

TAI PING CARPETS INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00146)



PROPOSED CHANGE OF AUDITORS

The Board of the Company announces that a resolution will be proposed at the forthcoming annual general meeting to appoint BDO McCabe Lo Limited as the Company's auditors following the retirement of PricewaterhouseCoopers at the conclusion of the forthcoming annual general meeting.

The Board of Directors (the "Board") of Tai Ping Carpets International Limited (the "Company") has received notification from PricewaterhouseCoopers ("PwC") that they will not seek for re-appointment as the Company's auditors upon their retirement at the conclusion of the forthcoming annual general meeting to be held on 16 June 2006 ("AGM"). The Company has also received a notice of intention to nominate BDO McCabe Lo Limited ("BDO") as the Company's auditors pursuant to the Companies Act 1981 of Bermuda (as amended) from a shareholder. A resolution will be proposed at the AGM to appoint BDO as the Company's auditors to hold office until the conclusion of the next annual general meeting.

In the notification from PwC to the Board, PwC state that they will not seek for re-appointment as the Company's auditors at the AGM because the Company has not reached a consensus with them on the audit fee for the year ending 31 December 2006. Other than this, there are no circumstances stated in the notification from PwC in connection with the cessation of their audit appointment with the Company. The Board confirms that there are no matters which it considers should be brought to the attention of the shareholders and creditors of the Company.

By Order of the Board
Tai Ping Carpets International Limited
Ernest P. L. Law
Company Secretary

Hong Kong, 17 May 2006

The names of Directors as at the date hereof are – Chairman: Mr. Nicholas T. J. Colfer, Chief Executive Officer: Mr. James H. Kaplan, Independent Non-executive Directors: Mr. Michael T. H. Lee, Mrs. Yvette Y. H. Fung, Mr. Roderic N. A. Sage, Mr. Lincoln C. K. Yung, Non-executive Directors: Mr. Ian D. Boyce, Mr. John J. Ying, Mr. Lincoln K. K. Leong, Mr. David C. L. Tong, Alternate Director: Mr. Nelson K. F. Leong (Alternate to Mr. Lincoln K. K. Leong).