TAI PING CARPETS INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 146)

TAI PING

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30 JUNE 2026

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 2026, together with comparative figures for the year ended 30 June 2025.

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June

	Note	**2026**	2025
		HK$'000	*HK$'000*
Revenues	*3*	**696,092**	658,809
Cost of sales	*4*	**(265,564)**	(257,160)
Gross profit		**430,528**	401,649
Distribution costs	*4*	**(210,394)**	(195,342)
Administrative expenses	*4*	**(170,295)**	(159,346)
Other gains – net	*5*	**4,147**	4,020
Operating profit		**53,986**	50,981
Finance income – net	*6*	**684**	2,163
Profit before income tax		**54,670**	53,144
Income tax expenses	*7*	**(8,148)**	(9,364)
Profit for the year attributable to the owners of the Company		**46,522**	43,780
Earnings per share attributable to the owners of the Company during the year (expressed in HK cents per share)			
Basic/diluted	*8*	**21.93**	20.63

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June

	2026	2025
	HK$'000	*HK$'000*
Profit for the year	**46,522**	43,780
Other comprehensive income:		
Item that will not be reclassified subsequently to profit or loss		
Remeasurement of retirement benefit obligations	**(22)**	(106)
Item that has been or may be reclassified subsequently to profit or loss		
Currency translation differences	**13,064**	6,488
Other comprehensive income for the year, net of tax	**13,042**	6,382
Total comprehensive income for the year attributable to the owners of the Company	**59,564**	50,162

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June

	Note	**2026** *HK$'000*	2025 *HK$'000*
Assets			
Non-current assets			
Land use right		**22,727**	22,238
Property, plant & equipment		**202,619**	203,898
Investment property		**69,757**	68,289
Construction in progress		**43,244**	8,055
Intangible assets		**12,270**	13,815
Right-of-use assets		**98,199**	116,982
Lease receivable		**761**	3,642
Prepayments	*10*	**8,691**	6,416
		458,268	443,335
Current assets			
Inventories		**42,647**	43,989
Trade & other receivables	*10*	**113,462**	82,665
Current income tax recoverables		**–**	542
Lease receivable		**2,877**	2,573
Pledged bank deposit		**695**	1,178
Fixed deposits		**100,291**	4,759
Cash & cash equivalents		**179,118**	295,254
		439,090	430,960
Total assets		**897,358**	874,295

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June

	Note	**2026**	2025
		HK$'000	*HK$'000*
Equity			
Equity attributable to owners of the Company			
Share capital		**21,219**	21,219
Reserves		**260,113**	247,049
Retained earnings:			
Proposed final dividend	*9*	**25,462**	25,462
Others		**206,948**	185,910
Total equity		**513,742**	479,640
Liabilities			
Non-current liabilities			
Deferred income tax liabilities		**1,616**	1,881
Retirement benefit obligations		**6,576**	6,345
Lease liabilities		**86,844**	106,743
Other long-term liabilities		**98**	125
		95,134	115,094
Current liabilities			
Trade & other payables	*11*	**190,636**	163,988
Contract liabilities – Deposits received in advance	*12*	**65,271**	83,354
Current income tax liabilities		**6,781**	74
Lease liabilities		**25,794**	32,145
		288,482	279,561
Total liabilities		**383,616**	394,655
Total equity & liabilities		**897,358**	874,295
Net current assets		**150,608**	151,399
Total assets less current liabilities		**608,876**	594,734

1. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), 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 Accounting Standards 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 2025

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective for the financial year beginning on 1 July 2025 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 2026 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:

HKFRS 7	Financial Instruments: Disclosures (amendments)[1]
HKFRS 9	Financial Instruments (amendments)[1]
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard)[2]

Notes:

1 Effective for the Group from 1 July 2026

2 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

(a) Revenue from contracts with customers within the scope of HKFRS 15

	2026	2025
	HK$'000	*HK$'000*
Sale of carpets & underlays	**585,479**	567,028
Installation of carpets & furnishing business	**90,467**	78,054
Sale of yarns & others	**20,146**	13,727
	696,092	658,809

(b) 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 2026 and 2025 are as follows:

For the year ended 30 June 2026

	Asia	EMEA	America	Unallocated	Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	**113,004**	**295,316**	**287,772**	**–**	**696,092**
Cost of production[1]	**(40,739)**	**(109,100)**	**(117,256)**	**–**	**(267,095)**
Segment gross margin	**72,265**	**186,216**	**170,516**	**–**	**428,997**
Segment results	**21,695**	**57,083**	**29,425**	**–**	**108,203**
Unallocated expenses[2]					**(54,217)**
Operating profit					**53,986**
Finance income – net					**684**
Profit before income tax					**54,670**
Income tax expenses					**(8,148)**
Profit for the year					**46,522**
Non-current assets	**291,623**	**56,729**	**104,820**	**5,096**	**458,268**
Current assets	**159,919**	**168,424**	**108,353**	**2,394**	**439,090**
Total assets					**897,358**
Segment liabilities	**88,574**	**119,208**	**146,876**	**28,958**	**383,616**
Capital expenditure	**(487)**	**(2,198)**	**(41,615)**	**(118)**	**(44,418)**
Amortisation of intangible assets	**(200)**	**(80)**	**(8)**	**(2,194)**	**(2,482)**
Depreciation of property, plant & equipment	**(10,404)**	**(2,755)**	**(3,536)**	**(372)**	**(17,067)**
Depreciation of investment property	**(1,874)**	**–**	**–**	**–**	**(1,874)**
Depreciation of other right-of-use assets	**(7,635)**	**(8,282)**	**(9,545)**	**–**	**(25,462)**
Amortisation of land use right	**(600)**	**–**	**–**	**–**	**(600)**
Allowance for provision for inventories – net	**(705)**	**(987)**	**268**	**–**	**(1,424)**
Inventories written off	**(210)**	**(236)**	**(35)**	**–**	**(481)**
(Allowance for)/recovery of impairment of trade receivables – net	**(96)**	**240**	**94**	**–**	**238**
Property, plant & equipment written off	**–**	**–**	**(311)**	**–**	**(311)**

For the year ended 30 June 2025

	Asia	EMEA	America	Unallocated	Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	160,205	245,533	253,071	–	658,809
Cost of production[1]	(52,668)	(97,483)	(105,762)	–	(255,913)
Segment gross margin	107,537	148,050	147,309	–	402,896
Segment results	51,808	35,720	17,566	–	105,094
Unallocated expenses[2]					(54,113)
Operating profit					50,981
Finance income – net					2,163
Profit before income tax					53,144
Income tax expenses					(9,364)
Profit for the year					43,780
Non-current assets	293,687	67,734	76,640	5,274	443,335
Current assets	228,969	128,884	66,039	7,068	430,960
Total assets					874,295
Segment liabilities	97,428	138,014	134,095	25,118	394,655
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	–	–	(31)	–	(31)

Notes:

1 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.

2 Unallocated expenses include corporate expenses of the Group.

4. EXPENSES BY NATURE

	2026	2025
	HK$'000	*HK$'000*
Raw materials & consumables used	**52,088**	45,956
Amortisation of intangible assets	**2,482**	1,775
Depreciation of property, plant & equipment	**17,067**	16,628
Depreciation of investment property	**1,874**	1,833
Depreciation/amortisation of right-of-use assets by class of underlying assets		
– Buildings and properties	**25,086**	24,034
– Other assets	**376**	330
– Land use right	**600**	586
Employee benefit expenses	**243,130**	224,433
Expenses relating to short-term leases	**1,790**	1,513
Allowance for provision for inventories – net	**1,424**	5,260
Inventories written off	**481**	572
Recovery of impairment of trade receivables – net	**(238)**	(1,171)
Bad debts directly written off	**406**	203
Auditor's remuneration		
– Audit services	**2,826**	2,821
– Non-audit services	**933**	546
Legal and professional fees	**7,009**	8,674

5. OTHER GAINS – NET

	2026	2025
	HK$'000	*HK$'000*
Rental income	**3,107**	3,113
Net foreign exchange (loss)/gain	**(1,866)**	339
Property, plant & equipment written off	**(311)**	(31)
Gain/(loss) on disposal of property, plant & equipment	**14**	(365)
Impairment loss on property, plant & equipment	**–**	(912)
Others	**3,203**	1,876
	4,147	4,020

6. FINANCE INCOME – NET

	2026	2025
	HK$'000	*HK$'000*
Finance income – interest income from banks	**6,099**	8,193
Finance costs – interest expenses for leases, net	**(5,415)**	(6,030)
Finance income – net	**684**	2,163

7. INCOME TAX EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits for the year ended 30 June 2026. Taxation on overseas profits has been calculated on the estimated assessable profits for the years ended 30 June 2026 and 2025 at the rates of taxation prevailing in the jurisdictions in which the Group operates.

	2026	2025
	HK$'000	*HK$'000*
Current income tax		
Hong Kong	**475**	2,266
Overseas	**7,673**	6,149
Under-provision in prior years	**265**	310
Deferred income tax (credit)/expenses	**(265)**	639
Income tax expenses	**8,148**	9,364

8. 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.

	2026	2025
Profit attributable to owners of the Company (HK$'000)	**46,522**	43,780
Weighted average number of ordinary shares in issue (thousands)	**212,187**	212,187
Basic earnings per share (HK cents)	**21.93**	20.63

The Group had no dilutive potential shares outstanding during the years ended 30 June 2026 and 2025.

9. DIVIDEND

No interim dividend was paid during the year ended 30 June 2026 (2025: Nil).

At the Board meeting held on 18 September 2026, the Directors proposed a final dividend of HK12 cents per share (2025: HK12 cents per share) amounting to a total dividend of approximately HK$25,462,000 (2025: HK$25,462,000), which is subject to the approval by the shareholders of the Company at the annual general meeting of the Company (the "AGM") to be held on 4 December 2026. This proposed final dividend is not reflected as a dividend payable in the consolidated financial statements, but is reflected as an appropriation of retained earnings for the year ended 30 June 2026.

10. TRADE & OTHER RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Trade receivables	**93,403**	61,346
Less: Allowance for impairment of trade receivables	**(4,847)**	(6,895)
Trade receivables – net	**88,556**	54,451
Prepayments	**12,573**	11,842
Value added tax receivables	**614**	338
Rental deposits	**3,519**	3,567
Other receivables	**16,891**	18,883
	122,153	89,081
Less: Non-current portion prepayments	**(8,691)**	(6,416)
Current portion	**113,462**	82,665

The carrying amounts of trade receivables approximate their fair values as at 30 June 2026 and 2025. 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:

	2026	2025
	HK$'000	*HK$'000*
0 to 30 days	**66,735**	41,984
31 to 60 days	**9,180**	7,368
61 to 90 days	**4,302**	2,272
91 to 365 days	**8,852**	2,607
More than 365 days	**4,334**	7,115
	93,403	61,346

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

	2026	2025
	HK$'000	*HK$'000*
At 1 July	**6,895**	7,749
Recovery of impairment of trade receivables – net	**(238)**	(1,171)
Receivables written off as uncollectible	**(1,711)**	(20)
Currency translation difference	**(99)**	337
At 30 June	**4,847**	6,895

11. TRADE & OTHER PAYABLES

	2026	2025
	HK$'000	*HK$'000*
Trade payables	**42,147**	33,879
Accrual for expenses	**119,772**	100,506
Other payables	**28,717**	29,603
	190,636	163,988

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

	2026	2025
	HK$'000	*HK$'000*
0 to 30 days	**35,146**	24,226
31 days to 60 days	**6,005**	7,146
61 days to 90 days	**256**	2,253
More than 90 days	**740**	254
	42,147	33,879

12. CONTRACT LIABILITIES – DEPOSITS RECEIVED IN ADVANCE

During the year, movement in contract liabilities included increase in deposits received in advance amounting to approximately HK$356,105,000 (2025: HK$358,544,000), net off by a decrease of approximately HK$374,188,000 (2025: HK$354,179,000) 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 ended 30 June 2026 unfolded against a backdrop of geopolitical and economic uncertainty. The conflicts in Ukraine and the Middle East, together with evolving trade disputes, higher energy costs and persistently elevated interest rates, continued to weigh on business confidence and economic activity across many regions. Despite these challenges, Tai Ping delivered another year of growth, achieving record revenue of HK$696 million and delivering a sixth consecutive year of improvement since the COVID-19 pandemic. The Group also reported higher gross profit, operating profit and net profit, reflecting the resilience of our business model, the strength of our brands and the successful execution of our strategy.

Total turnover for the Group for the year ended 30 June 2026 reached a record HK$696 million, an increase of 6% over the prior year. Growth was driven by our business in EMEA and the Americas, where revenue increased by 20% and 12%, respectively. These gains were partially offset by a 30% decline in Asia, reflecting a difficult trading environment and weak market conditions in Mainland China. Gross margin for the year improved to 62% from 61%, supported by manufacturing efficiencies and continued cost discipline, while operating profit increased by 6% to HK$54 million, and profit attributable to equity holders rose by 6% to HK$47 million.

The financial year held special significance as Tai Ping celebrated its 70th anniversary, providing an opportunity to reflect on the transformation of the business since its beginnings in 1956. The Company has grown to become one of the world's leading luxury carpet brands, with particularly notable progress made since the re-focus on artisan, hand-made products after the divestment of commercial activities in 2017. The decade since then has witnessed a sharpening of focus on the luxury segment, and an expanding global presence that has delivered a Group revenue increase of approximately 56%.

The year witnessed continuing collaboration with leading creative talent to further strengthen the Company's brands – Tai Ping, Edward Fields, and Cogolin – in its chosen markets and across the global luxury design community. We participated in major design events and exhibitions in Milan, Paris, Monaco and Las Vegas, as well as the Art in Resonance event at The Peninsula Hong Kong. A new flagship showroom in New York will open at the end of September 2026, elevating our presence in the United States as part of a continuing investment to deepen engagement in major markets, enhance brand visibility and support future growth.

The Group's manufacturing operations remain central to its success. The craftsmanship of our artisans in Xiamen continues to set industry standards, while the expansion of our United States facility is progressing steadily. We continue to invest in technology, innovation and workplace improvements that enhance productivity, maintain quality standards and provide a safer and healthier working environment for our employees. Sustainability, responsible sourcing and environmental stewardship also remain priorities as we strive to exceed the expectations of our customers and other stakeholders.

Looking ahead, the operating environment is expected to remain challenging, but the Board remains confident in the Group's long-term prospects. Our strategy is well established, implementation remains on track, and management continues to focus on strengthening customer relationships, and capitalising on growth opportunities. Our brands remain highly regarded, our operations robust, our balance sheet strong, and our people committed and professional.

In closing, and on behalf of the Board, I would like to thank outgoing Chief Executive Officer, Mr. Mark Worgan, who has made a significant contribution to the transformation of Tai Ping and will retire at the end of 2026. Mark first joined Tai Ping in 2008, part of a long and distinguished career in the carpet industry. Initially as Chief Operating Officer and since 2018 as Chief Executive Officer. Mark has led Tai Ping with integrity, enthusiasm and a herculean work ethic. I am also pleased to welcome Ms. Laetitia Mergui, who joins Tai Ping in October as CEO-designate and will become the Group's new Chief Executive Officer effective 1 January 2027. Following a comprehensive succession planning process, the Board is confident that her experience and leadership will support the Group's continued development.

Finally, I would like to express my sincere appreciation to our employees for their dedication, creativity and commitment throughout the year. I would also like to thank our customers, business partners, shareholders, fellow Directors and employees for their continued support and confidence in Tai Ping.

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

The Group's consolidated turnover for the year ended 30 June 2026 increased to HK$696 million, growth of 6% compared to HK$659 million in the prior year. Revenue growth was primarily driven by strong performances in the EMEA and Americas regions, which more than offset lower revenue in Asia.

Gross profit increased by 7% to HK$431 million, while gross margin improved to 62% from 61%, reflecting manufacturing efficiencies, a favourable project mix and continued cost discipline despite inflationary pressures.

Distribution and administrative expenses increased by 7% to HK$381 million from HK$355 million in the prior year. The increase reflected higher business activity levels, inflationary pressures in the United States and EMEA regions, and continued investment in strategic initiatives, technology and business development activities supporting future growth.

Operating profit increased by 6% to HK$54 million from HK$51 million in the prior year. The improvement reflected revenue growth and stronger gross profitability, partially offset by increased operating expenses associated with business expansion and strategic investment initiatives.

Profit attributable to equity holders of the Company increased by 6% to HK$47 million, compared with HK$44 million in the previous year.

CARPET OPERATIONS

Revenue from carpet operations increased by 5% to HK$676 million.

Revenue in EMEA increased by 20% driven by improvements in the yacht, aviation and residential sectors. Local inflationary pressures moderated, and business conditions began to stabilise during the year, despite the conflicts in Ukraine and the Middle East, and this supported the improvement.

Revenue in the Americas increased by 12% supported by resilient demand and encouraging progress across all customer segments. The Group's expanding manufacturing footprint in the United States improved responsiveness to local customer requirements and supported new business development activities.

Revenue in Asia declined by approximately 30% reflecting weaker market conditions, particularly in Mainland China, as well as the deferral of several major projects. While some improvement was evident in the second half, pricing competition remained fierce. The Group maintained its focus on project selectivity, pricing discipline and profitability through the period.

Carpet operation gross margins improved to 63% from 62% in the previous year, reflecting manufacturing efficiencies, disciplined cost management and continued focus on higher-value projects.

Sales growth in EMEA and the USA, combined with continued manufacturing productivity improvements, enabled the Group to maintain profitability despite the challenging market conditions in Asia.

Manufacturing Operations

The Artisan Workshop in Xiamen, China, continued to perform well during the year. Productivity, material utilisation and efficiency improvements, a stable and experienced workforce, and improved economies of scale, combined to offset local inflationary pressures.

The Group continued to invest in innovation and technology to enhance productivity, maintain product quality and support workplace health and safety standards. Environmental stewardship and ethical sourcing were also subject to considerable focus as the business endeavours to support its customers sustainability objectives and meet evolving market expectations.

The expansion of the Group's carpet manufacturing operations at the Premier Yarn Dyers ("PYD") facility in Georgia, United States, continues with performance improvement delivered by a stable workforce demonstrating improved skill levels from greater experience. Facility modernisation is in progress to further enhance operational efficiency and raise workplace health and safety standards.

Implementation of a new information technology system is also in progress and is expected to be completed by the end of 2026. The new system is intended to support future capacity requirements, strengthen process controls and improve operational efficiency.

The Group's manufacturing operations in the United States and China provide operational flexibility, and are well placed to support future growth.

As at 30 June 2026, manufacturing operations employed 581 people, compared with 574 employees as at 30 June 2025.

Human Resources

As at 30 June 2026, the Group employed 751 employees, compared with 753 employees as at 30 June 2025.

Employees are remunerated according to their roles, market conditions and individual performance, with merit-based elements incorporated to reward achievement and support employee retention.

During the year, the Human Resources function continued to focus on organisational stability and talent retention amid an evolving business environment. Employee training programmes were conducted across a range of areas, including sustainability, product knowledge and anti-bribery compliance, supporting professional development and the Group's commitment to sound corporate governance.

Information Technology

During the year, the Group implemented a new Customer Relationship Management ("CRM") platform to strengthen customer engagement and support more targeted, data-driven marketing initiatives. A project was also initiated to enhance its core Enterprise Resource Planning ("ERP") platform through business process automation, improved system integration and support for new business initiatives.

The upgrades in the Group's US manufacturing systems will enable greater integration with the Artisan Workshop in Xiamen, creating a more centralised supply chain management framework and improving operational visibility and resource planning across both locations.

Design and Marketing

Design remains central to the Group's positioning and competitive differentiation. Its creative leadership was amplified in the year through the launch of innovative collections across its brands.

Highlights included:

Ami Collection: Developed in collaboration with AB Concept, an internationally recognised studio founded by Ed Ng and Terence Ngan. The collection drew inspiration from knitting techniques and the natural landscape of Karuizawa, Japan and was presented during London Design Week in September 2025.

Da Di Collection: Created in collaboration with Steve Leung, an award-winning Hong Kong architect and designer was inspired by the 24 solar terms of the Chinese lunar calendar.

Floræ Folium Series: Developed in collaboration with French creative force, Sam Baron, the collection explored floral and botanical forms and was presented during the Chelsea in Bloom 2026 exhibition in London.

The Fifth Wall Edition: Celebrated Edward Fields' 90th anniversary through a curated presentation of archival designs, highlighting the brand's long-standing contribution to American design.

Nil Rug: Developed in collaboration with Oud Architecture, Paris, was commissioned for the Les Nouveaux Ensembliers exhibition at Mobilier National in Paris, it combined contemporary geometric design with traditional weaving techniques using Cogolin's historic Jacquard looms.

Tai Ping's marketing strategy consistently reinforces its core brand pillars of craftsmanship, heritage and responsibility. Promotional content is distributed across multiple channels, with a new company website currently in development that will elevate brand communication, improve integration with social media platforms and support broader customer engagement.

During the year, the Group was preparing for its new flagship showroom in New York, which will open at the end of September 2026. An inspirational space, the showroom will significantly strengthen brand visibility and customer engagement in the region. It will join the Group's seven existing flagship showrooms located in key markets across the Americas, Europe and Asia.

NON-CARPET OPERATIONS

The Company's other operations mainly comprise its US-based dyeing subsidiary PYD, which accounted for approximately 3% of total sales. While PYD's operating performance remained stable, investment continued to modernise the facility in support of both third-party dyeing activities and the expansion of the Group's US carpet manufacturing operations.

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.

As at 30 June 2026, the Group had cash and bank balances and short-term fixed deposits (with original maturities of more than three months but less than one year) amounting to HK$279 million (30 June 2025: HK$300 million) and had no unsecured bank borrowings (30 June 2025: Nil). The reduction in cash balances primarily reflected capital expenditure and strategic investments undertaken during the year, including manufacturing expansion, information technology initiatives and showroom development projects, as well as the payment of dividends to shareholders. Notwithstanding these investments and shareholder distributions, the Group maintained a strong liquidity position and remained debt-free at year end.

EXPOSURE TO FOREIGN EXCHANGE RISKS

The Group has overseas operations in the US, Europe, and China. The Group treats its investments in these foreign operations as permanent equity, so exchange differences from translating the net investments in these foreign operations do not affect cash flows and are dealt with in the reserves.

The Group's sales are denominated primarily in US dollar and Euro, and to a lesser extent in a variety of other currencies.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had contingent liabilities in respect of performance bonds to guarantee for the due and proper performance of the obligations undertaken for carpets sales amounting to HK$5 million (30 June 2025: HK$4 million) in its ordinary course of business. The performance bonds are expected to be released when the sales contracts are concluded.

DIVIDEND

No interim dividend was paid during the year ended 30 June 2026 (2025: Nil). The Board has recommended a final dividend of HK12 cents (2025: HK12 cents) per share, totaling HK$25,462,000 (2025: HK$25,462,000) for the year ended 30 June 2026. Subject to the approval of shareholders of the Company (the "Shareholders") at the forthcoming AGM to be held on 4 December 2026, the proposed final dividend will be payable on or about 30 December 2026 to the Shareholders whose names appear on the register of members of the Company (the "Register of Members") at the close of business on 14 December 2026.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlements to attend and vote at the forthcoming AGM on Friday, 4 December 2026, the transfer books of the Company and the Register of Members will be closed from Tuesday, 1 December 2026 to Friday, 4 December 2026 (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 at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration, no later than 4:30 p.m. on Monday, 30 November 2026.

For determining the Shareholders' entitlements to the proposed final dividend for the year ended 30 June 2026, the transfer books of the Company and the Register of Members will be closed from Thursday, 10 December 2026 to Monday, 14 December 2026 (both days inclusive). During such period, no transfer of shares will be effected. To ensure that the Shareholders are entitled to receive the distribution of final dividend, 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 at 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, 9 December 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

During the year ended 30 June 2026 and as of 30 June 2026, the Company did not have any treasury shares (as defined under the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange")).

CORPORATE GOVERNANCE

The Company has complied with all applicable code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules throughout the year ended 30 June 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (the "Tai Ping Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules regarding the securities transactions by all the Directors. Having made specific enquiries of all the Directors, they confirmed that they had complied with the required standard as set out in the Model Code and the Tai Ping Code throughout the year ended 30 June 2026.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The financial information 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 2026 as set out in this announcement has been reviewed by the Audit Committee and has 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 2026 and the amounts were found to be in agreement. The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Company and 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 this 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 on this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.taipingcarpets.com). The Annual Report 2025/26 of the Company containing all the information required by the Listing Rules will be dispatched to the Shareholders in accordance with the Company's corporate communications arrangement and made available on the same websites in due course.

By order of the Board

Nicholas Timothy James Colfer	**Mark Stuart Worgan**
Chairman	*Chief Executive Officer*

Hong Kong, 18 September 2026

As at the date of this announcement, the Directors of the Company are: Chairman and Non-executive Director – Mr. Nicholas Timothy James Colfer; Chief Executive Officer and Executive Director – Mr. Mark Stuart Worgan; Chief Financial Officer and Executive Director – Mr. Lung Chi Sing Alex; Non-executive Directors – Mr. Tong Chi Leung David, Mr. Frederick Edward Elkin Mocatta; Independent Non-executive Directors – Mr. Daniel George Green, Mr. Nicholas James Debnam, Ms. Yung Ka Sing Kathryn, Mr. Yuan Ren.