



OCEAN INTERNATIONAL HOLDINGS LIMITED

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NEWS RELEASE

OCEAN INTERNATIONAL'S IPO 3.7 TIMES SUBSCRIBED

Singapore, January 27, 2005 – Ocean International Holdings Limited (“Ocean International” and together with its subsidiaries, “the Group”) (海洋国际控股有限公司), a vertically integrated processed seafood products manufacturer, today announced that its initial public offering (“IPO”) was 3.7 times subscribed.

At the close of application at 12.00 noon on 26 January 2005, 2,044 valid applications were received for the 5,835,000 Offer Shares available to the public for subscription. In total, these applicants applied for 161,181,000 Offer Shares, with application monies received amounting to approximately S\$33.8 million.

In addition, Ocean International's placement tranche of 52,515,000 shares also received strong interest from individuals and corporate investors. Among the investors who took up the Placement Shares were Mr. Henry Ngo and Allisland Pte Ltd, a company owned by Mr. Ngo, who in aggregate took up 11,600,000 shares, representing approximately 19.9% of the total invitation size of 58,350,000 shares. Thy Seng Trading Co. Pte Ltd, a subsidiary of China Food Industries Limited, took up 3,000,000 shares, representing approximately 5.1% of the total invitation. Application monies received for the entire placement tranche amounted to approximately S\$11.0 million.

Based on the total invitation size of 58,350,000 New Shares and the total valid applications amounting to 213,678,000 shares, the IPO is approximately 3.7 times subscribed.

Mr. Zhang Aihua, Executive Chairman of Ocean International said, “ We believe the warm response to our IPO is a recognition of our business model and our strong fundamentals. Our successful listing unfolds a new chapter in our company history and with the support received, we are motivated to drive our expansion efforts and growth plans.”

Hong Leong Finance Limited and UOB Asia Limited are the Joint Lead Managers while the latter is also the Underwriter and Placement Agent for Ocean International’s IPO.

Ocean International expects to start trading of its shares on SGX-ST at 9.00 a.m. on Friday, 28 January 2005.

Use of Proceeds

Ocean International plans to use the estimated net Invitation proceeds of approximately S\$9.0 million as follows:

- Approximately S\$3.1 million (or approximately RMB15.5 million) to expand operations and production capacity in the PRC and in Vietnam by acquiring new production facilities, machinery and equipment as well as upgrading existing facilities. This will include financing the construction of a new manufacturing facility at West of Andongwei Street, Rizhao city, Shandong province, the PRC and, if feasible, purchasing new equipment and leasing new factory premises in Vietnam;
- Approximately S\$1.0 million (or approximately RMB4.9 million) for investment in the research and development of new products and improving the quality of existing products, including the proposed investment in a joint research project to be undertaken in collaboration with the Ocean University of China;

- Approximately S\$0.4 million (or approximately RMB2.0 million) for marketing, advertising and promotional activities;
- Approximately S\$2.9 million (or approximately RMB14.5 million) to repay certain of the Group's borrowings; and
- The balance as working capital for the Group.

Financials

For FY2003, the Group reported sales of approximately RMB255.3 million, an increase of approximately 58.1% from the RMB161.5 million recorded in FY2002. The Group achieved a net profit of approximately RMB30.8 million in FY2003, up 74.0% from RMB17.7 million in FY2002.

For HY2004, sales were RMB134.0 million, up 39.7% from RMB95.9 million in HY2003. Net profit was RMB9.1 million, up 37.9% from the RMB6.6 million recorded in the previous corresponding period.

About Ocean International

Ocean International produces, processes and distributes processed seafood products. Its two main product categories are surimi-based products (including crabsticks, fishballs and chikuwa) and frozen fish fillets made from various types of fish, including Alaskan pollock and redfish. Surimi is a fish paste made from fish meat which is commonly used to manufacture imitation seafood products.

More than 80% of the Group's sales in each of the last three financial years ended 31 December 2003 were exported to overseas markets such as Europe (including France, Spain, Denmark, Germany, Russia, Czech Republic and The Netherlands), Canada, Israel, Japan, Singapore and the US, with the PRC market accounting for the Group's remaining sales. The Group's products are mostly sold under its customers' brands, but some are sold under its own "Changhua" brand. In FY2004, the Group began selling some of its products to the US under the "Changhua" brand. In FY2003 and HY2004, approximately 87.2% and 64.3% of the Group's sales were derived from repeat customers respectively.

As testimony to its commitment to quality, the Group has been awarded several accreditations and certifications, including but not limited to, the Hazard Analysis Critical Control Point (“HACCP”) system certification and the Certification of Gosstandart of Russia (“GOST R certification”) which are required for the export of certified products to the US and Russia respectively, registration with the European Commission for the import of fishery and aquaculture products into the European Union, as well as the ISO9001:2000 certification.

To meet the changing requirements and preferences of consumers, the Group conducts research and development to improve existing products and develop new products. The Group signed a letter of intent with the Ocean University of China (中国海洋大学) in May 2004 which was subsequently followed by a memorandum of co-operation in September 2004 to conduct joint research on, amongst others, the development of new surimi-based products as well as to find new uses for by-products arising from its production process. The Group has since commenced the preliminary stages of such joint research efforts. It intends to expand its product range and improve on the quality of its products through constant R&D efforts.

ISSUED ON BEHALF OF	:	Ocean International Holdings Limited
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