
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**

A copy of the notice of the annual general meeting of Tai Ping Carpets International Limited (the "Annual General Meeting") to be held at 8/F, Tower 1, Kowloon Commerce Centre, 51-53 Kwai Cheong Road, Kwai Chung, Hong Kong on Thursday, 17 May 2012 at 2:30 p.m. is set out on page 6 and 7 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 Registrars and Registration Office in Hong Kong, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, 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.

17 April 2012

LETTER FROM THE BOARD

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:

Ian D. Boyce

Lincoln K. K. Leong

David C. L. Tong

John J. Ying

Nelson K. F. Leong

(Alternate Director to Lincoln K. K. Leong)

Registered Office:

Canon's Court

22 Victoria Street

P.O. Box HM 1179

Hamilton HM EX

Bermuda

Principal Office in Hong Kong:

8/F, Tower 1

Kowloon Commerce Centre

51-53 Kwai Cheong Road

Kwai Chung

Hong Kong

Independent Non-executive Directors:

Yvette Y. H. Fung

Roderic N. A. Sage

Lincoln C. K. Yung

Aubrey K. S. Li

17 April 2012

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") is set out in this document, and a proxy form accompanies this circular. Details of the resolutions to be proposed at the Annual General Meeting are set out in the Notice.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

Mr. Ian D. Boyce, Mr. David C. L. Tong, Mr. John J. Ying, Mr. Lincoln C. K. Yung and Mr. Lincoln K. K. Leong shall retire by rotation pursuant to the Bye-laws of the Company. Mr. Ian D. Boyce, Mr. David C. L. Tong, Mr. John J. Ying and Mr. Lincoln C. K. Yung, being eligible, have offered themselves for re-election at the Annual General Meeting. Mr. Lincoln K. K. Leong has indicated to the Company that he will not offer himself for re-election as a Director 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 the Appendix to this circular.

PROXY ARRANGEMENT

Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“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) and the Company (<http://www.irasia.com/listco/hk/taipingcarpets/index.htm>) respectively. 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 and Registration Office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen’s Road East, 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.

RECOMMENDATION

The Directors consider that the proposed resolutions set out in the Notice are in the best interests of the Company and its Shareholders and recommend that Shareholders vote in favour of the proposed resolutions.

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

NON-EXECUTIVE DIRECTOR

Ian D. Boyce: aged 67. He has been a Non-executive Director since 1999.

Mr. Boyce is Chairman of Sir Elly Kadoorie & Sons Limited, a Non-executive Director of CLP Holdings Limited and Deputy Chairman of The Hongkong and Shanghai Hotels, Limited. He is a Chartered Accountant with extensive investment banking experience. Save as disclosed above, Mr. Boyce 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. Boyce is beneficially interested in 831,371 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”).

There is no service contract between the Company and Mr. Boyce. The term of office for Mr. Boyce is the period up to his retirement by rotation in accordance with the Company’s Bye-laws. Mr. Boyce is currently entitled to a remuneration of HK\$50,000 per annum being a base fee of HK\$50,000 in respect of his capacity as a Non-executive member of the Board. The amount of remuneration payable to him is determined on the basis of experience, demand for his services and market practice.

There is no information relating to Mr. Boyce that is required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules.

David C. L. Tong: aged 41. He has been a Non-executive Director since 1997 and is a member of the Executive Committee and the Remuneration Committee of the Company.

Mr. Tong is a Director of Sir Elly Kadoorie & Sons Limited and serves on several other corporate boards in Hong Kong. He 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 relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, he is 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. The term of office for Mr. Tong is the period up to his retirement by rotation in accordance with the Company’s Bye-laws. He is currently entitled to a remuneration of HK\$80,000 per annum, comprising a base fee of HK\$50,000 in respect of his capacity as a Non-executive member of the Board, and an additional HK\$30,000 for being a member of the Remuneration Committee. The amount of remuneration payable to him is determined on the basis of experience, demand for his services and market practice.

There is no information relating to Mr. Tong that is required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules.

NON-EXECUTIVE DIRECTOR

John J. Ying: aged 49. He has been a Non-executive Director since 1999 and is a member of the Executive Committee and the Audit Committee of the Company.

Mr. Ying is the Managing Director of Peak Capital Partners I, L.P. (“Peak Capital”), an established private equity firm focused on investments in Greater China, Chairman of Sateri Holdings Limited, Chairman of The Hong Kong Ballet and a Director Emeritus of the Graduate Executive Board of the Wharton School. He holds a Master of Business Administration Degree from the Wharton School, a Master of Arts Degree from the University of Pennsylvania, and a Bachelor of Science Degree from the Massachusetts Institute of Technology. Save as disclosed above, Mr. Ying 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. Ying is interested in 32,605,583 shares of the Company held by Peak Capital of which he is the sole shareholder of the general partner of Peak Capital, within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Ying. The term of office for Mr. Ying is the period up to his retirement by rotation in accordance with the Company’s Bye-laws. He is currently entitled to a remuneration of HK\$80,000 per annum, comprising a base fee of HK\$50,000 in respect of his capacity as a Non-executive member of the Board, and an additional HK\$30,000 for being a member of the Audit Committee. The amount of remuneration payable to him is determined on the basis of experience, demand for his services and market practice.

There is no information relating to Mr. Ying that is required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Lincoln C. K. Yung, JP: aged 66. He has been a Non-Executive Director of the Company for 24 years before his redesignation as an Independent Non-executive Director in December 2004.

Mr. Yung has extensive experience in the textile industry, banking and investment, and has served on various community and government committees. He is currently Deputy Managing Director of Nanyang Holdings Limited, Chairman and Non-executive Director of Shanghai Commercial Bank Limited and Pafoong Insurance Company (Hong Kong) Limited and; a Director of The Shanghai Commercial & Savings Bank, Limited, and Vice-Chairman of Southern Textile Company Limited (Shenzhen). He is an economics graduate from the Cornell University and received a Master of Business Administration Degree in accounting and finance from the University of Chicago. Mr. Yung does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, he is interested personally in 30,000 shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Yung. The term of office for Mr. Yung is the period up to his retirement by rotation in accordance with the Company's Bye-laws. Mr. Yung is currently entitled to a remuneration of HK\$50,000 per annum being a base fee of HK\$50,000 in respect of his capacity as a Non-executive member of the Board. The amount of remuneration payable to him is determined on the basis of experience, demand for his services and market practice.

The Company considers Mr. Yung to be independent with due regard to the guidelines as set out in Rule 3.13 of the Listing Rules.

There is no information relating to Mr. Yung that is required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

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 8/F, Tower 1, Kowloon Commerce Centre, 51-53 Kwai Cheong Road, Kwai Chung, Hong Kong on Thursday, 17 May 2012 at 2:30 p.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Auditor for the year ended 31 December 2011.
2. To declare a final dividend for the year ended 31 December 2011.
3. To re-elect retiring Directors and authorise the board of directors to fix their remuneration.
4. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorise the board of directors to fix the remuneration.

By order of the Board
Lee Siu Kau
Company Secretary

Hong Kong, 17 April 2012

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 transfer books and the register of Members of the Company will be closed from 15 May 2012 to 17 May 2012, both days inclusive. During such period, no transfer of shares of the Company (the “Share”) 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 lodged with the Company’s Branch Registrars and Registration Office in Hong Kong, Computershare Hong Kong Investor Services Limited, 46/F, Hopewell Centre, 183 Queen’s Road East, Hong Kong, no later than 4:30 p.m. on 14 May 2012.

NOTICE OF ANNUAL GENERAL MEETING

3. The transfer books and the register of Members of the Company will be closed from 23 May 2012 to 25 May 2012, both days inclusive. 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 lodged with the Company's Branch Registrars and Registration Office in Hong Kong, Computershare Hong Kong Investor Services Limited, 46/F, Hopewell Centre, 183 Queen's Road, Hong Kong, no later than 4:30 p.m. on 22 May 2012.
4. 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 25 May 2012.
5. With reference to item 3 above regarding the re-election of Directors, Mr. Ian D. Boyce, Mr. David C. L. Tong, Mr. John J. Ying, Mr. Lincoln C. K. Yung and Mr. Lincoln K. K. Leong shall retire by rotation pursuant to the Company's Bye-laws. Mr. Ian D. Boyce, Mr. David C. L. Tong, Mr. John J. Ying and Mr. Lincoln C. K. Yung, 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 the Appendix of this circular. Mr. Lincoln K. K. Leong has indicated to the Company that he will not offer himself for re-election as a Director at the Annual General Meeting.