



**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 2002**

**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 2002 as follows:

	Notes	2002 HK\$'000	2001 HK\$'000
<b>TURNOVER</b>			
Continuing operations	(1)	562,923	363,262
Discontinuing operations		-	677,357
		<u>562,923</u>	<u>1,040,619</u>
Cost of sales		(406,685)	(896,599)
Gross profit		<u>156,238</u>	<u>144,020</u>
Other revenue and gains		65,850	53,373
Selling and distribution costs		(3,045)	(13,865)
Administrative expenses		(54,084)	(87,388)
Other operating expenses, net		(93,455)	(81,276)
Deficit on revaluation of investment properties		(97,527)	-
Impairment 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)
<b>LOSS FROM OPERATING ACTIVITIES</b>	(2)	<u>(26,023)</u>	<u>(641,400)</u>
Finance costs		(33,654)	(49,522)
		<u>(59,677)</u>	<u>(690,922)</u>
Share of profits and losses of:			
Jointly-controlled entities		(275)	(3,502)
Associates		113,068	67,537
<b>PROFIT/(LOSS) BEFORE TAX</b>		<u>(49,300)</u>	<u>(725,131)</u>
Continuing operations		(49,300)	(725,131)
Discontinuing operations		102,416	98,244
		<u>53,116</u>	<u>(626,887)</u>
Tax	(3)		
Continuing operations		(1,878)	(12,056)
Discontinuing operations		(15,130)	(12,480)
		<u>(17,008)</u>	<u>(24,536)</u>
<b>PROFIT/(LOSS) BEFORE MINORITY INTERESTS</b>		<u>36,108</u>	<u>(651,423)</u>
Minority interests		(31,527)	(4,692)
<b>NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS</b>		<u>4,581</u>	<u>(656,115)</u>
Transfer to reserve		5,875	(32,396)
<b>EARNINGS/(LOSS) PER SHARE</b>			
Basic	(5)	0.16 cents	(24.53 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 2002 together with the comparative figures for the year ended 31 December 2001:

	Discontinuing operations Foods and food processing HK\$'000	Continuing operations			Eliminations HK\$'000	Consolidated HK\$'000
		Hotel operations HK\$'000	Property investment and development HK\$'000	Corporate and others HK\$'000		
Segment revenue:						
Sales to external customers	-	196,804	352,669	13,450	-	562,923
Intersegment sales	-	-	1,442	7,427	(8,869)	-
Other revenue	-	40,536	17,374	796	-	58,706
<b>Total</b>	<b>-</b>	<b>237,340</b>	<b>371,485</b>	<b>21,673</b>	<b>(8,869)</b>	<b>621,629</b>
Segment results	-	43,829	(58,994)	(10,854)	-	(26,019)
Interest and dividend income and unallocated gains						7,144
Unallocated expenses						(7,148)
(Loss) from operating activities						(26,023)
Finance costs						(33,654)
						<u>(59,677)</u>
Share of profits/(losses) of:						
Jointly controlled entities	-	-	(275)	-	-	(275)
Associates	102,416	10,652	-	-	-	113,068
(Loss) before tax						53,116
Tax						(17,008)
(Loss) before minority interests						36,108
Minority interests						(31,527)
(Loss) from ordinary activities attributable to shareholders						<u>4,581</u>

2001

	Discontinuing operations Foods and food processing HK\$'000	Continuing operations			Eliminations HK\$'000	Consolidated HK\$'000
		Hotel operations HK\$'000	Property investment and development HK\$'000	Corporate and others 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
<b>Total</b>	<b>693,874</b>	<b>201,686</b>	<b>152,285</b>	<b>24,725</b>	<b>(9,199)</b>	<b>1,063,371</b>
Segment results	17,349	(12,856)	(478,876)	(186,080)	-	(660,463)
Interest and dividend income and unallocated gains						30,621
Unallocated expenses						(11,558)
(Loss) from operating activities						(641,400)
Finance costs						(49,522)
						<u>(690,922)</u>
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						<u>(656,115)</u>

**Geographical segments**

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

Segment Revenue	2002			2001		
	Discontinuing operation HK\$'000	Continuing operation HK\$'000	Total HK\$'000	Discontinuing operation HK\$'000	Continuing operation HK\$'000	Total HK\$'000
People's Republic of China:						
Hong Kong	-	53,252	53,252	486,239	49,377	535,616
Elsewhere	-	509,671	509,671	191,118	313,118	504,236
Corporate and others	-	-	-	-	-	-
	<u>-</u>	<u>562,923</u>	<u>562,923</u>	<u>677,357</u>	<u>363,262</u>	<u>1,040,619</u>

Note: In January 2003, the Group announced the disposal of its shares in COFCO International, the food and food processing business were deemed to be discontinued operations.

**2. LOSS FROM OPERATING ACTIVITIES**

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

	2002 HK\$'000	2001 HK\$'000
Cost of inventories sold	-	663,200
Cost of hotel services provided	146,803	159,198
Cost of properties sold	231,602	58,901
Depreciation	32,371	38,529
Interest income	(7,144)	(30,278)
Write back of provision for impairment in values of long term investments	-	(10,467)
Indemnity from immediate holding company	(14,667)	-
Indemnity from ultimate holding company	(40,536)	-
Provision for impairment loss of fixed assets	14,794	21,516
Deficit on revaluation of hotel properties	46,708	55,001

**3. 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 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.

	2002 HK\$'000	2001 HK\$'000
Company and subsidiaries:		
Hong Kong profits tax	573	4,023
Mainland China and overseas tax	(11)	8,859
Deferred tax	(190)	(449)
	<u>372</u>	<u>12,433</u>
Share of tax attributable to:		
Associates	16,249	11,370
Jointly controlled entities	387	733
	<u>16,636</u>	<u>12,103</u>
Tax charge for the year	<u>17,008</u>	<u>24,536</u>

There was no significant unprovided deferred tax for the year (2001: nil).

**4. DIVIDENDS**

The Board of Directors do not recommend the payment of any dividend for the year ended 31 December 2002 (2001: nil).

**5. EARNINGS/(LOSS) PER SHARE**

The calculation of the basic earnings per share is based on the profit attributable to shareholders for the year of HK\$4,581,000 (2001: net loss attributable to shareholders for the year of HK\$656,115,000) and the weighted average number of 2,852,867,736 (2001: 2,675,136,092 which has been taken into account the adjusting factor from the rights issue of shares in 2002) ordinary shares in issue during the year.

Diluted earnings/(loss) per share amount for the years ended 31 December 2002 and 2001 have not been disclosed as no diluting events existed during these year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Property Investment and Development

#### Mainland China

##### Shanghai Pudong Gloria Harbour View

Shanghai Pudong Gloria Harbour View is in the prime location of Lujiazui Central Financial District, Pudong, Shanghai, fronting Pudong Binjiang Main Street and Huangpu River to the south. In its neighborhood are high-rise office buildings and hotels. When fully developed, this property will have a gross floor area of more than 1 million square feet. The project comprises five high-rise deluxe residential blocks providing multi-storey and duplex apartments. The complex will also include gardens, a luxurious clubhouse and underground car parks. The landscaped space covers approximately 65% of the total area of the construction site. The Group believes that this development project will cater for buyers who desire a comfortable and fashionable home living environment and will provide satisfactory returns. Construction has commenced and the sale of apartments is scheduled for 2004.

##### Guangzhou Metro Paradise

Guangzhou Metro Paradise is in the prime location of 358-378 Tian He Bei Road, Tian He District. The project is a 30-storey building comprising five blocks of residential apartments atop a four-storey commercial podium with a total floor area of approximately 1,380,000 square feet. In September 2002, the Group acquired the development project from COFCO (Hong Kong) Limited, its controlling shareholder. The market response has been satisfactory, providing the Group with solid returns.

##### Beijing Capital Paradise

Through years of planning and operations, Beijing Capital Paradise has become a landmark residential community for expatriates in Beijing, with all the villas sold. The rental apartments have maintained an occupancy rate of more than 80%, providing the Group with stable rental income.

##### Shenyang Top Glory Square

Shenyang Top Glory Square is located in the central business district of Shenyang. It is a multi-functional commercial building where food, entertainment and shops are available. The occupancy rate has been satisfactory. The opening of a number of well-known department stores in the Square has attracted more shoppers, thus establishing the complex as the center for food and beverage outlets, shopping and entertainment in Shenyang. Construction of middle-class apartment blocks in this district began last year, with flat sales expected to begin by the end of 2003.

##### Hong Kong

The overall performance of the Hong Kong economy has been sluggish over the previous year. The occupancy rate of the Group's office building was stagnant, resulting in a continual decrease in rental income. As at 31 December 2002, the occupancy rate of Top Glory Tower, located in Causeway Bay, was 88%.

##### Hotel Investment

The hotel and tourist industry as well as commercial activities were greatly affected by both September 11 and the uncertainties surrounding the recent stagnant economic condition. Hotel operations, though, did improve as a whole last year. The average occupancy rates of Beijing Gloria Plaza Hotel, Shenyang Gloria Plaza Hotel, Sanya Gloria Resort and Dalian Gloria Plaza Hotel were 79%, 59%, 69% and 54%, respectively.

The Group focused on improving its hotel services, thus enhancing the image of "Gloria".

##### Foodstuffs & Edible-Oils Processing and Manufacturing

During the year under review, COFCO International Limited ("COFCO International"), the associate company of the Group, was principally engaged in international trading of edible oils and foodstuffs, edible oils and fats

refinery, production of wines and beverages, milling flour and confectionery business. COFCO International has contributed HK\$87,286,000 in profits to the Group.

## FINANCIAL RESOURCES

As at 31 December 2002, the total bank borrowings of the Group amounted to HK\$754,695,000 (2001: HK\$971,101,000). Cash on hand was approximately HK\$283,799,000. The Group's loans were all unsecured. The gearing ratio (total liabilities to total assets) was 19% (2001: 22%). In January 2003, the Group announced the disposal of its shares in COFCO International for approximately HK\$844,092,000, about HK\$633,200,000 of which was used for repaying the bank borrowing. The pro forma cash on hand in aggregate amounted to approximately HK\$494,691,000. The pro forma net cash was approximately HK\$373,196,000. Management believes that there is sufficient working capital and funds to finance the Group's operations and investment projects. The pro forma gearing ratio has dropped to 10%. In addition, the continual stable cash flow from investment properties and hotel operations will provide the Group with a healthy financial position, thus strengthening its competitiveness. The Group will continue with its prudent financial policy by maintaining a low borrowing rate.

## CAPITAL STRUCTURE

Pursuant to the approval of a rights issue by the shareholders of the Company at an Extraordinary General Meeting held on 5 September 2002, the Company issued 668,784,023 new shares at HK\$0.35 each, raising net proceeds of approximately HK\$232,500,000.

Other than the above, there was no change in the share capital of the Company during the year under review.

## PROSPECTS

The economic prospects of China improved significantly following its entry into the WTO. Demand for high-class properties and hotel accommodation will increase accordingly and create significant business opportunities for the Group.

With the full support of China National Cereals, Oils & Foodstuffs Import & Export Corporation, its ultimate holding company, the Group will continue to benefit from its healthy financial position and stable profitability. It 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 will monitor market developments and replenish its land reserve as appropriate.

## CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 12 to 16 May 2003, both days inclusive, during which period no share transfer will be effected. To qualify for attending the annual general meeting to be held on 16 May 2003 and vote at the meeting, all transfer, accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Secretaries Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:00 p.m. on 9 May 2003.

## 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*

Hong Kong, 8 April 2003

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at the Imperial Suite, World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Friday, 16 May 2003 at 4:00 p.m. for the purpose of transacting the following business:

### AS ORDINARY BUSINESS

- To receive and adopt the audited financial statements and the reports of the Directors and Auditors of the Company for the year ended 31 December 2002.
- To re-elect retiring Directors and to authorise the Directors to fix their remuneration for the ensuing year.
- To re-appoint Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

### AS SPECIAL BUSINESS

As special business to consider, and if thought fit, pass with or without amendments, the following resolutions which will be proposed as Ordinary Resolutions:

- "THAT:**
  - subject to sub-paragraph (c) below and pursuant to Section 57B of the Companies Ordinance, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
  - the approval in sub-paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
  - the aggregate nominal amount of share capital to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in sub-paragraph (a), otherwise than pursuant to:
    - a Rights Issue;
    - the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;
    - the exercise of subscription rights under any share option scheme of the Company;
    - any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company;
    - any adjustment, after the date of grant or issue of any options, warrants or other securities referred to above, in the price at which shares shall be subscribed, and/or in the number of shares which shall be subscribed, on exercise of relevant rights under such options, rights to subscribe, warrants or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, warrants or other securities; or
    - a specific authority granted by the shareholders of the Company in general meeting;

shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution and subject to the passing of Resolution 6 below, all those number of shares which may from time to time be purchased by the Company pursuant to the general mandate granted under Resolution 5 below and the said approval shall be limited accordingly; and

- for the purposes of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- the conclusion of the next annual general meeting of the Company;
- the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and

- the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company at general meeting;

"Rights Issue" means the allotment, issue or grant of shares pursuant to an offer (open for a period fixed by the Directors) made to holders of shares in the Company or any class thereof on the register on a fixed record date pro rata to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong.)"

### 5. "THAT:

- the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase its own shares of HK\$0.10 each subject to sub-paragraph (b) below and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- the aggregate nominal amount of shares of the Company to be purchased by the Company pursuant to the approval in sub-paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution and the said approval shall be limited accordingly; and
- for the purposes of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
  - the conclusion of the next annual general meeting of the Company;
  - the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
  - the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company at general meeting."

- "THAT** the Directors be and are hereby given a general mandate to add all those number of shares of HK\$0.10 each in the capital of the Company which may from time to time be purchased by the Company pursuant to the approval granted under Resolution 5 above (the "Repurchased Shares") to the general mandate granted under Resolution 4 above, so that the aggregate nominal amount of share capital that may be allotted by the Directors pursuant to the said mandate granted under Resolution 4 above shall be the aggregate of (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution and (ii) all the Repurchased Shares."

By Order of the Board

**Mok Chung Fu, Eric**

*Company Secretary*

Hong Kong, 8 April 2003

### Notes:

- A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and on a poll vote for him. A proxy need not be a member of the Company.
- To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notariably certified copy of that power or authority must be lodged at the Company's share registrar, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or at any adjournment thereof.
- The Register of Members of the Company will be closed from 12 to 16 May 2003, both days inclusive, during which period no transfer of shares can be effected.
- With respect to Resolution 4, approval is being sought from shareholders for a general mandate to issue shares to be given to the Directors. The Directors are required to obtain this mandate pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").
- With respect to Resolution 5, approval is being sought from shareholders for a general mandate to repurchase shares to be given to the Directors.
- With respect to Resolution 6, approval is being sought from shareholders for a general mandate to be given to the Directors to reissue shares as a result of such repurchase authorised by Resolution 5. In accordance with the Listing Rules and the Codes on Takeovers and Mergers and Share Repurchase, a letter setting out the terms and conditions upon which such power will be exercised is being despatched to shareholders together with the 2002 Annual Report of the Company.



