

**ISSUE OF HK\$1,000 MILLION ZERO COUPON
CONVERTIBLE NOTES DUE 2010
MONTHLY ANNOUNCEMENT**

Reference is made to the Company's announcement dated 20th April, 2005 and circular dated 23rd May, 2005. The Board would like to report the details of conversion of the Convertible Notes during the period from 1st February, 2006 to 28th February, 2006, as well as the details of conversion of the 2005 February Convertible Notes during the corresponding period.

Reference is made to the Company's announcement dated 20th April, 2005 and circular dated 23rd May, 2005. The Company made this announcement as per the requirements of paragraph (a) under the heading "Dilution Effect on Shareholders" of such announcement and circular. Unless otherwise specified, terms used herein shall have the same meanings as defined in the Circular.

The Board would like to report the details of conversion of the Convertible Notes during the period from 1st February, 2006 to 28th February, 2006, as well as the details of the conversion of the 2005 February Convertible Notes during the corresponding period.

The Directors wish to announce that, further to the Company's announcement dated 16th February, 2006, the Board has approved the conversion notices given on 16th February 2006 by five holders, holding an aggregate principal amount of HK\$16,720,000 of the 2005 February Convertible Notes, to convert the 2005 February Convertible Notes into 39,809,523 Shares at the conversion price of HK\$0.42 per Share and three holders, holding an aggregate principal amount of HK\$1,264,000 of the Convertible Notes, to convert the Convertible Notes into 2,872,727 Shares at the conversion price of HK\$0.44 per Share.

The Directors also wish to announce that following the Company's announcement dated 16th February, 2006, two holders holding an aggregate principal amount of HK\$1,236,000 of the Convertible Notes, gave notices to the Company on 24th February, 2006 to convert the Convertible Notes into 2,809,090 Shares at the conversion price of HK\$0.44 per Share which has been approved by the Board.

* *For identification purpose only*

As a result of the conversion of the 2005 February Convertible Notes and the Convertible Notes during the month under review (the “**Conversion**”), a total of 45,491,340 Shares, representing 10.72% of the issued share capital of the Company as at 1st February, 2006 and 9.68% of the issued share capital of the Company as enlarged by the issue of Shares upon the Conversion, have been allotted and issued. Following the Conversion, the aggregate outstanding principal for the 2005 February Convertible Notes and the Convertible Notes were HK\$46,657,000 and HK\$997,500,000 respectively as at 28th February, 2006.

Details of the Conversion and the changes in the issued share capital of the Company during the period from 1st February, 2006 to 28th February, 2006 are set out below:

	Number of Shares
Number of issued Shares as at 1st February, 2006	424,383,600
Notices of Conversion received on 16th February, 2006 and approved by the Board for:	
- 2005 February Convertible Notes of HK\$16,720,000 at the conversion price of HK\$0.42 per Share	39,809,523
- the Convertible Notes of HK\$1,264,000 at the conversion price of HK\$0.44 per Share	2,872,727
Notices of Conversion received on 24th February, 2006 and approved by the Board for the Convertible Notes of HK\$1,236,000 at the conversion price of HK\$0.44 per Share	2,809,090
Number of issued Shares as at 28th February, 2006 (<i>Note</i>)	469,874,940

Note: As at 28th February, 2006, the Board had yet to approve the conversion notice given on 15th February, 2006 by a holder holding a principal amount of HK\$4,000,000 of the Convertible Notes to convert into 9,090,909 Shares at the conversion price of HK\$0.44 per Share pending receipt of certain requisite information from such holder. Appropriate disclosure will be made in the next monthly announcement after the relevant conversion has been approved by the Board subject to the receipt of the requisite information.

This announcement is only released through the web-site of the Stock Exchange and no publication in the newspaper is made.

For and on behalf of
Cheung Tai Hong Holdings Limited
Yan Ha Hung, Loucia
Company Secretary

Hong Kong, 7th March, 2006

As at the date of this announcement, the Board comprises Mr. Cheung Hon Kit (Chairman), Mr. Chan Fut Yan (Managing Director) and Mr. Tse Cho Tseung 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.