

Tai Ping at a Glance

Tai Ping Group is one of the leaders in the international custom carpet market and is Asia's premier carpet group. The Company was founded in 1956 and has been publicly traded since 1973. The Company's stock is traded under stock code 146 on the Hong Kong Stock Exchange.

Since its establishment, the Company has grown from a cottage industry making traditional Chinese knotted rugs to a full service vertically integrated manufacturer of hand tufted, machine woven and tufted carpets of all specifications with sales in over 100 countries.

Tai Ping's international team provides access to a full product range of handmade and woven textiles for the floor to cover every budget and usage. Armed with an extensive range of products, our teams provide a seamless service from design concept through to the final installation completion of the specified floor covering.

FINANCIAL HIGHLIGHTS

In thousands of Hong Kong dollars except per share amounts

		2001	2000
Per Share	Net assets per share		
	(in Hong Kong dollars)	3.43	3.38
	Earnings per share		
	(in Hong Kong cents)	21	24
	Final dividend declared per share		
	(in Hong Kong cents)	3.0	1.9
For the year	Turnover	456,188	439,575
	Net earnings	37,649	33,672
	Earnings before interest, tax, depreciation & amortisation	82,280	82,161
	Additions to fixed assets and construction in progress	60,481	47,791
At 31 December	Total shareholders' funds	619,108	482,674
	Shares in issue (in thousand)	203,009	135,339
Ratio	Return on average equity	6.8%	7.2%



Level Two South Concourse at
San Antonio Convention Center,
San Antonio, Texas,
U.S.A



Hotel Frankfurter Hof, Frankfurt, Germany

Last Year's Balance Sheet
(Consolidated Balance Sheet at 31.12.2000)

	HK\$'000
Assets	
Fixed assets	
and construction in progress	298,909
Investments in affiliates	103,497
Other investments	32,122
Cash & cash equivalents	52,318
Other current assets	202,947
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	689,793
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Shareholders' Equity and Liabilities	
Share capital, premium & reserves	212,034
Retained earnings	270,640
Borrowings	112,652
Other liabilities	77,623
Minority interests	16,844
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	689,793
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Cash Flow For The Year
(Consolidated Cash Flow Statement
for the year ended 31.12.2001)

	HK\$'000
Cash inflow from operating activities	73,975
Net interest paid	(3,255)
Net dividend received	2,790
Tax paid	(11,920)
Capital expenditure	(60,481)
Acquisitions	(12,541)
Other investing activities	9,385
Fund raised from rights issue	97,609
Net decrease in bank loans	(44,912)
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Net increase in cash	50,650
Foreign exchange rate effect	(48)
Cash & cash equivalents	
at 31.12.2000	52,318
at 31.12.2001	102,920

Earnings For The Year
(Consolidated Profit and Loss Account
for the year ended 31.12.2001)

	HK\$'000
Turnover	456,188
Cost of sales	(273,438)
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Gross profit	182,750
Other revenue and income	12,562
Expenses	(153,794)
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Operating profit	41,518
Finance costs	(4,959)
Share of profits of affiliates	15,109
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Profit before taxation	51,668
Taxation	(11,004)
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Profit after taxation	40,664
Minority interests	(3,015)
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Net earnings	37,649

Earnings Retained
(Consolidated Retained Earnings
for the year ended 31.12.2001)

	HK\$'000
Balance at 31.12.2000	270,640
Exchange adjustments	301
Net earnings	37,649
2000 Final dividend paid	(2,707)
Capitaliscion of profits retained by joint ventures	(8,227)
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Balance at 31.12.2001	297,656

Today's Balance Sheet
(Consolidated Balance Sheet at 31.12.2001)

	HK\$'000
Assets	
■ Intangible assets	3,428
■ Fixed assets	
and construction in progress	332,786
■ Investments in affiliates	111,597
Other investments	33,267
Cash & cash equivalents	102,920
Finance lease investments	1,221
Other current assets	190,467
	775,686
Shareholders' Equity and Liabilities	
Share capital, premium & reserves	321,452
Retained earnings	297,656
Borrowings	67,740
Other liabilities	72,218
Minority interests	16,620
	775,686

■ The capital expenditure include additions of fixed assets of HK\$12,007,000 and construction in progress of HK\$48,474,000.

■ Acquisitions represented purchase of remaining 10% interest in Treasure Looms (China) Limited ("TLC") and White Oak Carpet Mills, Inc. of HK\$6,976,000, purchase from a minority shareholder of a shareholder's loan receivable from TLC of HK\$4,367,000, and purchase of other investments of HK\$1,198,000.

■ Cash inflow from other investing activities included disposal of interest of other investments of HK\$2,910,000, disposal of fixed assets of HK\$1,360,000, and repayment of loan receivable by a minority shareholder of HK\$5,115,000.

■ Turnover represented revenue from sale of carpet, yarn, interior furnishings, rental income from property investment and term deposit income from a bank. The turnover increased by 3.8%.

■ Expenses include distribution costs of HK\$62,591,000 administrative expenses of HK\$86,686,000 and other operating expenses of HK\$4,517,000.

■ Share of profits of affiliates include HK\$3,167,000 from an associated company and HK\$11,942,000 from joint ventures.

■ Intangible assets represented net book amount of positive goodwill of HK\$6,024,000 arising from acquisition of 100% interest in White Oak Carpet Mills, Inc., and of negative goodwill of HK\$2,596,000 from acquisition of remaining 10% interest in Treasure Looms (China) Limited.

■ Investment in affiliates included HK\$90,011,000 in joint ventures in Weihai, Shandong Province of PRC and HK\$21,586,000 in an associated company in the Philippines.

James S. Dickson Leach
Chairman

