



# SEAPOWER RESOURCES INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Interim Report ..... 2004

## RESULTS

The Board of Directors (“Directors”) of Seapower Resources International Limited (“Company”) announces the unaudited consolidated results of the Company and its subsidiaries (“Group”) for the six months ended 30 September 2004 and the unaudited condensed consolidated balance sheet of the Group as at 30 September 2004. The unaudited interim financial report for the six months ended 30 September 2004 have been reviewed by the Company’s Independent Accountants.

### CONDENSED CONSOLIDATED INCOME STATEMENT

*For the six months ended 30 September*

	<i>Notes</i>	<b>2004</b> <b>HK\$’000</b> <b>(Unaudited)</b>	2003 HK\$’000 (Unaudited)
Turnover		<b>4,173</b>	5,002
Direct operating expenses		<b>(3,091)</b>	(3,854)
Other revenue		<b>21</b>	208
Other income		<b>47</b>	1,605
Selling and administrative expenses		<b>(5,608)</b>	(4,160)
Other operating expenses	6	<b>(514)</b>	(1,930)
Loss from operations		<b>(4,972)</b>	(3,129)
Finance costs		<b>(198)</b>	(23,298)
Loss before taxation		<b>(5,170)</b>	(26,427)
Taxation	7	<b>—</b>	(7,427)
Loss after taxation		<b>(5,170)</b>	(33,854)
Minority interests		<b>—</b>	18
Loss attributable to shareholders		<b>(5,170)</b>	(33,836)
Loss per share — basic	9	<b>(0.10 cents)</b>	(36.45 cents)

## CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 September 2004 HK\$'000 (Unaudited)	31 March 2004 HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	<u>17,738</u>	<u>19,741</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	11	<u>2,069</u>	<u>2,703</u>
Cash and bank balances		<u>2,428</u>	<u>6,089</u>
		<b>4,497</b>	<b>8,792</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	<u>2,040</u>	<u>2,940</u>
Amount due to a jointly controlled entity		<u>862</u>	<u>862</u>
Tax payable		<u>171</u>	<u>185</u>
Bank and other borrowings			
— due within one year		<u>1,012</u>	<u>742</u>
Amounts due to de-consolidated subsidiaries under liquidation		<u>490</u>	<u>490</u>
Convertible note	13	<u>5,000</u>	<u>5,000</u>
		<u>9,575</u>	<u>10,219</u>
<b>NET CURRENT LIABILITIES</b>		<u>(5,078)</u>	<u>(1,427)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>12,660</b>	<b>18,314</b>
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings			
— due after one year		<u>(4,475)</u>	<u>(4,968)</u>
		<u>8,185</u>	<u>13,346</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	14	<u>47,888</u>	<u>47,888</u>
Reserves		<u>(39,703)</u>	<u>(34,542)</u>
		<u>8,185</u>	<u>13,346</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Six Months Ended 30 September 2004

	Issued capital	Share premium	Capital redemption reserve	Capital reserve	Asset revaluation reserve	Translation reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2003	77,352	432,722	3,800	50,867	7,521	(1,859)	(1,874,493)	(1,304,090)
Capital reduction	(76,424)	—	—	—	—	—	76,424	—
Issue of new ordinary shares on debts restructuring	46,960	—	—	—	—	—	—	46,960
Exchange differences	—	—	—	—	—	881	—	881
Surplus on revaluation	—	—	—	—	612	—	—	612
Impairment loss on other land and buildings	—	—	—	—	(168)	—	—	(168)
Realised on de-consolidation of subsidiaries under the Schemes	—	—	—	(29,949)	—	21	—	(29,928)
Net profit for the year	—	—	—	—	—	—	1,299,079	1,299,079
At 31 March 2004 and 1 April 2004	47,888	432,722	3,800	20,918	7,965	(957)	(498,990)	13,346
Exchange differences	—	—	—	—	—	9	—	9
Net loss for the period	—	—	—	—	—	—	(5,170)	(5,170)
At 30 September 2004	<u>47,888</u>	<u>432,722</u>	<u>3,800</u>	<u>20,918</u>	<u>7,965</u>	<u>(948)</u>	<u>(504,160)</u>	<u>8,185</u>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For The Six Months Ended 30 September 2004

	2004 <i>HK\$'000</i> (Unaudited)	2003 <i>HK\$'000</i> (Unaudited)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(2,976)	(2,144)
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES	(273)	1,430
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	(421)	(322)
DECREASE IN CASH AND CASH EQUIVALENTS	(3,670)	(1,036)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	9	167
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>6,089</u>	<u>6,648</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>2,428</u></u>	<u><u>5,779</u></u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with the Statement of Standard Accounting Practice (“SSAP”) 25 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

The condensed consolidated financial statements have been prepared under the historical cost convention, as modified for the revaluation of cold storage warehouses and other land and buildings.

The accounting policies and basis of preparation adopted for the preparation of the interim financial report are consistent with those adopted by the Group in its annual financial statements for the year ended 31 March 2004.

### 2. BASIS OF PREPARATION

In preparing the unaudited interim financial report, the Directors of the Company have given careful consideration to the future liquidity of the Group in light of the Group’s net current liabilities of approximately HK\$5,078,000 as at 30 September 2004.

The substantial shareholder of the Company, Many Returns Limited (“MRL”) has agreed to provide and procure the provisions of working capital to the Company such that the Group will have sufficient working capital for its operations for 12 months commencing from 5 December 2003 to 4 December 2004, in accordance with the Restructuring Agreement dated 14 May 2003 and its supplemental agreement dated 11 August 2003. MRL also agrees to undertake to the Company that the Company will not dispose of any of its assets after completion if such disposal will result in the Company breaching paragraph 38 of its listing agreement with the SEHK.

In light of the above, the Directors of the Company have prepared the financial statements on a going concern basis that the Group would be able to meet the debts as and when they fall due and will have sufficient working capital to carry on its business for the foreseeable future.

### 3. THE INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Independent Accountants have reviewed the unaudited interim financial statements for the six months ended 30 September 2004 which does not constitute an audit.

The Independent Accountants have considered that the basis of going concern basis for the preparation of the interim financial report has been adequately disclosed in note 2 above.

On the basis of their review, the Independent Accountants are not aware of any materials modifications that should be made to the interim financial report for the six months ended 30 September 2004.

### 4. BUSINESS AND GEOGRAPHICAL SEGMENT INFORMATION

#### Business Segments

For the six months ended 30 September 2004

	Cold storage warehousing and logistics management <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE			
External revenue	4,173	—	4,173
Other revenue	21	—	21
Total revenue	<u>4,194</u>	<u>—</u>	<u>4,194</u>
SEGMENT RESULTS	<u>(334)</u>	<u>—</u>	(334)
Unallocated costs			(4,638)
Finance costs			<u>(198)</u>
Loss attributable to shareholders			<u>(5,170)</u>

For the six months ended 30 September 2003

	Cold storage warehousing and logistics management <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>REVENUE</b>			
External revenue	5,002	—	5,002
Other revenue	<u>23</u>	<u>185</u>	<u>208</u>
Total revenue	<u><u>5,025</u></u>	<u><u>185</u></u>	<u><u>5,210</u></u>
<b>SEGMENT RESULTS</b>			
	<u><u>(991)</u></u>	<u><u>(68)</u></u>	(1,059)
Unallocated costs			(2,070)
Finance costs			(23,298)
Taxation — Charge			(7,427)
Minority interests			<u>18</u>
Loss attributable to shareholders			<u><u>(33,836)</u></u>

### Geographical Segments

For the six months ended 30 September 2004

	Hong Kong and PRC <i>HK\$'000</i>	Australia <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>REVENUE</b>			
External revenue	—	4,173	4,173
Other revenue	<u>—</u>	<u>21</u>	<u>21</u>
Total revenue	<u><u>—</u></u>	<u><u>4,194</u></u>	<u><u>4,194</u></u>
<b>SEGMENT RESULTS</b>			
	<u><u>(4,333)</u></u>	<u><u>(639)</u></u>	<u><u>(4,972)</u></u>



For the six months ended 30 September 2003

	Hong Kong and PRC <i>HK\$'000</i>	Australia <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>REVENUE</b>			
External revenue	—	5,002	5,002
Other revenue	185	23	208
	<u>185</u>	<u>23</u>	<u>208</u>
Total revenue	<u>185</u>	<u>5,025</u>	<u>5,210</u>
<b>SEGMENT RESULTS</b>			
	<u>(2,004)</u>	<u>(1,125)</u>	<u>(3,129)</u>

#### 5. DEPRECIATION AND AMORTISATION

During the period, depreciation and amortisation of approximately HK\$770,000 (for the six months ended 30 September 2003: HK\$787,000) was charged in respect of the Group's property, plant and equipment.

#### 6. OTHER OPERATING EXPENSES

Other operating expenses comprise:

	<b>For the six months ended 30 September</b>	
	<b>2004</b>	2003
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Restructuring cost	—	1,704
Provision for bad and doubtful debts	478	212
Others	36	14
	<u>514</u>	<u>1,930</u>

## 7. TAXATION

	For the six months ended 30 September	
	2004 HK\$'000	2003 HK\$'000
Deferred taxation	—	(850)
Underprovision for Hong Kong Profits Tax in prior years	—	(6,577)
	<u>—</u>	<u>(7,427)</u>

## 8. DIVIDEND

No dividend was declared and paid during either period.

## 9. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss for the period of approximately HK\$5,170,000 (for the six months ended 30 September 2003: HK\$33,836,000) and on 4,788,822,570 shares (for the six months ended 30 September 2003: 92,822,570 shares (as adjusted for the effects of share consolidation and share split on 5 December 2003)).

Diluted loss per share is not presented as there were no dilutive potential ordinary shares in existence for the six months ended 30 September 2004.

## 10. PROPERTY, PLANT AND EQUIPMENT

No impairment losses were recognised in respect of property, plant and equipment for both periods.

## 11. TRADE AND OTHER RECEIVABLES

Included in the balances as at 30 September 2003 was an escrow deposit of approximately HK\$10 million received from MRL in relation to the Restructuring Agreement and approximately HK\$8 million being proceeds from realization of assets of the Group received by the former Provisional Liquidators on behalf of the Group.

The Group allows average credit period of 60 days to its trade customers.

Details of the ageing analysis of trade receivables are as follows:

	<b>30 September</b>	31 March
	<b>2004</b>	2004
	<b>HK\$'000</b>	<b>HK\$'000</b>
0 — 30 days	<b>641</b>	695
31 — 60 days	<b>253</b>	258
61 — 180 days	<b>4</b>	93
More than 180 days	<b>3</b>	227
	<u><b>901</b></u>	<u>1,273</u>

## 12. TRADE AND OTHER PAYABLES

Details of the ageing analysis of trade payables are as follows:

	<b>30 September</b>	31 March
	<b>2004</b>	2004
	<b>HK\$'000</b>	<b>HK\$'000</b>
0 — 30 days	<b>463</b>	375
31 — 60 days	<b>48</b>	102
61 — 90 days	<b>19</b>	41
More than 90 days	<b>41</b>	547
	<u><b>571</b></u>	<u>1,065</u>

## 13. CONVERTIBLE NOTE

On 7 January 2004, the Company entered into a subscription agreement with an independent third party for the issuance of convertible note with an aggregate value of HK\$5,000,000. The convertible note is convertible into ordinary shares of the Company of HK\$0.01 each at the conversion price of HK\$0.01 per share for the period from 10 May 2004 to 31 December 2004.

#### 14. SHARE CAPITAL

	<b>30 September 2004 HK\$'000</b>	31 March 2004 HK\$'000
<i>Authorised:</i>		
10,000,000,000 ordinary shares of HK\$0.01 each	<u>100,000</u>	<u>100,000</u>
<i>Issued and fully paid:</i>		
4,788,822,570 ordinary shares of HK\$0.01 each	<u>47,888</u>	<u>47,888</u>

#### 15. CHARGES ON ASSETS

At the balance sheet date, the following assets of the Group have been pledged to secure credit facilities granted to and utilised by the Group:

	<b>30 September 2004 HK\$'000</b>	31 March 2004 HK\$'000
Property, plant and equipment	<u>17,702</u>	<u>19,335</u>

#### 16. CONTINGENT LIABILITIES

The Company's guarantees given to financial institutions in respect of credit facilities utilised by its subsidiaries amount to approximately HK\$4.8 million.

## 17. RELATED PARTY TRANSACTIONS

Details of significant related party transactions during the interim reporting period are as follows:

	For the six months ended 30 September	
	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Management fee paid to Integrated Project Solutions Limited	120	—
Interest paid to a director	7	—
Interest income receivable from the I-China Group	—	184
	<u>          </u>	<u>          </u>

Management fee was based on space occupied and costs incurred.

Interest income and expenses were calculated with reference to prevailing market interest rates.

## DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2004

### BUSINESS REVIEW

#### Review of the business development

For the six months ended 30 September 2004, the Company has concentrated resources on the operation of its core business of cold storage warehousing and logistics management services while at the same time attempted to explore other business opportunities.

For the six months ended 30 September 2004, the turnover of the Group dropped by approximately HK\$0.8 million as compared with the last corresponding period to approximately HK\$5 million. The Group recorded an operating loss of approximately HK\$4.97 million for the same period as compared to the operating loss of approximately HK\$3.13 million for the last corresponding period. The finance costs for the six months ended 30 September 2004 dropped significantly by approximately HK\$23 million because bank and other borrowings were waived and discharged pursuant to the Schemes of Arrangement as part of the Debt Restructuring completed on 5 December 2003. Despite the economic improvement in Australia during the period, business of the Group experienced a mild slow-down mainly because certain multi-national customers cut down their external warehousing requirement by developing or upgrading their own storage facilities. As a way out, the Group has been sourcing import traders which have increasing demand on storage space.

The Group has conducted a large scale recovery actions and examination of the assets of the Group with an expectation of resuming and recovering the value of some assets. However, due to incomplete records, the recovery actions were not fruitful and the Group has stopped putting into further expenses on the recovery exercise.

## **Future plan and prospect**

The Company was and is still seeking new business opportunities through service development and strategic alliance with potential business partners and associates with the aims of achieving a profitable level of operations.

The Company believes that the development of new customers and/or completing a suitable business opportunity will contribute to the turnover and operating results in the future. Once a business opportunity has been identified, the Company will investigate and evaluate the business opportunity. In selecting a suitable business opportunity, the Company will focus on the potential for future profits and strength of current operating management of the business opportunity. The Company has not put specific industrial or geographical limitations on the nature of any business opportunities or choice of corporate strategic partners.

The Company will inform the shareholders of the new business developments in due course.

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## **LIQUIDITY AND FINANCIAL REVIEW**

The Group mainly finances its daily operations with internally generated cash flows. At 30 September 2004, the current ratio of the Group, measured as total current assets to total current liabilities, was 0.47: 1.

During the period, the Group recorded cash outflows from operating activities of approximately HK\$2.9 million, investing activities of approximately HK\$0.3 million and financing of approximately HK\$0.4 million.

The Group conducts its business transactions mainly in Hong Kong dollars and Australian dollars. The total borrowings are predominantly in Australian dollars and as at 30 September 2004, approximately HK\$4.8 million borrowings is denominated in Australian dollars which were applied for financing the acquisition of the assets located in Australia. Bank borrowings are subject to floating interest rates. The convertible note of HK\$5 million is interest free. The Group did not use financial instruments or arrange any forward currency contract for

hedging purposes and did not have foreign currency net investments being hedged by foreign currency borrowings and other hedging instruments. The management will review from time to time the potential foreign exchange exposure and will take appropriate actions to minimize any potential foreign exchange exposure risk to arise in the future.

The convertible note of HK\$5 million was issued on 1 February 2004 to an independent third party and if fully exercised, will result in the issuance of 500,000,000 new shares of the Company representing approximately 9.4% of the enlarged issued share capital and will improve the overall liquidity of the Group.

The gearing ratio of the Group, measured as total debts to total assets, was 63% as at 30 September 2004, comparing to 53% as at 31 March 2004.

#### **CAPITAL COMMITMENT, CHARGES ON ASSETS AND CONTINGENT LIABILITIES**

As at 30 September 2004, the Group has no material capital commitment.

As at 30 September 2004, the Group's cold warehousing property located in Australia with a carrying value of approximately HK\$17.7 million has been pledged to secure the credit facilities granted and utilized by the Group.

As at 30 September 2004, the company has given corporate guarantees amounting to approximately HK\$4.8 million in favour of the financial institutions for the credit facilities granted and utilized by its subsidiaries.

#### **EMPLOYEES**

The Group has approximately 15 employees in Hong Kong and Australia as at 30 September 2004. The Group ensures that the pay scales of its employees are rewarded on a performance rated basis within the general framework of the Group's remuneration policy.



## **SHARE OPTION SCHEMES**

At the general meeting on 16 July 2004, the Company passed the resolution to adopt the new Share Option Scheme and to terminate the old Share Option Scheme (previously adopted by the Company on 30 September 1999). On the 10 August 2004, the Listing Committee of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) granted approval of the listing of, and permission to deal in, any shares of the Company which may fall to be issued pursuant to the exercise of the options to be granted under the new Share Option Scheme.

At no time during the period was the Company or any of its associated corporation is a party to any arrangement to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate, and none of the directors, chief executive or their spouses or children under the age of eighteen had any right to subscribe for the securities of the Company or any of its associated corporation, or had exercised any such right during the period.

## **PURCHASE, SALES OR REDEMPTION OF SHARES**

There was no purchase, sale or redemption of shares in the Company made by the Company or any of its subsidiaries during the six months ended 30 September 2004.

## **DIRECTORS’ INTERESTS IN SHARES AND UNDERLYING SHARES AND DEBENTURES**

At 30 September 2004, the beneficial interests and short positions of the directors and chief executive of the Company in the shares and underlying shares and debentures of the Company, its holding company, subsidiaries and other associated corporations (within the meaning of

the Securities and Futures Ordinance (“SFO”) as recorded in the register kept by the Company under section 352 of the SFO are as follows:

### Long positions in shares and underlying shares of the Company

Name of Director	Number of shares		Number of underlying shares (warrants)		Total	Percentage of issued share capital
	personal interest	corporate interests	personal interest	corporate interests		
Mr. Chan Chun Hing, Kenneth (Note a)	NIL	1,045,000,000	NIL	957,764,514	2,002,764,514	21.82 and 20 respectively
Mr. Fung Tsun Pong (Note b)	NIL	1,033,000,000	NIL	NIL	1,033,000,000	21.57

- Note:
- As at 30 September 2004, Mr. Chan Chun Hing, Kenneth wholly owns Many Returns Limited (“MRL”), which was interested in 1,045,000,000 shares and 957,764,514 warrants in the Company, representing approximately 21.82% and 20% in the issued shares of the Company respectively. MRL is a substantial shareholder of the Company and its shareholding in the Company is set out in the section headed “Substantial Shareholders”.
  - As at 30 September 2004, Mr. Fung Tsun Pong wholly owns Ocean Gain Limited (“OGL”) which was interested in 1,033,000,000 shares in the Company, representing approximately 21.57% in the issued shares of the Company. OGL is a substantial shareholder of the Company and its shareholding in the Company is set out in the section headed “Substantial Shareholders”.

Except as disclosed above:

- there were no interests, both long and short positions, held as at 30 September 2004 by any of the Directors or Chief Executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO); and

- (ii) the Company or its subsidiaries did not grant to the Directors or Chief Executives or their spouse or children under 18 years of age any rights to subscribe for shares, underlying shares or debentures of the Company or any other body corporate nor had there been any exercises during the six months ended 30 September 2004 of any such rights by any of them.

## SUBSTANTIAL SHAREHOLDERS

Given below are the names of all parties which were, directly or indirectly, interested in 5% or more of the Company's issued shares and/or underlying shares of the Company as recorded in the register kept by the Company under section 336 of the SFO as at 30 September 2004:

### Long Position in shares of the Company

Name of shareholders	Capacity	Number of Shares	Percentage of issued shares
Many Returns Limited ( <i>Note a</i> )	Beneficial owner	1,045,000,000	21.82
Ocean Gain Limited ( <i>Note b</i> )	Beneficial owner	1,033,000,000	21.57
Allkeen Investments Limited	Beneficial owner	1,000,000,000	20.88
Wong Yat Ping	Beneficial owner	1,000,000,000	20.88

- Note:*
- Many Returns Limited is wholly-owned by Mr. Chan Chun Hing, Kenneth, an executive director and chief executive officer of the Company.
  - Ocean Gain Limited is wholly-owned by Mr. Fung Tsun Pong, an executive director of the Company.
  - Allkeen Investments Limited is wholly-owned by Miss Wong Yat Ping, an independent third party.

## Long Position in underlying shares of the Company

Name of shareholders	Capacity	Number of underlying shares		Percentage of issued shares
		Warrants	Convertible Note	
Many Returns Limited (Note a)	Beneficial owner	957,764,514	NIL	20
Miss Wang Liping (Note b)	Beneficial owner	NIL	500,000,000	10.44

Note: a. Many Returns Limited is wholly-owned by Mr. Chan Chun Hing, Kenneth, an executive director and chief executive officer of the Company.

b. Miss Wang Liping is an independent third party.

## REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed and discussed with management the internal controls, financial reporting matters and the unaudited interim financial report for the six months ended 30 September 2004.

## CODE OF BEST PRACTICE

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for the six months ended 30 September 2004, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

## THE MODEL CODE

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less than the required standard set out in the Model Code in Appendix 10 of the Listing Rules and the Directors of the Company has confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions.

## OTHER DISCLOSURE

Save as disclosed, the Group either has had no material changes from the information disclosed in the latest annual report of the Company or are considered not significant to the Group's operations, thus no additional disclosure has been made in this announcement.

For and on behalf of  
**Seapower Resources International Limited**  
**Tsang Kam Ching, David**  
*Director*

Hong Kong, 16 December 2004