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祥泰行集團有限公司*

CHEUNG TAI HONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 199)

**VERY SUBSTANTIAL ACQUISITION
PROPOSED CHANGE OF COMPANY NAME
AND
RESUMPTION OF TRADING**

THE ACQUISITION

On 29th March, 2006, Million Orient, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor in relation to the acquisition of 40% of the issued share capital of Orient Town for a cash consideration of HK\$280, being the nominal value of the 280 shares of Orient Town to be acquired. The principal asset of Orient Town is its indirect shareholding interest in Concordia which is the owner of the Property, being 14 parcels of leased land situated in Estrada de Seac Pai Van, Macau (澳門路環聯生填海區).

As further consideration for Million Orient agreeing to enter into the Acquisition Agreement, the Vendor has granted Million Orient the Call Option pursuant to which Million Orient has the right to require the Vendor, within the Exercise Period, to sell all or any part of the Option Shares to Million Orient or its nominee(s) at the aggregate nominal value of the Option Shares. The Company will comply with the relevant rules in Chapter 14 of the Listing Rules if the Call Option is exercised.

Pursuant to the Acquisition Agreement, Million Orient undertakes to advance to Orient Town (subject to Completion) the Shareholder's Loan (being an aggregate amount of HK\$885 million) on 12th May, 2006 or the Completion Date, whichever is later (or such other date as may be agreed by Million Orient and Orient Town), which will principally be used for completion of the Concordia Acquisition. Further information on Orient Town Group, Concordia and the Concordia Acquisition is set out below.

The Acquisition, having taken into account the Shareholder's Loan, constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules which requires the approval by the Shareholders at the SGM. Further information on the Acquisition Agreement is set out below.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Acquisition Agreement and the transactions contemplated thereunder. A circular containing, among other things, further information on the Acquisition Agreement, financial information relating to the Group, Orient Town Group and Concordia, the notice of the SGM and other information as required under the Listing Rules, will be despatched to the Shareholders as soon as practicable.

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from "Cheung Tai Hong Holdings Limited" to "Macau Properties Holdings Limited" and adopt the Chinese name "澳門地產集團有限公司" in lieu of "祥泰行集團有限公司" for identification purpose.

Information in relation to the proposed change of name of the Company and a notice of general meeting for the purpose of approving the proposed change of name of the Company will be despatched to the Shareholders as soon as practicable.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 30th March, 2006 pending release of this announcement. Application has been made by the Company for resumption of trading in the Shares from 9:30 a.m. on 4th April, 2006.

THE ACQUISITION AGREEMENT DATED 29TH MARCH, 2006

1) Parties

Vendor: Pacific Wish Limited, an investment holding company.

Save for being a party to the Acquisition Agreement and the ancillary agreements (as described below), to the best of the Directors' knowledge, information and belief and after having made all reasonable enquiry, the Vendor and its beneficial owner, Mr. Ma, are independent of the Group and its connected persons and are not connected persons as defined under the Listing Rules. Mr. Ma is also not a connected person to the ultimate owners of any of the holders of the convertible notes of the Company.

* For identification purpose only

Purchaser: Million Orient Limited, an indirect wholly-owned subsidiary of the Company principally engaged in investment holding.

2) Assets to be acquired

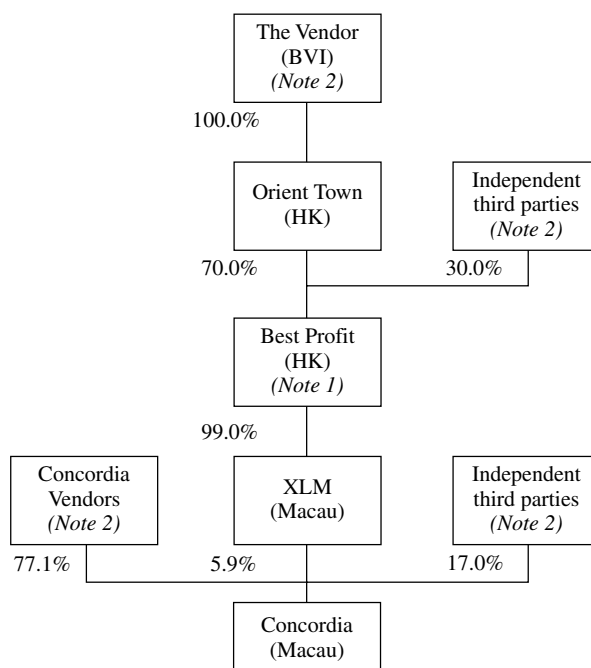
The Sale Shares, being 280 issued shares of Orient Town, representing 40% of the issued share capital of Orient Town.

As at the date of this announcement, Orient Town is effectively interested in 70% of the issued share capital of XLM, which in turn is the owner of (i) 5.9% of the registered share capital of Concordia; and (ii) shareholder’s loan of approximately MOP83.5 million advanced to Concordia. Concordia is the owner of the Property.

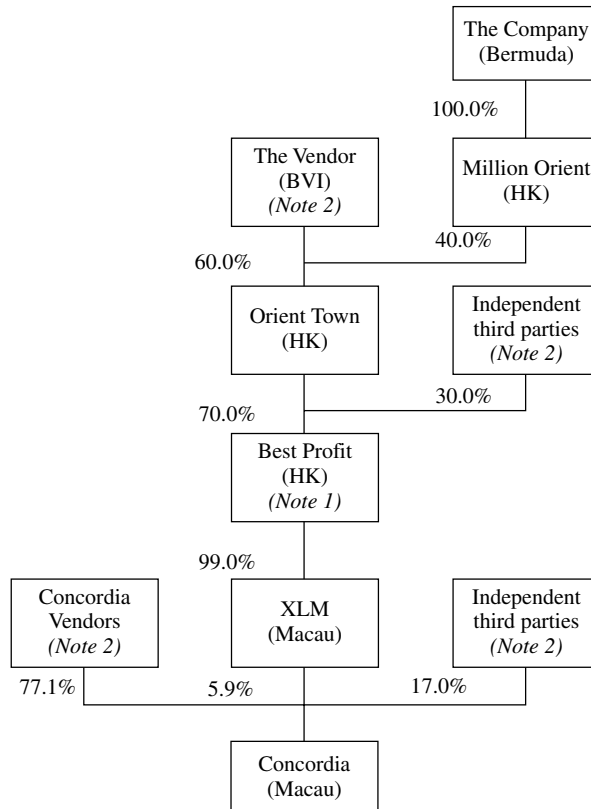
XLM has entered into the Concordia Agreement with San Heng Chong (for itself and on behalf of other Concordia Vendors) to acquire a further 77.1% of the registered share capital of Concordia and the shareholder’s loan (together with interest thereon) of approximately MOP1,713 million due by Concordia to the Concordia Vendors. Upon completion of the Concordia Acquisition, XLM will be interested in 83% of the registered share capital of Concordia. As at the date of this announcement, the Concordia Acquisition has not been completed. Further information on Concordia and the Concordia Acquisition is set out in the paragraph headed “Information on Concordia” below.

The following illustrates the structure of Orient Town Group:

As at the date of this announcement

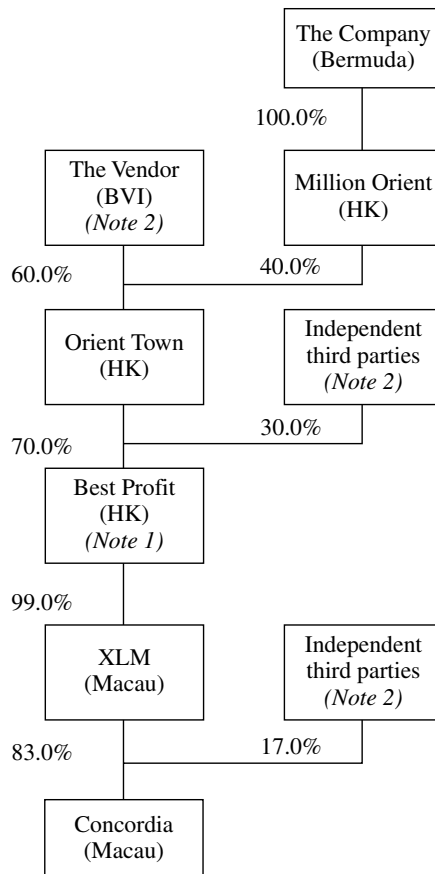


Upon Completion but before completion of the Concordia Acquisition



Upon Completion but before completion of the Concordia Acquisition, the Company will have an indirect effective interest in approximately 1.7% of the registered share capital of Concordia.

Upon Completion and completion of the Concordia Acquisition



Notes:

1. Best Profit is holding 99% of the registered share capital of XLM. The remaining 1% of the registered share capital of XLM is held by Mr. Ma Iao Son, being one of the Warrantors. Pursuant to a power of attorney, Mr. Ma Iao Son has given irrevocable authority and powers to Best Profit to (i) sell such share(s) held by Mr. Ma Iao Son; and (ii) represent him and take any deliberation and vote on his behalf in general meetings of XLM.
2. Based on the best knowledge of and information available to the Directors, the Vendor, the independent third parties as referred to above and the Concordia Vendors are independent of any of the holders of the convertible notes of the Company.
3. Places in parentheses represent places of incorporation.

Upon Completion and completion of the Concordia Acquisition, the Company will have an indirect effective interest in approximately 23.2% of the registered share capital of Concordia and Concordia will become an associate of the Group. Information of Orient Town Group is set out in the paragraph headed "Information on Orient Town Group" below.

3) **The Call Option**

As further consideration for Million Orient agreeing to enter into the Acquisition Agreement, the Vendor has granted Million Orient the Call Option pursuant to which Million Orient has the right to require the Vendor, within the Exercise Period, to sell all or any part of the Option Shares to Million Orient or its nominee(s) at the aggregate nominal value of such Option Shares. Upon Completion and upon Million Orient having exercised the Call Option in full to purchase all of the Option Shares, Million Orient will be interested in 350 shares of Orient Town, representing 50% of the issued share capital of Orient Town as at the date of this announcement.

The exercise of the Call Option shall be conditional upon Million Orient having undertaken to the Vendor and Orient Town to advance to Orient Town the Additional Shareholder's Loan after the Option Completion.

The Additional Shareholder's Loan will be calculated as follows:

$$S = \text{HK\$}200 \text{ million} \times N/T$$

whereas

S means the amount of the Additional Shareholder's Loan;

N means the number of Option Shares subject to the exercise of the Call Option; and

T means the aggregate number of Option Shares.

The Vendor undertakes not to dispose of any shares of Orient Town held by it within the Exercise Period unless, among other matters:

- (a) the prior written consent of Million Orient has been obtained; and
- (b) the Vendor having undertaken to Million Orient to pay to Million Orient the Disposal Compensation upon completion of the Disposal.

The Disposal Compensation will be calculated as follows:

$$U = (P - N - Y)/2$$

and subject to the maximum amount of the Disposal Compensation being calculated as follows:

$$U = (P - N - Y)/G \times 70$$

whereas

U means the Disposal Compensation;

P means the amount payable by the prospective purchaser for the Disposal (excluding any amount which may be payable by such prospective purchaser to the Vendor for assignment of the relevant portion of shareholder's loan by the Vendor to Orient Town);

N means the aggregate nominal value of shares of Orient Town subject to the Disposal;

G means the number of shares of Orient Town subject to the Disposal; and

Y means all expenses reasonably and properly incurred by the Vendor in connection with the Disposal.

The Company will comply with the relevant rules in Chapter 14 of the Listing Rules if the Call Option is exercised.

4) **The Shareholder's Loan**

Pursuant to the Acquisition Agreement, Million Orient undertakes to advance to Orient Town by way of shareholder's loan in the amount of HK\$885 million for financing part of the working capital requirement of Orient Town which will principally be used for completion of the Concordia Acquisition. The Shareholder's Loan will bear an interest at the best lending rate for Hong Kong dollars as quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time. The Shareholder's Loan is payable (subject to Completion) on 12th May, 2006 or the Completion Date, whichever is later (or such other date as may be agreed by Million Orient and Orient Town). Of the HK\$885 million, HK\$240 million will be satisfied by the earnest money paid by the Group to facilitate the negotiation of the Acquisition, and the remaining sum of HK\$655 million will be satisfied by the internal resource of the Group. As at the date of this announcement, the Group has cash reserve of approximately HK\$701 million.

In connection with the Concordia Acquisition, shareholders of Best Profit have agreed to provide shareholders' loans in an aggregate amount of HK\$1,990 million to Best Profit, of which, (i) HK\$597 million (representing 30% of such shareholders' loans) would be borne by the other two shareholders of Best Profit; and (ii) HK\$1,393 million (representing 70% of such shareholders' loans) would be borne by Orient Town. The Vendor has been seeking financing in respect of such portion borne by Orient Town. It is one of the primary considerations of the Vendor for agreeing to dispose of the Sale Shares to Million Orient provided Million Orient would agree to bear a portion of such shareholders' loans which is in excess of the attributable equity interest in Best Profit that the Million Orient would acquire. As a result, the Shareholder's Loan, which represents approximately 44.5% of the aggregate sum of the aforesaid shareholders' loans to be advanced by the shareholders of Best Profit, is not in proportion to the Group's effective interest of 28% in Best Profit upon Completion. However, taking into account the growth potential of the property market in Macau and that the Directors consider the chance to acquire significant block of land in Macau at the current location does not come by very often, the Board considers the terms of the Shareholder's Loan are reasonable.

5) Consideration and payment terms

The consideration of HK\$280 for the Acquisition, being the nominal value of the 280 shares of Orient Town to be acquired, shall be satisfied by cash payable on Completion. The Consideration, which represents almost a 100% discount to the net asset value of Orient Town attributable to Million Orient of HK\$11.8 million (calculated with reference to the net asset value of HK\$29.6 million as at 31st December, 2005), was determined by arm's length negotiations between the Vendor and the Group with reference to the nominal value of the Sale Shares and having taken into account of the Call Option and the Shareholder's Loan. The Board considers the Consideration fair and reasonable.

6) Conditions precedent

Completion is conditional upon:

- (i) the results of the due diligence review on Orient Town Group being, in the absolute opinion of Million Orient, satisfactory and acceptable to Million Orient in all respect;
- (ii) Million Orient having obtained a written legal opinion issued, dated no earlier than seven Business Days prior to the Completion Date and addressed to Million Orient by a lawyer (acceptable to Million Orient) qualified to practise Macau laws (in respect of, among other matters, each of XLM and Concordia and their respective ownership and business as well as that of the Property, which form and contents are satisfactory and acceptable to Million Orient at its absolute discretion);
- (iii) all warranties, representations and undertakings given by the Vendor under the Acquisition Agreement remaining true and accurate and not misleading in any material respect as if repeated at Completion and at all times between the date of the Acquisition Agreement and Completion;
- (iv) the Shareholders (or independent Shareholders, if required) having passed relevant resolutions at the SGM approving the transactions contemplated under the Acquisition Agreement;
- (v) the Deed of Guarantee having been executed;
- (vi) the release of the Share Charges; and
- (vii) all necessary consents, permits and approvals (whether governmental, regulatory or otherwise, including any approval required by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong) as may be required in respect of the Acquisition Agreement and the transactions contemplated thereunder having been obtained by Million Orient and/or the Company.

Million Orient shall be entitled in its absolute discretion, at any time by written notice to the Vendor, to waive any of the above conditions (save and except condition (iv), which cannot be waived) either in whole or in part. The Company has no present intention to waive any of the above conditions.

If (a) any of the above conditions has not been satisfied (or waived by Million Orient, as the case may be) on the Long Stop Date; or (b) Million Orient informs the Vendor in writing that it is not satisfied with the results of the due diligence review, the Acquisition Agreement shall automatically terminate and none of the parties to the Acquisition Agreement shall have any claim of any nature or liabilities thereunder whatsoever against any of the other party under the Acquisition Agreement (save for any antecedent breaches of the terms thereof and save that all monies (if any) paid by Million Orient to the Vendor thereunder and interest accrued or incurred thereto (if any) shall be repaid to Million Orient in full without any deduction forthwith).

7) Completion

Subject to fulfilment or waiver (as the case may be) of the above conditions precedent, Completion shall take place on the Completion Date.

Completion of the Acquisition is not conditional on completion of the Concordia Acquisition.

ANCILLARY AGREEMENTS

1) Deed of Guarantee

On 29th March, 2006, the Warrantors and Million Orient entered into the Deed of Guarantee, in which the Warrantors warrant on, among other things, the shareholding structure, liabilities and indebtedness, certain accounts and financial matters of Orient Town Group, and certain matters regarding the Property. In particular, the Warrantors warrant to and undertake with Million Orient that, subject to (i) Concordia paying the extra premium required by the Government of Macau and submitting a new development plan which complies with the regulations of the Government of Macau; and (ii) the Government of Macau accepting the aforesaid development plan, Concordia will obtain the Renewal from the Government of Macau within 2 years from the date of completion of the Concordia Acquisition.

Million Orient may claim the Warrantors for breach of any warranties contained in the Deed of Guarantee by giving the Warrantors a written notice setting out details of the relevant claim prior to the third anniversary of completion of the Concordia Acquisition. The aggregate amount of liability of the Warrantors in respect of any claims for breach of any such warranties shall not exceed the aggregate amount of all monies paid or advanced by Million Orient to the Vendor or Orient Town (as the case may be) in accordance with the Acquisition Agreement together with interest calculated on a daily basis at the best lending rate for Hong Kong dollars from time to time quoted by The Hongkong and Shanghai Banking Corporation Limited. Given the Warrantors are members of a reputable family in Macau, the Directors are confident that the Warrantors are capable to honour the claims in case any warranties are breached.

2) The Shareholders' Agreement

On Completion, the Vendor and Million Orient shall enter into the Shareholders' Agreement. Principal terms of the Shareholders' Agreement are set out below:

- (i) Finance: In the event that the Shareholder's Loan and the loan previously advanced by the Vendor have been fully utilised or that Orient Town is short of funding for operation of Orient Town Group, Orient Town shall first obtain banking facilities with no recourse to Orient Town's shareholders.
If external financing cannot be obtained, Orient Town may require its shareholders to provide further shareholders' loan in proportion to their respective shareholding in Orient Town.
- (ii) Interest: The shareholders' loans referred to in (i) above shall bear interest calculated at the best lending rate for Hong Kong dollars from time to time quoted by The Hongkong and Shanghai Banking Corporation Limited.
- (iii) Repayment: There shall be no fixed date of repayment of the shareholders' loans, and no shareholder shall demand for repayment unless approved by the board of directors of Orient Town.
- (iv) Board: The maximum number of directors shall be eight with five of which being nominated by the Vendor and three of which being nominated by Million Orient. The Vendor and Million Orient undertake to, and the Vendor undertakes to procure the transferee to, negotiate in relation to the board composition of Orient Town in the event of the Disposal such that the largest shareholder shall be entitled to appoint the majority number of directors. Therefore, the precise board composition cannot be ascertained at present.
The chairman shall be elected by majority votes of directors present at the relevant meeting with casting vote.
- (v) Termination: The Shareholders' Agreement shall continue in full force and effect until Orient Town shall be wound up or otherwise cease to exist as a separate corporate entity, or until the entire issued share capital of Orient Town shall be owned by one shareholder of Orient Town.

INFORMATION ON ORIENT TOWN GROUP

All Orient Town, Best Profit and XLM are special purpose vehicles incorporated in 2005. Orient Town has an effective interest in 70% of the issued share capital of XLM, which in turn has an interest in 5.9% of the registered share capital of Concordia. Upon completion of the Concordia Acquisition, XLM will have an interest in 83% of the registered share capital of Concordia. Except for the direct or indirect investments in Concordia, all Orient Town, Best Profit and XLM have no other business.

Set out below is the unaudited consolidated financial information of Orient Town since 1st June, 2005 (date of incorporation) to 31st December, 2005 prepared in accordance with the HK GAAP:

	For the period from 1st June, 2005 to 31st December, 2005 <i>HK\$'000</i> <i>(Unaudited)</i>
Turnover	–
Profit before taxation (<i>Note</i>)	29,617
Profit after taxation	29,617
	As at 31st December, 2005 <i>HK\$'000</i> <i>(Unaudited)</i>
Total assets	784,540
Net assets	29,618

Note: Such profit was primarily attributable to the gain on disposals of 30% interests in Best Profit by Orient Town to two independent third parties. At present, Orient Town is effectively interested in only 4.1% equity interest in Concordia through its shareholding in Best Profit. Therefore, the loss incurred by Concordia is neither consolidated nor equity accounted for by Orient Town.

Upon Completion and completion of the Concordia Acquisition, Concordia will become an indirect subsidiary of Orient Town. Based on the current intended use of the Property and information available, the Property will be stated in the consolidated accounts of Orient Town at the lower of its cost or net realisable value if the Renewal is being granted.

As the above figures are subject to audit, they may differ from the corresponding figures in the accountant's report of Orient Town which will be included in the circular to be despatched to the Shareholders in respect of the Acquisition.

INFORMATION ON CONCORDIA

Concordia

Concordia was incorporated in Macau in 1975. The sole business of Concordia is its investment in the Property, which is located on the northwest side of Coloane, Macau (澳門路環) with a go-kart circuit and a hotel under construction nearby. Concordia had been granted the Lease for developing the Property for residential, commercial or hotel use. The Lease expired on 7th October, 2000. Concordia is in the course of obtaining a new concession or renewal from the Government of Macau for an extension of the lease term of the Property for 25 years commencing from its expiry in 2000, which is in line with the normal practice in Macau.

The site area of the Property is 123,525m², of which 55,652m² can be used for comprehensive development. It is preliminarily planned that luxurious residential properties including service apartments with car park and club house facilities of gross saleable area of approximately 600,000m² to be built on the site. Such development plan is in the conceptual design stage and has not been submitted to the Government in Macau.

Concordia had previously contacted the Government of Macau in relation to the Renewal. However, as Concordia had no financial ability to pay the outstanding land premium on the Property (which amounted to approximately MOP140.8 million) together with interest accrued thereon in the past, there has not been much progress on the Renewal since its expiry in 2000. Based on a written reply from the Government of Macau in October 2003, the approval for the Renewal will be considered after submission of (i) a proposal for settlement of the overdue land premium and the accrued interest thereon; and (ii) a development plan for the Property to the Government of Macau. Currently, formation of land, roads, access to water and electricity for the proposed development of the Property have been completed. The Vendor is currently preparing the proposal for settlement of such overdue land premium for submission to the Government of Macau.

Based on certain legal opinions issued by lawyers qualified to practise Macau laws, it is expected that the Government of Macau will authorise the Renewal if such overdue amount (including any additional premium payable on Renewal) is fully settled. In view of the above, the Board is optimistic that the Renewal will be granted by the Government of Macau in about six months upon submission of the settlement proposal and the development plan.

Set out below is the unaudited financial information of Concordia for each of the two years ended 31st December, 2004 and 2005 prepared in accordance with the HK GAAP:

	Year ended 31st December,	
	2005	2004
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Turnover	–	–
Loss before taxation	(47,298)	(106,211)
Loss after taxation	(47,298)	(106,211)
	As at 31st December,	
	2005	2004
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Total assets	15,376	42,790
Net liabilities	(1,942,975)	(1,895,677)

As the above figures are subject to audit, they may differ from the corresponding figures in the accountant's report of Concordia which will be included in the circular to be despatched to the Shareholders in respect of the Acquisition.

Due to expiry of the Lease, all unamortised costs for the development of the Property incurred prior to the expiry were charged to the income statement of Concordia in 2000. Costs, including but not limited to groundwork costs and borrowing costs incurred for the development of the Property subsequent to the expiry of the Lease, were recognised as expenses in the income statement in the period in which they were incurred. Therefore, the financial information of Concordia is not reflective of the potential value of the Property.

Concordia Acquisition

XLM entered into the Concordia Agreement with San Heng Chong (for itself and on behalf of other Concordia Vendors) in relation to the acquisition of the Concordia Sale Shares, being 77.1% of the registered share capital of Concordia, and the Concordia Sale Debts, being approximately MOP1,713 million as at the date of this announcement, the amount of which is to be determined upon completion of the Concordia Acquisition. The consideration for the Concordia Acquisition is HK\$1,850 million (subject to adjustment of the Concordia Sale Debts).

As at the date of this announcement, a sum of HK\$760 million has been paid to the Concordia Vendors. The remaining balance of HK\$1,090 million shall be payable on 26th May, 2006, which will be financed by Orient Town and other two shareholders of Best Profit, both of which are independent third parties, in the form of shareholder's loan. According to the Concordia Agreement, the Concordia Vendors will transfer the Concordia Sale Shares and assign the Concordia Sale Debts to XLM upon payment of all consideration. As discussed above, the Shareholder's Loan to be advanced by the Company to Orient Town upon Completion will be used to finance the remaining balance of HK\$1,090 million to facilitate completion of the Concordia Acquisition. The remaining sum of approximately HK\$205 million will be financed by the Vendor and the other two shareholders of Best Profit. In the event of non-completion of the Concordia Acquisition, Million Orient has the right to claim the Warrantors under the Deed of Guarantee for refund of all monies paid or advanced by Million Orient, including but not limited to the Shareholder's Loan, as described in the paragraph headed "Deed of Guarantee" above.

REASONS FOR THE ACQUISITION

The Company is an investment holding company, and its subsidiaries are principally engaged in property development and investment in Hong Kong, trading of motor cycles and spare parts, the sale and manufacturing of "Tung Fong Hung" branded Chinese pharmaceutical and health products, the production and distribution of western pharmaceutical products and securities investment.

As disclosed in the Company's circulars dated 6th January, 2005 and 23rd May, 2005 in relation to the issue of new Shares and convertible notes in which aggregate proceeds, before expenses, of approximately HK\$1,160 million was raised. By leveraging on the Group's extensive experience in the property business, the Group is open for property investment opportunities and has decided to further expand its property investment portfolio in high quality residential and commercial buildings. The Board has been actively seeking property investment opportunities in Hong Kong, Macau and the PRC and identified the Acquisition during its normal soliciting process. The Board considers that the Acquisition is in line with the Group's business strategy.

The Acquisition represents an attractive opportunity to the Group as it enables the Group to diversify into the property market in Macau and to have an interest in a quality residential properties and service apartments development project. The Board commissioned Wai & Ko Real Estate Ltd. and S.H. Ng & Co. Ltd., both being firms of independent professional valuers, to conduct a valuation on the Property which indicated that the fair value of the Property was approximately HK\$3,429 million as at 1st March, 2006. In considering the Acquisition, the Board has taken into account the prospering property market in Macau and the above valuation of the Property given by the independent valuers. A valuation report of the Property will be included in the circular to be despatched to the Shareholders in respect of the Acquisition.

In view of the above, the Board considers the entering into of the Acquisition Agreement (including the transactions contemplated thereunder) is in the interest of the Company and the Shareholders as a whole and that the terms of the Acquisition Agreement are fair and reasonable.

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from “Cheung Tai Hong Holdings Limited” to “Macau Properties Holdings Limited” and adopt the Chinese name “澳門地產集團有限公司” in lieu of “祥泰行集團有限公司” for identification purpose.

The proposed change of name of the Company is subject to approval of the Shareholders by passing of a special resolution at a general meeting of the Company and approval for such change of name being granted by the Registrar of Companies in Bermuda.

Information in relation to the proposed change of name of the Company and a notice of general meeting for the purpose of approving the proposed change of name of the Company will be despatched to the Shareholders as soon as practicable.

SGM

The Acquisition, having taken into account the Shareholder’s Loans, constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules which requires the approval by the Shareholders at the SGM. The SGM will be convened and held for the Shareholders to consider and, if consider appropriate, to approve the Acquisition Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, among other things, further details of the Acquisition Agreement, financial information relating to the Group, Orient Town Group and Concordia, the notice of the SGM and other information as required under the Listing Rules will be despatched to the Shareholders as soon as practicable.

OTHER INFORMATION

As at the date of this announcement, the Company has no substantial and/or controlling Shareholder. If any holders of the convertible notes of the Company (with an aggregate principal amount of HK\$976 million remains outstanding as at the date of this announcement) becomes a Shareholder interested in 30% or more in the issued share capital of the Company upon conversion of such convertible notes, he/she will be obliged to make a general offer to other Shareholders under the Hong Kong Code on Takeovers and Mergers.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 30th March, 2006 pending release of this announcement. Application has been made by the Company for resumption of trading in the Shares from 9:30 a.m. on 4th April, 2006.

TERMS USED IN THIS ANNOUNCEMENT

“Acquisition”	acquisition of the Sale Shares by Million Orient pursuant to the Acquisition Agreement
“Acquisition Agreement”	the acquisition agreement dated 29th March, 2006 entered into between the Vendor and Million Orient in relation to the Acquisition
“Additional Shareholder’s Loan”	the additional loan to be advanced by Million Orient to Orient Town on exercise of all or any part of the Call Option, which shall be calculated according to the terms of the Acquisition Agreement
“associates”	has the meaning ascribed to it under the Listing Rules

“Best Profit”	Best Profit Holdings Limited, a company incorporated in Hong Kong with limited liability, which holds 99% of the registered share capital of XLM
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which the banks are open for business in Hong Kong
“BVI”	the British Virgin Islands
“Call Option”	an option to purchase all or any of the Option Shares granted by the Vendor to Million Orient pursuant to the Acquisition Agreement
“Company”	Cheung Tai Hong Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the Acquisition Agreement
“Completion Date”	the fifth Business Day immediately after all the conditions precedent contained in the Acquisition Agreement have been duly fulfilled or waived (as the case may be), or such other date as the Vendor and Million Orient may mutually agree in writing
“Concordia”	聯生發展股份有限公司 (Empresa De Fomento Industrial E Comercial Concórdia, S.A.), a company incorporated in Macau
“Concordia Acquisition”	acquisition of the Concordia Sale Shares and Concordia Sale Debts by XLM pursuant to the Concordia Agreement
“Concordia Agreement”	the acquisition agreement dated 25th October, 2005 entered into between San Heng Chong (for itself and on behalf of other Concordia Vendors) and XLM in relation to the Concordia Acquisition
“Concordia Consideration”	the total consideration for the Concordia Acquisition to be satisfied as to HK\$1,850 million by cash pursuant to the terms of the Concordia Agreement
“Concordia Sale Shares”	the 77.1% of the registered share capital of Concordia
“Concordia Sale Debts”	the aggregate amount of loan and interest accrued and due by Concordia to the Concordia Vendors upon completion of the Concordia Acquisition
“Concordia Vendors”	San Heng Chong and other shareholders of Concordia
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration for the Acquisition, being HK\$280, which shall be satisfied by cash pursuant to the terms of the Acquisition Agreement
“Deed of Guarantee”	the deed of guarantee, warranties and undertakings dated 29th March, 2006 and executed by the Warrantors and Million Orient
“Director(s)”	the director(s) of the Company
“Disposal”	disposal of any shares of Orient Town held by the Vendor within the Exercise Period
“Disposal Compensation”	compensation payment by the Vendor to Million Orient as calculated according to the terms under the Acquisition Agreement upon completion of the Disposal

“Exercise Period”	the period commencing from the day following the Completion Date and ending on the first anniversary of the Completion Date, during which Million Orient may exercise the Call Option
“Group”	the Company and its subsidiaries
“HK GAAP”	generally accepted accounting principles applicable in Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Lease”	the lease granted by Government of Macau to Concordia for the use of the Property which was expired on 7th October, 2000
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30th September, 2006 or such other date as agreed by the Vendor and Million Orient in writing
“Macau”	the Macau Special Administrative Region of the PRC
“Mr. Ma”	Ma Chi Un, Fred (馬志遠), holder of the entire issued share capital of the Vendor
“Million Orient”	Million Orient Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Option Completion”	completion of sale and purchase of Option Shares upon exercise of the Call Option
“Option Shares”	70 shares of Orient Town, representing 10% of its issued share capital as at the date of this announcement, held by the Vendor as at the date of the Acquisition Agreement which are subject to the Call Option
“Orient Town”	Orient Town Limited, a company incorporated in Hong Kong with limited liability which is interested in 70% of the issued share capital of Best Profit
“Orient Town Group”	Orient Town, its subsidiaries and Concordia
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this announcement
“Property”	14 parcels of leased land situated in Estrada de Seac Pai Van, Macau (澳門路環聯生填海區)
“Renewal”	the new concession or renewal to be granted by the Government of Macau to Concordia in relation to the Lease
“Sale Shares”	the 280 shares of Orient Town held by the Vendor, representing 40% of the issued share capital of Orient Town
“San Heng Chong”	新興中發展有限公司 (Sociedade de Desenvolvimento San Heng Chong, Limitada), a company incorporated in Macau, the ultimate beneficial owner of which is, according to the best knowledge of the Directors, a state-owned enterprise in the PRC
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Acquisition Agreement and the transactions contemplated thereunder
“Share(s)”	share(s) of the Company

“Share Charges”	together, (i) the share charge dated 23rd December, 2005 executed between the Vendor and an independent third party lender (pursuant to which the Vendor agreed to charge, among others, the entire issued share capital of the Orient Town to such lender) and (ii) the share charge dated 23rd February, 2006 executed between the Vendor and another independent third party lender (pursuant to which the Vendor agreed to charge, among others, the entire issued share capital of the Orient Town to such other independent third party lender, subject to the share charge as set out in (i) above)
“Shareholder(s)”	holder(s) of the Shares
“Shareholders’ Agreement”	the shareholders’ agreement in respect of Orient Town to be entered into between the Vendor, Million Orient, and, if the Vendor shall have agreed with any third party(ies) for the sale of other shares in Orient Town held by it, such third party(ies), and Orient Town upon Completion
“Shareholder’s Loan”	a loan in the amount of HK\$885 million to be advanced by Million Orient to Orient Town (subject to Completion) on 12th May, 2006 or the Completion Date, whichever is later (or such other date as may be agreed by Million Orient and Orient Town) pursuant to the Acquisition Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Pacific Wish Limited, a company incorporated in the BVI which holds the entire issued share capital of Orient Town
“Warrantors”	Mr. Ma and Mr. Ma Iao Son, being holder of 1% of the registered share capital of XLM
“XLM”	新聯盟投資有限公司 (San Lun Mang Investimentos, Limitada), a company incorporated in Macau with limited liability which is interested in 5.9% of the registered share capital of Concordia
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“MOP”	Macau Patacas, the lawful currency of Macau
“%”	per cent.
“m ² ”	square metre(s)

In this announcement, MOP are converted into HK\$ on the basis of MOP1.03 = HK\$1 for illustrative purpose.

For ease of reference, the names of Macau established companies and entities have been included in this announcement in English language and the English names of these companies and entities are their respective official English names or English trade names used by them.

On behalf of the Board
Cheung Tai Hong Holdings Limited
Cheung Hon Kit
Chairman

Hong Kong, 3rd 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.

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