



鵬利國際集團有限公司

TOP GLORY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER, 2001

AUDITED CONSOLIDATED RESULTS

The board of directors (the "Directors") of Top Glory International Holdings Limited (the "Company") announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December, 2001 as follows:

		Year ended 31 December, 2001 HK\$ '000	Year ended 31 December, 2000 HK\$ '000
TURNOVER	(1)	1,040,619	1,876,748
Cost of sales		(896,599)	(1,625,928)
Gross profit		144,020	250,820
Other revenue and gains		53,373	109,875
Selling and distribution costs		(13,865)	(24,659)
Administrative expenses		(87,388)	(94,471)
Other operating expenses, net		(81,276)	(50,896)
Impairments of properties under development		(282,293)	-
Impairment of investments in jointly controlled entities		(211,659)	-
Loss on deemed disposal of a listed subsidiary		(162,312)	-
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	(2)	(641,400)	190,669
Finance costs		(49,522)	(76,730)
		(690,922)	113,939
Share of profits of associates		67,537	55,908
Share of losses of jointly controlled entities		(3,502)	(6,851)
PROFIT/(LOSS) BEFORE TAX		(626,887)	162,996
Tax	(3)	(24,536)	(50,390)
PROFIT/(LOSS) BEFORE MINORITY INTERESTS		(651,423)	112,606
Minority interests		(4,692)	(47,297)
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		(656,115)	65,309
Transfer to reserve	(5)	(32,396)	(2,286)
EARNINGS/(LOSS) PER SHARE			
Basic	(6)	(24.53 HK cents)	2.44 HK cents
Diluted		N/A	N/A

Notes:

1. SEGMENTAL INFORMATION

Business Segments

For management purposes, the Group is engaged into four operating business segments. These business segments are the bases on which the Group reports its primary segmental information. Summary details of the business segments are as follows:

- the foods and food processing segment engages in foods processing and related businesses including edible oils refining, wine-making and beverage, food trading and flour milling;
- the hotel operations segment engages in hotel rooms rental and other ancillary services including foods and beverage;
- the property investment and development segment engages in properties development and sales and letting of properties; and
- the corporate and other segment comprises the Group's management services business, which provides management and security services to properties, together with corporate income and expense items.

The following tables present revenue and profit information regarding the business segments for the year ended 31 December 2001 together with the comparative figures for the year ended 31 December 2000:

2001

	Foods and food processing HK\$ '000	Hotel operations HK\$ '000	Property investment and development HK\$ '000	Corporate and others HK\$ '000	Eliminations HK\$ '000	Consolidated HK\$ '000
Segment revenue:						
Sales to external customers	677,357	201,686	149,864	11,712	-	1,040,619
Intersegment sales	-	-	1,040	8,159	(9,199)	-
Other revenue	16,517	-	1,381	4,854	-	22,752
Total	693,874	201,686	152,285	24,725	(9,199)	1,063,371
Segment results	17,349	(10,820)	(474,514)	(186,080)	-	(654,065)
Interest and dividend income and unallocated gains						30,621 (17,956)
Unallocated expenses						(641,400) (49,522)
(Loss) from operating activities						(690,922)
Finance costs						(49,522)
Share of profits/(losses) of:						
Jointly controlled entities	-	-	(3,502)	-	-	(3,502)
Associates	62,885	4,652	-	-	-	67,537
(Loss) before tax						(626,887)
Tax						(24,536)
(Loss) before minority interests						(651,423)
Minority interests						(4,692)
(Loss) from ordinary activities attributable to shareholders						(656,115)

2000

	Foods and food processing HK\$ '000	Hotel operations HK\$ '000	Property investment and development HK\$ '000	Corporate and others HK\$ '000	Eliminations HK\$ '000	Consolidated HK\$ '000
Segment revenue:						
Sales to external customers	1,297,922	224,436	347,843	6,547	-	1,876,748
Intersegment sales	-	-	1,099	14,055	(15,154)	-
Other revenue	21,635	-	2,345	17,539	-	41,519
Total	1,319,557	224,436	351,287	38,141	(15,154)	1,918,267
Segment results	15,295	53,561	96,674	(22,148)	-	143,382
Interest and dividend income and unallocated gains						68,356
Unallocated expenses						(21,069)
Profit from operating activities						190,669
Finance costs						(76,730)
Share of profits/(losses) of:						
Jointly controlled entities			(6,851)			(6,851)
Associates	40,231	15,677				55,908
Profit before tax						162,996
Tax						(50,390)
Profit before minority interests						112,606
Minority interests						(47,297)
Net profit from ordinary activities attributable to shareholders						65,309

Geographical segments

A geographical analysis of the Group's turnover and segment results is as follows:

	2001		2000	
	Segment revenue HK\$ '000	Segment results HK\$ '000	Segment revenue HK\$ '000	Segment results HK\$ '000
People's Republic of China:				
Hong Kong	535,616	(145,077)	836,824	27,752
Elsewhere	505,003	(508,674)	1,039,924	115,937
Corporate and others	-	(314)	-	(307)
Total	1,040,619	(654,065)	1,876,748	143,382

2. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

The Group's profit/(loss) from operating activities is arrived at after charging/(crediting):

	2001 HK\$ '000	2000 HK\$ '000
Cost of inventories sold	663,200	1,279,380
Cost of hotel services provided	159,198	163,432
Cost of properties sold	58,901	180,220
Depreciation	38,529	48,761
Interest income	(30,278)	(68,248)
Write back of provision for impairment in values of long term investments	(10,467)	(13,021)
Provision for impairment loss of fixed assets	21,516	4,855
Deficit on revaluation of hotel properties	55,001	6,953

3. TAX

Hong Kong profits tax has been provided at the rate of 16% (2000: 16%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China and overseas countries have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2001 HK\$ '000	2000 HK\$ '000
Company and subsidiaries:		
Hong Kong profits tax	4,023	3,032
Mainland China and overseas tax	8,859	38,615
Deferred tax	(449)	(792)
	12,433	40,855
Share of tax attributable to:		
Associates	11,370	8,969
Jointly controlled entities	733	566
	12,103	9,535
Tax charge for the year	24,536	50,390

There was no significant unprovided deferred tax for the year (2000: nil).

4. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year (2000: nil).

5. TRANSFER TO RESERVE

Following the dilution of the Group's interest in a subsidiary in current year, retained profits of HK\$32,396,000 has been transferred to a non-distributable capital reserve. The balance in 2000 represented a portion of the profits transferred to legal reserve.

6. EARNINGS/(LOSS) PER SHARE

The calculation of the basic loss per share is based on the net loss attributable to shareholders for the year of HK\$656,115,000 (2000: net profit attributable to shareholders for the year of HK\$65,309,000) and 2,675,136,092 (2000: 2,675,136,092) ordinary shares in issue during the year.

Diluted earnings/(loss) per share amount for the years ended 31 December 2001 and 2000 have not been disclosed as no diluting events existed during these year.

7. COMPARATIVE AMOUNTS

As a result of adoption of Hong Kong Statement of Standard Accounting Practice No. 26 "Segment Reporting", certain comparative figures for the prior year have been restated to conform with the current year's presentation.

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

Property Investment and Development

Hong Kong

Due to the overall stagnant economic situation, the recovery pace for the Hong Kong property market has been weak. Notwithstanding this, the Group's Top Glory Tower situated in Causeway Bay has been able to maintain reasonable rental rates and an occupancy rate at over 90% due to superior location and good management. This investment property continues to provide stable income to the Group.

Mainland China

Shanghai Pudong Gloria Harbor View

Shanghai Pudong Gloria Harbor View is located at Lujiazui Central Financial District, Pudong, Shanghai, fronting the Pudong Pinjiang Main Street and Huangpu River to the south. In its neighborhood are fine office buildings and first class hotels. This development property is situated at a prime location of Pudong and overlooks the Bund. During the year, the Group purchased the land adjoining the original lot for the purpose of an amalgamated development. Total developable gross floor area would be over 1 million square feet. The blueprint of the conceptual development is for first-class deluxe apartments. The intended development would comprise 5 high-rise deluxe residential blocks providing flatted and duplex residential apartments. Gardens, luxurious clubhouse and underground parking spaces would also be available. The landscape space would cover approximately 65% of the total area under construction. The Group believes this development project would cater for the demand of the buyers who call for comfortable and fashionable home living environment and provide a promising return to the Group. Planning of the project is now in an advanced stage and it is expected that construction works would commence in the middle of the year.

Beijing Capital Paradise

Through years of planning and operations, Beijing Capital Paradise has become a landmark residential community for expatriates in Beijing. Construction works have substantially been completed and 95% of the villas has been sold. Occupancy rate of the rental apartments was over 70%. Overall this development has been a reasonable success. The Group endeavors to vend the remaining villas and to strengthen the occupancy rate of the apartments during the ensuing year.

Shenyang Top Glory Square

Shenyang Top Glory Square is located at the central business district of Shenyang. It is a multi-functional commercial building where food, entertainment and shops are available. Since Wal-Mart, a well-known department store in United States, officially opened a store in this area in September 2001, more shoppers have flocked to the district, thus establishing Shenyang Top Glory Square's position as the center for food and beverage, shopping and entertainment in Shenyang. The proposed development of middle class apartment blocks in this district has to be amended to meet the latest planning requirements of the local government. It is expected that construction works will resume in the middle of the year.

Hotel Investment

The hotel and tourism industry was greatly affected by the domestic and international economies. The global recession in 2001 as well as the adverse impact of 911 incident in America affected the tourism market in the mainland, resulting in a decrease in the number of visitors and commercial travelers to China. Apart from that, excess supply of available hotel rooms made the hotel industry even more competitive. The overall results of the hotel industry in the mainland slid, and the occupancy rate of the Group's Gloria Hotels fell as a result. The average occupancy rate were 62%, 62%, 72% and 47% for Beijing Gloria Plaza Hotel, Shenyang Gloria Plaza Hotel, Gloria Resort, Sanya and Dalian Gloria Plaza Hotel, respectively. Management will continue to raise efficiency by reducing costs. The Group will spare no effort in promoting and increasing the marketing channels so as to capitalize on the business opportunities brought by China's accession to the WTO.

Foodstuffs & Edible Oils Processing and Manufacturing

Last year, COFCO International Limited ("COFCO International"), the Group's then subsidiary, acquired the oils & fats, wines & spirits, international trading and confectionary businesses of its parent company, COFCO (Hong Kong) Limited. As a result of these acquisitions, COFCO International has five large-scale core food related businesses, namely international trading of edible oils & foodstuffs, edible oils & fats refining, wines and beverage making, flour milling and confectionary. It is now the largest manufacturer of edible oils & fats in the mainland. During the year, COFCO International had an outstanding performance and contributed HK\$61,437,000 in profits to the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2001, the Group's total net assets was HK\$4,667,384,000, decreased by 12% over prior year, which was mainly due to the provision of approximately HK\$570,469,000 for diminution in value of the Group's property and hotel portfolios and the loss of HK\$162,312,000 resulting from the dilution in the Group's interest in COFCO International.

As at 31 December 2001, bank borrowings by the Group amounted to HK\$971,101,000 (2000: HK\$862,680,000). The portion repayable within one year was HK\$441,714,000 (2000: HK\$492,062,000) while long-term loans amounted to HK\$529,387,000 (2000: HK\$370,618,000). The Group's loans were all unsecured. The gearing ratio (total liabilities/total assets) was 22% (2000: 19%). The Group's stand-by credit facilities amounted to HK\$1,013,000,000 and cash on hand was about HK\$256,240,000 which are sufficient to meet its working capital requirement. The Group will consistently maintain a prudent financial policy.

The Group's monetary assets, loans and transactions are principally denominated in Hong Kong dollars, Renminbi and United States dollars. As the exchange rate between Hong Kong dollars and the United States dollars is pegged, together with the insignificant fluctuation in exchange rate between the Hong Kong dollars and Renminbi, the Group believes its exposure to exchange rate risk is not material.

PROSPECTS

In 2001, China had officially acceded to the WTO. China's accession to the WTO will bring about significant influence on the entire business environment in the mainland. Demand for properties and hotel rooms in the mainland will increase as a result. Facing the challenges, the Group will strengthen its core business, increase its market share, raise cost effectiveness and expand its businesses to add value to shareholders.

Moreover, with the full support of China National Cereals, Oils & Foodstuffs Import & Export Corporation, the Company's ultimate parent company, the Group will continue to seek opportunities for medium to high class residential projects in China's major cities such as Beijing, Shanghai, Guangzhou and Shenzhen. The Group continually monitors market development and would add to its land reserve as appropriate.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 7 May, 2002 to 13 May, 2002, both dates inclusive, during which period no transfer of shares can be effected. In order to determine entitlement to attend and vote at the Annual General meeting to be held on 13 May, 2002 all share transfers accompanied by the relevant share certificate must be lodged with the Company's Share Registrar, Secretaries Limited, at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong, for registration by no later than 4:00 p.m. on 6 May, 2002.

PUBLICATION OF THE ANNUAL RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The Company will publish all the information required by paragraph 45(1) to 45(3) of Appendix 16 of the Listing Rules on the website of The Stock Exchange of Hong Kong Limited as soon as practicable.

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



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(Incorporated in Hong Kong with limited liability)

BOARD CHANGES

The board of directors (the “Board”) of Top Glory International Holdings Limited (the “Company”) wishes to announce the following changes in the Board:

1. Mr. Liu Fuchun has been appointed as director of the Company and has been elected as the vice-chairman of the Board. Mr. Liu is also an executive director and the president of China National Cereals, Oils & Foodstuffs Import & Export Corporation (“COFCO”), the ultimate holding company of the Company, the managing director of COFCO (Hong Kong) Limited and the vice-chairman of COFCO International Limited. He graduated from the University of International Business and Economics in Beijing and has more than 30 years of experience in international trade and management.
2. Mr. Jin Jiakai has been appointed as deputy managing director of the Company. Mr. Jin graduated from the Fudan University in Shanghai. He joined COFCO in 1973 and has more than 20 years’ management experience.

The above changes are all effective from 8th April 2002. Following the above changes, the Board now comprises the following:

Chairman	:	Mr. Zhou Mingchen
Vice-Chairman	:	Mr. Liu Fuchun
Vice-Chairman & Managing Director	:	Mr. Xue Guoping
Deputy Managing Directors	:	Mr. Dong Zhongxin Mr. Jin Jiakai Mr. Wang Jinjun
Independent Non-executive Directors	:	Mr. Liang Shangli Mr. Lau Kwok Hing

By order of the Board
Top Glory International Holdings Limited
Mok Chung Fu, Eric
Secretary

Hong Kong, 8th April, 2002