



TAI PING

TAI PING CARPETS INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 146)

**ANNOUNCEMENT
PURSUANT TO THE RULES 3.11 AND 3.23 OF
THE LISTING RULES**

This announcement is made pursuant to the disclosure requirements under the Rules 3.11 and 3.23 of the Listing Rules in respect of the appointment of an additional INED to meet the requirements set out in the Rules 3.10(1) and 3.21. Tai Ping will endeavour to ensure a suitable candidate will be identified as an INED as soon as possible to fulfil the above requirements.

Rule 3.10(1) of The Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) requires that every board of directors of a listed issuer must include at least three Independent Non-executive Directors (“INEDs”). Rule 3.21 provides (among others) that the majority of the members of the audit committee of every listed issuer must be INEDs.

The above requirements took effect on 31 March 2004 and every listed issuer (including Tai Ping) must fulfil them by 30 September 2004.

The Board of Tai Ping currently comprises two Executive Directors, eight Non-executive Directors, two INEDs and two Alternate Directors. One of Tai Ping’s INEDs has accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules. Tai Ping’s Audit Committee currently comprises four members, being two INEDs, one Non-executive Director and one Alternate Director.

Tai Ping has endeavoured to identify an appropriate candidate for appointment as an additional INED to both the Board and the Audit Committee. Tai Ping is in the process of establishing and confirming the independence of a candidate to be an INED, taking into account the factors set out in Rule 3.13 of the Listing Rules.

Tai Ping will endeavour to ensure that a suitable candidate is identified as an additional INED as soon as possible to fulfil the requirements of the Rules 3.10(1) and 3.21 of the Listing Rules. A further announcement will be made by Tai Ping upon fulfilment of such requirements.

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

Hong Kong, 4th October 2004

As at the date of this announcement the Directors of Tai Ping are – Chairman: Mr. James S. Dickson Leach, Honorary Life President: Mr. Anthony Y. C. Yeh, Chief Executive Officer: Mr. James H. Kaplan, Executive Director: Ms. Alison S. Bailey, Independent Non-executive Directors: Mr. Michael T. H. Lee, Mrs. Yvette Y. H. Fung, Non-executive Directors: Mr. Ian D. Boyce, Mr. John J. Ying, Mr. Kent M. C. Yeh, Mr. Nicholas T. J. Colfer, Mr. Lincoln K. K. Leong, Mr. Lincoln C. K. Yung, Alternate Directors: Mr. Nelson K. F. Leong (Alternate to Mr. Lincoln K. K. Leong), Mr. David C. L. Tong (Alternate to Messrs James S. Dickson Leach, Nicholas T. J. Colfer and Ian D. Boyce)