
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 21st Floor, St. George’s Building, 2 Ice House Street, Central, Hong Kong on Thursday, 19 May 2011 at 2:30 p.m. is set out on page 6 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.

15 April 2011

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:

26/F, Tower A

Regent Centre

63 Wo Yi Hop 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

15 April 2011

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, Mrs. Yvette Y. H. Fung, Mr. Roderic N. A. Sage and Mr. Aubrey K. S. Li shall retire by rotation pursuant to the Bye-laws of the Company. Mr. Ian D. Boyce, Mrs. Yvette Y. H. Fung, Mr. Roderic N. A. Sage and Mr. Aubrey K. S. Li, 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 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 66. 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.

As at the Latest Practicable Date, Mr. Boyce was 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.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Yvette Y. H. Fung: aged 49. She has been an Independent Non-executive Director since 2004 and is a member of the Remuneration Committee of the Company.

Mrs. Fung is a Director of Hsin Chong International Holdings Limited, an Independent Non-executive Director of Fountain Set (Holdings) Limited, a Member of the Public Affairs Forum (Home Affairs Bureau), a Council Member of the Hong Kong University of Science and Technology and the Hong Kong Society for the Deaf. She holds a Juris Doctor Degree 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, she did not have any interest in the shares of the Company (the “Shares”) within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mrs. Fung. The term of office for Mrs. Fung is the period up to her retirement by rotation in accordance with the Company’s Bye-laws. Mrs. Fung is currently entitled to a remuneration of HK\$80,000 per annum comprising a base fee of HK\$50,000 in respect of her 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 her is determined on the basis of experience, demand for her services and market practice.

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

Roderic N. A. Sage: aged 58. He has been an Independent Non-executive Director since 2005 and is the Chairman of both the Remuneration Committee and the Audit Committee of the Company.

Mr. Sage is Chief Executive Officer of a specialist tax, corporate services and trust consultancy. He is a Chartered Accountant and was until 2003 a Senior Partner and member of the management board of KPMG in Hong Kong.

Mr. Sage 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 did not have interest in the Shares within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Sage. The term of office for Mr. Sage is the period up to his retirement by rotation in accordance with the Company's Bye-laws. Mr. Sage is currently entitled to a remuneration of HK\$130,000 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\$40,000 for being the Chairman of the Remuneration Committee and HK\$40,000 for being the Chairman 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. Sage that is required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules.

Aubrey K. S. Li: aged 61. 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 MCL Partners Limited, a Hong Kong-based financial advisory and investment group, and has over 35 years' experience in merchant banking and commercial banking. He is 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, Atlantis Investment Management (Ireland) Limited, Dalton Capital (Guernsey) Limited, Melchior Global Macro Fund Limited and Melchior Global Macro (Master) Fund Limited. Within the past three years, he had been an Independent Non-executive Director of ABC Communications (Holdings) Limited and a Non-executive Chairman of Atlantis Asian Recovery Fund plc. Mr. Li has a Master of Business Administration from Columbia University and a Bachelor of Science in Civil Engineering from Brown University.

Mr. Li 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 was beneficially interested in 100,000 Shares within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Li. The term of office for Mr. Li is the period up to his retirement by rotation in accordance with the Company's Bye-laws. Mr. Li 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. Li 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 21st Floor, St. George’s Building, 2 Ice House Street, Central, Hong Kong, on Thursday, 19 May 2011 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 2010.
2. To declare a final dividend for the year ended 31 December 2010.
3. To re-elect retiring Directors and authorise the Board to fix their remuneration.
4. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorise the Board to fix the remuneration.

By order of the Board
Wong Wing Cheung
Company Secretary

Hong Kong, 15 April 2011

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 register of Members of the Company will be closed from Tuesday, 17 May 2011 to Thursday, 19 May 2011, both days inclusive, during which period no transfer of Shares will be registered.
3. To be entitled to receive the final dividend, Shareholders must ensure that all transfer documents accompanied by the relevant Share certificates are lodged with 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 for registration no later than 4:30 p.m. on Monday, 16 May 2011.
4. Subject to the passing of the necessary resolution at the Annual General Meeting, the final dividend will be payable on or about 8 July 2011 to Shareholders whose names appear on the register of Members of the Company at the close of business on 19 May 2011.
5. With reference to item 3 above regarding the re-election of Directors, Mr. Ian D. Boyce, Mrs. Yvette Y. H. Fung, Mr. Roderic N. A. Sage and Mr. Aubrey K. S. Li shall retire by rotation pursuant to the Bye-laws of the Company. Mr. Ian D. Boyce, Mrs. Yvette Y. H. Fung, Mr. Roderic N. A. Sage and Mr. Aubrey K. S. Li, 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.