



Zhou Mingchen
Chairman

On behalf of the Board of Directors, I am pleased to present the annual results of Top Glory International Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2000.

RESULTS

Consolidated turnover of the Group increased by about 42% to approximately HK\$1,876,748,000 for the year. Consolidated profit attributable to shareholders increased by about 9% to approximately HK\$65,309,000. Earnings per share for the year were 2.44 HK cents, improved from 2.25 HK cents for the year ended 31 December 1999.

DIVIDENDS

The Directors of the Company do not recommend the payment of any final dividend for the year ended 31 December 2000 (1999: Nil).

BUSINESS REVIEW

The economy of the Asia-Pacific region slowly recovers during the year and the impact of the Asian financial crisis was gradually wearing off. The economy was steadily improving and gaining upward momentum. Management believes that the business of the Group will have ample room to grow in Mainland China in view of the promising future of the Chinese market and its imminent admission to membership in the World Trade Organization ("WTO").

In order to better equip the Group for the globalization of the world economy, China National Cereals, Oils & Foodstuffs Import & Export Corporation ("COFCO"), the Group's ultimate holding company, implemented a series of restructuring programs during the year to consolidate the operations of the Group and accelerate the progress of the Group's integration with the global market.

The first step of the restructuring was the proposed acquisition by China Foods Holdings Limited ("China Foods") of the entire issued share capital of each of COFCO Oils & Fats Holdings Limited ("COFCO Oils & Fats") and COFCO Wines & Spirits Holdings Limited from the Company's parent company, COFCO (Hong Kong) Limited ("COFCO HK"). In addition, China Foods and COFCO HK also entered into another sale and purchase agreement to procure COFCO Oils & Fats to purchase through an intermediate holding company a 40% equity interest in Great Ocean Oil & Grain Industries (Fang Cheng Gang) Company Limited. After the completion of the restructuring, China Foods will become the listed vehicle of COFCO focusing on the food and beverage business and the Group will be principally engaged in the investment and development of properties and hotels.

In the property and hotel sector, the market has always been competitive. The Group has invested in a vast number of projects in this sector, including Beijing Capital Paradise, Shanghai Pudong Gloria Harbour View, Shenyang Top Glory Square, Top Glory Tower in Hong Kong and the Gloria hotel chain.

Through years of planning and operations, Beijing Capital Paradise has become one of Beijing's well known deluxe residential area. Both the sales of villa and rental of apartments have achieved satisfactory results. Shanghai Pudong Gloria Harbour View is a large-scale deluxe residential project to be developed by the Group in Shanghai. It is expected that upon its completion, the quality of the project will promote and strengthen the Group's reputation in the residential property market. After the move in of an internationally recognized chain store, the attractiveness of Shenyang Top Glory Square will be greatly enhanced, both to the tenants and the consumers. Currently, the Group is planning for the development of residential projects in the area close to the Square and construction will be commenced as soon as possible. The occupancy rate of Top Glory Tower in Hong Kong has been maintained at a satisfactory level. The average occupancy rate was about 90% throughout the year.

For our hotel investment, the occupancy rate of Gloria Resort, Sanya had been improving consistently. The overall occupancy rate of the Group's hotel chain has been steadily upheld at over 70%. In order to ensure the continuous success achieved in our investments in properties and hotels, Management will constantly review the operation strategies, the status of facilities and service level. Through these efforts, Management aims to increase the Group's market share in this business sector.

The Group participates in the food processing and manufacturing business through its investment in China Foods. Although the edible oils refining industry was impacted by the quota system of imported crude oils, the overall profitability of its business had not tumbled. With regard to the wine-making business, our past efforts to increase the output of red wine and to expand the production line capacity had established a strong foundation for future profitability. Zhengzhou Hija Food Co., Ltd., the flour milling business, generated a steady return on investment.

OUTLOOK

The globalization of world economy and China's eventual admission to the WTO will push the Chinese economy to grow swiftly. As the standard of living improves, people will demand more from their living environment. All of these beneficial factors will bring more business opportunities to the Group's property and hotel businesses. With our experience and strong foundation, we believe that the Group will continue its steady growth.

In August 2000, COFCO announced its restructuring program pursuant to which, suitable property and hotel projects will be injected into the Group over the next two to three years. Management will seize this opportunity and build on the full backing of COFCO, and develop the Group into the listed flagship of property and hotel businesses under the COFCO's umbrella.

Throughout the year, we resolved various difficult situations and rode out other challenges. The Group can only achieve its success and status as a resourceful enterprise through the dedication of our staff to their work. On behalf of Management and our shareholders, I would like to express my gratitude to our staff for their continuous efforts and supports.

Zhou Mingchen

Chairman

Beijing, 6 April 2001