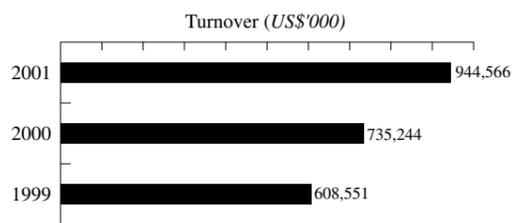
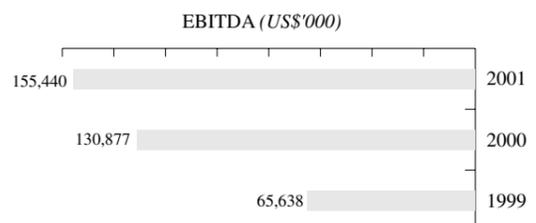


THREE CONSECUTIVE YEARS OF GROWTH IN TURNOVER AND EBITDA



		Year on Year Change
Turnover	US\$944,566,000	+28.47%
EBITDA (margin)	US\$155,440,000 (16.46%)	+18.77%
Operating Profit (margin)	US\$96,499,000 (10.22%)	+38.42%
Net Profit (margin)	US\$60,338,000 (6.39%)	+50.44%
EPS	US1.08 cents	+50.00%
Operating Cashflow	US\$178,027,000	+31.44%



Tingyi (Cayman Islands) Holding Corp.

(Incorporated in the Cayman Islands with limited liability)

ANNUAL RESULTS FOR YEAR ENDED 31 DECEMBER 2001

RESULTS

The Board of Directors of Tingyi (Cayman Islands) Holding Corp. (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group"), prepared in accordance with the accounting principles generally in Hong Kong, for the year ended 31 December 2001 as follows:

	Note	2001 US\$'000	2000 US\$'000
Turnover	1	944,566	735,244
Cost of sales		(626,695)	(505,811)
Gross profit		317,871	229,433
Other revenue		2,461	5,297
Other net income		15,162	16,162
Distribution costs		(177,072)	(119,865)
Administrative expenses		(38,453)	(38,966)
Other operating expenses		(23,470)	(22,348)
Profit from operations		96,499	69,713
Finance costs	2	(23,652)	(23,153)
Share of (losses) profits of associates		(379)	343
Profit before taxation		72,468	46,903
Taxation	3	(9,049)	(5,366)
Profit from ordinary activities after taxation		63,419	41,537
Minority interests		(3,081)	(1,428)
Net profit attributable to shareholders	1	60,338	40,109
Dividend	4	45,268	30,179
Earnings per share	5		
Basic		US1.08 cents	US0.72 cents
Diluted		N/A	N/A

Notes:

1. Turnover and contribution by product:

An analysis of the Group's turnover and profit/(loss) attributable to shareholders by major products is set out below:

	Turnover		Profit/(loss) attributable to shareholders	
	2001 US\$'000	2000 US\$'000	2001 US\$'000	2000 US\$'000
Instant noodles	593,204	533,404	55,794	50,931
Beverages	234,363	110,581	12,813	(2,615)
Baked goods	84,661	70,957	1,933	1,928
Others	32,338	20,302	(10,202)	(10,135)
Total	944,566	735,244	60,338	40,109

In the current year, the Group has followed the basis of identification of reportable segments required by SSAP 26 "Segment reporting". Accordingly, the comparative figures of turnover and profit attributable to shareholders by major products for the year ended 31 December 2000 have been amended to conform with current year's presentation.

2. Profit from operations is stated after deducting the following items:

	2001 US\$'000	2000 US\$'000
Depreciation	61,316	58,634
Amortization	270	—

3. Taxation

The Cayman Islands levies no tax on the income of the Group.

No provision for Hong Kong profits tax has been made as the Group's profit is not subject to Hong Kong profits tax.

Subsidiaries in the PRC are subject to tax laws applicable to foreign investment enterprises in the PRC and are fully exempt from PRC enterprise income tax of 15% for two years starting from the first profit making year followed by a 50% reduction for the next three years.

Deferred taxation in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts has not been accounted for as the amount involved is not material.

4. Dividend

Subject to the approval of the 2001 final dividend by the shareholders at the Annual General Meeting on 24 June 2002, the Board recommended the payment of the final dividend for 2001 US\$0.81 cents per ordinary share to shareholders whose names appear on the register of members on that date. Final dividend for last year was US\$0.54 cents per ordinary share.

5. Earnings per Share

The calculation of basic earnings per share is based on the earnings attributable to shareholders for the year under review of US\$60,338 million (2000: US\$40,109 million) and 5,588,705,360 shares (2000: 5,591,970,209 shares) in issue.

Diluted earnings per share for the year ended 31 December 2001 and 2000 has not been shown as the convertible bonds outstanding during these years are anti-dilutive.

BUSINESS REVIEW

With growth of 7.3% in the PRC GDP in the year 2001, the total amount for retail food market also increased by 6.15% from the previous year. The PRC government's increment on the salary for civil servants twice and the long holidays have stimulated the growth for consumer expenditures and also benefited the growth for the Group's sales.

During the first nine months in 2001, the Group's turnover was US\$707.770 million, rose by 29.77% from the corresponding period last year. Growth rates of turnover for instant noodle, beverage and bakery were 11.27%, 105.6% and 33.80% respectively from the previous year. Profit attributable to shareholders reached US\$47.765 million, representing a significant growth of 33.61% as compared to the corresponding period last year.

Carrying over the satisfactory results for the first nine months ended 30 September 2001, the results for the fourth quarter showed a stable growth and contributed a significant growth for the full year results. In 2001, turnover for instant noodle, beverage and bakery were US\$593.204 million, US\$234.363 million and US\$84.661 million respectively. Their growth rates were 11.21%, 111.94%, and 19.31% respectively from the previous year. Particularly the result for the beverage business performed satisfactorily. During the fourth quarter, which is a low season for beverage industry traditionally, the Group's beverage sales still kept a significant growth. The growth further strengthened the confidence of the board of directors'

decision in the third quarter that the Group would increase the investment for beverage equipment. By the end of the year, profit attributable to shareholders reached US\$60.338 million, an increase by 50.44% as compared to the last year.

Instant Noodle Business

The PRC is the largest instant noodle market globally. In 2001, more than 19 billion packs of instant noodles were produced in the PRC. However, on a per capita basis, the PRC consumers only consumed 14 packs per year, one of the lowest levels in Asia whose average is 40 packs.

In 2001, instant noodle segment turnover amounted to US\$593.204 million, representing a 11.21% growth from the previous year and 62.80% of the Group's total turnover. All products have good performance during the year through aggressive marketing strategy, the "Better Access, Broader Reach" distribution strategy, sound management of sales network and the suitable control policy of retail price. For the high-end noodles segment, the re-launch of a youthfully packaged "Jumbo 120", the increase in the size of "Luxury Series", the launch of "Chao Ling Long" cup noodle and "Jin La Mian" (suitable to cook) have contributed satisfactory sales. For the low-end noodle market, which has 70% market share of the total PRC instant noodle market, the Group's "Fu Man Dao" and "Good Taste" series of packet noodles are highly popular in this market. The Group has been able to establish a leading market position in the industry. According to ACNielsen SCAN TRACK EXPRESS, for the period of December 2001/January 2002, the Group gained 28.4% market share by volume and 40.6% market share by sales in the PRC instant noodle market.

During the fiscal year 2001, the gross margin of instant noodles dropped by 0.44 pp to 28.00%. Profit attributable to shareholders rose by 9.55% to US\$5.794 million from a year ago.

Beverage Business

According to the China Beverage Industry Association forecast, the total output for the PRC's soft drink will be increased to 27,579,000 tons by 2004 from 17,621,000 tons in 2001. And the market total output of the Group's main product RTD tea will be doubled to 7,540,000 tons from the current 3,244,000 tons. RTD tea will be the main growth for the soft drink market in the PRC.

In 2001, beverage segment turnover amounted US\$234.363 million, representing a 111.94% growth from the previous year and 24.81% of the Group's total turnover. The growth was due to consumers' high appreciation, which was the result of the successful sales for the RTD tea. During the period, the Group launched "Ice green tea", "Plum green tea", "Mr. Kon" Juice Series, refrigerated 100% Juice "Daily C" and refrigerated 30% Juice "Bestee". These new products were well received by the market. As the Group succeeded in building a youthful brand image through celebrity and music activities, media network and road show, the Group achieved a new record in beverage turnover. The Group's PET beverage continued to experience a supply shortage. This benefited the sales for Tetra-Pak and canned beverages of the same taste. According to ACNielsen SCAN TRACK EXPRESS, during December 2001/January 2002, the Group's RTD tea gained 50.6% market share by volume and 52.3% market share by sales in the PRC. Among the Group's tea drink, "Mr. Kon" is the leading brand in the PRC RTD tea market.

During the fiscal year 2001, the Group's gross margin of beverage segment rose by 7.62 pp to 41.08% from the corresponding period in 2000 owing to better utilisation of the production capacity and change in the product mix. Profit attributable to shareholders was US\$12.813 million (2000: loss of US\$2.615 million), representing a significant improvement.

Bakery Business

In 2001, bakery segment turnover amounted to US\$84.661 million, representing a 19.30% growth from the previous year and 8.96% of the Group's total turnover. The growth mainly came from providing more choices to consumers through the savoury and sweet sandwich crackers and launched Muffin. According to ACNielsen SCAN TRACK EXPRESS, for the period of December 2001/January 2002, Mr Kon's "3+2" and savoury and sweet series, entering the market only for three years, gained 19.2% and 14.3% market share by value in the PRC's sandwich cracker market. Owing to the price war in the PRC rice cracker market, the sales of the Group's rice cracker decreased. However, the export market for rice cracker obtained a significant increase, which directly led to the improvement in the utilization rate for the machinery.

During the period, the gross margin of bakery business fell by 2.60 pp to 33.81% when compared to a year ago. However, the amount of gross profit increased by 18.79%. The decrease in gross margin was mainly because Guangzhou Tingyuan Food Co., Ltd has not achieved the economies of scale upon its re-commencement of production and the lower margin for export market. Profit attributable to shareholders was US\$1.933 million.

Finance

As of 31 December 2001, the Group's turnover amounted to US\$944.566 million, an increase of 28.47% from previous year. During the year, price for the raw materials was stable and owing to the increase of high margin PET drinks, the Group's gross margin rose by 2.45 pp to 33.65%. Other net income dropped by 6.19% to US\$15.162 million mainly because of the decrease of the investment grant. Distribution expenses rose by 47.75% to US\$177.072 million which were mainly increased from the advertising and promotion activities and transportation expenses. The investment for advertising and promotion is an essential and long-term investment for the brand of "Mr. Kon" to establish and strengthen the Group's market position. Finance costs remained largely stable, slightly rose by 2.16% to US\$23.652 million. EBITDA was US\$155.440 million, increased by 18.77%. Generally speaking, the profit attributable to shareholders for the period was US\$60.338 million, representing earnings per share of US\$ 1.08 cents, an increase of 50.00% from previous year.

The Group's healthy finance structure was mainly benefited by the stable cash flow of the Group as a result of the significant growth in the operating profit and well-controlled accounts receivable and inventory. At the end of 2001, the Group's cash balance was US\$169.361 million, increased by US\$70.967 million from previous year. The main capital outlays were related to expenditure for production facilities PET drinks, instant noodle and bakery. These expenditures were financed by operating cash flows and increase in long-term borrowings. During the year, the Group's total borrowing was US\$388.660 million, rose by 7.66% from previous year. The Group adjusted the ratio between long-term loans and short-term loans from the previous year's 32%:68% to 2001's 46%:54%. In 2001, the Group's Renminbi debts have been reduced to 57% of total debt; from 63% at the end of 2000.

The remaining principal amount of the Group's 1997 Convertible Bonds is due in July 2002. The Group anticipates repaying the remaining principal amount of US\$95.721 million plus a redemption premium of US\$31.264 million from operating cash flows. The total repayable amount will be US\$126.985 million.

Ageing Analyses of trade receivables:

	31 December 2001 US\$'000	31 December 2000 US\$'000
Within 90 days	33,827	32,444
Over 90 days	3,461	5,035
Total	37,288	37,479

FINANCIAL RATIO

	For the year ended 31 December	
	2001	2000
Net profit margin	6.39%	5.46%
Finished goods turnover	13.32 Days	18.77 Days
Accounts receivable turnover	14.45 Days	17.50 Days
Gearing ratio (Net debt to shareholders' equity)	0.40 Times	0.51 Times
Debt ratio (Total liabilities to total assets)	50.72%	49.50%

Production Scale

After the factories in Qingdao and Fuzhou under the instant noodle division commenced production, all the production lines under the Group are operating. Owing to the sales of export market, the bakery factory in Guangzhou commenced production in the third quarter of 2001. In view of the excess demand over supply for the Group's PET drinks, new factory and new production lines for PET drinks will commence production in 2002.

Sales Network

At the end of 2001, the Group established a team operation with 41 logistics stations, 311 sales offices, 139 warehouses and 33,454 direct retailers in the PRC. With the network, products can be quickly distributed and delivered to consumers and new products can be launched directly to the appropriate market. The Group will continue to enhance "Better Access, Broader Reach" distribution strategy since the comprehensive sales network is the Group's valuable source. Through the own brands of the Group and OEM, the Group's products have been successfully exported to Hong Kong, Singapore, Thailand, Australia, the U.S.A., Canada and Europe. During 2001, turnover for the export business was 1.32% of the Group's total turnover, increased by US\$8.730 million from previous year.

PROSPECTS

As described earlier, the Group achieved double digits growth in both turnover and EBITDA in the past three consecutive years. According to the rapid progress for the PRC's economy and the Group's market position in the PRC, the Group is quite confident in its effort to keep double digits growth in both turnover and EBITDA in the future three consecutive years.

Looking ahead, the Group continues to enhance the Group's operations as follows:

Business Development

1. Introduce strategic partners and further develop the network in the PRC to strengthen the Group's operation capability and the market position in the food industry.
2. Expand the market share for the refrigerated juice "Daily C" in the eastern part of the PRC in order to establish the Group's distribution platform in the refrigerated food market.
3. Strengthen and establish the Group's logistics system to enhance the quality and cost for distribution network.
4. Seek for strategic partners to handle the Group's supporting business and change the Group's position to investment management.

Sales and Operation

Continue to strengthen the brand awareness, the efficiency of the sales network and the quality of customer service in order to further expand the market share for the Group's products.

Production

1. Expand production centres in southwest and northwest of the PRC and production facilities for instant noodle, beverage and bakery in the production shortage area.
2. Continue to enhance production technology and develop basic research.
3. Establish a Group-wide ISO standard.

Management

1. Strengthen and localize human resources through systematic training program.
2. Re-engineering the management system through the installation of the SAP computer for the sales department and the computerization for the logistics system in 35 cities in the PRC.

PURCHASE, SALE OR REDEMPTION OF SHARES AND CONVERTIBLE BONDS

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares and convertible bonds during the year.

AUDIT COMMITTEE

In September 1999, the Group has, pursuant to the listing Rules, formed an audit committee for the Group with written terms of reference approved by the board of directors. The latest meeting of the committee was held to review the results of the Group for the year.

CODE OF BEST PRACTICE

Throughout the year, the Company was in compliance with the Code of Best Practice as set out in the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited except all directors of the Company are not appointed for a specific term as they are subject to retirement by rotation in accordance with the Company's Articles of Association.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

A detailed results announcement containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") will be published on the website of the Stock Exchange and the Company's website www.tingyi.com in due course.

MANAGEMENT TEAM

As a result of the commencement of production by the factories in Qingdao and Fuzhou under the instant noodle division, the re-commencement of production by the Guangzhou factory under the bakery division and the expansion of beverage division, the Group increased its number of staff to 24,643. The staffs' great effort and valuable contribution have helped the Group's business to grow quickly, providing a solid foundation for the Group's long-term business in the PRC as well as a good return to shareholders. I would like to take this opportunity to thank everyone for their hard work during the year.

By Order of the Board
Wei Ing-Chou
Chairman

Tianjin, the PRC, 26 April 2002

Website: www.tingyi.com
www.irasia.com/listco/hk/tingyi