HONG KONG RESOURCES HOLDINGS COMPANY LIMITED
香港資源控股有限公司

(Formerly known as OCEAN GRAND CHEMICALS HOLDINGS LIMITED
海域化工集團有限公司*)

(Incorporated in Bermuda with limited liability and carrying on business in Hong Kong as HKRH China Limited)

(Stock Code: 2882)

Annual Report 2009

* *for identification purpose only*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Wong, Kennedy Ying Ho[b], BBS, J.P., Chairman *(Appointed on 30 September 2008)*
Mr. Chui Chuen Shun[b] *(Appointed on 30 September 2008)*
Dr. Hui Ho Ming, Herbert, J.P.
Mr. Mung Kin Keung *(Appointed on 30 September 2008 as Non-executive Director and re-designated on 31 October 2008 as Executive Director)*

Non-executive Director

Mr. Yin Richard Yingneng *(Appointed on 30 September 2008)*

Independent Non-executive Directors

Mr. Fan Anthony Ren Da[a, b] *(Appointed on 30 September 2008)*
Ms. Estella Yi Kum Ng[a, b] *(Appointed on 30 September 2008)*
Mr. Wong Kam Wing[a, b] *(Appointed on 30 September 2008)*

a *Member of the Audit Committee*
b *Member of the Remuneration Committee*

COMPANY SECRETARY

Mr. Michael Sui Wah Wong *(Appointed on 30 September 2008)*

AUDITORS

Ray W.H. Chan & Co.
Certified Public Accountants

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL OFFICE IN HONG KONG

Rooms 1402-03, 14th Floor
Admiralty Centre, Tower 2
18 Harcourt Road
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

2882

COMPANY WEBSITE

www.hkrh.hk

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

On behalf of the Board of Directors (the "**Board**") of Hong Kong Resources Holdings Company Limited (the "**Company**"), I am pleased to present the results and operations of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2009 (the "**Year**").

BUSINESS REVIEW

The Group was principally engaged in the trading of gold salt, precious metal and electroplating chemicals in Hong Kong.

The turnover of the Group for the Year was HK$95,138,000 compared to HK$52,696,000 for the last year. The increase was mainly due to the resumption of trading business through Trump Power Limited, a wholly-owned subsidiary of the Company formed in October 2007, with funding support from Perfect Ace Investments Limited, the existing controlling shareholder of the Company.

The profit attributable to shareholders of the Company for the Year was HK$275,664,000 while a loss attributable to shareholders of HK$7,633,000 was recorded for the last year. As the Company completed its Restructuring (as defined in note 3 to the financial statements) in September 2008, a non-recurring gain on disposal of Excluded Subsidiaries (as defined in note 3 to the financial statements) of HK$344,714,000 was recognized during the Year.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2008: Nil).

RESTRUCTURING

As a result of the applications supported by Dr. Hui Ho Ming, Herbet (who also funded the initial application costs), provisional liquidators were appointed for the Company by the order of the High Court of Hong Kong on 24 July 2006 and by the order of the Supreme Court of Bermuda on 25 July 2006. Trading in the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") was suspended at the request of the Company on 17 July 2006.

On 22 February 2008, the Company announced a restructuring plan of the Group, involving capital reorganization, debt restructuring, subscription of shares and preference shares.

RESTRUCTURING (continued)

In September 2008, upon the successful implementation of the restructuring plan, court orders for the discharge of the provisional liquidators of the Company were granted on 25 September 2008 by the Supreme Court of Bermuda and on 30 September 2008 by the High Court of Hong Kong. Details of the Restructuring are set out in note 3 to the financial statements.

On 3 October 2008, the Company's shares resumed trading on the Stock Exchange after a suspension period of over two years. The fact that it was able to do so, in spite of the global market turmoil, reflected on the commitment to the Group by the new Board and executive management team working in tandem with a group of dedicated professional advisors.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at a special general meeting on 2 January 2009, with effect from 7 January 2009 the Company changed its official registered English name from "Ocean Grand Chemicals Holdings Limited" to "Hong Kong Resources Holdings Company Limited" and adopted the new Chinese name of "香港資源控股有限公司" as the Company's secondary name to replace the Chinese name of "海域化工集團有限公司" for identification purpose only. The Board believes that the change of company name could better reflect the Group's core business in the future and provides the Company with a fresh new corporate identity which is in the interest of the Company and its shareholders as a whole.

The Company also received an approval dated 24 February 2009 from the Companies Registry of Hong Kong regarding the adoption of "HKRH China Limited" as the Company's English trade name for the purpose of carrying business in Hong Kong.

INTRODUCTION OF CORNERSTONE INVESTORS

In 2009, the Group successfully introduced Shau Kee Financial Enterprises Limited and Chinachem Group as its anchor shareholders. We believe our management's experience in the gold industry and our extensive network in China are the keys to our success, and the leading factors which enable us to attract their investments. The deal enables us to have a stronger investor base which can help to drive the Group's future business development.

ACQUISITION OF 3D-GOLD

An announcement was made on 22 January 2009 that China Gold Silver Group Company Limited ("**China Gold Silver**"), a 66.67% owned subsidiary of the Company, entered into an agreement (the "**Agreement**") with Mr. Liu Wang Zhi, 3D-GOLD Jewellery Holdings Limited ("**3D-GOLD**") and its provisional liquidators for the acquisition of the restructured group of 3D-GOLD or its business at a non-fixed consideration of HK$500,000,000.

On 5 May 2009, China Gold Silver and Ace Captain Investments Limited ("**Ace Captain**"), a company wholly-owned by Mr. Martin Lee Ka Shing, entered into a subscription agreement that Ace Captain conditionally agreed to subscribe for 333 new shares of China Gold Silver at an aggregate consideration of HK$33,300,000. The subscription completed on 4 June 2009, as a result, Ace Captain owns a 10% interest in China Gold Silver while the Group and Mr. Liu Wang Zhi own a 60% and a 30% stake in China Gold Silver respectively.

This transaction provides China Gold Silver more capital to facilitate the acquisition of 3D-GOLD. It also reflects investors' confidence and optimism in the completion of acquisition on 3D-GOLD.

The shareholders of the Company approved the entering into of the Agreement and the transaction contemplated thereunder at the Company's special general meeting held on 29 June 2009 on the basis of Completion with Share Transfer (please refer to the Company's circular dated 12 June 2009 and announcement dated 29 June 2009 for details).

Creditors of 3D-GOLD have approved the proposed restructuring of 3D-GOLD with the Company on 4 May 2009. The results of the creditors' meetings were then submitted to both the Hong Kong Court as well as the Bermuda Court for sanctioning of the Hong Kong Scheme. The Bermuda Scheme of 3D-GOLD was unanimously approved at the creditors' meeting held on 23 June 2009, and the Bermuda Court sanctioned the Bermuda Scheme on 26 June 2009. Petitions were filed with the Hong Kong Court on 26 and 29 June 2009 seeking sanction of the Hong Kong Scheme and those petitions have been listed for hearing on 7 July 2009.

Further announcements in respect of the acquisition will be made as and when required under the Rules Governing the Listing of Securities on the Stock Exchange.

PROSPECTS

The global economic paradigm had presented us with both significant challenges and opportunities. Despite some near term volatility, we should be optimistic about gold in the long term because of strong investment demand and also increased jewelry buying. China is set to become the world's largest market for gold in 2009 in terms of production, fabrication and consumption. According to the data issued by the National Bureau of Statistics of China in June 2009, the retail spending on consumer goods in May 2009 reached RMB1,002.8 billion, a growth of 15.2% comparing to May 2008, in which the category of gold and silver jewelry had a growth of 28.7%. The demand this year is expected to remain strong in China and the largest single source of gold demand in China is in the form of jewelry. Although the weakened economy is affecting jewelry demand in parts of the world, China (along with the Middle East and India) continues to drive the demand for gold jewelry despite higher gold prices. In the rest of the world, consumers will eventually adapt to the new higher prices and gold consumption should continue.

While the Group continues to adopt a highly prudent approach to credit risk in relation to the existing business of gold salt trading, the Group is exploring investment opportunities in gold and other metal industry for enhancing its future development, including but not limited to opportunities in upstream and downstream metal business.

The acquisition of 3D-GOLD will diversify our business and income-base, so as to sustain a fruitful return to our shareholders. After the completion of the acquisition, the Group aims to develop an integrated business model for its metal businesses. The Group will continue to explore opportunities in its upstream business while 3D-GOLD will engages in the downstream retail business. These synergies will further create value for our shareholders.

With our expertise in the gold industry, and extensive China network, together with the support of our investors, we are well-positioned to tap into and further develop in the optimistic gold market in China and maximize the value for our shareholders.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2009, the Group had bank balances and cash of HK$115,803,000 (2008: HK$73,087,000) while total net assets was HK$215,758,000 (2008: total net liabilities of HK$359,963,000). The Group's gearing ratio, being a ratio of total bank and other borrowings to shareholders' funds, was nil as at 31 March 2009.

Pursuant to the Restructuring Agreement (as defined in note 3 to the financial statements), the Group has undergone a capital restructuring on 30 September 2008 and details are set out in note 3 to the financial statements. In addition, the Company conducted 2 placements of totaling 63,500,000 shares in February 2009, for which the Group received net proceeds of HK$50,440,000.

CONTINGENT LIABILITIES

Contingent liabilities of the Group as at 31 March 2009 are set out in note 37 to the financial statements.

FOREIGN EXCHANGE EXPOSURE

As at 31 March 2009, the majority of the Group's assets and liabilities were denominated in Hong Kong dollars. The Board considered its exposure to foreign exchange risk was insignificant, therefore no financial instruments was made to hedge such exposure.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2009, the Group had 15 employees. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, the Group's performance, and individual qualifications and performance.

Disclosure of directors' emoluments is set out in note 13 to the financial statements.

APPRECIATIONS

On behalf of the Board, I would like to take this opportunity to express our appreciation to the staff and management team of the Group for their contribution during the year and also to give our sincere gratitude to all our shareholders for their continuous support.

By order of the Board
Hong Kong Resources Holdings Company Limited

Dr. Wong, Kennedy Ying Ho, BBS, J.P.
Chairman

Hong Kong, 30 June 2009

BIOGRAPHICAL DETAILS OF DIRECTORS

EXECUTIVE DIRECTORS

Dr. Wong, Kennedy Ying Ho, *BBS, J.P.*, Chairman, aged 46, was appointed as an executive director on 30 September 2008. Dr. Wong is a solicitor, China Appointed Attesting Officer and a director of the China Law Society. He is the managing partner of Philip K.H. Wong, Kennedy Y.H. Wong & Co., Solicitors & Notaries, a solicitors' firm headquartered in Hong Kong with offices in Beijing and Shanghai. Dr. Wong is also a director of Asia Cement (China) Holdings Corporation, China Overseas Land & Investment Limited, Goldlion Holdings Limited, Qin Jia Yuan Media Services Company Limited, Great Wall Technology Company Limited, Pacific Alliance Asia Opportunity Fund Limited, Pacific Alliance China Land Limited, Bohai Industrial Investment Fund Management Company Limited and Hong Kong Airlines Limited, all are listed companies or multi-national companies with substantial investments in the PRC or Asia.

Dr. Wong is a National Committee Member of the Chinese People's Political Consultative Conference and vice chairman of the All China Youth Federation. He is also a member of the Election Committee of Hong Kong responsible for electing Hong Kong's Chief Executive and a deputy convenor of the New Century Forum, an influential political think-tank in Hong Kong. He is also a co-founder of the Hong Kong Legal Forum. Dr. Wong has served on Hong Kong's legislature from 1996 to 1998 and was selected as one of the Ten Outstanding Young Persons of Hong Kong in 1998 and then one of the Ten Outstanding Young Persons of the World in 2003.

Mr. Chui Chuen Shun, aged 55, was appointed as an executive director on 30 September 2008. He is an honorary associate of the Hong Kong Baptist University and has obtained a master degree of science in financial studies from Scottish Business School, University of Strathclyde, United Kingdom, and is also a fellow member of the Hong Kong Institute of Certified Public Accountants. He previously had worked for China Light and Power Group for more than 20 years in various management positions and his last position was an assignment to the China Shenzhen Daya Bay Nuclear Station as the Chief Auditor for the joint venture company. Mr. Chui has considerable working experience in corporate governance and risk management.

EXECUTIVE DIRECTORS (continued)

Dr. Hui Ho Ming, Herbert, *J.P.*, aged 51, was appointed as an executive director in August 2002. Dr. Hui has over 20 years experience in merchant banking, securities regulation as well as extensive commercial and corporate finance experience; Vice chairman of First Vanguard Private Equity Ltd; Chairman of the China Supply Company Limited and independent non-executive director of Citic 21 CN Company Limited and Dynasty Fine Wines Group Limited (both are listed on the main board of the Stock Exchange); Deputy chief executive and head of the listing division, The Hong Kong Stock Exchange Limited (1992 to 1997); Vice chairman of Hong Kong Council for Academic Accreditation and Vocational Qualification; Chairman of finance committee of the APAS Research and Development Centre; Immediate past chairman of the Hong Kong Institute of Directors; Appointed as a justice of the Peace in 2004.

Mr. Mung Kin Keung, aged 48, was appointed as a non-executive director on 30 September 2008 and re-designated as an executive director on 31 October 2008. Mr. Mung has an honorary doctor degree from Sinte Gleska University of California. Mr. Mung is a standing committee member of All-China Federation of Youth of the PRC. He is also the recipient of Outstanding Chinese of the World Award for 2007. Mr. Mung is a director of Jebsen Holdings Limited and Asia United Logistics Group Company Limited, a property developer in Hainan, PRC and a nationwide logistics business in the PRC respectively.

NON-EXECUTIVE DIRECTOR

Mr. Yin Richard Yingneng, aged 56, was appointed as a non-executive director on 30 September 2008. Mr. Yin is a fellow member of the Institute of Chartered Accountants of both England & Wales and Australia. Mr. Yin has over 10 years' experience in various regulatory organizations. He had held various senior positions in the Australian Securities Commission, the New South Wales Corporate Affairs Commission as well as the Securities and Futures Commission of Hong Kong where he held the position of director of intermediaries supervision. Mr. Yin is a non-executive director of Sino-Ocean Land Holdings Limited and an independent non-executive director of Goldlion Holdings Limited, both companies are listed on the main board of the Stock Exchange. Mr. Yin was also a non-executive director of First China Financial Holdings Limited, which is a company listed on the Growth Enterprise Market of the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fan, Anthony Ren Da, aged 49, was appointed as an independent non-executive director on 30 September 2008. Mr. Fan is the chairman and managing director of AsiaLink Capital Limited. His expertise lies in the field of general management, corporate finance, mergers and acquisitions, venture capital, company consolidation and restructuring. Prior to that, Mr. Fan held senior positions in a number of international financial institutions and was the managing director of a public company listed on the Stock Exchange. Mr. Fan received his master of business administration degree from the United State of America and is now a doctor of philosophy candidate in Shanghai Jiaotung University.

Mr. Fan is an independent non-executive director of Uni-President China Holdings Limited, Raymond Industrial Limited, Chinney Alliance Group Limited, Renhe Commercial Holdings Company Limited and CITIC Resources Holdings Limited, companies listed on the Stock Exchange. Mr. Fan also holds other directorship in a number of companies and organizations.

Ms. Estella Yi Kum Ng, aged 52, was appointed as an independent non-executive director on 30 September 2008. Ms. Ng is the chief financial officer of Country Garden Holdings Company Limited, a company listed on the Stock Exchange. From September 2005 to November 2007, she was an executive director of Hang Lung Properties Limited, a company listed on the Stock Exchange. Prior to her joining to Hang Lung Properties Limited in 2003, she was employed by the Stock Exchange in a number of senior positions, most recently as senior vice president of the listing division. Prior to that, she gained valuable auditing experience with Deloitte Touche Tohmatsu. Ms. Ng is a qualified accountant and holds a master of business administration degree from the Hong Kong University of Science and Technology. She is an associate of the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Secretaries and Administrators and a fellow of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. She has also contributed her time to various public service appointments including being a co-opted member of the audit committee of the Hospital Authority and corporate advisor to the Business School of Hong Kong University of Science and Technology.

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Wong Kam Wing, aged 59, was appointed as an independent non-executive director on 30 September 2008. Mr. Wong is a member of the Hong Kong Institute of Certified Public Accountants. He has worked for China Light and Power Group for more than 30 years, in which, he obtained considerable professional experience in project development and financial management. He has been assigned key positions in several joint venture companies including Daya Bay, Huaiji and Shandong power projects.

RESERVES

Details of movements in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity and note 34 to the financial statements respectively.

DISTRIBUTABLE RESERVES

Details of the distribution reserves of the Company as at 31 March 2009 are set out in note 34 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of Group and the Company during the Year is set out in note 18 to the financial statements.

SHARE OPTION SCHEME

Details of movements in the share option of the Company during the Year is set out in note 33 to the financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 32 to the financial statements.

DIRECTORS

The directors of the Company during the Year and up to the date of this annual report were as follows:

Executive Directors:

Dr. Wong, Kennedy Ying Ho	*(appointed on 30 September 2008)*
Mr. Chui Chuen Shun	*(appointed on 30 September 2008)*
Dr. Hui Ho Ming, Herbert	
Mr. Mung Kin Keung	*(appointed as a Non-executive Director on 30 September 2008 and re-designated as an Executive Director on 31 October 2008)*
Mr. Chin Chang Keng, Raymond	*(resigned on 6 October 2008)*
Ms. Ang Mei Lee, Mary	*(resigned on 6 October 2008)*
Mr. Yip Kim Po	*(removed on 30 September 2008)*
Mr. Lin Jianping	*(removed on 30 September 2008)*

Non-executive Director:

Mr. Yin Richard Yingneng	*(appointed on 30 September 2008)*

Independent Non-executive Directors:

Mr. Fan, Anthony Ren Da	*(appointed on 30 September 2008)*
Ms. Estella Yi Kum Ng	*(appointed on 30 September 2008)*
Mr. Wong Kam Wing	*(appointed on 30 September 2008)*

In accordance with the Company's bye-laws 86(2), 87(1) and 87(2), Mr. Yin Richard Yingneng, Mr. Fan, Anthony Ren Da and Mr. Wong Kam Wing shall retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-elation.

Biographical details of Directors are set out on pages 10 to 13.

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST-PAID EMPLOYEES

Particulars of the emoluments of the Directors and the five highest-paid employees of the Group during the Year are set out in note 13 to the financial statements.

DIRECTORS' SERVICE CONTRACT

None of Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTEREST IN CONTRACT OF SIGNIFICANCE

No contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which Directors had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed in note 33 to the financial statements, at no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate, neither the Directors nor any of their spouses or children under age of 18, had any right to subscribe for the securities or debt securities of the Company or had exercised any such right.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2009, the interests and short positions of the directors and chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("**SFO**"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, were as follow:

	Number of Ordinary Shares				
Name of director	**Personal interest**	**Corporate interests**	**Share options**	**Total**	**% of total issued Shares**
Executive Directors					
Dr. Wong, Kennedy Ying Ho	4,517,900	220,985,240 *(Note a)*	–	225,503,140	42.52%
Mr. Chui Chuen Shun	4,517,900	– *(Note a)*	–	4,517,900	0.90%
Dr. Hui Ho Ming, Herbert	5,467,900 *(Note b)*	–	–	5,467,900	1.03%
Mr. Mung Kin Keung	–	–	4,517,900	4,517,900	0.90%
Non-executive Director					
Mr. Yin Richard Yingneng	–	–	–	–	–

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

	Number of Ordinary Shares				
Name of director	Personal interest	Corporate interests	Share options	Total	% of total issued Shares
Independent Non-executive Directors					
Mr. Fan Anthony Ren Da	–	–	451,790	451,790	0.09%
Ms. Estella Yi Kum Ng	–	–	451,790	451,790	0.09%
Mr. Wong Kam Wing	–	–	451,790	451,790	0.09%

Notes:

(a) Dr. Wong, Kennedy Ying Ho ("**Dr. Wong**") was deemed to be interested in these shares through his controlling interest in Perfect Ace Investments Limited ("**Perfect Ace**") and Limin Corporation. Of the 220,985,240 shares, 196,685,240 shares are held by Perfect Ace and 24,300,000 shares are held by Limin Corporation under its own name as registered shareholder. Perfect Ace is owned as to 96.11% by Ying Ho (Nominees) Limited ("**YH Nominees**") and as to 3.89% by Mr. Chui Chuen Shun. YH Nominees holds 100% in trust for Limin Corporation, which is wholly-owned by Dr. Wong.

(b) Among the 5,467,900 shares, Dr. Hui Ho Ming, Herbert is expected to receive 72,689 shares in his capacity as one of the Creditors from the Scheme Administrators (defined in note 3 to the financial statements). The terms of Creditors and Scheme Administrators are set out as defined in the joint announcement of Perfect Ace and the Company dated 9 July 2008.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

		Number of Convertible Preference Shares *(Note a)*	
Name of director	**Capacity**	**Number of issued convertible preference shares**	**Percentage of issued convertible preference shares held**
Executive Director			
Dr. Wong, Kennedy Ying Ho	Controlled corporation	825,605,800 *(Note b)*	77.09%
Non-executive Director			
Mr. Yin Richard Yingneng	Controlled corporation	135,394,200 *(Note c)*	12.64%

Notes:

(a) After completion of the Restructuring and the Placement (as defined in note 3 to the financial statements), 1,071,000,000 preference shares were issued and allotted to Perfect Ace, which shall have the right to convert all or part of its holding of preference shares into ordinary shares of the Company at any time from a date not earlier than one year from 3 October 2008, the date of resumption of trading in the shares on the Stock Exchange.

(b) Dr. Wong was deemed to be interested in 825,605,800 preference shares through his controlling interests in Perfect Ace and Limin Corporation. Of the 825,605,800 preference shares, 768,005,800 preference shares are held by Perfect Ace and 57,600,000 preference shares are held by Limin Corporation under its own name as registered shareholder.

(c) Mr. Yin Richard Yingneng ("**Mr. Yin**") was deemed to be interested in 135,394,200 preference shares through his controlling interests in Capital Ocean Investments Limited, First Vanguard Private Equity Segregated Portfolio, First Vanguard Opportunity Fund SPC, First Vanguard AAA Management Limited, all of which are wholly-owned subsidiaries of First Vanguard Group Limited, which is wholly-owned by Mr. Yin.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March 2009.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2009, the interests and short positions of the shareholders, other than a director or chief executive of the Company, in the shares or underlying shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Name of substantial shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued ordinary share held
Perfect Ace Investments Limited	Beneficial owner	196,685,240 *(Note a)*	37.09%
Liful Investment Limited	Beneficial owner	40,000,000 *(Note b)*	7.54%

Notes:

(a) Please refer to the corporate interests of Dr. Wong in the Company as disclosed under the "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" section above.

(b) Liful Investment Limited is wholly-owned by Financial Enterprise Investments Limited, which in turn is wholly-owned by Shau Kee Financial Enterprises Limited ("**Shau Kee**"). Shau Kee is wholly-owned by Lee Financial (Cayman) Limited, which is wholly-owned by Mr. Lee Shau Kee.

SUBSTANTIAL SHAREHOLDERS (continued)

		Number of Convertible Preference Shares *(Note a)*	
Name of substantial shareholder	**Capacity**	**Number of issued convertible preference shares**	**Percentage of the issued convertible preference shares held**
Perfect Ace Investments Limited	Beneficial owner	825,605,800 *(Note b)*	77.09%
Capital Ocean Investments Limited	Beneficial owner	135,394,200 *(Note c)*	12.64%
Savona Limited	Beneficial owner	100,000,000 *(Note d)*	9.34%
Limin Corporation	Beneficial owner	57,600,000 *(Note b)*	5.38%

Notes:

(a) After completion of the Restructuring and the Placement (as defined in note 3 to the financial statements), 1,071,000,000 preference shares were issued and allotted to Perfect Ace, which shall have the right to convert all or part of its holding of preference shares into ordinary shares of the Company at any time from a date not earlier than one year from 3 October 2008, the date of resumption of trading in the shares on the Stock Exchange.

(b) Please refer to the convertible preference shares in the Company held by Dr. Wong as disclosed under the "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" section above.

(c) Please refer to the convertible preference shares in the Company held by Mr. Yin as disclosed under the "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" section above.

(d) Savona Limited is wholly-owned by Chime Corporation Limited, which is owned as to 84.37% by Nina Kung (Estate of Nina Kung also known as Nina T.H. Wang).

Saved as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March 2009.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares on the Stock Exchange during the Year (2008: Nil).

CUSTOMERS AND SUPPLIERS

For the Year, the five largest customers and suppliers of the Group accounted for 99% and 98% of the Group's turnover and purchases respectively, while the largest customer and supplier of the Group accounted for 83% and 63% of the Group's turnover and purchases respectively.

None of the directors, their associates, or any shareholders (which to the knowledge of the directors owned more than 5% of the Company's share capital) had a beneficial interest in the Group's five largest customers and five largest suppliers.

RETIREMENT SCHEME

The Group provides a defined contribution retirement scheme (the "**MPF Scheme**") under the Mandatory Provident Funds Ordinance in Hong Kong to all staff in Hong Kong. Under the MPF Scheme, employer and employees are each required to make contributions to the Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$20,000 and contributions to the MPF Scheme vested immediately.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws and the laws in Bermuda.

PUBLIC FLOAT

Based on the publicly available information and to the best knowledge of the Directors, the Company has maintained sufficient public float as at the date of this annual report.

POST BALANCE EVENTS

Details of significant event subsequent to the balance sheet are set out in note 38 to the financial statements.

AUDITORS

The accompanying financial statements have been audited by Ray W.H. Chan & Co., Certified Public Accountants. A resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting

On behalf of the Board
Hong Kong Resources Holdings Company Limited

Dr. Wong, Kennedy Ying Ho, BBS, J.P.
Chairman

Hong Kong, 30 June 2009

FOR THE PERIOD FROM 1 APRIL 2008 TO 2 OCTOBER 2008

The Company's code on corporate governance practices was adopted by reference to the provisions of the Code on Corporate Governance Practices (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). However, due to the prolonged suspension of trading in the shares of the Company on the Stock Exchange and the severe financial difficulties of the Group before resumption of trading which took place on 3 October 2008, the Board is unable to comment as to whether the Company had complied with the CG Code during the period from 1 April 2008 to 2 October 2008.

FOR THE PERIOD FROM 3 OCTOBER 2008 TO 31 MARCH 2009 (THE "CG Report Period")

The Company has restored its corporate governance practices immediate after resumption of trading and complied with the CG Code throughout the CG Report Period except for the following deviations from the CG Code:

CG Code A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not at present have any office with the title "chief executive officer". The Board is of the view that currently vesting the roles of chairman and chief executive officer in Dr. Wong, Kennedy Ying Ho provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long term business strategies.

CG Code A.4.1 stipulates that the non-executive directors should be appointed for a specific term and subject to re-election. The Company has not fixed the term of appointment for non-executive director and independent non-executive directors, however, all non-executive director and independent non-executive directors are subject to retirement by rotation at least once every three years and re-election at the annual general meeting of the Company pursuant to the Company's bye-laws. As such, the Board considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting those in the CG Code.

The current corporate governance practice of the Company will be reviewed and updated in a timely manner in order to comply with the CG Code.

THE BOARD

The Board is responsible for leadership and control of the Company, directing and supervising the Group's affairs.

During the CG Report Period, 7 board meetings were held and the attendance of each Director is set out as follows:

Directors	**Attendance**
Dr. Wong, Kennedy Ying Ho	7/7
Mr. Chui Chuen Shun	7/7
Dr. Hui Ho Ming, Herbert	7/7
Mr. Mung Kin Keung	3/7
Mr. Yin Richard Yingneng	4/7
Mr. Fan, Anthony Ren Da	6/7
Ms. Estella Yi Kum Ng	7/7
Mr. Wong Kam Wing	7/7
Mr. Chin Chang Keng, Raymond *(resigned on 6 October 2008)*	0/0
Ms. Ang Mei Lee, Mary *(resigned on 6 October 2008)*	0/0

Board minutes are kept by the Company Secretary and are sent to the Directors for records. Each board member is entitled to have access to board papers and able, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses.

BOARD COMPOSITION

As at the date of this report, the Board comprises four Executive Directors, one Non-executive Director and three Independent Non-executive Directors. The Directors throughout the CG Report Period and up to the date of this report were:

Executive Directors:

Dr. Wong, Kennedy Ying Ho	*(appointed on 30 September 2008)*
Mr. Chui Chuen Shun	*(appointed on 30 September 2008)*
Dr. Hui Ho Ming, Herbert	
Mr. Mung Kin Keung	*(appointed as a Non-executive Director on 30 September 2008 and re-designated as an Executive Director on 31 October 2008)*

BOARD COMPOSITION (continued)

Mr. Chin Chang Keng, Raymond	*(appointed on 14 August 2008 and resigned on 6 October 2008)*
Ms. Ang Mei Lee, Mary	*(appointed on 14 August 2008 and resigned on 6 October 2008)*

Non-executive Director:

Mr. Yin Richard Yingneng	*(appointed on 30 September 2008)*

Independent Non-executive Directors:

Mr. Fan, Anthony Ren Da	*(appointed on 30 September 2008)*
Ms. Estella Yi Kum Ng	*(appointed on 30 September 2008)*
Mr. Wong Kam Wing	*(appointed on 30 September 2008)*

The Company has received from each of the Independent Non-executive Directors an annual confirmation of his or her independence pursuant to Rule 3.13 of the Listing Rules and the Company continues to consider the three Independent Non-executive Directors to be independent.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Directors were not appointed for specific terms but subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the bye-laws of the Company.

According to the Company's bye-laws, any director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office until the next annual general meeting of the Company and shall then be eligible for re-election. Furthermore, at each annual general meeting one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to one-third) shall retire from office by rotation.

DIRECTORS' SECURITIES TRANSACTIONS

Trading in the shares of the Company was suspended from 17 July 2006 to 2 October 2008 (both days inclusive) and the Board is of the opinion that the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules was not applicable during the period from 17 July 2006 to 2 October 2008.

DIRECTORS' SECURITIES TRANSACTIONS (continued)

The Company has re-adopted the Model Code on 3 October 2008. Having made specific enquiry of all Directors of the Company, the Directors confirmed that they had complied with the required standards set out in the Model Code throughout the period from 3 October 2008 to 31 March 2009.

REMUNERATION COMMITTEE

The Remuneration Committee was re-established on 30 September 2008 and its major roles and functions are summarized as follows:

1. To make recommendations with respect to the remuneration of the Executive Directors and the senior management of the Company; and

2. To review the remuneration package and recommend salaries, bonuses, including the incentive awards for Directors and senior management of the Company.

The Remuneration Committee of the Company comprises two Executive Directors, namely, Dr. Kennedy, Wong Ying Ho and Mr. Chui Chuen Shun, and three Independent Non-executive Directors, namely, Mr. Fan, Anthony Ren Da, Ms. Estella Yi Kum Ng and Mr. Wong Kam Wing. Mr. Fan, Anthony Ren Da is the Chairman of the Remuneration Committee.

During the CG Report Period, 2 meetings were held and the attendance of each member is set out as follows:

Directors	Attendance
Mr. Fan, Anthony Ren Da	2/2
Dr. Wong, Kennedy Ying Ho	2/2
Mr. Chui Chuen Shun	2/2
Ms. Estella Yi Kum Ng	2/2
Mr. Wong Kam Wing	2/2

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for the preparation of the financial statements that give a true and fair view of the Group's financial position and are in accordance with applicable accounting standards and statutory rules and guidelines. The financial statements are prepared on a going concern basis.

The Board is responsible for maintaining sound and effective internal control systems for safeguarding the Group's assets and shareholders' interests, as well as for reviewing the effectiveness of such systems. Such systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to minimize risks of failure in the Group's operational system which is designed to safeguard assets from inappropriate use, maintain proper accounts and ensure compliance with regulations. The Directors reviewed the effectiveness of the system of internal control of the Group.

AUDIT COMMITTEE

The Audit Committee was re-established on 30 September 2008 for the purposes of reviewing the Group's financial reporting, internal controls and making relevant recommendations to the Board. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary.

The Audit Committee comprises three Independent Non-executive Directors, namely, Ms. Estella Yi Kum Ng, Mr. Fan, Anthony Ren Da and Mr. Wong Kam Wing. Ms. Estella Yi Kum Ng is the Chairman of the Audit Committee.

During the CG Report Period, one meeting was held and the attendance of each member is set out as follows:

Directors	**Attendance**
Ms. Estella Yi Kum Ng	1/1
Mr. Fan, Anthony Ren Da	1/1
Mr. Wong Kam Wing	1/1

The Audit Committee had reviewed with the external auditors the financial statements of the Group for the year ended 31 March 2009.

AUDITORS' REMUNERATION

During the year under review, the remuneration paid/payable to the Company's external auditors, Ray W.H. Chan & Co, are set out as follows:

Service rendered	**Fees paid/payable** *HK$'000*
Audit service	470
Review on interim results 2008	150

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good communication with the Company's shareholders and encourages shareholders to participate shareholders' meeting, in which members of the Board and Committees are available to answer questions by shareholders.

In each general meeting held during the CG Report Period, the Board had ensured that the procedures for conducting a poll explained at the commencement of general meeting and Tricor Tengis Limited, the Company's Hong Kong Branch Share Registrar, acted as scrutineer in each occasion for all vote cast at the general meeting.

陳 偉 洪 會 計 師 行

RAY W.H. CHAN & CO.

CHARTERED CERTIFIED ACCOUNTANTS
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

香港 灣仔 巴路士街 1-3 號 百營商業大廈 12 字樓

12/F., Bel Trade Commercial Building, 1-3 Burrows Street, Wanchai, Hong Kong.

TO THE MEMBERS OF
HONG KONG RESOURCES HOLDINGS COMPANY LIMITED
(Formerly known as Ocean Grand Chemicals Holdings Limited)
(incorporated in Bermuda with limited liability)

We have audited the financial statements of Hong Kong Resources Holdings Company Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 35 to 83, which comprise the consolidated and company balance sheets as at 31 March 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibilities towards or accept liability to any other person for the contents of this report. Except for the limitation in the scope of our work as described in the basis for qualified opinion paragraphs, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BASIS FOR QUALIFIED OPINION

1. Our report on the financial statements of the Group for the year ended 31 March 2008 was disclaimed in view of the pervasive nature of the limitations on the scope of our audit resulting from insufficiency of supporting documentation and explanations. Accordingly, we were unable to form an opinion as to whether the net liabilities of the Group as at 31 March 2008 and the results and cash flows and the related disclosures in the notes to the financial statements of the Group for the year ended 31 March 2008 were fairly stated. In summary the scope limitations included the following:

    i. Incomplete books and records of certain subsidiaries within the Group;

    ii. Insufficient information which prevented us from satisfying as to whether the amount due to a deconsolidated subsidiary, OGC Management Services Limited, of approximately HK$3,749,000 and amount of the Group's bank borrowings of approximately HK$295,470,000, including the liabilities under guarantees or indemnities given to a deconsolidated subsidiary of approximately HK$95,580,000, included in the Group's balance sheet respectively was free from material misstatement; and

    iii. Failure to consolidate certain subsidiaries within the Group into the financial statements in accordance with the Hong Kong Accounting Standard 27 issued by the HKICPA.

    Any adjustments found to be necessary to the opening balances as at 1 April 2008 may affect the net liabilities of the Group as at 31 March 2008 and the results and cash flows and the related disclosures in the notes to the financial statements of the Group for the year ended 31 March 2009. Also the comparative figures in respect of the net liabilities of the Group as at 31 March 2008 and the results and cash flows and the related disclosure in the notes to the financial statements of the Group for the year ended 31 March 2008 may not be comparable with the figures for the current year.

BASIS FOR QUALIFIED OPINION (continued)

2. As set out in note 11 to the financial statements, the Directors have been unable to obtain sufficient documentary evidence to satisfy themselves as to whether the loss on debts restructuring of approximately HK$34,905,000 represented indebtedness discharged upon completion of the Restructuring Agreement and included in the profit of the Group for the year ended 31 March 2009 was fairly stated.

3. The Directors are unable to satisfy themselves as to the completeness of recording of transactions entered into by the Group and of the completeness of disclosure of turnover, other income, finance costs, directors' and senior executives' remuneration, income tax, inventories, trade and other receivables, trade and other payables, short-term bank borrowings, short-term notes, share options, commitments and contingent liabilities for the period from 1 April 2008 to 29 September 2008 in the financial statements. Furthermore, the Directors are unable to determine the completeness of related party transactions, employee benefits and emoluments, and taxation and deferred taxation incurred for the period from 1 April 2008 to 29 September 2008.

4. Certain subsidiaries were disposed of according to the Debt Restructuring scheme carried out by the Company during the year. The Directors were unable to obtain sufficient information to include the results of these subsidiaries up to the date of their disposals in the consolidated financial statements. Accordingly the Directors were unable to satisfy themselves as to whether the gain on disposal of subsidiaries of approximately HK$344,714,000 included in the profit of the Group for the year ended 31 March 2009 was fairly stated.

There were no other satisfactory audit procedures that we could adopt to satisfy ourselves as to the matters set out in the above paragraphs. Any adjustments to the above figures may affect the profit and cash flows and related notes to the financial statements of the Group for the year ended 31 March 2009.

QUALIFIED OPINION ARISING FROM LIMITATION OF AUDIT SCOPE

In our opinion, except for the effects of any adjustments that might have been determined to be necessary had we been able to obtain sufficient evidence concerning the corresponding figures mentioned in the basis for qualified opinion paragraphs, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ray W.H. Chan & Co.
Certified Public Accountants

Hong Kong, 30 June 2009

	Notes	**2009** **HK$'000**	2008 HK$'000
Turnover	8	**95,138**	52,696
Cost of sales		**(94,479)**	(52,393)
Gross profit		**659**	303
Other income	9	**1,138**	3,058
Increase in fair value of investment properties		**–**	3,420
General and administrative expenses		**(11,885)**	(3,426)
Gain on deconsolidation of a subsidiary		**–**	4,911
Impairment loss on amounts due from deconsolidated subsidiaries		**–**	(8,093)
Gain on disposal of subsidiaries	10	**344,714**	–
Loss on debt restructuring	11	**(34,905)**	–
Restructuring costs		**(12,145)**	–
Other operating expenses		**(11,928)**	(6,963)
Profit/(Loss) from operations		**275,648**	(6,790)
Finance costs	12	**(402)**	(826)
Profit/(Loss) before taxation	12	**275,246**	(7,616)
Income tax	14	**(13)**	(17)
Profit/(Loss) for the year		**275,233**	(7,633)
Attributable to:			
Equity holders of the Company		**275,664**	(7,633)
Minority interests		**(431)**	–
		275,233	(7,633)
Dividends	15	**–**	–
Earnings/(Loss) per share	16		
Basic		**HK$1.06**	(HK$0.15)
Diluted		**HK$1.05**	(HK$0.15)

CONSOLIDATED BALANCE SHEET

As at 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	17	–	10,000
Property, plant and equipment	18	**438**	4,217
Lease premium on land	19	–	1,317
Intangible assets	20	–	–
Deposit for acquisition	22	**101,686**	–
		102,124	15,534
Current assets			
Lease premium on land	19	–	11
Inventories	24	**1,147**	–
Trade and other receivables	25	**280**	5,963
Tax recoverable		–	932
Bank balances and cash	26	**115,803**	73,087
		117,230	79,993
Current liabilities			
Trade and other payables	27	**3,566**	30,985
Tax payable		**30**	–
Short-term bank borrowings	28	–	295,470
Amount due to a deconsolidated subsidiary	29	–	3,749
Short-term notes	30	–	120,081
Other borrowings	31	–	5,205
		3,596	455,490
Net current assets/(liabilities)		**113,634**	(375,497)
Net assets/(liabilities)		**215,758**	(359,963)
CAPITAL AND RESERVES			
Share capital	32	**16,014**	49,790
Reserves		**166,842**	(409,753)
Equity attributable to equity holders of the Company		**182,856**	(359,963)
Minority interests		**32,902**	–
Total Equity		**215,758**	(359,963)

Approved and authorized for issue by the Board of Directors on 30 June 2009.

Dr. Wong, Kennedy Ying Ho	**Mr. Chui Chuen Shun**	**Dr. Hui Ho Ming, Herbert**
Chairman	Director	Director

	Notes	2009 HK$'000	2008 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	18	**356**	–
Interests in subsidiaries	23	**69,126**	(15,083)
		69,482	(15,083)
Current assets			
Other receivables	25	**280**	–
Bank balances and cash	26	**115,665**	45
		115,945	45
Current liabilities			
Other payables	27	**1,878**	1,567
Short-term bank borrowings	28	**–**	295,277
		1,878	296,844
Net current assets/(liabilities)		**114,067**	(296,799)
Net assets/(liabilities)		**183,549**	(311,882)
CAPITAL AND RESERVES			
Share capital	32	**16,014**	49,790
Reserves	34	**167,535**	(361,672)
		183,549	(311,882)

Approved and authorized for issue by the Board of Directors on 30 June 2009.

Dr. Wong, Kennedy Ying Ho	**Mr. Chui Chuen Shun**	**Dr. Hui Ho Ming, Herbert**
Chairman	Director	Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2009

	Attributable to equity holders of the Company							
	Share capital	Share premium	Share option reserve	Special reserve	Accumulated losses	Total	Minority interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2007	49,790	35,889	1,200	33,706	(472,915)	(352,330)	–	(352,330)
Loss for the year	–	–	–	–	(7,633)	(7,633)	–	(7,633)
At 31 March 2008	49,790	35,889	1,200	33,706	(480,548)	(359,963)	–	(359,963)
Lapse of share options	**–**	**–**	**(1,200)**	**–**	**1,200**	**–**	**–**	**–**
Capital reduction	**(49,292)**	**–**	**–**	**–**	**49,292**	**–**	**–**	**–**
Reduction in share premium and special reserve accounts	**–**	**(35,889)**	**–**	**(33,706)**	**69,595**	**–**	**–**	**–**
Issue of ordinary shares	**4,655**	**95,765**	**–**	**–**	**–**	**100,420**	**–**	**100,420**
Issue of preference shares	**10,710**	**139,230**	**–**	**–**	**–**	**149,940**	**–**	**149,940**
Equity-settled share-based transaction	**–**	**–**	**9,295**	**–**	**–**	**9,295**	**–**	**9,295**
Exercise of share options	**151**	**13,729**	**(6,380)**	**–**	**–**	**7,500**	**–**	**7,500**
Profit for the year	**–**	**–**	**–**	**–**	**275,664**	**275,664**	**(431)**	**275,233**
Contribution from a minority shareholder	**–**	**–**	**–**	**–**	**–**	**–**	**33,333**	**33,333**
At 31 March 2009	**16,014**	**248,724**	**2,915**	**–**	**(84,797)**	**182,856**	**32,902**	**215,758**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2009

	2009	2008
	HK$'000	*HK$'000*
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	**275,246**	(7,616)
Adjustment for:		
Finance costs	**402**	826
Interest income	**(1,138)**	(2,595)
Depreciation of property, plant and equipment	**317**	588
Amortisation for lease premium on land	**6**	12
Increase in fair value of investment properties	**–**	(3,420)
Gain on a deconsolidation of subsidiary	**–**	(4,911)
Impairment loss on amounts due from deconsolidated subsidiaries	**–**	8,093
Loss on disposal of property, plant and equipment	**11**	97
Loss on impairment loss on other receivables	**–**	112
Reversal of impairment loss on trade receivables	**–**	(1,452)
Bad debts written off	**–**	1,452
Gain on disposal of subsidiaries	**(344,714)**	–
Loss on debt restructuring	**34,905**	–
Restructuring costs	**12,145**	–
Equity-settled share-based payments	**9,295**	–
Operating cash flows before movements in working capital	**(13,525)**	(8,814)
(Increase)/Decrease in inventories	**(1,147)**	2,181
Decrease/(Increase) in trade and other receivables	**5,676**	(5,952)
Increase in trade and other payables	**3,104**	662
Net cash used in operating activities	**(5,892)**	(11,923)
INVESTING ACTIVITIES		
Interest income	**1,138**	2,595
Payments for acquisition of property, plant and equipment	**(462)**	(17)
Proceeds from disposal of property, plant and equipment	**–**	452
Payments for deposit for acquisition	**(101,686)**	–
Cash transferred to the Scheme on disposal of subsidiaries	**(72,073)**	–
Net cash (used in)/generated from investing activities	**(173,083)**	3,030

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2009

	2009	2008
	HK$'000	*HK$'000*
FINANCING ACTIVITIES		
Interest paid	**(402)**	(826)
New other borrowings	**–**	5,205
Repayment of other borrowings	**(5,205)**	–
Repayment of bank borrowings	**(194)**	–
Proceeds from issue of ordinary shares	**100,420**	–
Proceeds from issue of preference shares	**149,940**	–
Payments to the Scheme	**(50,000)**	–
Payments for restructuring costs	**(13,700)**	–
Proceeds from exercise of share options	**7,499**	–
Contribution from a minority shareholder	**33,333**	–
Net cash generated from financing activities	**221,691**	4,379
Net cash increase/(decrease) in cash and cash equivalents	**42,716**	(4,514)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**73,087**	76,634
Effect of foreign exchange rate changes	**–**	(463)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**115,803**	71,657
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	**115,803**	73,087
Bank overdrafts	**–**	(1,430)
	115,803	71,657

1. Corporate information

The Company was incorporated in Bermuda with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The shares of the Company have been suspended for trading on the Stock Exchange since 17 July 2006. Following completion of the Company's restructuring proposal (the "**Debt Restructuring**") on 30 September 2008, trading of the Company's shares on the Stock Exchange was resumed on 3 October 2008. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of the principal place of business of the Company was moved from Rooms A&B, 15th Floor, Hilltop Plaza, 49 Hollywood Road, Central, Hong Kong to Room 1402-03, 14th Floor, Admiralty Centre, Tower 2, 18 Harcourt Road, Hong Kong on 8 December 2008.

Pursuant to a special resolution passed at the special general meeting of the Company held on 2 January 2009 and approved by the Registrar of Companies in Bermuda and Companies Registry in Hong Kong, the name of the Company changed from "Ocean Grand Chemicals Holdings Limited" to "Hong Kong Resources Holdings Company Limited" and registered with the secondary name "香港資源控股有限公司". The Company also received an approval dated 24 February 2009 from the Companies Registry of Hong Kong regarding the adoption of "HKRH China Limited" as the Company's English trade name for the purpose of carrying business in Hong Kong.

The Company is an investment holding company. The Group was principally engaged in the trading of gold salt, precious metal and electroplating chemicals.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

2. Withdrawal of winding-up petitions and discharge of provisional liquidators

In July 2006, the Company's directors discovered that significant amount of funds in its subsidiary had been transferred out of the Group. As a result, the Group had difficulties in meeting its short term debts. The directors therefore voluntarily applied for a suspension of trading in the Company's shares on the Stock Exchange and applied to the courts in Hong Kong and Bermuda, respectively, for the appointment of provisional liquidators in order to protect the assets of the Group and to safeguard the interests of both the creditors and the shareholders. Trading in the shares of the Company was suspended at the request of the Company on 17 July 2006.

As a result of the applications supported by affirmation by Dr. Hui Ho Ming, Herbert (who also funded the initial application costs), Messrs. Lai Kar Yan (also known as Lai Kar Yan, Derek) and Joseph Kin Ching Lo, both of Deloitte Touche Tohmatsu, were appointed as the joint and several provisional liquidators of the Company (the "**Provisional Liquidators**") by the order of the High Court of Hong Kong ("**High Court**") on 24 July 2006 and by the order of the Supreme Court of Bermuda on 25 July 2006.

The court orders for the withdrawal of the winding-up petitions and the discharge of the Provisional Liquidators of the Company were granted on 25 September 2008 by the Supreme Court of Bermuda and on 30 September 2008 by the High Court. Following completion of the Company's Restructuring Agreement (as defined hereinafter), trading in the shares of the Company on the Stock Exchange was resumed on 3 October 2008.

3. Restructuring agreement

On 22 February 2008, the Company announced that a conditional agreement for the proposed restructuring of the Group, involving capital reorganization, debt restructuring, subscription of new shares and subscription of preference shares, was entered into on 8 October 2007 by the Company, Perfect Ace Investments Limited ("**Perfect Ace**"), the Provisional Liquidators and an escrow agent. An addendum thereto was executed by the relevant parties on 14 December 2007 (the said agreement together with the said addendum is collectively referred to as the "**Restructuring Agreement**" or the "**Restructuring**"). Details of the Restructuring proposal issued by the Company and Perfect Ace are set out in the circular dated 29 August 2008 (the "**Circular**"). The principal terms of the Restructuring Agreement, detailed in the Circular, are summarized below, unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the Circular:

(i) The Capital Restructuring

Under the Capital Restructuring, the share capital of the Company was restructured in the following manner:

(a) Capital Reduction

The par value of every issued and unissued Share was reduced from HK$0.10 to HK$0.001 and the resulting credit of approximately HK$49.3 million was applied to eliminate the accumulated losses of the Company.

(b) Share Consolidation

Every 10 issued and unissued shares of the Company reduced pursuant to the Capital Reduction were consolidated into one New Share immediately upon the Capital Reduction becoming effective. Accordingly. 497,900,000 issued shares of HK$0.001 each were consolidated into 49,790,000 issued New Shares.

(c) Authorized share capital change

The Company's authorized share capital was changed to HK$70,000,000 divided into 4,000,000,000 New Shares and 3,000,000,000 Preference Shares.

This was achieved by a reduction of the authorized share capital of the Company from HK$100,000,000 to HK$70,000,000 and a re-designation of 3,000,000,000 New Shares to 3,000,000,000 Preference Shares.

(d) Board lot size

The New Shares are traded in board lots of 4,000 each, same as before.

(e) Reduction in share premium account and special reserve account

The Company's share premium account and special reserve account were reduced and the credit generated therefrom was applied in a manner as permitted by Bermuda law to, inter alia, set off the accumulated losses of the Company.

3. Restructuring agreement (continued)

(ii) The Debt Restructuring

The Debt Restructuring has been effected through the Schemes. All the Company's indebtedness (including but not limited to any guarantee or indemnity given by the Company) were discharged in full in return for:

(a) A cash payment of HK$50 million, which was funded by the Company out of the proceeds of the Subscription; and

(b) 45,000,000 New Shares were allotted and issued to the Creditors at nil consideration, with Put Options to sell all or part of the New Shares back to Perfect Ace at the price of approximately HK$0.2222 per New Share, representing approximately 9.96% of the enlarged issued share capital of the Company upon Completion.

The Put Options will be exercisable within six months from 30 September 2008, the date when the Scheme Administrators transferred the New Shares to the Creditors.

Upon Completion, the issued shares of all the subsidiaries of the Company, except Brand New Management Limited and Trump Power Limited (the "**Excluded Subsidiaries**") has been transferred to a company held by the Scheme Administrators (in trust for the Creditors) at a nominal consideration of HK$1.

(iii) The Subscription

Pursuant to the Restructuring Agreement, Perfect Ace subscribed for the following:

1. 357,000,000 New Shares at the subscription price of HK$0.14 each; and

2. 1,071,000,000 Preference Shares of par value of HK$0.01 each carrying the right to convert into New Shares at the ratio of one to one at the subscription price of HK$0.14 each.

(iv) The Disposal

The issued shares of the Excluded Subsidiaries directly or indirectly held by the Company were transferred to a company held by the Scheme Administrators (in trust for the Creditors) at a nominal consideration of HK$1 upon Completion.

The aforesaid net gain on the disposal has been recorded in the consolidated income statement of the Group as an income and the same amount has also been credited to and reduced the accumulated losses as stated in the consolidated balance sheet of the Group.

4. Application of new and revised Hong Kong Financial Reporting Standards

In the current year, the Group has applied, for the first time, the new standards, amendments and interpretations (the "**new HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") which are relevant to its operations and effective for the Group's financial year beginning on or after 1 April 2008.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material impact on the Group's results and financial position for the current or prior years, and does not result in any significant changes in the accounting policies of the Group. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective. The directors anticipate that the application of these new standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

HKFRSs (Amendments)	Improvements to HKFRSs 2009 (1)
HKFRSs (Amendments)	Improvements to HKFRSs (2)
HKFRS 1 and HKAS 27 (Amendments)	Cost of an investment in Subsidiary, Jointly Controlled Entity or Associate (3)
HKAS 1 (Revised)	Presentation of Financial Statements (3)
HKAS 23 (Revised)	Borrowing Costs (3)
HKAS 27 (Revised)	Consolidated and Separate Financial Statements (4)
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation (3)
HKAS 39 (Amendment)	Eligible Hedged Items (4)
HKFRS 1 (Revised)	First-time Adoption of HKFRSs (4)
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations (3)
HKFRS 3 (Revised)	Business Combinations (4)
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments (3)
HKFRS 8	Operating Segments (3)
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives (5)
HK(IFRIC)-Int 13	Customer Loyalty Programmes (6)
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate (3)
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation (7)
HK(IFRIC)-Int 17	Distribution of Non-Cash Assets to Owners (4)
HK(IFRIC)-Int 18	Transfers of Assets from Customers (8)

4. Application of new and revised Hong Kong Financial Reporting Standards (continued)

(1) Effective for annual periods beginning on or after 1 January 2010 unless otherwise stated in the specific HKFRS
(2) Effective for annual periods beginning on or after 1 January 2009 unless otherwise stated in the specific HKFRS
(3) Effective for annual periods beginning on or after 1 January 2009
(4) Effective for annual periods beginning on or after 1 July 2009
(5) Effective for annual periods ending on or after 30 June 2009
(6) Effective for annual periods beginning on or after 1 July 2008
(7) Effective for annual periods beginning on or after 1 October 2008
(8) Effective for transfers on or after 1 July 2009

HKAS 1 (Revised) affects certain disclosures of the financial statements. Under the revised standard, the Profit and Loss Account is renamed as the "Income Statement", the Balance Sheet is renamed as the "Statement of Financial Position" and the Cash Flow Statement is renamed as the "Statement of Cash Flows". All income and expenses arising from transactions with non-owners (i.e., the non-owner movements of equity) are presented under the "Income Statement" and "Statement of Comprehensive Income", and the total carried to the "Statement of Changes in Equity", while the owner changes in equity are presented in the "Statement of Changes in Equity".

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control which will be accounted for as equity transaction.

5. Principal accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKAS**") and Interpretations ("**HK-Int**") issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, and the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

These financial statements have been prepared under the historical cost basis and are measured at fair values, as appropriate.

The preparation of financial statements in conformity with HKFRSs requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 6 to the financial statements.

5. Principal accounting policies (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March 2009.

Business combinations (other than for combining entities under common control) are accounted for applying the purchase method. This involves the fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to March 31 each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's entity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Subsidiaries

A subsidiary is an entity, in which the Company, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiaries is included in the Company's balance sheet at cost less impairment losses. The carrying amount of investment is reduced to its recoverable amount on an individual basis. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

5. Principal accounting policies (continued)

Goodwill

Goodwill arising on an acquisition of a business represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant business at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalized goodwill arising on an acquisition of a business is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods. On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalized is included in the determination of the amount of profit or loss on disposal.

Investment properties

Investment properties, being properties owned or held for rental yields or for capital appreciation or both.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is determined by professional valuation conducted as at the balance sheet. Change in fair value is recognized in the income statement.

The gain or loss arising from the retirement or disposal of an investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as profit or loss in the period of the retirement or disposal.

5. Principal accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use. Major costs incurred in restoring assets to their normal working conditions are charged to the income statement. Improvements are capitalized and depreciated over their expected useful lives.

The gain or loss arising from the retirement or disposal of property, plant and equipment is determined as the difference between the estimated net sales proceeds and the carrying amount of the assets and is recognized as an income or expense in the income statement.

Depreciation is provided to write off the cost of property, plant and equipment less accumulated impairment loss over their estimated useful lives from the date on which they become fully operational and after taking into account their estimated residual values, using the straight line method at the following rates per annum:

Buildings	2%
Plant and machinery	7% to 10%
Furniture, fixtures and equipment	10%
Motor Vehicles	10%
Leasehold improvements	10 years or over the lease terms, whichever is shorter

Lease premium on land

The land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interest in land is classified as lease premium on land under operating leases, which are carried at cost and amortized over the lease term on a straight-line basis.

Intangible assets

Intangible assets represent the right to use of specialized technology for the manufacturing of electroplating chemicals which is stated at cost less accumulated amortization and impairment loss. Amortization is provided to write off the cost of intangible assets on a straight-line basis over 4 years.

5. Principal accounting policies (continued)

Impairment loss other than goodwill

At each balance sheet date, the Group reviews internal and external sources of information to determine whether the carrying amounts of its tangible and intangible assets have suffered an impairment loss or impairment loss previously recognized no longer exist or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its net selling price an value in use, in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment loss is recognized as an expense immediately, except where the relevant asset is carried at valuation in which case the impairment loss is treated as a revaluation decrease.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognized in prior years. Reversal of impairment loss is recognized as income immediately, except where the relevant asset is carried at valuation in which case the reversal is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. The cost of finished goods comprises materials, direct labour and other direct costs. It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortized cost, using the effective interest rate method, less any impairment losses for bad and doubtful debts except where the receivables are interest-free loans made to related party without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less any impairment loss for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

5. Principal accounting policies (continued)

Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Group and when the revenue, if applicable, can be measured reliably and on the following bases:

Sale of goods is recognized on transfer of risks and rewards of ownership, which generally coincides with the time when goods are delivered and title has passed.

Interest income is accrued on a time proportion basis on the principal outstanding and at the effective interest rate applicable.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit not the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Principal accounting policies (continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lease. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefit received and receivable as an incentive to enter into an operating lease are recognized as a reduction of rental expense over the lease term on a straight-line basis.

Interest in lease premium on land is amortized over the lease term on a straight-line basis.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Hong Kong dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period in which they arise, except for exchange differences arising on a monetary item forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognized in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity, in which cases, the exchange differences are also recognized directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Hong Kong dollars using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case, the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are included in the exchange reserve as a separate component of equity. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

5. Principal accounting policies (continued)

Foreign currencies (continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate prevailing on the balance sheet. Exchange differences arising are included in the exchange reserve.

Related party transactions

A party is related to the Group if:–

(a) Directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;

(b) The party is an associate;

(c) The party is a joint venture in which the entity is a venture;

(d) The party is a member of the key management personnel of the Group or its parent;

(e) The party is a close member of the family of any individual referred in (a) or (d);

(f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred in (d) or (e); or

(g) The party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

5. Principal accounting policies (continued)

Financial assets

The Group's financial assets are classified as loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are carried at amortized cost using the effective interest method, less any identified impairment losses.

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at each balance sheet date. Loans and receivables are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of loans and receivables, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

Trade receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

An impairment loss is recognized in profit or loss when there is objective evidence that the asset is impaired and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

5. Principal accounting policies (continued)

Impairment of loans and receivables (continued)

The carrying amount of the loans and receivables is reduced by the impairment loss directly for all loans and receivables with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Other financial liabilities

Other financial liabilities including trade and other payables, bank and other borrowings, short-term notes and amount due to a deconsolidated subsidiary are subsequently measured at amortized cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

5. Principal accounting policies (continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognized initially at fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and (ii) the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with HKAS18 "Revenue".

De-recognition

Financial assets are de-recognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss. If the Group retains substantially all the risks and rewards of ownership of a financial asset, the Group continues to recognize the financial asset and also recognized a collateralized borrowing for the proceeds received. Financial liabilities are de-recognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets, until the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

5. Principal accounting policies (continued)

Provision for contingent liabilities

A provision is recognized when there is a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed regularly and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events wholly within the control of the group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as a provision.

Share-based payments

The fair value of share options granted to employees is recognized as an employee cost with a corresponding increase in capital reserve within equity. The fair value is measured at grant date, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognized in prior years is included in profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognized as an expenses is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognized in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to a retained profit).

Defined contribution plans

The obligations for contributions to a defined contribution retirement schemes are recognized as expenses in the income statement as incurred. The assets of the schemes are held separately from those of the Group in independently administrated funds.

6. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of property, plant and equipment

In accordance with HKAS 16, the Group estimates the useful lives of property, plant and equipment in order to determine the amount of depreciation expenses to be recovered. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual reviews on whether the assumptions made on useful lives continue to be valid.

Impairment of property, plant and equipment

The recoverable amount of an asset is the greater of its fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset, which requires significant judgment relating to level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal if impairment in future periods.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual values. The Group reviews the estimated useful lives of the assets regularly in order to determine in the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

Net realizable value of inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of distributing and selling products of similar nature. These could change significantly as a result of competitor actions in response to severe industry cycles or other changes in market condition. Management reassesses the estimations at each balance sheet date.

6. Critical accounting estimates and judgments (continued)

Income tax

The Group is subject to income taxes mainly in Hong Kong. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such the difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

7. Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Foreign currency risk

The Group operates mainly in Hong Kong. Most of the Group's assets and liabilities, revenue and payments are denominated in Hong Kong dollars, in which the Group considers there is no significant exposure to foreign exchange fluctuations. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Price risk

The Group manages the price risk exposure by selling the gold salt products on indent order basis and does not carry any inventories. The management continues to seek opportunities to diversify the Group's business to other business sectors so as to increase the overall profitability. During the year, the Group has gradually diversified to retail of gold products under consignment. Majority of the inventories are gold and they are subject to market price risk. However, the management monitors price risk and will consider hedging by gold loan should the need arise.

Credit risk

The Group's credit risk is mainly attributable to trade and other receivables. The Group's top five customers accounted for over 80% of the turnover and therefore has concentrations of credit risk. It is the management's decision to concentrate the Group's sales to a few selected customers which are well known in the market during the time when the Group is under provisional liquidation. The Group currently does not have overdue debts. The exposures to these credit risks are monitored on an ongoing basis and the Group has established credit risk limits, credit approvals and other monitoring procedures.

7. Financial risk management objectives and policies (continued)

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash and borrowing facility reserves. In addition, the management continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and liabilities.

Interest rate risk

The Group's cash flow interest rate risk is concentrated on the fluctuation of interest rate arising from the Group's bank balances at floating interest rates. At the balance sheet date, the Group has no significant interest-bearing bank balance, the Group's operating cash flows are substantially independent of changes in market interest rates.

Fair value

The directors consider that the carrying amounts of the financial assets and financial liabilities as reflected in the consolidated balance sheet approximate their respective fair values.

8. Turnover

The Group is currently engaged in the trading of gold salt, precious metal and electroplating chemicals in Hong Kong only. Segmental information is therefore not applicable.

9. Other income

Other income consisted of:

	2009	2008
	HK$'000	*HK$'000*
Interest income	**1,138**	2,595
Gain on exchange	**–**	463
	1,138	3,058

10. Gain on disposal of subsidiaries

The Debt Restructuring has been completed on 30 September 2008. In order to reorganize the Group and to facilitate the implementation of the Creditors' Schemes, the following former subsidiaries were transferred to the Scheme Administrators of the Creditors' Schemes, and after the Completion, formed no part of the restructured group. The consideration for disposing these subsidiaries is HK$1. Details of the disposal are as follows:

	Attributable equity interest of the Company	
Name	**Directly**	**Indirectly**
Ocean Grand Chemicals (BVI) Limited	100%	
Dynamic Market Trading Limited		100%
Kenlap Chemicals Limited		100%
Kenlap P.G.C. Manufacturer Company Limited (Provisional Liquidators Appointed)		100%
Successful Environmental Works and Investments Company Limited		100%
Wintex Holdings Limited		100%

	2009
	HK$'000
Investment properties	**10,000**
Property, plant and equipment	**3,916**
Lease premium on land	**1,323**
Other receivables	**6**
Amount due from a deconsolidated subsidiary	**15,083**
Tax recoverable	**949**
Bank balances and cash	**72,474**
Trade and other payables	**(28,957)**
Amount due to a deconsolidated subsidiary	**(3,749)**
Short-term bank borrowings	**(295,678)**
Short-term notes	**(120,081)**
Net liabilities disposed	**(344,714)**
Consideration	**–**
Gain on disposal of subsidiaries	**344,714**

As most of the Company's former accounting personnel and former directors left the Group on or before Completion of the Restructuring Agreement, the Directors were unable to obtain sufficient documentary information to satisfy themselves as to whether the gain on disposal of subsidiaries for the year ended 31 March 2009 was fairly stated.

11. Loss on Debt Restructuring

Pursuant to the Debt Restructuring of the Group as described in note 3 to the financial statements, the loss on Debt Restructuring is as follows:

	2009
	HK$'000
Debts waived	**15,095**
Cash paid to the Schemes	**(50,000)**
New Shares allotted and issued to the Creditors at nil consideration	**–**
	(34,905)

Loss on Debt Restructuring of approximately HK$34,905,000 represented indebtedness discharged upon the Completion of the Restructuring Agreement.

As most of the Company's former accounting personnel and former directors left the Group on or before Completion of the Restructuring Agreement, the Directors were unable to obtain sufficient documentary information to satisfy themselves as to whether the loss on Debt Restructuring for the year ended 31 March 2009 was fairly stated.

Reconciliation between the Company's Circular dated 29 August 2008 and this annual report:

	Balance per unaudited pro forma income statement in the Circular	**Reclassification of short-term bank borrowings**	**Operating expenses**	**Balance per this annual report**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Gain on disposal of subsidiaries	247,874	95,580	1,260	344,714
(Loss)/Gain on Debt Restructuring	60,675	(95,580)	–	(34,905)
	308,549	–	1,260	309,809

12. Profit/(Loss) before taxation

	2009	2008
	HK$'000	*HK$'000*
This is stated after charging:		
(a) Finance costs		
Interest on bank overdrafts and borrowings wholly repayable within five years	**402**	826
(b) Other items		
Amortisation of lease premium on land	**6**	12
Auditors' remuneration	**620**	500
Bad debts written off	**–**	1,452
Cost of inventories and services provided	**94,479**	52,393
Depreciation	**317**	588
Loss on disposal of property, plant and equipment	**11**	97
Loss on inventories	**–**	1,542
Operating lease charges on premises	**319**	398
Impairment loss of other receivables	**–**	112
Reversal of impairment loss of trade receivables	**–**	(1,452)
Staff costs, including directors' emoluments:		
– Wages and salaries	**9,059**	1,362
– Contributions to defined contribution plans	**81**	88
– Equity-settled share-based payments	**8,828**	–

13. Directors' and senior executives' remuneration

(a) *The directors' emoluments*

The remuneration of every director for the years ended 31 March 2009 and 2008 are set out below:

				2009		
Name of directors		**Fees**	**Salaries**	**Contributions to defined contributions**	**Equity-settled share-based payments**	**Total**
	Notes	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Executive directors						
Dr. Wong, Kennedy Ying Ho	(a)	–	**1,680**	**6**	**1,915**	**3,601**
Mr. Chui Chuen Shun	(a)	–	**1,500**	**6**	**1,915**	**3,421**
Dr. Hui Ho Ming, Herbert		–	**1,500**	**6**	**1,915**	**3,421**
Mr. Mung Kin Keung	(b)	**25**	**1,250**	**6**	**1,915**	**3,196**
Mr. Chin Chang Keng, Raymond	(c)	–	–	–	–	–
Ms. Ang Mei Lee, Mary	(c)	–	–	–	–	–
Mr. Yip Kim Po	(d)	–	–	–	–	–
Mr. Lin Jianping	(d)	–	–	–	–	–
Non-executive director						
Mr. Yin Richard Yingneng	(a)	**150**	–	–	**383**	**533**
Independent non-executive directors						
Mr. Fan Anthony Ren Da	(a)	**75**	–	–	**191**	**266**
Ms. Estella Yi Kum Ng	(a)	**75**	–	–	**191**	**266**
Mr. Wong Kam Wing	(a)	**75**	–	–	**191**	**266**
		400	**5,930**	**24**	**8,616**	**14,970**

			2008		
Name of directors	Fees	Salaries	Contributions to defined contributions	Equity-settled share-based payments	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Dr. Hui Ho Ming, Herbert	–	–	–	–	–
Mr. Yip Kim Po	–	–	–	–	–
Mr. Lin Jianping	–	–	–	–	–
	–	–	–	–	–

13. Directors' and senior executives' remuneration (continued)

(a) The directors' emoluments (continued)

Notes:

(a) Appointed on 30 September 2008.

(b) Appointed as Non-executive director on 30 September 2008 and re-designated as Executive director on 31 October 2008.

(c) Appointed on 14 August 2008 and resigned on 6 October 2008.

(d) Removed on 30 September 2008

There was no arrangement under which a director waived or agreed to waive any emoluments during the year.

(b) Five highest paid individuals

Of the five individuals with the highest emoluments, four (2008: Nil) were directors whose emoluments are disclosed above. The emoluments in respect of the remaining one (2008: five) individual was as follows:

	2009	2008
	HK$'000	*HK$'000*
Salaries and other emoluments	**683**	1,057
Contributions to defined contribution plans	**–**	27
	683	1,084

	Number of individuals	
	2009	2008
Nil to HK$1,000,000	**1**	5

14. Income tax

	2009	2008
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**13**	17
Income tax charge	**13**	17

Hong Kong Profits Tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits for the year.

No deferred tax has been provided for the year as the effect is immaterial.

The tax charge for the year can be reconciled to the profit/(loss) before taxation per consolidated income statement as follows:

	2009	2008
	HK$'000	*HK$'000*
Profit/(Loss) before tax	**275,246**	(7,616)
Tax at the statutory tax rate	**45,416**	(1,333)
Tax losses not recognized	**500**	2,369
Tax effect of temporary difference	**(3)**	(3)
Tax effect of non-taxable income	**(45,902)**	(1,052)
Tax effect of non-deductible expenses	**2**	36
Tax charge for the year	**13**	17

15. Dividends

No dividend has been paid or declared by the Company during the year (2008: Nil).

16. Earnings/(Loss) per share

The calculation of the basic and diluted earnings/(loss) per share attributable to the ordinary equity holders of the Company is based on the following data:

	2009	2008
	HK$'000	*HK$'000*
Profit/(loss) for the year attributable to equity holders of the Company	**275,664**	(7,633)
	Number of	Number of
	'000	*'000*
Number of ordinary shares:		
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	**258,965**	49,790
Effect of dilutive potential ordinary shares	**2,364**	–
Weighted average number of ordinary shares for the purposes of diluted earnings/(loss) per share	**261,329**	49,790

17. Investment properties

Movement of investment properties were:

	2009	2008
	HK$'000	*HK$'000*
Valuation		
At beginning of year	**10,000**	6,580
Increase in fair value	**–**	3,420
Disposal of subsidiaries	**(10,000)**	–
At balance sheet date	**–**	10,000

The investment properties are located in Hong Kong, held on medium-term leases.

18. Property, plant and equipment

Group

	Buildings	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Leasehold improvement	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Costs:						
At 1 April 2007	1,456	4,870	2,199	809	–	9,334
Additions	–	–	17	–	–	17
Disposals	–	–	(181)	(809)	–	(990)
At 31 March 2008	1,456	4,870	2,035	–	–	8,361
Additions	**–**	**–**	**346**	**–**	**116**	**462**
Disposal of subsidiaries	**(1,456)**	**(4,870)**	**(2,018)**	**–**	**–**	**(8,344)**
Disposals	**–**	**–**	**(11)**	**–**	**–**	**(11)**
At 31 March 2009	**–**	**–**	**352**	**–**	**116**	**468**
Accumulated depreciation and Impairment:						
At 1 April 2007	262	1,808	1,683	243	–	3,996
Charge for the year	29	341	202	16	–	588
Disposals	–	–	(181)	(259)	–	(440)
At 31 March 2008	291	2,149	1,704	–	–	4,144
Charge for the year	**15**	**170**	**112**	**–**	**20**	**317**
Disposal of subsidiaries	**(306)**	**(2,319)**	**(1,804)**	**–**	**–**	**(4,429)**
Disposals	**–**	**–**	**(2)**	**–**	**–**	**(2)**
At 31 March 2009	**–**	**–**	**10**	**–**	**20**	**30**
Net carrying value:						
At 31 March 2009	**–**	**–**	**342**	**–**	**96**	**438**
At 31 March 2008	1,165	2,721	331	–	–	4,217

18. Property, plant and equipment (continued)

Company

	Furniture, fixtures and equipment *HK$'000*	Leasehold improvement *HK$'000*	Total *HK$'000*
Costs:			
At 1 April 2008	**–**	**–**	**–**
Additions	**268**	**116**	**384**
At 31 March 2009	**268**	**116**	**384**
Accumulated depreciation and impairment:			
At 1 April 2008	–	–	–
Charges for the year	**8**	**20**	**28**
At 31 March 2009	**8**	**20**	**28**
Net carrying value:			
At 31 March 2009	**260**	**96**	**356**
At 31 March 2008	–	–	–

19. Lease premium on land

The Group's lease premium on land comprises:

	2009 ***HK$'000***	2008 *HK$'000*
Land held under long-term lease in Hong Kong:		
Costs:		
At beginning of year	**1,444**	1,444
Disposal of subsidiaries	**(1,444)**	–
At balance sheet date	**–**	1,444
Accumulated amortization:		
At beginning of year	**116**	104
Amortization for the year	**6**	12
Disposal of subsidiaries	**(122)**	–
At balance sheet date	**–**	116
Net carrying value:		
At balance sheet date	**–**	1,328
Less: Current portion	**–**	(11)
Non-current portion	**–**	1,317

20. Intangible assets

Intangible assets represent the right to use of specialized technology for the manufacturing of electroplating chemicals.

	2009	2008
	HK$'000	*HK$'000*
Costs:		
At beginning of year	**5,800**	5,800
Disposal of subsidiaries	**(5,800)**	–
At balance sheet date	**–**	5,800
Accumulated amortization and impairment:		
At beginning of year	**5,800**	5,800
Disposal of subsidiaries	**(5,800)**	–
At balance sheet date	**–**	5,800
Net carrying value:		
At balance sheet date	**–**	–
At beginning of year	**–**	–

21. Acquisition of a subsidiary

On 18 November 2008, the Company acquired the entire issued capital of China Gold Silver Group Company Limited ("China Gold Silver"), a company incorporated in British Virgin Islands, for consideration of approximately HK$8.

The net asset of China Gold Silver acquired is as follows:

	2009
	HK$
Net Asset:	
Amount due from a shareholder	**8**
Satisfied by:	
Cash	**8**
Net cash outflow of cash and cash equivalents in respect of acquisition of a subsidiary:	
Consideration paid	**8**

22. Deposit for acquisition

	2009	2008
	HK$'000	*HK$'000*
Deposit for acquisition	**101,686**	–

Pursuant to the circular was made on 12 June 2009, the Group was entered into a conditional restructuring agreement for the acquisition of the restructured group of 3D-GOLD Jewellery Holdings Limited (formerly known as Hang Fung Gold Technology Limited) (Provisional Liquidators Appointed) ("**3D-GOLD**") either by completion with share issue or completion with share transfer for a non-fixed consideration of HK$500,000,000. During the year, initial deposit and related expenses of approximately HK$100,000,000 and HK$1,686,000 for such acquisition were paid by China Gold Silver.

23. Interests in subsidiaries

	Company	
	2009	2008
	HK$'000	*HK$'000*
Unlisted shares, at cost	**66,667**	123
Due from subsidiaries	**2,459**	96,743
	69,126	96,866
Less: Impairment loss	**–**	(96,866)
	69,126	–
Due to a subsidiary	**–**	(15,083)
	69,126	(15,083)

The amounts due from subsidiaries are unsecured, interest-free and have no fixed repayment terms.

23. Interests in subsidiaries (continued)

As mentioned in note 2 to the financial statements, the court orders for the withdrawal of the winding-up petitions and the discharge of the Provisional Liquidators of the Company were granted on 25 September 2008 by the Supreme Court of Bermuda and on 30 September 2008 by the High Court. Following completion of the Company's Restructuring Agreement and the schemes of arrangement between the Company and its creditors became effective, the issued shares of all subsidiaries set out in below (b) and (c) directly or indirectly held by the Company were transferred to a company held by the scheme administrators for the benefits of its creditors at a nominal consideration of HK$1.

Details of subsidiaries which have been included in the consolidated financial statements are as follows:

	Name of subsidiary	Place of incorporation or establishment/ operations	Issued and fully paid up capital	Percentage of capital held by the Company		Principal activities
				Directly	Indirectly	
(a)	**Subsidiaries at the balance sheet date:**					
	Brand New Management Limited	British Virgin Islands	US$1	100%	–	Investment holding
	China Gold Silver Group Company Limited ("China Sold Silver") *(Note i)*	British Virgin Islands	US$3,000	66.67%	–	Investment holding
	Trump Power Limited	Hong Kong	HK$100	–	100%	Trading of electroplating chemicals
(b)	**Subsidiaries disposed on 30 September 2008:**					
	Dynamic Market Trading Limited	British Virgin Islands	US$1	–	100%	Inactive
	Kenlap Chemicals Limited	Hong Kong	HK$100	–	100%	Inactive
	Kenlap PGC Manufacturer Company Limited (Provisional Liquidators Appointed)	Hong Kong	HK$2 ordinary, HK$ 1,113,352 non-voting deferred	–	100%	Inactive
	Ocean Grand Chemicals (BVI) Limited	British Virgin Islands	US$11,133.52	100%	–	Investment holding
	Successful Environmental Works and Investments Company Limited	Hong Kong	HK$100	–	100%	Inactive
	Wintex Holdings Limited	Hong Kong	HK$100	–	100%	Inactive

23. Interests in subsidiaries (continued)

Name of subsidiary	Place of incorporation or establishment/ operations	Issued and fully paid up capital	Percentage of capital held by the Company Directly	Indirectly	Principal activities
(c) Deconsolidated subsidiaries:					

The consolidated financial statements for the year do not include the following subsidiaries, which are either in the course of liquidation or the major assets and production facilities have been subject to freezing orders obtained by the creditor in the PRC.

Name of subsidiary	Place of incorporation or establishment/ operations	Issued and fully paid up capital	Directly	Indirectly	Principal activities
Kenlap Fine Chemical (Zhuhai) Technology Company Limited	PRC	HK$80,000,000 (as at 31 March 2005)	–	100%	Inactive
OGC Management Services Limited (In Liquidation)	Hong Kong	HK$100 (as at 31 March 2007)	100%	–	Inactive

Note:

(i) The subscription price for the 1,999 ordinary shares held by the Company was HK$200,000,000 of which HK$66,667,000 had been duly paid up during the year and 1,000 shares held by Mr. Liu Wang Zhi ("**Mr. Liu**") was HK$100,000,000 of which HK$33,333,000 had been duly paid up during the year. The balance of the subscription price of HK$133,333,000 and HK$66,667,000 would be called to pay up by the Company and Mr. Liu respectively on the fifth business day immediately before completion of the share transfer of the restructured group of 3D-GOLD (other than 3D-GOLD).

Subsequent to the balance sheet date, China Gold Silver agreed to issue and allot and Ace Captain Investments Limited, a company incorporated in British Virgin Islands, agreed to subscribe for 333 new China Gold Silver's shares. Upon completion of the transaction, China Gold Silver will be owned as to approximately 60% by the Company, 30% by Mr. Liu and 10% by Ace Captain Investments Limited.

24. Inventories

	2009	2008
	HK$'000	*HK$'000*
Finished goods	**1,147**	–

25. Trade and other receivables

The Group allows a credit period normally ranging 30 to 90 days to its trade customers.

	Group		Company	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade receivables	**–**	255,977	**–**	–
Less: Impairment loss of trade receivables *(Note a)*	**–**	(250,021)	**–**	–
	–	5,956	**–**	–
Other receivables:				
Deposits, prepayments and other debtors	**280**	15,581	**280**	–
Due from former ultimate holding company *(Note c)*	**–**	450	**–**	–
Due from a former fellow subsidiary *(Note c)*	**–**	341	**–**	–
	280	16,372	**280**	–
Less: Impairment loss of other receivables *(Note b)*	**–**	(16,365)	**–**	–
	280	7	**280**	–
	280	5,963	**280**	–

The aged analysis of trade receivables is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
0 to 30 days	**–**	5,956
31 to 60 days	**–**	–
61 to 90 days	**–**	–
Over 90 days	**–**	250,021
	–	255,977

The Company's and Group's other receivables at 31 March 2009 approximate to its fair value.

25. Trade and other receivables (continued)

Notes:

(a) Impairment loss of trade receivables:

Movement of the provision for impairment of trade receivables was as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Beginning of the year	**250,021**	251,473
Reversal of impairment loss of trade receivables	**–**	(1,452)
Disposal of subsidiaries	**(250,021)**	–
	–	250,021

(b) Impairment loss of other receivables:

Movement of the provision for impairment of other receivables was as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Beginning of the year	**16,365**	16,253
Provision for impairment loss of other receivables	**–**	112
Disposal of subsidiaries	**(16,365)**	–
	–	16,365

(c) At 31 March 2008, the amounts due from former ultimate holding company and a former fellow subsidiary are unsecured, interest-free and have no fixed repayment terms.

26. Bank balances and cash

	Group		Company	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Bank balances and cash				
Hong Kong dollar	**115,803**	73,087	**115,665**	45

Bank balances and cash comprise cash held by the Group and short-term bank deposits which carry at market interest rate. The carrying amounts of the bank balances and cash and the deposits approximate to their fair value.

At the balance sheet date, the bank balances and cash are denominated in Hong Kong dollar.

27. Trade and other payables

	Group		Company	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade payables	**23**	29,337	**–**	–
Other payables:				
Accrued charges and other payables	**3,543**	1,648	**1,878**	1,567
	3,566	30,985	**1,878**	1,567

The aged analysis of the trade payables is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
0 to 30 days	**23**	462
31 to 60 days	**–**	–
61 to 90 days	**–**	–
Over 90 days	**–**	28,875
	23	29,337

The Company's and Group's trade and other payables at 31 March 2009 approximate to its fair value.

28. Short-term bank borrowings

	Group		Company	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Short-term bank borrowings:				
Unsecured	**–**	295,470	**–**	295,277

29. Amount due to a deconsolidated subsidiary

Following the completion of the Company's Restructuring Agreement as set out in note 3 to the financial statements, the amount due to a deconsolidated subsidiary is fully discharged.

30. Short-term notes

Following the completion of the Company's Restructuring Agreement as set out in note 3 to the financial statements, the indebtedness related to the senior notes are fully discharged.

31. Other borrowings

	Group		Company	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Other borrowings:				
Secured	**–**	5,205	**–**	–

On 15 January 2008, Trump Power Limited ("**TPL**") entered into a loan agreement with Perfect Ace where Perfect Ace has agreed to make available to TPL a loan facility of HK$3 million provided by Perfect Ace as working capital to revitalize its business. The loan was secured by all or any part of present and/or future undertaking, properties, assets, rights and/or revenues as a continuing security for the obligations of TPL under this loan agreement. The other borrowings were non-interesting bearing and denominated in Hong Kong dollars, which is the same functional currency of the Group. The other borrowings was fully repaid on 30 September 2008 and the security has been fully released and discharged accordingly.

32. Share capital

	Notes	Number of '000	Amount HK$'000
Authorized:			
At 1 April 2007 and 2008			
Ordinary shares of HK$0.10 each		1,000,000	100,000
At 31 March 2009			
Ordinary shares of HK$0.01 each	(i)	**4,000,000**	**40,000**
Preference shares of HK$0.01 each	(i)	**3,000,000**	**30,000**
		7,000,000	**70,000**
Ordinary shares issued and fully paid			
At 1 April 2007			
Ordinary shares of HK$0.10 each		487,000	48,700
Exercise of share options		10,900	1,090
At 31 March 2008			
Ordinary shares of HK$0.10 each		497,900	49,790
Capital reduction and share consolidation pursuant to the Restructuring	(i)	**(448,110)**	**(49,292)**
Issue of ordinary shares pursuant to the Restructuring	(i)	**402,000**	**4,020**
Issue of shares	(ii)	**63,500**	**635**
Exercise of share options	(ii)	**15,057**	**151**
At 31 March 2009			
Ordinary shares of HK$0.01 each		**530,347**	**5,304**
Preference shares issued and fully paid			
At 1 April 2007 and 2008		–	–
Issue of preference shares pursuant to the Restructuring	(i)	**1,071,000**	**10,710**
At 31 March 2009			
Preference shares of HK$0.01 each		**1,071,000**	**10,710**

(i) On 30 September 2008, the Company has undergone a restructuring pursuant to the Restructuring Agreement as referred to note 3 to the financial statements.

(ii) In addition, 63,500,000 ordinary shares and 15,057,000 ordinary shares were issued during the year for subscription and exercise of share options respectively, and the total net of proceeds was HK$57,939,000.

33. Share options

At the annual general meeting of the Company held on 4 September 2003, an ordinary resolution was passed approving the adoption of a share option scheme (the "**2003 Share Option Scheme**"). Pursuant to the terms of this scheme, and with reference to the Company's circular dated 29 August 2008 and the holders of share options of the Company, the remaining 3,200,000 outstanding share options of the Company granted by this scheme were cancelled upon completion of Restructuring (as defined in note 3 to the financial statements) of the Company on 30 September 2008.

The Company adopted a new share option scheme at the special general meeting held on 23 January 2009 by way of an ordinary resolution (the "**2009 Share Option Scheme**") for the purpose of providing incentives or rewards to eligible persons for their contribution or potential contribution to the Group. Eligible persons including but not limited to the Group's shareholders, directors, employees, business partners, customers and suppliers.

Pursuant to the 2009 Share Option Scheme, the Board may grant options to the eligible persons to subscribe for the Company's shares for a consideration of HK$1 for each lot of share options granted. The exercise price is to be determinable by the Board and shall not less than the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheet issued by the Stock Exchange for the date of grant; (ii) the average closing price of the Company's shares as stated in the daily quotations sheet issued by the Stock Exchange for the five business days immediately preceding the date of grant and (iii) the nominal value of a share of the Company.

Pursuant to the 2009 Share Option Scheme, the maximum number of shares in the Company in respect of which options may be granted when aggregated with any other share option schemes of the Company is not permitted to exceeded 45,179,000 shares, representing 10% of the issued share capital of the Company as at the date of adoption of the 2009 Share Option Scheme or approximately 8.52% of the issued share capital of the Company as at 31 March 2009. Subject to the issue of a circular and the approval of the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may refresh the limit at any time to 10% of the total number of shares in issue as at the date of approval by the shareholders of the Company in general meeting. Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2009 Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the shares issue from time to time.

No option may be granted to any person if the total number of shares of the Company already issued and issuable to him under all the options granted to him in any 12-month period up to and including the date of grant exceeding 1% of the total number of shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting. The participant and his associates (as defined in the Listing Rules) are abstained from voting and/or other requirements prescribed under the Listing Rules from time to time. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5 million must be approved in advance by the Company's shareholders.

33. Share options (continued)

There is no specific requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The period during when an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant.

(a) The following table sets out the movements of the Company's share options during the Year:

				Number of Shares				
Eligible person	**Date of grant**	**Exercise period**	**Exercise price** *HK$*	**Outstanding at beginning of year**	**Granted during the year**	**Exercise during the year**	**Cancelled during the year**	**Outstanding at end of year**
2003 Share Option Scheme:								
Employee	31.3.2006	31.3.2006 to 3.9.2013	1.320	3,200,000	–	–	(3,200,000)	–
2009 Share Option Scheme:								
Directors	23.1.2009	23.1.2009 to 22.1.2019	0.498	–	20,330,550	(14,457,280)	–	5,873,270
Employees	23.1.2009	23.1.2009 to 22.1.2019	0.498	–	1,403,580	(400,000)	–	1,003,580
Consultants	23.1.2009	23.1.2009 to 22.1.2019	0.498	–	200,000	(200,000)	–	–
				–	21,934,130	(15,057,280)	–	6,876,850

33. Share options (continued)

(b) The number and weighted average exercise prices of share options are as follows:

	2009		2008	
	Number of share options	**Weighted average exercise price**	Number of share options	Weighted average exercise price
	'000	***HK$***	*'000*	*HK$*
Outstanding at the beginning of the year	**3,200**	**1.320**	3,200	1.320
Granted during the year	**21,934**	**0.498**	–	–
Exercised during the year	**(15,057)**	**0.498**	–	–
Lapsed during the year	**(3,200)**	**1.320**	–	–
Outstanding and exercisable at the end of the year	**6,877**	**0.498**	3,200	1.320

(c) The following key assumptions were used in assessing the fair value of the options granted under the 2009 Share Option Scheme:

Date of grant	23 January 2009
Number of options granted	21,934,130
Grant date share price	HK$0.430
Fair value per share option	HK$0.424
Exercise price	HK$0.498
Risk-free rate	1.424%
Nature of the share options	Call
Life of the options	10 years
Expected volatility	154.79%
Expected dividend yield	0%

The fair value of the options determined at the date of grant using Binomial option pricing model was HK$9,295,000 and recognized in the consolidated income statement for the Year.

34. Reserves

Company

	Share premium	Share option reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2007	35,889	1,200	(398,256)	(361,167)
Loss for the year	–	–	(505)	(505)
At 31 March 2008	35,889	1,200	(398,761)	(361,672)
Lapse of share options	–	**(1,200)**	**1,200**	–
Capital reduction	**(35,889)**	–	**85,181**	**49,292**
Issue of ordinary shares	**95,765**	–	–	**95,765**
Issue of preference shares	**139,230**	–	–	**139,230**
Equity-settled share-based transactions	–	**9,295**	–	**9,295**
Exercise of share options	**13,729**	**(6,380)**	–	**7,349**
Profit for the year	–	–	**228,276**	**228,276**
At 31 March 2009	**248,724**	**2,915**	**(84,104)**	**167,535**

35. Commitments

(a) Capital expenditure commitments

	2009	2008
	HK$'000	*HK$'000*
Acquisition of restructured group of 3D-GOLD	**400,000**	–

During the year, the Group entered into agreement as set out in note 22 to the financial statements for acquisition of the value attributed to the business, assets and goodwill of the restructured group of 3D-GOLD at a non-fixed consideration of HK$430,000,000 and the listing value being HK$70,000,000.

Pursuant to the circular dated 12 June 2009 and announcement dated 29 June 2009, completion with share transfer can take place upon satisfaction of the initial condition (subject to the absolute discretion of the provisional liquidators of 3D-GOLD). Initial deposit of HK$100,000,000 was paid by China Gold Silver in December 2008. The entire equity interest of the members of the restructured group of 3D-GOLD (other than 3D-GOLD) will be transferred to the China Gold Silver upon completion of the agreement. The remaining balance of consideration is subject to adjustment in accordance with the terms of the agreement.

35. Commitments (continued)

(b) Operating leases commitments

At the balance sheet date, the Group had total outstanding commitments in respect of land and buildings under non-cancellable operating leases, which are payable as follows:

	2009	2008
	HK$'000	*HK$'000*
Within one year	**956**	–
Between two to five years	**558**	–
	1,514	–

36. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the Group had the following transactions with related parties:

(a) During the year, the Group paid legal professional services fee of approximately HK$791,000 (2008: Nil) to a solicitors firm in which a director of the Company is a partner.

(b) During the year, the Group paid legal professional services fee of approximately HK$983,000 (2008: Nil) to a solicitors firm in which a director's spouse of the Company is a partner.

37. Contingent liabilities

Pursuant to the Restructuring Agreement (as defined in note 3 to the financial statements, each preference share shall confer on its holder the right to be paid out of the profits of the Company available for a dividend and resolved to be distributed pari passu with other shares, a fixed cumulative preferential dividend at the rate of 5% per annum on the paid-up value of each preference share. The undeclared cumulative preferential dividend as at 31 March 2009 amounted to HK$268,000.

38. Subsequent Events

(a) Subsequent to year ended 31 March 2009, the Group conducted the following fund raising activities:

(i) In order to facilitate the acquisition of 3D-GOLD, China Gold Silver (a 66.67% owned subsidiary of the Company) and Ace Captain Investments Limited entered into a subscription agreement on 5 May 2009 pursuant to which Ace Captain Investments Limited conditionally agreed to subscribe for 333 new shares of China Gold Silver at an aggregate consideration of HK$33,300,000.

The subscription completed on 4 June 2009. Upon the completion, the Company's interest in China Gold Silver was diluted from approximately 66.67% to approximately 60.00% and thus the deemed disposal under Chapter 14 of the Listing Rules of approximately 6.67% shareholding interest in China Gold Silver by the Company gave rise to a gain for the Company in the amount of approximately HK$13,409,000.

(ii) In view to facilitate the acquisition of 3D-GOLD and to broaden the shareholder base and the capital base of the Company, Perfect Ace Investments Limited (the current controlling shareholder of the Company) entered into a placing and subscription agreement with Celestial Securities Limited (the placing agent) and the Company on 8 May 09. The placement and subscription completed on 22 May 2009, 40,000,000 shares of the Company were issued at a price of HK$1.30 per share and the net proceeds was approximately HK$48,000,000.

(b) Please refer to "Acquisition of 3D-GOLD" under the "CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS" section above.

(c) In May 2009, the Group entered into an loan agreement with a bank for the amount of approximately HK$120,000,000 for the purpose of the acquisition of the restructured group of 3D-GOLD.

(d) For the period from 1 April 2009 to 30 June 2009, 1,355,370 ordinary shares of the Company were issued for approximately HK$675,000 under the Company's employee Share Options Scheme.

39. Approval of the financial statements

The financial statements were approved and authorized for issue by the Board of Directors on 30 June 2009.

The following is a summary of the consolidated results and of the assets and liabilities of the Group for the last five financial years. This summary does not form part of the audited financial statements.

RESULTS

	Year ended 31 March				
	2009	2008	2007	2006	2005
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Restated)
Turnover	**95,138**	52,696	131,871	1,006,661	1,017,839
Profit/(Loss) before taxation	**275,246**	(7,616)	(177,494)	(478,079)	75,845
Income tax (charge)/credit	**(13)**	(17)	–	(1,180)	500
Loss shared by minority interests	**431**	–	–	–	–
Profit/(Loss) attributable to equity holders	**275,664**	(7,633)	(177,494)	(479,259)	76,345
Dividend	**–**	–	–	12,175	29,001

ASSETS AND LIABILITIES

	As at 31 March				
	2009	2008	2007	2006	2005
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Restated)
Total assets	**219,354**	95,527	93,394	163,729	646,980
Total liabilities	**(3,596)**	(455,490)	(445,724)	(351,871)	(347,249)
Minority interests	**(32,902)**	–	–	–	–
Equity attributable to equity holders	**182,856**	(359,963)	(352,330)	(188,142)	299,731