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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)

ANNOUNCEMENT

The board of directors (“Board”) of Spread Prospects Holdings Limited (the “Company”) noted an increase in the trading volume of the shares (“Shares”) in the Company today. The Board wishes to state that, save for the disposal of an aggregate of 10,000,000 Shares (representing approximately 2.61% of the issued share capital of the Company as at the date of this announcement) by Fu Teng Global Limited (“Fu Teng”) on market today, the Board is not aware of any reasons for such increase. Fu Teng is the controlling shareholder of the Company holding approximately 59.93% of the issued share capital of the Company (without taking into account of the aforesaid disposal of Shares) and is wholly owned by Mr. Yang Zongwang (“Mr. Yang”). Mr. Yang is the chairman of the Company.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The Board noted an increase in the trading volume of the Shares today. The Board wishes to state that, save for the disposal of an aggregate of 10,000,000 Shares (representing approximately 2.61% of the issued share capital of the Company as at the date of this announcement) at a price of HK\$0.72 by Fu Teng on market today, the Board is not aware of any reasons for such increase. Fu Teng is the controlling shareholder of the Company holding approximately 59.93% of the issued share capital of the Company (without taking into account of the aforesaid disposal of Shares) and is wholly owned by Mr. Yang. Mr. Yang is the chairman of the Company. After the disposal of such Shares, the interest of Fu Teng in the issued share capital of the Company will be decreased to approximately 57.31%.

Save as disclosed in this announcement, the Board is not aware of any reasons for the increase in the trading volume of the Shares.

The Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

The Board comprises of:

Executive Directors

Yang Zongwang (Chairman), Xue Xi, Xue De Fa, Ng Kin Sun, Liu Zhi Qiang

Independent Non-Executive Directors

Tong Hing Wah, Chong Hoi Fung

By order of the Board of
Spread Prospects Holdings Limited
Ng Kin Sun
Company Secretary

Hong Kong, 27 May 2004

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