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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**

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 Wednesday, 20 May 2015 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.

13 April 2015

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:

David C. L. Tong

John J. Ying

Nelson K. F. Leong

Andrew C. W. Brandler

Independent Non-executive Directors:

Yvette Y. H. Fung

Roderic N. A. Sage

Lincoln C. K. Yung

Aubrey K. S. Li

Registered Office:

Canon's Court

22 Victoria Street

P.O. Box HM 1179

Hamilton HM EX

Bermuda

Principal Office in Hong Kong:

8th Floor, Tower 1

Kowloon Commerce Centre

51-53 Kwai Cheong Road

Kwai Chung

Hong Kong

13 April 2015

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.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Mr. Nicholas T. J. Colfer, Mr. James H. Kaplan, Mr. Aubrey K. S. Li and Mr. Lincoln C. K. Yung will retire by rotation pursuant to the bye-laws of the Company (the “Bye-Laws”). Mr. Nicholas T. J. Colfer, Mr. James H. Kaplan, Mr. Aubrey K. S. Li and Mr. Lincoln C. K. Yung, 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.

Mr. Lincoln C. K. Yung has served as Independent Non-executive Director of the Company for more than nine years since December 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 Mr. Lincoln C. K. Yung a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. Mr. Lincoln C. K. Yung has not engaged in any executive management of the Company and its subsidiaries. Taking into consideration his record of independence during his term of service, the Directors consider Mr. Lincoln C. K. Yung to be independent under the Listing Rules despite the fact that he has served the Company for more than nine years. Accordingly, Mr. Lincoln C. K. Yung 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) and the Company (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.

LETTER FROM THE BOARD

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 55. 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 2015, 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.

CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

James H. Kaplan: aged 59. He has been the Chief Executive Officer and an Executive Director since 2003 and he is a member of the Executive Committee of the Company.

Mr. Kaplan has been with Tai Ping for more than ten years. Prior to that, Mr. Kaplan was the Divisional Vice President of the high-end global furniture manufacturer Knoll International. Mr. Kaplan holds a Bachelor of Arts degree from Lafayette College.

Mr. Kaplan does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Kaplan does not currently hold any directorships in any other listed companies and did not hold any such directorships in the last three years.

As at the Latest Practicable Date, Mr. Kaplan had a personal interest of 522,000 shares of the Company within the meaning of Part XV of SFO.

The total emoluments received and receivable by Mr. Kaplan for the year ended 31 December 2014 amounted to US\$896,881 (approximately HK\$6,995,672). Mr. Kaplan entered into a service contract with Tai Ping Carpets Americas, Inc., a wholly-owned subsidiary of the Company, on 15 October 2003 (subsequently amended by a letter agreement dated 14 December 2006 setting out the new terms of employment with effect from 1 January 2006). This contract has no fixed term and may be terminated by either party by 3 months' written notice. Mr. Kaplan is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws. Base on the latest review by the Remuneration Committee, Mr. Kaplan is entitled to an annual base salary of US\$697,100 (approximately HK\$5,437,380) together with a potential annual incentive bonus of up to US\$150,000 (approximately HK\$1,170,000) upon achieving certain targets. Mr. Kaplan is also entitled to participate in a profit-sharing scheme and other benefits and allowances. If this services contract is terminated due to a change of control of the Company, in addition to the statutory compensation. Mr. Kaplan is also entitled to a severance payment of US\$500,000 (approximately HK\$3,900,000) subject to certain conditions.

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Aubrey K. S. Li: aged 65. 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. He is also a Non-executive Director of AFFIN Bank Berhad, He 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 affair.

Lincoln C. K. Yung, JP, FHKIB: aged 69. 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 and is a member of the Nomination Committee of the Company.

Mr. Yung 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, a Director of The Shanghai Commercial & Savings Bank, Limited and the President of HK Wuxi Trade Association Limited. Mr. Yung has extensive experience in the textile, banking and investment industries, and serves on various committees and boards. Mr. Yung is a Fellow of The Hong Kong Institute of Bankers. 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 relationships with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, he was 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 but he does have a letter of appointment detailing the terms of his appointment. The term of office for Mr. Yung is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws. Mr. Yung is currently entitled to remuneration of HK\$110,000 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 for being member of the Nomination 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. Yung that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

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

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 (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 Wednesday, 20 May 2015 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 2014.
2. To declare a final dividend for the year ended 31 December 2014.
3.
 - (a) To re-elect Mr. Nicholas T. J. Colfer as a non-executive director of the Company.
 - (b) To re-elect Mr. James H. Kaplan as an 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 Mr. Lincoln C. K. Yung (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 his 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
Lee Siu Kau
Company Secretary

Hong Kong, 13 April 2015

NOTICE OF ANNUAL GENERAL MEETING

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 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 so wishes. In that event, his form of proxy will be deemed to have been revoked.
3. Where there are joint registered holders of any shares of the Company, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such shares as if he 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, the proxy form, together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof, must be deposited with 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 later than 48 hours before the time appointed 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 Monday, 18 May 2015 to Wednesday, 20 May 2015, both days inclusive. During such period, no transfer of shares of the Company 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 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 Friday, 15 May 2015.
6. The transfer books and the register of members of the Company will be closed from Wednesday, 27 May 2015 to Friday, 29 May 2015, both days inclusive if the final dividend for the year ended 31 December 2014 was approved at the Annual General Meeting. During such period, no transfer of shares of the Company 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 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 Tuesday, 26 May 2015.
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 Friday, 29 May 2015.
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. James H. Kaplan, Mr. Aubrey K. S. Li and Mr. Lincoln C. K. Yung 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 13 April 2015.