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## IMPORTANT

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**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.

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**Spread Prospects Holdings Limited**

**展鴻控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 572)

**GENERAL MANDATES TO ISSUE SHARES  
AND TO REPURCHASE SHARES,  
REFRESHMENT OF THE GENERAL SCHEME LIMIT,  
RE-ELECTIONS OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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Resolutions will be proposed at the annual general meeting of Spread Prospects Holdings Limited to be held at Renaissance Harbour View Hotel, Boardroom 3-4, M/F., 1 Harbour Road, Wanchai, Hong Kong on 5 June 2007 at 10:00 a.m. to approve the matters referred to in this circular. Whether or not you are able to attend the annual 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 annual general meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the annual general meeting or any adjournment thereof should you so wish.

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## DEFINITIONS

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

“Annual Report”	the audited consolidated financial statements and the reports of the Directors and auditors of the Company for the year ended 31 December 2006;
“Articles”	the articles of association of the Company;
“AGM”	the annual general meeting of the Company to be held at Renaissance Harbour View Hotel, Boardroom 3-4, M/F., 1 Harbour Road, Wanchai, Hong Kong on 5 June 2007 at 10:00 a.m. at which the Annual Report will be adopted;
“Board”	the 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;
“Director(s)”	director(s) of the Company;
“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 to be granted under the Share Option Scheme and any other share option scheme(s) of the Company;
“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;
“Issue Mandate”	the proposed issue mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution approving this issue mandate;
“Latest Practicable Date”	18 April 2007, 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;

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## DEFINITIONS

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“Repurchase Mandate”	the proposed mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution approving this repurchase mandate;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong);
“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;
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing of their securities in the Stock Exchange;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases approved by the Securities and Futures Commission as amended from time to time; and
“%”	per cent.

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## LETTER FROM THE BOARD

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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. Xue De Fa

Mr. Xie Xi

Mr. Liu Zhi Qiang

Mr. Tong Hing Wah\*

Mr. Chong Hoi Fung\*

Mr. Ng Wai Man\*

\* Independent Non-executive Directors

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head Office and Principal*

*Place of Business:*

Unit 2603, 26th Floor

Harbour Centre

25 Harbour Road

Wanchai

Hong Kong

23 April 2007

*To the Shareholders, and, for information only,  
holders of the share options of the Company*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES  
AND TO REPURCHASE SHARES,  
REFRESHMENT OF THE GENERAL SCHEME LIMIT,  
RE-ELECTIONS OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

At the general meeting of the Company held on 6 June 2006, the general mandates was passed by the Shareholders and will expire on the forthcoming AGM. The purpose of this circular is to provide you with information in respect of the ordinary resolutions to be proposed at the forthcoming AGM for the approval of:

- (i) granting to the Directors general mandate to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing such a resolution;

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## LETTER FROM THE BOARD

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- (ii) granting to the Directors general mandate to repurchase Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of such a resolution;
- (iii) granting to the Directors general mandate to extend the Issue Mandate to the nominal amount (up to a maximum of 10% of the aggregate nominal amount of the Company's then issued share capital) of any Shares repurchased by the Company;
- (iv) refreshment of the General Scheme Limit; and
- (v) re-elections of retiring Directors.

These general mandates will remain in effect until whichever is the earliest of (i) the date of the next annual general meeting, (ii) the date by which the next annual general meeting is required to be held by law, and (iii) the date upon which such an authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company. The Directors wish to state that they have no present intention to repurchase any Shares or issue any new Shares in the event that these general mandates are approved.

An explanatory statement as required under the Share Repurchase Rules, given certain information regarding the Repurchase Mandate, is set out as Appendix I to this circular.

### **REFRESHMENT OF THE GENERAL SCHEME LIMIT**

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 AGM. 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. 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.

Based on 382,800,000 Shares in issue as at the date of adoption of the Share Option Scheme, the General Scheme Limit is 38,280,000 Shares. During the period from the date of adoption of the Share Option Scheme to the Latest Practicable Date, the General Scheme Limit has been refreshed on 12 July 2006 (the "2006 refreshed General Scheme Limit"). Based on 422,800,000 Shares in issue as at 12 July 2006, the 2006 refreshed General Scheme Limit is 42,280,000 Shares, representing 10% of the total number of Shares in issue as at 12 July 2006. From the date of adoption of the Share Option Scheme and up to the Latest Practicable Date, a total number of 69,840,000 share options were granted, of which 3,700,000 were exercised, 2,000,000 were lapsed and 64,140,000 remain outstanding and not yet exercised.

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## LETTER FROM THE BOARD

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If the refreshment of the General Scheme Limit is approved at the AGM based on the 496,761,081 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the annual general meeting, the Directors will be able to grant options for up to a total of 49,676,108 Shares under the “refreshed” General Scheme Limit, representing 10% of the total number of Shares in issue as at the date of the AGM. The total number of Shares which may be issued upon exercise of the “refreshed” General Scheme Limit of 49,676,108 Shares together with all outstanding options as at the Latest Practicable Date carrying the right to subscribe 64,140,000 Shares is 113,816,108 Shares, representing about 22.91% of the total number of Shares in issue as at the date of the AGM. Assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, such percentage falls below the 30% limit as required by Rule 17.03 of the Listing Rules.

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 AGM; and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the new Shares (representing a maximum of 10% of the Shares in issue as at the date of the AGM approving the refreshment of the General Scheme Limit) which may fall to be issued pursuant to the exercise of options to be 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.

An ordinary resolution will be proposed at the AGM to refresh the General Scheme Limit under the Share Option Scheme to 10% of the number of share capital of the Company in issue at the date of passing of such resolution.

Application will be made to the Stock Exchange for approval of the listing of, and permission to deal in, the new Shares which may be issued upon exercise of options to be granted under the refreshed General Scheme Limit, being up to a maximum of 10% of the share capital of the Company in issue as at the date of approval of the resolution for refreshment of the General Scheme Limit.

### **RE-ELECTIONS OF RETIRING DIRECTORS**

In relation to ordinary resolution number 3 in the notice of AGM regarding the re-elections of retiring Directors, Mr. Yang Zongwang, Mr. Xue De Fa and Mr. Xie Xi shall retire at the AGM pursuant to article 108 of the Articles; and, being eligible, will offer themselves for re-elections. Biographical details of the retiring Directors are set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### 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 voting by way of 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:

- (i) by the chairman of the meeting; or
- (ii) 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
- (iii) 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
- (iv) 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; or
- (v) if required by the rules of the stock exchange in the relevant territory, by the Chairman of such meeting and/or any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent (5%) or more of the total voting rights of all Shareholders having right to vote at such meeting.

### NOTICE OF ANNUAL GENERAL MEETING

The notice of AGM is set out on pages 13 to 15 of this circular.

There is enclosed a form of proxy for use at the AGM. Pursuant to article 85 of the Articles, any Shareholder entitled to attend and vote at the AGM 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 AGM. A proxy need not be a Shareholder.

Whether or not you are able to attend the AGM 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 meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the refreshment of the General Scheme Limit and the re-elections of the retiring Directors are in the best interests of the Company and its Shareholders as a whole; hence they recommend you to vote in favour of the resolutions at the forthcoming AGM.

Yours faithfully,

For and on behalf of the Board of  
**SPREAD PROSPECTS HOLDINGS LIMITED**

**Yang Zongwang**

*Chairman*

The following explanatory statement contains all the information required pursuant to Rule 10.06 of the Listing Rules to be given to all Shareholders relating to the resolution to be proposed at the AGM authorising the Repurchase Mandate.

## **1. EXERCISE OF THE REPURCHASE MANDATE**

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 496,761,081 Shares. Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such a resolution, the Directors would be authorised to repurchase up to 49,676,108 Shares (being 10% of the Shares in issue) during the period up to the next annual general meeting in 2008 or the expiration of the period within which the next annual general meeting of the Company is required by law to be held or the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

## **2. REASONS FOR REPURCHASE**

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchases when appropriate and beneficial to the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the net assets and/or earnings per Share and will be made only when the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

## **3. GENERAL**

As compared with the financial position of the Company as disclosed in its most recent published audited consolidated accounts as at 31 December 2006, the Directors consider that there might be a material adverse impact on the working capital and gearing position of the Company in the event that the Repurchase Mandate was to be exercised in full during the proposed purchase period. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company.

## **4. FUNDING OF REPURCHASES**

The Directors recognized that the repurchasing shares must be made of the funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands and Hong Kong and the Listing Rules. The Companies laws (2004 Revision) of the Cayman Islands (the "Laws") provide that a share repurchase by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose or, if so authorised by the articles of association of the Company and subject to the provisions of the Laws, out of capital. Any premium payable on a repurchase over

the par value of the Shares repurchased or conditionally or unconditionally to be purchased must be provided for out of profits of the Company or out of the Company's share premium account or, if so authorised by the articles of association of the Company and subject to the provisions of the Laws, out of capital.

## **5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) of the Company has notified the Company of a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to do so in the event that the proposed Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases of its Shares pursuant to the Repurchase Mandate and in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum and articles of association of the Company.

## **6. EFFECT OF TAKEOVERS CODE**

If on exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such an increase will be treated as an acquisition for the purpose of rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Fu Teng Global Limited (whose sole shareholder is Mr. Yang Zongwang, the Chairman, the chief executive officer and an executive director of the Company) holding approximately 221,310,000 Shares, and representing approximately 44.55% in the total number of issued Shares, was a substantial Shareholder holding more than 10% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted by the Shareholders pursuant to the resolution, the shareholding of Fu Teng Global Limited in the Company would be increased to approximately 49.50% of the issued Shares. Such an increase would give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. In any event, the Directors do not intend to exercise the Repurchase Mandate to an extent which will trigger off the mandatory offer requirement pursuant to the rules of the Takeovers Code or which will reduce the aggregate amount of the share capital of the Company in public hands to below 25%.

## **7. SHARE PURCHASE MADE BY THE COMPANY**

The Company has not repurchased any of its Shares during the six months period preceding the Latest Practicable Date.

**8. SHARE PRICES**

During each of the previous twelve months preceding the Latest Practicable Date, the highest and lowest prices at which the Shares were traded on the Stock Exchange were as follows:

<b>Months</b>	<b>Per Share</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2006</b>		
April	0.8000	0.6600
May	0.9700	0.7500
June	0.8700	0.7600
July	0.9300	0.8300
August	0.9100	0.8200
September	0.9300	0.8100
October	0.8400	0.7500
November	0.7700	0.6800
December	0.7900	0.6300
<b>2007</b>		
January	0.7800	0.6700
February	0.8800	0.7500
March	0.8500	0.7600
April*	0.9700	0.8000

\* Up to and including the Latest Practicable Date

The following are the particulars of the Directors who will be required to retire from their office at the AGM pursuant to the Articles and, being eligible, have offered themselves for re-elections.

**Mr. Yang Zongwang** (楊宗旺先生), aged 43, is a founder, the chairman and the chief executive officer of the Group and also an executive director of the Company. Mr. Yang is responsible for formulating the overall business strategies planning, business development and overseeing the entire operations of the Group. Prior to the establishment of the Group in 1997, Mr. Yang gained over 10 years of experience in food processing and packaging in the PRC. Mr. Yang is a member of the 中國人民政治協商會議福建省福清市委員會 (Fujian Province Fuqing City Committee of Chinese People's Political Consultative Conference) and the 福清市青年聯合會 (Fujian Province Fuqing City Committee of Youth Association) and an executive of the 福建省青年企業家協會 (Standing Committee of Young Entrepreneur Association of Fujian Province). Save as disclosed above, Mr. Yang did not hold other directorship in any public listed companies in the last three years but he has directorship in a number of subsidiaries of the Company.

There is a services contract between Mr. Yang and the Company entered for an initial term of three years commenced on 2 June 2003 and renewable automatically for successive terms of one year, but will be subject to retirement from office by rotation at each annual general meeting of the Company in accordance with the Articles. Mr. Yang will be entitled not only to a director's emoluments of HK\$660,000 per annum, but also to an additional bonus payment equivalent to his one-month salary of HK\$55,000. The annual emolument is determined upon negotiation between Mr. Yang and the Company at arm's length on the basis of his previous experience, duties and performance. As at the Latest Practicable Date, Mr. Yang owns the entire issued share capital of Fu Teng Global Limited, which owns 221,310,000 Shares of the Company. Mr. Yang is therefore deemed to be interested in 221,310,000 Shares of the Company within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, Mr. Yang does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. Save as disclosed above, there is no information relating to Mr. Yang that is required to be disclosed pursuant to Rules 13.51(2)(h)-(v) of the Listing Rules.

**Mr. Xue De Fa** (薛德發先生), aged 36, is the general manager of the Group and an executive director of the Company. Mr. Xue joined the Group as a sales and marketing manager in 1997. He is mainly responsible for planning and coordination of marketing activities, sales of products and services and business development of the Group. Mr. Xue gained over 10 years of experience in sales and marketing of packaging cans and was the assistant manager of the sales and marketing department of 福建省聯建(集團)有限公司 (Fujian Sinocan Lianjian (Group) Company Limited), a tinsplate can manufacturer in Fujian Province, the PRC. Mr. Xue obtained his bachelor degree from 黑龍江省哈爾濱師範大學 (Harbin Teaching University of Heilongjiang Province) in July 1992. Save as disclosed above, Mr. Xue did not hold other directorship in any public listed companies in the last three years and he does not hold any position in the Group.

There is a services contract between Mr. Xue and the Company entered for an initial term of three years commenced on 2 June 2003 and renewable automatically for successive terms of one year, but will be subject to retirement from office by rotation at each annual general meeting of the Company in accordance with the Articles. Mr. Xue will be entitled not only to a director's emoluments of

HK\$120,000 per annum, but also to an additional bonus payment equivalent to his one-month salary of HK\$10,000. The annual emolument is determined upon negotiation between Mr. Xue and the Company at arm's length on the basis of his previous experience, duties and performance. As at the Latest Practicable Date, Mr. Xue has beneficial interest in 2,000,000 underlying Shares, which are the share options granted to him by the Company under the Share Option Scheme, within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, Mr. Xue does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. Save as disclosed above, there is no information relating to Mr. Xue that is required to be disclosed pursuant to Rules 13.51(2)(h)-(v) of the Listing Rules.

**Mr. Xie Xi** (謝希先生), aged 38, is an executive director of the Company. Mr. Xie is responsible for the Group's procurement. Mr. Xie joined the Group as a merchandiser of the procurement department in 1997 and was promoted to the procurement manager in 1998. As a procurement manager, he is mainly responsible for monitoring the Group's procurement process and liaison with the Group's suppliers. Mr. Xie obtained over 10 years of procurement experience and was the supervisor of the procurement department of 福清市華僑罐頭廠 (Fuqing Huaqiao Cans Factory). Mr. Xie obtained a certificate for the completion of a two-year course in Political Science from 寧德師範學校 (Ningde Teachers Training College) in July 1989. Save as disclosed above, Mr. Xie did not hold other directorship in any public listed companies in the last three years and he does not hold any position in the Group.

There is a services contract between Mr. Xie and the Company entered for an initial term of three years commenced on 2 June 2003 and renewable automatically for successive terms of one year, but will be subject to retirement from office by rotation at each annual general meeting of the Company in accordance with the Articles. Mr. Xie will be entitled not only to a director's emoluments of HK\$120,000 per annum, but also to an additional bonus payment equivalent to his one-month salary of HK\$10,000. The annual emolument is determined upon negotiation between Mr. Xie and the Company at arm's length on the basis of his previous experience, duties and performance. As at the Latest Practicable Date, Mr. Xie has beneficial interest in 2,000,000 underlying Shares, which are the share options granted to him by the Company under the Share Option Scheme, within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, Mr. Xie does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. Save as disclosed above, there is no information relating to Mr. Xie that is required to be disclosed pursuant to Rules 13.51(2)(h)-(v) of the Listing Rules.

Save as disclosed above, there is no other matter in relation to the re-elections of Mr. Yang, Mr. Xue and Mr. Xie as executive directors of the Company that needs to be brought to the attention of the Shareholders or the Stock Exchange.

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## NOTICE OF ANNUAL GENERAL MEETING

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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 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Spread Prospects Holdings Limited (the “Company”) will be held at Renaissance Harbour View Hotel, Boardroom 3-4, M/F., 1 Harbour Road, Wanchai, Hong Kong, on 5 June 2007 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and the auditors for the year ended 31 December 2006;
2. To declare a final dividend for the year ended 31 December 2006;
3. To re-elect directors and to authorize the board of directors to fix their remuneration;
4. To re-appoint auditors and to authorize the board of directors to fix their remuneration; and

As special business, to consider, and if thought fit, pass the following resolutions as ordinary resolution:

#### ORDINARY RESOLUTIONS

5. **“THAT**
  - (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
  - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of the subscription rights under the share option scheme of the Company or (iii) an issue of shares as scrip dividends pursuant to the memorandum and articles of association of the Company from time to time shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable law of the Cayman Islands to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of any recognized regulatory body or any stock exchange in any territory applicable to the Company).”

### 6. “THAT

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable law of the Cayman Islands to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. “**THAT**

conditional upon resolution nos. 5 and 6 above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 6 above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 5 above.”

8. “**THAT**

Subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in shares of HK\$0.10 each in the share capital of the Company to be issued pursuant to the exercise of the options which may be granted under the Refreshed General Scheme Limit (as hereinafter defined), the refreshment of the General Scheme Limit of the share option scheme of the Company adopted on 2 June 2003 up to 10% of the number of shares of the Company in issue as at the date of passing of this resolution (the “Refreshed General Scheme Limit”) be and is hereby approved and any Director be and is hereby authorised to do all such acts and execute such document to effect the Refreshed General Scheme Limit.”

Yours faithfully,

For and on behalf of the Board of  
**SPREAD PROSPECTS HOLDINGS LIMITED**

**Yang Zongwang**  
*Chairman*

Hong Kong, 23 April 2007

*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 Rooms 1806-1807, 18th 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) The Register of Members of the Company will be closed from 25 May 2007 to 5 June 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for receiving the final dividends and attending the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:00 p.m. on 23 May 2007.