

**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 April, 2006 to 30th April, 2006.

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 April, 2006 to 30th April, 2006.

The Directors wish to announce that, further to the Company's announcement dated 20th April, 2006, the Board has approved the conversion notices given on 7th, 11th, 13th and 18th April, 2006 respectively by nine holders, holding an aggregate principal amount of HK\$301,500,000 of the Convertible Notes, to convert the Convertible Notes into 685,227,267 Shares at the conversion price of HK\$0.44 per Share.

As a result of the conversion of the Convertible Notes during the month under review (the "**Conversion**"), a total of 685,227,267 Shares, representing approximately 108.52% of the issued share capital of the Company as at 1st April, 2006 and approximately 52.04% 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 Convertible Notes was HK\$674,500,000 as at 30th April, 2006.

Details of the Conversion and the changes in the issued share capital of the Company during the period from 1st April, 2006 to 30th April, 2006 are set out below:

\* *For identification purpose only*

	<b>Number of Shares</b>
Number of issued Shares as at 1st April, 2006	631,436,639
Notice of Conversion received on 7th April, 2006 and approved by the Board for the Convertible Notes of HK\$1,500,000 at the conversion price of HK\$0.44 per Share	3,409,090
Notices of Conversion received on 11th April, 2006 and approved by the Board for the Convertible Notes of HK\$10,000,000 at the conversion price of HK\$0.44 per Share	22,727,272
Notices of Conversion received on 13th April, 2006 and approved by the Board for the Convertible Notes of HK\$270,000,000 at the conversion price of HK\$0.44 per Share	613,636,360
Notice of Conversion received on 18th April, 2006 and approved by the Board for the Convertible Notes of HK\$20,000,000 at the conversion price of HK\$0.44 per Share	45,454,545
Number of issued Shares as at 30th April, 2006	<u>1,316,663,906</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, 8th 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.*