

**OCEAN GRAND CHEMICALS HOLDINGS LTD:  
CHAIRMAN YIP KIM PO'S LATEST ATTEMPT TO GET CASH**

The flotation of Ocean Grand Chemicals Holdings Ltd (Code: 2882, Main Board, The Stock Exchange of Hongkong Ltd) was, in essence, a spin-off of a Main Board company, namely, Ocean Grand Holdings Ltd (Code: 1220, Main Board, The Stock Exchange of Hongkong Ltd).

This was clearly stated in the Prospectus of Ocean Grand Chemicals.

The Initial Public Offering (IPO) raised about \$HK55 million, net of expenses, with the stated rationale of the flotation, being:

1. Making the business of Ocean Grand Chemicals more transparent;
2. Making it possible to raise more money, if and when required;
3. Enabling prospective investors to buy into the Company;
4. Providing incentives for existing Management personnel;
5. Helping to expand the Company's operations; and,
6. Enabling Management to be more focused on the business of Ocean Grand Chemicals.

What a load of twaddle!

The June 17 flotation was an Offer of 118,864,000 Shares of 10 cents each at a Premium of 78 cents per Share.

Of the total number of shares on Offer, the Company Offered 11,888,000 Shares and the Company Placed another tranche of 66,612,000 New Shares.

In addition, 40,364,000 shares were sold by 12 Independent Subscribers – the Sale Shares – and Successful Gold Profits Ltd, a wholly owned subsidiary of the Company, in the proportions of 38,057,580 Shares and 2,306,420 Shares, respectively.

The vendors of these Sale Shares raked in about \$HK35.52 million, gross, a little bit less than that which the Company was able to rake in.

The Independent Subscribers took up their respective stakes in April and May, last year, at an aggregate price of a little less than \$HK35 million, by buying 113,352 shares in a wholly owned subsidiary of Ocean Grand Chemicals, namely Kenlap P.G.C. Manufacturer Company Ltd.

The deal with these 12 investors was that, if Ocean Grand Chemicals was not spun off by May 16, 2003, Ocean Grand Holdings would repurchase the shares of the Independent Subscribers at a price, which represented a 20-percent premium to the original purchase price.

Therefore, Ocean Grand Holdings had planned to spin off Ocean Grand Chemicals, going back to April 2002 – at least.

However, since the float did not take place on schedule, Ocean Grand Holdings had to renegotiate a deal with the Independent Subscribers.

Ergo: There was a little problem insofar as available cash to repay the \$HK35 million was concerned.

If that had not been the case, for what reason had there been a requirement to renegotiate a supplemental agreement with the Independent Subscribers?

What happened, in respect of the renegotiations ... [CLICK TO ORDER FULL ARTICLE](#)

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