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If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Ocean Grand Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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

* *For identification purpose only*

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors;
“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;
“Latest Practicable Date”	15 November 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“OGD”	OG Development Company Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company;

DEFINITIONS

“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 by OGD from Greatson pursuant to the Contract;
“Sanshui Plant”	the new plant of the Group in Sanshui District, Foshan City, the People’s Republic of China;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong;
“Share(s)”	the ordinary share(s) of HK\$1.00 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“US\$”	United States of America dollars.

For illustration purpose, translations of € into HK\$ and US\$ into HK\$ are made in this circular 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.

LETTER FROM THE BOARD



OCEAN GRAND HOLDINGS LIMITED

海域集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1220)

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
Ms. YIP Wan Fung

Independent Non-Executive Directors:

Mr. CHOY Tak Ho
Mr. CHAU Po Fan
Mr. LEE Kwan Ho, Vincent Marshall

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Principal place of business
in Hong Kong:*

Room 2805, 28th Floor
Admiralty Centre, Tower 1
18 Harcourt Road
Hong Kong

21 November 2005

To the shareholders of the Company

Dear Sir and Madam,

DISCLOSEABLE TRANSACTION

INTRODUCTION

The Board announced on 3 November 2005 that OGD, a wholly-owned subsidiary of the Company, entered into the Contract with Greatson on 1 November 2005 for the acquisition of certain aluminium extrusion press, and powder and electrostatic coating line. The total consideration payable by OGD to Greatson under the Contract is approximately HK\$153 million.

This Purchase constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide the shareholders of the Company with further information regarding this Purchase.

* *For identification purpose only*

LETTER FROM THE BOARD

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 to Greatson 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;

LETTER FROM THE BOARD

- (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 the presentation of the 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 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 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 will not have an immediate material impact on the earnings and net assets of the Group.

GENERAL

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

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

LETTER FROM THE BOARD

THE BOARD

As at the date of this circular, the Board 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.

Yours faithfully,
For and on behalf of
Ocean Grand Holdings Limited
YIP Kim Po
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares and underlying Shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) The Company

Name of Directors	Type of Interest	Number of Shares held Long position	Short position	Number of underlying Shares held	Approximate percentage of shareholding
Mr. YIP Kim Po	Corporate (Note 1)	73,000,000	–	–	17.22%
	Corporate (Note 2)	29,000,000	–	–	6.84%
	Personal	<u>30,000,000</u>	–	–	<u>7.08%</u>
	Total	<u>132,000,000</u>	–	–	<u>31.14%</u>
Mr. HUI Ho Ming, Herbert, JP	Personal	8,480,000	–	–	2.00%
Mr. CHOY Tak Ho	Personal	240,000	–	–	0.06%
Mr. CHAU Po Fan	Personal	20,000	–	–	0.005%
Mr. KWAN Man Wai	Personal (Note 3)	–	–	3,300,000	0.78%
Ms. YIP Wan Fung	Personal	13,730,000	–	–	3.24%

Notes:

1. The interest disclosed is held through Holylake Resources Limited, a company owned as to 76% and 24% by Mr. YIP Kim Po and Mr. YIP Lap Chi respectively.
2. The interest disclosed is held through Grecian Resources Limited, a company owned as to 76% and 24% by Mr. YIP Kim Po and Mr. YIP Lap Chi respectively.
3. The interest disclosed represents 3,300,000 underlying Shares in respect of a Share option granted by the Company to Mr. KWAN Man Wai. This Share option was granted on 7 October 2003 and is exercisable during the period from 7 October 2003 to 6 June 2012 at an exercise price of HK\$1.999 per Share.

(ii) The associated company – Ocean Grand Chemicals Holdings Limited

Name of Directors	Type of Interest	Number of Shares held		Approximate percentage of shareholding
		Long position	Short position	
Mr. HUI Ho Ming, Herbert, JP	Personal	9,500,000	–	1.95%
Mr. KWAN Yan	Personal	148,000	–	0.03%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares and underlying Shares of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange.

3. INTERESTS OF SHAREHOLDERS DISCLOSEABLE

As at the Latest Practicable Date, so far as is known to the Directors and according to the register of interests maintained by the Company under section 336 of the SFO, the following persons (other than a Director or chief executive of the Company) has, or were deemed or taken to have, interests or short position in the Shares which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company:

Name	Type of Interest	Number of Shares held		Approximate percentage of shareholding
		Long position	Short position	
Mr. CHEAH Cheng Hye	Indirectly through Value Partners Limited (<i>Note 1</i>)	41,338,800	–	9.75%
Grecian Resources Limited	Directly (<i>Note 2</i>)	29,000,000	–	6.84%
Holylake Resources Limited	Directly (<i>Note 3</i>)	73,000,000	–	17.22%
Peter Cundill & Associates (Bermuda) Ltd.	Directly	33,424,000	–	7.89%
Value Partners Limited	Investment manager (<i>Note 1</i>)	41,338,800	–	9.75%

Notes:

1. Mr. CHEAH Cheng Hye is deemed to be interested in the Shares in which Value Partners Limited is interested, through his 32.77% interest in Value Partners Limited.
2. As at the Latest Practicable Date, Mr. YIP Kim Po and Ms. YIP Wan Fung are directors of Grecian Resources Limited.
3. As at the Latest Practicable Date, Mr. YIP Kim Po and Ms. YIP Wan Fung are directors of Holylake Resources Limited.

Save as disclosed above, so far as was known to the Directors or chief executive of the Company, as at the Latest Practicable Date, there is no other person (not being a Director or chief executive of the Company) who had an interest or short position in the 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 was, directly or indirectly, interested in 5% 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 or in any options in respect of such capital.

Save as disclosed above, there is no Director or proposed Director who is a director or employee of a company which has an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates was interested in any business, apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

There was no contract or arrangement subsisting at the Latest Practicable Date in which a Director is materially interested and which is significant in relation to the business of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contract with the Company or any member of the Group (excluding contracts expiring or determinable by the employing company within one year without payment of compensation other than statutory compensation).

6. LITIGATION

As at the Latest Practicable Date neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

7. MISCELLANEOUS

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (b) The principal place of business of the Company in Hong Kong is situated at Room 2805, 28th Floor, Admiralty Centre, Tower 1, 18 Harcourt Road, Hong Kong.
- (c) The company secretary of the Company is Mr. LO Hang Fong who is a solicitor. He is admitted to the Supreme Court of Hong Kong, the Supreme Court of Singapore and the Supreme Court of England & Wales and is also a partner of Messrs. Stevenson Wong & Co. in Hong Kong.
- (d) The qualified accountant of the Company is Mr. CHAN Wai Wong. He is an associate member of The Hong Kong Institute of Certified Public Accountants.
- (e) The branch registrar of the Company in Hong Kong is Tengis Limited, Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (f) The English text of this document shall prevail over the Chinese text.