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OCEAN GRAND CHEMICALS HOLDINGS LIMITED

海域化工集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 2882)

ANNOUNCEMENT

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board wishes to announce that Dr. Lo Wing Yan, William, JP, has resigned as an independent non-executive director, member of the Audit Committee and member of the Remuneration Committee for personal reasons with effect from 18 July 2006.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board wishes to announce that Dr. Lo Wing Yan, William, JP, has resigned as an independent non-executive director, member of the Audit Committee and member of the Remuneration Committee for personal reasons with effect from 18 July 2006. For the purposes of Rule 13.51(2) of the Listing Rules, Dr. Lo has confirmed that he has no disagreement with the Board and that there is no matter that should be brought to the attention of the shareholders of the Company in relation to his resignation of office.

The Board would like to thank Dr. Lo for his valuable contributions to the Company during his tenure of service.

Following the aforesaid resignation of office, the Company currently has only two independent non-executive directors. As such, the Company is temporarily not in compliance with Rule 3.10 of the Listing Rules.

DEFINITIONS

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

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|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| “Audit Committee” | The audit committee of the Company |
| “Board” | The board of Directors |
| “Company” | Ocean Grand Chemicals Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange |
| “Directors” | The directors of the Company |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited |
| “Remuneration Committee” | The remuneration committee of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

By Order of the Board
Ocean Grand Chemicals Holdings Limited
Mr. Hui Ho Ming, Herbert, JP
Deputy Chairman

Hong Kong, 19 July 2006

As at the date of this announcement, the Board comprises four executive directors, namely Dr. Yip Kim Po, FHKIoD (Chairman), Mr. Hui Ho Ming, Herbert, JP, FHKIoD (Deputy Chairman), Mr. Kwan Yan, Mr. Lin Jianping, one non-executive director namely, Mr. Yeh V-nee, two independent non-executive directors, namely, The Honourable Cheung Yu-yan, Tommy, JP (Chairman of the Remuneration Committee), and Mr. Wan Ngar Yin, David (Chairman of the Audit Committee).

* For identification purposes only

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