Spread Prospects Holdings Limited
展鴻控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 572)

EXERCISE OF CONVERTIBLE NOTES

The board of directors of Spread Prospects Holdings Limited is pleased to announce that it has received on 6 December 2006 notices from the funds under management by Value Partners Limited to exercise their rights to convert in full the HK$30,000,000 convertible notes into shares of the Company at a conversion price of HK$0.609 per share. Upon receipt of the notices, the aforesaid shares has been allotted and issued to the funds under management by Value Partners Limited as of the date of today.

The terms defined in the announcement of Spread Prospects Holdings Limited (the "**Company**") dated 2 December 2004 shall have the same meaning when used herein.

On 4 June 2005, the conversion price for the Convertible Notes has been adjusted from HK$0.66 per share to HK$0.63 per share as a result of the approval for a payment of the final dividend for the year ended 31 December 2004.

On 7 June 2006, the conversion price for the Convertible Notes has been adjusted from HK$0.63 per share to HK$0.61 per share as a result of the approval for a payment of the final dividend for the year ended 31 December 2005.

On 17 October 2006, the conversion price for the Convertible Notes has been adjusted from HK$0.61 per share to HK$0.609 per share pursuant to the placing of 21,000,000 shares of Company as set out in the announcement of 6 October 2006.

The board of directors of the Company is pleased to announce that the Company has received on 6 December 2006 notices from the funds under management by Value Partners Limited to exercise their rights to convert in full the HK$30,000,000 convertible notes (the "**Convertible Notes**") into 49,261,081 Shares of the Company at a conversion price of HK$0.609 per share.

The Conversion Shares have been allotted and issued to the funds under management by Value Partners Limited as of the date of today pursuant to the terms of the Convertible Notes. After the conversion, the Conversion Shares will represent approximately 9.92% of the existing issued share capital as enlarged by the allotment and issue of the Conversion Shares.

The shareholdings of the funds under management by Value Partners Limited in the Company before and after the conversion of the Convertible Notes and the allotment and issue of the Conversion Shares is as follows:

	Immediately before conversion of the Convertible Notes		**Immediately after conversion of the Convertible Notes**	
	Number of Shares		*Number of Shares*	
Fu Teng Global Limited *(Note 1)*	220,900,000	49.36%	220,900,000	44.47%
Funds under management by Value Partners Limited	5,810,000	1.30%	55,071,081	11.09%
Public Shareholders	220,790,000	49.34%	220,790,000	44.44%
Total	447,500,000	100.00%	496,761,081	100.00%

Notes:

1. The entire issued share capital of Fu Teng Global Limited is beneficially owned by Mr. Yang Zongwang, the Chairman of the Group and an executive director of the Company.

For and on behalf of the board of
Spread Prospects Holdings Limited
Yang Zongwang
Chairman

Hong Kong, 6 December 2006.

As at the date of this announcement, the board of directors of the Company comprises of 5 executive directors namely, Mr. Yang Zongwang, Mr. Xue De Fa, Mr. Xie Xi, Mr. Ng Kin Sun and Mr. Liu Zhi Qiang and 3 independent non-executive directors namely, Mr. Tong Hing Wah, Mr. Chong Hoi Fung and Mr. Ng Wai Man.

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