



**SNOW BRAND**  
**HONG KONG CO., LTD.**  
**雪印香港有限公司**

Room 1001A, 10/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong.  
Telephone: 2529-8931 Fax: 2529-6376

**LC Paper No. CB(2)630/12-13(01)**

---

**Written Submission on**

**Measures to stabilize supply of formula products for infants and young children**

As a socially responsible corporation, Snow Brand has noticed that market demand of Infant Milk Powder has always suddenly surged during CNY period since year of 2009, therefore we have agreed with our sole agent, Four Seas, to maintain a higher stock level of our products at their warehouse (enough to cover 2 to 2.5 months of our normal sales volume) to ensure that we have adequate supply of products at retail level to meet extra consumer demand. Such measure is also implemented based on our past crisis management experience accumulated from the 2008 Mainland China Melamine Tainted Milk Incident as well as the 2011 March Japan earthquake and radiation crisis which drove up consumer demand on our Japan-made and Australia-made Snow Brand Infant Formula instantly by 300% within 2 weeks.

Therefore, we believe that the recent shortage crisis of infant formula in the market was limited to certain brands only and the problem seems to be intensified by the exaggeration of media. There are several quality infant formula brands still maintaining adequate supply to the market. Aside from studying what measures to take in order to help Hong Kong parents, the Government should have also taken more effort in educating consumers to switch to other brands which comply with the WHO Codex Standard and at the same time do not experience serious out of stock problem. As suggested by the Pediatricians and other medical professionals, nutrients of infant formula among different brands are more or less the same; there is no particular brand superior than the other. This will also help to maintain equilibrium of the demand and supply of IMF market instead of repeating the similar story in future.

We also appreciate that the Government establish a safety net to help consumers take orders when they fail to reach Infant Formula suppliers during this critical period. We shall cooperate with the Government to honor our commitment to deliver our products to consumers before Chinese New Year.

Last but not the least, Snow Brand would like to reiterate that our stock supply to retail market has been very healthy, our consumer hotline operation is also efficient for consumers to reach us without difficulty because we believe that, stabilizing supply of formula products for Hong Kong infants and young children should rest on our own effort as manufacturer, not the Government.

**Snow Brand Hong Kong Co., Ltd.**