

*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)



### **POTENTIAL SALE OF INTERESTS IN THREE PRC JOINT VENTURES**

This announcement is made by Tai Ping Carpets International Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors of the Company (the “Board”) wishes to announce that at a meeting of the Board held on 17 November 2011, it accepted a non-binding offer from the Chairman of Weihai Shanhua Carpets Group Co., Ltd. (“Weihai Shanhua”), the Chinese partner of its three Sino-foreign equity joint venture companies in the PRC, to acquire from the Company all of its equity interests in the three joint venture companies. These three companies are Weihai Shanhua Huabao Carpet Co., Ltd., Weihai Shanhua Premier Carpet Co., Ltd. and Weihai Shanhua Weavers Carpet Co., Ltd.. The Company currently holds 49% equity interests in each of these companies through Treasure Looms (China) Ltd., an indirect wholly-owned subsidiary of the Company. Following the meeting of the Board, the Company sent a letter to the Chairman of Weihai Shanhua on 18 November 2011 to accept the offer.

The offer was made by the Chairman of Weihai Shanhua for himself and on behalf of certain other parties whose names have not been disclosed. The current terms of the offer are brief and include only the proposed sale and purchase price for the Company’s interests in all the three companies of RMB280 million (approximately HK\$341.6 million), which is close to the book value of such interests. The detailed terms of the sale have yet to be negotiated and agreed between the parties, who will then enter into a legally binding agreement. The sale, if effected, will constitute a very substantial disposal of the Company under the Listing Rules, and shareholders’ approval at a general meeting will be required. The Company will comply with all the requirements of the Listing Rules relating to very substantial disposals, including publishing an announcement when the formal equity transfer agreement is signed and distributing a circular to convene a special general meeting to seek shareholders’ approval. Since the potential sale is a sale of direct interests held in the PRC joint venture companies, it is thus subject to approval by the relevant government authorities in the PRC.

Other than the three PRC joint ventures, the Company has additional business operations in the U.S., Europe and Asia and will continue to have sufficient operations to satisfy the requirements of Rule 13.24 of the Listing Rules upon completion of the disposal.

As the potential transaction is subject to conditions, the sale may or may not go ahead. **Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 18 November 2011

*The exchange rate used to convert Renminbi into Hong Kong dollars in this announcement is RMB1= HK\$1.22.*

*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 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).*