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# **OCEAN SHORES GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

## **ANNOUNCEMENT**

This announcement is made in response to the increases in the price and trading volume of the shares of Ocean Shores Group Limited (the "Company").

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

We have noted the recent increase in the price and trading volume of the shares of the Company and wish to state that we are not aware of any reasons for such increase.

The board of directors (the "Board") of the Company wishes to state that the Company has been in discussion since 19th November 2001 with an independent third party based in PRC concerning a possible business engaging in the distribution of 35mm films movies in PRC. The discussion is at a very preliminary stage and up to the present moment, no concrete terms, including the price, have been determined. The discussion may or may not lead to a concluded transaction.

Referred to the announcement in respect of a possible acquisition of the company which the main business is the distribution of the VCD in PRC on 8th November 2001, up to the present moment, no concrete terms, including the price, have been determined.

The Company will keep the public informed of further development in respect of the aforesaid issues.

Save as referred to the above, we confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Made by the order of the Board of the Company, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

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

By Order of the Board  
**Ocean Shores Group Limited**  
**Lei Hong Wai**  
*Executive Director*

Hong Kong, 20th November, 2001