



TOP GLORY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2002

CONDENSED INTERIM ACCOUNTS

The board of directors (the "Directors") of Top Glory International Holdings Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (together the "Group") for the six months ended 30 June 2002 together with the comparative figures for the six months ended 30 June 2001. These interim results have been reviewed by the Company's Audit Committee.

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 30 JUNE 2002

	Notes	For the six months ended 30 June 2002 HK\$'000 (Unaudited)	For the six months ended 30 June 2001 HK\$'000 (Unaudited)
TURNOVER	2	217,519	858,930
Cost of sales		(139,539)	(774,542)
Gross profit		77,980	84,388
Other revenue		4,931	57,239
Selling and distribution costs		(1,075)	(7,632)
Administrative expenses		(44,653)	(54,357)
Other operating expenses		(8,658)	(94,682)
Loss on deemed disposal of a listed subsidiary		-	(160,169)
Impairment of investments in jointly controlled entities		-	(211,659)
Impairment of properties under development		-	(283,091)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	3	28,525	(669,963)
Finance costs	4	(13,462)	(33,591)
Share of profits of associates		54,242	35,496
Share of loss of jointly controlled entities		(581)	(5,175)
PROFIT/(LOSS) BEFORE TAX		68,724	(673,233)
Tax	5	(20,407)	(10,183)
PROFIT/(LOSS) BEFORE MINORITY INTERESTS		48,317	(683,416)
Minority interests		(417)	(5,496)
NET PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS		47,900	(688,912)
INTERIM DIVIDEND		NIL	NIL
EARNINGS/(LOSS) PER SHARE	6	1.8 HK cents	(25.7) HK cents
Basic			
Diluted		N/A	N/A

Notes:

1. BASIS OF PREPARATION

The unaudited consolidated condensed interim accounts (the "Interim Accounts") are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("HKSSAP") No. 25 "Interim Financial Reporting".

The accounting policies and basis of preparation used in the preparation of the Interim Accounts are the same as those used in the annual financial statements for the year ended 31 December 2001. In addition, the Group has adopted the following revised or new HKSSAPs which are effective for accounting periods commencing on or after 1 January 2002.

HKSSAP 1 (Revised)	Presentation of financial statements
HKSSAP 11 (Revised)	Foreign currency translation
HKSSAP 15 (Revised)	Cash flow statements
HKSSAP 34	Employee benefits

The adoption of the revised or new HKSSAPs has had no material effect on the results for the current period or prior financial year. Accordingly, no prior period adjustment is required.

2. SEGMENT INFORMATION

Segment information is presented in respect of the Group's primary business and secondary geographical segment in accordance with the Group's internal financial reporting.

(a) Business segments

	For the six months ended 30 June											
	Foods and food processing		Hotel operations		Property investment and development		Corporate and others		Eliminations		Consolidated	
	2002 HK\$'000 (Unaudited)	2001 HK\$'000 (Unaudited)	2002 HK\$'000 (Unaudited)	2001 HK\$'000 (Unaudited)	2002 HK\$'000 (Unaudited)	2001 HK\$'000 (Unaudited)	2002 HK\$'000 (Unaudited)	2001 HK\$'000 (Unaudited)	2002 HK\$'000 (Unaudited)	2001 HK\$'000 (Unaudited)	2002 HK\$'000 (Unaudited)	2001 HK\$'000 (Unaudited)
Segment revenue:												
Sales to external customers	-	677,357	95,187	107,376	115,242	70,187	7,090	4,010	-	-	217,519	858,930
Intersegment sales	-	-	-	-	643	520	3,389	3,603	(4,032)	(4,123)	-	31,431
Other revenue	-	16,517	-	-	297	11,192	583	3,722	-	-	880	31,431
Total	-	693,874	95,187	107,376	116,182	81,899	11,062	11,335	(4,032)	(4,123)	218,399	890,361
Segment results	-	17,349	19,707	(31,422)	4,812	(494,161)	3,236	(180,991)	-	-	27,755	(689,225)
Interest and dividend income and unallocated gains											4,051	25,808
Unallocated expenses											(3,281)	(6,346)
Profit/(loss) from operating activities											28,525	(669,963)
Finance costs											(13,462)	(33,591)
											15,063	(703,554)
Share of profits and losses of:												
Jointly-controlled entities	-	-	-	-	(581)	(5,175)	-	-	-	-	(581)	(5,175)
Associates	48,629	28,618	5,613	6,878	-	-	-	-	-	-	54,242	35,496
Profit/(loss) before tax											68,724	(673,233)
Tax											(20,407)	(10,183)
Profit/(loss) before minority interests											48,317	(683,416)
Minority interests											(417)	(5,496)
Net profit/(loss) from ordinary activities attributable to shareholders											47,900	(688,912)

(b) Geographical segments

	For the six months ended 30 June									
	Hong Kong		Elsewhere in the PRC		Corporate and others		Eliminations		Consolidated	
	2002 HK\$'000 (Unaudited)	2001 HK\$'000 (Unaudited)	2002 HK\$'000 (Unaudited)	2001 HK\$'000 (Unaudited)	2002 HK\$'000 (Unaudited)	2001 HK\$'000 (Unaudited)	2002 HK\$'000 (Unaudited)	2001 HK\$'000 (Unaudited)	2002 HK\$'000 (Unaudited)	2001 HK\$'000 (Unaudited)
Segment revenue:										
Sales to external customers	27,277	519,583	190,242	339,347	-	-	-	-	217,519	858,930
Segment results	9,794	(181,492)	18,112	(507,608)	(151)	(125)	-	-	27,755	(689,225)

3. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

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

	For the Six months ended 30 June 2002 HK\$'000 (Unaudited)	For the Six months ended 30 June 2001 HK\$'000 (Unaudited)
Cost of properties sold	64,291	18,629
Cost of hotel services provided	75,248	76,406
Cost of inventories sold	-	679,507
Depreciation	19,528	20,224
and after crediting:		
Interest income	(1,658)	(25,808)

4. FINANCE COSTS

This represents interest on bank borrowings.

5. TAX

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable outside Hong Kong 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.

	For the Six months ended 30 June 2002 HK\$'000 (Unaudited)	For the Six months ended 30 June 2001 HK\$'000 (Unaudited)
The charge comprises:		
The Group:		
Hong Kong	1,769	1,880
Outside Hong Kong	7,130	3,143
	8,899	5,023
Share of tax attributable to associates	11,385	5,424
Share of tax attributable to jointly controlled entities	123	(264)
	20,407	10,183

6. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the profit attributable to shareholders for the period of HK\$47,900,000, (2001: loss HK\$688,912,000) and 2,675,136,092 (2001: 2,675,136,092) ordinary shares in issue during the period.

Diluted earnings/(loss) per share amount for the periods ended 30 June 2001 and 2002 have not been disclosed as no diluting event existed during these periods.

INTERIM DIVIDEND

The Directors do not declare the payment of any interim dividend in respect of the six months ended 30 June, 2002 (2001: nil).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Results

During the period under review, the consolidated turnover of the Group amounted to HK\$217,519,000, representing a decrease of 75% compared to the corresponding period last year. This was mainly attributable to the dilution of the Group's equity interests in COFCO International Limited ("COFCO International") from approximately 51.13% in the corresponding period last year to approximately 21.52% in the period under review. As such, the turnover of COFCO International had not been consolidated into the total turnover of the Group in the period.

Save for the above factors, the consolidated turnover of the Group's property investments and development as well as hotel investments businesses had increased by approximately 20% when compared to the corresponding period last year. During the period under review, profits attributable to shareholders amounted to HK\$47,900,000.

Business Review

Property Development and Investments

The Group's major investment property in Hong Kong, namely Top Glory Tower, is located in Causeway Bay. During the period under review, the rental of this office building was maintained at market level with an average occupancy rate at over 90%. Similarly, the occupancy rate of the rental apartments in Beijing Capital Paradise, was also maintained at over 70% and continued to contribute a stable rental income to the Group.

During the period under review, the Group continued to consolidate its property development projects located in various major cities encompassing Beijing, Shanghai and Shenyang. In this regard, the preliminary construction works of the residential projects, namely Shanghai Pudong Gloria Harbour View in Lujiazui Financial District, Pudong, Shanghai and Top Glory Square located at Shenyang, had already commenced.

Hotel Investments

During the period under review, the hotel industry in Mainland China as a whole remained highly competitive. Against this background, the Group's Gloria Hotel chain also faced great challenges. By strengthening the management and upgrading operation efficiency, the hotel business was able to remain stable on the whole.

Foodstuffs & Edible Oils Processing and Manufacturing

The Group is engaged in foodstuffs and edible oils processing and manufacturing businesses through its associate, COFCO International. The overall performance of COFCO International was encouraging after having completed the acquisition of edible oils, wines and spirits, trading and confectionery businesses from its parent company, COFCO (Hong Kong) Limited ("COFCO HK") last year, bringing a profit contribution of HK\$37,771,000 to the Group in the period under review.

Acquisition

On 25 July, 2002, the Group entered into a sale and purchase agreement with COFCO HK, pursuant to which the Group agreed to acquire the entire interest in Junwell Investments Limited ("Junwell") at a consideration of HK\$165,200,000 to be settled in cash on completion.

Junwell is an investment holding company. Its major asset is the holding of 99% interest in the registered capital of Guangzhou Qiao Peng Estate Development Co. Ltd. which is engaged in the development of a property project known as "Guangzhou Metro Paradise". Guangzhou Metro Paradise is located at Tian He District, Guangzhou, and is a composite 30-storey building comprising 5 blocks of residential apartments atop of a 4-storey commercial podium. The total gross floor area of Guangzhou Metro Paradise is about 128,595 sq.m and construction has been completed. Guangzhou Metro Paradise comprises 505 residential units, 499 car parking spaces and 17 retail units. Up to 30 June 2002, a total of 278 residential units, 8 retail units and 45 car parking spaces have been sold.

Upon completion of such acquisition, the Group intends to continue with the existing business of Junwell and engage in the sales of Guangzhou Metro Paradise.

On 25 July 2002, the Group also announced in conjunction with the above proposed acquisition a proposal to issue, by way of rights issue, a total of 668,784,023 rights shares at a price of HK\$0.35 per share to raise approximately HK\$232,500,000. Of the HK\$232,500,000 proposed to be raised, approximately HK\$165,200,000 would be used to finance the acquisition of Junwell, with the remaining balance to be employed as general working capital.

Future Prospect

The Group will continue to focus on its core businesses of property investments and development and hotel investments. The acquisition of Junwell will enhance the Group's profitability and provide an attractive investment return. With the full support of the ultimate holding company of the Group, China National Cereals, Oils & Foodstuffs Import & Export Corporation, the Group will adhere to its prudent strategy in developing medium to high class residential property projects in the major cities in the Mainland such as Beijing, Shanghai, Guangzhou and Shenzhen. The Group will also continue to monitor the market closely and will consider to replenish its land banks as and when appropriate.

LIQUIDITY AND CAPITAL STRUCTURE

As at 30 June 2002, the Group's total assets were HK\$6,198,585,000 (30 June 2001: HK\$6,036,454,000). Bank borrowings amounted to HK\$952,973,000 (30 June 2001: HK\$832,617,000) in which, HK\$423,586,000 (30 June 2001: HK\$612,562,000) was repayable within one year. Long-term loans amounted to HK\$529,387,000 (30 June 2001: 220,055,000). The Group's loans were all unsecured. The gearing ratio of the Group (total liabilities/total assets) was 22% (30 June 2001: 21%).

PUBLICATION OF DETAILED INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The Company will publish all the information required by paragraphs 46(1) to 46(6) 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

Beijing, 28 August 2002