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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)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Company has been unable since 8 July 2006 to contact or locate the financial controller of OG Foshan (who is not the financial controller of the Company), a wholly-owned major subsidiary of the Company engaged in the manufacture and trading of aluminium extrusion products and other aluminium products in the PRC, in order to clarify some potential irregularities in the accounting records relating to OG Foshan which were identified in the course of the Audit. The Director of the Company whose responsibilities include OG Foshan has reported to the Company that the matter related to a supplier which had transacted business with OG Foshan during the fifteen month period ended 31 March 2006 in the amount of approximately RMB6 million and which supplier currently has no outstanding balance with OG Foshan. As a result, the Company has reported the matter to the Nanhai Public Security Department for investigation. The Directors understand that certain books and records of OG Foshan are now under the control of the Nanhai Public Security Department in connection with the investigation. The Chairman of the Audit Committee and the Deputy and Vice Chairman of the Company have requested the Board and instructed the management of OG Foshan to urgently take all necessary steps to access the books and records under the control of the Nanhai Public Security Department. The Company is continuing to conduct an internal investigation into the matter. The Directors do not expect that the impact on the Company's results in the event that the potential

accounting irregularities relating to OG Foshan are confirmed will exceed approximately RMB6 million. However, it is currently unclear as to the full extent of the potential negative impact of the potential accounting irregularities in relation to OG Foshan and accordingly the figure of approximately RMB6 million may be exceeded.

During the conduct of the Audit which is still continuing and has not been completed, the Auditors have highlighted certain issues (including the potential accounting irregularities relating to OG Foshan) to the Audit Committee and to the Deputy and Vice Chairman and the Hong Kong management team of the Company, in particular concerning the recoverability and genuineness of certain accounts receivable and accounts payable and sales and purchases of certain subsidiaries of the Company. As a result, the Audit Committee, with the active assistance of the Deputy and Vice Chairman and the Hong Kong management team of the Company, has engaged DTFS, an independent firm, to enquire into the business dealings between the relevant subsidiaries and the relevant customers and suppliers, and the results of the confirmation process undertaken by the Auditors with these customers and suppliers. As referred to above, steps are being taken to access the books and records of OG Foshan which are currently under the control of the Nanhai Public Security Department, in order to facilitate DTFS' enquiry.

As a result of the Company's ongoing internal investigation into the potential accounting irregularities relating to OG Foshan, the outstanding issues to be clarified in respect of the Audit and the independent enquiry being carried out by DTFS, the Company is of the view that there may be a delay in the publication of the Results Announcement and despatch to its shareholders of the Annual Report. If this is the case, a detailed announcement on this issue will be released when appropriate.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9:48 a.m. on 11 July 2006 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:30 a.m. on 12 July 2006.

Shareholders of the Company and the public are advised to exercise caution when dealing in the shares of the Company.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

(1) OG FOSHAN INVESTIGATION

The Company has been unable since 8 July 2006 to contact or locate the financial controller of OG Foshan (who is not the financial controller of the Company), a wholly-owned major subsidiary of the Company engaged in the manufacture and trading of aluminium extrusion products and other aluminium products in the PRC, in order to clarify some potential irregularities in the accounting records relating to OG Foshan. The Director of the Company whose responsibilities include OG Foshan has reported to the Company that the matter related to a supplier which had transacted business with OG Foshan during the fifteen month period ended 31 March 2006 in the amount of approximately RMB6 million and which supplier currently has no outstanding balance with OG Foshan. As a result, the Company has reported the matter to the Nanhai Public Security Department for investigation. The Directors understand that certain books and records of OG Foshan are currently under the control of the Nanhai Public Security Department in connection with the investigation.

As at the date of this announcement, the Directors are uncertain as to the exact details of such potential accounting irregularities. The Chairman of the Audit Committee and the Deputy and Vice Chairman of the Company have requested the Board and instructed the management of OG Foshan to urgently take all necessary steps to access the books and records under the control of the Nanhai Public Security Department. The Company is continuing to conduct an internal investigation into the matter. A detailed announcement will be made by the Company on any developments relating to this issue as and when appropriate on a timely basis.

The Directors do not expect the impact on the Company's results in the event that the potential accounting irregularities relating to OG Foshan are confirmed will exceed approximately RMB6 million. However, it is currently unclear as to the full extent of the potential negative impact of the potential accounting irregularities in relation to OG Foshan and accordingly the figure of approximately RMB6 million may be exceeded.

For the financial year ended 31 December 2004, OG Foshan contributed approximately 38% of the Group's profit from operations.

(2) ENGAGEMENT OF DTFS

During the conduct of the Audit which is still continuing and has not been completed, the Auditors have highlighted certain issues (including the potential accounting irregularities relating to OG Foshan) to the Audit Committee and to the Deputy and Vice Chairman and the Hong Kong management team of the Company, in particular concerning the recoverability and genuineness of certain accounts receivable and accounts payable and sales and purchases of certain subsidiaries of the Company. As a result, the Audit Committee, with the active assistance of the Deputy and Vice Chairman and the Hong Kong management team of the Company, has engaged DTFS, an independent firm, to enquire into the business dealings between the relevant subsidiaries and the relevant customers and suppliers, and the results of the confirmation process undertaken by the Auditors with these customers and suppliers. As referred to above, steps are being taken to access the books and records of OG Foshan which are currently under the control of the Nanhai Public Security Department in order to facilitate DTFS' enquiry. DTFS aims to issue a written report in respect of its enquiry into the above matter by 25 July 2006. An announcement will be made by the Company with updates on the development of this matter as and when appropriate on a timely basis.

(3) DELAY IN ANNUAL RESULTS ANNOUNCEMENT AND DESPATCH OF ANNUAL REPORT

As a result of the Company's ongoing internal investigation into the potential accounting irregularities in relation to OG Foshan, the outstanding issues to be clarified in respect of the Audit and the independent enquiry being carried out by DTFS, the Company is of the view that there may be a delay in the publication of the Results Announcement and despatch to its shareholders of the Annual Report. If this is the case, a detailed announcement on this issue will be released when appropriate.

(4) SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended from 9:48 a.m. on 11 July 2006 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:30 a.m. on 12 July 2006.

Shareholders of the Company and the public are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

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| “Annual Report” | The annual report of the Group for the fifteen month period ended 31 March 2006 |
| “Audit” | The audit of the Group’s accounts for the fifteen month period ended 31 March 2006 |
| “Audit Committee” | The audit committee of the Company |
| “Auditors” | Messrs. PricewaterhouseCoopers, the external auditors of the Company |
| “Board” | The board of Directors |
| “Company” | Ocean Grand Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange |
| “Directors” | The directors of the Company |
| “DTFS” | Deloitte & Touche Forensic Services Limited |
| “Group” | The Company and its subsidiaries |
| “Listing Rules” | The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Nanhai Public Security Department” | The public security department of Nanhai Municipality, Guangdong, PRC |

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| “OG Foshan” | 海域鋁業(佛山)有限公司 (Ocean Grand Aluminium Company Limited (Foshan)), a subsidiary of the Company incorporated under the laws of, and operating in, the PRC |
| “PRC” | The People’s Republic of China |
| “Results Announcement” | The audited results announcement of the Group for the fifteen month period ended 31 March 2006 |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

By Order of the Board
Ocean Grand Holdings Limited
Dr. Yip Kim Po, FHKIoD
Chairman

PRC, 11 July 2006

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

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable inquiries that, to the best of their knowledge, the opinions expressed in this announcement have been arrived 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 purposes only*

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