying value of approximately RMB43,192,000 to banks to secure banking facilities granted to the Group. As at 31 December 2010, the Group did not pledge any of its property, plant and equipment to secure banking facilities granted to the Group.

#### 16. 物業、廠房及設備(續)

物業、廠房及設備的上述項目，除在建工程外，計及其估計剩餘價值後，根據以下年限按直線法折舊：

樓宇	20年
廠房及設備	10年
傢俬、固定裝置及辦公設備	5年
汽車	8年

上述所示樓宇位於中國，其土地使用權由本集團按中期租賃方式持有。

於二零零九年十二月三十一日，本集團抵押其物業、廠房及設備，賬面值約為人民幣43,192,000元，以為本集團獲授銀行信貸向銀行提供擔保。於二零一零年十二月三十一日，本集團並未抵押任何物業、廠房及設備，以為本集團獲授的銀行信貸提供擔保。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 17. PREPAID LEASE PAYMENTS

#### 17. 預付租賃款

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Analysed for reporting purpose as:	按呈報用途分析如下：		
— Non-current assets	— 非流動資產	38,451	39,555
— Current assets	— 流動資產	847	847
		<b>39,298</b>	40,402

The amounts represent land use rights in respect of land situated in the PRC and held under medium-term leases. Land use rights are released on a straight-line basis over the relevant terms of the land use rights certificate.

As at 31 December 2009, the Group pledged its land use right with a carrying value of approximately RMB9,630,000 to banks to secure banking facilities granted to the Group. As at 31 December 2010, the Group did not pledge any of its land use right to secure banking facilities granted to the Group.

該等金額指位於中國按中期租賃持有土地的相關土地使用權。土地使用權根據土地使用權證相關期限按直線法予以解除。

於二零零九年十二月三十一日，本集團已抵押其土地使用權，其賬面值約為人民幣9,630,000元，以為本集團獲授銀行信貸向銀行提供擔保。於二零一零年十二月三十一日，本集團並未抵押任何土地使用權，以為本集團獲授的銀行信貸提供擔保。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 18. INTANGIBLE ASSETS

#### 18. 無形資產

		Trademarks 商標 RMB'000 人民幣千元
<b>COST</b>	<b>成本</b>	
At 1 January 2009	於二零零九年一月一日	15,000
Acquired from 大慶市大正房地產開發有限公司 (Daqing City Dazheng Real Estate Development Co., Ltd.#, "Dazheng Real Estate") (see note 30 (a) and note 30 (b)), a related company	收購自一間關連公司大慶市大正房地產開發 有限公司(「大正房產」)(見附註30(a) 及附註30(b))	200
At 31 December 2009 and 31 December 2010	於二零零九年十二月三十一日及 二零一零年十二月三十一日	15,200
<b>AMORTISATION</b>	<b>攤銷</b>	
At 1 January 2009	二零零九年一月一日	625
Amortisation for the year	年內攤銷	1,520
At 31 December 2009	於二零零九年十二月三十一日	2,145
Amortisation for the year	年內攤銷	1,520
At 31 December 2010	於二零一零年十二月三十一日	3,665
<b>CARRYING VALUES</b>	<b>賬面值</b>	
At 31 December 2010	於二零一零年十二月三十一日	11,535
At 31 December 2009	於二零零九年十二月三十一日	13,055

# The English name is for identification purpose only.

# 英文名稱僅供識別。

The amounts were amortised on a straight-line basis over a period of 10 years.

該等金額乃根據10年期限按直線法攤銷。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 19. DEFERRED TAX ASSETS AND LIABILITIES

The following are the Group's major deferred tax assets (liabilities) recognised and the movements thereon, during the current and prior years:

#### 19. 遞延稅項資產及負債

以下為本集團於當前年度及上個年度已確認的遞延稅項資產(負債)及其變動:

		Timing difference on expenses recognition 確認開支的 時間性差異 RMB'000 人民幣千元	Fair value adjustments on acquisition 收購時 公平值調整 RMB'000 人民幣千元	Withholding tax on undistributed dividend 未分配 股息預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2009	於二零零九年一月一日	—	13,757	5,090	18,847
Charge (credit) to profit or loss	於損益扣除(計入)	—	(1,412)	6,463	5,051
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日 及二零一零年一月一日	—	12,345	11,553	23,898
Credit to profit or loss	於損益計入	(3,441)	(938)	—	(4,379)
At 31 December 2010	於二零一零年十二月三十一日	(3,441)	11,407	11,553	19,519

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purpose:

就呈列綜合財務狀況表而言，若干遞延稅項資產及負債已獲抵銷。以下載列就財務報告而編製的遞延稅項結餘分析：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	3,441	—
Deferred tax liabilities	遞延稅項負債	(22,960)	(23,898)
		(19,519)	(23,898)

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 19. DEFERRED TAX ASSETS AND LIABILITIES (continued)

In accordance to PRC tax circular (Guoshuihan [2008] 112) effective from 1 January 2008, PRC withholding income tax at the rate of 10% is applicable to dividends to be payable by the Company's PRC operating subsidiaries based on their profits generated from 2008 onwards to "non-resident" investors who do not have an establishment or place of business in the PRC. According to the "Agreement between the Government of the People's Republic of China and the Government of the Republic of Singapore for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income", where the Singapore resident company directly owns at least 25% of the capital of the PRC company, 5% dividend withholding tax rate is applicable.

Pursuant to the resolution of board of Global Milk Singapore, the shareholder of Daqing Dairy, Global Milk Singapore has given an irrevocable undertaking that Global Milk Singapore will not procure Daqing Dairy to remit any dividend out of its profits for the year ending 31 December 2010. Accordingly, the net profit of Daqing Dairy, the Group's principal operating subsidiary, for the year ending 31 December 2010 will be retained and not be distributed. At 31 December 2010, the aggregate amount of temporary difference associated with undistributed earnings of Daqing Dairy was approximately RMB272,468,000 for which deferred tax liability has not been recognised. No liability has been recognised in respect of this amount because the Group is in a position to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will neither reverse nor subject to withholding tax in the foreseeable future.

#### 19. 遞延稅項資產及負債(續)

根據中國稅務通知(國稅函[2008]112號),自二零零八年一月一日起,在中國境內未設立機構或營業場所的「非居民」投資者的股息(將由本公司中國經營附屬公司按二零零八年之後所得盈利為基準支付)按10%的稅率徵收中國預扣所得稅。根據《中華人民共和國政府和新加坡共和國政府關於對所得避免雙重徵稅和防止偷漏稅的協定》,如新加坡居民公司直接擁有中國公司股本至少25%,則適用的股息預扣稅稅率為5%。

根據Global Milk Singapore的董事會決議案,大慶乳品的股東Global Milk Singapore作出不可撤回承諾,Global Milk Singapore將不會自其截至二零一零年十二月三十一日止年度溢利匯出任何股息。因此,本集團的主要營運附屬公司大慶乳品將保留其於截至二零一零年十二月三十一日止年度的純利不予分派。於二零一零年十二月三十一日,與大慶乳品未分派盈利相關的暫時總差額(並未就其確認遞延稅項負債)為人民幣272,468,000元。由於本集團可控制撥回暫時差額的時間,而該等差額預期於可見將來不會撥回,因此並無就該等暫時差額確認負債。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 20. INVENTORIES

#### 20. 存貨

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Raw materials	原材料	9,961	8,907
Finished goods	成品	10,258	15,542
		<b>20,219</b>	<b>24,449</b>

#### 21. TRADE AND OTHER RECEIVABLES

#### 21. 應收貿易賬款及其他應收款項

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
	Notes 附註		
Trade receivables	應收貿易賬款	10,525	12,853
Advances to suppliers	向供應商墊款	3,905	3,926
Prepayments	預付款項	835	6,706
Amount due from Daqing Baixinyuan (see note 30 (a))	應收大慶百信源款項 (見附註30(a))	251	251
Others	其他	195	469
		<b>15,711</b>	<b>24,205</b>

Notes:

##### (a) Trade receivables

The trade receivables as at 31 December 2009 and 31 December 2010 comprise amounts receivable from the sales of goods.

No interest is charged on the trade receivables.

Before accepting any new customer, the Group gathers and assesses the credit information of the potential customer in considering the customer's quality and determining the credit limits for that customer.

附註:

##### (a) 應收貿易賬款

於二零零九年十二月三十一日及二零一零年十二月三十一日的應收貿易賬款包括銷售貨品應收款項。

應收貿易賬款並無計息。

接納新客戶前，本集團採集及評估潛在客戶的信貸資料，以考慮該客戶的信貸質素，加以釐訂其信貸額度。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 21. TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

##### (a) Trade receivables (continued)

The Group generally allows an average credit period of 30 days to its trade customers. The aged analysis of the Group's trade receivables presented based on invoice date as at the end of the reporting period is as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within 30 days	30日內	10,525	12,804
Over 30 days but within one year	30日至一年內	—	49
		<b>10,525</b>	<b>12,853</b>

Aging of the Group's trade receivables which are past due but not impaired are as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Over 30 days but within one year	30日至一年	—	49

The Group did not provide any allowance on the remaining past due receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable based on the historical experience. The Group does not hold any collateral over these balances.

##### (b) Advances to suppliers

The amounts mainly comprise deposits for purchase of raw materials. As at 31 December 2009, out of the Group's total outstanding balance of RMB3,926,000, an amount of RMB1,646,000 (2010: nil) represented an advance to Jintianran Dairy (see note 30 (a)).

##### (c) Amount due from Daqing Baixinyuan

The amount is unsecured, interest-free and is repayable on demand.

#### 21. 應收貿易賬款及其他應收款項 (續)

附註：(續)

##### (a) 應收貿易賬款(續)

本集團一般向其貿易客戶給予平均信貸期30天。於報告期末，本集團按發票日期呈列的應收貿易賬款的賬齡分析如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within 30 days	30日內	10,525	12,804
Over 30 days but within one year	30日至一年內	—	49
		<b>10,525</b>	<b>12,853</b>

本集團的逾期但未減值的應收貿易賬款賬齡分析如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Over 30 days but within one year	30日至一年	—	49

本集團並無就餘下逾期應收款項提供撥備，乃因信貸質素並無重大變動，其金額根據過往記錄仍視為可予回收。本集團並無就該等結餘持有任何抵押品。

##### (b) 向供應商墊款

該等金額主要包括採購原料按金。於二零零九年十二月三十一日，本集團未償還結餘總額人民幣3,926,000元。其中人民幣1,646,000元為向金天然乳業的墊款(見附註30(a))。

##### (c) 應收大慶百信源款項

該金額無抵押，免息，須按要求償還。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 22. BANK BALANCES AND CASH

As at 31 December 2010, the Group's bank balances carry market interest rate of 0.36% per annum (2009: 0.36% per annum).

The Group's bank balances and cash denominated in currencies other than functional currency of the relevant group entities were as follows:

#### 22. 銀行結餘及現金

於二零一零年十二月三十一日，本集團的銀行結餘按市場年利率0.36%計(二零零九年：年利率0.36%)。

本集團的銀行結餘及現金按相關各集團公司成員功能貨幣除外的貨幣計值如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
<b>Currency:</b>	<b>貨幣：</b>		
USD	美元	2,483	1,441
SGD	新元	550	523
HKD	港元	9,897	—

The Group's bank balances and cash denominated in RMB are not a freely convertible currency in the international market. The remittance of RMB out of the PRC is subject to exchange restrictions imposed by the Government of the PRC.

本集團銀行結餘及現金按人民幣計值，於國際市場非自由兌換貨幣。中國境外人民幣匯款須遵守中國政府實施的外匯限制。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 23. TRADE AND OTHER PAYABLES

#### 23. 應付貿易賬款及其他應付款項

		Notes	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
		附註		
Trade payables	應付貿易款項	a	5,955	5,554
Advances from customers	客戶墊款	b	36,571	11,835
Amount due to Mr Zhao	應付趙先生款項	c	—	90
Amount due to Dazheng Real Estate, a related company (see note 30 (a))	應付關連公司大正房產款項 (見附註30(a))	d	200	200
Payable on acquisition of property, plant and equipment:	收購物業、廠房及設備應付款項			
— Daqing City Dazheng Building Installation Co., Ltd.#, "Dazheng Building", a related company (see note 30 (a))	— 關連公司大慶市大正建築安裝有限公司(「大正建築」)(見附註30(a))	d	7,255	7,244
— Others	— 其他		21,573	22,561
Other tax payables	其他應付稅項	e	28,828	29,805
Accrued expenses	應計開支		19,824	8,610
Others	其他		1,253	376
			<b>111,488</b>	<b>66,600</b>

# The English name is for identification purpose only.

# 英文名稱僅供識別。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 23. TRADE AND OTHER PAYABLES (continued)

Notes:

##### (a) Trade payables

The Group's trade payables principally comprise amounts outstanding for trade purchases. Payment terms with suppliers are on an average credit period of 30 days from the time when the goods are received from suppliers.

The aged analysis of the Group's trade payables presented based on invoice date as at the end of the reporting period is as follows:

Within 30 days	30日內
Over 30 days but within one year	30日至一年內
Over one year	超逾一年

##### (b) Advances from customers

The amounts mainly comprise deposits for supply of goods to customers.

##### (c) Amount due to Mr Zhao

The amount was interest-free, unsecured and was repayable on demand. The amount was fully settled during the year ended 31 December 2010.

##### (d) Amount due to Dazheng Real Estate/Payable on acquisition of property, plant and equipment to Dazheng Building

The amounts are interest-free, unsecured and are repayable on demand.

##### (e) Other tax payables

As at 31 December 2010, included in the Group's other tax payables is an amount of approximately RMB15,377,000 (2009: RMB6,553,000) related to value added tax payable.

#### 23. 應付貿易賬款及其他應付款項 (續)

附註：

##### (a) 應付貿易款項

本集團應付貿易賬款主要包括貿易採購未償還款項。供應商之付款期限為自接獲供應商貨品當日起計平均信貸期30日。

本集團按發票日期呈列的應付貿易賬款於報告期末的賬齡分析如下：

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within 30 days	5,955	3,244
Over 30 days but within one year	—	2,273
Over one year	—	37
	<b>5,955</b>	<b>5,554</b>

##### (b) 客戶墊款

該筆金額主要包括客戶就供應貨品支付按金。

##### (c) 應付趙先生款項

該筆金額免息，無抵押及按要求償還。該筆金額已於二零一零年十二月三十一日悉數結清。

##### (d) 應付大正房產款項／收購大正建築的物業、廠房及設備的應付款項

該筆金額免息，無抵押，須按要求償還。

##### (e) 其他應付稅項

於二零一零年十二月三十一日，本集團其他應付稅項包括與應付增值稅有關的款項，金額為人民幣15,377,000元(二零零九年：人民幣6,553,000)。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 24. BORROWINGS

#### 24. 借款

		Notes	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
		附註		
Bank borrowings	銀行借款	a		
— Secured	— 有抵押	b	—	30,000
— Unsecured	— 無抵押	c	100,000	170,000
			100,000	200,000
Loans from Investors (as defined in note 26 (d))	來自投資者的貸款 (見附註26(d))	d	—	102,275
			100,000	302,275
Carrying amounts repayable:	應償還賬面值：			
— On demand or within one year	— 按要求或於一年內		—	302,275
— More than one year, but not exceeding two years	— 超過一年但於兩年內		—	—
— More than two year, but not exceeding five years	— 超過兩年但於五年內		100,000	—
			100,000	302,275
Less: Amounts due within one year shown under current liabilities	減：流動負債項目下所列於 一年內到期的金額		—	(302,275)
			100,000	—

Notes:

(a) The Group's bank borrowings carry effective interest rate per annum as follows:

附註：

(a) 本集團的銀行借款實際年利率如下：

		2010 二零一零年 %	2009 二零零九年 %
Effective interest rates:	實際利率：		
Fixed rates interest borrowings	固定利率借款	5.3	5.3-7.3

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 24. BORROWINGS (continued)

Notes: (continued)

##### (b) Secured bank borrowings

As at 31 December 2009, the Group pledged certain of its property, plant and equipment (see note 16) and its land use rights (see note 17) to secure the bank borrowing of RMB30,000,000.

##### (c) Unsecured bank borrowings

As at 31 December 2009, bank borrowing of RMB40,000,000 was guaranteed by Dazheng Building (see note 30 (a)), and bank borrowing of RMB100,000,000 was guaranteed by Daqing Baixinyuan (see note 30 (a)). These borrowings were settled during the year ended 31 December 2010.

As at 31 December 2009, bank borrowing of RMB30,000,000 was guaranteed by third parties. The borrowing was settled during the year ended 31 December 2010.

As at 31 December 2010, bank borrowings of RMB100,000,000 were guaranteed by a third party and are repayable wholly in 2013.

##### (d) Loans from Investors (as defined in note 26 (d))

As at 31 December 2009, the amounts represented loans of S\$21 million (equivalent to RMB102,275,000) granted by the Investors on 20 November 2009 which was unsecured, interest-free and repayable on 28 February 2010. Processing fee of 2% of the principal loan amount is payable to the Investors. Immediately prior to 28 February 2010, being the maturity date of the loans, Mr Zhao and one of the Investors repaid the loan and processing fee of S\$9.87 million and S\$11.55 million, respectively for and on behalf of the Company (see note 28 (a)).

During the year ended 31 December 2010, loans of S\$15.75 million (equivalent to RMB76,514,000) ("Second Loan") were granted by the Investors under Second Series Funding Agreement on 28 January 2010 ("SSFA"). Pursuant to the SSFA and the supplementary agreement dated 10 May 2010, the loans were unsecured and borne interest at the rate of 10% per annum. Processing fee of 2% of the principal loan amount had been paid to the Investors. The loans were fully settled during the year ended 31 December 2010.

#### 24. 借款(續)

附註：(續)

##### (b) 已抵押銀行借款

於二零零九年十二月三十一日，本集團抵押其物業、廠房及設備(見附註16)及土地使用權(見附註17)，以獲取銀行借款人民幣30,000,000元。

##### (c) 無抵押銀行借款

於二零零九年十二月三十一日，銀行借款人民幣40,000,000元由大正建築提供擔保(見附註30(a))，而銀行借貸人民幣100,000,000元則由大慶百信源提供擔保(見附註30(a))。該等借款已於截至二零一零年十二月三十一日止年度償還。

於二零零九年十二月三十一日，銀行借款人民幣30,000,000元由第三方提供擔保。該筆借款已於截至二零一零年十二月三十一日止年度償還。

於二零一零年十二月三十一日，銀行借款人民幣100,000,000元由第三方提供擔保，並須於二零一三年全數償還。

##### (d) 來自投資者的貸款(見附註26(d))

於二零零九年十二月三十一日，該筆金額指投資人於二零零九年十一月二十日授出貸款21百萬新幣(相當於人民幣102,275,000元)。該筆金額無抵押，免息，須於二零一零年二月二十八日償還。應付投資者的手續費為本金額2%。緊接二零一零年二月二十八日(即貸款到期日)前，趙先生及一名投資者就及代表本公司分別償還貸款及手續費9.87百萬新幣及11.55百萬新幣(見附註28(a))。

於截至二零一零年十二月三十一日止年度，投資人於二零一零年一月二十八日根據第二系列融資協議(「SSFA」)授出貸款15.75百萬新幣(相當於人民幣76,514,000元)(「第二筆貸款」)。根據SSFA及二零一零年五月十日的補充協議，該貸款無抵押，按10%的年利率計息。手續費為本金總額的2%已支付予投資者。該等貸款已於截至二零一零年十二月三十一日止年度全數償還。

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### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 25. SUBSCRIPTION MONEY RECEIVED

As at 31 December 2009, the amount represents the subscription consideration amounting to S\$21 million (equivalent to RMB102,275,000) received from the Investors, which has been subsequently settled by the issuance of shares of the Company (see note 26 (d)).

Pursuant to the investment agreement entered into between the Company and the Investors, the subscription price for the shares shall be based on 6 times price earnings ratio of the Group's net profit after tax ("NPAT") for the financial year ended 31 December 2009 on the bases of a deemed NPAT of RMB100 million.

Should NPAT for the financial year ended 31 December 2009 is less than RMB95 million, the Company shall provide for price abatement based on the actual NPAT to be refunded to each Investors.

As the NPAT of the Group for the year ended 31 December 2009 is larger than RMB100 million, no price abatement was made.

Further, in the event that the NPAT for the year ended 31 December 2010 is less than RMB200 million and the listing of the Company on the Stock Exchange or any other stock exchange acceptable to the Investors has not been completed, the Investors shall be entitled to renegotiate the subscription price for the shares.

As the NPAT of the Group for the year ended 31 December 2010 is larger than RMB200 million and the shares of the Company have been listed on the Stock Exchange on 28 October 2010, no price abatement was made.

#### 25. 已收認購款

於二零零九年十二月三十一日，該筆金額指收取投資者的認購代價，金額達21百萬新幣(相當於人民幣102,275,000元)，遂已透過本公司發行股份清償(見附註26(d))。

根據本公司與投資者訂立的投資協議，股份認購價將會根據本集團截至二零零九年十二月三十一日止財政年度除稅後純利(「稅後純利」)的6倍市盈率計算，基準為視作稅後純利人民幣100百萬元。

倘截至二零零九年十二月三十一日止財政年度稅後純利低於人民幣95百萬元，則本公司將會根據退還各投資者的實際稅後純利撥付減價部分。

由於截至二零零九年十二月三十一日止年度稅後純利高於人民幣100百萬元，故並無撥付減價部分。

另外，倘截至二零一零年十二月三十一日止年度稅後純利低於人民幣200百萬元，而投資者尚未完成接納本公司於聯交所或任何其他交易上市，則投資者將會有權重新商議股份認購價。

由於本集團截至二零一零年十二月三十一日止年度稅後純利高於人民幣200百萬元及本公司股份已於二零一零年十月二十八日在聯交所上市，故並無撥付減價部分。

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### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

## 26. SHARE CAPITAL

## 26. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 千港元	
Ordinary shares	普通股			
Authorised:	法定：			
On date of incorporation and as at 31 December 2009 and 1 January 2010 (HK\$0.01 each)	於註冊成立日期及於二零零 九年十二月三十一日以及 二零一零年一月一日 (每股0.01港元)	38,000,000		380
Subdivision of shares on 3 February 2010 (HK\$0.00001 each)	於二零一零年二月三日分拆股 份(每股0.00001港元)	37,962,000,000		—
At 31 December 2010	於二零一零年十二月三十一日	38,000,000,000		380
		Number of shares 股份數目	Share capital 股本 HK\$'000      RMB'000 千港元      人民幣千元	
Issued:	已發行：			
1 share allotted and issued on date of incorporation	於註冊成立日期獲配發及發行的 1股股份	1	—	—
Issue of shares on acquisition of Global Milk Singapore	收購Global Milk Singapore時發行股份	550	—	—
At 31 December 2009 and 1 January 2010 (HK\$0.01 each)	於二零零九年十二月三十一日及 二零一零年一月一日(每股0.01港元)	551	—	—
Subdivision of shares on 3 February 2010 (HK\$0.00001 each)	於二零一零年二月三日分拆股 (每股0.00001港元)	550,449	—	—
Issue of shares on 4 February 2010	於二零一零年二月四日發行股份	191,000	—	—
Issue of shares on 24 March 2010	於二零一零年三月二十四日發行股份	15,879	—	—
Issue of shares on Capitalisation Issue on 10 October 2010	於二零一零年十月十日 資本化發行時發行股份	757,122,121	8	7
Issue of shares on Listing on 28 October 2010	於二零一零年十月二十八日 上市時發行股份	252,620,000	2	2
At 31 December 2010	於二零一零年十二月三十一日	1,010,500,000	10	9

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 26. SHARE CAPITAL (continued)

The movements in the Company's authorised and issued ordinary share capital during the period from 15 October 2009 (date of incorporation) to 31 December 2010 are as follows:

- (a) The Company was incorporated in the Cayman Islands on 15 October 2009 with an authorised share capital of HK\$380,000, divided into 38,000,000 ordinary shares of HK\$0.01 each in the Company. At the date of incorporation, one share of HK\$0.01 was allotted and issued fully paid at par to a third party, which was subsequently transferred to Mr Zhao.
- (b) On 15 October 2009, Mr Zhao transferred his 100% shareholding in Global Milk Singapore to the Company pursuant to a share sale and purchase agreement at the same date in consideration of the Company issuing 550 ordinary shares of HK\$0.01 each in the Company, credited as fully paid, to Mr Zhao.
- (c) On 3 February 2010, each ordinary share of HK\$0.01 in the authorised and issued share capital of the Company was subdivided into 1,000 ordinary shares of HK\$0.00001 (the "Share Subdivision") such that its resultant authorised share capital was HK\$380,000 divided into 38,000,000,000 ordinary shares of HK\$0.00001 each in the Company and its resultant issued share capital was HK\$5.51 divided into 551,000 ordinary shares of HK\$0.00001 each in the Company.
- (d) On 4 February 2010, pursuant to an investment agreement dated 20 November 2009 (the "Investment Agreement") entered into among certain investors (the "Pre-IPO Investors"), Mr Zhao CW, Mr Zhao and the Company, the Company issued an aggregate of 127,829 ordinary shares of HK\$0.00001 each in the Company to the Pre-IPO Investors, for a consideration of S\$21.0 million (equivalent to RMB102,275,000).

#### 26. 股本(續)

本公司法定及已發行普通股本於二零零九年十月十五日(註冊成立日期)至二零一零年十二月三十一日期間變動如下:

- (a) 本公司於二零零九年十月十五日於開曼群島註冊成立，其法定股本為380,000港元，分為本公司38,000,000股普通股，每股0.01港元。於註冊成立日期，一股0.01港元股份按面值繳足股款方式獲配發及發行予一名第三方，其後轉讓予趙先生。
- (b) 於二零零九年十月十五日，趙先生根據同日訂立的股份買賣協議轉讓其於GlobalMilk Singapore的全部股權予本公司，代價為本公司向趙先生發行普通股550股，入賬繳足股款每股0.01港元。
- (c) 於二零一零年二月三日，本公司法定及已發行股本中普通股每股面值0.01港元，分拆為1,000股普通股，每股0.00001港元(「股份拆細」)，故本公司其後法定股本380,000港元分為38,000,000,000股普通股，每股0.00001港元，而本公司其後已發行股本5.51港元分為551,000股普通股，每股0.00001港元。
- (d) 於二零一零年二月四日，根據若干投資者(「首次公開發售前投資者」)、趙傳文先生、趙先生及本公司於二零零九年十一月二十日訂立投資協議(「投資協議」)，本公司已向首次公開發售前投資者發行合計127,829股普通股，每股0.00001港元，代價為21.0百萬新幣(相當於人民幣102,275,000元)。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

### 26. SHARE CAPITAL (continued)

- (e) Pursuant to a share subscription agreement dated 20 November 2009 entered into between the Company and Mr Zhao, on 4 February 2010, the Company issued an aggregate of 63,171 ordinary shares of HK\$0.00001 each to Mr Zhao, for a consideration of RMB125,000,000.
- (f) On 24 March 2010, pursuant a second series funding agreement entered into between the Company and the Investors, the Company issued an aggregate of 15,879 ordinary shares of HK\$0.00001 each to the Investors for a consideration of S\$5.25 million (equivalent to RMB 25,505,000) ("Subscription Consideration").
- (g) Pursuant to the written resolutions of all shareholders entitled to vote at general meetings of the Company, which were passed on 10 October 2010, an amount of approximately HK\$7,571.22 standing to the credit of the share premium account of the Company was capitalised and applied to pay up in full at par a total of 757,122,121 new shares for allotment and issue to the shareholders of the Company whose names appeared on the register of members of the Company on 9 October 2010 (the "Capitalisation Issue") and details of which are set out in the paragraph headed "Further Information about the Group — Written resolutions of the Shareholders passed on 10 October 2010" in Appendix VI "Statutory and General Information" to the Prospectus.
- (h) On 28 October 2010, the Company issued 252,620,000 new shares of HK\$0.00001 each at issue price of HK\$4.39 per share pursuant to the Listing of the Company's shares.

All of the shares issued by the Company during the period subsequent to the date of incorporation of the Company rank pari passu with the then existing shares in all respects.

### 26. 股本(續)

- (e) 根據本公司與趙先生於二零零九年十一月二十日訂立股份認購協議，於二零一零年二月四日，本公司已向趙先生發行合計63,171股普通股，每股0.00001港元，代價為人民幣125,000,000元。
- (f) 於二零一零年三月二十四日，根據本公司與投資者訂立的第二系列融資協議，本公司已向投資者發行合計15,879股普通股，每股0.00001港元，代價為5.25百萬新幣(相當於人民幣25,505,000元)(「認購代價」)。
- (g) 根據有權於本公司股東大會上投票的全體股東於二零一零年十月十日通過的書面決議案，本公司股份溢價賬的進賬額為數約7,571.22港元的金額已資本化，並用作按面值繳足合共757,122,121股新股份，以於二零一零年十月九日向名列本公司股東名冊的本公司股東配發及發行(「資本化發行」)。有關詳情載於招股章程附錄六「法定及一般資料」的「有關本集團的其他資料 — 我們的股東於二零一零年十月十日通過的書面決議案」一段。
- (h) 於二零一零年十月二十八日，根據本公司股份之上市，本公司按發行價每股4.39港元發行252,620,000股每股面值0.00001港元的新股份。

本公司於其註冊成立日期後期間已發行股份全部與當時現有股份於所有方面享有同等地位。

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for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 27. ACQUISITIONS OF CHANGQING DAIRY, A SUBSIDIARY OF THE COMPANY 27. 收購本公司附屬公司常慶乳業

On 16 November 2009, Daqing Dairy entered into an equity transfer agreement with 潘曉峰 (Mr Pan Xiao Feng, "Mr Pan") whereby Daqing Dairy acquired from Mr Pan his entire equity interests in Changqing Dairy for a cash payment of RMB10,000,000. Subsequent to this transaction completed on 16 November 2009 ("Changqing Dairy Acquisition Date"), Changqing Dairy became a wholly owned subsidiary of Daqing Dairy.

Details of net assets acquired relating to the Changqing Dairy Acquisition are as follows:

於二零零九年十一月十六日，大慶乳品與潘曉峰先生(「潘先生」)訂立股權轉讓協議，據此，大慶乳品向潘先生收購其於常慶乳業的全部股本權益，現金付款為人民幣10,000,000元。是次交易於二零零九年十一月十六日(「常慶乳業收購日」)完成後，常慶乳業成為大慶乳品全資附屬公司。

與常慶乳業收購有關的所購資產淨值詳情如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	226,466
Prepaid lease payments	預付租賃款項	9,630
Other receivables	其他應收款項	1,824
Bank balances and cash	銀行結餘及現金	42,908
Other payables	其他應付款項	(18,720)
Long-term payable due to Daqing Dairy	結欠大慶乳品的長期應付款項	(202,489)
Interest payable to Daqing Dairy	應付大慶乳品利息	(9,619)
Bank borrowings	銀行借款	(40,000)
		<u>10,000</u>
Consideration paid	已付代價	<u>10,000</u>
Net cash inflow arising from acquisition of Changqing Dairy:	收購常慶乳業產生現金流入淨額：	
Bank balances and cash acquired	已收購銀行結餘及現金	42,908
Less: Consideration paid	減：已付代價	(10,000)
		<u>32,908</u>

As at Changqing Dairy Acquisition Date, Changqing Dairy had not commenced its business and the production facility was still under construction. As such, the Changqing Dairy Acquisition was regarded as an asset acquisition.

於常慶乳業收購日，常慶乳業並未開始其業務，而常慶生產設施仍在興建當中。因此，常慶乳業收購視為一項資產收購。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 28. NON-CASH TRANSACTIONS

The Group entered into the following significant non-cash investing and financing activities which are not reflected in the consolidated statements of cash flow:

- a. Immediately prior to 28 February 2010, being the maturity date of the loans granted by the Investors under the Investment Agreement, Mr Zhao and one of the Investors ("One Investor") repaid the loans of S\$21,000,000 (approximately RMB102,275,000, which is RMB 102,018,000 after adjustment of exchange gain) and the 2% processing fee payable of S\$420,000 (approximately RMB2,040,000) for and on behalf of the Company (see note 24 (d)). Mr Zhao and One Investor repaid S\$9,870,000 (approximately RMB47,948,000) and S\$11,550,000 (approximately RMB56,110,000), respectively. Accordingly, there are amounts due to Mr Zhao of RMB47,948,000 and One Investor of RMB56,110,000.
- b. Pursuant to the SSFA dated 28 February 2010, the Investors would advance Second Loan of S\$15,750,000 (note 24 (d)) and pay Subscription Consideration to subscribe 15,879 ordinary shares at total consideration of S\$5,250,000 (note 26 (f)). The Investors charged the Group S\$210,000 processing fee in advance which represented portion of 2% on the Second Loan as stated in the SSFA. Accordingly, the total proceeds to be received by the Group under the SSFA would be S\$20,790,000.

The One Investor paid the Company a sum of S\$9,240,000 (approximately RMB44,888,000) for itself and on behalf of the other Investors towards the loans under SSFA. Further, the amount of S\$11,550,000 (approximately RMB56,110,000) owed to One Investor as described in (a) above was settled by applying this amount towards the remaining Second Loan of S\$6,300,000 (after deduction of processing fee of S\$210,000) and Subscription Consideration of S\$5,250,000.

#### 28. 非現金交易

本集團已進行下列並為在綜合現金流量表內反映的重大非現金投資及融資活動：

- a. 緊接二零一零年二月二十八日(即投資者根據投資協議授出貸款的到期日)前，趙先生及一名投資者(「該名投資者」)就及代表本公司分別償還貸款21,000,000新幣(約人民幣102,275,000元，經調整匯兌差額後則為人民幣102,018,000元)及2%的手續費420,000新幣(約人民幣2,040,000元)(見附註24(d))。趙先生及該名投資者分別償還貸款及手續費9,870,000新幣(約人民幣47,948,000元)及11,550,000新幣(約人民幣56,110,000元)。因此，分別應付趙先生及該名投資者人民幣47,948,000元及人民幣56,110,000元。
- b. 根據日期為二零一零年二月二十八日的SSFA，投資者將撥出第二筆貸款15,750,000新幣(附註(24(d))並以總認購代價5,250,000新幣認購15,879股普通股(附註26(f))。投資者預先向本集團取210,000新幣的手續費，即SSFA所述第二筆貸款的2%部分。因此，本集團根據SSFA將收取的所得款項總額為20,790,000新幣。

該名投資者為其自身及代表其他投資者就SSFA項下貸款向本公司支付合共9,240,000新幣(約人民幣44,888,000元)。此外，欠付上文(a)所述該名投資者的款項11,550,000新幣(約人民幣56,110,000元)已按撥付第二筆貸款餘額6,300,000新幣(經扣除手續費210,000新幣)及認購代價5,250,000新幣方式結算。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 28. NON-CASH TRANSACTIONS (continued)

- c. As described in (a) above, Mr Zhao repaid S\$9,870,000 (approximately RMB47,948,000) on behalf of the Company. RMB10,132,000 was applied to settle subscription money receivable from Mr Zhao. The Company then repaid the remaining RMB37,816,000 to Mr Zhao.

#### 29. RETIREMENT BENEFIT PLANS

The employees of the Group in the PRC are members of a state-managed retirement benefits scheme operated by the PRC Government. The Group is required to contribute a specified percentage of its payroll costs to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

The amounts of contributions made by the Group in respect of the retirement benefit scheme during the year ended 31 December 2010 are disclosed in note 11.

#### 28. 非現金交易(續)

- c. 如上文(a)所述，趙先生已代表本公司償還9,870,000新幣(約人民幣47,948,000元)。人民幣10,132,000元可用於結算應收趙先生的認購款項。本公司已將餘額人民幣37,816,000元償還予趙先生。

#### 29. 退休福利計劃

本集團於中國的僱員均為中國政府經辦的國有管理退付福利計劃成員。本集團須以其薪資成本特定百分比向退休福利計劃供款，以為福利撥付資金。本集團就退休福利計劃應擔唯一責任為根據計劃繳撥特定供款。

於截至二零一零年十二月三十一日止年度，本集團就退休福利計劃繳撥供款金額披露於附註11。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

### 30. RELATED PARTY TRANSACTIONS

#### (a) Related parties of the Group

The directors of the Company consider that the following entities are related parties of the Group:

*Name of related party*

- Mr Zhao CW (note (i) below)
- Dazheng Building (note (i) below)
- Daqing Baixinyuan (note (i) below)
- Dazheng Real Estate (note (ii) below)
- Mr Zhao (note (i) below)
- Mr Xia Yuan Jun (note (iii) below)
- Mr Pan (note (iii) below)
- Jintianran Dairy (note (iii) below)
- Changqing Dairy (note (iii) below)
- 大慶市萬隆久盛經貿有限公司 (Daqing Wan Long Jiu Sheng Trading Co., Ltd.# “Daqing Wanlong”) (note (iv) below)
- Global Dairy Products (Canada) Inc. (“Global Dairy Canada”, note (v) below)

# *The English name is for identification purpose only.*

*Notes:*

- i. Mr Zhao CW, an executive director and Chairman of the Company and the father of Mr Zhao (the Chief Executive Officer of the Company), is the executive chairman of Sino Construction Limited (“Sino Construction”). Mr Zhao CW stepped down from the position as chief executive officer of Sino Construction in April 2010. Sino Construction is listed on the Singapore Exchange Securities Trading Limited and Mr Zhao CW indirectly controls more than 30% of the equity interest in Sino Construction. Dazheng Building and Daqing Baixinyuan are wholly owned subsidiaries of Sino Construction.
- ii. Mr Zhao CW is the legal representative and the sole director of and directly controls 20% of the equity interest in Dazheng Real Estate.

### 30. 關連方交易

#### (a) 本集團的關連方

本公司董事認為，以下實體為本集團的關連方：

*關連方名稱*

- 趙傳文先生(見下文附註(i))
- 大正建築(見下文附註(i))
- 大慶百信源 (見下文附註(i))
- 大正房地產(見下文附註(ii))
- 趙先生(見下文附註(i))
- 夏元軍先生(見下文附註(iii))
- 潘先生(見下文附註(iii))
- 金天然乳業(見下文附註(iii))
- 常慶乳業(見下文附註(iii))
- 大慶市萬隆久盛經貿有限公司 (「大慶萬隆」)(見下文附註(iv))
- Global Dairy Products (Canada) Inc. (「Global Dairy Canada」, 見下文附註(v))

# *英文名稱僅供識別。*

*附註：*

- i. 本公司執行董事兼主席趙傳文先生為本公司首席執行官趙先生的父親，亦為中華建築有限公司(「中建」)的執行主席。趙傳文先生於二零一零年四月退任中建首席執行官職位。中建於新加坡證券交易所上市，而趙傳文先生間接控制中建股權超逾30%。大正建築及大慶百信源為中建的全資附屬公司。
- ii. 趙傳文先生為大正房地產的法律代表兼唯一董事，直接控制其20%股權。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 30. RELATED PARTY TRANSACTIONS

(continued)

##### (a) Related parties of the Group (continued)

- iii. Mr Xia Yuan Jun, the executive director and Deputy Chief Executive Officer of the Company, directly controlled 30% of the equity interest in Jintianran Dairy prior to 23 December 2008 and Mr Pan, the former executive director of Daqing Dairy, was the executive director and legal representative of Jintianran Dairy between 19 December 2008 and 26 December 2009. Mr Pan was also the sole shareholder and legal person representative of Changqing Dairy from 7 August 2008 (date of establishment) to Changqing Dairy Acquisition Date. Jintianran Dairy ceased to be related party of the Group on 27 December 2009 and accordingly, the consolidated financial statements do not disclose the transactions between the Group and Jintianran Dairy subsequent to 27 December 2009 as related party transactions.
- iv. Ms Cao Yan Xia (曹硯霞) and Mr Li Zhan Jun (李戰軍) directly controlled 100% of the equity interest eligible to vote at general meetings of Daqing Wanlong as to 2% and 98%, respectively. Ms Cao Yan Xia is the sister of Madam Cao Yan Ming who is the mother of Mr Zhao, the controlling shareholder, executive director and Chief Executive Officer of the Company, and Mr Li Zhan Jun is Ms Cao Yan Xia's husband.
- v. Mr Zhao, the executive Director and Chief Executive Officer of the Company, is a director of Global Dairy Canada and Madam Cao Yan Ming ("Madam Cao"), Mr Zhao's mother, controls all the shares eligible to vote at general meetings of Global Dairy Canada.

#### 30. 關連方交易(續)

##### (a) 本集團的關連方(續)

- iii. 本公司執行董事兼副首席執行官夏元軍先生於二零零八年十二月二十三日直接控制金天然乳業的30%股權，而大慶乳品前執行董事潘先生於二零零八年十二月十九日至二零零九年十二月二十六日期間為金天然乳業的執行董事兼法律代表。潘先生亦於二零零八年八月七日(成立日期)至常慶乳業收購日期間為常慶乳業的唯一股東及法律代表。金天然乳業於二零零九年十二月二十七日起不再為本集團的關連方，因此，綜合財務資料並未將本集團與金天然乳業於二零零九年十二月二十七日後進行的交易披露為關連交易。
- iv. 曹硯霞女士及李戰軍先生直接控制合資格於大慶萬隆的股東大會上投票的全部股權，而彼等分別控制2%及98%。曹硯霞女士為曹硯銘女士的姊妹，曹硯銘女士為本公司的控股股東、執行董事兼首席執行官趙先生的母親，而李戰軍先生為曹硯霞女士的丈夫。
- v. 本公司執行董事兼首席執行官趙先生為Global Dairy Canada的首席執行官，而趙先生的母親曹硯銘(「曹女士」)控制合資格於Global Dairy Canada的股東大會上投票的全部股權。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

### 30. RELATED PARTY TRANSACTIONS

(continued)

#### (b) Significant related party transactions

The Group has the following transactions with related parties during the two years ended 31 December 2010:

### 30. 關連方交易(續)

#### (b) 重大關連方交易

本集團於截至二零一零年十二月三十一日止兩個年度與關連方訂有以下交易：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Sales of raw materials to:	向以下各方銷售原材料：		
— Jintianran Dairy	— 金天然乳業	—	17,001
Sales of scrap materials to:	向以下各方銷售廢料：		
— Daqing Baixinyuan	— 大慶百信源	—	251
Loans granted to:	向以下各方授出貸款：		
— Changqing Dairy (note (i) below)	— 常慶乳業(見下文附註(i))	—	52,489
Interest charged to:	向以下各方收取利息：		
— Changqing Dairy (note (i) below)	— 常慶乳業(見下文附註(i))	—	8,088
Purchase property, plant and equipment from:	向以下各方收購物業、廠房及設備：		
— Dazheng Building	— 大正建築	—	10,358
Purchase of trademark from:	向以下各方支付商標費：		
— Dazheng Real Estate	— 大正房地產	—	200
Purchase of whole milk powder from:	向以下各方採購全脂奶粉：		
— Jintianran Dairy	— 金天然	—	33,380
Licence fee paid to:	向以下各方支付許可費：		
— Global Dairy Canada (note (ii) below)	— Global Dairy Canada (見下文附註(ii))	—	—

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 30. RELATED PARTY TRANSACTIONS

(continued)

##### (b) Significant related party transactions

(continued)

- (i) The amounts represent the loans granted to and the related interest charged to Changqing Dairy prior to the Changqing Dairy Acquisition.
- (ii) During the year ended 31 December 2010, the Group paid licence fee of HK\$1.00 to Global Dairy Canada in respect of the right to use the name of Global Dairy Canada.

Other than the above, during the year ended 31 December 2010, Daqing Wanlong granted an interest-free and unsecured advance of RMB50,000,000 to the Company. The loan had no fixed repayment term. The loan was fully settled during the year ended 31 December 2010.

##### (c) Balances with related parties

Saved as disclosed in notes 21, 23, 24 and 25 in respect of balances with certain related parties, the Group has no other outstanding balance with related parties at the end of the reporting period.

##### (d) Compensation of key management personnel

The remuneration of directors and other members of key management were as follows:

#### 30. 關連方交易(續)

##### (b) 重大關連方交易(續)

- (i) 該等金額指常慶乳業收購前向常慶乳業授出的貸款及應收相關利息。
- (ii) 截至二零一零年十二月三十一日止年度，本集團已就使用 Global Dairy Canada 名稱的權利向 Global Dairy Canada 支付許可權費 1.00 港元。

除上文所述者外，於截至二零一零年十二月三十一日止年度，大慶萬隆向本公司授出免息及無抵押貸款人民幣 50,000,000 元。該筆貸款無固定期限，並已於截至二零一零年十二月三十一日止年度悉數償還。

##### (c) 關連方結餘

附註 21、23、24 及 25 與若干關連方結餘有關的披露者除外，於報告期末，本集團概無與關連方訂立其他尚未償還款項的結餘及交易。

##### (d) 主要管理人員薪酬

董事及主要管理層其他成員的薪酬如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Salaries and allowances	薪酬及津貼	1,540	371
Retirement benefits scheme contributions	退休福利計劃供款	24	21
		<b>1,564</b>	<b>392</b>

The remuneration of key management is determined with reference to the performance to individuals and market trends.

主要管理層薪酬乃參照個人表現及市趨勢而釐訂。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

### 31. COMMITMENTS

As at 31 December 2010, the Group had the following capital commitments:

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Capital expenditure in respect of acquisition of property, plant and equipment	有關收購物業、廠房及設備的資本開支		
— contracted for but not provided in the consolidated financial statements	— 已訂約但於綜合財務報表中尚未撥備	11,189	10,297
— authorised for but not contracted for	— 已授權但尚未訂約	298,580	—
		<b>309,769</b>	10,297

On 19 November 2010, the Company's made the following announcement (the "Announcement"):

- (a) The Board of Directors has resolved on 18 November 2010 to approve, inter alia, the investment in and construction of a dairy farm (the "Group's Dairy Farm") by Changqing Dairy, an indirect wholly-owned subsidiary of the Company, in Erhe Township which is approximately 30 km north-east of Wuchang City centre, Heilongjiang Province, the PRC (the "Project").

The Company will use approximately HK\$350.9 million of the net proceeds from the Hong Kong public offer and International placing of the Company's shares to fund the Project which will comprise approximately RMB300 million for the acquisition of the land use rights of the requisite parcel of land (including fees payable for the grant of permission to occupy such land), the construction of the Group's Dairy Farm and the purchase of dairy cows. The Group will also invest approximately RMB40 million for the construction of a bio-organic fertilizers and bio-gas power generation facility for the Group's Dairy Farm.

於二零一零年十二月三十一日，本集團擁有以下資本承擔：

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Capital expenditure in respect of acquisition of property, plant and equipment	有關收購物業、廠房及設備的資本開支		
— contracted for but not provided in the consolidated financial statements	— 已訂約但於綜合財務報表中尚未撥備	11,189	10,297
— authorised for but not contracted for	— 已授權但尚未訂約	298,580	—
		<b>309,769</b>	10,297

於二零一零年十一月十九日，本公司作出以下公佈（「該公佈」）：

- (a) 董事會於二零一零年十一月十八日決議通過並批准（其中包括）由常慶乳業（屬本公司的間接全資附屬公司）在距離中國黑龍江省五常市中心東北部約30公里的二河鄉投資及建設奶牛牧場（「集團牧場」）（「項目」）。

本公司將運用本公司股份的香港公開發售及全球配售所得款項淨額約350.9百萬港元作為項目的資金，其中約人民幣300百萬元會用於取得所需土地的土地使用權（包括佔用該土地所須支付的款項）、建設集團牧場及購買奶牛。本集團亦將投資約人民幣40百萬元於建設集團牧場的生物有機肥和沼氣發電設施。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

#### 31. COMMITMENTS (continued)

- (b) In addition, Changqing Dairy has on 3 November 2010 entered into a framework agreement with the Wuchang Government, pursuant to which Changqing Dairy will be allowed to occupy 500 mu (approximately 333,333 square meters) forested land area located in Erhe Township.

Details of the above are set out in the Company's Announcement dated 19 November 2010.

#### 31. 資本承擔(續)

- (b) 此外，常慶乳業已於二零一零年十一月三日與武昌市政府訂立框架協議，據此，常慶乳業將獲允許佔用位於二河鄉的500畝(約333,333平方米)林地。

與上述有關的詳情載於本公司日期為二零一零年十一月十九日的公佈。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

### 32. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

### 32. 有關本公司財務狀況表的資料

有關本公司於報告期末的財務狀況表的資料如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Unlisted investments in subsidiaries	未動用附屬投資	1,101,183	—
Amount due from a subsidiary	應收一間附屬公司之款項	—	318,776
		<b>1,101,183</b>	318,776
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Trade and other receivables	應收貿易賬款及其他應收款項	787	642
Bank balances and cash	銀行結餘及現金	11,523	1
		<b>12,310</b>	643
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Trade and other payables	應付賬款及其他應付賬款	3,587	286
Amount due to a subsidiary	應付一間附屬公司之款項	810	—
Borrowings	借款	—	102,275
Subscription money received	已收取認購款項	—	102,275
		<b>4,397</b>	204,836
<b>NET CURRENT ASSETS (LIABILITIES)</b>	<b>流動資產淨額(負債)</b>	<b>7,913</b>	(204,193)
		<b>1,109,096</b>	114,583
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>		
Share capital	股本	9	—
Reserves	儲備	1,109,087	114,583
		<b>1,109,096</b>	114,583



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

for the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

### 33. PARTICULARS OF THE COMPANY'S SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2010 are as follows:

### 33. 本公司附屬公司詳情

於二零一零年十二月三十一日，本公司附屬公司詳情如下：

Name of the company 公司名稱	Place and date of incorporation/ establishment 註冊成立／成立地點及 日期	Issued and fully paid share capital/ registered capital 已發行及繳足 股本／註冊資本	Attributable equity interest held by the Company as at 31 December 本公司應佔股權 於十二月三十一日		Principal activities 主要物業
			2010 %	2009 %	
			二零一零年	二零零九年	
Directly held by the Company 本公司直接持有					
Global Milk Singapore	The Republic of Singapore 新加坡共和國 15 September 2006 二零零六年九月十五日	S\$1 1新幣	100	100	Investment holding 投資控股
Indirectly held by the Company 本公司間接持有					
Daqing Dairy* 大慶乳品*	PRC 中國 29 October 1997 一九九七年十月 二十九日	RMB638,000,000 人民幣 638,000,000元	100	100	Manufacture, marketing and sales of dairy products 乳製品製造、市場推廣及 銷售
Changqing Dairy** 常慶乳業**	PRC 中國 7 August 2008 二零零八年八月七日	RMB10,000,000 人民幣 10,000,000元	100	100	Manufacture, marketing and sales of dairy products 乳製品製造、市場推廣及 銷售
五常犏牛牧業有限責任公司** (Wuchang Benniu Muye Co., Limited#)	PRC 中國 25 November 2010 二零一零年十一月 二十五日	RMB5,000,000 人民幣 5,000,000元	100	N/A	Dairy farming 不適用 乳牛畜牧

- # The English name is for identification purpose only.  
\* Wholly foreign owned enterprise with limited liability.  
\*\* Private limited liability company.

- # 英文名稱僅供識別。  
\* 有限責任外商獨資企業。  
\*\* 私人有限責任公司。

