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## **TAI PING CARPETS INTERNATIONAL LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 146)



### **ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30 JUNE 2025**

The board (the “Board”) of directors (the “Directors” and each a “Director”) of Tai Ping Carpets International Limited (the “Company”) is pleased to announce the consolidated financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the year ended 30 June 2025, together with comparative figures for the year ended 30 June 2024.

#### **CONSOLIDATED INCOME STATEMENT**

*For the year ended 30 June*

		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenues		<b>658,809</b>	640,215
Cost of sales	4	<u>(257,160)</u>	<u>(245,202)</u>
Gross profit		<b>401,649</b>	395,013
Distribution costs	4	<b>(195,342)</b>	(189,040)
Administrative expenses	4	<b>(159,346)</b>	(157,966)
Other gains/(losses) – net	5	<u><b>4,020</b></u>	<u>(2,450)</u>
<b>Operating profit</b>		<b>50,981</b>	45,557
Finance income – net		<u><b>2,163</b></u>	<u>2,231</u>
<b>Profit before income tax</b>		<b>53,144</b>	47,788
Income tax expenses	6	<u><b>(9,364)</b></u>	<u>(5,675)</u>
<b>Profit for the year attributable to the owners of the Company</b>		<u><u><b>43,780</b></u></u>	<u><u>42,113</u></u>
Earnings per share attributable to the owners of the Company during the year (expressed in HK cents per share)			
Basic/diluted	7	<u><u><b>20.63</b></u></u>	<u><u>19.85</u></u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 30 June*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Profit for the year</b>	<b>43,780</b>	42,113
<b>Other comprehensive income:</b>		
Item that will not be reclassified subsequently to profit or loss		
Remeasurement of retirement benefit obligations	(106)	(502)
Item that has been or may be reclassified subsequently to profit or loss		
Currency translation differences	<u>6,488</u>	<u>3,588</u>
<b>Other comprehensive income for the year, net of tax</b>	<u>6,382</u>	<u>3,086</u>
<b>Total comprehensive income for the year attributable to the owners of the Company</b>	<u><u>50,162</u></u>	<u><u>45,199</u></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June

		2025	2024
	Note	HK\$'000	HK\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Land use right		22,238	22,809
Property, plant & equipment		203,898	211,380
Investment property		68,289	70,077
Construction in progress		8,055	270
Intangible assets		13,815	10,239
Right-of-use assets		116,982	90,336
Lease receivable		3,642	6,182
Prepayments	8	6,416	8,094
		<u>443,335</u>	<u>419,387</u>
<b>Current assets</b>			
Inventories		43,989	49,515
Trade & other receivables	8	82,665	97,437
Current income tax recoverables		542	—
Lease receivable		2,573	2,263
Pledged bank deposits		1,178	641
Fixed deposits		4,759	129,551
Cash & cash equivalents		295,254	133,772
		<u>430,960</u>	<u>413,179</u>
<b>Total assets</b>		<u><u>874,295</u></u>	<u><u>832,566</u></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June

	Note	2025 HK\$'000	2024 HK\$'000
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		21,219	21,219
Reserves		247,049	240,561
Retained earnings:			
Proposed final dividend		25,462	25,462
Others		185,910	167,698
<b>Total equity</b>		<b>479,640</b>	<b>454,940</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		1,881	1,242
Retirement benefit obligations		6,345	5,014
Lease liabilities		106,743	88,320
Other long-term liabilities		125	262
		<b>115,094</b>	<b>94,838</b>
<b>Current liabilities</b>			
Trade & other payables	9	163,988	169,626
Contract liabilities – Deposits received in advance	10	83,354	78,989
Current income tax liabilities		74	8,236
Lease liabilities		32,145	25,937
		<b>279,561</b>	<b>282,788</b>
<b>Total liabilities</b>		<b>394,655</b>	<b>377,626</b>
<b>Total equity &amp; liabilities</b>		<b>874,295</b>	<b>832,566</b>
<b>Net current assets</b>		<b>151,399</b>	<b>130,391</b>
<b>Total assets less current liabilities</b>		<b>594,734</b>	<b>549,778</b>

## 1. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with all applicable HKFRS Accounting Standards (“HKFRS”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group’s accounting policies.

## 2. CHANGES IN ACCOUNTING STANDARDS

### (a) New and amended standards mandatory for the first time for the financial year beginning 1 July 2024

The HKICPA has issued a number of amendments to HKFRS that are first effective for the financial year beginning on 1 July 2024 and none of them have material impact to the Group. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### (b) New and amended standards and interpretations which have been issued but are not effective for the financial year ended 30 June 2025 and have not been early adopted.

The Group has not early adopted the following developments that may be relevant to the Group. These developments have been issued but are not yet effective:

HKAS 21	The Effects of Changes in Foreign Exchanges Rates (amendments) <sup>1</sup>
HKFRS 7	Financial Instruments: Disclosures (amendments) <sup>2</sup>
HKFRS 9	Financial Instruments (amendments) <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard) <sup>3</sup>

*Notes:*

<sup>1</sup> Effective for the Group from 1 July 2025

<sup>2</sup> Effective for the Group from 1 July 2026

<sup>3</sup> Effective for the Group from 1 July 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements, except for HKFRS 18, where the presentation and disclosures of the Group’s consolidated financial statements are expected to change.

## 3. REVENUES AND SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board which are used to assess performance and allocate resources. The Board assesses the performance in the following geographical areas: Asia, Europe, the Middle East and Africa (“EMEA”) and America.

The Board assesses the performance of the operating segments based on a measure of segment results. Segment results which comprise the operating profit/loss of each business segment and effects of gain/loss and income/expenditure are considered relevant in assessing the segment's performance.

The segment information provided to management for the reportable segments for the years ended 30 June 2025 and 2024 are as follows:

**For the year ended 30 June 2025**

	Asia HK\$'000	EMEA HK\$'000	America HK\$'000	Unallocated HK\$'000	Group HK\$'000
Revenue from external customers	160,205	245,533	253,071	–	658,809
Cost of production <sup>1</sup>	<u>(52,668)</u>	<u>(97,483)</u>	<u>(105,762)</u>	<u>–</u>	<u>(255,913)</u>
Segment gross margin	<u>107,537</u>	<u>148,050</u>	<u>147,309</u>	<u>–</u>	<u>402,896</u>
Segment results	51,808	35,720	17,566	–	105,094
Unallocated expenses <sup>2</sup>					<u>(54,113)</u>
Operating profit					50,981
Finance income – net					<u>2,163</u>
Profit before income tax					53,144
Income tax expenses					<u>(9,364)</u>
Profit for the year					<u>43,780</u>
Non-current assets	293,687	67,734	76,640	5,274	443,335
Current assets	<u>228,969</u>	<u>128,884</u>	<u>66,039</u>	<u>7,068</u>	<u>430,960</u>
Total assets					<u>874,295</u>
Segment liabilities	<u>97,428</u>	<u>138,014</u>	<u>134,095</u>	<u>25,118</u>	<u>394,655</u>
Capital expenditure	(3,323)	(5,426)	(8,016)	(44)	(16,809)
Impairment loss on property, plant & equipment	–	–	(912)	–	(912)
Amortisation of intangible assets	(200)	(74)	(8)	(1,493)	(1,775)
Depreciation of property, plant & equipment	(9,502)	(2,885)	(3,870)	(371)	(16,628)
Depreciation of investment property	(1,833)	–	–	–	(1,833)
Depreciation of other right-of-use assets	(8,152)	(7,665)	(8,547)	–	(24,364)
Amortisation of land use right	(586)	–	–	–	(586)
Allowance for provision for inventories – net	(842)	(1,394)	(3,024)	–	(5,260)
Inventories written off	(446)	–	(126)	–	(572)
Recovery of/(allowance for) impairment of trade receivables – net	–	1,920	(749)	–	1,171
Property, plant & equipment written off	<u>–</u>	<u>–</u>	<u>(31)</u>	<u>–</u>	<u>(31)</u>

For the year ended 30 June 2024

	Asia HK\$'000	EMEA HK\$'000	America HK\$'000	Unallocated HK\$'000	Group HK\$'000
Revenue from external customers	136,072	264,374	239,769	–	640,215
Cost of production <sup>1</sup>	<u>(42,787)</u>	<u>(101,550)</u>	<u>(98,346)</u>	<u>–</u>	<u>(242,683)</u>
Segment gross margin	<u>93,285</u>	<u>162,824</u>	<u>141,423</u>	<u>–</u>	<u>397,532</u>
Segment results	41,527	44,241	19,802	–	105,570
Unallocated expenses <sup>2</sup>					<u>(60,013)</u>
Operating profit					45,557
Finance income – net					<u>2,231</u>
Profit before income tax					47,788
Income tax expenses					<u>(5,675)</u>
Profit for the year					<u>42,113</u>
Non-current assets	303,272	67,896	47,280	939	419,387
Current assets	<u>195,244</u>	<u>141,090</u>	<u>70,542</u>	<u>6,303</u>	<u>413,179</u>
Total assets					<u>832,566</u>
Segment liabilities	<u>120,004</u>	<u>137,768</u>	<u>98,004</u>	<u>21,850</u>	<u>377,626</u>
Capital expenditure	(6,505)	(6,957)	(2,249)	(47)	(15,758)
Amortisation of intangible assets	(27)	(74)	(8)	(2,424)	(2,533)
Depreciation of property, plant & equipment	(8,386)	(2,759)	(3,868)	(415)	(15,428)
Depreciation of investment property	(1,846)	–	–	–	(1,846)
Depreciation of other right-of-use assets	(9,365)	(7,534)	(9,070)	–	(25,969)
Amortisation of land use right	(590)	–	–	–	(590)
Allowance for provision for inventories – net	(1,798)	(840)	(4,776)	–	(7,414)
Inventories written off	(548)	(11)	(24)	–	(583)
(Allowance for)/recovery of impairment of trade receivables – net	<u>(98)</u>	<u>(1,604)</u>	<u>512</u>	<u>–</u>	<u>(1,190)</u>

Notes:

<sup>1</sup> Cost of production comprises cost of sales, transportation and administrative expenses of the factories, which are classified as distribution costs and administrative expenses in the consolidated income statement.

<sup>2</sup> Unallocated expenses include corporate expenses of the Group.

#### 4. EXPENSES BY NATURE

	2025 HK\$'000	2024 HK\$'000
Raw materials & consumables used	45,956	49,823
Amortisation of intangible assets	1,775	2,533
Depreciation of property, plant & equipment	16,628	15,428
Depreciation of investment property	1,833	1,846
Depreciation/amortisation of right-of-use assets by class of underlying assets		
– Buildings and properties	24,034	25,693
– Other assets	330	276
– Land use right	586	590
Employee benefit expenses	224,433	214,251
Expenses relating to short-term leases	1,513	2,254
Allowance for provision for inventories – net	5,260	7,414
Inventories written off	572	583
(Recovery of)/allowance for impairment of trade receivables – net	(1,171)	1,190
Bad debts directly written off	203	9
Auditor's remuneration		
– Audit services	2,821	2,803
– Non-audit services	546	360
Legal and professional fees	8,674	8,135

#### 5. OTHER GAINS/(LOSSES) – NET

	2025 HK\$'000	2024 HK\$'000
Rental income	3,113	3,245
Net foreign exchange gain/(loss)	339	(681)
Property, plant & equipment written off	(31)	–
Loss on disposal of property, plant & equipment	(365)	(3)
Impairment loss on property, plant & equipment	(912)	–
Loss on derecognition of right-of-use assets	–	(6,420)
Others	1,876	1,409
	4,020	(2,450)



## 6. INCOME TAX EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year ended 30 June 2025. Taxation on overseas profits has been calculated on the estimated assessable profits for the years ended 30 June 2025 and 2024 at the rates of taxation prevailing in the jurisdictions in which the Group operates.

	2025 HK\$'000	2024 HK\$'000
Current income tax		
Hong Kong	2,266	117
Overseas	6,149	4,549
Under-provision in prior years	310	1,147
Deferred income tax expenses/(credit)	<u>639</u>	<u>(138)</u>
Income tax expenses	<u><u>9,364</u></u>	<u><u>5,675</u></u>

## 7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Profit attributable to owners of the Company (HK\$'000)	<u>43,780</u>	<u>42,113</u>
Weighted average number of ordinary shares in issue (thousands)	<u>212,187</u>	<u>212,187</u>
Basic earnings per share (HK cents)	<u><u>20.63</u></u>	<u><u>19.85</u></u>

The Group had no dilutive potential shares outstanding during the years ended 30 June 2025 and 2024.

## 8. TRADE & OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	61,346	79,779
Less: Allowance for impairment of trade receivables	<u>(6,895)</u>	<u>(7,749)</u>
Trade receivables – net	54,451	72,030
Prepayments	11,842	10,235
Value added tax receivables	338	623
Rental deposits	3,567	3,870
Other receivables	<u>18,883</u>	<u>18,773</u>
	<u>89,081</u>	<u>105,531</u>
Less: Non-current portion prepayments	<u>(6,416)</u>	<u>(8,094)</u>
Current portion	<u><u>82,665</u></u>	<u><u>97,437</u></u>

The carrying amounts of trade receivables approximate their fair values as at 30 June 2025 and 2024. The credit terms of the Group range from 0 to 90 days, depending on the credit status and repayment history of customers. At the end of the financial year, the ageing analysis of the trade receivables based on invoice date is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	41,984	41,627
31 to 60 days	7,368	12,447
61 to 90 days	2,272	10,735
91 to 365 days	2,607	9,708
More than 365 days	<u>7,115</u>	<u>5,262</u>
	<u><u>61,346</u></u>	<u><u>79,779</u></u>

Movements on the Group's allowance for impairment of trade receivables are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1 July	7,749	6,657
(Recovery of)/allowance for impairment of trade receivables – net	(1,171)	1,190
Receivables written off as uncollectible	(20)	–
Currency translation difference	<u>337</u>	<u>(98)</u>
At 30 June	<u><u>6,895</u></u>	<u><u>7,749</u></u>

## 9. TRADE & OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	33,879	33,503
Accrual for expenses	100,506	97,651
Other payables	<u>29,603</u>	<u>38,472</u>
	<u><b>163,988</b></u>	<u><b>169,626</b></u>

At the end of the financial year, the ageing analysis of the Group's trade payables based on invoice date is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	24,226	24,335
31 days to 60 days	7,146	6,805
61 days to 90 days	2,253	822
More than 90 days	<u>254</u>	<u>1,541</u>
	<u><b>33,879</b></u>	<u><b>33,503</b></u>

## 10. CONTRACT LIABILITIES – DEPOSITS RECEIVED IN ADVANCE

During the year, movement in contract liabilities included increase in deposits received in advance amounting to approximately HK\$358,544,000 (2024: HK\$350,600,000), net off by a decrease of approximately HK\$354,179,000 (2024: HK\$348,202,000) as a result of recognising revenues.

Contract liabilities are recognised when considerations from customers are received, or the Group has the rights to an amount of consideration that is unconditional before the Group performs a service or delivery of carpets to the customers.

## CHAIRMAN'S STATEMENT

The financial year ending 30 June 2025 was shaped by a challenging trading environment resulting from macroeconomic, and political uncertainty. The introduction of new tariff policies by the US government presented a significant challenge for Tai Ping as an Asian producer, causing volatility in the marketplace and leading to customer confusion. Despite these headwinds, I am pleased to report that the Company continued to deliver revenue growth and improved profitability, a testament to a robust business model and the professionalism of the management team.

Total turnover for the Group for the year ended 30 June 2025 was HK\$659 million, an increase of 3% over HK\$640 million achieved in the previous year. The Asia region achieved the highest revenue growth at 18%, reflecting its successful strategy to diversify beyond the residential market. The Americas also performed well with a 6% revenue increase, while EMEA's revenue declined by 7%, impacted by the nearby conflicts in the Ukraine and the Middle East. Gross margin for the year was 61%, a marginal decrease from 62% in the prior year. This was primarily a result of the increased US tariffs, which offset productivity gains realised in the Company's manufacturing operations in China. Through careful control of costs, profit before income tax improved by 11% to HK\$53 million, up from HK\$48 million. Net profit attributable to equity holders rose by 4% to HK\$44 million from HK\$42 million in the previous year.

Throughout the year, management remained focused on deploying strategic initiatives across sales, marketing, and manufacturing. Tai Ping maintained its presence at leading international design events in Milan, Paris, Monaco, and Las Vegas, unveiling new collections that reinforced our brand identity, heritage, craftsmanship, and sustainability credentials. The year also marked the 90th anniversary of Edward Fields, a long-established American brand owned by the Group. To commemorate this milestone, a documentary featuring the iconic American carpet designer was screened at the celebration event in New York and later shared across social media platforms. To capitalise on the momentum this has generated, a new flagship showroom in New York, showcasing both Tai Ping and Edward Fields designs, is scheduled to open in the first quarter of 2026. This will be Tai Ping's eighth flagship showroom, joining our existing locations in San Francisco, Los Angeles, London, Paris, Milan, Hong Kong, and Shanghai. All of these have been opened since the divestment of the Company's commercial activities in late 2017.

The Company's manufacturing operation in China remains a key component of its recent success. The team of artisans in China has remained stable and committed, despite the ongoing economic downturn in the region. To complement and maintain their exceptional craftsmanship, continued investment has been made in innovation, technology, and skills development. In parallel, environmental and ethical sourcing credentials have been further developed to meet or exceed the expectations of customers. Expansion of the new carpet manufacturing operation in the United States is also progressing as planned and upon maturity, this facility will serve the American market more effectively, meeting the market trend towards "local sourcing", and providing greater speed to market.

Looking ahead, the geopolitical landscape is expected to remain complex, with ongoing conflicts presenting continuing risk. The Company is actively exploring countermeasures and adapting its strategies to navigate these challenges. In 2026, Tai Ping celebrates its 70th anniversary and will continue to cautiously deploy strategic plans to maintain its growth trajectory and enhance its operational efficiency. While the trading environment may impact performance in the short term, the sustained financial progress achieved in recent years provides a solid foundation, and the outlook for continued growth and improvement in the medium term remains positive.

In closing, I would like to express my sincere appreciation to our employees for their unwavering dedication, to our partners for their continued support, and to our shareholders for their enduring confidence. On behalf of the Board, I would like to thank Tai Ping's management and staff who continue to work diligently to execute the agreed strategy, delivering improved profitability and business resilience. I would also like to thank the Directors for their continued advice and support.

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **BUSINESS REVIEW**

The Group's consolidated turnover for the financial year ended 30 June 2025 increased to HK\$659 million, growth of 3% compared to HK\$640 million in the prior year.

The Group's gross margin was 61%, slightly lower than 62% in the previous year, resulting from the increase in US tariffs implemented at the beginning of 2025, which substantially offset productivity gains achieved at the manufacturing operation in China. Operating expenses amounted to HK\$351 million, slightly higher than the HK\$349 million incurred in the prior year which included a one-time loss of HK\$6 million due to a derecognition of right-of-use asset, following a strategic decision to sublet one of the Group's showrooms in New York. When this one-time charge is excluded, operating expenses increased by 2% reflecting general inflation and the on-going investment in strategic initiatives.

Despite the adverse effect of US tariffs, the benefits of higher sales and disciplined cost control contributed to a profit before income tax of HK\$53 million, representing an improvement of 11% compared to the HK\$48 million recorded in 2024.

The Group's net profit attributable to the equity holders of the Company for the year ended 30 June 2025 was HK\$44 million, an increase of 4% compared to the HK\$42 million in the previous year. The lower growth relative to profit before income tax resulted from higher corporate tax expenses.

## **CARPET OPERATIONS**

Revenue from carpet operations was HK\$645 million, a 3% increase from HK\$625 million in the prior year. Asia reported the highest sales growth at 17%, driven mainly by several significant hospitality projects. In the Americas, revenue rose by 6%, though momentum slowed in the second half due to economic uncertainty in the region, which offset strong growth in the first half of the year. The revenue growth in Asia and Americas was partially offset by a 7% decline in EMEA, attributable mainly to instability and loss of business resulting from the continuing Ukraine and Middle Eastern conflicts.

The overall gross margin for the carpet operations for the year was 62%, slightly down from 63% last year.

### **Manufacturing Operations**

The Artisan workshop in Xiamen, China, continued to demonstrate strong performance, driven by improvements in productivity, material utilisation, and operational efficiency. A stable and skilled workforce, combined with increased sales, enabled the realisation of economies of scale, helping to reduce local inflationary pressures. Ongoing investments in innovation and technology are in place to further enhancing productivity and to protect the health and safety of our employees.

Environmental stewardship and ethical sourcing remain central to our manufacturing philosophy, ensuring alignment with evolving customer expectations and supporting their sustainability goals.

The expansion of the US carpet manufacturing operations, located at the Premier Yarn Dyers (“PYD”) facility in Georgia, is advancing according to plan. Upon completion, this initiative will significantly enhance our ability to serve the Group’s American market more effectively and reinforce our vertically integrated business model.

Through the ongoing expansion in the US and the established success in China, the Group is being positioned to address market opportunities and challenges with confidence.

As of 30 June 2025, the total headcount for manufacturing operations was 574, compared to 571 at the same period last year.

### **Human Resources**

The total number of Company employees at the end of June 2025 had increased slightly to 753, compared with 740 as at 30 June 2024.

Employees are remunerated according to the nature of their job and market trends, with built-in merit components incorporated as an incentive to reward and motivate individual performance.

During the year, the primary focus for Human Resources was placed on establishing organisational stability and retaining talent amid on-going changes.

## **Information Technology**

During the year a new Customer Relationship Management (CRM) system began development to enhance customer engagement. It will enable more targeted, personalised marketing and support data-driven decision-making, improving the effectiveness of digital campaign prioritisation.

Ongoing enhancements have also been implemented in support of the Company's core ERP system with a focus on automating sales processes, minimising manual tasks, improving integration with customer-facing applications, and supporting new business initiatives.

Lastly, upgrades to the ERP system at the US manufacturing facility are progressing to support capacity expansion, strengthen process control, and improve operational efficiency. The system will eventually integrate with the ERP system used by the Artisan workshop at Xiamen to establish a centralised supply chain management solution.

## **Design and Marketing**

During the year House of Tai Ping continued to maintain its position as a creative leader through the launch of innovative new collections across its brands.

Highlights included:

*Nakashima Edition* by George Nakashima for Edward Fields features bold organic forms, inspired by the designer's philosophy of harmonising human creativity with nature. The collection debuted at Maison et Objet 2025 in Paris.

*Lemontecarlo* by Bannenberg & Rowell, renowned superyacht designers, features pop art influences, vibrant color contrasts, and citrus-inspired energy. The carpet pays tribute to Jon Bannenberg, the legendary yacht designer. It was showcased at the 2024 Monaco Yacht Show.

*The Flow Pavilion* by Chris Cheung, a Hong Kong-based media artist, draws inspiration from Mihaly Csikszentmihalyi's Flow Theory and comprised a Silk Canvas, a Gradient Silk Runner, and a trio of irregularly shaped carpets evoking Zen garden textures. The collection was showcased at 2025 Art in Resonance at The Peninsula Hong Kong.

*Paysages Collection* for Cogolin is inspired by the captivating landscapes and coastline of the Mediterranean and a colour palette that reflects the French Riviera. The collection debuted at Cogolin's centenary celebration event.

*Horror Vacui* by Elena Salmistraro, a prominent Italian designer, blends fantastical imagery with mythological themes, where human and animal elements intertwine. The carpet was showcased in Salmistraro's solo exhibition – Alchimie nel Vuoto in Milan.

The *Biophilic Program* showcases a collection of 16 rugs crafted exclusively from naturally renewable, undyed materials, reflecting Tai Ping's long-term commitment to sustainability. The collection was launched in Europe, Asia and the Americas, and targets customers who value eco-conscious design and environmental responsibility.

Tai Ping's marketing strategy consistently reinforces its core brand pillars of craftsmanship, heritage and responsibility. Promotional content is distributed across social media, as well as the Company's websites and e-shops, which now feature advanced search functions and an archive of over 2,500 designs.

Seven Tai Ping showrooms are now strategically located in prime shopping districts in major cities, boosting brand visibility and supporting growth in both retail and trade sales. A new flagship showroom in New York is scheduled for completion in early 2026. These showrooms showcase a broader product range and a refreshed aesthetic that elevates the Company's brand experience to both consumers and trade partners.

## **NON-CARPET OPERATIONS**

The Company's other operations mainly comprise its US-based dyeing subsidiary PYD, which account for roughly 2% of total sales. While the operating results of PYD remain stable, further investment is planned to modernise the facility and equipment in support of an expanded carpet manufacturing operation.

## **LIQUIDITY & FINANCIAL RESOURCES**

The Group coordinates its financing and cash management activities at the corporate level and usually funds its business with internally generated cash flows and through banking facilities at various subsidiaries.

On 30 June 2025 the Group had total cash and bank balances and short-term fixed deposits (with maturity over three months but within one year) amounting to HK\$300 million (at 30 June 2024: HK\$263 million) and had no unsecured bank borrowings (at 30 June 2024: Nil).



## **DIVIDEND**

No interim dividend was paid during the year ended 30 June 2025 (2024: Nil). The Directors recommend a final dividend of HK12 cents (2024: HK12 cents) per share, totaling HK\$25,462,000 (2024: HK\$25,462,000) for the year ended 30 June 2025. Subject to the approval of shareholders at the forthcoming annual general meeting of the Company (the “AGM”) on 5 December 2025, the final dividend will be paid to the shareholders of the Company on or about 30 December 2025 whose names appear on the register of members of the Company at the close of business on 15 December 2025.

## **CLOSURE OF REGISTER OF MEMBERS**

To determining shareholders’ entitlements to attend and vote at the forthcoming AGM on Friday, 5 December 2025, the transfer books and the register of members of the Company will be closed from Tuesday, 2 December 2025 to Friday, 5 December 2025 (both days inclusive). During such period no transfer of shares will be effected. To establish the right to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Monday, 1 December 2025.

For determining the entitlements to the proposed final dividend for the year ended 30 June 2025, the transfer books and the register of members of the Company will be closed from Thursday, 11 December 2025 to Monday, 15 December 2025 (both days inclusive). During such period no transfer of shares will be effected. To ensure that shareholders are entitled to receive the distribution of final dividend to be approved at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Wednesday, 10 December 2025.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SHARES**

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s shares during the year.

## **CORPORATE GOVERNANCE**

The Board and Management of the Company are committed to promoting good corporate governance to safeguard the interests of shareholders of the Company. The Company has complied with the applicable code provisions in the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the year ended 30 June 2025, except that the Company’s Directors are not appointed for specific terms. However, the relevant Bye-laws of the Company require that every Director should retire by rotation at least once every three years, which is in line with code provision B.2.2 of the CG Code.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding the Directors' transactions in the securities of the Company (the "Tai Ping Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules (the "Model Code"). Specific enquiry has been made of all the Directors of the Company and they have confirmed their compliance with the required standard set out in the Model Code and the Tai Ping Code throughout the year ended 30 June 2025.

## **AUDIT COMMITTEE**

The Company has set up an Audit Committee which comprises two Independent Non-executive Directors, namely Mr. Nicholas James Debnam (the chairman of the Audit Committee) and Ms. Yung Ka Sing Kathryn, and one Non-executive Director, namely Mr. John Jeffrey Ying.

The main duties of the Audit Committee include overseeing the relationship with the Company's external auditor (including making recommendation to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal), reviewing the Company's financial information, overseeing the Company's financial reporting system, risk management and internal control systems. Detailed terms of reference of the Audit Committee are published on the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company.

During the year the Audit Committee held four meetings with management and the external auditor to review the interim and annual reports before submission to the Board for consideration and approval, review the annual audit plan and scope of work for both external auditor and internal audit, and discuss issues arising from the audits including financial reporting, risk management and internal control.

## **REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS**

The financial figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 June 2025 as set out in the preliminary announcement have been reviewed by the Audit Committee and have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year ended 30 June 2025 and the amounts were found to be in agreement. The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Company and they are not aware of any events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The work performed by KPMG in respect of the preliminary announcement did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, and consequently no assurance has been expressed by the auditor.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.taipingcarpets.com](http://www.taipingcarpets.com)). The Annual Report 2024/25 of the Company containing the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the same websites in due course.

By order of the Board

**Nicholas Timothy James Colfer**  
*Chairman*

**Mark Stuart Worgan**  
*Chief Executive Officer*

Hong Kong, 19 September 2025

*The names of Directors as at the date hereof are: Chairman and Non-executive Director – Mr. Nicholas Timothy James Colfer; Chief Executive Officer and Executive Director – Mr. Mark Stuart Worgan; Non-executive Directors – Mr. Tong Chi Leung David, Mr. John Jeffrey Ying, Mr. Leong Kwok Fai Nelson, Mr. Frederick Edward Elkin Mocatta; Independent Non-executive Directors – Ms. Yung Ka Sing Kathryn, Mr. Daniel George Green, Mr. Nicholas James Debnam, Mr. Yuan Ren.*