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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Chitaly Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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CHITALY HOLDINGS LIMITED

中意控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1198)

PROPOSAL FOR CHANGE OF NAME AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening an extraordinary general meeting of the Company to be held at Strategic Financial Relations Limited, Unit 3203, 32/F, Admiralty Centre, Tower 1, 18 Harcourt Road, Hong Kong on Monday, 12 November 2007, at 10:00 a.m. to approve the proposed Name Change is set out on pages 5 to 6 of this circular.

A form of proxy for use at the extraordinary general meeting is also enclosed with this circular. Whether or not you are able to attend the extraordinary general meeting, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof if you so wish.

18 October 2007

** for identification purposes only*

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Company”	Chitaly Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Strategic Financial Relations Limited, Unit 3203, 32/F, Admiralty Centre, Tower 1, 18 Harcourt Road, Hong Kong on Monday, 12 November 2007, at 10:00 a.m. for the purpose of considering, and if thought fit, approving the Name Change
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Name Change”	the change of name of the Company to “Royale Furniture Holdings Limited” as its English name from “Chitaly Holdings Limited” and the adoption of “皇朝傢俬控股有限公司” as its Chinese name for identification purposes only
“Shareholders”	the holder(s) of the Share(s)
“Shares”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



CHITALY HOLDINGS LIMITED

中意控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1198)

Executive Directors:

Mr. Tse Kam Pang (*Chairman*)

Mr. Lam Toi

Mr. Ma Gary Ming Fai

Independent Non-executive Directors:

Dr. Donald H. Straszheim

Mr. Chang Chu Fai J. Francis

Mr. Yau Chung Hong

Registered office:

Century Yard, Cricket Square

Hutchins Drive

P. O. Box 2681 GT

Grand Cayman

Cayman Islands

British West Indies

Head office and principal

place of business in Hong Kong:

Room 204, 2/F

Wing On Plaza

62 Mody Road

Tsim Sha Tsui East

Kowloon, Hong Kong

18 October 2007

To the Shareholders

Dear Sir or Madam,

PROPOSAL FOR CHANGE OF NAME AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide the Shareholders with the details in respect of the proposed change of name of the Company from “CHITALY HOLDINGS LIMITED” to “ROYALE FURNITURE HOLDINGS LIMITED” as its English name and the adoption of “皇朝傢俬控股有限公司” as its Chinese name for identification purposes only. Reference is made to an announcement dated 5 October 2007 of the Company.

** for identification purposes only*

LETTER FROM THE BOARD

At the EGM, notice of which is hereby given to the Shareholders, a special resolution regarding the proposed Name Change will be proposed for the Shareholders' approval.

PROPOSAL FOR CHANGE OF NAME

Reason for the change of name

In March 2007, with the nine-month efforts made, the Group was appointed as the Official Home Furniture Exclusive Supplier for the Beijing 2008 Olympic Games by The Beijing Organizing Committee for the Games of the XXIX Olympiad. The Board considers that the Name Change would better reflect the association of the Group's brand "Royal Furniture" with the Olympic Logo, and further symbolize the Group as a home furniture provider featuring healthy, environmentally-friendly and quality product. This status will enhance the Company's bargaining power in securing strategic locations to expand both our retailing and franchise businesses. The Board is also of the opinion that the proposed Name Change is in the interests of the Group and the Shareholders as a whole.

Conditions

The proposed Name Change is subject to the following conditions:—

1. the passing of a special resolution by the Shareholders of the Company at the EGM to approve the proposed Name Change; and
2. the Registrar of Companies in the Cayman Islands approving the proposed Name Change.

The proposed Name Change is expected to take effect upon the passing of a special resolution by the Shareholders at the EGM. Thereafter, the Company will comply with all the necessary filing procedures with the Registrar of Companies in both the Cayman Islands and Hong Kong.

New share certificates

Upon and after the proposed Name Change becoming effective, all existing share certificates in issue bearing the current name of "CHITALY HOLDINGS LIMITED" will continue to be evidence of title to the Shares and will continue to be valid for trading, settlement, registration and delivery purposes. Hence, the rights of the Shareholders will not be affected as a result of the proposed Name Change.

After the proposed Name Change becomes effective, the new share certificates of the Company will be issued in the new name of the Company and the securities of the Company will be traded on the Stock Exchange in the new name. There will not be any arrangement for the exchange of the existing share certificates of the Company. A further announcement will be made by the Company when the proposed Name Change becomes effective.

LETTER FROM THE BOARD

EGM

Notice of the EGM containing the resolution to approve the proposed Name Change is set out on pages 5-6 of this circular.

A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you are able to attend the EGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

The Board is of the opinion that the proposed Name Change is in the interests of the Group and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the resolution at the EGM.

Yours faithfully,
For and on behalf of the Board of
Chitaly Holdings Limited
Mr. Tse Kam Pang
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



CHITALY HOLDINGS LIMITED

中意控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1198)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Chitaly Holdings Limited (“Company”) will be held at Strategic Financial Relations Limited, Unit 3203, 32/F, Admiralty Centre, Tower 1, 18 Harcourt Road, Hong Kong on Monday, 12 November 2007, at 10:00 a.m. for the following purposes:

To consider and, if thought fit, pass with or without amendments, the following resolution as special resolution:—

SPECIAL RESOLUTION

“**THAT** subject to and conditional upon the approval of the Registrar of Companies in the Cayman Islands, the name of the Company be changed from “CHITALY HOLDINGS LIMITED” to “ROYALE FURNITURE HOLDINGS LIMITED” as its English name and “皇朝傢俬控股有限公司” be adopted as its Chinese name for identification purposes only and **THAT** the directors of the Company be and are hereby authorized to take such action and execute such documents as they may consider necessary and expedient to effect the proposed change of name of the Company.”

Yours faithfully,
By Order of the Board of
Chitaly Holdings Limited
Mr. Tse Kam Pang
Chairman

Hong Kong, 18 October 2007

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NOTICE OF EXTRAORDINARY GENERAL MEETING

Head office and principal place of business in Hong Kong:

Room 204, 2/F

Wing On Plaza

62 Mody Road

Tsim Sha Tsui East

Kowloon, Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting by the above notice is entitled to appoint one or more proxies to attend and vote for and on behalf. A proxy need not be a member of the Company.
2. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the meeting or any adjourned meeting should he so wish.