



祥泰行集團有限公司*

CHEUNG TAI HONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 199)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of Cheung Tai Hong Holdings Limited (“Company”) will be held at 10:30 a.m. on 24th January, 2005 at G/F., GMP Centre, 12 Dai Fu Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong, for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT** the share placing agreement dated 15th December, 2004 (“**Share Placing Agreement**”, a copy of which has been produced to this meeting marked “A” and initialed by the chairman of this meeting for the purpose of identification) made between the Company and Tai Fook Securities Company Limited (“**Placing Agent**”) in relation to the appointment by the Company of the Placing Agent as placing agent to procure places for an aggregate of 150,000,000 new ordinary shares (“**Placing Shares**”) of par value HK\$0.01 each in the capital of the Company (“**Shares**”) at the issue price of HK\$0.40 per Placing Share on a best effort basis, all the transactions contemplated thereunder and all other matters thereof and incidental thereto or in connection therewith including (without limitation) the allotment and issue by the Company of the Placing Shares to the places procured by the Placing Agent be and are hereby generally and unconditionally approved in all respects and that the Placing Shares shall, when allotted, issued and fully paid, rank pari passu in all respects with all other Shares in issue at the date of such allotment and issue and further that the Directors be and they are hereby generally and unconditionally authorized to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps which in the opinion of the Directors may be necessary, appropriate, desirable or expedient to implement and/or give effect to the terms of, or the transactions contemplated by, the Share Placing Agreement and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of the Directors, in the interest of the Company.”
2. **“THAT** the convertible note placing agreement dated 15th December, 2004 (“**Convertible Note Agreement**”, a copy of which has been produced to this meeting marked “B” and initialed by the chairman of this meeting for the purpose of identification) made between the Company and the Placing Agent in relation to the appointment by the Company of the Placing Agent as placing agent to procure places for an aggregate of HK\$100,000,000 2% 3-year convertible notes (“**Convertible Notes**”), the form of which is annexed to the Convertible Note Placing Agreement, on a best effort basis, all the transactions contemplated thereunder and all other matters thereof and incidental thereto or in connection therewith including (without limitation) the creation and issue by the Company of the Convertible Notes to the places procured by the Placing Agent and the issue and allotment of the new Shares (“**Conversion Shares**”) upon the exercise of the conversion rights attaching to the Convertible Notes be and are hereby generally and unconditionally approved in all respects and that the Conversion Shares shall, when allotted and issued, rank pari passu in all respects with all other Shares in issue at the date of the conversion notice and further that the Directors be and they are hereby generally and unconditionally authorized to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps which in the opinion of the Directors may be necessary, appropriate, desirable or expedient to implement and/or give effect to the terms of, or the transactions contemplated by, the Convertible Note Placing Agreement and the Convertible Notes and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of the Directors, in the interest of the Company.”

Yours faithfully,
By Order of the Board
Cheung Tai Hong Holdings Limited
Cheung Yuk Ming
Company Secretary

6th January, 2005, Hong Kong

Registered office:
Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:
G/F., GMP Centre
12 Dai Fu Street
Tai Po Industrial Estate
Tai Po
New Territories
Hong Kong

Notes:

1. A form of proxy for use at the meeting will be despatched together with the relating circular on 6th January, 2005. Whether or not you intend to attend the meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon.
2. A member of the Company entitled to attend and vote at the meeting by the above notice is entitled to appoint another person as his proxy to attend and vote instead of such member. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company.
3. In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited at the Company’s principal place of business in Hong Kong at G/F., GMP Centre, 12 Dai Fu Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting (as the case may be).
4. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any Share, any one of such holders may vote at the meeting, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any Shares stands shall for this purpose be deemed joint holders thereof.

As at the date hereof, the Board comprises three executive directors, namely Mr. Lo Lin Shing, Simon (Chairman), Mr. Tse Cho Tseung and Ms. Cheung Sze Man, and four independent non-executive directors, namely Mr. Ho Hau Chong, Norman (Deputy Chairman), Mr. Wong Chi Keung, Alvin, Mr. Kwok Ka Lap, Alva and Mr. Zhang Shichen.

* For identification purpose only

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