

SUBSTANTIAL SHAREHOLDERS

(a) Interests of shareholders discloseable pursuant to the SFO

As at 31st December 2003, so far as is known to the directors and the chief executive of the Company, the following parties (other than a director or chief executive) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Aggregate long position in Shares of the Company and underlying Shares:

Name of Shareholder	Nature of interest	Number of Shares held	Approximately % of the issued share capital of the Company
Best Mineral Resources Limited	Personal interest	150,000,000	36.66% (Note 1)
Wealth Vision Investments Limited	Personal interest	30,000,000	7.33% (Note 2)
Mr. Ma Qipi	Personal interest	28,268,000	6.91% (Note 3)
Ms. Feng Xui Li	Personal interest	49,478,000	12.09%

Notes:

- (1) Mr. Sean Liu held 70% shareholding interest in Best Mineral Resources Limited (“BMRL”). BMRL held 150,000,000 Shares as at 31st December 2003 by virtue of its shareholding in the Company. As such, Mr. Sean Liu was deemed to be interested in 150,000,000 Shares by virtue of his shareholding in BMRL.

Ms. Chen Jing is the wife of Mr. Sean Liu and is deemed to be interested in 150,000,000 Shares.
- (2) Mr. Yau Kwai Tun was the sole shareholder of Wealth Vision Investments Limited (“WVIL”) which held 30,000,000 Shares as at 31st December 2003. Accordingly, Mr. Yau was deemed to be interested in 30,000,000 Shares held by WVIL by virtue of his shareholding in WVIL.
- (3) Ms. Xu Qing is the wife of Mr. Ma Qipi and is deemed to be interested in 28,268,000 Shares of Mr. Ma Qipi.

(b) Substantial shareholding in other members of the Group

As at 31st December 2003, as far as is known to the directors and chief executive of the Company, the following party, other than a director or chief executive of the Company, is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

Name of subsidiary	Name of shareholder	Number and class of shares held	% of shareholding
Pacific Cruises (Hainan) Limited	Wong Kin Ming	4,900,000 ordinary shares	49%

Save as disclosed above, the directors and the chief executive of the Company are not aware that there is any party who, as at 31st December 2003, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

SHARE OPTION SCHEME

In accordance with the terms of the share option scheme adopted by the Company on 6th November 2001 (the “Share Option Scheme”), the Company may grant options to executive directors and employees of the Company to subscribe for shares in the Company, subject to a maximum of 30% of the issued share capital of the Company from time to time excluding for this purpose shares issued in the exercise of options. The subscription price will be determined by the directors by reference to (i) the nominal value of the shares, (ii) the closing price per share as stated in the Stock Exchange, and (iii) the average closing price of the shares quoted on the Stock Exchange on the five trading days immediately preceding the date of the grant of the options, whichever is higher.

During the six months ended 31st December 2003, no share options were granted under the Share Option Scheme.

SIGNIFICANT SUBSEQUENT EVENTS

(1) Issuance of secured guaranteed floating rate notes (the “Floating Rate Notes”)

On 20th January 2004, the Company has issued a secured guaranteed floating rate notes. The principal amount of the Floating Rate Notes is US\$10,000,000. The maturity date of the Floating Rate Notes is 20th January 2006 and the interest rate of that is based on the LIBOR rate for deposits in US Dollars for one month plus a margin of 1.5% per annum. Under the arrangement of the issuance of the Floating Rate Notes, the 51% of the issued share capital of Pacific Cruises (Hainan) Limited has been charged as collateral.