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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  
AND  
PROPOSED AMENDMENT TO THE BYE-LAWS**

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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, 17 May 2019 at 2:00 p.m. is set out on pages 9 to 11 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.

11 April 2019

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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:*

Mark S. Worgan

*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

Daniel G. Green

*Registered Office:*

Canon's Court

22 Victoria Street

Hamilton HM EX

Bermuda

*Principal Office in Hong Kong:*

Units 1801-1804, 18th Floor

909 Cheung Sha Wan Road

Cheung Sha Wan

Kowloon

Hong Kong

11 April 2019

*Dear Shareholders*

**RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING  
AND  
PROPOSED AMENDMENT TO THE BYE-LAWS**

#### **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. John J. Ying, Mr. David C. L. Tong, Mr. Nelson K. F. Leong, Mrs. Yvette Y. H. Fung and Mr. Roderic N. A. Sage, will retire by rotation pursuant to the bye-laws of the Company (the "Bye-Law(s)"). Mr. Nicholas T. J. Colfer, Mr. John J. Ying, Mr. David C. L. Tong, Mr. Nelson K. F. Leong, Mrs. Yvette Y. H. Fung and Mr. Roderic N. A. Sage, 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 and Mr. Roderic N. A. Sage served as Independent Non-executive Directors of the Company for more than nine years since 2004 and 2005, respectively. 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 for the determination of 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 written confirmations from Mrs. Yvette Y. H. Fung and Mr. Roderic N. A. Sage, for their independence pursuant to Rule 3.13 of the Listing Rules. Mrs. Yvette Y. H. Fung and Mr. Roderic N. A. Sage have not engaged in any executive management of the Company and its subsidiaries. The Directors noted the positive contributions of Mrs. Yvette Y. H. Fung and Mr. Roderic N. A. Sage to the development of the Company's strategy and policies through independent, constructive and informed contributions supported by their skills, expertises and qualifications and from their active participations at meetings. The Nomination Committee of the Company has assessed and is satisfied of the independence of Mrs. Yvette Y. H. Fung and Mr. Roderic N. A. Sage. Taking into consideration their records of independence during their term of service, the Directors consider Mrs. Yvette Y. H. Fung and Mr. Roderic N. A. Sage to be independent under the Listing Rules.

Despite the fact that Mrs. Yvette Y. H. Fung and Mr. Roderic N. A. Sage have served as Independent Non-executive Directors of the Company for more than nine years, the Board considers that this would not affect their exercising of independent judgment. Accordingly, Mrs. Yvette Y. H. Fung and Mr. Roderic N. A. Sage will be subject to retirement by rotation and re-election by way of separate resolutions to be approved by the shareholders of the Company (the "Shareholders") in the Annual General Meeting.

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## LETTER FROM THE BOARD

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### PROPOSED AMENDMENT TO THE BYE-LAWS

The Directors propose to amend the Bye-Laws to bring the Bye-Laws in alignment with Rule 4(2) of Part A of Appendix 13 of the Listing Rules and the Companies Act 1981 of Bermuda (as amended).

The proposed amendment to the Bye-Laws is as follows:

The words “(or such longer period as The Stock Exchange of Hong Kong Limited may authorise)” shall be inserted after the words “and not more than fifteen months” and before the words “shall elapse” in Bye-law 67.

After the amendment, Bye-law 67 would read as follows:–

“The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and not more than fifteen months (or such longer period as The Stock Exchange of Hong Kong Limited may authorise) shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint.”

Shareholders are advised that the Bye-Laws are only available in English. The Chinese translation of the proposed amendment to Bye-law 67 and the new Bye-law 67 is for reference only. In case of any inconsistency between the English language and Chinese language of the proposed amendment to Bye-law 67 and the new Bye-law 67, the English version shall prevail.

### PROXY ARRANGEMENT

Pursuant to Rule 13.39(4) of the Listing Rules, any vote from 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 of Directors (the “Board”) of the Company 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**

**Mr. Nicholas T. J. Colfer**, aged 59, 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 2019, 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 a director's fee of HK\$120,000 per annum. 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 DIRECTORS**

**Mr. John J. Ying**, aged 56, has been a Non-executive Director since 1999 and is a member of the Audit Committee of the Company.

Mr. Ying is the Managing Director of Peak Capital, a private investment firm focused on investments in Greater China and Chairman of the Asian Republican Coalition. Mr. Ying was the Chairman of Bracell Limited. Mr. Ying 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 was interested in 32,605,583 shares of the Company held by Peak Capital Partners I, L.P. of which he is the sole shareholder of the general partner of Peak Capital Partners I, L.P., within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Ying but he has a letter of appointment from the Company detailing the terms of his appointment. The term of office for Mr. Ying is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws. Mr. Ying is currently entitled to a director's fee of HK\$170,000 per annum. 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. Ying that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

**Mr. David C. L. Tong**, aged 48, 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 was an Independent Non-executive Director of Hong Kong Aircraft Engineering Company Limited. 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 a director's fee of HK\$150,000 per annum. 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.

**Mr. Nelson K. F. Leong**, aged 55, has been a Non-executive Director since 2012 and is a member of the Executive Committee of the Company.

Mr. Leong is an Executive Director of Henry G. Leong Estates, Limited, a Director of Fontana Enterprises Limited, Gainsborough Associates Limited and a number of companies involved in real estate in Hong Kong and North America. Mr. Leong holds a Master of Business Administration degree from the University of Toronto and a Bachelor of Arts degree from Brown University.

Save as disclosed above, Mr. Leong 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. Leong was interested personally in 700,000 shares of the Company and 2,000,000 shares held by Gainsborough Associates Limited and 182,000 shares held by Fontana Enterprises Limited which are controlled by Mr. Leong within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Leong but he has a letter of appointment from the Company detailing the terms of his appointment. The term of office for Mr. Leong is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws. Mr. Leong is currently entitled to a director's fee of HK\$110,000 per annum. 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. Leong that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

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

**Mrs. Yvette Y. H. Fung**, aged 57, 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 does have a letter of appointment 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 a director's fee of HK\$150,000 per annum. 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.

**Mr. Roderic N. A. Sage**, aged 66, has been an Independent Non-executive Director since 2005 and is the Chairman of the Remuneration Committee and the Audit Committee of the Company.

Mr. Sage is an Independent Non-executive Director of Guoco Group Limited and Alpha Real Trust Limited listed on London's Specialist Fund Market. Mr. Sage was the Executive Chairman of a specialist tax, corporate services and trust consultancy firm in Hong Kong. Prior to that, Mr. Sage had worked with KPMG Hong Kong for over 20 years as a senior partner and member of the management board. Mr. Sage has been granted fellow status with the Institute of Chartered Accountants in England and Wales and with the Hong Kong Institute of Certified Public Accountants. Mr. Sage is also an associate member of the Institute of Taxation in England.

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, Mr. Sage did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Sage but he does have a letter of appointment detailing the terms of his appointment. The term of office for Mr. Sage is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws. Mr. Sage is currently entitled to a director's fee of HK\$200,000 per annum. 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. Sage that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

The independence of Mr. Sage has been reviewed by the Nomination Committee in accordance with the applicable Listing Rules. Mr. Sage has given an annual confirmation of his independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules to the Company. The Board is of the view that Mr. Sage meets the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and is independent, and that Mr. Sage 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, 17 May 2019 at 2:00 p.m. for the following purposes:

#### **ORDINARY BUSINESS**

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 December 2018.
2.
  - (a) To re-elect Mr. Nicholas T. J. Colfer as a non-executive director of the Company.
  - (b) To re-elect Mr. John J. Ying as a non-executive director of the Company.
  - (c) To re-elect Mr. David C. L. Tong as a non-executive director of the Company.
  - (d) To re-elect Mr. Nelson K. F. Leong as a non-executive director of the Company.
  - (e) To authorise the board of directors of the Company (the “Board”) to fix the remuneration of the directors.
3. 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.
4. To re-elect Mr. Roderic N. A. Sage (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 KPMG as the Company’s auditors and to authorise the Board to fix their remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolution as a special resolution:

6. **“THAT**

The existing Bye-law 67 of the Bye-laws of the Company be amended with effect from the date of this resolutions as follows:

The words “(or such longer period as The Stock Exchange of Hong Kong Limited may authorise)” shall be inserted after the words “and not more than fifteen months” and before the words “shall elapse” so that the Bye-law 67 shall now read as follows:–

67. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and not more than fifteen months (or such longer period as The Stock Exchange of Hong Kong Limited may authorise) shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint.”

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

Hong Kong, 11 April 2019

*Notes:*

1. A shareholder of the Company 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 notorially 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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5. The transfer books and the register of members of the Company will be closed from Tuesday, 14 May 2019 to Friday, 17 May 2019, 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 Friday, 10 May 2019.
  
6. With regard to resolutions 2, 3, and 4 in this notice, the Board proposes that the retiring directors, namely Mr. Nicholas T. J. Colfer, Mr. John J. Ying, Mr. David C. L. Tong, Mr. Nelson K. F. Leong, Mrs. Yvette Y. H. Fung and Mr. Roderic N. A. Sage 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 11 April 2019.
  
7. Explanatory note to the proposed amendment to the Bye-laws of the Company:  
  
Bye-law 67 It is proposed that this Bye-law be amended to bring the Bye-laws of the Company in alignment with Rule 4(2) of Part A of Appendix 13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies Act 1981 of Bermuda (as amended).
  
8. The Chinese translation of this notice is for reference only. In case of any inconsistency between the English language and the Chinese language of this notice, then English version shall prevail.