

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

	Notes	Six months period ended 30 June 2004 RMB'000	Six months period ended 30 June 2003 RMB'000
Revenue	(3)	3,289,371	2,266,193
Cost of sales		(2,686,404)	(1,828,399)
Gross profit		602,967	437,794
Other revenue		7,025	5,737
Distribution costs		(71,952)	(58,719)
Administrative expenses		(87,343)	(85,104)
Other operating expenses		(9,830)	(7,042)
Profit from operating activities	(4)	440,867	292,666
Finance costs		(6,569)	(6,369)
Profit before tax		434,298	286,297
Tax	(5)	(72,700)	(44,071)
Net profit attributable to shareholders		361,598	242,226
DIVIDENDS	(6)	108,799	72,533
EARNINGS PER SHARE	(7)		
Basic		RMB0.32	RMB0.21
Diluted		N/A	N/A

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CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

	Notes	30 June 2004 (Unaudited) RMB'000	31 December 2003 (Audited) RMB'000
NON-CURRENT ASSETS			
Fixed assets	(8)	1,539,558	1,370,811
Deposits		86,851	166,461
		1,626,409	1,537,272
CURRENT ASSETS			
Inventories		349,330	340,899
Trade debtors	(9)	497,264	507,938
Deposits, prepayments and other receivables		10,773	8,869
Cash and bank balances		989,098	807,858
		1,846,465	1,665,564
CURRENT LIABILITIES			
Trade creditors	(10)	89,069	74,985
Accruals and other creditors		86,161	99,717
Interest-bearing bank loans	(11)	200,000	200,000
Provision for tax		34,845	34,000
		410,075	408,702
NET CURRENT ASSETS		1,436,390	1,256,862
		3,062,799	2,794,134
CAPITAL AND RESERVES			
Issued capital	(12)	603,343	603,343
Proposed dividend		108,799	92,933
Reserves		2,350,657	2,097,858
		3,062,799	2,794,134

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	Six months period ended 30 June 2004 RMB'000	Six months period ended 30 June 2003 RMB'000
Net cash inflow from operating activities	448,884	386,893
Net cash outflow from investing activities	(173,326)	(50,128)
Net cash outflow from financing activities	(92,933)	(215,332)
Net increase in cash and cash equivalents	182,625	121,433
Cash and cash equivalents at beginning of period	212,418	484,822
CASH AND CASH EQUIVALENTS AT END OF PERIOD	395,043	606,255
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	989,098	1,090,220
Time deposits with original maturity of more than three months when acquired	(594,055)	(483,965)
	395,043	606,255

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

GROUP

	Issued share capital RMB'000	Share premium account RMB'000 (Note 2)	Statutory reserves RMB'000 (Note 1, 2)	Retained profits RMB'000 (Note 2)	Proposed dividend RMB'000	Total RMB'000
Balance at 1 January 2003	603,343	557,229	85,045	1,068,993	215,332	2,529,942
Dividend paid — 2002 Final	—	—	—	—	(215,332)	(215,332)
Transfer to statutory reserves	—	—	13,480	(13,480)	—	—
Net profit for the period	—	—	—	242,226	—	242,226
Proposed dividend — 2003 Interim	—	—	—	(72,533)	72,533	—
Balance at 30 June 2003	603,343	557,229	98,525	1,225,206	72,533	2,556,836
Balance at 1 January 2004	603,343	557,229	141,069	1,399,560	92,933	2,794,134
Dividend paid — 2003 Final	—	—	—	—	(92,933)	(92,933)
Transfer to statutory reserves	—	—	28,577	(28,577)	—	—
Net profit for the period	—	—	—	361,598	—	361,598
Proposed dividend — 2004 Interim	—	—	—	(108,799)	108,799	—
Balance at 30 June 2004	603,343	557,229	169,646	1,623,782	108,799	3,062,799

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Notes:

1. In accordance with relevant PRC regulations, the Group's wholly owned subsidiaries: Linyi Xincheng Jinluo Meat Products Co., Ltd ("Linyi Xincheng"), Linyi Minsheng Food Development Co., Ltd ("Linyi Minsheng"), Tongliao Jinluo Food Co., Ltd ("Tongliao Jinluo"), Xiangtan Jinluo Food Co., Ltd ("Xiangtan Jinluo"), Meishan Jinluo Food Co., Ltd ("Meishan Jinluo"), Daqing Jinluo Meat Products Co., Ltd ("Daqing Jinluo"), Qiqihaer Jinluo Meat Products Co., Ltd. ("Qiqihaer Jinluo") and Dezhou Jinluo Meat Products Co., Ltd. ("Dezhou Jinluo"), being wholly foreign-owned enterprises established in the PRC, are required to appropriate not less than 10% of their profits after tax to the respective statutory reserves, until the respective balances of the fund reach 50% of the respective registered capitals. Subject to certain restrictions as set out in the relevant PRC regulations, their statutory reserves may be used to offset against their respective accumulated losses, if any.
2. As at 30 June 2004, these consolidated reserve accounts comprised the consolidated reserves of approximately RMB2,350,657,000 (31 December 2003: approximately RMB2,097,858,000) in the condensed consolidated balance sheet.