



Daqing Dairy Holdings Limited

大慶乳業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號: 01007

Interim Report 2011 中期報告



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# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Zhao Chuan Wen  
Mr. Zhao Yu (*Chairman*)  
Mr. Wang Delin (*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(PE)*

### AUTHORISED REPRESENTATIVES

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

### REGISTERED OFFICE

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

### HEADQUARTER IN CHINA

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

### 董事會

#### 執行董事

趙傳文先生  
趙宇先生(*主席*)  
王德林先生(*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(PE)*

### 授權代表

方秉權先生  
何詠欣女士, *ACIS, ACS(PE)*

### 註冊辦事處

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

### 中國總部

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

## 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

## AUDITOR

Deloitte Touche Tohmatsu

## SHARE REGISTRAR

### 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.daqingdairy.com

## 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

## 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.daqingdairy.com

# 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 120 direct distributors for the six months ended 30 June 2010 to 199 direct distributors for the six months ended 30 June 2011. Revenue contributed by distributors increased from 85.3% for the six months ended 30 June 2010 to 89.7% for the six months ended 30 June 2011.

During the six months ended 30 June 2011, the Group had distribution presence in 22 (six months ended 30 June 2010: 21) provinces and one municipality in the PRC. During the period under review, we expanded our presence into Hainan province. Our distributors are typically responsible for sales in the city in which they are located in and 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 remains broad based, with the top five distributors accounting for approximately 4.8% of total revenue for the six months ended 30 June 2011 (six months ended 30 June 2010: 9.1%).

A geographical analysis of the number of distributors and revenue derived from each region is as follows:

Regions	地區	Six months ended 30 June 2011 截至二零一一年 六月三十日止六個月			Six months ended 30 June 2010 截至二零一零年 六月三十日止六個月		
		No. 數目	RMB'000 人民幣千元	% 百分比	No. 數目	RMB'000 人民幣千元	% 百分比
North eastern	東北	68	228,395	41.2%	41	138,191	43.3%
Central	中部	53	125,016	22.5%	32	74,778	23.5%
South eastern	東南	51	140,075	25.2%	34	76,704	24.1%
South western	西南	27	61,739	11.1%	13	29,058	9.1%
		<b>199</b>	<b>555,225</b>	<b>100.0%</b>	120	318,731	100.0%

During the period under review, the Group continued to expand the number of distributors in its traditional stronghold in the north eastern region of the PRC as well as in the other regions. Growth in revenue and distributor presence remains broad based.

### 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。經銷商數目由截至二零一零年六月三十日止六個月的120家直接經銷商增至截至二零一一年六月三十日止六個月的199家直接經銷商。經銷商貢獻之收益由截至二零一零年六月三十日止六個月的85.3%增至截至二零一一年六月三十日止六個月的89.7%。

截至二零一一年六月三十日止六個月，本集團的分銷網點遍佈中國22個省份(截至二零一零年六月三十日止六個月:21個)及一個直轄市。於回顧期內，我們將網點拓展至海南省。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。收益增長基礎保持廣闊，五大經銷商佔截至二零一一年六月三十日止六個月的總收益約4.8%(截至二零一零年六月三十日止六個月:9.1%)。

於各地區之經銷商數目以及所產生的收益之地區性分析如下：

於回顧期內，本集團繼續擴大其於中國東北地區的傳統基地及其他地區的經銷商數目。收益及分銷網點保持廣泛增長。

### Vertical integration upstream

As part of the overall strategy to contain costs, reclaim margins in the raw milk production currently enjoyed by our suppliers and to ensure a safe and reliable supply of raw milk, the Group has commenced the development of dairy farms as disclosed in the prospectus dated 15 October 2010 (the "Prospectus").

Our wholly-owned subsidiary, Wuchang Benniu Dairy Co., Ltd is tasked with the turn key development of a dairy farm with a planned capacity of 10,000 heads of dairy cows. The physical construction of the farm is progressing well and on track for completion by the second quarter of 2012. Given certain design changes due to the soft terrain encountered in the construction area and other design refinements, increase in prices of construction materials and prices of dairy cows, the total budget for the development have been revised upwards from RMB350 million to approximately RMB500 million. As at 30 June 2011, payments for the construction of the farm, farm equipment and dairy cows amounting to approximately RMB400.5 million in aggregate have been placed with the relevant suppliers.

The Company announced the 2nd phrase vertical integration plan during the aborted bond issue exercise on 29 March 2011. To further increase the reliability and safety of the raw milk supplied to the Group, the Group planned to acquire approximately 25 milk stations and the right to lease the surrounding land near these stations for development into small scale farms with design capacity of up to 700 dairy cows each. As the bond issue was cancelled due to unfavourable market conditions, the Group will implement the 2nd phrase vertical integration plan in two stages (1) to acquire the land leases, operating licences, buildings, milking, and storage and transportation equipment of designated milk stations and (2) to develop small scale farms adjacent to the milk stations which will be financed by our own operating cash flows.

As part of the implementation of stage 1, the Group had acquired the land leases, operating licences, buildings, milking, storage, cleaning and transportation equipment of 27 privately operated milking stations located in Datong District (大同區, 大慶市) and Anda District (安達區, 綏化市) and a dairy farm which has a design capacity for 3,000 heads of dairy cows for an aggregate consideration of RMB232.2 million in 16 separate transactions. These milk stations currently supply raw milk to our competitors. The control of these milk stations will allow us to control the raw milk resources of the surrounding areas.

### 垂直整合上游

控制成本、取得供應商目前在生乳生產時享有之利潤率及確保生乳供應安全可靠乃我們整體策略的一部分。誠如日期為二零一零年十月十五日之招股章程(「招股章程」)所披露，本集團已開始發展牧場。

本集團的全資附屬公司五常犇牛牧業有限公司負責重點發展牧場，計劃產能為10,000頭乳牛。牧場的具體建設進度良好，可如期於二零一二年第二季竣工。鑒於建築地區因軟土問題導致若干設計變動以及其他設計改良、建造材料價格及乳牛的價格上漲，發展預算總額已由人民幣350百萬元上調至約人民幣500百萬元。於二零一一年六月三十日，牧場建造、牧場設備及乳牛的付款合共約人民幣400.5百萬元已支付予相關供應商。

本公司於二零一一年三月二十九日放棄進行債券發行時宣佈第二期垂直整合計劃。為進一步提高供應予本集團的生乳的可靠性及安全性，本集團計劃收購約25個擠奶站以及該等擠奶站鄰近土地的租賃權，以建立小規模牧場，各自的設計產能最高為700頭乳牛。鑒於不利的市況，債券發行已取消，故本集團將實施第二期垂直整合計劃，分為兩個階段：(1)收購指定擠奶站的土地租賃、經營許可證、樓宇、擠奶、庫存、淨化及運輸設備；及(2)於擠奶站的鄰近地區建立小規模牧場，將以本身經營現金流撥付。

作為第一階段的實施工作，本集團已收購大慶市大同區及綏化市安達區的27個私人經營擠奶站的土地租賃、經營許可證、樓宇、擠奶、庫存、淨化及運輸設備，以及一個設計產能為3,000頭乳牛的牧場，分為16項交易，總代價為人民幣232.2百萬元。該等擠奶站目前為我們的競爭對手供應生乳。取得該等擠奶站的控制權令我們得以控制鄰近地區的生乳資源。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

These milking stations and the dairy farm are located around our Daqing Production Facility and will service the additional raw milk requirements of our Daqing Production Plant as Phase two attains optimum utilisation rates. The acquisition of these milk stations will also achieve cost savings from raw milk purchase prices by approximately 10% and will supply approximately 19% of Daqing Production Plant's requirements or approximately 12% of our Group's requirement based on 85% utilisation in our Daqing and Changqing Production Facilities. The Group will continue to acquire more milk stations and develop small scale farms surrounding these milk stations as and when the opportunity arise and funding permits.

### Brand performance

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

該等擠奶站及牧場位處大慶生產設施附近，且由於第二期已達致最佳使用率，故可應付大慶生產廠房的額外的生乳需求。收購該等擠奶站亦將減省約10%的生乳價格成本，並供應大慶生產廠房需求約19%或根據大慶及常慶生產設施的85%使用率，供應本集團需求約12%。本集團將於機遇出現時及資金許可的情況下，繼續收購更多擠奶站及於該等擠奶站附近成立更多小規模牧場。

### 品牌表現

本集團銷售的各個奶粉品牌的表現分析如下：

		Six months ended 30 June 2011 截至二零一一年 六月三十日止六個月				Six months ended 30 June 2010 截至二零一零年 六月三十日止六個月			
		Revenue 收益 (Unaudited) (未經審核) RMB'000 人民幣千元	%	ASP 平均售價 RMB/kg 人民幣/ 公斤	GM% 毛利率	Revenue 收益 (Audited) (經審核) RMB'000 人民幣千元	%	ASP 平均售價 RMB/kg 人民幣/ 公斤	GM% 毛利率
Whole milk powder	全脂奶粉	23,313	3.8%	31.7	16.0%	26,100	7.0%	28.6	12.8%
Baby formula	嬰兒配方								
- Daqing	- 大慶	116,184	18.8%	43.3	41.1%	60,401	16.1%	32.1	31.7%
- Emilon	- 愛美樂	466,791	75.4%	82.6	61.6%	246,404	65.9%	71.9	58.9%
- Shi Jia	- 仕加	1,697	0.3%	136.3	68.7%	28,703	7.7%	150.7	71.2%
Total milk powder	奶粉總計	607,985	98.3%	66.9	56.0%	361,608	96.7%	56.4	52.0%

### 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 sweeten 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 RMB26.1 million for the six months ended 30 June 2010 to RMB23.3 million for the six months ended 30 June 2011 and its contribution to overall revenue fall from 7.0% for the six months ended 30 June 2010 to 3.8% for the six months ended 30 June 2011. 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

### 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。全脂奶粉收益由截至二零一零年六月三十日止六個月的人民幣26.1百萬元減少至截至二零一一年六月三十日止六個月的人民幣23.3百萬元，而其所佔整體收益則由截至二零一零年六月三十日止六個月的7.0%降至截至二零一一年六月三十日止六個月的3.8%。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(「平均售價」)由截至二零一零年六月三十日止六個月的人民幣28.6元/千克升至截至二零一一年六月三十日止六個月

supplies. The increase in average selling price ("ASP") from RMB28.6/kg for the six months ended 30 June 2010 to RMB31.7/kg for the six months ended 30 June 2011 is a result of the upward adjustment of selling prices at the start of the year and resulted in an overall improvement in the gross margins ("GM") from 12.8% for the six months ended 30 June 2010 to 16.0% for the six months ended 30 June 2011.

### *Baby formula – Daqing*

Daqing series is targeted at the lower middle income tier consumers and is the most price sensitive brand in our baby formula line up. The revenue from the sales of Daqing series increased from RMB60.4 million for the six months ended 30 June 2010 to RMB116.2 million for the six months ended 30 June 2011. During the period under review, ASP increased from RMB32.1/kg for the six months ended 30 June 2010 to RMB43.3/kg for the six months ended 30 June 2011 as a result of upward adjustment of selling prices at the start of the year and has resulted in raising the GM from 31.7% for the six months ended 30 June 2010 to 41.1% for the six months ended 30 June 2011. The increase in the sales volume despite the adjustment in prices is evident of the strength of our Daqing Brand equity in 3rd tier and below villages and counties.

### *Baby formula – 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 the depth in its product offering, enabling us to compete more effectively against smaller regional competitors.

Revenue from sales of Emilon increased from RMB246.4 million for the six months ended 30 June 2010 to RMB466.8 million for the six months ended 30 June 2011. The increase in revenue is driven by both increases in ASP (from an average of RMB71.9 per kg to RMB82.6 per kg) arising from an upward price adjustment that we implemented at the start of year as well as increase in sales volumes. The increase in sales volumes increase from 3,426.8 tonnes for the six months ended 30 June 2010 to 5,651.1 tonnes for the six months ended 30 June 2011 is mainly due to the increase in coverage of our distribution network and the effects of increased television advertising in target areas.

的人民幣31.7元/千克，此乃由於年初售價上調，從而致使毛利率(「毛利率」)得到整體改善，從截至二零一零年六月三十日止六個月的12.8%上升至截至二零一一年六月三十日止六個月的16.0%。

### *嬰兒配方 – 大慶*

大慶系列以中等偏低收入之消費者為目標，且屬於我們的嬰兒配方產品線中價格最為敏感的品牌。大慶配方奶粉系列的銷售收益由截至二零一零年六月三十日止六個月的人民幣60.4百萬元上升至截至二零一一年六月三十日止六個月的人民幣116.2百萬元。於回顧期間，由於年初售價上調，令產品平均售價由截至二零一零年六月三十日止六個月的人民幣32.1元/千克上升至截至二零一一年六月三十日止六個月的人民幣43.3元/千克，從而致使毛利率從截至二零一零年六月三十日止六個月的31.7%上升至截至二零一一年六月三十日止六個月的41.1%。儘管價格上調，但銷量仍有所增加，展現出大慶品牌價值在三線及以下鄉鎮的實力。

### *嬰兒配方 – 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截至二零一零年六月三十日止六個月的人民幣246.4百萬元增加至截至二零一一年六月三十日止六個月的人民幣466.8百萬元。收益增加受我們於年初實行價格上調而導致的平均售價上升(從平均人民幣71.9元/千克上升至人民幣82.6元/千克)及銷量增加所共同帶動。銷量從截至二零一零年六月三十日止六個月的3,426.8噸增加至截至二零一一年六月三十日止六個月的5,651.1噸，主要由於我們的分銷網絡的覆蓋範圍增加及增加於目標地區的電視廣告的影響所致。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### *Baby formula – Shi Jia*

The revenue from Shi Jia declined from RMB28.7 million for the six months ended 30 June 2010 to RMB1.7 million for the six months ended 30 June 2011. The decline is mainly due to reallocation of production resources to focus on producing Emilon products due to the higher than expected demand and a delay in achieving operational status for our Changqing production facility due to the requirements to re-submit our production licence application to meet the new requirements announced on 26 November 2010. Management is currently evaluating sales strategy of the Shi Jia brand and will make further announcements when appropriate.

## FINANCIAL REVIEW

### ***Our six months ended 30 June 2011 compared to our six months ended 30 June 2010***

#### *Revenue*

Our revenue increased by 65.5% from RMB373.9 million for six months ended 30 June 2010 to RMB618.9 million for six months ended 30 June 2011. The increase in our revenue for the period was driven by a strong growth in our milk formula products by RMB249.2 million in aggregate, offset by declines in our whole milk powder products and ancillary ice cream business by RMB2.8 million and RMB1.3 million, respectively.

The growth in revenue for six months ended 30 June 2011 is mainly due to the growth of our distribution network from 120 direct distributors for the six months ended 30 June 2010 to 199 direct distributors for the six months ended 30 June 2011, the increase in selling prices to our distributors and effects of advertising on China Central Television network ("CCTV") as well as various regional satellite television stations.

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.

#### *Cost of sales*

Our cost of sales increased by RMB92.4 million or 50.4% from RMB183.5 million for six months ended 30 June 2010 to RMB275.9 million for six months ended 30 June 2011. The increase in our cost of sales for the six months ended 30 June 2011 was lower than the increase in sales for the corresponding period last year. This was mainly due to the change in product mix in favour of higher margin milk formula products such as our Emilon series, which resulted in a lower cost of sales incurred per dollar of sales.

### *嬰兒配方 – 仕加*

仕加之收益由截至二零一零年六月三十日止六個月的人民幣28.7百萬元下跌至截至二零一一年六月三十日止六個月的人民幣1.7百萬元。該下跌主要由於重新分配生產資源以專注於生產有需求高於預期的愛美樂產品，以及為符合二零一零年十一月二十六日公佈的新要求而重新遞交我們的生產許可證申請，延遲我們實現常慶生產設施的經營進度所致。管理層目前正在評估仕加品牌的銷售策略，並會於適當時作出進一步公佈。

## 財務回顧

### ***截至二零一零年六月三十日止六個月與截至二零一一年六月三十日止六個月之比較***

#### *收益*

我們的收益由截至二零一零年六月三十日止六個月的人民幣373.9百萬元增加65.5%至截至二零一一年六月三十日止六個月的人民幣618.9百萬元。期內收益增長主要受我們的配方奶粉產品大幅增長合共人民幣249.2百萬元所推動，惟被我們的全脂奶粉產品及配套冰淇淋業務分別下跌人民幣2.8百萬元及人民幣1.3百萬元所抵銷。

截至二零一一年六月三十日止六個月之收益增長主要由於我們的分銷網絡由截至二零一零年六月三十日止六個月的120家直接經銷商增加至截至二零一一年六月三十日止六個月的199家直接經銷商，對經銷商的售價上升以及於中國中央電視台（「中央台」）及多個地區衛星電視台的廣告之影響。

收益增長顯示出本集團的產品策略取得成功，並印證分銷模式之有效性及建立品牌所作之努力。

#### *銷售成本*

我們的銷售成本由截至二零一零年六月三十日止六個月的人民幣183.5百萬元增加人民幣92.4百萬元或50.4%至截至二零一一年六月三十日止六個月的人民幣275.9百萬元。我們於截至二零一一年六月三十日止六個月的銷售成本增加低於去年同期的銷量增幅，主要由於產品組合較偏重利潤率較高的配方奶粉產品（如愛美樂系列），從而令每單位銷售所產生的銷售成本更低。

### *Gross profits*

Our gross profits increased by RMB152.6 million or 80.1% from RMB190.4 million for six months ended 30 June 2010 to RMB343.0 million for six months ended 30 June 2011. Our gross profit margins increased from 50.9% for the six months ended 30 June 2010 to 55.4% for the six months ended 30 June 2011 primarily due to increase in ASP of our products as a result of an upward revision in our selling prices, improvement in product mix in favour of higher margin products like our Emilon series.

### *Other gains and losses*

Our other gains increased from RMB62,000 for the six months ended 30 June 2010 to RMB2.4 million for the six months ended 30 June 2011 mainly due to higher interest income arising from higher average bank balances during the reporting period.

### *Selling and distribution expenses*

Our selling and distribution expenses increased by RMB90.5 million or 445.8% from RMB20.3 million for the six months ended 30 June 2010 to RMB110.8 million for the six months ended 30 June 2011. The increase was mainly due to the increase in advertising and promotional expenses by RMB81.6 million as a result of a branding and advertising campaign on CCTV and other regional satellite television stations to increase brand awareness and to attract more potential distributors to our network. As our distribution network grow in coverage, we also began to tailor an advertising to cater to our end customers.

During the financial period under review, the Group was required to change all its product packaging to reflect the new production licence number issued to us on 26 March 2011. As such, our distributors and retailers conducted a promotional campaign to sell existing inventory in the channel. In conjunction with this one off exercise, we increase the air time exposures for our advertisements in all the major television stations.

In return for our distributors clearing the existing inventory, we give them a lower pricing for restocking as well as one time 60-day credit period for affected distributors. The total discounts given to our distributors for this change of packaging and its subsequent restocking exercise amounted to approximately RMB16.0 million.

In addition, our staff and welfare costs increased by RMB3.8 million as we increase head counts to cater to the expansion of our distribution network and freight and insurance cost by RMB2.1 million as a result of increased revenues.

### *毛利*

我們的毛利由截至二零一零年六月三十日止六個月的人民幣190.4百萬元增加至截至二零一一年六月三十日止六個月的人民幣343.0百萬元。我們的毛利率由截至二零一零年六月三十日止六個月的50.9%上升至截至二零一一年六月三十日止六個月的55.4%，主要是由於因售價上調令產品的平均售價上升、改良產品組合以偏重利潤率較高的產品（如愛美樂系列）。

### *其他收益及虧損*

我們的其他收益由截至二零一零年六月三十日止六個月的人民幣62,000元增加至截至二零一一年六月三十日止六個月的人民幣2.4百萬元，主要是由於報告期內的平均銀行結餘較高，所產生的利息收入較高所致。

### *銷售及分銷開支*

我們的銷售及分銷開支由截至二零一零年六月三十日止六個月的人民幣20.3百萬元增加至截至二零一一年六月三十日止六個月的人民幣110.8百萬元。該增加主要是由於我們為提升品牌知名度及吸納更多潛在經銷商加入我們的網絡而於中央台及其他衛星電視台進行品牌及廣告活動，因而令廣告及促銷開支增加人民幣81.6百萬元所致。由於我們的分銷網絡涵蓋範圍擴大，故我們亦開始進行有關廣告宣傳，以迎合我們的終端客戶。

於財務回顧期內，本集團須更換其所有的產品包裝，以反映我們於二零一一年三月二十六日獲發的新生產許可證號碼。因此，我們的分銷商及零售商進行推廣活動，以出售有關渠道的現有存貨。連同此一次性措施，我們亦於所有主要電視台增加廣告的播放時間。

為使我們的經銷商清倉現有存貨，我們就補貨事宜為受影響的經銷商給予較低定價及授出一次性的60日信貸期。就更換包裝及其後的補貨事宜向經銷商提供的總折讓約為人民幣16.0百萬元。

另外，由於我們增聘人手應付分銷網絡的擴充，故員工及福利成本增加人民幣3.8百萬元，而運費及保險成本則隨著收益增加而上升人民幣2.1百萬元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Administrative expenses

Our administrative expenses increased by RMB16.4 million or 127.1% from RMB12.9 million for the six months ended 30 June 2010 to RMB29.3 million for the six months ended 30 June 2011. The increase was primarily due to the higher staff costs, professional fees, travelling and entertainment expenses, printing and consumables as well as utilities and office maintenance. After the listing of the Company's share on the Stock Exchange on 28 October 2010 (the "Listing"), we have adjusted the salaries of our Directors and senior management, increased head count in line with new offices set up in Hong Kong, Changqing production facilities and Benniu dairy farm. The increase in expenses such as printing and consumables as well as utilities and office maintenance is also due to the latter reason. The increase in professional fees is mainly due to increased compliance costs post listing in the form of audit expenses, compliance advisors fees, legal counsels etc. and also the fee of approximately RMB5.9 million in relation to the proposed issuance of US\$ settled RMB senior guaranteed notes which had been postponed.

### Finance costs

Our finance cost decreased by RMB5.2 million or 65.8% from RMB7.9 million for the six months ended 30 June 2010 to RMB2.7 million for the six months ended 30 June 2011. The decrease was mainly due to the repayment of the loan from PRE-IPO investors in November 2010 and consequently no interest is payable this reporting period. In addition, lower interest on bank borrowings had been recorded this reporting period due to lower average loan outstanding during this reporting period.

### Income tax expenses

Our income tax expenses increased by RMB19.1 million or 46.6% from RMB41.0 million for six months ended 30 June 2010 to RMB60.1 million for six months ended 30 June 2011. This increase was primarily due to an increase in profit, as well as an increase in the effective tax rate from 27.4% for six months ended 30 June 2010 to 29.7% for six months ended 30 June 2011. This is due to the fact that expenses incurred in our offshore listed company, Changqing and Benniu subsidiary do not currently have any taxable profits to offset and there is no right of set off among different subsidiaries.

### 行政開支

我們的行政開支由截至二零一零年六月三十日止六個月的人民幣 12.9 百萬元增加人民幣 16.4 百萬元或 127.1% 至截至二零一一年六月三十日止六個月的人民幣 29.3 百萬元。該增加主要由於員工成本、專業費用、差旅及應酬開支、印刷及耗材以及水電費及辦公室維修增加所致。本公司股份於二零一零年十月二十八日在聯交所上市（「上市」）後，我們已調整董事及高級管理人員的薪金以及增聘人手，以配合於香港設立新辦公室以及常慶生產設施及犇牛牧場。印刷及耗材及水電費及辦公室維修等開支增加乃歸因於後者。專業費用增加主要因上市後的審核開支、合規顧問費及法律顧問費等合規成本增加，以及有關已延遲的建議發行以美元結算的人民幣優先擔保票據的費用約人民幣 5.9 百萬元所致。

### 財務費用

我們的財務費用由截至二零一零年六月三十日止六個月的人民幣 7.9 百萬元減少人民幣 5.2 百萬元或 65.8% 至截至二零一一年六月三十日止六個月的人民幣 2.7 百萬元。該減少主要由於在二零一零年十一月償還首次公開發售前投資者貸款所致，因此，於本報告期內概無應付利息。另外，由於本報告期內尚未償還的平均貸款較低，故於本報告期內錄得的有關銀行貸款利息較低。

### 所得稅開支

我們的所得稅開支由截至二零一零年六月三十日止六個月的人民幣 41.0 百萬元增加人民幣 19.1 百萬元或 46.6% 至截至二零一一年六月三十日止六個月的人民幣 60.1 百萬元。此增長主要由於溢利增加，以及實際稅率由截至二零一零年六月三十日止六個月的 27.4% 增至截至二零一一年六月三十日止六個月的 29.7% 所致。此乃由於我們的離岸上市公司產生的開支所致，而常慶及犇牛附屬公司目前並無任何應課稅溢利作抵銷，亦無權利於各附屬公司間抵銷。

### *Profit for the period*

Our profit for the period under review increased by 31.5% from RMB108.4 million for six months ended 30 June 2010 to RMB142.6 million for six months ended 30 June 2011, as a result of the factors discussed above. Our net profit margin declined from 29.0% for the six months ended 30 June 2010 to 23.0% for the six months ended 30 June 2011 due to increase in selling and distribution expenses and administration expenses as discussed above.

### **MATERIAL INVESTMENTS AND ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES**

There were no material investments and acquisitions and disposals of subsidiaries during the six months ended 30 June 2011.

### **FUTURE PLANS FOR MATERIAL INVESTMENTS**

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

### **FINANCIAL RESOURCES, LIQUIDITY AND PLEDGE OF ASSETS**

As at 30 June 2011, net assets of the Group amounted to approximately RMB1,736.3 million (31 December 2010: RMB1,591.0 million); current assets amounted to approximately RMB782.0 million (31 December 2010: RMB1,302.0 million), of which approximately RMB550.1 million (31 December 2010: RMB1,265.2 million) were cash and bank deposits.

### *期內溢利*

基於上述因素，我們的回顧期間溢利由截至二零一零年六月三十日止六個月的人民幣108.4百萬元增加31.5%至截至二零一一年六月三十日止六個月的人民幣142.6百萬元。而我們的純利率則由截至二零一零年六月三十日止六個月的29.0%下跌至截至二零一一年六月三十日止六個月的23.0%，此乃由於上述銷售及分銷開支及行政開支增加所致。

### **附屬公司的重大投資、收購及出售**

截至二零一一年六月三十日止六個月，概無有關附屬公司的重大投資、收購及出售。

### **重大投資的未來計劃**

本集團擬探索投資機會，以開始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。除本公佈披露者外，於本公佈日期，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**

於二零一一年六月三十日，本集團的淨資產約為人民幣1,736.3百萬元(二零一零年十二月三十一日:人民幣1,591.0百萬元);本集團的流動資產約為人民幣782.0百萬元(二零一零年十二月三十一日:人民幣1,302.0百萬元)，其中約人民幣550.1百萬元(二零一零年十二月三十一日:人民幣1,265.2百萬元)為現金及銀行存款。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

The Group usually applies its cash flows generated internally to meet its operational needs. Following the fund raising of the global offering, the Group has sufficient financial resources and liquidity that are sufficient to meet its daily business operations and future development. A summary of our cash flows is as follows:

本集團通常運用由內部產生的現金流以應付營運需求。於全球發售集資後，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。我們的現金流概要如下：

		Six months ended 30 June 2011 截至二零一一年 六月三十日止六個月 (Unaudited) (未經審核) RMB'000 人民幣千元	Six months ended 30 June 2010 截至二零一零年 六月三十日止六個月 (Audited) (經審核) RMB'000 人民幣千元
Cash (used in) / generated from operating activities	經營業務(所用)/ 所得現金	(55,986)	179,399
Cash (used in) / generated from investing activities	投資活動(所用)/ 所得現金	(661,918)	(5,083)
Cash generated from / (used in) financing activities	融資活動所得/ (所用)現金	2,798	(42,928)
Total cash generated for the period	期內產生的現金總額	(715,106)	131,388
Cash at the beginning of the period	期初現金	1,265,224	183,972
Cash at the end of the period	期末現金	550,118	315,360

The Group's cash outflow for the period under review was RMB715.1 million, mainly due to the cash used in operating activities amounting to RMB56.0 million and the cash used in the Group's investing activities of approximately RMB661.9 million. Cash used in operating activities of RMB56.0 million was mainly due to operating cash generated of RMB35.0 million offset by taxes and interest paid in aggregate of RMB91.0 million. Investing cash outflow is mainly due to payments made in respect of our Benui dairy farm as well as our acquisition of milk stations.

本集團於回顧期內的現金流出為人民幣715.1百萬元，主要由於經營業務所用現金人民幣56.0百萬元及本集團投資活動所用現金約人民幣661.9百萬元所致。經營業務所用現金人民幣56.0百萬元主要由於經營所得現金人民幣35.0百萬元由合共人民幣91.0百萬元的已付稅項及利息所抵銷。投資現金流出主要為就犛牛牧場及收購擠奶站所付的金額。

As at 30 June 2011, there are no pledges on any of its assets of the Group.

於二零一一年六月三十日，本集團概無抵押任何資產。

### CAPITAL STRUCTURE

The Company's capital structure only comprises of ordinary shares. There have been no changes in the capital structure during the six months ended 30 June 2011.

### 資本架構

本公司的資本架構僅包括普通股。截至二零一一年六月三十日止六個月，資本架構概無任何變動。

### GEARING RATIO

As at 30 June 2011, the Group's current liabilities amounted to approximately RMB133.6 million (31 December 2010: RMB168.4 million).

### 資產負債比率

於二零一一年六月三十日，本集團的流動負債約為人民幣133.6百萬元(二零一零年十二月三十一日：人民幣168.4百萬元)。

The net assets value per share of the Group was approximately RMB1.72 per share as at 30 June 2011 (31 December 2010: RMB2.04 per share). The net asset value per share was computed based on the number of shares in issue as at 30 June 2011 of 1,010,500,000 ordinary shares in issue throughout the period (31 December 2010: 781,507,977 weighted average number of shares).

The Group's current ratio as at 30 June 2011 was approximately 5.9 (31 December 2010: 7.7). The gearing ratio as at 30 June 2011 was approximately 5.0% (31 December 2010: 5.3%) which was mainly due to a long term bank loan of RMB100.0 million (31 December 2010: RMB100.0 million).

### INTEREST AND FOREIGN EXCHANGE RISK

During the reporting period, the Group did not have debt obligations with floating interest rates (2010: 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 30 June 2011, the Group had bank balances of RMB0.1 million denominated in HK\$ and RMB2.7 million denominated in US\$.

### 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 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.

本集團於二零一一年六月三十日的每股資產淨值約為每股人民幣1.72元(二零一零年十二月三十一日:每股人民幣2.04元)。每股資產淨值乃根據於二零一一年六月三十日在整個期間的已發行普通股1,010,500,000股(二零一零年十二月三十一日:781,507,977股加權平均數股份)計算。

於二零一一年六月三十日,本集團之流動比率約為5.9(二零一零年十二月三十一日:7.7)。於二零一一年六月三十日,資產負債比率約為5.0%(二零一零年十二月三十一日:5.3%),主要由於長期銀行貸款人民幣100.0百萬元(二零一零年十二月三十一日:人民幣100.0百萬元)所致。

### 利率及外匯風險

於報告期內,本集團並無按浮動利率的負債承擔(二零一零年: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。於二零一一年六月三十日,本集團的銀行結餘人民幣0.1百萬元(以港元計值)及人民幣2.7百萬元(以美元計值)。

### 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

### CAPITAL COMMITMENTS

As at 30 June 2011, the Group had the following capital commitments:

		<b>30 June 2011</b> 二零一一年 六月三十日 <b>(Unaudited)</b> <b>(未經審核)</b> <b>RMB'000</b> 人民幣千元	31 December 2010 二零一零年 十二月三十一日 <b>(Audited)</b> <b>(經審核)</b> <b>RMB'000</b> 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 condensed consolidated financial statements	– 已訂約但於簡明綜合財務報表中尚未撥備	<b>100,948</b>	11,189
– authorised for but not contracted for	– 已授權但尚未訂約	–	298,580
<b>Total</b>	<b>總計</b>	<b>100,948</b>	<b>309,769</b>

Capital commitments mainly relates to contracted amounts for our Benniu Dairy Farm.

### 資本承擔

於二零一一年六月三十日，本集團擁有以下資本承擔：

		<b>30 June 2011</b> 二零一一年 六月三十日 <b>(Unaudited)</b> <b>(未經審核)</b> <b>RMB'000</b> 人民幣千元	31 December 2010 二零一零年 十二月三十一日 <b>(Audited)</b> <b>(經審核)</b> <b>RMB'000</b> 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 condensed consolidated financial statements	– 已訂約但於簡明綜合財務報表中尚未撥備	<b>100,948</b>	11,189
– authorised for but not contracted for	– 已授權但尚未訂約	–	298,580
<b>Total</b>	<b>總計</b>	<b>100,948</b>	<b>309,769</b>

資本承擔主要與犏牛牧場的已訂約金額有關。

### CONTINGENT LIABILITIES

As at 30 June 2011, the Group had no significant contingent liabilities (31 December 2010: Nil).

### 或然負債

於二零一一年六月三十日，本集團並無重大或然負債(二零一零年十二月三十一日：無)。

### USE OF PROCEEDS

As at 30 June 2011, the balance of the net proceeds of the fund raising by the Company in the global offering amounted to approximately RMB290.1 million were totally placed with reputable financial institutions for interest income.

### 所得款項用途

於二零一一年六月三十日，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290.1百萬元，已悉數存於聲譽良好的金融機構，以收取利息收入。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

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

本集團擬使用該等所得款項淨額作以下用途：

Use of proceeds 所得款項用途		Allocated 已分配 RMB'000 人民幣千元	Utilisation 已動用 RMB'000 人民幣千元	Balance 結餘 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游牧場的擴展計劃及收購相關生產設備及設施；	308,841	(308,841)	-
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分銷網絡；	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% 將用作廣告、推廣及宣傳現有及新產品；	181,567	(118,389)	63,178
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; and	4) 約9.2% 將用於償還首次公開發售前投資者向本公司增加的貸款(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)及有關應計利息；及	81,883	(81,883)	-
5) approximately 10.2% will be working capital and other corporate purposes	5) 約10.2% 將用於營運資金及其他公司用途	90,784	(90,784)	-
Total	總計	890,034	(599,897)	290,137

## EMPLOYEES

As at 30 June 2011, the Group employed 926 (30 June 2010: 501) employees. The increase in the number of employees was due to the expansion of the Group's business to cope with business promotion and increased headcount due to the commencement of operation of our Wuchang production facility as well as new headcount in our upstream business. The salary levels of employees are determined by their performance, qualifications, experience and contribution to the Group with reference to general market trend. The Company adopted the share option scheme to provide incentives and rewards to Directors and employees for their contributions to the Group.

## 僱員

於二零一一年六月三十日，本集團僱用926名(二零一零年六月三十日:501名)僱員。僱員數目增加主要由於本集團為配合業務推廣而擴充業務，以及由於五常生產設施開始運作而僱員數目增加及上游業務的新員工。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。本公司採納購股權計劃，為董事及僱員對本集團作出的貢獻提供獎勵及回報。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

The total employee expenses of the Group including Directors' remuneration charged to the consolidated statement of comprehensive income for the six months ended 30 June 2011 amounted to approximately RMB16.1 million (six months ended 30 June 2010: RMB5.1 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 have 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.

During the period under review, the Group had increased the selling prices of the products to offset the consequences brought by the increased in the cost of the raw materials in early 2011 as well as took several measures like the acquisition of the assets of various milk stations to lower production costs. This should help us mitigate the effects from inflationary pressures expected in 2011.

Our growth in 2011 will continue to 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.

本集團之僱員總支出(包括計入截至二零一一年六月三十日止六個月的綜合全面收益表的董事酬金)約為人民幣16.1百萬元(截至二零一零年六月三十日止六個月:人民幣5.1百萬元)。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。

於回顧年度，本集團已提高產品售價，以抵銷原材料成本於二零一一年年初上漲所帶來的後果，並且採取多項措施，如收購多個擠奶站的資產，以降低生產成本。此舉應有助我們減輕預期於二零一一年因通脹壓力產生的影響。

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。

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

**董事及主要行政人員於股份、相關股份及債券的權益及淡倉**

As at 30 June 2011, 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:

於二零一一年六月三十日，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	Number of underlying shares held pursuant to share options 根據購股權計劃 所持的相關 股份數目		Total 合共	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	Beneficial owner 實益擁有人	527,172,000	-	527,172,000	52.17%	
Mr. Xia Yuan Jun 夏元軍先生	Beneficial owner 實益擁有人	-	3,000,000	3,000,000	0.30%	
Mr. Fu Chong 付翀先生	Beneficial owner 實益擁有人	-	3,000,000	3,000,000	0.30%	
Mr. Fong Pin Jan 方秉權先生	Beneficial owner 實益擁有人	-	3,000,000	3,000,000	0.30%	

Save as disclosed above, as at 30 June 2011, 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.

除上文所披露者外，截至二零一一年六月三十日，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

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the six months ended 30 June 2011 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 AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2011, the following persons or corporations (other than Directors or chief executives of the Company) were 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 Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

Name of Shareholder 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
Ever Union Capital Limited (Note) (附註)	Beneficial owner 實益擁有人	67,000,000	6.63%
Che Fung (Note) 車峰 (附註)	Beneficial owner 實益擁有人	67,000,000	6.63%

Note: Ever Union Capital Limited ("Ever Union") (a company incorporated in the British Virgin Islands with limited liability) is 100% directly owned by Mr. Che Fung. Therefore, Mr. Che Fung is deemed to be interested in the shares of the Company held by Ever Union.

### 董事購買股份及債券的權利

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截至二零一一年六月三十日止六個月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、相關股份或債券持有任何權益或淡倉。

### 主要股東於股份、相關股份或債券的權益及淡倉

於二零一一年六月三十日，以下人士(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證券上市規則(「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：

附註： Ever Union Capital Limited (「Ever Union」) (一間於英屬處女群島註冊成立的有限公司) 由車峰先生直接全資擁有。因此，車峰先生視為於 Ever Union 所持本公司股份中擁有權益。

Save as disclosed above, as at 30 June 2011, the Company had not been notified by any person (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 to be kept by the Company under section 336 of the SFO.

除上文所披露者外，於二零一一年六月三十日，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。

## 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 of the Company (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 shall be granted.

Details of the movements in share options granted under the Share Option Scheme during the six months ended 30 June 2011 are as follows:

Name of Category	Date of Grant of Share Option	Outstanding	Granted during	Exercised	Lapsed	Cancelled	Outstanding	Vesting period	Exercise period	Exercise price (HK\$)
		at 01.01.2011 於二零一一年一月一日 尚未行使	the period	during the period	during the period	during the period	at 30.06.2011 於二零一一年六月三十日 尚未行使			
類別名稱	購股權授出日期		期內授出	期內行使	期內失效	期內註銷		歸屬期間	行使期	行使價(港元)
<b>Directors:</b>										
<b>董事:</b>										
Mr. Xia Yuan Jun 夏元軍先生	28.04.2011 二零一一年四月二十八日	0	3,000,000 (Note) (附註)	0	0	0	3,000,000	28.04.2011 - 27.10.2012 二零一一年四月二十八日至二零一二年十月二十七日	28.10.2012 - 27.10.2014 二零一二年十月二十八日至二零一四年十月二十七日	3.512
Mr. Fu Chong 付翀先生	28.04.2011 二零一一年四月二十八日	0	3,000,000 (Note) (附註)	0	0	0	3,000,000	28.04.2011 - 27.10.2012 二零一一年四月二十八日至二零一二年十月二十七日	28.10.2012 - 27.10.2014 二零一二年十月二十八日至二零一四年十月二十七日	3.512
Mr. Fong Pin Jan 方秉權先生	28.04.2011 二零一一年四月二十八日	0	3,000,000 (Note) (附註)	0	0	0	3,000,000	28.04.2011 - 27.10.2012 二零一一年四月二十八日至二零一二年十月二十七日	28.10.2012 - 27.10.2014 二零一二年十月二十八日至二零一四年十月二十七日	3.512
Other Employees: 其他僱員:	28.04.2011 二零一一年四月二十八日	0	18,000,000 (Note) (附註)	0	0	0	18,000,000	28.04.2011 - 27.10.2012 二零一一年四月二十八日至二零一二年十月二十七日	28.10.2012 - 27.10.2014 二零一二年十月二十八日至二零一四年十月二十七日	3.512
Total: 合共:		0	27,000,000	0	0	0	27,000,000			

Note: The closing price of the shares of the Company immediately before the date on which the options were granted was HK\$3.25.

The total fair values of the share options determined at the date of grant using the Binomial model were HK\$28,701,000.

## 購股權計劃

本公司採納經本公司全體股東(「股東」)以書面決議案批准並以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，其後將不得另行授出購股權。

截至二零一一年六月三十日止六個月，根據購股權計劃授出的購股權的變動詳情如下：

附註：本公司緊接購股權授出日期前的股份收市價為3.25港元。

於授出日期使用二項式模型釐定的購股權公允價值總額為28,701,000港元。

# REPORT OF THE DIRECTORS

## 董事會報告

Save as disclosed above, there is no options outstanding, granted, exercised, cancelled and lapsed during the six months ended 30 June 2011.

### INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2011 (six months period ended 30 June 2010: Nil).

### GEARING RATIO

As at 30 June 2011, the Group's current liabilities amounted to approximately RMB133.6 million (31 December 2010: RMB168.4 million).

The net assets value per share of the Group was approximately RMB1.72 per share as at 30 June 2011 (31 December 2010: RMB2.04 per share). The net asset value per share was computed based on the number of shares in issue as at 30 June 2011 of 1,010,500,000 ordinary shares in issue throughout the period (31 December 2010: 781,507,977 weighted average number of shares).

The Group's current ratio as at 30 June 2011 was approximately 5.9 (31 December 2010: 7.7). The gearing ratio as at 30 June 2011 was approximately 5.0% (31 December 2010: 5.3%) which was mainly due to a long term bank loan of RMB100.0 million (31 December 2010: RMB100.0 million).

### CHARGES AND CONTINGENT LIABILITIES

As at 30 June 2011, 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.

除上文所披露者外，截至二零一一年六月三十日止六個月，概無尚未行使、已授出、已行使、已註銷及已失效的購股權。

### 中期股息

董事會不建議就截至二零一一年六月三十日止六個月派發中期股息(截至二零一零年六月三十日止六個月期間:無)。

### 資產負債比率

於二零一一年六月三十日，本集團的流動負債約為人民幣133.6百萬元(二零一零年十二月三十一日:人民幣168.4百萬元)。

本集團於二零一一年六月三十日的每股資產淨值約為每股人民幣1.72元(二零一零年十二月三十一日:每股人民幣2.04元)。每股資產淨值乃根據於二零一一年六月三十日在整個期間的已發行普通股1,010,500,000股(二零一零年十二月三十一日:781,507,977股加權平均數股份)計算。

於二零一一年六月三十日，本集團之流動比率約為5.9(二零一零年十二月三十一日:7.7)。於二零一一年六月三十日，資產負債比率約為5.0%(二零一零年十二月三十一日:5.3%)，主要由於長期銀行貸款人民幣100.0百萬元(二零一零年十二月三十一日:人民幣100.0百萬元)所致。

### 抵押及或然負債

於二零一一年六月三十日，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。

## EMPLOYEES

As at 30 June 2011, the Group employed 926 (30 June 2010: 501) employees. The increase in the number of employees was due to the expansion of the Group's business to cope with business promotion and increased headcount due to the commencement of operation of our Wuchang production facility as well as new headcount in our upstream business. The salary levels of employees are determined by their performance, qualifications, experience and contribution to the Group with reference to general market trend. The Company adopted the share option scheme to provide incentives and rewards to Directors and employees for their contributions to the Group.

The total employee expenses of the Group including Directors' remuneration charged to the consolidated statement of comprehensive income for the six months ended 30 June 2011 amounted to approximately RMB16.1 million (six months ended 30 June 2010: RMB5.1 million). The increase in total employee expenses was due to the increase in employees and salary increments adjusted in accordance with labour market trend.

## 僱員

於二零一一年六月三十日，本集團僱用926名(二零一零年六月三十日:501名)僱員。僱員數目增加主要由於本集團為配合業務推廣而擴充業務，以及由於五常生產設施開始運作而僱員數目增加及上游業務的新員工。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。本公司採納購股權計劃，為董事及僱員對本集團作出的貢獻提供獎勵及回報。

本集團之僱員總支出(包括計入截至二零一一年六月三十日止六個月的綜合全面收益表的董事酬金)約為人民幣16.1百萬元(截至二零一零年六月三十日止六個月:人民幣5.1百萬元)。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。

# REPORT OF THE DIRECTORS

## 董事會報告

### DISCLOSURE OF CHANGE IN INFORMATION OF DIRECTORS

### 有關董事資料變動之披露

Pursuant to rule 13.51B(1) of the Listing Rules, the change of information on Directors as follows:

根據上市規則第13.51B(1)條，董事資料的變動如下：

Name of Directors 董事名稱	Details of changes 變動詳情
Mr. Fong Pin Jan (Executive Director)  方秉權先生 (執行董事)	He has appointed as director of Global Milk Products Pte. Ltd., a subsidiary of the Company, and his director's fee as a director of Global Milk Products Pte. Ltd. is increased from nil per annum to SGD120,000 per annum (approximately RMB632,000) with effect from 1 April 2011.  彼獲委任為本公司附屬公司Global Milk Products Pte. Ltd.的董事，而其作為董事的董事袍金由零增至每年120,000新元(約人民幣632,000元)，自二零一一年四月一日起生效。
Mr. Zhao Chuan Wen (Executive Director)  趙傳文先生 (執行董事)	He has stepped down as the Chairman of the Board of the Company and remained as an executive Director with effect from 18 August 2011  彼已退任本公司董事會主席但仍然為執行董事，自二零一一年八月十八日起生效。
Mr. Zhao Yu (Executive Director)  趙宇先生 (執行董事)	He has appointed as the Chairman of the Board of the Company, stepped down as the chief executive officer of the Company and remained as an executive Director with effect from 18 August 2011  彼已獲委任為本公司董事會主席，並退任本公司首席執行官仍然為執行董事，自二零一一年八月十八日起生效。
Mr. Wang Delin (Executive Director)  王德林先生 (執行董事)	He, as a newly appointed executive Director, has also appointed as the chief executive officer of the Company with effect from 18 August 2011  彼為新獲委任執行董事，並已獲委任為本公司行政總裁，自二零一一年八月十八日起生效。

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

除上文所披露者外，概無其他須根據上市規則第13.51B(1)條予以披露的資料。

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

### 購買、出售或贖回本公司上市證券

The Company has not redeemed any of its listed shares during the six months ended 30 June 2011. Neither the Company nor any of its subsidiaries has purchased, sold or repurchased any of the Company's listed securities during the six months ended 30 June 2011.

截至二零一一年六月三十日止六個月，本公司並無贖回任何本公司之上市股份。截至二零一一年六月三十日止六個月，本公司或其任何附屬公司概無購買、出售或贖回任何本公司之上市證券。

## 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. The principles and the code provisions of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules 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") with defined term of reference. 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 six months ended 30 June 2011, 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 during the six months ended 30 June 2011.

## 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，本公司已成立具明文職權範圍的審核委員會（「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。

截至二零一一年六月三十日止六個月，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二零一一年六月三十日止六個月，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。



### 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 comprises 3 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.

### REVIEW OF ACCOUNTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal controls, and financial reporting matters including the review of the unaudited interim financial statements for the six months ended 30 June 2011. The external auditor has reviewed the interim financial information for the six months ended 30 June 2011.

### 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之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。

### 審閱賬目

審核委員會已審閱本集團採納的會計原則及慣例，並已討論有關審核、內部監控及財務報告事宜，包括審閱截至二零一一年六月三十日止六個月的未經審核中期財務報表。外聘核數師亦已審閱截至二零一一年六月三十日止六個月的中期財務資料。

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

## 中期財務資料之審閱報告

### Introduction

We have reviewed the interim financial information set out on pages 26 to 52, which comprises the condensed consolidated statement of financial position of Daqing Dairy Holdings Limited (formerly known as Global Dairy Holdings Limited, the "Company") and its subsidiaries as of 30 June 2011 and the related condensed consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and the International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion 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.

### Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong  
18 August 2011

### 緒言

吾等已審閱第26頁至52頁所載的中期財務資料，其中包括大慶乳業控股有限公司（前稱為環球乳業控股有限公司，「貴公司」）及其附屬公司於二零一一年六月三十日的簡明綜合財務狀況表、於截至該日止六個月期間之有關簡明綜合全面收益表、簡明綜合權益變動表、簡明綜合現金流量表及若干附註解釋。根據香港聯合交易所有限公司主板證券上市規則，編製中期財務資料的報告必須符合上市規則之相關規定以及國際會計準則委員會頒佈的國際會計準則第34號「中期財務報告」（「國際會計準則第34號」）之規定。貴公司董事須負責根據國際會計準則第34號編製及提呈本中期財務資料。吾等的責任乃根據吾等的審閱對中期財務資料作出結論，並按照吾等雙方所協定之委聘條款，僅向董事會報告。除此以外，吾等的報告並無其他用途。吾等概不就本報告之內容，對任何其他人士負責或承擔責任。

### 審閱範圍

吾等已根據香港會計師公會頒佈之《香港審閱工作準則》第2410號「由實體之獨立核數師執行中期財務資料審閱」進行審閱工作。中期財務資料之審閱工作包括詢問主要負責財務及會計事項之人員，並應用分析和其他審閱程序。由於審閱之範圍較根據香港審計準則進行審核的範圍為小，吾等無法保證會注意到在審核中可能被發現之所有重大事項。因此，吾等不會發表任何審核意見。

### 結論

根據吾等的審閱工作，吾等並無發現任何事項而令吾等相信中期財務資料沒有在所有重大方面按國際會計準則第34號編製。

德勤•關黃陳方會計師行  
執業會計師  
香港  
二零一一年八月十八日

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 簡明綜合全面收益表

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

		<b>Six months ended 30 June</b> 截至六月三十日止六個月		
		NOTES 附註	2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
<b>Revenue</b>	<b>收益</b>	3	<b>618,897</b>	373,867
Cost of sales	銷售成本		<b>(275,861)</b>	(183,494)
<b>Gross profit</b>	<b>毛利</b>		<b>343,036</b>	190,373
Other gains and losses	其他收益及虧損	4	<b>2,394</b>	62
Selling and distribution expenses	銷售及分銷開支		<b>(110,752)</b>	(20,297)
Administrative expenses	行政開支		<b>(29,289)</b>	(12,943)
Finance costs	財務費用	5	<b>(2,685)</b>	(7,856)
<b>Profit before taxation</b>	<b>除稅前溢利</b>	6	<b>202,704</b>	149,339
Income tax expenses	所得稅開支	7	<b>(60,134)</b>	(40,964)
<b>Profit and total comprehensive income for the period</b>	<b>期內溢利及全面收益總額</b>		<b>142,570</b>	108,375
<b>Earnings per share</b>	<b>每股盈利</b>	9		
- Basis (RMB per share)	- 基本 (每股人民幣)		<b>0.141</b>	0.152
- Diluted (RMB per share)	- 攤薄 (每股人民幣)		<b>0.141</b>	不適用

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 簡明綜合財務狀況表

as at 30 June 2011 於二零一一年六月三十日

			As at 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As at 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	10	724,535	526,894
Prepaid lease payments	預付租賃款項		38,124	38,451
Intangible assets	無形資產		10,775	11,535
Deposits paid	已付按金	11	426,057	-
Deferred tax assets	遞延稅項資產		10,971	3,441
			<b>1,210,462</b>	<b>580,321</b>
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨		54,742	20,219
Trade and other receivables	應收貿易賬款及 其他應收款項	12	176,265	15,711
Prepaid lease payments	預付租賃款項		847	847
Bank balances and cash	銀行結餘及現金		550,118	1,265,224
			<b>781,972</b>	<b>1,302,001</b>
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and other payables	應付貿易賬款及 其他應付款項	13	96,919	111,488
Income tax liabilities	所得稅負債		36,668	56,868
			<b>133,587</b>	<b>168,356</b>
<b>NET CURRENT ASSETS</b>	<b>流動資產淨額</b>		<b>648,385</b>	<b>1,133,645</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總額減流動負債</b>		<b>1,858,847</b>	<b>1,713,966</b>
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>			
Share capital	股本	14	9	9
Reserves	儲備		1,736,314	1,590,997
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>1,736,323</b>	<b>1,591,006</b>
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債		22,524	22,960
Borrowings	借款	15	100,000	100,000
			<b>122,524</b>	<b>122,960</b>
			<b>1,858,847</b>	<b>1,713,966</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 簡明綜合權益變動表

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

		Share capital	Other paid-in capital 其他	Share premium	Statutory surplus reserve 法定盈餘儲備	Share options reserve 購股權儲備	Retained earnings 保留盈利	Total
		股本 RMB'000 人民幣千元	繳足資本 RMB'000 人民幣千元 (see note (a) below) (見下文 附註(a))	股份溢利 RMB'000 人民幣千元	盈餘儲備 RMB'000 人民幣千元 (see note (b) below) (見下文 附註(b))	購股權 RMB'000 人民幣千元 (see note (c) below) (見下文 附註(c))	保留盈利 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
As at 1 January 2010 (audited)	於二零一零年一月一日 (經審核)	-	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	向投資者發行股份	-	-	127,780	-	-	-	127,780
Profit and total comprehensive income for the period	期內溢利及 全面收益總額	-	-	-	-	-	108,375	108,375
As at 30 June 2010 (audited)	於二零一零年六月 三十日(經審核)	-	-	252,780	25,672	-	270,307	548,759
As at 1 January 2011 (audited)	於二零一一年一月一日 (經審核)	9	-	1,142,805	55,946	-	392,246	1,591,006
Recognition of share-based payments (see note 16)	確認以股份為基礎的 付款(見附註16)	-	-	-	-	2,747	-	2,747
Profit and total comprehensive income for the period	期內溢利及 全面收益總額	-	-	-	-	-	142,570	142,570
Transfer	轉讓	-	-	-	15,940	-	(15,940)	-
As at 30 June 2011 (unaudited)	於二零一一年六月 三十日(未經審核)	9	-	1,142,805	71,886	2,747	518,876	1,736,323

Notes:

(a) Other paid-in capital

As at 1 January 2010, the amount of RMB114,868,000 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, an aggregate of 63,171 ordinary shares of HK\$0.00001 each in the Company were issued to Mr Zhao on 4 February 2010.

(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.

(c) Share options reserve

Share options reserve represents share-based compensation recognised in relation to share option granted by the Company (see note 16).

附註:

(a) 其他繳足資本

於二零一零年一月一日，該筆人民幣114,868,000元的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，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。

(b) 法定盈餘儲備

按中華人民共和國(「中國」)企業的相關法律及法規規定，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。

(c) 購股權儲備

購股權儲備指有關本公司所授出購股權確認的以股份為基礎的酬金(見附註16)。

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## 簡明綜合現金流量表

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>		
Profit before taxation	除稅前溢利	<b>202,704</b>	149,339
Adjustments for:	經調整：		
Finance costs	財務費用	<b>2,685</b>	7,856
Interest income	利息收入	<b>(2,471)</b>	(232)
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	<b>13,834</b>	12,728
Release of prepaid lease payments	預付租賃款項撥回	<b>327</b>	327
Amortisation of intangible assets	無形資產攤銷	<b>760</b>	760
Losses on disposals of property, plant and equipment	出售物業、廠房 及設備虧損	<b>88</b>	192
Recognition of share-based payments	確認以股份 為基礎的付款	<b>2,747</b>	-
Exchange gain on loans from Investors	來自投資者 貸款的匯兌收益	-	(256)
Operating cash flows before movements in working capital	營運資金變動前 經營現金流量	<b>220,674</b>	170,714
(Increase) decrease in inventories	存貨(增加)減少	<b>(34,523)</b>	3,399
(Increase) decrease in trade and other receivables	應收貿易賬款及其他 應收款項(增加)減少	<b>(160,554)</b>	7,997
Increase in trade and other payables	應付貿易賬款及其他 應付款項增加	<b>9,402</b>	22,635
Cash generated from operations	業務所得現金	<b>34,999</b>	204,745
Income tax paid	已付所得稅	<b>(88,300)</b>	(22,231)
Interest paid	已付利息	<b>(2,685)</b>	(3,115)
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>	<b>經營業務(所用) 所得現金淨額</b>	<b>(55,986)</b>	179,399
<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>(238,800)</b>	(5,480)
Deposits paid	已付按金	<b>(426,057)</b>	-
Interest received	已收利息	<b>2,471</b>	232
Proceeds on disposals of property, plant and equipment	出售物業、廠房及 設備所得款項	<b>468</b>	165

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## 簡明綜合現金流量表

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	投資活動所用現金淨額	<b>(661,918)</b>	(5,083)
<b>FINANCING ACTIVITIES</b>	融資活動		
Amount advanced from a related party	來自關連方墊款	<b>2,798</b>	50,000
Repayments of borrowings	償還銀行借款	-	(200,000)
Amount repaid to a related party	償還一名關連方款項	-	(37,816)
New borrowings raised	新籌集借貸	-	100,000
Loans from the Investors	來自投資者的貸款	-	44,888
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	融資活動所得(所用)現金淨額	<b>2,798</b>	(42,928)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	現金及現金等價物(減少)增加淨額	<b>(715,106)</b>	131,388
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	期初現金及現金等價物	<b>1,265,224</b>	183,972
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD,</b> represented by bank balances and cash	期末現金及現金等價物 (指銀行結餘及現金)	<b>550,118</b>	315,360

### 1. GENERAL

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with the International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB").

Pursuant to a special resolution passed during the extraordinary general meeting of the Company on 16 June 2011, the English name of the Company was changed from Global Dairy Holdings Limited to Daqing Dairy Holdings Limited and the Chinese name of the Company was changed from 環球乳業控股有限公司 to 大慶乳業控股有限公司.

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2011 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010.

In addition, the Group applied the following policy for share-based payment transaction:

#### Share-based payment transactions

The fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

### 1. 一般資料

簡明綜合財務報表乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則附錄16的適用披露規定以及國際會計準則委員會(「國際會計準則委員會」)頒佈的國際會計準則第34號「中期財務報告」編製。

根據本公司於二零一一年六月十六日舉行的股東特別大會上通過的特別決議案，本公司的英文名稱由 Global Dairy Holdings Limited 改為 Daqing Dairy Holdings Limited，而本公司的中文名稱則由環球乳業控股有限公司改為大慶乳業控股有限公司。

### 2. 主要會計政策

簡明綜合財務報表已按歷史成本法編製。

截至二零一一年六月三十日止六個月的簡明綜合財務報表所用會計政策及計算方法與編製本集團截至二零一零年十二月三十一日止年度的全年財務報表所遵循者貫徹一致。

此外，本集團已應用以下有關以股份為基礎的付款交易的政策：

#### 以股份為基礎的付款交易

所獲服務的公允價值乃經參考於授出日期所授出購股權的公允價值釐定，並於歸屬期間按直線基準支銷，而權益(購股權儲備)亦相應增加。

於報告期末，本集團對預期最終歸屬的購股權數目估計作出修訂。修訂原有估計(如有)的影響會確認於損益，致令累計開支反映出經修訂估計，而購股權儲備亦會相應作出調整。



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES

- continued

Share based payment transactions - continued

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

In the current interim period, the Group has also applied, for the first time, the following new or revised standards, amendments and interpretations (the "New or Revised IFRSs") issued by the IASB, which are effective for the Group's financial year beginning on 1 January 2011:

IFRSs (Amendments)  
國際財務報告準則(修訂本)  
IFRS 1 (Amendment)  
國際財務報告準則第1號(修訂本)  
  
IAS 24 (Revised)  
國際會計準則第24號(經修訂)  
IAS 32 (Amendments)  
國際會計準則第32號(修訂本)  
IFRIC 14 (Amendments)  
國際財務報告詮釋委員會第14號(修訂本)  
IFRIC 19  
國際財務報告詮釋委員會第19號

The application of the above New or Revised IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early adopted new or revised standards, amendments and interpretations that have been issued but are not yet effective. The following new or revised standards and amendments have been issued after the date of the consolidated financial statements for the year ended 31 December 2010 were authorized for issuance and are not yet effective:

### 2. 主要會計政策

- 續

以股份為基礎的付款交易 - 續

購股權獲行使時，先前於購股權儲備內確認之金額將轉撥入股份溢價。購股權於歸屬日期後被沒收或於屆滿日期仍未行使時，則先前於購股權儲備確認之金額將轉撥入保留盈利。

於本中期間，本集團已首次應用以下由國際會計準則理事會頒佈的新訂或經修訂準則、修訂本及詮釋(「新訂或經修訂國際財務報告準則」)，並於本集團在二零一一年一月一日開始的財政年度生效：

Improvements to IFRSs 2010  
二零一零年國際財務報告準則之改進  
Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters  
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  
  
Related Party Disclosures  
關連人士披露  
Classification of Rights Issues  
供款分類  
Prepayments of a Minimum Funding Requirement  
最低資金要求的預付款項  
Extinguishing Financial Liabilities with Equity Instruments  
以股本工具消除金融負債

於本中期間應用上述新訂及經修訂國際財務報告準則對該等簡明綜合財務報表所呈報的金額及/或該等簡明綜合財務報表所載的披露事項並無重大影響。

本集團並無提前採納已頒佈但未生效的新訂或經修訂準則、修訂本及詮釋。於截至二零一零年十二月三十一日止年度的綜合財務報表日期後已頒佈下列已獲授權頒佈但尚未生效的新訂或經修訂準則、修訂本及詮釋：

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 2. PRINCIPAL ACCOUNTING POLICIES

- continued

IFRS 10  
國際財務報告準則第10號  
IFRS 11  
國際財務報告準則第11號  
IFRS 12  
國際財務報告準則第12號  
IFRS 13  
國際財務報告準則第13號  
IAS 1 (Amendments)  
  
國際會計準則第1號(修訂本)  
IAS 19 (Revised 2011)  
國際會計準則第19號(於二零一一年經修訂)  
IAS 27 (Revised 2011)  
國際會計準則第27號(於二零一一年經修訂)  
IAS 28 (Revised 2011)  
國際會計準則第28號(於二零一一年經修訂)

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

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2012

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

### 3. 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 period 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.

*Information about products*

#### Analysis of revenue

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

### 2. 主要會計政策

- 續

Consolidated Financial Statements<sup>1</sup>  
綜合財務報表<sup>1</sup>  
Joint Arrangements<sup>1</sup>  
合併安排<sup>1</sup>  
Disclosure of Interests in Other Entities<sup>1</sup>  
披露於其他實體的權益<sup>1</sup>  
Fair Value Measurement<sup>1</sup>  
公允價值計量<sup>1</sup>  
Presentation of Items of Other Comprehensive Income<sup>2</sup>  
其他全面收益項目的呈列<sup>2</sup>  
Employee Benefits<sup>1</sup>  
僱員福利<sup>1</sup>  
Separate Financial Statements<sup>1</sup>  
獨立財務報表<sup>1</sup>  
Investments in Associates and Joint Ventures<sup>1</sup>  
於聯營公司及合營公司的投資<sup>1</sup>

<sup>1</sup> 於二零一三年一月一日或之後開始的年度期間生效

<sup>2</sup> 於二零一二年七月一日或之後開始的年度期間生效

本公司董事預期，應用該等新訂或經修訂的準則不會對本集團的業績及財務狀況構成重大影響。

### 3. 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的期內溢利而作出審核。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。

*有關產品的資料*

#### 收益分析

本集團於回顧期內的主要產品收益的分析載列於下表：

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 3. SEGMENT INFORMATION

- continued

### 3. 分部資料

- 續

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
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	23,313	26,100
- formula milk	- 配方奶粉	584,672	335,508
		<b>607,985</b>	361,608
Sales of ice cream products	銷售冰淇淋產品	10,912	12,259
		<b>618,897</b>	373,867

#### Information about geographical areas

All of the Group's revenue is derived from customers based in the People's Republic of China (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 period under review, there was no customer individually accounted for over 10% of the Group's total revenue.

#### 有關地理區域的資料

本集團所有收益來自中華人民共和國(「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

於回顧期內，並無個別客戶佔本集團總收益的10%以上。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 4. OTHER GAINS AND LOSSES

### 4. 其他收益及虧損

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
Other gains and losses:	其他收益及虧損:		
Interest income	利息收入	2,471	232
Loss on disposals of property, plant and equipment	出售物業、廠房及 設備之虧損	(88)	(192)
Foreign exchange gains, net	匯兌收益淨額	11	22
		<b>2,394</b>	<b>62</b>

### 5. FINANCE COSTS

### 5. 財務費用

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
Finance costs comprise:	財務費用包括:		
Interest on:	利息:		
- Bank borrowings wholly repayable within five years	- 於五年內全部償還的 銀行借款	2,685	3,115
- Loans from Investors	- 投資者貸款	-	4,741
		<b>2,685</b>	<b>7,856</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 6. PROFIT BEFORE TAXATION

### 6. 除稅前溢利

		<b>Six months ended 30 June</b> 截至六月三十日止六個月	
		<b>2011</b> 二零一一年 RMB'000 人民幣千元 <b>(unaudited)</b> <b>(未經審核)</b>	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
Profit before taxation has been arrived at after charging:	經扣除下列各項後的除稅前溢利:		
Staff cost (including directors' emoluments):	員工成本(包括董事薪酬):		
- Salaries and wages	- 工資及報酬	<b>12,411</b>	4,708
- Retirement benefit scheme contributions	- 退休福利計劃供款	<b>918</b>	343
- Share-based payments	- 以股份為基礎的付款	<b>2,747</b>	-
		<b>16,076</b>	5,051
Depreciation and amortisation:	折舊及攤銷:		
- Property, plant and equipment	- 物業、廠房及設備	<b>13,834</b>	12,728
- Intangible assets	- 無形資產	<b>760</b>	760
		<b>14,594</b>	13,488
Release of prepaid lease payments	撥回預付租賃款	<b>327</b>	327
Cost of inventories recognised as an expense	確認為一項開支的存貨成本	<b>275,861</b>	183,494
Research and development expenses	研發支出	<b>119</b>	58
Expense relating to the Company's proposed issuance of the USD senior unsecured bond at the Singapore Exchange Trading Limited in March 2011	有關本公司於二零一一年三月在新加坡證券交易所有限公司建議發行美元優先無抵押債券之開支	<b>5,936</b>	-

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 7. INCOME TAX EXPENSES

### 7. 所得稅開支

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 (unaudited) (未經審核)	2010 二零一零年 RMB'000 (audited) (經審核)
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	68,100	41,441
Deferred taxation	遞延稅項	(7,966)	(477)
		<b>60,134</b>	<b>40,964</b>

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profit arising in Hong Kong during the period under review.

The statutory tax rate of Global Milk Products Pte. Ltd. ("Global Milk Singapore"), a subsidiary of the Company, for the six months ended 30 June 2011 was 17% (six months ended 30 June 2010: 17%). No provision for Singapore income tax has been made as the Group did not derive any taxable income in Singapore for the six months ended 30 June 2011 (six months ended 30 June 2010: nil).

The statutory tax rate of 大慶乳品廠有限責任公司 (Da Qing Dairy Ltd<sup>#</sup>, "Da Qing Dairy") and 黑龍江常慶乳業有限責任公司 (Heilongjiang Chang Qing Dairy Products Co., Ltd.<sup>#</sup>), the Company's PRC subsidiaries, for the six months ended 30 June 2011 was 25% (six months ended 30 June 2010: 25%).

<sup>#</sup> The English names are for identification purposes only.

由於本集團於回顧期內概無於香港產生任何應課稅溢利，故並無作出香港利得稅撥備。

本公司的附屬公司Global Milk Products Pte. Ltd. (「Global Milk Singapore」)於截至二零一一年六月三十日止六個月按17% (截至二零一零年六月三十日止六個月: 17%) 的法定稅率繳稅。由於本集團於截至二零一一年六月三十日止六個月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 (截至二零一零年六月三十日止六個月: 無)。

截至二零一一年六月三十日止六個月，本公司的中國附屬公司大慶乳品廠有限責任公司 (Da Qing Dairy Ltd<sup>#</sup>，「大慶乳品」) 及黑龍江常慶乳業有限責任公司 (Heilongjiang Chang Qing Dairy Products Co., Ltd.<sup>#</sup>) 的法定稅率為25% (截至二零一零年六月三十日止六個月: 25%)。

<sup>#</sup> 英文名稱僅供識別。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 7. INCOME TAX EXPENSES

- continued

The income tax expenses can be reconciled to the profit before taxation per the condensed consolidated statement of comprehensive income as follows:

### 7. 所得稅開支

- 續

所得稅開支與簡明綜合全面收益表內的除稅前溢利對賬如下：

		<b>Six months ended 30 June</b> 截至六月三十日止六個月	
		<b>2011</b> 二零一一年 <b>RMB'000</b> 人民幣千元 <b>(unaudited)</b> <b>(未經審核)</b>	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
Profit before taxation	除稅前溢利	<b>202,704</b>	149,339
Tax at the PRC enterprise income tax rate (note (a) below)	按中國企業所得稅稅率之稅項 (見下文附註(a))	<b>50,676</b>	37,335
Effect of expenses that are not deductible for tax purpose	不可扣稅支出的稅務影響	<b>8,731</b>	685
Effect of unrecognised deductible losses and deductible temporary differences	未確認可抵扣虧損及 可抵扣暫時差額的影響	<b>727</b>	2,944
		<b>60,134</b>	40,964

Notes:

- (a) The PRC income tax rate represents the income tax rate applicable to the group PRC entities of which the Group's principal operations are substantially based throughout the period under review.
- (b) 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.

附註：

- (a) 中國企業所得稅稅率指集團中國實體適用的所得稅稅率，集團中國實體為本集團於整個回顧期間的主要經營附屬公司。
- (b) 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溢利為基準支付)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%。

**7. INCOME TAX EXPENSES***- continued*

Pursuant to the resolution of board of Global Milk Singapore, the shareholder of Da Qing Dairy, Global Milk Singapore has given an irrevocable undertaking that Global Milk Singapore will not procure Da Qing Dairy to remit any dividend out of its profits for the year ending 31 December 2011. Accordingly, the net profit of Da Qing Dairy, the Group's principal operating subsidiary, for the year ending 31 December 2011 will be retained and not be distributed. As at 30 June 2011, the aggregate amount of temporary difference associated with undistributed earnings of Da Qing Dairy was approximately RMB690.89 million (31 December 2010: RMB553.79 million) 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.

# *The English names are for identification purpose only.*

**8. DIVIDENDS**

No dividend has been paid or proposed by the Company during the six months ended 30 June 2011, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2010: nil).

**9. EARNINGS PER SHARE**

The calculation of the earnings per share for the six months ended 30 June 2011 is based on the profit attributable to the equity holders of the Company for the six months ended 30 June 2011 and on the weighted average number of 1,010,500,000 shares (six months ended 30 June 2010: 714,807,689 shares) in issue during the six months ended 30 June 2011.

The weighted average number of share for the purpose of calculating the basic earnings per share for the six months ended 30 June 2010 has adjusted for the effect of the 1,000-for-1 Share subdivision and capitalisation issue in 2010 retrospectively.

**7. 所得稅開支***- 續*

根據大慶乳業股東Global Milk Singapore的董事會決議案，Global Milk Singapore已作出不可撤銷的承諾，Global Milk Singapore不會促使大慶乳業自截至二零一一年十二月三十一日止年度的溢利中匯出任何股息。因此，本集團主要經營附屬公司大慶乳業截至二零一一年十二月三十一日止年度的純利將會保留且不作分派。於二零一一年六月三十日，與大慶乳業未分派溢利（並無就其確認遞延稅負債）相關的暫時差額總額為人民幣690.89百萬元（二零一零年十二月三十一日：人民幣553.79百萬元）。本集團並無就該差額確認任何負債，此乃因為本集團現時正控制該暫時差額的收回進度，且該差額很可能於可見未來無法收回或毋須繳納預扣稅。

# *英文名稱僅供識別。*

**8. 股息**

本公司於截至二零一一年六月三十日止六個月並無支付或擬派任何股息，且自報告期末亦無擬派任何股息（截至二零一零年六月三十日止六個月：無）。

**9. 每股盈利**

截至二零一一年六月三十日止六個月的每股盈利計算乃分別基於截至二零一一年六月三十日止六個月的本公司股權持有人應佔溢利及截至二零一一年六月三十日止六個月的已發行股份的加權平均數1,010,500,000股（截至二零一零年六月三十日止六個月：714,807,689股）。

用於計算截至二零一零年六月三十日止六個月的每股基本盈利的加權平均數乃按二零一零年的以1,000股換一股的股份分拆的影響及資本化發行獲追溯調整。



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 9. EARNINGS PER SHARE

- continued

The calculation of diluted earnings per share for the six months ended 30 June 2011 does not assume the exercise of the Company's share options as the exercise prices of the share options were higher than the average market price of the Company's shares for the six months ended 30 June 2011. There were no potential dilutive shares in issue during the six months ended 30 June 2010 and therefore, no diluted earnings per share amounts have been presented.

### 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2011, the Group disposed of certain plant and machinery with a carrying amount of RMB556,000 for cash proceeds of RMB468,000, resulting in a loss on disposal of RMB88,000 (six months ended 30 June 2010: carrying amount of RMB357,000, cash proceeds of RMB165,000 and resulting in a loss on disposal of RMB192,000).

In addition, during the six months ended 30 June 2011, the Group spent approximately RMB207,025,000 on construction in progress relating to the construction of the Group's dairy farm located at Wuchang, Heilongjiang, the PRC ("Wuchang Dairy Farm") and RMB5,006,000 on the acquisition of property, plant and equipment to upgrade its manufacturing capabilities (six months ended 30 June 2010: RMB7,286,000).

### 9. 每股盈利

- 續

截至二零一一年六月三十日止六個月的每股攤薄盈利之計算乃假設並無行使本公司購股權，此乃由於購股權的行使價高於本公司股份於截至二零一一年六月三十日止六個月的平均市價。由於截至二零一零年六月三十日止六個月並無發行潛在攤薄股份，故概無呈列每股攤薄盈利金額。

### 10. 物業、廠房及設備

截至二零一一年六月三十日止六個月，本集團出售若干賬面值為人民幣556,000元的廠房及機器，現金所得款項為人民幣468,000元，因而產生出售虧損人民幣88,000元(截至二零一零年六月三十日止六個月，賬面值為人民幣357,000元，現金所得款項為人民幣165,000元，產生出售虧損人民幣192,000元)。

此外，截至二零一一年六月三十日止六個月，本集團為建設其位於中國黑龍江五常市牧場(「五常牧場」)的在建工程動用約人民幣207,025,000元，並為提升其生產實力而動用人民幣5,006,000元收購物業、廠房及設備(截至二零一零年六月三十日止六個月：人民幣7,286,000元)。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 11. DEPOSITS PAID

### 11. 已付按金

		<b>As at 30 June 2011</b>	As at 31 December 2010
		於二零一一年 六月三十日	於二零一零年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
		<b>(unaudited)</b>	(audited)
		<b>(未經審核)</b>	(經審核)
The amounts represent deposits paid relating to:	金額指有關下列事項的已付按金：		
- Acquisition of dairy cow milking stations	- 收購乳牛擠奶站	<b>213,980</b>	-
- Acquisition of dairy cow	- 收購乳牛	<b>150,000</b>	-
- Equipment and ancillary facilities for Wuchang Dairy Farm	- 五常牧場的設備及配套设施	<b>43,400</b>	-
- Other property, plant and equipment	- 其他物業、廠房及設備	<b>18,677</b>	-
		<b>426,057</b>	-

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 12. TRADE AND OTHER RECEIVABLES

### 12. 應收貿易賬款及其他應收款項

		Notes	As at 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As at 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade receivables	貿易應收賬款	a	51,003	10,525
Advances to suppliers	向供應商墊款		77,164	3,905
Prepayments	預付款項		47,247	835
Amount due from 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 18 (a))	應收關連公司 大慶市百信源商品混凝土 有限公司 (Daqing City Baixinyuan Concrete Products Co., Ltd.#, "大慶百信源") (見附註18 (a))	b	251	251
Others	其他		601	195
			176,265	15,711

# The English names are for identification purpose only.

Notes:

#### (a) Trade receivables

The trade receivables as at 30 June 2011 comprise amounts receivable from the sales of goods.

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 at the end of the reporting period is as follows:

		As at 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As at 31 December 2010 於二零一零年 十二月三十一日 RMB'000 (audited) (經審核)
Within 30 days	30日內	51,003	10,525

#### (b) Amount due from Daqing Baixinyuan

The amount is interest-free, unsecured and repayable on demand.

# 英文名稱僅供識別。

附註:

#### (a) 應收貿易賬款

於二零一一年六月三十日的應收貿易賬款包括來自銷售貨品的應收款項。

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：

#### (b) 應收大慶百信源款項

該金額為免息、無抵押及須按要求償還。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 13. TRADE AND OTHER PAYABLES

### 13. 應付貿易賬款及其他應付款項

		Notes 附註	As at 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As at 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade payables	應付貿易款項	a	10,267	5,955
Advances from customers	客戶墊款		35,918	36,571
Amount due to 大慶市大正房地產開發有限公司 (Daqing City Dazheng Real Estate Development Co., Ltd. <sup>#</sup> , "Dazheng Real Estate"), a related company (see note 18 (a))	應付關連公司 大慶市大正房地產 開發有限公司 (Daqing City Dazheng Real Estate Development Co., Ltd. <sup>#</sup> , 「大正房地產」) (見附註18 (a))	b	-	200
Amount due to Mr Zhao (see note 18 (a))	應付趙先生款項 (見附註18 (a))	c	2,798	-
Payable on acquisition of property, plant and equipment:	收購物業、廠房及 設備應付款項:			
- 大慶市大正建築安裝有限公司 (Daqing City Dazheng Building Installation Co., Ltd. <sup>#</sup> , "Dazheng Building"), a related company (see note 18 (a))	- 關連公司大慶市大 正建築安裝有限 公司 (Daqing City Dazheng Building Installation Co., Ltd. <sup>#</sup> , 「大正建築」) (見附註18 (a))	b	-	7,255
- Others	- 其他		2,059	21,573
			2,059	28,828
Other tax payables	其他應付稅項		30,841	19,824
Accrued expenses	應計開支		13,250	18,857
Others	其他		1,786	1,253
			96,919	111,488

<sup>#</sup> The English names are for identification purpose only.

<sup>#</sup> 英文名稱僅供識別。



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 14. SHARE CAPITAL

### 14. 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:		
As at 1 January 2010 (HK\$0.01 each)	於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	於二零一零年二月三日 分拆股份	37,962,000,000	-
As at 30 June 2010, 31 December 2010 and 30 June 2011 (HK\$0.00001 each)	於二零一零六月三十日、 二零一零年十二月三十一日 及二零一一年六月三十日 (每股0.00001港元)	38,000,000,000	380

		Number of shares 股份數目	Share capital 股本	
			HK\$'000 千港元	RMB'000 人民幣千元
Issued:	已發行:			
As at 1 January 2010 (HK\$0.01 each)	於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 分拆股份 (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	-	-
As at 30 June 2010	於二零一零六月三十日	757,879	-	-
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
As at 31 December 2010 and 30 June 2011(HK\$0.00001 each)	於二零一零年十二月 三十一日及二零一一年 六月三十日 (每股0.00001港元)	1,010,500,000	10	9

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 15. BORROWINGS

### 15. 借款

		<b>As at 30 June 2011</b>	As at 31 December 2010
		於二零一一年 六月三十日	於二零一零年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
		<b>(unaudited)</b>	(audited)
		<b>(未經審核)</b>	(經審核)
Unsecured bank borrowings, with carrying amounts repayable:	無抵押銀行借款， 應償還賬面值：		
- More than one year, but not exceeding two years	- 超過一年但於兩年內	<b>100,000</b>	-
- More than two years, but not exceeding five years	- 超過兩年但於五年內	-	100,000
		<b>100,000</b>	100,000

The Group's bank borrowings carry effective interest rate per annum as follows:

本集團的銀行借款實際年利率如下：

		<b>As at 30 June 2011</b>	As at 31 December 2010
		於二零一一年 六月三十日	於二零一零年 十二月三十一日
		%	%
Effective interest rates (per annum):	實際利率(每年)：		
Fixed interest rates borrowings	固定利率借款	<b>5.3</b>	5.3

As at 30 June 2011, bank borrowings of RMB100,000,000 were guaranteed by a third party and are repayable in 2013 (31 December 2010: RMB100,000,000).

於二零一一年六月三十日，人民幣100,000,000元的銀行借款已抵押予一名第三方並應於二零一三年償還(二零一零年十二月三十一日：人民幣100,000,000元)。

## 16. SHARE-BASED PAYMENTS

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 10 October 2010 for the purpose to reward the directors and employees who have contributed to the Group and to encourage the directors and employees to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole, and will expire on 9 October 2020. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme of the Company shall not, in the absence of shareholders' approval, in aggregate exceed 10% in nominal amount of the aggregate of shares in issue on the listing date.

The maximum number of shares issued and to be issued upon exercise of the options granted to each grantee under the Scheme in any 12-month period shall not exceed 1% of the shares in issue for the time being.

Where any further grant of options to a director or employee would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders in general meeting with such director or employee and his associates abstaining from voting. The Company must send a circular to the shareholders disclosing the identity of the director or employee in question, the number and terms of the options to be granted (and options previously granted to such director or employee) and such other information required under the Rules Governing the Listing of Securities on the Stock Exchange.

At any time, the maximum number of shares which may be issued upon exercise of all options which then have been granted and have yet to be exercised under the Scheme shall not in aggregate exceed 30% of the shares in issue from time to time.

## 16. 以股份為基礎付款

本公司購股權計劃（「該計劃」）乃根據於二零一零年十月十日通過的決議案採納，以獎勵為本集團作出貢獻的董事及僱員，並鼓勵董事及僱員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，該計劃將於二零二零年十月九日屆滿。根據該計劃，本公司董事會或會向合資格僱員（包括本公司及其附屬公司董事）授出購股權，以認購本公司股份。

未經股東批准，根據本公司該計劃將予授出的所有購股權獲行使而發行的股份最高數目合共不得超過於上市日期已發行股份總數賬面值的10%。

因行使根據該計劃授予各承授人的購股權獲行使而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%。

向董事或僱員進一步授出購股權，將導致當於截至及包括該進一步授出日期止12個月期間內所有已授予及將授予該名人士的購股權（包括已行使、註銷及尚未行使購股權）獲行使時的已發行股份及將予發行股份合共超過已發行股份的1%，該進一步授出必須個別由股東於股東大會上批准，而董事或僱員及其聯繫人士須於該股東大會上放棄投票。本公司必須向股東寄發通函，披露董事會或僱員的身份、將予授出的購股權（以及早前向該董事或僱員授出的購股權）數目及條款，以及該等根據聯交所證券上市規則規定的其他資料。

於任何時間，可能因行使所有當時已授出惟尚未根據該計劃獲行使的購股權而予以發行的股份最高數目合共不得超過不時已發行股份的30%。



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 16. SHARE-BASED PAYMENTS

- continued

Pursuant to the Company's announcement on 28 April 2011, the Company granted to eligible directors and employees ("Grantees") 27,000,000 share options (the "Share Options") to subscribe for ordinary shares of HK\$0.00001 each in the Company, at an exercise price of HK\$3.512 per share.

The Share Options will be vested on 28 October 2012 and the exercisable period of the Share Options is from 28 October 2012 to 27 October 2014.

The closing price of the Company's shares immediately before 28 April 2011, the date of grant, was HK\$3.15 per share.

Details of the share options granted during the current interim period and the outstanding number of share options balance as at 30 June 2011 are as follows:

### 16. 以股份為基礎付款

- 續

根據本公司日期為二零一一年四月二十八日的公佈，本公司向合資格董事及僱員(「承授人」)授出27,000,000份購股權(「購股權」)，以行使價每股3.512港元認購本公司每股0.00001港元的普通股。

購股權將於二零一二年十月二十八日歸屬，而購股權的行使期為二零一二年十月二十八日至二零一四年十月二十七日。

本公司股份於緊接二零一一年四月二十八日(授出日期)前的收市價為每股3.15港元。

於本中期間授出的購股權詳情及於二零一一年六月三十日尚未行使的購股權結餘數目如下：

	Number of share options 購股權 數目
Granted during the six months ended 30 June 2011 and outstanding balance as at 30 June 2011	27,000,000

於截至二零一一年六月三十日止  
六個月授出及於二零一一年  
六月三十日的尚未行使結餘

The total fair values of the options determined at the date of grant using the Binomial model were HK\$28,701,000 (equivalent to RMB23,868,000). The following assumptions were used to calculate the fair value of share options:

於授出日期使用二項式模式釐定的購股權公允價值總額為28,701,000港元(相等於人民幣23,868,000元)。以下乃用以計算購股權公允價值的假設：

	28 April 2011 二零一一年 四月二十八日
Grant date share price	HK\$3.15 3.15港元
Exercise price	HK\$3.512 3.512港元
Expected volatility	50%
Dividend yield	0%
Risk-free interest rate	1.2%

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 16. SHARE-BASED PAYMENTS

- continued

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

During the six months ended 30 June 2011, the Group recognised share-based payments of approximately RMB2,747,000 which has been charged to the condensed statement of comprehensive income (six months ended 30 June 2010: nil).

### 17. COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

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 condensed consolidated financial statements	- 已訂約但於簡明綜合財務報表中尚未撥備
- authorised for but not contracted for	- 已授權但尚未訂約

The amounts represented capital commitments for construction of a dairy farm of approximately RMB51,139,000, construction of a bio-organic fertilizers and bio-gas power generation facility for the dairy farm of approximately RMB18,919,000, acquisition of dairy cow of approximately RMB20,000,000, and acquisition of other property, plant and equipment of approximately RMB10,890,000.

### 16. 以股份為基礎付款

- 續

二項式模式乃用以估計購股權之公允價值。計算購股權公允價值時所用之變量及假設乃基於董事之最佳估計。購股權之公允價值可能因不同變量及假設而變動。

於截至二零一一年六月三十日止六個月，本集團確認約人民幣2,747,000元以股份為基礎付款，該金額已計入簡明全面收益表中（截至二零一零年六月三十日止六個月：零）。

### 17. 資本承擔

於報告期末，本集團擁有以下資本承擔：

As at 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As at 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
100,948	11,189
-	298,580
<b>100,948</b>	<b>309,769</b>

金額包括就建設牧場的資本承擔約人民幣51,139,000元、就建設牧場的生物有機肥和沼氣發電設施的資本承擔約人民幣18,919,000元、就購買奶牛的資本承擔約人民幣20,000,000元及就購買其他物業、廠房及設備的資本承擔約人民幣10,890,000元。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 18. 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 (see note (i) below)
- 趙傳文 (Mr. Zhao CW, "Mr. Zhao CW") (see note (i) below)
- Dazheng Building (see note (i) below)
- Daqing Baixinyuan (see note (i) below)
- Dazheng Real Estate (see note (ii) below)
- 大慶市萬隆久盛經貿有限公司 (Daqing Wan Long Jiu Sheng Trading Co., Ltd. # "Daqing Wanlong") (see note (iii) below)
- Global Dairy Products (Canada) Inc. ("Global Dairy Canada", see note (iv) below)

# The English name is for identification purpose only.

#### Notes:

- i. Mr. Zhao CW, an executive director of the Company and the father of Mr. Zhao (the controlling shareholder, executive director and Chairman 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 owns 20% of the equity interest in Dazheng Real Estate.
- iii. 曹硯霞 (Ms Cao Yan Xia) and 李戰軍 (Mr. Li Zhan Jun) 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 and Mr. Li Zhan Jun is Ms Cao Yan Xia's husband.
- iv. Mr Zhao is a director of Global Dairy Canada and Madam Cao Yan Ming, Mr Zhao's mother, controls all the shares eligible to vote at general meetings of Global Dairy Canada.

### 18. 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

- 趙先生(見下文附註(i))
- 趙傳文(趙傳文先生·「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))
- 大慶市萬隆久盛經貿有限公司(「大慶萬隆」)(見下文附註(iii))
- Global Dairy Products (Canada) Inc. (「Global Dairy Canada」·見下文附註(iv))

# 英文名稱僅供識別。

#### 附註:

- i. 本公司執行董事趙傳文先生為本公司控股股東、執行董事兼主席趙先生的父親，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過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，擁有其20%股權。
- iii. 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，曹硯銘女士為趙先生的母親，而李戰軍先生為曹硯霞女士的丈夫。
- iv. 趙先生為Global Dairy Canada的董事及趙先生的母親曹硯銘女士控制合資格於Global Dairy Canada的股東大會上投票的全部股份。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

### 18. RELATED PARTY TRANSACTIONS

- continued

#### (b) Significant related party transactions

During the six months ended 30 June 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.

In addition, during the six months ended 30 June 2010, Daqing Wanlong granted an interest-free and unsecured advance of RMB50 million to the Company. The loan had no fixed repayment term. The loan was fully settled during the year ended 31 December 2010.

Saved as disclosed above in respect of transactions with certain related parties for the six months ended 31 June 2010, the Group has no other significant transactions with related parties during the period under review.

#### (c) Significant balances with related parties

Saved as otherwise disclosed in this condensed consolidated financial statements, the Group has no other outstanding significant balances with related parties at the end of the reporting period.

### 18. 關連方交易

- 續

#### (b) 重大關連方交易

於截至二零一零年六月三十日止六個月，本集團已就使用 Global Dairy Canada 名稱的權利向 Global Dairy Canada 支付 1.00 港元的牌照費。

此外，於截至二零一零年六月三十日止六個月，大慶萬隆向本公司授出人民幣 50 百萬元免息及無抵押的墊款。該筆貸款並無固定還款期，並已於截至二零一零年十二月三十一日止年度悉數償還。

除上文就於截至二零一零年六月三十日止六個月若干關連方交易所披露者外，本集團於回顧期內概無其他重大關連方交易。

#### (c) 重大關連方結餘

除於簡明綜合財務報表所披露者外，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。

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 簡明綜合財務報表附註

for the six months ended 30 June 2011 截至二零一一年六月三十日止六個月

(d) Compensation of key management personnel

The remuneration of directors and other members of key management were as follows:

(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：

		<b>Six months ended 30 June</b> 截至六月三十日止六個月	
		<b>2011</b> 二零一一年 <b>RMB'000</b> 人民幣千元 <b>(unaudited)</b> (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
Salaries and allowances	薪酬及津貼	<b>2,971</b>	264
Retirement benefits scheme contributions	退休福利計劃供款	<b>13</b>	11
Share-based payments	以股份為基礎付款	<b>2,747</b>	-
		<b>5,731</b>	275

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場趨勢而釐定。



Daqing Dairy Holdings Limited  
大慶乳業控股有限公司

[www.daqingdairy.com](http://www.daqingdairy.com)