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## DEFINITIONS

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*In this prospectus, unless the context otherwise requires, the following expressions have meanings set forth below. Certain other terms are explained in the section headed “Glossary of Technical Terms”.*

“Accountants’ Report”	the accountants’ report of Moores Rowland, the text of which is set out in Appendix I to this prospectus
“Affiliated Companies”	has the meaning ascribed thereto in Practice Note 19 of the Listing Rules and includes associated companies and jointly controlled entities
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Assured Entitlements”	the entitlements of the Qualifying Shareholders to apply for the Reserved Shares under the Preferential Offer on the basis of an assured entitlement of one Reserved Share for every 200 OGHL Shares held by each Qualifying Shareholder on the Record Date
“BSI”	British Standards Institution, an international standards, testing, registration and certification organisation
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday) on which banks in Hong Kong are generally open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCRI”	常州化工研究所有限公司 (Changzhou Chemical Research Institute Company Limited)
“CQCC”	常州瑰麗化工有限公司 (Changzhou Quality Chemicals Co., Ltd.)
“Capitalisation Issue”	the issue of Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of the Company as referred to in the paragraph headed “Written resolutions of the shareholders of the Company passed on 10 June 2003” in Appendix V to this prospectus

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“Chemicals Business”	the business of the Group involving the manufacturing and trading of Electroplating Chemicals used in the electroplating processes of precious metals and in the refining of precious metals
“Companies Act”	the Companies Act 1981 of Bermuda
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the laws of Hong Kong) (as amended from time to time)
“Company”	Ocean Grand Chemicals Holdings Limited, an exempted company incorporated on 29 July 2002 in Bermuda with limited liability, and where the context refers to any time prior to the date of incorporation, those assets and businesses which were attributed to and became part of the Company upon its incorporation
“Director(s)”	the director(s) of the Company, including the executive directors, non-executive director and the independent non-executive directors
“Dynamic Market”	Dynamic Market Trading Limited, a company incorporated in the British Virgin Islands on 7 September 2001 and a wholly-owned subsidiary of the Company
“Electroplating Chemicals”	chemical compounds used for electroplating, including, inter alia, Gold Salt, Silver Salt, Palladium Salt and Rhodium Sulphate
“Group”	the Company and its subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company and the business carried on by such subsidiaries
“HK GAAP”	generally accepted accounting principles and practices in Hong Kong
“HK Dollar(s)” or “HK\$” and “HK cent(s)”	Hong Kong dollar(s) and cent(s) respectively, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC

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“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hunghom Plant”	the production facility of the Group in Hunghom, Hong Kong
“Independent Subscribers”	Sino First Profits Limited, Sino Metro Group Limited, Golden Base International Inc., Top Billion Limited, Southern Star Investments Limited, Rich Easy Limited, Bank Sarasin-Rabo (Asia) Limited, Lai Suk Kuen, Liu Chi Bun, Wong Wai Kuen, Ng Yau Keung, Lee Yuen Yee Ada and Lam Sze Ming, who were allotted with the Subscription Shares pursuant to the Subscription Agreements
“JS Cresvale” or “Sponsor” or “Co-Lead Manager”	JS Cresvale Securities International Limited, a deemed licensed corporation for types 1,4,6,7 and 9 regulated activities under the S & F Ordinance
“Kenlap”	Kenlap P.G.C. Manufacturer Company Limited (僑立精細化工有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Kenlap Chemicals”	Kenlap Chemicals Limited (僑立化工有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Kenlap Zhuhai”	Kenlap Fine Chemical (Zhuhai) Technology Company, Limited (僑立精細化工(珠海)科技有限公司), a wholly foreign-owned enterprise established in Zhuhai, the PRC and a wholly-owned subsidiary of the Company
“Kingsway Capital” or “Co-Sponsor”	Kingsway Capital Limited, a deemed licensed corporation for types 4, 6 and 9 regulated activities under the S & F Ordinance and a fellow subsidiary of Kingsway SW Securities
“Kingsway SW Securities” or “Lead Manager”	Kingsway SW Securities Limited, a deemed licensed corporation for types 1,4,6,7 and 9 regulated activities under the S & F Ordinance and a fellow subsidiary of Kingsway Capital

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“Latest Practicable Date”	Monday, 9 June 2003, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained herein
“Listing Date”	the date on which dealings in the Shares first commence on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market (excluding the options market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the Growth Enterprise Market
“Nanhai Xingye”	南海興業銅鋁型材有限公司 (Nanhai Xingye Shaped Bronze and Aluminium Products Company Limited), a subsidiary of OGHL
“New Placing Shares”	66,612,000 new Shares initially being offered by the Company for subscription under the Placing, subject to any adjustment as mentioned in the section headed “Structure of the Share Offer” of this prospectus
“New Shares”	the Public Offer Shares and the New Placing Shares to be issued by the Company pursuant to the Share Offer
“OGHL”	Ocean Grand Holdings Limited, an exempted company incorporated in Bermuda whose shares are listed on the Stock Exchange and, at the date of this prospectus, the controlling shareholder of the Company
“OGHL Group”	OGHL, its subsidiaries and Affiliated Companies but excluding the Group
“OGHL Shares”	shares of HK\$1.00 each in the capital of OGHL
“OG Chemicals BVI”	Ocean Grand Chemicals (BVI) Limited, a company incorporated in the British Virgin Islands on 24 July 2002 and a wholly-owned subsidiary of the Company

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“Offer for Sale”	the offer for sale of the Sale Shares for cash by Vendors at the Offer Price as part of the Placing on and subject to the terms and conditions contained in this prospectus, details of which are described in the section headed “Structure of the Share Offer” of this prospectus
“Offer Price”	the price for each Offer Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee) of HK\$0.88
“Offer Shares”	the Public Offer Shares and Placing Shares together with any additional Shares which may be issued pursuant to the Over-allotment Option
“Over-allotment Option”	the option granted by the Company to the Placing Underwriters, exercisable by Kingsway SW Securities (on behalf of the Placing Underwriters) pursuant to the Placing Underwriting Agreement to require the Company to issue an aggregate of up to approximately 17,828,000 additional new Shares at the Offer Price to cover over-allocations in the Placing
“Overseas Shareholders”	holders of OGHL Shares whose addresses on the register of members were outside Hong Kong at the close of business on the Record Date
“Placing”	the conditional placing by the Placing Underwriters of the Placing Shares for cash at the Offer Price and the Preferential Offer, on and subject to the terms and conditions contained in this prospectus, details of which are described in the section headed “Structure of the Share Offer” of this prospectus
“Placing Shares”	the New Placing Shares and the Sale Shares
“Placing Underwriter(s)”	Kingsway SW Securities Limited, JS Cresvale Securities International Limited, Core Pacific-Yamaichi Securities (H.K.) Limited, Crosby Limited, CSC Securities (HK) Limited, FB Gemini Securities Limited, First Shanghai Securities Limited, Guotai Junan Securities (Hong Kong) Limited, KCG Securities Asia Limited, SBI E2-Capital Securities Limited, Tanrich Securities Company Limited and Tung Tai Securities Co. Ltd.

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“Placing Underwriting Agreement”	the conditional underwriting agreement dated 16 June 2003 relating to the Placing entered into among the Company, executive Directors, OGHL, the Vendors and the Placing Underwriters relating to the Placing, particulars of which are summarised in the section headed “Underwriting arrangements under the Share Offer” of this prospectus
“Policies”	the rules with respect to foreign exchange regulations and notices promulgated by the State since 1966 on the convertibility of the RMB
“PRC” or “China”	The People’s Republic of China which, for the purposes of this prospectus, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC GAAP”	generally accepted accounting principles and financial regulations in the PRC
“Preferential Offer”	the preferential offer to the Qualifying Shareholders for subscription of the Reserved Shares at the Offer Price, on and subject to the terms and conditions stated herein and in the blue application forms relating thereto
“Property Valuation Report”	the letter, summary of values and valuation certificates prepared and issued by BMI Appraisals Limited set out in Appendix III to this prospectus
“Public Offer”	the issue of the Public Offer Shares for subscription by members of the public in Hong Kong at the Offer Price payable in full on application, including the preferential allocation to eligible employees of the Group, subject to the terms and conditions set out in this prospectus and the related application forms
“Public Offer Shares”	the 11,888,000 new Shares initially offered for subscription under the Public Offer subject to re-allocation as described in the section headed “Structure of the Share Offer” of this prospectus

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“Public Offer Underwriters”	Kingsway SW Securities Limited, JS Cresvale Securities International Limited, Core Pacific-Yamaichi Securities (H.K.) Limited, Crosby Limited, CSC Securities (HK) Limited, FB Gemini Securities Limited, First Shanghai Securities Limited, Guotai Junan Securities (Hong Kong) Limited, KCG Securities Asia Limited, SBI E2-Capital Securities Limited, Tanrich Securities Company Limited and Tung Tai Securities Co. Ltd.
“Public Offer Underwriting Agreement”	the conditional public offer underwriting agreement dated 16 June 2003 entered into among the Company, executive Directors, OGHL and the Public Offer Underwriters relating to the Public Offer, particulars of which are summarised in the section headed “Underwriting arrangements under the Share Offer” of this prospectus
“Put Option Deeds”	the put option deeds entered into between OGHL and each of the Independent Subscribers, pursuant to which OGHL granted an option in favour of each Independent Subscriber to, inter alia, require OGHL to purchase the Subscription Shares or compensate the Independent Subscribers under certain circumstances pursuant to the terms thereof
“Qualifying Shareholders”	holders of OGHL Shares whose names appeared on the register of members of OGHL on the Record Date, other than the Overseas Shareholders
“R&D”	research and development
“Record Date”	Thursday, 29 May 2003, being the record date for ascertaining the Assured Entitlements
“Regulation S”	Regulation S under the US Securities Act
“Reorganisation”	the reorganisation of the Group in preparation for the listing of the Shares on the Main Board, details of which are set out under the paragraph headed “Corporate reorganisation” in Appendix V to this prospectus
“Reserved Shares”	the 2,000,000 Placing Shares being offered pursuant to the Preferential Offer

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“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration for Foreign Exchange
“Sale Shares”	a total of 40,364,000 Shares initially being offered for sale by the Vendors at the Offer Price
“S & F Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (as amended from time to time)
“Securities and Futures Commission” or “SFC”	The Securities and Futures Commission of Hong Kong
“Securities Ordinance”	Securities Ordinance (Chapter 333 of the laws of Hong Kong) (as amended from time to time)
“Share(s)”	share(s) with a par value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Offer”	the Public Offer and the Placing (including the Offer for Sale)
“Sponsors”	JS Cresvale and Kingsway Capital
“State”	the government of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreements”	the 13 share subscription agreements entered into among Kenlap, OGH and each of the Independent Subscribers dated 30 April 2002 or 17 May 2002 for the subscription of an aggregate of 113,352 shares of HK\$1.00 each in the share capital of Kenlap, all of which were completed on 17 May 2002
“Subscription Shares”	the 113,352 shares of HK\$1.00 each in the share capital of Kenlap which were subscribed for by the Independent Subscribers pursuant to the Subscription Agreements
“Subsidiary”	has the meaning ascribed thereto in section 2 of the Companies Ordinance or section 86 of the Companies Act

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“Substantial Shareholder”	has the meaning ascribed to it under the Listing Rules and in the context of the Company, means Successful Gold
“Successful Gold”	Successful Gold Profits Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned Subsidiary of OGHL
“Track Record Period”	the period comprising the three financial years ended 31 March 2002 and the nine months ended 31 December 2002
“Underwriters”	the Public Offer Underwriters and the Placing Underwriters
“Underwriting Agreements”	collectively, the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
“United States” or “US”	the United States of America
“US Dollar(s)” or “US\$”	the lawful currency of the United States
“US Securities Act”	the US Securities Act of 1933, as amended
“US Shareholders”	shareholders of OGHL who are within the United States (within the meaning of Regulation S)
“Vendors”	twelve of the Independent Subscribers and Successful Gold, who will be selling 38,057,580 Sale Shares and 2,306,420 Sale Shares under the Share Offer, respectively
“Warrantors”	the Company, OGHL and the executive Directors
“Zhuhai Plant”	the production facility of the Group in Zhuhai, the PRC

*Unless otherwise specified in this prospectus, amounts denominated in RMB have been translated, for the purposes of illustration only, into HK\$ as follows:*

$$HK\$1 = RMB1.07$$

*No representation is made that any amounts in RMB or HK\$ could have been or could be converted at the above rate or at any other rates or at all.*

*For ease of reference, the names of the PRC established companies and entities have been included in this prospectus in both their Chinese and English languages and in the event of any inconsistency, the Chinese version shall prevail.*