



祥 泰 行 集 團 有 限 公 司 *

CHEUNG TAI HONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 199)

ANNOUNCEMENT

The board of directors (the “Board”) of Cheung Tai Hong Holdings Limited (the “Company”) announces that on 3 June 2005, a subsidiary of the Company and an independent third party (the “Vendor”) who is not connected with the Company, the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) signed a non-binding letter of intent (the “Letter of Intent”) with a view to negotiating with the Vendor a possible acquisition from the Vendor 50% of its ownership and interest in certain land located in Macau (the “Acquisition”), which initially is intended for redevelopment purposes, at the initial consideration of HK\$495 million. It is intended that if agreement can be reached, a formal agreement in respect of the Acquisition be entered into before 23 June 2005.

Upon the entering into of the formal agreement, the earnest monies of HK\$10 million paid by the Company shall be applied as deposit of the said consideration and a further deposit of HK\$90 million shall be paid within 2 business days after the relevant approval of the Company’s shareholders (the “Shareholders”) is obtained by the Company.

Upon the entering into of the formal agreement in respect of the proposed Acquisition, the Acquisition may constitute a very substantial acquisition for the Company. The Company will then comply with the Listing Rules and issue a further announcement to provide the Shareholders with details of the Acquisition.

Shareholders should note that the proposed Acquisition under the Letter of Intent is subject to negotiation and finalisation of detailed terms and conditions to be set out in a formal binding agreement and may or may not proceed. In the meanwhile, Shareholders and investors should exercise extreme caution when dealing in the Shares.

On behalf of the Board of
Cheung Tai Hong Holdings Limited
Cheung Hon Kit
Chairman

Hong Kong, 3 June 2005

As at the date of announcement, the Board comprises Mr. Cheung Hon Kit (Chairman), Mr. Chan Fut Yan, and Mr. Tse Cho Tseung as executive Directors, Mr. Lo Lin Shing, Simon as non-executive Director, Mr. Ho Hau Chong, Norman (Deputy Chairman), Mr. Wong Chi Keung, Alvin, Mr. Kwok Ka Lap, Alva and Mr. Zhang Shichen as independent non-executive Directors.

* *for identification purpose only*

“Please also refer to the published version of this announcement in The Standard.”