
IMPORTANT

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Spread Prospects Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



Spread Prospects Holdings Limited

展鴻控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

**REFRESHMENT OF THE 10% GENERAL LIMIT ON THE GRANT OF OPTIONS
UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of Spread Prospects Holdings Limited to be held at Unit 2603, 26th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on 12 July 2006 at 10:00 a.m. is set out on pages 6 to 7 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed. Whether or not you are able to attend the extraordinary general meeting in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

22 June 2006

DEFINITIONS

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

“Articles”	the articles of association of the Company;
“Board”	board of Directors of the Company;
“Company”	Spread Prospects Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange;
“Directors”	directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be held at Unit 2603, 26th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on 12 July 2006 at 10:00 a.m.;
“Group”	the Company and its subsidiaries;
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	20 June 2006, being the latest practicable date prior to the printing of this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notice of EGM”	the notice convening the EGM as set out on pages 6 to 7 of this circular;
“General Scheme Limit”	10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme/date of approval of the refreshment of the general scheme limit (as the case may be) which may be issued upon exercise of all options granted/to be granted under the Share Option Scheme and any other share option scheme(s) of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Share Option Scheme”	the share option scheme adopted by the Company on 2 June 2003; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.



Spread Prospects Holdings Limited

展鴻控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

Directors:

Mr. Yang Zongwang
(Chairman and Chief Executive Officer)
Mr. Xie Xi
Mr. Xue De Fa
Mr. Ng Kin Sun
Mr. Liu Zhi Qiang
Mr. Tong Hing Wah*
Mr. Chong Hoi Fung*
Mr. Ng Wai Man*

* Independent Non-executive Directors

Registered Office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681GT
George Town
Grand Cayman
Cayman Islands
British West Indies

Head Office and Principal

Place of Business:
Unit 2603, 26th Floor
Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

22 June 2006

To the Shareholders

Dear Sir or Madam,

**REFRESHMENT OF THE 10% GENERAL LIMIT ON THE GRANT OF OPTIONS
UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

An extraordinary general meeting of the Company would be convened to seek the approval of the Shareholders to refresh the General Scheme Limit under the Share Option Scheme and any other share option scheme of the Company. The main purpose of this circular is to provide you with further particulars of the above proposal and the Notice of the EGM.

REFRESHMENT OF THE GENERAL SCHEME LIMIT

The Board wishes to take this opportunity to seek the approval of the Shareholders to refresh the General Scheme Limit.

LETTER FROM THE BOARD

The number of Shares subject to the existing General Scheme Limit under the Share Option Scheme is 38,280,000 Shares, representing 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme and, so far, the existing General Scheme Limit has not been refreshed. Up to the Latest Practicable Date, the Company has granted options entitling the holders thereof to subscribe for in aggregate 38,280,000 Shares, representing 100% of the existing General Scheme Limit. As at the Latest Practicable Date, none of these options have been lapsed, cancelled or exercised. If the existing General Scheme Limit is not refreshed, the Company would not be allowed to grant any further options as at the Latest Practicable Date. In order to provide the Company with greater flexibility in granting options to eligible person(s) under the Share Option Scheme, the Board decides to seek the approval of the Shareholders to refresh the General Scheme Limit so that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 10% of the Shares in issue as at the date of passing the relevant resolution at the EGM. Options previously granted under the Share Option Scheme and any other share option scheme(s) of the Company (including options outstanding, cancelled or lapsed in accordance with the relevant scheme rules and exercised options) will not be counted for the purpose of calculating the General Scheme Limit as refreshed.

If the General Scheme Limit is refreshed, on the basis of 422,800,000 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased prior to the EGM, the Board will be able to grant options to subscribe for up to 42,280,000 Shares, which do not include the options that are outstanding, cancelled or lapsed as at the date of the EGM. As at the Latest Practicable Date, 38,280,000 options remain outstanding.

Pursuant to the Listing Rules, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time must not in aggregate exceed 30% of the Shares in issue from time to time. No options shall be granted under any share option scheme(s) of the Company if this will result in the 30% limit being exceeded.

The refreshment of the General Scheme Limit is conditional upon:

- (a) the passing of an ordinary resolution to approve the refreshment of the General Scheme Limit by the Shareholders at the EGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of the EGM approving the refreshment of the General Scheme Limit) which may fall to be issued pursuant to the exercise of options granted under the Share Option Scheme and any other share option scheme(s) of the Company.

The purposes of the Share Option Scheme are to attract and retain best available personnel, to provide additional incentive to employees, directors, consultants and advisors of the Group. Given that the existing General Scheme Limit has been fully granted, the Share Option Scheme cannot continue to serve the intended purpose for the benefits of the Group unless the General Scheme Limit refreshed in accordance with the rules of the Share Option Scheme.

LETTER FROM THE BOARD

An ordinary resolution, as special business, will be proposed at the EGM to approve the refreshment of the General Scheme Limit. None of the Shareholders are required to abstain from voting at the EGM pursuant to Rule 17.03 of the Listing Rules.

APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the listing of, and permission to deal in, any Shares, representing 10% of the total number of Shares in issue as at the date of the EGM approving the refreshed General Scheme Limit, to be issued and allotted upon exercise of the options granted under the refreshed General Scheme Limit.

RIGHT TO DEMAND A POLL

Pursuant to article 72 of the Articles, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person (or, in case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person (or, in case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

EXTRAORDINARY GENERAL MEETING

The Notice of EGM convening the EGM to be held at Unit 2603, 26th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on 12 July 2006 at 10:00 a.m. is set out on pages 6 to 7 of this circular.

A form of proxy for use at the EGM is enclosed. Pursuant to article 85 of the Articles, any Shareholder entitled to attend and vote at the EGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Shareholder who is a holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the EGM. A proxy need not be a Shareholder.

LETTER FROM THE BOARD

Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

RECOMMENDATION

The Directors are of the opinion that the refreshment of the General Scheme Limit is in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders should vote in favour of the relevant resolution to be proposed at the EGM.

Yours faithfully,
For and on behalf of the Board of
SPREAD PROSPECTS HOLDINGS LIMITED
Yang Zongwang
Chairman



Spread Prospects Holdings Limited

展鴻控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Spread Prospects Holdings Limited (the “Company”) will be held at Unit 2603, 26th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on 12 July 2006 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of options which may be granted under the share option scheme of the Company adopted on 2 June 2003 (the “Share Option Scheme”) and any other scheme(s) of the Company, representing 10% of the issued share capital of the Company as at the date on which this resolution is passed:

- (a) approval be and is hereby granted for refreshing the 10% general scheme limit under the Share Option Scheme (the “Refreshed General Scheme Limit”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other scheme(s) of the Company under the limit as refreshed hereby shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date on which this resolution is passed (options previously granted under the Share Option Scheme and any other scheme(s) of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other scheme(s) of the Company) shall not be counted for the purpose of calculating the Refreshed General Scheme Limit); and
- (b) the directors of the Company be and are hereby authorised, at their absolute discretion (i) to grant options to subscribe for shares of the Company within the Refreshed General Scheme Limit in accordance with the rules of the Share Option Scheme; and (ii) to allot, issue and deal with shares pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed General Scheme Limit.”

Yours faithfully,

For and on behalf of the Board of
SPREAD PROSPECTS HOLDINGS LIMITED
Yang Zongwang
Chairman

Hong Kong, 22 June 2006

NOTICE OF EGM

Head Office and Principal Place of Business:

Unit 2603, 26th Floor
Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited of 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (2) Where there are joint registered holders of any share of the Company, any one of such persons may vote at the meeting either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (3) Completion and return of the form of proxy will not preclude a member from attending and voting at the above meeting or any adjournment thereof if he so wishes. In that event, his form of proxy will be deemed to have been revoked.