



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 7 June 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, with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT** the seven subscription agreements all dated 8 April 2005 (**“Fund Subscription Agreements”**, copies of which have been produced to the meeting and marked “A” and initialed by the chairman of the meeting for the purpose of identification) entered into between the Company and each of the seven Fund Subscribers (as defined in the circular of the Company dated 23 May 2005) in relation to the conditional subscription by the Fund Subscribers of the zero coupon convertible notes due 2010 in the aggregate principal amount of HK\$356 million (**“Fund Subscription Convertible Notes”**, the form of which is annexed to each of the Fund Subscription Agreements) and all the transactions contemplated thereunder and all other matters thereof and incidental thereto or in connection therewith, including (without limitation) (i) the creation and issue by the Company of the Fund Subscription Convertible Notes pursuant to the terms of the Fund Subscription Agreements and (ii) conditional on the Listing Committee of The Stock Exchange of Hong Kong Limited (**“Stock Exchange”**) agreeing to grant the listing of, and permission to deal in, the new ordinary shares of par value of HK\$0.01 each in the capital of the Company (**“Shares”**) to be issued and allotted as a result of the exercise of the conversion rights attached to the Fund Subscription Convertible Notes, the issue and allotment of new Shares pursuant to the exercise of the conversion rights attached to the Fund Subscription Convertible Notes, be and are generally and unconditionally approved in all respects and that such new 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 of the Company (**“Directors”**) be and are hereby authorized to do all such 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 Fund Subscription Agreements and the Fund Subscription 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.”
2. **“THAT** the subscription agreement dated 20 April 2005 (the **“Loyal Concept Subscription Agreement”**, a copy of which has been produced to the meeting and marked “B” and initialed by the chairman of the meeting for the purpose of identification) entered into between the Company and Loyal Concept Limited (**“Loyal Concept”**) in relation to the conditional subscription by Loyal Concept of the zero coupon convertible notes due 2010 in the aggregate principal amount of HK\$450 million (the **“Loyal Concept Convertible Notes”**, the form of which is annexed to the Loyal Concept Subscription Agreement) and all the transactions contemplated thereunder and all other matters thereof and incidental thereto or in connection therewith, including (without limitation) (i) the creation and issue by the Company of the Loyal Concept Convertible Notes pursuant to the terms of the Loyal Concept Subscription Agreement and (ii) conditional on the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the new Shares to be issued and allotted as a result of the exercise of the conversion rights attached to the Loyal Concept Convertible Notes, the issue and allotment of new Shares pursuant to the exercise of the conversion rights attached to the Loyal Concept Convertible Notes, be and are generally and unconditionally approved in all respects and that such new 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 are hereby authorized to do all such 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 Loyal Concept Subscription Agreement and the Loyal Concept 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.”
3. **“THAT** the subscription agreement dated 20 April 2005 (the **“Kopola Subscription Agreement”**, a copy of which has been produced to the meeting and marked “C” and initialed by the chairman of the meeting for the purpose of identification) entered into between the Company and Kopola Investment Company Limited (**“Kopola”**) in relation to the conditional subscription by Kopola of the zero coupon convertible notes due 2010 in the aggregate principal amount of HK\$150 million (the **“Kopola Convertible Notes”**, the form of which is annexed to the Kopola Subscription Agreement) and all the transactions contemplated thereunder and all other matters thereof and incidental thereto or in connection therewith, including (without limitation) (i) the creation and issue by the Company of the Kopola Convertible Notes pursuant to the terms of the Kopola Subscription Agreement and (ii) conditional on the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the new Shares

* For identification purpose only

to be issued and allotted as a result of the exercise of the conversion rights attached to the Kopola Convertible Notes, the issue and allotment of the new Shares pursuant to the exercise of the conversion rights attached to the Kopola Convertible Notes, be and are generally and unconditionally approved in all respects and that such new 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 are hereby authorized to do all such 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 Kopola Subscription Agreement and the Kopola 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.”

4. “**THAT** the placing agreement dated 20 April 2005 (the “**Placing Agreement**”, a copy of which has been produced to the meeting and marked “D” and initialed by the chairman of the meeting for the purpose of identification) entered into between the Company and Tai Fook Securities Company Limited (the “**Placing Agent**”) in relation to the conditional placing by the Placing Agent, on a best effort basis, of the zero coupon convertible notes due 2010 in the aggregate principal amount of HK\$44 million (the “**Placing Convertible Notes**”, the form of which is annexed to the Placing Agreement) and all the transactions contemplated thereunder and all other matters thereof and incidental thereto or in connection therewith, including (without limitation) (i) the creation and issue by the Company of the Placing Convertible Notes pursuant to the terms of the Placing Agreement and (ii) conditional on the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the new Shares to be issued and allotted as a result of the exercise of the conversion rights attached to the Placing Convertible Notes, the issue and allotment of the new Shares in the capital of the Company pursuant to the exercise of the conversion rights attached to the Placing Convertible Notes, be and are generally and unconditionally approved in all respects and that such new 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 are hereby authorized to do all such 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 Placing Agreement and the Placing 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

23 May 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 is enclosed. 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 of announcement, the Board comprises Mr. Cheung Hon Kit (Chairman), Mr. Chan Fut Yan, Mr. Tse Cho Tseung, and Ms. Cheung Sze Man as executive Directors, Mr. Lo Lin Shing, Simon as non-executive Director, Mr. Ho Hau Chong, Norman (Deputy Chairman), Mr. Wong Chi Keung, Alvin, Mr. Kwok Ka Lap, Alva and Mr. Zhang Shichen as independent non-executive Directors.

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