
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 Friday, 27 November 2020 at 9:30 a.m. is set out on pages 8 to 9 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.

Please refer to the precautionary measures for the Annual General Meeting as set out in page 1 of this circular to prevent and control the spread of the COVID-19 pandemic.

16 October 2020

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the Annual General Meeting to protect each attendee from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on each attendee at the entrance of the Annual General Meeting venue. Any attendee with a body temperature of over 37.5 degrees Celsius may be denied entry into the Annual General Meeting venue, or be required to leave the Annual General Meeting venue.
- (ii) Each attendee will be required to wear a surgical face mask throughout the Annual General Meeting and in the Annual General Meeting venue, and to maintain a safe distance between seats.
- (iii) No refreshments will be served and no corporate gifts will be distributed.

To the extent permitted under the laws of Hong Kong, the Company reserves the right to deny entry into the Annual General Meeting venue or require any person to leave the Annual General Meeting venue, in order to ensure the safety of the attendees at the Annual General Meeting.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all shareholders of the Company (the "Shareholders") that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. As an alternative, by using form of proxy with voting instructions inserted, the Shareholders may appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting instead of attending the Annual General Meeting in person.

If Shareholders have any question relating to the Annual General Meeting, please contact the Company's branch share registrar in Hong Kong as follows:

Computershare Hong Kong Investor Services Limited
1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong
Telephone: (852) 2862 8555
Facsimile: (852) 2865 0990
Website: www.computershare.com/hk/contact

LETTER FROM THE BOARD

TAI PING CARPETS INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 146)



Chairman and Non-executive Director:

Nicholas Timothy James Colfer

Chief Executive Officer and Executive Director:

Mark Stuart Worgan

Non-executive Directors:

Tong Chi Leung David

John Jeffrey Ying

Leong Kwok Fai Nelson

Andrew Clifford Winawer Brandler

Independent Non-executive Directors:

Fung Yeh Yi Hao Yvette

Roderic Noel Anthony Sage

Yung Lincoln Chu Kuen

Daniel George Green

Registered Office:

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

Principal Office in Hong Kong:

Units 1801-1804, 18th Floor

909 Cheung Sha Wan Road

Cheung Sha Wan

Kowloon

Hong Kong

16 October 2020

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. Mark Stuart Worgan, Mr. Andrew Clifford Winawer Brandler, Mr. Daniel George Green and Mr. Yung Lincoln Chu Kuen, will retire by rotation pursuant to the bye-laws of the Company (the “Bye-Law(s)”). Mr. Mark Stuart Worgan, Mr. Andrew Clifford Winawer Brandler, Mr. Daniel George Green and Mr. Yung Lincoln Chu Kuen, 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. Yung Lincoln Chu Kuen has served as Independent Non-executive Director of the Company for more than nine years since 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 written confirmation from Mr. Yung Lincoln Chu Kuen for his independence pursuant to Rule 3.13 of the Listing Rules. Mr. Yung Lincoln Chu Kuen has not engaged in any executive management of the Company and its subsidiaries. The Directors noted the positive contributions of Mr. Yung Lincoln Chu Kuen to the development of the Company’s strategy and policies through independent, constructive and informed contributions supported by his skills, expertises and qualifications and from his active participations at meetings. The Nomination Committee of the Company has assessed and is satisfied of the independence of Mr. Yung Lincoln Chu Kuen. Taking into consideration his records of independence during his term of service, the Directors consider Mr. Yung Lincoln Chu Kuen to be independent under the Listing Rules.

Despite the fact that Mr. Yung Lincoln Chu Kuen has served as Independent Non-executive Director of the Company for more than nine years, the board of Directors (the “Board”) considers that this would not affect his exercising of independent judgment. Accordingly, Mr. Yung Lincoln Chu Kuen will be subject to retirement by rotation and re-election by way of separate resolution to be approved by the Shareholders in the Annual General Meeting.

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) 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

LETTER FROM THE BOARD

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.

RECOMMENDATION

The Directors consider that the proposed resolutions as set out in the Notice are in the best interests of the Company and the Shareholders and recommend 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 Timothy James Colfer
Chairman

CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Mr. Mark Stuart Worgan, aged 56, has been the Chief Executive Officer and Executive Director of the Company since 2018 and is a member of the Executive Committee of the Company.

Mr. Worgan joined Tai Ping in 2008 and was the Vice President of Operations and Chief Operation Officer of Tai Ping. Mr. Worgan is a director of a number of subsidiaries of Tai Ping. Mr. Worgan has over 30 years of experience in textiles and floorcovering industry and prior to joining the Company, Mr. Worgan held various positions including global operations director, and chief executive officer of the US operations of Brintons Carpets Limited. Mr. Worgan holds a Bachelor of Science degree from the University of Aston in Birmingham, United Kingdom.

Save as disclosed above, Mr. Worgan does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

As at 9 October 2020, 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. Worgan did not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”).

Mr. Worgan is currently entitled to receive the same remuneration as the Chief Executive Officer of the Company which includes (i) a total remuneration package of HK\$4,429,200 per annum (comprising of monthly basic salaries and allowances); and (ii) a discretionary bonus which is based on the performance of both Mr. Worgan and the Company. The employment agreement of Mr. Worgan has no fixed term and may be terminated by either party by three months’ written notice. Mr. Worgan is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws.

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

NON-EXECUTIVE DIRECTOR

Mr. Andrew Clifford Winawer Brandler, aged 64, has been a Non-executive Director of the Company since 2014.

Mr. Brandler is a Director and Chairman of Sir Elly Kadoorie & Sons Limited, a Non-Executive Director and Deputy Chairman of The Hongkong and Shanghai Hotels, Limited, a Non-Executive Director of CLP Holdings Limited and an Independent Non-executive Director of MTR Corporation Limited. Mr. Brandler has had an extensive career as an international banker and company executive. Mr. Brandler is a Chartered Accountant, and holds a Bachelor of Arts and a Master of Arts degrees from the University of Cambridge and a Master of Business Administration degree from Harvard Business School.

Save as disclosed above, Mr. Brandler 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. Brandler 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. Brandler but he has a letter of appointment from the Company detailing the terms of his appointment. The term of office for Mr. Brandler is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws. Mr. Brandler is currently entitled to a director's fee of HK\$100,000 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. Brandler that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Daniel George Green, aged 46, has been an Independent Non-executive Director of the Company since 2018 and is a member of the Executive Committee of the Company.

Mr. Green is the Managing Director of Arnhold Holdings Limited. Mr. Green joined Arnhold in 2002 and has served as an Executive Director since 2006. Prior to joining Arnhold, Mr. Green worked in New York as a strategy consultant for Andersen Consulting (now Accenture), and as an equity analyst for Sofaer Capital's Global Hedge Fund. Mr. Green is currently on the General Committee of The Hong Kong Exporters' Association. Mr. Green graduated with honors from the University of Pennsylvania with a degree in Systems Engineering.

Mr. Green 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. Green 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. Green but he has a letter of appointment from the Company detailing the terms of his appointment. The term of office for Mr. Green is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws. Mr. Green 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. Green that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

The independence of Mr. Green has been reviewed by the Nomination Committee in accordance with the applicable Listing Rules. Mr. Green has made an annual written confirmation of his independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. The Board is of the view

that Mr. Green meets the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and is independent, and that Mr. Green will continue to bring independent and objective perspectives to the Company's affairs.

Mr. Yung Lincoln Chu Kuen, JP, FHKIB: aged 74, has been a Non-executive Director of the Company for 24 years before his redesignation as an Independent Non-executive Director of the Company in 2004 and is a member of the Nomination Committee and the Audit Committee of the Company.

Mr. Yung is currently Deputy Managing Director of Nanyang Holdings Limited, a Director of The Shanghai Commercial & Savings Bank, Limited (whose shares had been listed on the Taiwan Stock Exchange in October 2018), Honorary President of HK Wuxi Trade Association Limited and the Executive Vice-chairman of Federation of HK Jiangsu Community Organisations Limited. Mr. Yung has extensive experience in the textile, banking and investment industries and serves on various committees and boards. Mr. Yung is an Honorary Advisory Vice President and Fellow of The Hong Kong Institute of Bankers and holds a Master of Business Administration degree from the University of Chicago and is a graduate of Cornell University. Mr. Yung was appointed an Adjunct Professor of The Hong Kong Polytechnic University (School of Accounting and Finance).

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, Mr. Yung 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 has a letter of appointment from the Company 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 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. 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 his 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 Friday, 27 November 2020 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 eighteen months ended 30 June 2020.
2.
 - (a) To re-elect Mr. Mark Stuart Worgan as an executive director of the Company.
 - (b) To re-elect Mr. Andrew Clifford Winawer Brandler as a non-executive director of the Company.
 - (c) To re-elect Mr. Daniel George Green 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.
3. To re-elect Mr. Yung Lincoln Chu Kuen (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.
4. To re-appoint KPMG as the Company’s auditor and to authorise the Board to fix the remuneration.

By order of the Board
Lung Chi Sing Alex
Company Secretary

Hong Kong, 16 October 2020

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.

NOTICE OF ANNUAL GENERAL MEETING

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 notarially 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.
5. The transfer books and the register of members of the Company will be closed from Tuesday, 24 November 2020 to Friday, 27 November 2020, 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 Monday, 23 November 2020.
6. With regard to resolutions 2 and 3 in this notice, the Board proposes that the retiring directors, namely Mr. Mark Stuart Worgan, Mr. Andrew Clifford Winawer Brandler, Mr. Daniel George Green and Mr. Yung Lincoln Chu Kuen 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 16 October 2020.