

**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 March, 2006 to 31st March, 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 March, 2006 to 31st March, 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 announcements dated 14th and 16th March, 2006, the Board has approved the conversion notices given on 1st, 2nd, 13th, 14th and 16th March, 2006 respectively by nine holders, holding an aggregate principal amount of HK\$46,657,000 of the 2005 February Convertible Notes, to convert the 2005 February Convertible Notes into 112,698,063 Shares at the conversion price of HK\$0.414 per Share and the conversion notices given on 16th March, 2006 by two holders, holding an aggregate principal amount of HK\$21,500,000 of the Convertible Notes, to convert the Convertible Notes into 48,863,636 Shares at the conversion price of HK\$0.44 per Share.

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 161,561,699 Shares, representing 34.38% of the issued share capital of the Company as at 1st March, 2006 and 25.59% 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, there is no outstanding principal for the 2005 February Convertible Notes and the aggregate outstanding principal for the Convertible Notes was HK\$976,000,000 as at 31st March, 2006.

* *For identification purpose only*

Details of the Conversion and the changes in the issued share capital of the Company during the period from 1st March, 2006 to 31st March, 2006 are set out below:

	Number of Shares
Number of issued Shares as at 1st March, 2006	469,874,940
Notice of Conversion received on 1st March, 2006 and approved by the Board for the 2005 February Convertible Notes of HK\$500,000 at the conversion price of HK\$0.414 per Share	1,207,729
Notice of Conversion received on 2nd March, 2006 and approved by the Board for the 2005 February Convertible Notes of HK\$1,000,000 at the conversion price of HK\$0.414 per Share	2,415,458
Notice of Conversion received on 13th March, 2006 and approved by the Board for the 2005 February Convertible Notes of HK\$2,000,000 at the conversion price of HK\$0.414 per Share	4,830,917
Notices of Conversion received on 14th March, 2006 and approved by the Board for the 2005 February Convertible Notes of HK\$23,157,000 at the conversion price of HK\$0.414 per Share	55,934,781
Notices of Conversion received on 16th March, 2006 and approved by the Board for the 2005 February Convertible Notes of HK\$20,000,000 at the conversion price of HK\$0.414 per Share	48,309,178
Notices of Conversion received on 16th March, 2006 and approved by the Board for the Convertible Notes of HK\$21,500,000 at the conversion price of HK\$0.44 per Share	48,863,636
Number of issued Shares as at 31st March, 2006	<u>631,436,639</u>

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 April, 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.