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TAI PING CARPETS INTERNATIONAL LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 146)



UPDATE ON STRATEGIC REVIEW OF COMPANY'S COMMERCIAL BUSINESS: VOLUNTARY ANNOUNCEMENT

Reference is made to the voluntary announcement dated 23 November 2016 published by Tai Ping Carpets International Limited (the "Company") (the "Announcement"). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

In connection with the Strategic Review, the Company has received a number of non-binding proposals from various independent third parties to acquire the Company's Commercial carpets manufacturing, distribution and sales business (the "Commercial Business"). The Company is continuing to pursue the Strategic Review through ongoing discussions with a preferred buyer in relation to a possible sale of the Commercial Business as a going concern. Any such sale would constitute a very substantial disposal under The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and would therefore be subject to the requirements of Chapter 14 of the Listing Rules, including as to shareholder approval. If the proposed sale of the Commercial Business proceeds, the Company's business will comprise its Artisan business (which includes the operations of its Artisan factory in Xiamen, the PRC). In the meantime, the Company remains focused on conducting all of its businesses (including the Commercial Business) in the ordinary and usual course.

As at the date of this announcement, no conclusion has been reached in relation to the outcome of the Strategic Review. In particular, no agreement has been entered into with any party in respect of a binding transaction as part of the Strategic Review and no definitive timetable has been set for the completion of the Strategic Review. There can be no assurance that the completion of the Strategic Review will result in any transaction being entered into, announced or completed.

Shareholders and potential investors should note that completion of the Strategic Review may or may not result in any transaction being entered into, announced or completed, and accordingly are advised to exercise caution when dealing in the securities of the Company.

The Company will comply with any applicable requirements prescribed by the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

By order of the Board
Tai Ping Carpets International Limited
Nicholas T. J. Colfer
Chairman

Hong Kong, 23 May 2017

As at the date of this announcement, the Directors of the Company are: Chairman and Non-executive Director – Mr. Nicholas T. J. Colfer; Chief Executive Officer and Executive Director – Mr. James H. Kaplan; Independent Non-executive Directors – Mrs. Yvette Y. H. Fung, Mr. Roderic N. A. Sage, Mr. Lincoln C. K. Yung, Mr. Aubrey K. S. Li; Non-executive Directors – Mr. David C. L. Tong, Mr. John J. Ying, Mr. Nelson K. F. Leong, Mr. Andrew C. W. Brandler.