



Spread Prospects Holdings Limited

展鴻控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY
AND THE NOTICE OF ANNUAL GENERAL MEETING**

The Directors proposes to amend the Articles in order to, amongst others, reflects amendments to the Listing Rules relating to the Code on Corporate Governance Practices and Rules on the Corporate Governance Report which came into effect on 1st January, 2005.

The proposed amendments to the Articles are subject to the approval of the Shareholders by way of a special resolution at the Annual General Meeting.

A circular containing details of the proposed amendments to the Articles and a notice of the Annual General Meeting has been despatched to the Shareholders on the date of this announcement.

To reflect the recent amendments to the Rules Governing the Listing of Securities on the Stock Exchange Hong Kong Limited (the “Listing Rules”) relating to the Code on Corporate Governance Practices (the “Code”) and Rules on the Corporate Governance Practices which came into effect on 1st January, 2005 and to facilitate the process for demanding a poll at general meetings, the directors (the “Directors”) of Spread Prospects Holdings Limited (the “Company”) proposed to amend the articles of association of the Company (the “Articles”). The major proposed amendments to the Articles are as follows:

- (a) effect voting by way of a poll as required by the Listing Rules;
- (b) disclose the voting figure on a poll if required by the Listing Rules;
- (c) specify that every Director, including those appointed for a specific term, will be subject to retirement by rotation at least once every three years;
- (d) 14 days’ notice be given for the regular meetings of the board of directors of the Company; and
- (e) to remove Directors at any general meeting by ordinary resolution at any time before the expiration of his period of office.

The proposed amendments to the Articles are subject to the approval of the shareholders of the Company (“Shareholders”) by way of a special resolution to be considered at the forthcoming annual general meetings of the Company (the “Annual General Meeting”) to be held on Tuesday 6th June, 2006 at 10:00 a.m.

A circular containing details of the proposed amendments to the Articles and a notice of the Annual General Meeting has been despatched to the Shareholders on the date of this announcement.

As at this date of announcement, the Board comprises of:

Executive Directors

Yang Zongwang

(Chairman and Chief Executive Officer)

Xue Xi

Xue De Fa

Ng Kin Sun

Liu Zhi Qiang

Independent Non-Executive Directors

Tong Hing Wah

Chong Hoi Fung

Ng Wai Man

By order of the Board of
Spread Prospects Holdings Limited
Yang Zongwang
Chairman

Hong Kong, 20 April 2006

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 6 June 2006 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 2005;
2. To declare a final dividend;
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

To consider, and if thought fit, pass the following resolutions as ordinary or special resolutions:

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

(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.”

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.”

SPECIAL RESOLUTIONS

8. “**THAT** the articles of association of the Company be and are hereby amended as follows:

1. Article 72

- (i) by inserting the following words immediately after the words “on a show of hands unless” in the 2nd line of the existing Article 72:

“voting by way of a poll is required by the rules of the stock exchange in the Relevant Territory or”;

- (ii) by deleting the full-stop at the end of the existing Article 72(iv) and substituting a semicolon therefor and thereafter the word “or”; and

- (iii) by inserting the following new Article 72(v) immediately after the existing Article 72(iv):

“(v) if required by the rules of the stock exchange in the Relevant Territory, by the Chairman of such meeting and/or any Directors 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.”;

2. Article 73

by deleting the existing Article 73 in its entirety and substituting the following therefor as new Article 73:

“Unless a poll is so required or demanded and, in the latter case, not withdrawn, the Chairman of the meeting should indicate to the meeting of the Company the level of proxies lodged on each resolution and the balance for and against the resolution, after it has been dealt with on a show of hands.”;

3. Article 74

by inserting the following sentence immediately after the words “which the poll was demanded.” in the 8th line of the existing Article 74:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Exchange.”;

4. Article 105(vii)

by deleting the word “Special” immediately before the words “Resolution of the Company under Article 114.” in the 1st line of the existing Article 105(vii) and substituting the word “Ordinary” therefor;

5. Article 107

by re-numbering the existing Article 107(M) as 107(N) and inserting the new Article 107(M) as follows:

“(M) Where a substantial shareholder (within the meaning of the rules of the stock exchange in the Relevant Territory) or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should not be dealt with by way of circulation of board resolutions pursuant to this Article or by a committee (except an appropriate board committee set up for that purpose pursuant to a resolution passed in a board meeting) but a board meeting should be held with the presence of the independent non-executive Directors who, and whose associates, have no material interest in the transaction.”;

6. Article 108(A)

Article 108(A) be deleted in its entirety and in substitution thereof the following new Article 108(A):

“108(A) Notwithstanding any contractual or other terms on which any Director may be appointed or engaged, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to, but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once in every three years. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat.”;

7. Article 112

by deleting the words “Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.” in the 5th line of the existing Article 112 and substituting the following words therefor:

“Any Director so appointed by the Directors shall hold office only until the next following general meeting of the Company (in the case of the filling of casual vacancy on the Board), or until the next following annual general meeting of the Company (in the case of an addition to the existing Board), and shall then be eligible for re-election at that meeting.”;

8. Article 114

by deleting the word “Special” immediately before the words “Resolution remove any Director.” in Article 114 and substituting the word “Ordinary” therefor;

9. Article 134

by deleting the existing Article 134 in its entirety and substituting the following therefor:

“134. A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Directors. At least 14 days’ notice thereof shall be given to each Director, unless all Directors unanimously waive such notice in writing. The notice may either be given in writing or by telephone or by facsimile or electronic communication at the address or telephone, facsimile number or email address from time to time notified to the Company by such Director or in such other manner as the Directors may from time to time determine, as may be accepted by the stock exchange in the Relevant Territory and permitted under the rules of the stock exchange in the Relevant Territory, provided that notice need not be given to any Director or alternate Director for the time being absent from the territory in which the Head Office is for the time being situate and irrespective of the length of notice being given, a Director’s attendance at the meeting shall be deemed to be a waiver of the requisite length of notice of the meeting by the Director.”; and

10. General updating

by updating all references to refer to the “(2004 Revision)” of the Companies Law of the Cayman Islands.” and

9. “**THAT**, conditional upon the passing of the special resolution set out above, the existing articles of association of the Company be and is hereby replaced in its entirety with the form of the amended and restated articles of association of the Company produced at the meeting and as approved by the shareholders of the Company.”

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

Hong Kong, 20 April 2006

Principal Office:
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 1712-1716, 17th 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 1 June 2006 to 6 June 2006, 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 Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 30 May 2006.

Please also refer to the published version of this announcement in China Daily.