

# TAI PING CARPETS INTERNATIONAL LIMITED

*(incorporated in Bermuda with limited liability)*

(Stock Code: 146)



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Members of Tai Ping Carpets International Limited (the “Company”) will be held at 21st Floor, St. George’s Building, 2 Ice House Street, Central, Hong Kong, on Friday, 13 June 2008 at 9:30 a.m. for the following purposes:

### **As Ordinary Business**

1. To receive and consider the audited Accounts and the Reports of the Directors and Auditor for the year ended 31 December 2007.
2. To declare a final dividend for the year ended 31 December 2007.
3. To re-elect retiring Directors and authorise the Board to fix their remuneration.
4. To re-appoint BDO McCabe Lo Limited as auditor of the Company and to authorise the Board to fix the remuneration.

### **As Special Business**

To consider and, if thought fit, pass the following resolutions shown as items 5, 6 and 7 as ordinary resolutions:

5. **“THAT:**
  - (a) the exercise by the Directors of the Company during the Relevant Period (as defined below) of all powers of the Company to allot shares of HK\$0.10 each (“Shares”) in the share capital of the Company and to make and grant offers, agreements and options which would or might require Shares to be allotted be and is hereby generally and unconditionally approved provided that the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors otherwise than Shares issued as a result of a Rights Issue (as defined below) shall not exceed ten per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution;
  - (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make and grant offers, agreements and options which would or might require Shares to be allotted after the end of the Relevant Period; and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution of the Shareholders of the Company in general meeting; or
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors of the Company to holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. **“THAT:**

(a) the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase shares of HK\$0.10 each in the share capital of the Company (“Shares”), subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved provided that the aggregate nominal amount of Shares to be purchased by the Company shall not exceed ten per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution; and

(b) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution of the Shareholders of the Company in general meeting; or
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held.”

7. “**THAT**, subject to the passing of Resolutions 5 and 6 set out in the notice of this meeting, the aggregate number of the Shares in the capital of the Company which are repurchased or otherwise acquired by the Company pursuant to Resolution 6 shall be added to the aggregate number of the Shares in the capital of the Company which may be issued pursuant to Resolution 5.”

To consider and, if thought fit, pass the following resolution shown as item 8 as special resolution:

8. “**THAT**:
- (a) A sum of approximately HK\$354,830,000 in the contributed surplus account of the Company be and is hereby reduced and applied to set off against the accumulated losses of the Company as at 31 December 2007 (“Application of Contributed Surplus”); and
  - (b) the Directors be and are hereby authorised to do all things and acts and sign all documents which they consider necessary, desirable, or expedient in connection with the implementation of the Application of Contributed Surplus, including determining the exact amount of the contributed surplus to be reduced and applied pursuant to this resolution.”

By order of the Board  
**Raymond W. M. Mak**  
*Company Secretary*

Hong Kong, 20 May 2008

*Notes:*

1. A Shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a Shareholder of the Company.
2. The register of Members of the Company will be closed from Wednesday, 11 June 2008 to Friday, 13 June 2008, both days inclusive, during which period no transfer of Shares will be registered.
3. To be entitled to receive the final dividend, Shareholders must ensure that all transfer documents accompanied by the relevant Share certificates are lodged with the Company’s Branch Registrars and Registration Office in Hong Kong, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 10 June 2008.
4. Subject to the passing of the necessary resolution at the Annual General Meeting, the final dividend will be payable on or about 4 July 2008 to Shareholders whose names appear on the register of Members of the Company at the close of business on 13 June 2008.
5. With reference to item 3 above regarding the re-election of Directors, Mr. Ian D. Boyce, Mrs. Yvette Y. H. Fung and Mr. Lincoln C. K. Yung shall retire by rotation pursuant to Bye-laws of the Company. All retiring Directors, being eligible, have offered themselves for re-election at the Annual General Meeting. The re-election of these retiring Directors will be individually voted upon by Shareholders by way of separate resolutions. Details regarding each of these Directors are set out in Appendix II of the circular of the Company dated 20 May 2008.

6. Concerning items 5, 6 and 7 above, the Directors wish to state that they have no immediate plans to issue and repurchase any Shares. Approval is being sought from the Shareholders to approve the general mandates in order to give flexibility and discretion to the Directors in the event that it becomes desirable for the Company to issue and/or repurchase Shares.

*The names of Directors as at the date hereof 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 Michael T. H. Lee, Mr Roderic N. A. Sage, Mr Lincoln C.K. Yung; Non-executive Directors – Mr Ian D. Boyce, Mr Lincoln K. K. Leong, Mr David C. L. Tong, Mr John J. Ying; Alternate Director – Mr Nelson K. F. Leong (Alternate to Mr Lincoln K. K. Leong).*