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TAI PING CARPETS INTERNATIONAL LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 146)



PROFIT WARNING

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

Based on the preliminary assessment of the internal unaudited management accounts of the Group, the board of directors of the Company (the “**Board**”) announces that the Group is expected to record a substantial loss for the financial year ending 31 December 2011.

The sole factor attributable to such loss is the suspension of production at the Group’s production facilities near Bangkok owing to the severe flooding in Thailand which has a material adverse impact on the Group’s operations and financial results, as disclosed in the Company’s announcement of 3 November 2011.

The information contained in this announcement is a preliminary assessment made by the management of the Company based on the internal unaudited management accounts of the Group. This announcement is not based on any figures or information that has been audited or reviewed by the Company’s auditors. The audited financial results of the Group for the year ending 31 December 2011 are expected to be announced in or around March 2012.

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, 2 December 2011

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).