

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

TAI PING CARPETS INTERNATIONAL LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 146)



DISCLOSEABLE TRANSACTION

The Board of the Company announces that on 17 September 2010, HKCHL entered into the Provisional Agreement for Sale and Purchase to dispose of the Property to the Purchaser for an aggregate consideration of HK\$31,698,880.

The Directors consider the terms of the Disposal are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

THE TRANSACTION

The Board of the Company announces that on 17 September 2010, HKCHL entered into the Provisional Agreement for Sale and Purchase to dispose of the Property to the Purchaser.

DETAILS OF THE PROVISIONAL AGREEMENT FOR SALE AND PURCHASE

Date

17 September 2010

Parties

Seller : HKCHL
Purchaser : Winsor Parking Limited

HKCHL and the Purchaser will enter into the Formal Agreement for Sale and Purchase in respect of the Property on or before 30 September 2010.

Consideration

The aggregate consideration is HK\$31,698,880 will be payable in the following manner:

- (i) an initial deposit of HK\$1,573,290 was paid on the signing of the Provisional Agreement for Sale and Purchase;
- (ii) a further deposit of HK\$1,596,598 shall be paid on the signing of the Formal Agreement for Sale and Purchase on or before 30 September 2010;
- (iii) first part payment of HK\$3,169,888 shall be paid on or before 30 December 2010 ;
- (iv) second part payment of HK\$3,169,888 shall be paid on or before 30 March 2011; and
- (v) the balance of the consideration of HK\$22,189,216 shall be payable on Completion.

The aggregate consideration was determined after arm's length negotiations between the parties and was based on normal commercial terms, after taking into account the market transaction prices of comparable properties of similar size, character and location.

Completion

Pursuant to the Provisional Agreement for Sale and Purchase, it is expected that the Completion will take place on or before 15 September 2011.

INFORMATION ON THE PROPERTY

The Property was used by the group as the principal office in Hong Kong since 1996. The original cost of the property was HK\$29,100,000. It has been held for long term office use purpose.

As at 31 August 2010, the carrying value of the Property was HK\$25,410,975. After deducting the carrying value of the Property and other incidental cost regarding the Disposal, the expected gain (before taxation) from the Disposal is approximately HK\$5,700,000.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board believes that it is in the interest of the Group to take advantage of the opportunity to dispose of the Property. The Group is considering to move into a new office space that would better meet with the Group's strategic development.

The Board believes that the terms of the Disposal are on normal commercial terms which are fair and reasonable and in the interest of the Group and its shareholders as a whole.

The net proceeds from the Disposal of approximately HK\$31,000,000 will be used as general working capital by the Group.

GENERAL

The Group is principally engaged in the manufacture, import, export and sale of carpets. The Group offers its customers access to a full range of quality floorcovering products, from luxury to affordable, appropriate for every commercial and residential environment.

HKCHL is a wholly-owned subsidiary of the Company and is principally engaged in, among others, property holding.

To the best of the Directors' knowledge, information and belief of the Directors of the Company, having made all reasonable enquires, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties. The principal business activity of the Purchaser is property investment.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Company”	Tai Ping Carpets International Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited (Stock Code: 146)
“Completion”	the completion of the Disposal
“Directors”	The directors of the Company
“Disposal”	The disposal of the Property pursuant to the Provisional Agreement for Sale and Purchase
“HKCHL”	Hong Kong Carpet (Holdings) Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company
“Formal Agreement for Sale and Purchase”	The formal agreement for sale and purchase to be entered into on or before 30 September 2010 between HKCHL and the Purchaser in respect of the Property
“Group”	The Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People's Republic of China

“Independent Third Party(ies)”	(an) independent third party(ies) not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates and is(are) not connected persons of the Company (as defined in the Listing Rules)
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Property”	26th Floor of Tower A, Regent Centre, No.63 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong
“Provisional Agreement for Sale and Purchase”	The provisional agreement for sale and purchase dated 17 September 2010 between HKCHL and the Purchaser in respect of the Property
“Purchaser”	Winsor Parking Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of Winsor Properties Holdings Limited which is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited (Stock Code: 1036)
“Shareholders”	The shareholders of the Company

By order of the Board
Tai Ping Carpets International Limited
Wong Wing Cheung
Company Secretary

Hong Kong, 20 September 2010

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; 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).