



TOP GLORY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT CONNECTED TRANSACTION AND PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY FOUR EXISTING SHARES HELD

The Acquisition

The Directors are pleased to announce that the Company entered into the Sale and Purchase Agreement on 25th July, 2002 with COFCO (HK), pursuant to which the Company agreed to purchase from COFCO (HK) the entire issued share capital of Junwell and the Shareholder's Loan for a total consideration of HK\$165.2 million to be fully satisfied in cash. Junwell is an investment holding company and its principal asset is its holding of 99% of the registered capital of Guangzhou Qiaopeng. Guangzhou Qiaopeng is engaged in the development of a property project known as the Guangzhou Metro Paradise. Guangzhou Metro Paradise is located at Tian He District, Guangzhou, the PRC and consists of 5 blocks of 30-storey residential apartments atop a 4-storey commercial podium. The total gross floor area of Guangzhou Metro Paradise is about 128,595 sq.m. and the construction was completed.

The Acquisition is subject to the conditions as set out in the paragraph headed "Conditions of the Sale and Purchase Agreement" below. The Acquisition is conditional upon, among other things, the approval of the Sale and Purchase Agreement at the EGM and the fulfillment of all the conditions of the Rights Issue including the obligations of COFCO (HK) under the Underwriting Agreement.

The Directors consider that the Acquisition represents a good opportunity for the Company to enhance its earnings and would generate an attractive return on investment.

As at the date of this announcement, COFCO (HK) was interested in 1,351,327,039 Shares, representing approximately 50.51% of the existing issued share capital of the Company. As COFCO (HK) is the controlling shareholder of the Company, the Acquisition constitutes a connected transaction of the Company for the purpose of the Listing Rules and is therefore subject to Independent Shareholders' approval.

The Rights Issue

The Directors also announce that the Company proposes to issue, by way of rights, 668,784,023 Rights Shares at HK\$0.35 each to raise an amount of about HK\$232.5 million after deducting estimated expenses. The Company will provisionally allot one Rights Share in nil-paid form for every four existing Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue is not available to the Overseas Shareholders.

Of the net proceeds of the Rights Issue, HK\$165.2 million would be used for the Acquisition and the balance would be used for general working capital purposes.

The Rights Issue is subject to the conditions set out below under the paragraph headed "Conditions of the Rights Issue".

The Acquisition and the Rights Issue are inter-conditional upon each other and therefore the Rights Issue is also subject to the Independent Shareholders' approval.

COFCO (HK), being the controlling Shareholder, has irrevocably undertaken, and will procure its wholly-owned subsidiaries to undertake, to the Company that the Shares beneficially owned by them will remain registered in their names from the date of this announcement to the Record Date and that they will take up their entitlements, amounting in aggregate 337,831,759 Rights Shares, under the Rights Issue in full.

Pursuant to the Underwriting Agreement, the Rights Shares other than the Rights Shares to be issued to and accepted by COFCO (HK) have been fully underwritten by COFCO (HK). In the event that COFCO (HK) is called upon to take up its underwriting obligations under the Underwriting Agreement in full, the aggregate shareholding interests of COFCO (HK) and its associates in the issued share capital of the Company as enlarged by the Rights Issue would be increased to approximately 60.41%.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. If the Underwriting Agreement is terminated, the Rights Issue will not be fully underwritten and in such circumstances, in compliance with Rule 7.19 of the Listing Rules, the Rights Issue will not proceed.

The Independent Board Committee consisting of the independent non-executive Directors, namely Mr. Lau Kwok Hing and Mr. Liang Shangli, has been established to advise the Independent Shareholders on terms of the Acquisition and the Rights Issue. In connection therewith, an independent financial adviser will be appointed to advise the Independent Board Committee on terms of the Acquisition and the Rights Issue.

A circular containing, among others, details of the Acquisition and the Rights Issue, a letter from the Independent Board Committee, a letter from the independent financial adviser to the Independent Board Committee and a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares.

Shareholders and potential investors should exercise caution in dealing of the securities in the Company.

1. SALE AND PURCHASE AGREEMENT

Date

25th July, 2002

Parties

The Company
COFCO (HK)

Assets to be acquired

The entire issued share capital of Junwell and the Shareholder's Loan (with an aggregate amount of approximately HK\$280.6 million after adjusting for the Independent Valuation)

Consideration and payment terms of the Sale and Purchase Agreement

The Consideration payable by the Company for the Acquisition amounts to HK\$165.2 million, which will be fully satisfied in cash.

The Consideration has been determined after arm's length negotiations between the Company and COFCO (HK) with reference to the unaudited net asset value of Junwell as at 30th June, 2002 (adjusted for the Independent Valuation of the Guangzhou Metro Paradise) of approximately HK\$192.4 million, and the Shareholder's Loan of approximately HK\$88.2 million as at 30th June, 2002. The consideration payable for the benefits of Shareholder's Loan is based on the face value of the loan as stated in the management accounts of Junwell as at 30th June, 2002. The Consideration payable by the Company for the Acquisition represents a discount of approximately 41.1% to HK\$280.6 million being the sum of the unaudited net asset value of Junwell as at 30th June, 2002 (after adjusting for the Independent Valuation) and the Shareholder's Loan. The Directors (including the independent non-executive Directors) consider that the terms of the Acquisition are based on normal commercial terms and are fair and reasonable in so far as the Shareholders are concerned.

The Company intends to fund the Acquisition from the net proceeds of the Rights Issue.

Conditions of the Sale and Purchase Agreement

Completion of the Sale and Purchase Agreement will be conditional upon the fulfillment of the following conditions:

- the due diligence on Junwell including, without limitation, the state of affairs, assets and liabilities, financial position and business operation of Junwell, being satisfactorily completed by the Company and no matter appearing to the Company which in the reasonable opinion of the Company may materially and adversely affect the value of the shares of Junwell and/or the Shareholder's Loan;
- the relevant PRC governmental or other regulatory authorities having given all necessary approvals and consents for the parties hereto entering into the Sale and Purchase Agreement and carrying out the transactions contemplated thereby including but not limited to the Rights Issue, or qualified lawyers in the PRC having issued a legal opinion (in a form reasonably satisfactory to the Company) that all such necessary consents and approvals have been obtained or no such consents and approvals are required;
- the approval of the Sale and Purchase Agreement and the transactions thereby contemplated by the Shareholders (other than those prohibited from voting under the Listing Rules) at the EGM;
- all the conditions precedent (save and except such condition(s) precedent relating to the fulfillment of all the conditions of the Sale and Purchase Agreement) to which the Rights Issue is subject having been fulfilled or waived in accordance with the terms thereof and, in particular, the obligations of COFCO (HK) under the Underwriting Agreement having become unconditional (save

and except such condition(s) precedent relating to the fulfillment of all the conditions of the Sale and Purchase Agreement) and not being terminated in accordance with the terms of that agreement or otherwise;

- the parties having obtained from the lenders and third parties all (if any) requisite consents to or approval for them to enter into the Sale and Purchase Agreement and to carry out the transactions contemplated thereby; and
- the Company having obtained (i) legal opinions by qualified lawyers in the PRC on matters relating to the subsidiary of Junwell; and (ii) a certificate of incumbency relating to Junwell, each in such form and substance reasonably satisfactory to the Company.

Save for conditions (a), (b) (c) and (d) above, all other conditions may be waived by the Company at its sole discretion.

Completion of the Acquisition

Completion of the Sale and Purchase Agreement will take place on the third Business Day after all relevant conditions are fulfilled (or as to conditions (e) and (f) above waived by the Company) on or before 30th November, 2002, or such later date (being a date not later than 31st December, 2002) as the parties may agree in writing.

2. THE RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue:	One Rights Share for every four existing Shares on the Record Date at a subscription price of HK\$0.35 per Rights Share
Number of Shares in issue:	2,675,136,092 Shares as at the date of this announcement
Number of Rights Shares:	668,784,023 Shares

The 668,784,023 Rights Shares proposed to be provisionally allotted represent 25% of the existing issued share capital of the Company and 20% of the Company's issued share capital as enlarged by the issue of the Rights Shares.

As at the date of the announcement, no options to subscribe for Shares had been granted to any of the Directors or their respective associates or the Group's employees under the share option scheme adopted by the Company on 13th May, 2002.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only and the Prospectus, for information only, to the Overseas Shareholders.

To qualify for the Rights Issue, a Shareholder must:

- be registered as a member of the Company on the Record Date; and
- have an address in Hong Kong which appears on the register of members of the Company on the Record Date.

In order to be registered as members on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Company's share registrars, Secretaries Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong by 4:00 p.m. on 17th September, 2002.

Closure of register of members

The register of members of the Company will be closed from 18th September, 2002 to 20th September, 2002 (both dates inclusive). No transfers of Shares will be registered during this period.

Subscription price for the Rights Shares

HK\$0.35 per Rights Share payable in full upon acceptance of the assured entitlements and (where applicable) application for excess Rights Shares under the Rights Issue.

Such subscription price represents:

- a discount of about 23.08% to the closing price of HK\$0.455 per Share as quoted on the Stock Exchange on 25th July, 2002 (being the date of the Underwriting Agreement);
- a discount of about 26.62% to the average closing price of HK\$0.477 per Share based on the daily closing prices as quoted on the Stock Exchange over the 10 trading days up to and including 25th July, 2002 (being the date of the Underwriting Agreement);
- a discount of about 19.35% to the theoretical ex-rights price of approximately HK\$0.434 per Share based on the closing price per Share as quoted on the Stock Exchange on 25th July, 2002 (being the date of the Underwriting Agreement).

Such subscription price was determined after arm's length negotiations with the Underwriter.

Status of the Rights Shares

The Rights Shares (when allotted and fully-paid) will rank pari passu with the then existing Shares in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the Rights Shares.

Nil-paid Rights Shares are expected to be traded in board lots of 2,000 Shares. Dealing in the Rights Shares in both the nil-paid and fully-paid forms registered in the register of the Company in Hong Kong will be subject to the payment of stamp duty in Hong Kong.

Certificates for Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Right Shares are expected to be posted on or around 15th October, 2002 to those who have accepted and (where applicable) applied for, and paid for the Rights Shares at their own risk.

Rights of Overseas Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdictions other than Hong Kong. The Company will send the Prospectus to the Overseas Shareholders for their information only and will not send provisional allotment letters or application forms for excess Rights Shares to the Overseas Shareholders. However, Overseas Shareholders who are Independent Shareholders are entitled to vote at the EGM.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Overseas Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of HK\$100 or more will be paid pro-rata to the Overseas Shareholders. The Company will retain individual amounts of less than HK\$100.

Fractional entitlements

Fractions of the Rights Shares in the nil-paid form will not be allotted. If a premium, net of expenses, can be obtained, the Company will sell any Rights Shares created from aggregation of fractions of the Rights Shares in nil-paid form and will retain the proceeds.

Application for excess Rights Shares

The Qualifying Shareholders are entitled to apply for unsold entitlements of the Overseas Shareholders, any unsold Rights Shares created by adding together fractions of Rights Shares, and any Rights Shares provisionally allotted but not accepted.

Applications for excess Rights Shares may be made by completing the appropriate excess application form and a separate remittance for the excess Rights Shares. The Directors will allocate the excess Rights Shares at their discretion on a fair and reasonable basis.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both the nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Dealing in the Rights Shares in both nil-paid and fully-paid forms will be subject to the payment of stamp duty in Hong Kong.

3. EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:—

2002

Last day of dealings in Shares on a cum-rights basis	Friday, 13th September
First day of dealings in Shares on an ex-rights basis	Monday, 16th September
Latest time for lodging transfers of Shares	4:00 p.m. on Tuesday, 17th September
Register of members closed (both dates inclusive)	Wednesday, 18th September to Friday, 20th September
Latest time for lodging forms of proxy for the EGM	4:00 p.m. on Wednesday, 18th September
EGM	4:00 p.m. on Friday, 20th September
Record Date for the Rights Issue	Friday, 20th September
Announcement of results of the EGM	Monday, 23rd September
Register of members re-opens	Monday, 23rd September
Despatch of the Prospectus Documents	Tuesday, 24th September
First day of dealings in nil-paid Rights Shares	Wednesday, 25th September
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on Monday, 30th September
Last day of dealings in nil-paid Rights Shares	Friday, 4th October
Latest time for payment for and acceptance of Rights Shares	4:00 p.m. on Wednesday, 9th October
Rights Issue expected to become unconditional	Friday, 11th October
Announcement of results of acceptance of the Rights Issue on or around	Tuesday, 15th October
Despatch of refund cheques in respect of wholly or partially unsuccessful excess applications on or around	Tuesday, 15th October
Certificates for fully-paid Rights Shares expected to be despatched on or around	Tuesday, 15th October
First day of dealings in the fully-paid Rights Shares	Thursday, 17th October

Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be exercised or varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published by way of public announcements.

4. UNDERWRITING AGREEMENT

Underwriting Agreement

Date: 25th July, 2002
Underwriter: COFCO (HK), a controlling Shareholder which was interested in approximately 50.51% in the existing issued share capital of the Company

Number of Rights Shares underwritten by COFCO (HK): a maximum of 330,952,264 Rights Shares

Since COFCO (HK) is the controlling Shareholder, the Underwriting Agreement will constitute a connected transaction for the Company which is exempted from independent shareholders' approval requirements pursuant to Rule 14.24(6)(c) of the Listing Rules. However, the Rights Issue and the Acquisition are inter-conditional and therefore the Rights Issue is still subject to the Independent Shareholders' approval.

As at the date of this announcement, COFCO (HK) was interested in 1,351,327,039 Shares, representing approximately 50.51% of the existing issued share capital of the Company. COFCO (HK), being the controlling Shareholder, has irrevocably undertaken, and will procure its wholly-owned subsidiaries to undertake, to the Company that the Shares beneficially owned by them will remain registered in their names from the date of this announcement to the Record Date and that they will take up their entitlements, amounting in aggregate 337,831,759 Rights Shares, under the Rights Issue in full.

In the event that the Underwriter is called upon to take up its underwriting obligations under the Underwriting Agreement in full, the shareholding interest of COFCO (HK) in the issued share capital of the Company as enlarged by the Rights Issue would be approximately 60.41%.

Shareholding structure

The shareholding structure of the Company is as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue (assuming existing Shareholders taken up their entitlements under the Rights Issue)		Immediately after completion of the Rights Issue (assuming the Rights Shares were fully underwritten by the Underwriter)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
COFCO (HK)	1,351,327,039	50.51	1,689,158,798	50.51	2,020,111,062	60.41
Public shareholders	1,323,809,053	49.49	1,654,761,317	49.49	1,323,809,053	39.59
Total	<u>2,675,136,092</u>	<u>100.00</u>	<u>3,343,920,115</u>	<u>100.00</u>	<u>3,343,920,115</u>	<u>100.00</u>

Underwriting fee

The Company shall pay to COFCO (HK) only such out-of-pocket and other expenses reasonably and properly incurred by COFCO (HK) in connection with the Underwriting Agreement. No underwriting commission will be paid by the Company to COFCO (HK).

Termination of the Underwriting Agreement

COFCO (HK) may, in addition to and without prejudice to any other remedies to which the COFCO (HK) may be entitled (after consultation with the Company as the circumstances shall permit), by notice in writing to the Company terminate the Underwriting Agreement forthwith if at any time between the date of the Underwriting Agreement and 4:00 p.m. on the second business day following 9th October, 2002 or such other date the Company and COFCO (HK) may agree in writing, one or more of the following events or matters (whether or not forming part of a series of events) shall occur, arise, or exist:

- COFCO (HK) shall become aware of the fact that, or shall have reasonable cause to believe that, any of the representations, warranties and undertakings under the Underwriting Agreement was, when originally given or when repeated as provided under the Underwriting Agreement, untrue, inaccurate or misleading, and in each case the same is (in the reasonable opinion of the COFCO (HK)) material in the context of the Rights Issue; or
- any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
 - any change in local, national or international financial, political, industrial or economic conditions;
 - any change of an exceptional nature in local, national or international equity securities markets;
 - any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
 - any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances;
 - any suspension in the trading of the Shares on the Stock Exchange for a continuous period of ten Business Days;
 - any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere which will or may materially and adversely affect the Group or a material proportion of the Shareholders in their capacity as such,which event or events is or are in the reasonable opinion of the COFCO (HK);
- likely to have a material adverse effect on the business or financial or trading position or prospects of the Company or the Group; or
- likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken up; or
- so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue.

In the event that the Underwriting Agreement or the obligations of the Underwriter under the Underwriting Agreement shall be terminated, the provisions of the Underwriting Agreement shall cease and terminate and no party shall have any claim against any party under the Underwriting Agreement for compensation, costs, damages or otherwise, save that the Company shall reimburse on demand to the Underwriter its expenses in connection with the Underwriting Agreement. If COFCO (HK) exercises its right to terminate, the Rights Issue will not proceed.

5. CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon, among other things, each of the following events:

- Listing Committee of the Stock Exchange having granted (subject only to provisional allotment and/or allotment of the Rights Shares, the posting of the Prospectus Documents and despatch of certificates in respect of the Rights Shares and any other matters which are agreed between the Company and the Underwriter) the listing of and permission to deal in the Rights Shares (both nil paid and fully paid) on the Stock Exchange, in each case by no later than 24th September, 2002 and such listing and permission to deal not being revoked prior to 4:00 p.m. on the second business day after 9th October, 2002 or such other date the Company and COFCO (HK) may agree in writing;
- the filing with and registration of the Prospectus Documents (with all the documents required to be attached thereto under the Companies Ordinance) (all having been duly authorised for registration by the Stock Exchange and signed by or on behalf of two Directors) by the Registrar of Companies in Hong Kong in compliance with the Companies Ordinance by no later than 24th September, 2002 or such other day as the Company and the Underwriter may agree;
- the posting of the Prospectus Documents to Qualifying Shareholders on or around 24th September, 2002 or such other day as the Company and the Underwriter may agree;
- the approval of the Rights Issue by the Shareholders (other than those prohibited from voting under the Listing Rules) at the EGM;
- all conditions precedent (save and except such condition(s) precedent relating to the fulfillment of all the conditions of the Rights Issue) under the Sale and Purchase Agreement have been fulfilled or waived in accordance with the provisions thereof;
- the Company having obtained from the lenders and third parties all (if any) requisite consents or approvals for the Rights Issue and the transactions contemplated thereby; and
- the obligations of COFCO (HK) under the Underwriting Agreement in respect of the Rights Issue having become unconditional and not being terminated in accordance with the terms of that agreement or otherwise.

If any of the conditions to the Underwriting Agreement are not fulfilled on or before 30th November, 2002 or shall become incapable of being fulfilled on or before such time or date, or such later date as the Company and the Underwriter may agree in writing, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate and cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save in respect of any antecedent breach of any obligation under the Underwriting Agreement.

6. REASONS FOR THE ACQUISITION AND THE RIGHTS ISSUE AND THE USE OF PROCEEDS OF THE RIGHTS ISSUE

The Directors believe that the Acquisition represents a good opportunity for the Company to secure a property development project in the prime location in Guangzhou, the PRC, which the Directors consider that the Acquisition could enhance the Company's earnings and would generate an attractive return on investment for the Company.

The Directors consider that it is in the interests of the Company and its shareholders to strengthen the Company's capital base and financial position through the Rights Issue, which will also allow all Shareholders to have the opportunity to participate in the growth of the Company. The Rights Issue will reduce the Group's gearing and strengthen the Group's liquidity position.

The estimated expense of the Rights Issue is approximately HK\$1.5 million, which will be borne by the Company. It is expected that the net proceeds from the Rights Issue will amount to about HK\$232.5 million of which HK\$165.2 million would be used for the Acquisition and the balance would be used for general working capital purposes.

7. INFORMATION ON THE GROUP

Business

The Company is an investment holding company. The Company, through its subsidiaries and associates, is principally engaged in property investment and development, hotel ownership and operations, food processing and related businesses which include edible oils refining, wine-making and beverage, food trading and flour milling.

Financial information

The following table sets out a summary of the audited consolidated results of the Group for the two years ended 31st December, 2001 and 2000:

	Year ended 31st Dec, 2001 <i>HK\$' million</i>	Year ended 31st Dec, 2000 <i>HK\$' million</i>
Turnover	1,040.6	1,876.7
(Loss)/profit for the year	(656.1)	65.3

The audited consolidated net tangible asset value of the Group was about HK\$4,667 million as at 31st December, 2001, which is equivalent to about HK\$1.74 per Share.

8. INFORMATION ON COFCO (HK)

COFCO (HK) is an investment holding company and a wholly-owned subsidiary of COFCO. As at the date of this announcement, COFCO (HK) was interested in 1,351,327,039 Shares, representing approximately 50.51% of the existing issued share capital of the Company. COFCO (HK) was also interested in 67.84% of the issued share capital of COFCO International Limited. COFCO International Limited, through its subsidiaries and associates, is principally engaged in food processing and related businesses which include edible oils, wineries, trading, confectionery and flour milling. The ordinary course of business of COFCO (HK) does not include underwriting of securities.

9. INFORMATION ON JUNWELL

Business

Junwell is a company incorporated in Samoa with limited liability and is wholly-owned by COFCO. It is an investment holding company and its principal asset is its holding of 99% of the registered capital of Guangzhou Qiaopeng. Guangzhou Qiaopeng is engaged in the development of a property project known as the Guangzhou Metro Paradise. Guangzhou Metro Paradise is located at Tian He District, Guangzhou, the PRC and consists of 5 blocks of 30-storey residential apartments atop a 4-storey commercial podium. The total gross floor area of Guangzhou Metro Paradise is about 128,595 sq.m. and the construction was completed. The Guangzhou Metro Paradise altogether has 505 residential units, 499 car parking spaces and 17 retail units. Up to 30th June, 2002, a total of 278 residential units, 8 retail units and 45 car parking spaces were sold. Chesterton Petty Ltd., an independent valuer engaged by the Company to value the Remaining Units, has valued the Remaining Units at an open market value of HK\$434 million as at 30th June, 2002. Such open market value represents a surplus of HK\$125.6 million to the book value of the Remaining Units as stated in the management accounts of Junwell as at 30th June, 2002.

Upon completion of the Acquisition, the Company intends to continue with the existing business of Junwell and engage in the sale of the Remaining Units of Guangzhou Metro Paradise.

Financial information

The following table sets out a summary of the unaudited consolidated results of Junwell for the two years ended 31st December, 2001 and the six months ended 30th June, 2002:

	Six months ended 30th June, 2002 <i>HK\$' million</i>	Year ended 31st Dec, 2001 <i>HK\$' million</i>	Year ended 31st Dec, 2000 <i>HK\$' million</i>
Turnover	340.5	-	-
Profit for the period/year	76.7	(8.6)	(0.2)

The unaudited consolidated net tangible asset value of Junwell as at 30th June, 2002 was about HK\$66.8 million.

10. WARNING OF THE RISK OF DEALING IN SHARES AND RIGHTS SHARES

Existing Shares will be dealt in on an ex-rights basis from 16th September, 2002. Dealings in the Rights Shares in the nil-paid form will take place from 25th September, 2002 to 4th October, 2002 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form during the period from 25th September, 2002 to 4th October, 2002 who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination ceases) and any persons dealing in the nil-paid Rights Shares during the period from 25th September, 2002 to 4th October, 2002 will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

11. APPROVAL BY THE INDEPENDENT SHAREHOLDERS

As COFCO (HK) is the controlling Shareholder, the entering into of the Sale and Purchase Agreement constitutes a connected transaction by the Company for the purpose of the Listing Rules. The execution of the Sale and Purchase Agreement is subject to, among other things, the approval of the Independent Shareholders at the EGM.

The Acquisition and the Rights Issue are inter-conditional on each other and therefore the Rights Issue is also subject to the Independent Shareholders' approval at the EGM.

The EGM will be convened as soon as practicable at which all necessary resolutions will be proposed to approve the Acquisition and the Rights issue.

12. GENERAL

The Independent Board Committee consisting of the independent non-executive Directors, namely Mr. Lau Kwok Hing and Mr. Liang Shangli, has been established to advise the Independent Shareholders on terms

of the Acquisition and the Rights Issue. In connection therewith, an independent financial adviser will be appointed to advise the Independent Board Committee on terms of the Acquisition and the Rights Issue.

A circular containing, among others, details of the Acquisition and the Rights Issue, a letter from the Independent Board Committee, a letter from the independent financial adviser to the Independent Board Committee and a notice convening the EGM to consider the Acquisition and the Rights Issue will be despatched to the Shareholders as soon as practicable.

Shareholders and potential investors should exercise caution in dealing of the securities in the Company.

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:-

"Acquisition"	the acquisition by the Company from COFCO (HK) of the entire issued share capital of Junwell together with the Shareholder's Loan
"associates"	shall have the same meaning as defined in the Listing Rules
"Board"	the board of directors of the Company
"Business Day(s)"	day(s) on which banks are open for business in Hong Kong(excluding Saturdays and Sundays)
"COFCO"	China National Cereals, Oils & Foodstuffs Import & Export Corporation, a stated-owned enterprise of the PRC under the purview of the State Council of the PRC
"COFCO (HK)"	COFCO (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of COFCO and the controlling shareholder of the Company
"Company"	Top Glory International Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange
"Consideration"	the aggregate consideration for the acquisition of the entire issued share capital of Junwell and the Shareholder's Loan which amounts to HK\$165.2 million
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to approve, inter alia, the Acquisition and the Rights Issue
"Group"	the Company and its subsidiaries
"Guangzhou Qiaopeng"	Guangzhou Qiaopeng Estate Development Company Limited 廣州僑鵬房產開發有限公司, a sino-foreign cooperative joint venture established in the PRC and is owned as to 99% by Junwell
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Valuation"	the independent valuation of the Remaining Units of Guangzhou Metro Paradise as at 30th June, 2002 prepared by Chesterton Petty Ltd., an independent professional property valuer
"Independent Board Committee"	an independent committee of the Board consisting of the independent non-executive Directors, namely Mr. Lau Kwok Hing and Mr. Liang Shangli has been established to advise the Independent Shareholders in respect of the Acquisition and the Rights Issue
"Independent Shareholders"	shareholders of the Company, other than COFCO (HK) and its associates
"Junwell"	Junwell Investments Limited, a company incorporated in Samoa with limited liability and is wholly-owned by COFCO (HK)
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Overseas Shareholder(s)"	the Shareholder(s) whose name(s) appear on the register of members of the Company on the close of business on the Record Date and whose registered address(es) as shown on such register are outside Hong Kong where, in the opinion of the Board, the Rights Shares may not be offered to them without compliance with registration and/or other legal or regulatory requirements in such jurisdictions
"PRC"	People's Republic of China
"Prospectus"	a prospectus to be issued by the Company in relation to the Rights Issue
"Prospectus Documents"	the Prospectus together with the provisional allotment letter and the form of application for excess Rights Shares
"Qualifying Shareholder(s)"	the Shareholder(s), other than the Overseas Shareholder(s), whose name(s) appear on the register of members of the Company at the close of business on the Record Date and whose address(es), as shown on such register of members of the Company, are in Hong Kong
"Record Date"	20th September 2002, being the date by reference to which entitlements for the provisional allotment of the nil-paid Rights Shares under the Rights Issue are expected to be determined
"Remaining Units"	the 227 residential units, the 9 retail units and 454 car parking spaces owned and yet to be sold by Guangzhou Qiaopeng as at 30th June, 2002
"Rights Issue"	the rights issue of one Rights Share for every four existing Shares held
"Rights Share(s)"	new Share(s) to be issued under the Rights Issue
"Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 25th July, 2002 entered into between the Company and COFCO (HK) in respect of the Acquisition
"Share(s)"	share(s) of HK\$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s) in issue
"Shareholder's Loan"	the entire balance of the shareholder's loan of HK\$88,170,277 advanced by COFCO (HK) to Junwell as at 30th June, 2002
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Underwriter"	COFCO (HK)
"Underwriting Agreement"	the agreement dated 25th July, 2002 entered into between the Company and COFCO (HK) in relation to the Rights Issue
"HK\$"	Hong Kong Dollar, the lawful currency of Hong Kong
"sq.m."	square metres

By Order of the Board
Xue Guoping
Vice-Chairman & Managing Director

Beijing, 25th July, 2002