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OCEAN GRAND HOLDINGS LIMITED

(Provisional Liquidators Appointed)

海域集團有限公司*

(已委任臨時清盤人)

(Incorporated in Bermuda with limited liability)

(Stock Code: 01220)

NOTICE OF THE SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the “**Meeting**”) of Ocean Grand Holdings Limited (Provisional Liquidators appointed) (the “**Company**”) will be held at Room 704, 3 Lockhart Road, Wanchai, Hong Kong on 23 November 2011, at 10:00 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions of the Company:

The Restructuring Agreement

1. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as an **ordinary** resolution:

“**THAT** (i) the restructuring agreement dated 20 December 2007 (as supplemented by four supplemental agreements dated 26 February 2009, 4 January 2010, 12 April 2011 and 1 August 2011) (collectively as the “**Restructuring Agreement**”, a copy of which marked “**RA**” has been produced to the Meeting and signed by the Chairman of the Meeting for identification purpose) and entered into between the Company, Messrs Lai Kar Yan, Derek and Joseph King Ching Lo (the “**Provisional Liquidators**”), Gold Star Success Limited (the “**Investor**”) and Deloitte Touche Tohmatsu (the “**Escrow Agent**”) for the implementation of the restructuring of the Company comprising, among other matters, the **Debt Restructuring**, the **Capital Restructuring**, the **Open Offer** and the **Investor Subscription** (as defined below) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and (ii) the Provisional Liquidators and the directors of the Company (the “**Directors**”) be and are hereby authorised generally to do all such acts, deeds and things and to sign, execute and deliver all such documents (including the affixation of the common seal of the Company where required) as they may, in their absolute discretion, consider

* *For identification purpose only*

necessary, desirable or appropriate to give effect, implement and complete any matters relating to or in connection with the Restructuring Agreement and the transactions contemplated thereunder.”

The Capital Restructuring

2. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as a **special** resolution:

“**THAT** subject to resolution no.1 as set out in this notice of the Meeting (the “**Notice**”) having been passed and subject to (i) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the **New Shares** and the **Convertible Preference Shares** (as defined below) either unconditionally or subject to such conditions as may be required by the Stock Exchange and (ii) compliance by the Company with the requirements of section 46 of the Companies Act 1981 of Bermuda (as amended) (the “**Bermuda Companies Act**”):

- (a) every three existing issued shares of the Company (the “**Shares**”) with par value of HK\$1.0 each in the authorised share capital of the Company be consolidated into one share with par value of HK\$3.0 each (the “**Consolidated Shares**”) in the share capital of the Company (the “**Share Consolidation**”);
- (b) the Directors be authorised to aggregate and sell any fractional entitlements arising from the Share Consolidation in the form of Consolidated Shares for the benefit of the Company in such manner and on such terms as the Directors may think fit;
- (c) the issued share capital of each Consolidated Share be reduced from HK\$3.0 to HK\$0.01 by cancelling HK\$2.99 of the paid-up capital on each Consolidated Share such that the par value of each of the Consolidated Shares be reduced from HK\$3.0 to HK\$0.01 (the “**Issued Capital Reduction**”) and the existing authorized but unissued share capital of the Company be cancelled in its entirety (collectively referred as to the “**Capital Reduction**”), as a result of which the authorized and issued share capital of the Company will comprise of 141,278,437 issued shares with par value of HK\$0.01 each (the “**New Shares**”);
- (d) immediately following the Capital Reduction, the authorised share capital of the Company be changed to HK\$36,500,000 divided into 2,800,000,000 New Shares and 850,000,000 Convertible Preference Shares (the “**Authorised Capital Increase**”);
- (e) the amount of credit arising from the Issued Capital Reduction be transferred to the contributed surplus account of the Company and the Directors be and are hereby authorised to apply any credit balance in the contributed surplus account of the Company in such manner as permitted by the Bermuda Companies Act, the memorandum of association and bye-laws of the Company (the “**Bye-laws**”) and all applicable laws, including but not limited to setting off part of the audited accumulated losses of the Company as at 31 March 2011 (the “**Authorisation**”); and

- (f) the Provisional Liquidators and the Directors be and are hereby authorised generally to do all such acts, deeds and things and to sign, execute and deliver all such documents (including the affixation of the common seal of the Company where required) as they may, in their absolute discretion, consider necessary, desirable or appropriate to give effect, implement and complete any matters relating to or in connection with the Share Consolidation, Capital Reduction, Authorised Capital Increase and the Authorisation and the transactions contemplated thereunder (collectively as the “**Capital Restructuring**”).”

The Open Offer

3. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as an **ordinary** resolution:

“**THAT** subject to resolutions nos. 1, 2 and 6 as set out in the Notice having been passed, and subject to (i) the fulfillment of all the conditions precedent set out in the underwriting agreement dated 26 August 2011 (the “**Underwriting Agreement**”, a copy of which marked “**UA**” has been produced to the Meeting and signed by the Chairman of the Meeting for identification purpose) and entered into between the Company, the Provisional Liquidators, the Investor as the underwriter and Mr Ng Ting Wai and Mr Chau Shing Yim David as the underwriter’s guarantors; and (ii) the Scheme (as defined below) and its modifications being sanctioned by the High Court of Hong Kong and recognized by the Supreme Court of Bermuda:

- (a) the issue by way of an open offer (the “**Open Offer**”) of not less than 94,185,624 New Shares and not more than 98,385,624 New Shares (collectively the “**Offer Shares**”) at the subscription price of HK\$0.133 per Offer Share (the “**Open Offer Subscription Price**”) on the basis of two Offer Shares for every three New Shares to the qualifying shareholders of the Company (the “**Qualifying Shareholders**”) whose names appear on the register of members of the Company on 6 December 2011, Hong Kong time (the “**Open Offer Record Date**”), other than those shareholders of the Company whose addresses on the register of members of the Company are outside Hong Kong on the Open Offer Record Date and to whom the Provisional Liquidators and the Directors are of the opinion that it would be unduly burdensome to, or otherwise necessary or expedient not to offer the Offer Shares to such Excluded Shareholders on account of any legal restrictions under the laws of such jurisdictions or the requirements of the relevant regulatory body or stock exchanges in that jurisdiction (the “**Excluded Shareholders**”), the Open Offer shall not be extended to the Excluded Shareholders and their Offer Shares shall be taken up by the Underwriter, be and are hereby approved, confirmed and ratified;
- (b) the entering into of the Underwriting Agreement by the Company and the performance of the transactions contemplated thereunder by the Company and the Provisional Liquidators be and are hereby approved, confirmed and ratified and the Provisional Liquidators and the Directors be and are hereby authorised to make such exclusions or other arrangements in relation to the Excluded Shareholders, the treatment on fractional entitlements, the absence for application by the Qualifying Shareholders in excess of their entitlements, and the underwriting of the Offer Shares by the Underwriter;

- (c) any Provisional Liquidators or the Directors be and is hereby authorized to allot and issue the Offer Shares pursuant to and in connection with the Open Offer; and
- (d) the Provisional Liquidators and the Directors be and are hereby authorised generally to do all such acts, deeds and things and to sign, execute and deliver all such documents (including the affixation of the common seal of the Company where required) as they may, in their absolute discretion, consider necessary, desirable or appropriate to give effect, implement and complete any matters relating to or in connection with the Underwriting Agreement and the Open Offer and the transactions contemplated thereunder.”

The Investor Subscription

4. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as a **special** resolution:

“**THAT** subject to resolutions nos. 1–3, 5 and 6 as set out in the Notice having been passed, and subject to the fulfillment of all the conditions precedent set out in the Restructuring Agreement:

- (a) the subscription (the “**Investor Subscription**”) by the Investor of 406,935,939 New Shares (the “**Investor Subscription Shares**”) and 850,000,000 non-redeemable cumulative non-participating convertible preference shares of the Company at par value of HK\$0.01 each (the “**Convertible Preference Shares**”) both at the subscription price of HK\$0.133 each (the “**Investor Subscription Price**”) pursuant to the terms of the Restructuring Agreement and each of the Convertible Preference Shares shall carry the right to convert into one New Share (each a “**CPS New Share**”) at nil conversion price (the “**CPS Conversion Price**”) commencing one year after the date of the resumption in trading of the New Shares on the Stock Exchange (the “**Trading Resumption**”) and shall carry a fixed cumulative preferential dividend at a rate of 4% per annum on each Convertible Preference Share (the “**CPS Dividend**”) be and are hereby approved, confirmed and ratified;
- (b) any Provisional Liquidators or the Directors be and is hereby authorised to allot and issue the Investor Subscription Shares and the Convertible Preference Shares at the Investor Subscription Price to the Investor;
- (c) subject to the valid exercise of the conversion rights attached to the Convertible Preference Shares and in accordance with the Bye-laws, any Provisional Liquidators or the Directors be and is hereby authorised to allot and issue the CPS New Shares upon conversion of the Convertible Preference Shares at the CPS Conversion Price to the holder of the Convertible Preference Shares; and
- (d) the Provisional Liquidators and the Directors be and are hereby authorised generally to do all such acts, deeds and things and to sign, execute and deliver all such documents (including the affixation of the common seal of the Company where required) as they may, in their absolute discretion, consider necessary, desirable or appropriate to give effect, implement and complete any matters relating

to or in connection with the subscription, allotment, issue and conversion of the Investor Subscription Shares, the Convertible Preference Shares and the CPS New Shares;

Amendment to Bye-Laws

5. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as a **special** resolution:

“**THAT** the Bye-laws be and are hereby amended in the following manner:

- (a) by deleting the existing Bye-law 3(1) in its entirety and substituting therefor the following new Bye-law 3(1):

“The share capital of the Company is divided into ordinary shares of par value of HK\$0.01 each and non-redeemable cumulative non-participating convertible preference shares of par value of HK\$0.01 each (the “**Preference Shares**”). The Preference Shares shall confer on the holders thereof the respective rights and privileges, and shall be subject to the respective restrictions, as set out in Bye-law 9A”; and

- (b) by inserting the following new Bye-law 9A immediately after Bye-law 9 of the Bye-laws of the Company:

“9A Preference Shares

(1) Definitions

For the purpose of this Bye-law 9A, the following terms shall have the following meanings:

“Alternative Stock Exchange”	any stock exchange other than the Hong Kong Stock Exchange on which the Ordinary Shares, if not then listed on the Hong Kong Stock Exchange, are listed;
“Business Day”	a day (excluding Saturday) on which licensed banks are generally open for business in Bermuda and Hong Kong;
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant;
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant;

“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation;
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant;
“Conversion Date”	the Business Day immediately following the date of surrender of the certificate in respect of the relevant Preference Shares and delivery of an effective Conversion Notice pursuant to Bye-law 9A(6);
“Conversion Event”	the conversion of Preference Shares by a Preference Shareholder pursuant to Bye-law 9A(6)(a);
“Conversion Notice”	a notice served by any Preference Shareholder from time to time stating that such Preference Shareholder wishes to exercise the Conversion Right in respect of one or more Preference Shares held by such Preference Shareholder, in substantially the form prescribed by the Company from time to time;
“Conversion Price”	as of any Conversion Date, the Conversion Price, as adjusted from time to time in accordance with Bye-law 9A(7). The initial conversion price as at the Issue Date is HK\$0;
“Conversion Rate”	the rate for conversion of the Preference Shares into Ordinary Shares as determined in accordance with Bye-law 9A(6)(c);
“Conversion Right”	the right, subject to the provisions of Bye-law 9A(6), of Preference Shareholders to convert any Preference Share into Ordinary Shares;
“Converting Shareholder”	a Preference Shareholder all or some of whose Preference Shares are being or have been converted into Ordinary Shares;
“Dividend”	in relation to each Preference Share, a fixed cumulative preferential cash dividend in Hong Kong dollars payable annually thereon to its holder at the rate of 4% per annum on the Reference Amount;

“Group”	the Company and its subsidiaries; and the expression “member of the Group” shall be construed accordingly;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Independent Financial Adviser”	an independent investment bank or financial advisory firm that is licensed under the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) in Hong Kong, reasonably selected by the Company and acting as an expert;
“Issue Date”	the date of allotment and issue of the Preference Shares;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and/or such other listing rules to which the Company is subject;
“Ordinary Shares”	ordinary shares of par value of HK\$0.01 each in the capital of the Company or, if there has been a sub-division, consolidation, re-classification or reconstruction of the ordinary share capital of the Company, such ordinary shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or reconstruction;
“Other Pari Passu Shares”	Shares ranking <i>pari passu</i> as regards dividends with the Preference Shares;
“Preference Shareholder”	a person registered from time to time in the register of members of the Company as a holder of Preference Shares;
“Preference Shares”	the non-redeemable cumulative non-participating convertible cumulative preference shares of par value of HK\$0.01 each in the capital of the Company, the rights of which are set out in By-law 9A;

“Public Float Requirement”	the requirement under the Listing Rules applicable to the Company that not less than a specified percentage of the Shares which are listed on the Hong Kong Stock Exchange shall be held by the public for the purpose of the Listing Rules;
“Record Date”	the date and time by which a subscriber, transferee or holder of securities of the class in question would have to be registered in order to participate or be entitled to in the relevant distribution or rights;
“Reference Amount”	the issue price of the Preference Shares;
“Register”	has the meaning given to it in Bye-law 9A(9)(a);
“SFC”	the Securities and Futures Commission of Hong Kong;
“Shares”	shares in the capital of the Company;
“Takeovers Code”	the Codes on Takeovers and Mergers;
“Trading Day”	any day on which the Hong Kong Stock Exchange (or the Alternative Stock Exchange, as the case may be) is open for the business of dealing in securities.

(2) Dividend

- (a) Subject to the Bermuda Companies Act, each Preference Share shall confer on the holder thereof the right to receive out of the funds of the Company available for distribution and resolved to be distributed the Dividend *pari passu* with holders of Other Pari Passu Shares but otherwise in priority to any other class of Shares from time to time in issue (including the Ordinary Shares).
- (b) The Dividend shall be cumulative and payable in Hong Kong dollars annually in arrears on 31 March in each year, shall accrue from day to day and shall be calculated on the basis of a 365 day year and, the actual number of days elapsed. The first Dividend shall be payable on 31 March 2012 and any Dividend that has accrued prior to the Conversion Date but remains unpaid on the Conversion Date shall be payable upon the Conversion Date, provided that without prejudice to the rights of the Preference Shareholders hereunder and subject to compliance with the Bermuda Companies Act, any unpaid Dividend shall accrue as a debt due by the Company to the Preference Shareholder and be repayable on demand which shall bear interest at

the rate of 4% per annum from the date when such Dividend is due and payable to the date when such Dividend is paid in full together with interest thereon to the Preference Shareholder.

- (c) No dividend shall be paid to the holders of any Shares other than Pari Passu Shares (and then, only at the same time as the Preference Shareholders) unless and until any outstanding Dividend has been paid in full.
 - (d) To the extent that any Dividend is not paid on the Preference Shares and/or any Other Pari Passu Shares, it shall accumulate and any such arrears of Dividend shall be payable to the Preference Shareholders and/or to the holders of any Other Pari Passu Shares, pari passu as between themselves, in preference to any other distribution in respect of any other class of Shares (including the Ordinary Shares). The Preference Shares shall not entitle the holders thereof to any further or other right of participation in the profits of the Company.
 - (e) Notwithstanding the generality of the foregoing and subject to Byelaw 9A(6) below, upon any conversion of Preference Shares the Preference Shareholder shall be entitled to a pro rata portion of such Dividend that has accrued thereon up to the date immediately prior to the service of the relevant Conversion Notice.
 - (f) To the extent that the Company shall have insufficient profits available for distribution in order to permit it to pay all or any of such additional amounts as aforesaid the amount of any shortfall shall be treated for all purposes as arrears of dividend.
- (3) Distribution of Assets

On a distribution of assets on liquidation, winding-up or dissolution of the Company or otherwise (but not on conversion of Preference Shares or any repurchase by the Company of Preference Shares or any other Shares), the assets and funds of the Company available for distribution among the members of the Company shall, subject to applicable laws, be applied in the following priority:

- (a) first, in paying to the Preference Shareholders and the holders of any Other Pari Passu Shares, pari passu as between themselves, a sum equal to any arrears and accruals of the Dividend payable respectively on the Preference Shares and such Other Pari Passu Shares held by them, respectively, to be calculated down to and inclusive of the date of the distribution of assets and to be payable whether or not any of such dividends have been declared and whether or not the Company has sufficient funds available for dividend or distribution;

- (b) secondly, in paying to the Preference Shareholders (pro rata to the aggregate of the Reference Amounts of the Preference Shares held by each such holder), *pari passu* as between themselves and the holders of any Other Pari Passu Shares by reference to the aggregate nominal amounts of the Preference Shares and the Other Pari Passu Shares, an amount equal to, respectively, the aggregate of the Reference Amounts of all of the Preference Shares and the issue price of such Other Pari Passu Shares and any premium payable thereon; and
- (c) thirdly, the balance of such assets shall belong to and be distributed on a *pari passu* basis among the holders of any class of Shares, other than the Preference Shares and any other Shares not entitled to participate in the distribution of such assets, in accordance with the respective rights attaching thereto.

(4) Ranking of the Preference Shares

Save as expressly provided in this Bye-law 9A, each Preference Share shall have the same rights as each of the Ordinary Shares. The Company may issue, without obtaining the consent of the Preference Shareholders, shares ranking senior and in priority to or *pari passu* with the Preference Shares as regards order of the participation in profits or assets and carrying such rights as to rates of dividend, voting, redemption, conversion, exchange or otherwise as the Directors may determine, or as the Company may by ordinary resolution determine.

(5) Voting

- (a) The Preference Shares shall not confer on the holders thereof the right to receive notice of, or to attend and vote at, a general meeting of the Company, unless a resolution is to be proposed at a general meeting for winding-up the Company or a resolution is to be proposed which if passed would (subject to any consents required for such purpose being obtained) vary or abrogate the rights or privileges of the Preference Shareholders or vary the restrictions to which the Preference Shares are subject, in which event the Preference Shares shall confer on the holders thereof the rights to receive notice of, and to attend and vote at, that general meeting, save that such holders may not vote upon any business dealt with at such general meeting except the election of a Chairman, any motion for adjournment and the resolution for winding-up or the resolution which if passed would (subject to any consents required for such purpose being obtained) so vary or abrogate the rights and privileges of the Preference Shareholders or vary the restrictions to which the Preference Shares are subject.
- (b) Where Preference Shareholders are entitled to vote on any resolution then, at the relevant general meeting or class meeting, on a show of hands every Preference Shareholder who is present in person or by proxy or (being a corporation) by a representative shall have one vote

and on a poll every Preference Shareholder who is present in person or by proxy or (being a corporation) by a representative shall have one vote for each Ordinary Share into which each Preference Share held by him would be converted if the Conversion Date for such Preference Share were the date 48 hours preceding the date of such general meeting or class meeting.

(6) Conversion

- (a) The Preference Shares shall be convertible at the option of the Preference Shareholder, at any time after the Issue Date and without the payment of any additional consideration therefor, into such number of fully-paid Ordinary Shares as determined in accordance with the then effective Conversion Rate. Notwithstanding the generality of the foregoing in respect of any conversion of Preference Shares, the Converting Shareholders shall be entitled to a pro rata portion of such Dividend that has accrued thereon up to the date immediately prior to the service of a Conversion Notice on the Company to require the Company to convert such Preference Shares to Ordinary Shares.
- (b) Subject to paragraph (f)(i) below, the number of Ordinary Shares to which a Converting Shareholder shall be entitled upon conversion following a Conversion Event shall be the number obtained by multiplying the Conversion Rate then in effect by the number of Preference Shares being converted.
- (c) The Conversion Rate of each Preference Share shall be determined by dividing the Reference Amount of each Preference Share by the Conversion Price in effect at the time of conversion provided that the Conversion Price shall not be less than the then subsisting nominal value of an Ordinary Share into which such Preference Share is convertible.
- (d)
 - (i) Any Preference Shareholder who wishes to convert one or more Preference Shares held by it pursuant to paragraph (a) above shall deliver to the Company at its principal place of business in Hong Kong a Conversion Notice. The Conversion Notice shall be deemed to have been served on the fifth Business Day following the day of posting if sent by registered post (or by pre-paid airmail if posted from outside Hong Kong).
 - (ii) The relevant Preference Shareholder shall deliver to the Company at its principal place of business in Hong Kong for surrender the certificate(s) evidencing the Preference Shares to be converted or, if such certificates have been lost or destroyed, such evidence of title as the Company may reasonably require, at the same time and together with the Conversion Notice given by such Preference Shareholder pursuant to paragraph (d)(i) above.

- (iii) Upon delivery of the Conversion Notice and the certificate(s) evidencing the Preference Shares to be converted by the holder thereof to the Company, the Company shall promptly, and in any event no later than 5 Business Days after the date of receipt of such Conversion Notice and certificate(s):
- (1) issue and deliver to such holder (a) certificate(s) for the number of Ordinary Shares into which the Preference Shares are converted in the name as shown on the certificate(s) evidencing the Preference Shares so surrendered to the Company; or
 - (2) (if so instructed by the Converting Shareholder in the Conversion Notice) issue in the name of HKSCC Nominees Limited, cause to be deposited into CCASS and credited into the CCASS Investor Participant stock account or the stock account of the designated CCASS Participant as instructed in the Conversion Notice, such number of Ordinary Shares into which the Preference Shares are converted,
- in each case together with cash in lieu of any fraction of an Ordinary Share in accordance with paragraph (f) below.
- (e) The Company shall ensure that at all times there is a sufficient number of unissued Ordinary Shares in its authorised share capital to be issued in satisfaction of the exercise of the Conversion Rights of the Preference Shares.
- (f) (i) No fraction of an Ordinary Share arising on conversion will be allotted to the Converting Shareholder of the relevant Preference Share(s) otherwise entitled thereto but such fractions will, when practicable, be aggregated and sold and the net proceeds of sale will then be distributed pro rata among such holders unless in respect of any holding of relevant Preference Shares the amount to be so distributed would be less than HK\$100 (or its equivalent in another currency at a prevailing exchange rate selected by the Directors), in which case such amount will not be so distributed but will be retained for the benefit of the Company. Unless otherwise agreed between the Company and a Converting Shareholder, if more than one Preference Share shall fall to be converted pursuant to any one Conversion Notice, the number of Ordinary Shares to be issued upon conversion shall be calculated on the basis of the aggregate Reference Amount of the relevant Preference Shares. For the purpose of implementing the provisions of this subparagraph, the Company may appoint some person to execute transfers, renunciations or other documents on behalf of persons entitled to any such fraction and generally may

make all arrangements which appear to it to be necessary or appropriate for the settlement and disposal of fractional entitlements.

- (ii) In the event of a consolidation or re-classification of Ordinary Shares by operation of law or otherwise occurring after the Issue Date which reduces the number of Ordinary Shares outstanding, the Company will upon conversion pay in cash (in Hong Kong dollars by means of a Hong Kong dollar cheque drawn on a licensed bank in Hong Kong) a sum equal to such portion of the Reference Amount of the Preference Share or Preference Shares evidenced by the certificate deposited in connection with the exercise of Conversion Rights as corresponds to any fraction of a Ordinary Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds HK\$100.
- (g) (i) Notwithstanding anything to the contrary herein, if the issue of Ordinary Shares following the exercise by a Preference Shareholder of the Conversion Rights relating to any of the Preference Shares held by such Preference Shareholder would result in the Company not meeting the Public Float Requirement immediately after the conversion, then the number of Ordinary Shares to be issued pursuant to such conversion shall be reduced to the maximum number of Ordinary Shares issuable by the Company which would not in the reasonable opinion of the Company result in a breach of the Public Float Requirement and the balance of the Conversion Rights attached to the Preference Shares which the Preference Shareholder sought to convert shall be suspended until such time when the Company is able to issue additional Ordinary Shares in satisfaction of the exercise of the said balance of Conversion Rights and at the same time comply with the Public Float Requirement.
- (ii) In the event that paragraph (g)(i) above shall affect the exercise of the Conversion Right of any Preference Shareholder, the Company shall use reasonable endeavours to procure that there will be a sufficient number of Shares in public hands for the purposes of the Listing Rules so that all Preference Shares suspended from conversion may be converted to the fullest extent as soon as practicable without causing the Company to breach the Public Float Requirement.
- (h) Each Converting Shareholder shall comply with all applicable provisions of the Takeovers Code.

(7) Conversion Price Adjustments

- (a) The Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions:
- (i) if and whenever the Ordinary Shares by reason of any consolidation or sub-division or reclassification become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division or reclassification becomes effective;
 - (ii) if and whenever the Company shall issue any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account), then the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the issued Ordinary Shares immediately before such issued and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Ordinary Shares issued in such capitalisation. Each such adjustment shall be effective (if appropriate, respectively) from the commencement of the day next following the Record Date for such issue.
- (b) If the Conversion Price is adjusted with effect (retroactively or otherwise) from a date on or before the date on which the names of the Preference Shareholders whose Preference Shares are converted into Ordinary Shares pursuant hereto or such other persons as they may direct are entered into the register of holders of Ordinary Shares of the Company and such Preference Shareholders, entitlement were arrived at on the basis of unadjusted Conversion Price, the Company shall procure that such number of Ordinary Shares which would have been required to be issued on conversion of such Preference Shares if the relevant adjustment had been given effect to as at the date of conversion shall be allotted and issued to such Preference Shareholders or such other persons as they may direct.
- (c) Notwithstanding the provisions of paragraph (a) above, in any circumstances where the Directors shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or at a different time from that provided for under the provisions, the Company may

appoint an Independent Financial Adviser, to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if the Independent Financial Adviser shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner including without limitation, making an adjustment calculated on a different basis and/or the adjustment shall take effect from such other date and/or time as shall be certified by the Independent Financial Adviser to be in its opinion appropriate.

- (d) Any adjustment to the Conversion Price shall be made to the nearest cent so that any amount under half a cent shall be rounded down and an amount of half a cent or more shall be rounded up and in no event shall any adjustment (otherwise than upon the consolidation of Ordinary Shares into shares of a larger nominal amount or upon a repurchase of Ordinary Shares) involve an increase in the Conversion Price.
 - (e) No adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions would be less than one cent.
 - (f) Where the result of any act or transaction of the Company, having regard to the provisions of this Bye-law 9A(7), would be to reduce the Conversion Price to below the nominal amount of an Ordinary Share, no adjustment to the Conversion Price shall be made pursuant to any of the relevant provisions of this Bye-law 9A(7) unless (i) the Bye-laws of the Company shall be in such form, or shall have been altered or added to in such manner, as may be necessary or appropriate to enable this paragraph (f) to be implemented, and (ii) implementation of such provisions is not prohibited by and is in compliance with the provisions of the Act.
 - (g) Whenever the Conversion Price is adjusted, the Company shall give notice to the Preference Shareholders that the Conversion Price has been adjusted (setting forth the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof).
- (8) Redemption

The Preference Shares shall be non-redeemable by the Company or the holders thereof but shall be without prejudice to the general power of the Company to purchase its own shares, including the Preference Shares.

(9) Registration

- (a) The Company shall maintain and keep a full and complete register (“**Register**”) as required by applicable laws for purposes of determining the Preference Shares in issue and the Preference Shareholders and recording any transfer, purchase, conversion and/or cancellation of the Preference Shares and the issue of any replacement certificate in respect of the Preference Shares in substitution for any mutilated, defaced, lost, stolen or destroyed certificate in respect of any Preference Shares and of sufficient identification details of all Preference Shareholders from time to time holding the Preference Shares.
- (b) As soon as practicable, and in any event not later than 5 Business Days after the Conversion Date, the Company will, register or procure that its agent to register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Ordinary Shares in the Register and will mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice.
- (c) Preference Shares which are converted will be cancelled by removal of the holder’s name from the Register on the relevant Registration Date (as defined in paragraph (e) below).
- (d) If the Registration Date in relation to any Preference Share shall be on or after a date with effect from which an adjustment to the Conversion Price takes retroactive effect pursuant to any of the provisions in this Bye-law and the relevant Registration Date falls on a date when the relevant adjustment has not yet been reflected in the then current Conversion Price, the Company will procure that the provisions of paragraph (b) above shall be applied mutatis mutandis to such number of Ordinary Shares as is equal to the excess of the number of Ordinary Shares which would have been required to be issued on conversion of such Preference Share if the relevant retroactive adjustment had been given effect as at the said Registration Date over the number of Ordinary Shares previously issued (or which the Company was previously bound to issue) pursuant to such conversion, and in such event and in respect of such number of Ordinary Shares references to the Conversion Date shall be deemed to refer to the date upon which such retroactive adjustment becomes effective (disregarding the fact that it becomes effective retroactively).
- (e) The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Ordinary Shares issuable upon conversion with effect from the date he is or

they are registered as such in the Register (the “Registration Date”). Save as set out in this Bye-law 9A(9), a holder of Ordinary Shares issued on conversion of Preference Shares shall not be entitled to any rights the Record Date for which precedes the relevant Registration Date.

(10) Undertakings

So long as any Preference Share remains capable of being converted into Ordinary Shares:

- (a) the Company will use all reasonable endeavors (i) to maintain a listing for all the issued Ordinary Shares on the Hong Kong Stock Exchange (or the Alternative Stock Exchange, as the case may be) and (ii) to obtain and maintain a listing for any Ordinary Shares issued upon conversion of the Preference Shares on the Hong Kong Stock Exchange; and
- (b) the Company shall pay all fees, capital and stamp duties payable in Hong Kong, if any, in respect of the issue of Ordinary Shares upon conversion of any Preference Shares.

(11) Taxation

All payments by the Company to the holders of the Preference Shares shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Hong Kong or other taxation authority unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, subject to the Company having sufficient profits available for distribution, the Company shall pay such additional amounts as may be necessary in order that the net amounts received by the Preference Shareholders after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the relevant Preference Shares in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Preference Shareholder:

- (a) who is liable to such taxes, duties, assessment or governmental charges in respect of such Preference Shares by reason of his or its having some connection with Hong Kong other than by virtue of his or its being a Preference Shareholder; or
- (b) receiving such payment in Hong Kong and who would be able to avoid such withholding or deduction by satisfying any statutory requirements or by making a declaration of non-residence or other similar claim for exemption to the Hong Kong tax authority but fails to do so.

(12) Payments

- (a) Payment of all amounts in respect of the Preference Shares under the terms and conditions thereof shall be made on the due dates into such bank account as the holder of the relevant Preference Shareholder may notify the Company by at least 5 Business Days' prior notice in writing from time to time. All payments made by the Company in respect of the Preference Shares pursuant to the terms and conditions of this Bye-law 9A shall be made in Hong Kong dollars in immediately available funds.
- (b) If the due date for payment of any amount in respect of the Preference Shares is not a Business Day, the Preference Shareholder will be entitled to payment on the next following Business Day in the same manner together with interest accrued in respect of any such delay.
- (c) If at any time any payments (whether by way of distribution or on a return of capital or otherwise) which are required to be made pari passu as between the holders of the Preference Shares and Other Pari Passu Shares shall not be made in full, in determining the amounts payable to the Preference Shareholders such amounts shall be calculated in Hong Kong dollars (calculated based on the exchange rate quoted by The Hongkong and Shanghai Banking Corporation Limited for the purchase of Hong Kong dollars with HK dollars by telegraphic transfer at 5:00 p.m. on the day immediately preceding the date of the date of the relevant payment) on:
 - (i) in the case of any distribution, the date on which such distribution is cleared;
 - (ii) in the case or a return of a capital, the date on which such return or capital shall become due; and
 - (iii) in the case of any other payment, the date on which such payment shall become due;
- (d) All payments or distributions with respect to Preference Shares held jointly by two or more persons shall be paid or made to whichever of such persons is named first in the Register and the making of any payment or distribution in accordance with this sub-paragraph shall discharge the liability of the Company in respect thereof.

(13) Transfer

The Preference Shares (and each of them) may be assigned or transferred by the holder thereof without restriction, provided that the holder thereof shall give prior written notice to the Company and (if applicable) the Hong Kong Stock Exchange where the assignee or transferee is a

connected person of the Company (as defined in the Listing Rules). The Company shall facilitate any such assignment or transfer of the Preference Shares.”

The Whitewash Waiver

6. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as an **ordinary** resolution:

“**THAT** subject to resolutions nos.1–4 as set out in the Notice having been passed, the waiver (the “**Whitewash Waiver**”) granted or to be granted by the Executive Director (including his delegates) of the Corporate Finance Division (the “**Executive**”) of the Securities and Futures Commission of Hong Kong (the “**SFC**”) pursuant to Note 1 on dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) waiving any obligation (either unconditionally or subject to such conditions as may be required by the SFC) on the part of the Investor and parties acting in concert with it, to make a general offer for all the New Shares not already owned by them or agreed to be acquired upon completion of or as a result of the transactions contemplated under the Restructuring Agreement and the Underwriting Agreement, be and is hereby approved and the Provisional Liquidators and the Directors be and are hereby authorised generally to do all such acts, deeds and things and to sign, execute and deliver all such documents (including the affixation of the common seal of the Company where required) as they may, in their absolute discretion, consider necessary, desirable or appropriate to give effect, implement and complete any matters relating to or in connection with the Whitewash Waiver and the transactions contemplated thereunder.”

The Debt Restructuring and the Special Deals

7. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as an **ordinary** resolution:

“**THAT** subject to the Executive giving consent pursuant to Rule 25 of the Takeovers Code (either unconditionally or subject to such conditions as may be required by the Executive):

- (a) the settlement of the liabilities (the “**Settlement**”) due by the Company to any person, firm or company to whom the Company owes any debt, liability or obligation of the Company (the “**Creditors**”) under the Scheme (as defined below) some of whom are also shareholders of the Company (the “**Interested Shareholders**”) on the Scheme Effective Date (as defined below) by way of cash repayment of HK\$35,000,000 and the allotment and issue of 157,600,000 New Shares (representing approximately 19.7% of the enlarged issued share capital of the Company at Closing (as defined below) credited as fully paid (the “**Creditors Subscription Shares**”) by the Company to the Scheme Administrators (as defined below) immediately after Closing be and are hereby approved, confirmed and ratified;

- (b) subject to the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Creditors Subscription Shares either unconditionally or subject to such conditions as may be required by the Stock Exchange, the Company and/or the Provisional Liquidators be and is hereby authorized to allot and issue the Creditors Subscription Shares to the Scheme Administrators;
- (c) the put option to be granted by the Investor to the Creditors (the “**Creditors Put Option**”) so that each Creditor, if he elects to exercise such Creditors Put Option, shall be entitled to sell his New Shares to the Investor at a price of HK\$0.1586 per New Share (equivalent to approximately HK\$25,000,000 assuming such Creditors Put Option are fully exercised) at any time within six months from the date of the Scheme Administrators transferring the said New Shares to such Creditor be and are hereby approved, confirmed and ratified;
- (d) the transfer of the Excluded Companies (as defined below) to a company wholly-owned by the Scheme Administrators pursuant to the Scheme for the benefit of the Creditors (the “**Disposal**”) be and are hereby approved, confirmed and ratified;
- (e) the Provisional Liquidators and the Directors be and are hereby authorised generally to do all such acts, deeds and things and to sign, execute and deliver all such documents (including the affixation of the common seal of the Company where required) as they may, in their absolute discretion, consider necessary, desirable or appropriate to give effect, implement and complete any matters relating to or in connection with the Settlement, the Creditors Subscription Shares, the Creditors Put Option, the Disposal and the transactions contemplated thereunder (all of which being part of the Debt Restructuring (as defined below) and each constitutes a special deal under Rule 25 of the Takeovers Code (collectively as the “**Special Deals**”));

For the purpose of this resolution,

“**Closing**” means completion of all the transactions under the Restructuring Agreement;

“**Debt Restructuring**” means the restructuring of the indebtedness and liabilities of the Company pursuant to the Scheme;

“**Excluded Companies**” mean all those companies, in which the Company has invested directly or indirectly and their operations have been ceased after trading in the shares of the Company have been suspended commencing on 17 July 2006 and their financial statements have been deconsolidated from the Group’s consolidated financial statements since 1 January 2005, details of the Excluded Companies are set out in the Scheme;

“**Hong Kong Companies Ordinance**” means the Companies Ordinance of Hong Kong (Cap.32 of the Laws of Hong Kong) as amended from time to time;

“**Scheme**” means the scheme of arrangement made under section 166 of the Hong Kong Companies Ordinance made between the Company and the Scheme Creditors which has been sanctioned, and the modifications approved by, the High Court of Hong Kong (a copy of which marked “**SA**” has been produced to the Meeting and signed by the Chairman of the Meeting for identification purpose);

“**Scheme Administrators**” mean Mr Lai Kar Yan, Derek and Joseph Kin Ching Lo of Deloitte Touche Tohmatsu jointly and severally or their successors appointed pursuant to the Scheme;

“**Scheme Effective Date**” means the later of the date the Scheme shall become effective on the date that an office copy of an order of the High Court of Hong Kong sanctioning the Scheme is delivered to the Registrar of Companies in Hong Kong for registration and the date that an office copy of the order of the Supreme Court of Bermuda recognizing the Scheme is delivered to the Registrar of Companies in Bermuda;”

The Acquisition of Tak Lee

8. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as an **ordinary** resolution:

“**THAT** the sale and purchase agreement dated 30 July 2010 (as supplemented by a supplemental agreement dated 30 June 2011) (the “**SPA**”) entered into between Fast Excel Limited, a wholly-owned subsidiary of the Company as purchaser (“**Fast Excel**”) and Leung Pui Kwan and Leung Kwai Cheung as vendors (the “**Vendors**”) in relation to the acquisition of the entire issued share capital of Tak Lee Metal Manufactory (Hong Kong) Company Limited (“**Tak Lee**”) at a cash consideration of HK\$500,000 plus the net asset value of Tak Lee as shown in the management accounts as of 31 July 2010, and the transactions contemplated thereunder (a copy of the SPA marked as “**SPA**” has been produced to the Meeting and signed by the Chairman of the Meeting for the purpose of identification) be and is hereby confirmed, approved and ratified and the Provisional Liquidators and the Directors be and are hereby authorised generally to do all such acts, deeds and things and to sign, execute and deliver all such documents (including the affixation of the common seal of the Company where required) as they may, in their absolute discretion, consider necessary, desirable or appropriate to give effect, implement and complete any matters relating to or in connection with the SPA and the transactions contemplated thereunder.”

The Establishment of GMA JV

9. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as an **ordinary** resolution:

“**THAT** the joint venture agreement dated 20 July 2010 (as supplemented by two supplemental agreements dated 27 June 2011 and 21 September 2011) (the “**JVA**”) entered into between Fast Excel and Gold Mountain Aluminium Ltd (“**GMA**”) in respect of the establishment of a joint venture, namely the GMA JV, which will be owned as to 60% by Fast Excel and 40% by GMA with total investment of HK\$50 million (a copy of the JVA marked as “**JVA**” has been produced to the Meeting and signed by the Chairman of the Meeting for the purpose of identification), and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified and the Provisional Liquidators and the Directors be and are hereby authorised generally to do all such acts, deeds and things and to sign, execute and deliver all such documents (including the affixation of the common seal of the Company where

required) as they may, in their absolute discretion, consider necessary, desirable or appropriate to give effect, implement and complete any matters relating to or in connection with the JVA and the transactions contemplated thereunder.”

Appointment of Directors

10. As special business to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:
- (a) “**THAT** Mr Mung Hing Choy be and is hereby appointed as an executive director of the Company; and
 - (b) Mr Tsoi Tong Hoo, Tony be and is hereby appointed as a non-executive director of the Company.”

By order of the board of directors of
OCEAN GRAND HOLDINGS LIMITED
(Provisional Liquidators Appointed)
Ang Mei Lee, Mary
Director

For and on behalf of
OCEAN GRAND HOLDINGS LIMITED
(Provisional Liquidators Appointed)
Lai Kar Yan, Derek
Joseph Kin Ching Lo
Joint and Several Provisional Liquidators
acting as agents for and on behalf of
Ocean Grand Holdings Limited
without personal liability

Hong Kong, 31 October 2011

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:
35/F., One Pacific Place
88 Queensway, Hong Kong

Notes:

- (1) Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
- (3) In the case of joint holders of a share if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
- (4) In order to be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or their authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company’s branch share registrar in Hong Kong, Tricor Tengis

Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

- (5) A member may appoint a proxy in respect of part only of his holding of shares in the Company. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual, or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
- (6) Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish.
- (7) Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll. Therefore, the Chairman of the Meeting will demand that all resolutions will be voted by way of poll at the Meeting.

As at the date of this notice, the board of directors of the Company comprises five executive directors, namely Mr Kwan Man Wai, Dr Hui Ho Ming, Herbert, JP, Mr Li Lee Cheung, Mr Chin Chang Keng, Raymond and Ms Ang Mei Lee, Mary.

*Please also refer to the published version of this announcement on the Company's website:
<http://www.ogh-1220.info>.*