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OCEAN GRAND HOLDINGS LIMITED

海域集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1220)

DISCLOSEABLE TRANSACTION

On 1 November 2005, OGD entered into the Contract with Greatson for the acquisition of certain aluminium extrusion press, and powder and electrostatic coating line for the purpose of equipping the operation of the Group's Sanshui Plant.

The total consideration payable by OGD to Greatson under the Contract is approximately HK\$153 million.

The Purchase constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

A circular in connection with the Contract will be dispatched to the shareholders of the Company as soon as practicable and in any event not later than 21 days from the publication of this announcement.

THE CONTRACT

Date

1 November 2005

Parties

Purchaser: OGD, a company incorporated in Hong Kong and is a wholly-owned subsidiary of the Company. OGD is engaged in the trading of aluminium extrusion products and aluminium ingots.

Seller: Greatson, a company incorporated in Hong Kong, is principally acting as an agent which specialises in trading machinery used in a variety of metal processing industries. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Greatson and its ultimate suppliers of machineries are independent third parties not connected with the Company or any of its subsidiaries and its connected persons as defined in the Listing Rules.

Summary: On 1 November 2005, OGD entered into the Contract with Greatson whereby OGD agreed to purchase and Greatson agreed to sell 4 sets of Cometal Aluminium Extrusion Press with Profile Handling System and 1 set of ITW Vertical Powder and Electrostatic Coating Line.

Consideration

The total consideration payable by OGD under the Contract is approximately HK\$153 million, of which an amount of €11,765,000 (equivalent to approximately HK\$109,414,500) is the price of the 4 sets of Cometal Aluminium Extrusion Press with Profile Handling System and US\$5,596,000 (equivalent to approximately HK\$43,648,800) is the price of the 1 set of ITW Vertical Powder and Electrostatic Coating Line. The total consideration for the Purchase is payable either by bank draft or telegraphic transfer by OGD in the following manner:

- (i) a Down Payment of 30% of the total consideration shall be payable upon signing of the Contract;
- (ii) a second payment of 30% of the total consideration shall be payable before December 2005 when partial shipment of the goods begins;
- (iii) a third payment of 30% of the total consideration shall be payable before January 2006 when installation of the goods begins, i.e. before January 2006; and

(iv) the remaining balance of the total consideration shall be payable against presentation of acceptance certification by Greatson, but shall be payable no later than 6 months after installation of the 4 sets of Cometal Aluminium Extrusion Press with Profile Handling System and the 1 set of ITW Vertical Powder and Electrostatic Coating Line in accordance with the terms of the Contract.

The consideration has been agreed by the parties after arm's length negotiation between OGD and Greatson.

The consideration will be satisfied in cash from the Group's internal resources.

The Contract does not provide for any long stop date.

The Directors are of the view that entering into the Contract is in the interest of the Company and the terms of the Contract are normal commercial terms, which are fair and reasonable so far as the shareholders of the Company are concerned.

BACKGROUND TO AND REASONS FOR THE CONTRACT

The Group is a manufacturer of aluminium extrusion products and is also engaged in the business of electroplating chemicals.

The Contract is entered into between OGD and Greatson for the purposes of equipping the operation of the Group's Sanshui Plant. Construction of the Sanshui Plant has commenced in May 2004 and it is designed to produce high value-added aluminium extrusion products of superb quality. The 4 sets of Cometal Aluminium Extrusion Press with Profile Handling System and 1 set of ITW Vertical Powder and Electrostatic Coating Line purchased under the Contract are expected to commence production in the third quarter of year 2006.

The Purchase constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

A circular in connection with the Contract will be dispatched to the shareholders of the Company as soon as practicable and in any event, not later than 21 days from the publication of this announcement.

As at the date of this announcement, the board of Directors comprises executive Directors: Mr. Yip Kim Po (Chairman), Mr. Hui Ho Ming, Herbert, JP (Deputy and Vice Chairman), Mr. Kwan Man Wai, Mr. Kwan Yan, Mr. Li Lee Cheung and Ms. Yip Wan Fung and independent non-executive Directors: Mr. Choy Tak Ho, Mr. Chau Po Fan and Mr. Lee Kwan Ho, Vincent Marshall.

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings: -

“Company”	Ocean Grand Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on the Stock Exchange;
“Contract”	the contract dated 1 November 2005 entered into between OGD and Greatson for the purchase and sale of 4 sets of Cometal Aluminium Extrusion Press with Profile Handling System and 1 set of ITW Vertical Powder and Electrostatic Coating Line;
“Directors”	the directors of the Company;
“Down Payment”	the down payment for the Purchase, being 30% of the total consideration for the Purchase;
“€”	Euros;
“Greatson”	Greatson Corporation Limited, a company incorporated in Hong Kong, is principally acting as an agent which specialises in trading machinery used in a variety of metal processing industries;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“OGD”	OG Development Company Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong;
“Purchase”	the purchase of 4 sets of Cometal Aluminium Extrusion Press with Profile Handling System and 1 set of ITW Vertical Powder and Electrostatic Coating Line under the Contract;
“Sanshui Plant”	the new plant of the Group in Sanshui District, Foshan City, the People’s Republic of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“US\$”	United States of America dollar.

For illustration purpose, translations of € into HK\$ and US\$ into HK\$ are made in this announcement at the following rates:-

€1 = HK\$9.3

US\$1 = HK\$7.8

No representation is made that any amounts in € and US\$ could have been or could be converted at those rates or at any other rates.

By Order of the Board of
Ocean Grand Holdings Limited
Yip Kim Po
Chairman

Hong Kong, 3 November, 2005

** For identification purpose only*

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