



祥泰行集團有限公司*

CHEUNG TAI HONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 199)

**DESPATCH OF CIRCULAR
RELATING TO
A VERY SUBSTANTIAL ACQUISITION**

The Board announces that the circular containing (i) further details of the Acquisition Agreement; (ii) financial information relating to the Group, Orient Town Group and Concordia; (iii) notice of the SGM to be held on 15th June, 2006; and (iv) other information as required under the Listing Rules has been despatched to the Shareholders on 29th May, 2006.

The Board also wishes to announce that the Concordia Acquisition was duly completed on 26th May, 2006.

Reference is made to the announcement made by the Company dated 3rd April, 2006 in relation to, among others, the acquisition of 40% of the issued share capital of Orient Town by the Group (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context herein requires otherwise.

DESPATCH OF CIRCULAR

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COMPLETION OF THE CONCORDIA ACQUISITION

The Board has been informed that the Concordia Acquisition was duly completed on 26th May, 2006. Upon completion of the Acquisition, the Group will have an 23.2% effective interest in Concordia. The Shareholder’s Loan to be advanced by the Group to Orient Town upon Completion will principally be used for repayment of the shareholder’s loan due from Orient Town to the Vendor.

By order of the Board
Cheung Tai Hong Holdings Limited
Yan Ha Hung, Loucia
Company Secretary

Hong Kong, 29th May, 2006

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

* For identification purpose only

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