
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 20th Floor, St. George’s Building, 2 Ice House Street, Central, Hong Kong on Monday, 15 November 2021 at 9:30 a.m. is set out on pages 9 to 10 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 Shops 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.

7 October 2021

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
Shops 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)

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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

7 October 2021

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 Timothy James Colfer, Mr. John Jeffrey Ying, Mr. Tong Chi Leung David, Mr. Leong Kwok Fai Nelson, Mrs. Fung Yeh Yi Hao Yvette and Mr. Roderic Noel Anthony Sage will retire by rotation pursuant to the bye-laws of the Company (the “Bye-Law(s)”). Mr. Nicholas Timothy James Colfer, Mr. John Jeffrey Ying, Mr. Tong Chi Leung David, Mr. Leong Kwok Fai Nelson, Mrs. Fung Yeh Yi Hao Yvette and Mr. Roderic Noel Anthony 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. Fung Yeh Yi Hao Yvette and Mr. Roderic Noel Anthony Sage has 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 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 confirmations from Mrs. Fung Yeh Yi Hao Yvette and Mr. Roderic Noel Anthony Sage for their independence pursuant to Rule 3.13 of the Listing Rules. Mrs. Fung Yeh Yi Hao Yvette and Mr. Roderic Noel Anthony Sage have not engaged in any executive management of the Company and its subsidiaries. The Directors noted the positive contributions of Mrs. Fung Yeh Yi Hao Yvette and Mr. Roderic Noel Anthony 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. Fung Yeh Yi Hao Yvette and Mr. Roderic Noel Anthony Sage. Taking into consideration their records of independence during their term of service, the Directors consider Mrs. Fung Yeh Yi Hao Yvette and Mr. Roderic Noel Anthony Sage to be independent under the Listing Rules.

Despite the fact that Mrs. Fung Yeh Yi Hao Yvette and Mr. Roderic Noel Anthony Sage have served as Independent Non-executive Directors of the Company for more than nine years, the board of Directors (the “Board”) considers that this would not affect their exercising independent judgment. Accordingly, Mrs. Fung Yeh Yi Hao Yvette and Mr. Roderic Noel Anthony 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.

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.

LETTER FROM THE BOARD

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 Shops 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 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 Timothy James Colfer
Chairman

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr. Nicholas Timothy James Colfer, aged 61, has been a Non-executive Director since 2003 and Chairman since 2005 and is the 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 29 September 2021, 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 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").

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 Jeffrey Ying, aged 59, 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 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. Tong Chi Leung David, aged 50, 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, CLP Power Hong Kong Limited, Hong Kong Business Aviation Centre Limited and serves on several other corporate boards in Hong Kong. Mr. Tong is a Chartered Engineer and a Fellow Member of the Hong Kong Institution of Engineers. Mr. Tong 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. Leong Kwok Fai Nelson, aged 57, 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 were held by Gainsborough Associates Limited and 182,000 shares were 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. Fung Yeh Yi Hao Yvette, aged 60, has been an Independent Non-Executive Director since 2004 and is a member of the Remuneration Committee and the 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 shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mrs. Fung but she has a letter of appointment from the Company 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 given an annual written confirmation of her independence to the Company 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 Noel Anthony Sage, aged 68, 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. Mr. Sage was an Independent Non-executive Director of Alpha Real Trust Limited and 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 has a letter of appointment from the Company 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 written 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.

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 20th Floor, St. George’s Building, 2 Ice House Street, Central, Hong Kong on Monday, 15 November 2021 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 the independent auditor of the Company for the year ended 30 June 2021.
2. To declare a final dividend for the year ended 30 June 2021.
3.
 - (a) To re-elect Mr. Nicholas Timothy James Colfer as a non-executive director of the Company.
 - (b) To re-elect Mr. John Jeffrey Ying as a non-executive director of the Company.
 - (c) To re-elect Mr. Tong Chi Leung David as a non-executive director of the Company.
 - (d) To re-elect Mr. Leong Kwok Fai Nelson 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.
4. To re-elect Mrs. Fung Yeh Yi Hao Yvette (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.
5. To re-elect Mr. Roderic Noel Anthony 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.
6. To re-appoint KPMG as auditor of the Company and to authorise the Board to fix its remuneration.

By order of the Board
Lung Chi Sing Alex
Company Secretary

Hong Kong, 7 October 2021

NOTICE OF ANNUAL GENERAL MEETING

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 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 Shops 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 Wednesday, 10 November 2021 to Monday, 15 November 2021, 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Tuesday, 9 November 2021.
6. The transfer books and the register of members of the Company will be closed from Friday, 19 November 2021 to Tuesday, 23 November 2021, both days inclusive if the final dividend for the year ended 30 June 2021 was approved at the Annual General Meeting. During such period, no transfer of shares will be effected. To ensure that shareholders of the Company 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 deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Thursday, 18 November 2021.
7. Subject to the passing of the necessary resolution at the Annual General Meeting, the final dividend for the year ended 30 June 2021 will be payable to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Tuesday, 23 November 2021.
8. With regard to resolutions 3 to 5 in this notice, the Board proposes that the retiring directors, namely Mr. Nicholas Timothy James Colfer, Mr. John Jeffrey Ying, Mr. Tong Chi Leung David, Mr. Leong Kwok Fai Nelson, Mrs. Fung Yeh Yi Hao Yvette and Mr. Roderic Noel Anthony 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 of the Company dated 7 October 2021.