



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 (the “**Company**”) will be held at 11:00 a.m. on Thursday, 8th June, 2006 at Conference Room, 11/F., Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, 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**

- (A) the seventeen conditional subscription agreements all dated 27th April, 2006 (“**Subscription Agreements**”) entered into between the Company as the issuer and seventeen subscribers including but not limited to Stark Asia Master Fund, Ltd., Stark International, Centar Investments (Asia) Ltd., Shepherd Investments International, Ltd. and Hanny Holdings Limited as the subscribers (collectively the “**Subscribers**”) relating to the subscription of 1% convertible notes (the “**Notes**”) due 2011 of aggregate principal amount of HK\$1,000,000,000 by the relevant Subscribers (copies of which Subscription Agreements having been produced to this meeting and marked “A” to “Q” and initialled by the chairman of the meeting for the purpose of identification) and all the transactions contemplated thereunder, including, without limitation, (i) the issue of the Notes and (ii) issue of new shares by the Company pursuant to the exercise of the conversion rights attached to the Notes be and are hereby approved, confirmed and ratified; and
- (B) the directors of the Company (the “**Directors**”) be and are hereby authorised to take all steps and to do all such acts and things, to sign and execute all such further documents as the Directors may in their absolute discretion consider necessary, desirable or expedient to implement and/or give effect to or in connection with the Subscription Agreements and all the transactions contemplated thereunder, including, with limitation, (i) the issue of the Notes and (ii) issue of new shares by the Company pursuant to the exercise of the conversion rights attached to the Notes.

2. “**THAT**

- (A) the conditional placing agreement dated 27th April, 2006 (“**Placing Agreement**”) entered into between the Company as the issuer and CLSA Limited as placing agent relating to the placing of up to 833,332,000 new shares of the Company at HK\$0.60 each (a copy of which Placing Agreement having been produced to this meeting and marked “R” and initialled by the chairman of the meeting for the purpose of identification) and all the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (B) the Directors be and are hereby authorised to take all steps and to do all such acts and things, to sign and execute all such further documents as the Directors may in their absolute discretion consider necessary, desirable or expedient to implement and/or give effect to or in connection with the Placing Agreement and all the transactions contemplated thereunder.

* *For identification purpose only*

Yours faithfully,
By order of the Board
Cheung Tai Hong Holdings Limited
Yan Ha Hung, Loucia
Company Secretary

Hong Kong, 22nd May, 2006

Registered office:
Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:
29/F., Paul Y Centre
51 Hung To Road
Kwun Tong, Kowloon
Hong Kong

Notes:

1. 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/her 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 branch share registrars and transfer office, Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, 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 this notice, 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.

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