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SEAPOWER RESOURCES INTERNATIONAL LIMITED

(海暉國際實業有限公司) *

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

MANY RETURNS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

**RESTRUCTURING OF
SEAPOWER RESOURCES INTERNATIONAL LIMITED
(PROVISIONAL LIQUIDATORS APPOINTED)
INVOLVING, INTER ALIA, CAPITAL RESTRUCTURING, DEBT RESTRUCTURING
INVOLVING CREDITORS' SCHEMES OF ARRANGEMENT IN ACCORDANCE WITH
SECTION 86 OF THE CAYMAN COMPANIES LAW AND SECTION 166 OF THE COMPANIES
ORDINANCE,
SUBSCRIPTION OF NEW SHARES AND WARRANTS, WHITEWASH WAIVER AND
GENERAL MANDATE TO ISSUE AND REPURCHASE NEW SHARES**

**Financial Adviser to Seapower Resources International Limited
(Provisional Liquidators Appointed)**

Financial Adviser to Many Returns Limited



ASIAN CAPITAL
(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司



Horwath Capital Asia Limited

**ANNOUNCEMENT IN RELATION TO
(1) COMPLETION OF THE RESTRUCTURING AGREEMENT
(2) THE RESTORATION OF PUBLIC FLOAT
(3) RESUMPTION OF TRADING IN THE NEW SHARES OF THE COMPANY
AND
(4) CHANGE OF CHINESE NAME OF THE COMPANY**

All conditions precedent to the Restructuring Agreement were satisfied and the Completion took place on 5 December 2003.

On 5 December 2003, the Investor has successfully placed 1,245,000,000 New Shares, representing approximately 26% of the enlarged issued share capital of the Company upon Completion, at HK\$0.011 each through an independent placing agent, TIS Securities (HK) Limited to 8 independent parties. All the placees and the placing agent have confirmed that they are independent of and not connected with any of the Directors, chief executives and substantial shareholders of the Company and of its subsidiaries or the Investor and parties acting in concert with it or any of their respective associates (as defined in the Listing Rules). Accordingly, the requirement for the public float of 25% pursuant to Rule 8.08 of the Listing Rules has been fulfilled.

Trading in the Shares of the Company has been suspended since 2:30 p.m. on 28 December 2001 and an application has been made by the Company to the Stock Exchange for the resumption of trading in New Shares on the Stock Exchange with effect from 9:30 a.m. on 9 December 2003.

Shareholders and potential investors shall exercise caution when dealing in the New Shares of the Company.

Reference are made to the circular jointly issued by the Company and Many Returns Limited dated 21 October 2003 (“Circular”) and the Company’s announcement dated 27 November 2003 (“Announcement”). Terms used in this announcement shall have the same meaning as those defined in the Circular and Announcement.

(1) COMPLETION OF THE RESTRUCTURING AGREEMENT

All conditions precedent to the Restructuring Agreement were satisfied and the Completion took place on 5 December 2003.

Each of the Provisional Liquidators has been released and discharged as joint and several provisional liquidators of the Company with effect from the date of the Completion in accordance with the orders of the Courts.

(2) RESTORATION OF THE PUBLIC FLOAT

On 5 December 2003, the Investor has successfully placed 1,245,000,000 New Shares, representing approximately 26% of the enlarged issued share capital of the Company upon Completion, at HK\$0.011 each through an independent placing agent, TIS Securities (HK) Limited to 8 independent parties. All the placees and the placing agent have confirmed that they are independent of and not connected with any of the Directors, chief executives and substantial shareholders of the Company and of its subsidiaries or the Investor and parties acting in concert with it or any of their respective associates (as defined in the Listing Rules).

Shareholding structure after placing

	Existing Shareholding		Upon Completion but before placing of New Shares by the Investor and before full exercise of Warrants		Upon Completion and after placing of New Shares by the Investor but before full exercise of Warrants		Upon Completion and after placing of New Shares by the Investor and full exercise of Warrants	
	(million Shares)	%	(million New Shares)	%	(million New Shares)	%	(million New Shares)	%
Investor and its concert parties	–	–	4,600.00	96.06	3,355.00	70.06	4,312.76	75.05
Creditors	–	–	96.00	2.00	96.00	2.00	96.00	1.67
I-China Holdings Limited (Provisional Liquidators Appointed)	426.19	27.55	25.57	0.53	25.57	0.53	25.57	0.45
Independent Placees	–	–	–	–	1,245.00	26.00	1,245.00	21.66
Other Existing Public Shareholders	1,120.85	72.45	67.25	1.41	67.25	1.41	67.25	1.17
Total	<u>1,547.04</u>	<u>100.00</u>	<u>4,788.82</u>	<u>100.00</u>	<u>4,788.82</u>	<u>100.00</u>	<u>5,746.58</u>	<u>100.00</u>

The Investor has undertaken to the Stock Exchange that it will not exercise the conversion rights of the Warrants and the Company has undertaken to the Stock Exchange that the Company will not issue New Shares pursuant to the exercise of the conversion rights of the Warrants if such conversion would result in the public float of the Company falling below 25% as required under Rule 8.08 of the Listing Rules.

(3) TRADING ARRANGEMENTS

i. Expected Timetable

2003

Completion	5 December
Announcement of the Completion	8 December
Existing counter for trading in the Shares in board lots of 5,000 Shares closes	9:30 a.m. on 9 December
Temporary counter for trading in New Shares in board lots of 300 New Shares in the form of existing share certificates for existing Shares opens	9:30 a.m. on 9 December
First day of free exchange of existing share certificates for new share certificates for New Shares	9 December
First day of operation of odd lot trading facility	9 December
Existing counter for trading in New Shares in board lots of 100,000 New Shares in the form of new shares certificates for New Shares re-opens	9:30 a.m. on 23 December
Parallel trading in New Shares (in the form of new share certificates and existing share certificates) starts	9:30 a.m. on 23 December

2004

Temporary counter for trading in New Shares in board lots of 300 New Shares (in the form of existing share certificates) closes	4:00 p.m. on 16 January
Parallel trading in New Shares (in the form of new share certificates and existing share certificates) ends	4:00 p.m. on 16 January
Last day of operation of odd lot trading facility	16 January
Free exchange of existing share certificates for new share certificates for New Shares ends	4:00 p.m. on 21 January

ii. Share Certificate Exchange Arrangements

Shareholders are urged to exchange their certificates for Shares for certificates for New Shares as soon as possible on or after 9 December, 2003. This may be done, at no cost, up to and including 21 January, 2004 by delivering the existing share certificates to the branch share registrar of the Company in Hong Kong, Progressive Registration Limited at G/F., BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong. Thereafter, existing share certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each certificate for each new certificate issued for New Shares.

The new share certificates (light pink in colour) are expected to be available for collection on or after the 10th business day from the date of submission of the existing light blue share certificates to the branch share registrar of the Company in Hong Kong. Unless otherwise instructed, new share certificates will be issued in board lots of 100,000 New Shares.

iii. Facilities For Odd Lot Holders

In order to alleviate the difficulties arising from the existence of odd lots as a result of the Capital Restructuring, the Company has appointed TIS Securities (HK) Limited (Address: Unit 1010, 10/F, Tower 2, Lippo Centre, 89 Queensway, Hong Kong, 香港金鐘道89號力寶中心第二座1010室) to assist the Shareholders to match the sale and purchase of odd lots during the period from 9 December, 2003 to 16 January, 2004, both dates inclusive. Holders of the New Shares in odd lots (i.e. lots which are not in integral multiples of 100,000 New Shares) may through their broker contact Mr. Leung Wai Kuen of TIS Securities (HK) Limited (telephone number: 2501 0182) during such period. Holders of the New Shares in odd lots should note that the matching of the sale and purchase of odd lots is not guaranteed.

The Provisional Liquidators recommend that the Shareholders contact them or consult their own professional advisers if they are in any doubt about the facility described above.

(4) RESUMPTION OF TRADING

Trading in the Shares of the Company has been suspended since 2:30 p.m. on 28 December 2001 and an application has been made by the Company to the Stock Exchange for the resumption of trading of New Shares on the Stock Exchange with effect from 9:30 a.m. on 9 December 2003.

Shareholders and potential investors shall exercise caution when dealing in the New Shares of the Company.

(5) CHANGE OF CHINESE NAME OF THE COMPANY

The Provisional Liquidators passed a resolution on 5 December 2003 to change the Chinese name of the Company to “凱暉國際實業有限公司” with immediate effect and “凱暉國際實業” as the stock short name, both for identification purpose. The previous Chinese name of “海暉國際實業有限公司” used by the Company was never formally registered or adopted by the Company and does not appear on any of its incorporation documents. It was merely used for identification purposes. Accordingly, the adoption of the Chinese name does not require shareholders’ approval.

(6) APPLICATION BY THE DISSENTING SHAREHOLDER FOR LEAVE TO APPEAL

The Cayman Islands counsel to the Provisional Liquidators (“Cayman Counsel”) was notified verbally by the Dissenting Shareholder’s counsel on 2 December 2003 that it had filed an ex parte application to the Cayman Islands Court on 27 November 2003 for leave to appeal against the decision of the Cayman Islands Court to set aside the votes of the Dissenting Shareholder. As at the date of this announcement, no written evidence has been made available to the Cayman Counsel in this regard, steps are being taken to verify this information. None of this information changes any of the legal advice obtained to date in relation to the merits of any such appeal. Further announcements will be issued as and when appropriate.

(7) COURT OF APPEAL HEARING

As stated in the Company's announcements dated 12 and 27 November 2003, the hearing in respect of the notice of appeal filed by the Former Investors will be heard in the Court of Appeal in Hong Kong on 30 January 2004. Please refer to the Circular and the announcements dated 12 and 27 November 2003 for details. Further announcement will be issued as and when appropriate.

For and on behalf of
**SEAPOWERS RESOURCES
INTERNATIONAL LIMITED**
(Provisional Liquidators Appointed)
Cosimo Borrelli
Fan Wai Kuen
Joint and Several Provisional Liquidators

By Order of the Board
MANY RETURNS LIMITED
Kenneth Chan
Director

5 December 2003

The Provisional Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Investor) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the Investor) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The Investor and its sole director jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Company and the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the Company and the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* *For identification purpose only*

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