



TOP GLORY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

CONNECTED TRANSACTIONS

Lease renewal of certain floors of office space in Top Glory Tower

A wholly-owned subsidiary of the Company had entered into 6 separate tenancy agreements with COFCO (Hong Kong) Limited and its associates (as defined in the Listing Rules) for the renewal of the lease of certain floors of office space in Top Glory Tower, the Company's office tower in Causeway Bay for a period of 2 years from 1st January 2002 to 31st December, 2003 at an aggregate lease rental of HK\$10,763,808.00. The terms of the tenancy agreements were determined after arm's length negotiations and were on normal commercial terms.

Since the tenants are the Company's substantial shareholder and its associates (as defined in the Listing Rules), the tenancy agreements are connected transactions for the Company under the Listing Rules. The Company will include details of the transactions in its next published annual report and accounts.

Tenancy Agreements

1. The tenancy agreement dated 31st December, 2001 between Bapton and COFCO (Hong Kong) Limited (formerly "Top Glory Holding Company Limited") ("Agreement 1")

Parties to Agreement 1

- (1) Landlord: Bapton Company Limited ("Bapton"), a wholly-owned subsidiary of the Company.
- (2) Tenant: COFCO (Hong Kong) Limited ("COFCO HK"), an intermediate holding company of the Company, which together with its associates (as defined in the Listing Rules) as at the date hereof beneficially owns approximately 50.5% of the issued share capital of the Company.

Terms of agreement

- Period of tenancy: 2 years from 1st January, 2002 to 31st December, 2003
- Premises rented: 33rd Floor, Top Glory Tower, having a gross floor area of about 6,382 square feet
- Rental: For the 1st year at HK\$127,640.00 per month
For the 2nd year at HK\$140,404.00 per month

The aggregate rental payable by COFCO HK for the whole tenancy period is HK\$3,216,528.00. Rental is payable on the first day of each and every successive calendar month commencing on 1st January, 2002 and is exclusive of maintenance and management charges and government rates.

2. The tenancy agreement dated 31st December, 2001 between Bapton and Blissea Consortium Company Limited ("Agreement 2")

Parties to Agreement 2

- (1) Landlord: Bapton
- (2) Tenant: Blissea Consortium Company Limited ("Blissea"), a wholly-owned subsidiary of COFCO International Limited ("COFCO International") which in turn is a subsidiary of COFCO HK.

Terms of agreement

- Period of tenancy: 2 years from 1st January, 2002 to 31st December, 2003
- Premises rented: Room 3201, 32nd Floor, Top Glory Tower, having a gross floor area of about 3,215 square feet
- Rental: For the 1st year at HK\$64,300.00 per month
For the 2nd year at HK\$70,730.00 per month

The aggregate rental payable by Blissea for the whole tenancy period is HK\$1,620,360.00. Rental is payable on the first day of each and every successive calendar month commencing on 1st January, 2002 and is exclusive of maintenance and management charges and government rates.

3. The tenancy agreement dated 31st December, 2001 between Bapton and China Foods Trading Limited ("Agreement 3")

Parties to Agreement 3

- (1) Landlord: Bapton
- (2) Tenant: China Foods Trading Limited ("CFTL"), a wholly-owned subsidiary of COFCO International which in turn is a subsidiary of COFCO HK.

Terms of agreement

- Period of tenancy: 2 years from 1st January, 2002 to 31st December, 2003
- Premises rented: Room 3202, 32nd Floor, Top Glory Tower, having a gross floor area of about 3,215 square feet
- Rental: For the 1st year at HK\$64,300.00 per month
For the 2nd year at HK\$70,730.00 per month

The aggregate rental payable by CFTL for the whole tenancy period is HK\$1,620,360.00. Rental is payable on the first day of each and every successive calendar month commencing on 1st January, 2002 and is exclusive of maintenance and management charges and government rates.

4. The tenancy agreement dated 31st December, 2001 between Bapton and Top Glory Shipping Company Limited ("Agreement 4")

Parties to Agreement 4

- (1) Landlord: Bapton
- (2) Tenant: Top Glory Shipping Company Limited ("TG Shipping"), a wholly-owned subsidiary of China National Cereals, Oils & Foodstuffs Import & Export Corporation ("COFCO"), which is the ultimate holding company of the Company.

Terms of agreement

- Period of tenancy: 2 years from 1st January, 2002 to 31st December, 2003
- Premises rented: 27th Floor, Top Glory Tower, having a gross floor area of about 6,352 square feet
- Rental: For the 1st year at HK\$114,336.00 per month
For the 2nd year at HK\$127,040.00 per month

The aggregate rental payable by TG Shipping for the whole tenancy period is HK\$2,896,512.00. Rental is payable on the first day of each and every successive calendar month commencing on 1st January, 2002 and is exclusive of maintenance and management charges and government rates.

5. The tenancy agreement dated 31st December, 2001 between Bapton and Gloria International Hotels Limited ("Agreement 5")

Parties to Agreement 5

- (1) Landlord: Bapton
- (2) Tenant: Gloria International Hotels Limited ("GIH"), a wholly-owned subsidiary of COFCO HK.

Terms of agreement

- Period of tenancy: 2 years from 1st January, 2002 to 31st December, 2003
- Premises rented: Room 2203, 22nd Floor, Top Glory Tower, having a gross floor area of about 1,728 square feet
- Rental: For the 1st year at HK\$27,648.00 per month
For the 2nd year at HK\$31,104.00 per month

The aggregate rental payable by GIH for the whole tenancy period is HK\$705,024.00. Rental is payable on the first day of each and every successive calendar month commencing on 1st January, 2002 and is exclusive of maintenance and management charges and government rates.

6. The tenancy agreement dated 31st December, 2001 between Bapton and Ceroilfood Finance Limited ("Agreement 6")

Parties to Agreement 6

- (1) Landlord: Bapton
- (2) Tenant: Ceroilfood Finance Limited ("COFCO Finance"), a wholly-owned subsidiary of COFCO, which is the ultimate holding company of the Company.

Terms of agreement

- Period of tenancy: 2 years from 1st January, 2002 to 31st December, 2003
- Premises rented: Room 1603, 16th Floor, Top Glory Tower, having a gross floor area of about 1,728 square feet
- Rental: For the 1st year at HK\$27,648.00 per month
For the 2nd year at HK\$31,104.00 per month

The aggregate rental payable by COFCO Finance for the whole tenancy period is HK\$705,024.00. Rental is payable on the first day of each and every successive calendar month commencing on 1st January, 2002 and is exclusive of maintenance and management charges and government rates.

The terms of each of Agreement 1, Agreement 2, Agreement 3, Agreement 4, Agreement 5 and Agreement 6 (collectively the "Tenancy Agreements") and the rental payable by the respective tenants were agreed after arm's length negotiations and were considered by the directors of the Company (including the independent non-executive directors) to be on normal commercial terms with reference to the market rental of office premises of similar grade in the vicinity of Top Glory Tower.

Aggregate Rental

The aggregate rental receivable by Bapton during the whole tenancy period from 1st January, 2002 to 31st December, 2003 relating to the Tenancy Agreements amounts to HK\$10,763,808.00. The directors of the Company consider that the rental charged in respect of the Tenancy Agreements to be fair and reasonable and comparable with the market rental of office premise of similar grade in the vicinity of Top Glory Tower.

Information on the Company and Top Glory Tower

The Company is an investment holding company. Through its subsidiaries, it is principally engaged in property development and investment, hotel ownership and operations, food processing and related businesses.

The sole asset of Bapton is the property known as Top Glory Tower located at 262 Gloucester Road, Causeway Bay, Hong Kong. Top Glory Tower is a 32-storey commercial building having a total gross floor area of approximately 169,000 square feet.

Connected Persons

As at the date hereof, COFCO HK, directly and indirectly, holds approximately 50.5% of the issued share capital of the Company. Pursuant to the Listing Rules, COFCO HK is a substantial shareholder of the Company. GIH, Blissea and CFTL are respectively subsidiaries of COFCO HK and pursuant to the Listing Rules, they are associates (as defined in the Listing Rules) of COFCO HK. According to the Listing Rules, a transaction between a substantial shareholder of the Company or an associate of the substantial shareholder of the Company and the Company's subsidiary is a connected transaction.

As at the date hereof, COFCO indirectly holds approximately 50.5% of the issued share capital of the Company and is therefore, a substantial shareholder of the Company. Pursuant to the Listing Rules, TG Shipping and COFCO Finance, being wholly-owned subsidiaries of COFCO, are associates (as defined in the Listing Rules) of COFCO. According to the Listing Rules, a transaction between an associate of a substantial shareholder of the Company and the Company's subsidiary is a connected transaction.

Accordingly, the Tenancy Agreements constitute connected transactions for the Company.

Details of the Tenancy Agreements, as required under the Listing Rules, will be disclosed in the Company's next published annual report and accounts.

By order of the Board
Top Glory International Holdings Limited
Xue Guoping
Vice-Chairman & Managing Director

Hong Kong, 7th January 2002