

## **SUPPLEMENTARY UNAUDITED FINANCIAL INFORMATION**

As set out in note 2 to the interim financial statements, the Group's financial statements are prepared in accordance with Hong Kong Statements of Standard Accounting Practice and include the financial statements of the Company and the consolidated financial statements of Timor Enterprise Limited. In accordance with Hong Kong Statements of Standard Accounting Practice, the consolidated financial statements of Timor Enterprise Limited are prepared on an acquisition basis which requires the Timor Enterprise Limited to consolidate the accounts of subsidiaries from the date that the subsidiaries are acquired. Accordingly, the consolidated balance sheet of Timor Enterprise Limited as at 30th June, 2000 did not include assets and liabilities of those subsidiaries which acquired after 30th June, 2000.

For comparison purpose, the directors consider that it is appropriate to provide additional financial information to shareholders by presenting the pro forma combined profit and loss account and pro forma combined balance sheet of the Group for the interim period, which are prepared as if the subsidiaries acquired during the months from January to July 2000 had been subsidiaries of the Group since 1st July, 1999.

These pro forma financial statements do not form part of the interim financial statements of the Group and have not been subject to any independent audit or review by the Company's independent auditors.

## Pro forma combined profit and loss account

	For the six months ended 31st December, 2000 RMB'000	For the six months ended 31st December, 1999 RMB'000
Turnover		
Sales of crops	275,671	59,472
Sales of livestock	6,718	6,537
Sales of ancillary food products	2,177	946
	<u>284,566</u>	<u>66,955</u>
Cost of sales	<u>(69,588)</u>	<u>(17,986)</u>
Gross profit	214,978	48,969
Other revenues	2,579	71
Selling and distribution expenses	(20,902)	(4,461)
General and administrative expenses	(8,853)	(3,130)
Net other operating expenses	<u>(60)</u>	<u>(22)</u>
Operating profits	187,742	41,427
Finance costs	<u>(313)</u>	<u>—</u>
Profit before taxation	187,429	41,427
Taxation	<u>(1,652)</u>	<u>(13,658)</u>
Profit after taxation	185,777	27,769
Minority interests	<u>—</u>	<u>(6,346)</u>
Profit for the period	<u><u>185,777</u></u>	<u><u>21,423</u></u>
Earnings per share	<u>RMB15.0 cents</u>	<u>*RMB1.8 cents</u>

\*—The computation of the pro forma earnings per share for the six months ended 31st December, 1999 is based on the Group's pro forma combined profit after taxation and minority interests attributable to shareholders for the same period of RMB21,423,000 and 1,200,000,000 ordinary shares (the number of shares of the Company right before the placing and public offer) deemed to be in issue throughout the period.

## Pro forma combined balance sheet

	As at 31st December 2000 RMB'000	As at 30th June 2000 RMB'000
Fixed assets	55,224	6,536
Construction in progress	62,028	—
Deferred development costs	38,300	25,300
Long-term prepaid rental	108,624	51,883
Other long-term receivables and deposits	2,150	22,150
Current assets		
Inventories, at cost	20,243	7,565
Accounts receivable	17,951	4,459
Amounts due from related companies	—	200
Other receivables, deposits and prepayments	57,181	24,512
Loan to a third party	—	30,000
Bank balances and cash	611,602	13,940
	706,977	80,676
Current liabilities		
Amounts due to related companies	3,081	535
Other payables and accrued charges	25,089	18,374
Current portion of long-term payable	—	1,800
Dividend payable	—	20,000
Short term bank loans - secured	30,000	—
Taxation	38,642	36,990
	96,812	77,699
Net current assets	610,165	2,977
	876,491	108,846
Financed by:		
Share capital	169,824	516
Reserves	706,667	92,700
Shareholders' funds	876,491	93,216
Non-current liabilities		
Long-term advances from shareholders	—	15,630
	876,491	108,846