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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Tai Ping Carpets International Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**TAI PING CARPETS INTERNATIONAL LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 146)



**RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A copy of the notice of the annual general meeting of Tai Ping Carpets International Limited (the “Annual General Meeting”) to be held at 21st Floor, St. George’s Building, 2 Ice House Street, Central, Hong Kong on Friday, 19 May 2017 at 9:30 a.m. is set out on pages 7 to 8 of this circular. Whether or not you are able to attend the Annual General Meeting, please complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting. Completion and delivery of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting should you so wish.

12 April 2017

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## LETTER FROM THE BOARD

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### **TAI PING CARPETS INTERNATIONAL LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 146)



*Chairman and Non-executive Director:*

Nicholas T. J. Colfer

*Chief Executive Officer and Executive Director:*

James H. Kaplan

*Non-executive Directors:*

David C. L. Tong

John J. Ying

Nelson K. F. Leong

Andrew C. W. Brandler

*Registered Office:*

Canon's Court

22 Victoria Street

Hamilton HM EX

Bermuda

*Principal Office in Hong Kong:*

33rd Floor, Global Trade Square

21 Wong Chuk Hang Road

Wong Chuk Hang

Hong Kong

*Independent Non-executive Directors:*

Yvette Y. H. Fung

Roderic N. A. Sage

Lincoln C. K. Yung

Aubrey K. S. Li

12 April 2017

*Dear Shareholders*

### **RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING**

#### **INTRODUCTION**

Notice of the Annual General Meeting (the "Notice") of Tai Ping Carpets International Limited (the "Company") together with a proxy form are enclosed with this circular. Details of the relevant resolutions to be proposed at the Annual General Meeting are set out in the Notice.

Details of the directors of the Company (the "Director(s)") who are proposed to be re-elected at the Annual General Meeting are set out in Appendix to this circular.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

Mr. Nicholas T. J. Colfer, Mr. David C. L. Tong, Mr. Aubrey K. S. Li and Mrs. Yvette Y. H. Fung will retire by rotation pursuant to the bye-laws of the Company (the “Bye-Laws”). Mr. Nicholas T. J. Colfer, Mr. David C. L. Tong, Mr. Aubrey K. S. Li and Mrs. Yvette Y. H. Fung, being eligible, have offered themselves for re-election at the Annual General Meeting.

Details of the Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix to this circular.

Mrs. Yvette Y. H. Fung has served as Independent Non-Executive Director of the Company for more than nine years since March 2004. Pursuant to Code A.4.3 of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”), (a) such service to the Company for more than nine years could be relevant to determining an independent non-executive director’s independence and (b) if an independent non-executive director has served more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders.

The Company has received from Mrs. Yvette Y. H. Fung a confirmation of her independence pursuant to Rule 3.13 of the Listing Rules. Mrs. Yvette Y. H. Fung has not engaged in any executive management of the Company and its subsidiaries. Taking into consideration her record of independence during her term of service, the Directors consider Mrs. Yvette Y. H. Fung to be independent under the Listing Rules despite the fact that she has served the Company for more than nine years. Accordingly, Mrs. Yvette Y. H. Fung shall be subject to retirement by rotation and re-election by way of a separate resolution to be approved by the shareholders of the Company (the “Shareholders”) in the Annual General Meeting.

### PROXY ARRANGEMENT

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the Annual General Meeting. An announcement on the poll vote results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A proxy form for use at the Annual General Meeting is enclosed with this circular and such proxy form is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.taipingcarpets.com](http://www.taipingcarpets.com)). Whether or not you are able to attend the Annual General Meeting, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time of the Annual General Meeting. Completion and delivery of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting should you so wish.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board considers that the proposed resolutions as set out in the Notice are in the best interests of the Company and the Shareholders and recommends that the Shareholders vote in favour of the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
On behalf of the Board  
**Nicholas T. J. Colfer**  
*Chairman*

**CHAIRMAN AND NON-EXECUTIVE DIRECTOR**

**Nicholas T. J. Colfer:** aged 57. He has been a Non-executive Director since 2003 and Chairman since 2005 and he is Chairman of the Executive Committee and the Nomination Committee of the Company.

Mr. Colfer is a Director of Sir Elly Kadoorie & Sons Limited, overseeing a number of the Kadoorie Family's interests in Hong Kong and overseas and, as such, is associated with certain substantial shareholders of the Company. Mr. Colfer is also a Non-executive Director of The Hongkong and Shanghai Hotels, Limited and serves on several other corporate boards in Hong Kong. Mr. Colfer holds a Master of Arts degree from the University of Oxford.

Save as disclosed above, Mr. Colfer does not have any other relationships with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at 31 March 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular (the "Latest Practicable Date"), Mr. Colfer did not have any interests in the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO").

There is no service contract between the Company and Mr. Colfer but he has a letter of appointment from the Company detailing the terms of his appointment. The term of office for Mr. Colfer is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws. Mr. Colfer is currently entitled to remuneration of HK\$120,000 per annum, comprising a base fee of HK\$100,000 in respect of his capacity as a non-executive member of the board of directors of the Company (the "Board"), and an additional HK\$10,000 each for being chairman of both the Executive Committee and the Nomination Committee of the Company. The amount of remuneration payable to him is determined on the market benchmarks and taking into account his experience, responsibilities and workload.

Save as disclosed above, there is no information relating to Mr. Colfer that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

**NON-EXECUTIVE DIRECTOR**

**Mr. David C. L. Tong:** aged 46. He has been a Non-Executive Director since 1997 and is member of the Executive Committee and the Remuneration Committee of the Company.

Mr. Tong is a Director of Sir Elly Kadoorie & Sons Limited, CLP Power Hong Kong Limited, Hong Kong Business Aviation Centre Limited and serves on several other corporate boards in Hong Kong. Mr. Tong retired as an Independent Non-Executive Director of Hong Kong Aircraft Engineering Company Limited in May 2016. Mr. Tong is a Chartered Engineer and holds a Bachelor of Engineering degree from the University of London.

Save as disclosed above, Mr. Tong does not have any other relationships with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Tong was interested personally in 431,910 shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Tong but he has a letter of appointment from the Company detailing the terms of his appointment. The term of office for Mr. Tong is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws. Mr. Tong is currently entitled to remuneration of HK\$150,000 per annum, comprising a base fee of HK\$100,000 in respect of his capacity as a Non-executive member of the Board, and an additional HK\$10,000 and HK\$40,000 for being member of the Executive Committee and the Remuneration Committee of the Company respectively. The amount of remuneration payable to him is determined on the market benchmarks and taking into account his experience, responsibilities and workload.

Save as disclosed above, there is no information relating to Mr. Tong that is required to be disclosed pursuant to Rule 13.51 (2) of the Listing Rules.

#### **INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Mr. Aubrey K. S. Li:** aged 67. He has been an Independent Non-Executive Director since 2010 and is a member of the Audit Committee of the Company.

Mr. Li is the Chairman of IAM Holdings (Hong Kong) Limited (formerly MCL Partners Limited), a Hong Kong-based investment group, a Non-Executive Director of The Bank of East Asia, Limited and an Independent Non-Executive Director of Café de Coral Holdings Limited, China Everbright International Limited, Kunlun Energy Company Limited, Kowloon Development Company Limited and Pokfulam Development Company Limited. Mr. Li retired as a Non-Executive Director of AFFIN Bank Berhad on 16 March 2017. Mr. Li possesses extensive experience in the fields of investment banking, merchant banking and capital markets. Mr. Li holds a Master of Business Administration degree from Columbia University and a Bachelor of Science degree in Civil Engineering from Brown University.

Mr. Li does not have any relationships with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Li was beneficially interested in 100,000 shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Li but he has a letter of appointment from the Company detailing the terms of his appointment. The term of office for Mr. Li is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws. Mr. Li is currently entitled to remuneration of HK\$160,000 per annum, comprising a base fee of HK\$100,000 in respect of his capacity as a Non-executive member of the Board, and an additional HK\$60,000 for being member of the Audit Committee. The amount of remuneration payable to him is determined on the market benchmarks and taking into account his experience, responsibilities and workload.

Save as disclosed above, there is no information relating to Mr. Li that is required to be disclosed pursuant to Rule 13.51 (2) of the Listing Rules.

The independence of Mr. Li has been reviewed by the Nomination Committee in accordance with the applicable Listing Rules. Mr. Li has made an annual written confirmation of independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. The Board is of the view that Mr. Li meets the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and is independent, and that Mr. Li will continue to bring independent and objective perspectives to the Company's affairs.

**Mrs. Yvette Y. H. Fung:** aged 55. She has been an Independent Non-Executive Director since 2004 and is a member of the Remuneration Committee and Nomination Committee of the Company.

Mrs. Fung is a Director of Hsin Chong International Holdings Limited and Chair of The Yeh Family Philanthropy Limited, a member of various boards in the education and non-profit sectors. Mrs. Fung holds both a Juris Doctor and a Bachelor of Arts degree from Stanford University and a Master of Business Administration degree from the University of California, Los Angeles.

Mrs. Fung does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mrs. Fung did not have any interests in the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mrs. Fung but she has a letter of appointment from the Company detailing the terms of her appointment. The term of office for Mrs. Fung is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws. Mrs. Fung is currently entitled to remuneration of HK\$150,000 per annum, comprising a base fee of HK\$100,000 in respect of her capacity as a Non-executive member of the Board, and an additional HK\$40,000 and HK\$10,000 for being a member of the Remuneration Committee and Nomination Committee of the Company respectively. The amount of remuneration payable to her is determined on the market benchmarks and taking into account her experience, responsibilities and workload.

Save as disclosed above, there is no information relating to Mrs. Fung that is required to be disclosed pursuant to Rule 13.51 (2) of the Listing Rules.

The independence of Mrs. Fung has been reviewed by the Nomination Committee in accordance with the applicable Listing Rules. Mrs. Fung has made an annual written confirmation of independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. The Board is of the view that Mrs. Fung meets the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and is independent, and that Mrs. Fung will continue to bring independent and objective perspectives to the Company's affairs.

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## NOTICE OF ANNUAL GENERAL MEETING

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### **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 (the “Annual General Meeting”) 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, 19 May 2017 at 9:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 December 2016.
2. To declare a final dividend for the year ended 31 December 2016.
3.
  - (a) To re-elect Mr. Nicholas T. J. Colfer as a non-executive director of the Company.
  - (b) To re-elect Mr. David T. L. Tong as a non-executive director of the Company.
  - (c) To re-elect Mr. Aubrey K. S. Li as an independent non-executive director of the Company.
  - (d) To authorise the board of directors of the Company (the “Board”) to fix the remuneration of the directors.
4. To re-elect Mrs. Yvette Y. H. Fung (who has served as an independent non-executive director of the Company for more than 9 years) as an independent non-executive director of the Company and to authorise the Board to fix her remuneration.
5. To re-appoint PricewaterhouseCoopers as the Company’s auditors and to authorise the Board to fix their remuneration.

By order of the Board  
**Lung Chi Sing Alex**  
*Company Secretary*

Hong Kong, 12 April 2017



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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. A shareholder entitled to attend and vote at the Annual General Meeting convened by the above notice is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company.
2. The proxy form for use at the Annual General Meeting is enclosed in the circular. Completion and return of the form of proxy will not preclude a member from attending and voting at the Annual General Meeting or any adjournment thereof if he/she so wishes. In that event, his/her form of proxy will be deemed to have been revoked.
3. Where there are joint registered holders of any shares, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such shares as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, then one of the said persons whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
4. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time fixed for holding the Annual General Meeting or any adjourned meeting thereof.
5. The transfer books and the register of members of the Company will be closed from Tuesday, 16 May 2017 to Friday, 19 May 2017, both days inclusive. During such period, no transfer of shares will be effected. In order to establish the right to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Monday, 15 May 2017.
6. The transfer books and the register of members of the Company will be closed from Thursday, 25 May 2017 to Monday, 29 May 2017, both days inclusive if the final dividend for the year ended 31 December 2016 was approved at the Annual General Meeting. During such period, no transfer of shares will be effected. To ensure that Shareholders are entitled to receive the distribution of final dividend to be approved at the Annual General Meeting, all transfer documents, accompanied by the relevant share certificates, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Wednesday, 24 May 2017.
7. Subject to the passing of the necessary resolution at the Annual General Meeting, the final dividend will be payable to shareholders whose names appear on the register of members of the Company at the close of business on Monday, 29 May 2017.
8. With regard to resolutions 3 and 4 in this notice, the Board proposes that the retiring directors, namely Mr. Nicholas T. J. Colfer, Mr. David C. L. Tong, Mr. Aubrey K. S. Li and Mrs. Yvette Y. H. Fung be re-elected as directors of the Company. Details of these retiring directors are set out in the Appendix to the circular to the shareholders dated 12 April 2017.