OCEAN GRAND HOLDINGS LIMITED

(Provisional Liquidators Appointed)

海域集團有限公司*

（已委任臨時清盤人）

(Incorporated in Bermuda with limited liability)

(Stock Code: 1220)

Annual Report 2009

* *For identification purpose only*

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Dr. Yip Kim Po	
Dr. Hui Ho Ming, Herbert, JP	
Mr. Li Lee Cheung	
Ms. Yip Wan Fung	
Mr. Kwan Man Wai	
Mr. Chin Chang Keng, Raymond	(Appointed on 1 September 2008)
Ms. Ang Mei Lee, Mary	(Appointed on 1 September 2008)

AUDITORS

Ray W.H. Chan & Co.
Certified Public Accountants
12th Floor, Bel Trade Commercial Building
1-3 Burrows Street
Wanchai
Hong Kong

JOINT AND SEVERAL PROVISIONAL LIQUIDATORS

Joseph Kin Ching Lo and Lai Kar Yan
35th Floor, One Pacific Place
88 Queensway
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS

35th Floor, One Pacific Place
88 Queensway
Hong Kong

STOCK CODE

1220

The Board of Directors of Ocean Grand Holdings Limited (Provisional Liquidators Appointed) (the "**Company**") is pleased to announce the annual results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries were principally engaged in the manufacturing of aluminium extrusion products and chemicals for use in electroplating process. Since July 2006, the operation of the Company and its subsidiaries ceased.

Subsequently in June 2008 the Group had reactivated the trading business of aluminium extrusion products. In December 2009, the Group further expanded its business into construction supply projects of building materials. The Group is also planning to manufacture aluminium extrusion products in the future.

WINDING-UP PETITIONS AND APPOINTMENT OF PROVISIONAL LIQUIDATORS

In July 2006, in view of the deterioration of the cash position of the Group to a level which resulted in difficulties for the Group to meet its short term debts, the Board of Directors of the Company (the "**Directors**") voluntarily resolved to apply for a suspension of trading in its shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and to apply to the courts in Hong Kong and Bermuda respectively for a winding-up and for an appointment of provisional liquidators for the Company in order to protect the assets of the Group and to safeguard the interests of both the creditors and the shareholders.

On 24 and 25 July 2006, the Company presented petitions for its winding-up and applied for the appointment of provisional liquidators to the High Court of Hong Kong (the "**High Court**") and the Supreme Court of Bermuda (the "**Bermuda Court**") respectively.

As a result of the applications, the trading in the Company's shares on the Stock Exchange was suspended since 17 July 2006. Messrs. Lai Kar Yan (Derek) and Joseph Kin Ching Lo, both of Deloitte Touche Tohmatsu ("**Deloitte**"), were appointed as the joint and several provisional liquidators of the Company (the "**Provisional Liquidators**") by the order of the High Court and the Bermuda Court on 24 and 25 July 2006 respectively.

The hearing of winding-up petitions against the Company by the High Court and the Bermuda Court are adjourned to 19 December 2011 and 23 December 2011 respectively.

RESTRUCTURING OF THE GROUP

Restructuring Agreement

On 20 December 2007, the Company, Gold Star Success Limited (the "**Investor**"), the Provisional Liquidators and Deloitte entered into an agreement for the restructuring of the Group (the "**Restructuring Agreement**"), involving inter alia, capital reorganization, debt restructuring, subscription of new shares and preference shares and group reorganization.

Scheme and Debt Restructuring

The Company's scheme of arrangement for discharging its debts (the "**Scheme**") was sanctioned by the High Court on 15 April 2008. The Scheme, upon effective, will bind on the Company and the scheme creditors will discharge all the indebtedness of the Company in full.

In light of the amendments on certain terms of the Restructuring Agreement, on 24 June 2011, the Provisional Liquidators made an application to the High Court for modification to the Scheme and the High Court has approved such modification on 30 June 2011.

Business Update

In June 2008, the Group reactivated its business in trading of aluminium products and ingots. In December 2009, the Group expanded its business into construction supply projects of building materials.

On 30 September 2010, the Group acquired the entire equity interest in Tak Lee Metal Manufactory (Hong Kong) Company Limited and its subsidiary namely Zhongshan City Minzhong Deli Metal Co., Ltd. for manufacturing aluminium products for construction supply projects.

With a view to further develop the business, the Group has entered into an agreement with a company to operate a factory in China to manufacture of aluminium extrusion products. This joint venture operation is subject to the approval of shareholders at a special general meeting.

Resumption Proposal

As mentioned above, the trading in the Company's shares on the Stock Exchange has been suspended since 17 July 2006.

With a view to resume trading in its shares on the Stock Exchange, the Company submitted a resumption proposal dated 27 August 2008 and an updated proposal dated 19 October 2009 (the "**Resumption Proposal**") to the Listing Committee of the Stock Exchange (the "**Listing Committee**") in respect of the restructuring of the Group.

RESTRUCTURING OF THE GROUP (continued)

Resumption Proposal (continued)

The Listing Committee and the Listing (Review) Committee of the Stock Exchange had respectively on 12 November 2009 and 25 February 2010 rejected the Resumption Proposal. The Company had made an application to the Listing Appeals Committee for a review of the decision of the Listing Committee and the Listing (Review) Committee.

Finally, on 28 September 2010, the Stock Exchange informed the Company by way of a letter that the Listing Appeals Committee of the Stock Exchange had decided to accept the Resumption Proposal, subject to the Company's compliance with conditions as set out in the same letter to the satisfaction of the Listing Division of the Stock Exchange by 30 June 2011 and confirmation by the Provisional Liquidators. Upon application by the Company, on 15 June 2011, the Listing Appeals Committee had agreed to extend the deadline for compliance with the conditions by the Company to 30 November 2011.

The Provisional Liquidators, the Investor and their respective advisors are now working towards to fulfill the conditions imposed by the Listing Appeals Committee of the Stock Exchange.

PROSPECTS

It is anticipated that the financial position of the Group will be substantially improved upon completion of the Restructuring Agreement ("**Completion**") as all the liabilities of the Company will be compromised and discharged through the Scheme.

Further, upon Completion, the Company's shares will resume trading on the Stock Exchange subject to the approvals of the shareholders of the Company and fulfillment of conditions imposed by the Listing Appeals Committee of the Stock Exchange.

The Company is confident that, with the Investor's strong support in the business and financial aspects, the Group will be able to gain a strong foothold in the aluminium business and achieve more substantial level of operations within a reasonable period of time after the resumption of trading in its shares on the Stock Exchange.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2009 are set out in the consolidated income statement on page 18.

For the year ended 31 March 2009, the Group's turnover was approximately HK$161 million (2008: HK$nil). The consolidated profit attributable to equity holders of the Company amounted to approximately HK$1.32 million for the year (2008: loss of HK$117 million).

Basic earnings per share for the year ended 31 March 2009 was approximately HK$0.003 as compared with loss per share of HK$0.28 for the preceding year.

RESULTS AND APPROPRIATIONS (continued)

The Directors do not recommend the payment of final dividend for the year ended 31 March 2009 (2008: HK$nil).

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

Bank and cash balances as at 31 March 2009 was approximately HK$0.99 million (2008: HK$0.12 million). The Group's gearing ratio measured on the basis of the Group's bank borrowings liabilities divided by total equity as at 31 March 2009 was not applicable as the Group had net deficiency in assets (2008: not applicable).

Liabilities and payables presented in the audited consolidated financial statements and this report are prepared according to the books and records and available information to the best of our knowledge.

SUMMARY OF FINANCIAL INFORMATION

A summary of the consolidated results and the assets and liabilities of the Group for the last five financial years is set out on page 52 of this annual report.

DIRECTORS' REMUNERATION

Details of the directors' remuneration are set out in note 10 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in share capital of the Company are set out in note 22 to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Group and the Company during the year are set out in page 20 and note 26 to the consolidated financial statements respectively.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2009.

DIRECTORS

The Directors of the Company during the year and up to the date of this annual report were:

Executive Directors:

Dr. Yip Kim Po	
Dr. Hui Ho Ming, Herbert, JP	
Mr. Kwan Man Wai	
Mr. Li Lee Cheung	
Ms. Yip Wan Fung	
Mr. Chin Chang Keng, Raymond	(Appointed on 1 September 2008)
Ms. Ang Mei Lee, Mary	(Appointed on 1 September 2008)

Dr Yip Kim Po and Ms Yip Wan Fung were convicted of various criminal charges under District Court Criminal Case Number 960/2007 and 551/2008, which include, inter alia, conspiracy to defraud. As a result of the aforesaid convictions, Dr Yip Kim Po and Ms Yip Wan Fung were disqualified as directors with effect from 8 October 2010 for 10 years and 8 years respectively by the orders of the District Court of Hong Kong dated 8 October 2010. Dr Yip Kim Po and Ms Yip Wan Fung have made an appeal application in the aforesaid criminal proceedings but neither the Directors nor the Provisional Liquidators have been advised of the status of the appeal proceedings. In view of the above, on 29 June 2011, the Directors resolved to suspend their duties as directors until further notice.

DIRECTORS' SERVICE CONTRACTS

No Directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

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

At 31 March 2009, the interests and short positions of the Directors and the chief executives and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and The Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Aggregate interest	Percentage of the issued share capital of the Company *Note (3)*
Dr. Yip Kim Po *Note (2)*	Beneficial owner and Controlled Corporation	132,000,000 *Note (1)*	132,000,000 *Note (1)*	31.14%
Ms. Yip Wan Fung *Note (2)*	Beneficial owner	19,030,000	19,030,000	4.49%
Dr. Hui Ho Ming, Herbert	Beneficial owner	8,480,000	8,480,000	2.00%
Mr. Choy Tak Ho	Beneficial owner	240,000	240,000	0.06%
Mr. Chau Po Fan	Beneficial owner	20,000	20,000	0.005%

Notes:

(1) Based on the registered shareholders list of the Company as at 31 March 2009, Dr. Yip Kim Po is not a registered shareholder of the Company. According to the filing made pursuant to SFO up to 31 March 2009, Dr. Yip Kim Po was beneficially interested in 30,000,000 shares in the Company and indirectly held 102,000,000 in the Company through Holylake Resources Limited and Grecian Resources Limited. The issued shares of Holylake Resources Limited were owned as to 76% and 24% by Dr. Yip Kim Po and Mr. Yip Lap Chi respectively. The issued shares of Grecian Resources Limited were owned as to 76% and 24% by Dr. Yip Kim Po and Mr. Yip Lap Chi respectively.

(2) As at the date of this annual report, to the information of the Provisional Liquidators and the Directors, a Restraint and Charging Order dated 20 December 2007 against, among others, Dr. Yip Kim Po and Ms. Yip Wan Fung was still in force, restricting them, whether by themselves, their servants, agents, attorneys, or otherwise to dispose of, or deal with, or diminish the value of any of their property, which is located in Hong Kong, whether in their own names or not, and whether solely or jointly owned.

(3) Based on the latest filing made by Mr. Kwan Man Wai pursuant to the SFO, Mr. Kwan holds 3,300,000 share options of the Company.

Other than as disclosed above, none of the Directors, chief executives nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 March 2009.

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 23 to the consolidated financial statements.

In accordance with the terms of the share option scheme of the Company pursuant to which the outstanding options are issued, all the outstanding share options shall lapse automatically (to the extent not already exercised) on the earliest of, among other things, subject to the Scheme becoming effective, the expiry of the period from the requisite meetings of shareholders approving the Scheme to such time to be notified by the Company.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company or their respective spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company or its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2009, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors or chief executives of the Company, the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company.

Long Position – Substantial shareholders

Name	Type of interest	Number of shares	Approximate % of the Company's issued share capital
Holylake Resources Limited	Directly	73,000,000	17.22%

Long Position – Other Person

Name	Type of interest	Number of shares	Approximate % of the Company's issued share capital
Paul G. Desmarais	Indirectly through Nordex Inc.	35,000,000 *Note (1)*	8.26%

SUBSTANTIAL SHAREHOLDERS (continued)

Long Position – Other Person (continued)

Name	Type of interest	Number of shares	Approximate % of the Company's issued share capital
Mackenzie Cundill Investment Management Ltd.	Directly	35,000,000 *Note (1)*	8.26%
Peter Cundill & Associates (Bermuda) Ltd.	Directly	34,046,000	8.03%
Mr. Cheah Cheng Hye	Indirectly through Value Partners Limited	29,777,600 *Note (2)*	7.02%
Ms. To Hau Yin	Indirectly through Value Partners Limited	29,777,600 *Note (2)*	7.02%
Value Partners Limited ("VPL")	Directly	29,777,600 *Note (2)*	7.02%
Grecian Resources Limited	Directly	29,000,000	6.84%

Notes:

(1) Mr Paul G. Desmarais is deemed to be interested in the shares through his 68% interest in Nordex Inc., which indirectly held interest in Mackenzie Cundill Investment Management Ltd. This figure refers to the same interest of Mackenzie Cundill Investment Management Ltd. in 35,000,000 shares.

(2) Mr. Cheah Cheng Hye, being the founder of The C H Cheah Family Trust, is deemed to be interested in the shares. The C H Cheah Family Trust through his trustee, Hang Seng Bank Trustee International Limited, indirectly held interest in VPL. These figures refer to the same interest of VPL in 29,777,600 shares. Ms. To Hau Yin is deemed to be interested in the shares, being a child or spouse of Mr. Cheah Cheng Hye.

Other than 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.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

In July 2006, all the independent non-executive Directors were resigned. Given the severe financial difficulties of the Group and the prolonged suspension in trading of the shares of the Company on the Stock Exchange, up to the date of this annual report, the Company has not appoint minimum number of persons to be its independent non-executive Directors. As a result, the Company is in breach of Rule 3.19 of the Listing Rules.

REVIEW BY THE AUDIT COMMITTEE

Due to the severe financial difficulties of the Group and the prolonged suspension in trading of the shares of the Company on the Stock Exchange and no independent non-executive Directors were appointed following their resignations in July 2006, up to the date of this annual report, no audit committee has been established. As a result, the Company is in breach of Rule 3.21 of the Listing Rules and the audited consolidated financial statements of the Group for the year ended 31 March 2009 have not been reviewed by the audit committee.

DELAY IN DISPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

Due to suspension of trading in its shares on the Stock Exchange and most of the responsible officers had left the Group, the Company has not been able to dispatch the annual report for the financial year ended 31 March 2009 within the due date as required by the Listing Rules.

The delay in the dispatch of the annual report constitutes a breach of the Rules 13.46(2) of the Listing Rules by the Company.

NON-COMPLIANCE OF APPENDIX 16 "DISCLOSURE OF FINANCIAL INFORMATION" OF THE LISTING RULES

Due to the failure to access the books and records of Deconsolidated Subsidiaries (defined below), the Directors do not have sufficient data available to compile the annual report so as to comply with the Appendix 16 "Disclosure of financial information" of the Listing Rules. The following information has been omitted from this annual report:

1. The information on the Group's major suppliers and customers;

2. Connected transactions and continuing connected transactions with the connected person as defined in Chapter 14A (or Chapter 14 prior to the coming into force of Chapter 14A) of the Listing Rules;

3. A separate Corporate Governance Report contained the information required under Appendix 23 of the Listing Rules;

NON-COMPLIANCE OF APPENDIX 16 "DISCLOSURE OF FINANCIAL INFORMATION" OF THE LISTING RULES (continued)

4. Details of the number and remuneration of employees, remuneration polices, and the retirement benefits scheme;

5. Details of charges on group assets; and

6. Details of contingent liabilities.

EMOLUMENT POLICY

No remuneration committee was set up to determine the emolument policy of the Group. However, the emolument policy of the employees of the Group is decided by the Directors on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Board of Directors, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to eligible employees, details of the scheme is set out in note 23 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Up to the date of this annual report, the trading in the shares of the Company on the Stock Exchange remains in suspension, the sufficiency of public float as required by the Listing Rules is not applicable.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

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 Listing Rules. However, due to the severe financial difficulties of the Group and the prolonged suspension in trading of the shares of the Company on the Stock Exchange, the Directors are unable to comment as to whether the Company has complied with the CG Code throughout the year ended 31 March 2009.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Given that trading in the shares of the Company on the Stock Exchange has been suspended since 17 July 2006, the Directors are of the view that the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules is not applicable.

POST BALANCE SHEET EVENTS

Details of significant events occurring after the balance sheet date are set out in note 27 to the consolidated financial statements.

AUDITOR

Messrs Moores Rowland Mazars, the auditors of the Company for the year ended 31 December 2004, resigned on 17 January 2006. Messrs PricewaterhouseCoopers was appointed as the auditors of the Company on 14 February 2006 and it subsequently resigned on 5 December 2007. Ray W.H. Chan & Co. was appointed as auditors of the Company on 1 September 2008.

The accompanying consolidated financial statements have been audited by Ray W.H. Chan & Co. who will retire and a resolution for their appointment as the auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

ANG MEI LEE, MARY
DIRECTOR
20 July 2011

CHIN CHANG KENG, RAYMOND
DIRECTOR
20 July 2011

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF
OCEAN GRAND HOLDINGS LIMITED
(Provisional Liquidators Appointed)
(Incorporated in Bermuda with limited liability)

We were engaged to audit the consolidated financial statements of Ocean Grand Holdings Limited (Provisional Liquidators Appointed) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 18 to 51, which comprise the consolidated balance sheet as at 31 March 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**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 the consolidated 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 consolidated 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 responsibility 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 explained below, 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 consolidated financial statements are free from material misstatement. However, because of the matters described in the basis for disclaimer of opinion paragraphs, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

1. Our report on the consolidated financial statements of the Company for the year ended 31 March 2008 was disclaimed in view of the pervasive nature of the limitation on the scope of our audit resulting from the inability of the directors to locate sufficient documentary information in relation to the Deconsolidated Subsidiaries (defined in note 3(ii) to the consolidated financial statements) and material uncertainty in relation to the going concern. 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 the related disclosures in the notes to the consolidated financial statements for the year ended 2008 were fairly stated. Any adjustments to the opening balances as at 1 April 2008 would affect the net liabilities of the Group as at 31 March 2009 and the results and cash flows 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 results and cash flows of the Group for the year ended 31 March 2008 may not be comparable with the figures for the current year.

2. As disclosed in note 3(iii) to the consolidated financial statements of the Company for the year ended 31 March 2008, all of the former accounting personnel of the Group have left and there are potential accounting irregularities. Accordingly, the directors have been unable to obtain sufficient documentary information in relation to the Deconsolidated Subsidiaries to satisfy themselves regarding the genuineness of certain books and records and treatment of various balances of the Group as at 31 March 2009 and have formed the opinion as follows:

   a) as explained by the directors in note 3(iii)(a) to the consolidated financial statements, Deconsolidated Subsidiaries were deconsolidated from the consolidated financial statements since 1 January 2005 and OGA was not consolidated into the consolidated financial statements since the date of its incorporation on 19 May 2006. Thus, these consolidated financial statements include the results, assets and liabilities of the Company and its newly incorporated subsidiaries namely Golden Beach Enterprises Limited, Fast Excel Limited and Parkson Trade Services Limited. Due to limited books and records of the Deconsolidated Subsidiaries available to the current directors and material uncertainty relating to the completion of the restructuring of the Company for discharging its debts, the current directors of the Company were unable to obtain sufficient documentary information to satisfy themselves that the following amounts of the Company included in the consolidated financial statements for the year ended 31 March 2009 as to whether the completeness, correctness of identification and the disclosures recorded by the Group:

      – finance costs of HK$nil;
      – general and administrative expenses of approximately HK$30,000;
      – bank balances and cash of approximately HK$92,000;
      – short-term borrowings of approximately HK$1,448,078,000;

BASIS FOR DISCLAIMER OF OPINION (continued)

- trade and other payables of approximately HK$391,101,000;
- amounts due to deconsolidated subsidiaries of approximately HK$126,399,000;
- deferred taxation;
- commitments;
- related parties transactions;
- share options;
- pledge of asset; and
- other disclosures under Hong Kong Companies Ordinance.

b) as explained in note 3(iii)(b) to the consolidated financial statements, due to limited books and records of the Deconsolidated Subsidiaries available to the directors, the following disclosures have not been made in the consolidated financial statements:

- details of the retirement benefit scheme and the employee benefits as required by Hong Kong Accounting Standard ("HKAS") 19 "Employee Benefits";
- details of the Group's financial risk management objectives and policies as required by HKAS 32 "Financial Instruments: Presentation"; and
- details of contingent liabilities as required by HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

3. As at 31 March 2009, the consolidated balance sheet included the Company's bank balances and cash, short-term borrowings, other payables and amounts due to deconsolidated subsidiaries of approximately HK$92,000, HK$1,448,078,000, HK$391,101,000 and HK$126,399,000 respectively. We have not been able to obtain sufficient direct confirmation or other documentary evidence to substantiate the validity and existence in relations to these amounts. There were no other satisfactory audit procedures that we could adopt to ensure these amounts are fairly stated in the consolidated financial statements.

4. We have not been able to obtain all necessary information for us to complete our review of subsequent events from the balance sheet date up to the date of this report. Such procedures might have resulted in the identification of adjustments to the amounts reported in and/or disclosed as notes to the consolidated financial statements of the Group as at 31 March 2009.

There were no other satisfactory audit procedures that we could adopt to obtain sufficient evidence regarding to the matters set out in paragraphs 1 to 4 above. Accordingly, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Any adjustments to the figures might have a significant consequential effect on the Group's results for the year ended 31 March 2008 and 2009 and the net liabilities of the Group as at 31 March 2008 and 2009 and the related disclosures thereof in the consolidated financial statements.

MATERIAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

In forming our opinion, we have considered the adequacy of the disclosure in note 3(i) to the consolidated financial statements concerning the adoption of the going concern basis on which the financial statements have been prepared. The Company has entered into a conditional agreement with, among others, an investor for the purpose of restructuring of the Company's indebtedness and revitalising the Group's business. The consolidated financial statements have been prepared on a going concern basis on the assumption that the restructuring agreement will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to complete the restructuring. We consider that the disclosures are adequate. However, in view of the extent of the material uncertainty relating to the completion of the restructuring, we disclaimed our opinion in respect of the material uncertainty relating to the going concern basis.

DISCLAIMER OF OPINION: DISCLAIMER ON VIEW GIVEN BY FINANCIAL STATEMENTS

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs and the material uncertainty relating to the going concern basis paragraph, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of the Group's affairs 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. In all other respects, we also do not express an opinion on the consolidated financial statements as to whether they have been properly prepared in accordance with disclosure requirements of the Hong Kong Companies Ordinance.

REPORT ON MATTERS UNDER SECTIONS 141(4) AND 141(6) OF THE HONG KONG COMPANIES ORDINANCE

In respect alone of the limitations on our work as set out in the basis for disclaimer of opinion section of this report:

i) we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and

ii) we were unable to determine whether proper books of account had been kept.

RAY W.H. CHAN & CO.
Certified Public Accountants
12/F., Bel Trade Commercial Building
1-3 Burrows Street
Wanchai, Hong Kong

Hong Kong, 20 July 2011

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Note	2009	2008
		HK$'000	*HK$'000*
Turnover	7	**161,432**	–
Cost of sales		**(158,169)**	–
Gross Profit		**3,263**	–
Other income	7	**7**	22
General and administrative expenses		**(1,953)**	(2,272)
Profit/(Loss) from operations		**1,317**	(2,250)
Finance costs	8	**–**	(114,700)
Profit/(Loss) before income tax	9	**1,317**	(116,950)
Income tax	11	**–**	–
Profit/(Loss) attributable to equity holders of the Company		**1,317**	(116,950)
Dividends	12	**–**	–
Earnings/(Loss) per share	13		
– Basic		**HK$0.003**	(HK$0.28)
– Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

At 31 March 2009

	Note	2009	2008
		HK$'000	*HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Interests in subsidiaries	14	**–**	–
Current assets			
Trade and other receivables	15	**96,015**	–
Amounts due from deconsolidated subsidiaries	16	**–**	–
Bank balances and cash	17	**993**	121
		97,008	121
Current liabilities			
Short-term borrowings	18	**1,448,078**	1,448,078
Trade and other payables	19	**486,670**	391,101
Amounts due to deconsolidated subsidiaries	20	**126,399**	126,398
		2,061,147	1,965,577
Net current liabilities		**(1,964,139)**	(1,965,456)
Net liabilities		**(1,964,139)**	(1,965,456)
CAPITAL AND RESERVES			
Share capital	22	**423,835**	423,835
Reserves		**(2,387,974)**	(2,389,291)
Total equity		**(1,964,139)**	(1,965,456)

Approved and authorised for issue by the Board of Directors on 20 July 2011.

Chin Chang Keng, Raymond	**Ang Mei Lee, Mary**
Director	*Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2009

	Share capital	Share premium	Contributed surplus	Capital redemption reserve (Note a)	Accumulated losses	Total Equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2007	423,835	114,340	145,517	581	(2,532,779)	(1,848,506)
Loss for the year	–	–	–	–	(116,950)	(116,950)
At 31 March 2008	**423,835**	**114,340**	**145,517**	**581**	**(2,649,729)**	**(1,965,456)**
Profit for the year	**–**	**–**	**–**	**–**	**1,317**	**1,317**
At 31 March 2009	**423,835**	**114,340**	**145,517**	**581**	**(2,648,412)**	**(1,964,139)**

Note:

(a) Capital redemption reserve

The capital redemption reserve represented the reserve created in relation to share repurchased.

CONSOLIDATED CASH FLOW STATEMENTS

For the year ended 31 March 2009

	2009	2008
	HK$'000	*HK$'000*
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax	**1,317**	(116,950)
Adjustments for:		
Interest income	**(4)**	(22)
Finance costs	**–**	114,700
Operating cash flows before movements in working capital	**1,313**	(2,272)
(Increase)/Decrease in trade and other receivables	**(96,015)**	621
Decrease in amounts due from deconsolidated subsidiaries	**–**	1,631
Increase in trade and other payables	**84,069**	–
Increase in amounts due to deconsolidated subsidiaries	**1**	13
Net cash used in operating activities	**(10,632)**	(7)
INVESTING ACTIVITIES		
Interest income	**4**	22
Net cash generated from investing activities	**4**	22
FINANCING ACTIVITIES		
Fund from Investor	**11,500**	–
Net cash generated from financing activities	**11,500**	–
Net increase in cash and cash equivalents	**872**	15
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**121**	106
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**993**	121
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	**993**	121

1. General information

Ocean Grand Holdings Limited (Provisional Liquidators Appointed) (the "**Company**") was incorporated in Bermuda as an exempted company with limited liability and its ordinary shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of its registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The shares of the Company have been suspended for trading on the Stock Exchange since 17 July 2006.

The Company is an investment holding company. Its subsidiaries were principally engaged in the manufacturing of aluminium extrusion products and chemicals for use in electroplating process. The operations of the Group have ceased since July 2006. The Group has reactivated its trading of aluminium products through its newly incorporated subsidiaries since June 2008.

These 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.

On 24 July 2006, provisional liquidators were appointed to the Company as stated in note 2 below.

2. Winding-up petitions and appointment of provisional liquidators

Pursuant to an announcement made on 24 July 2006, a writ of summons has been issued in the High Court of The Hong Kong Special Administrative Region (the "**High Court**") on 20 July 2006 claiming against Hing Yip Holdings (Hong Kong) Limited (In Liquidation) ("**HYHK**"), OG Development Company Limited (In Liquidation) ("**OGD**"), wholly-owned subsidiaries of the Company, and the Company by Bank Sinopac for the payment of a sum of approximately HK$6.4 million together with interest under banking facilities made available to HYHK and OGD and guaranteed by OGD and the Company. The Group has also received letters of demand from certain of the Group's other bankers for (i) immediate repayment of outstanding indebtedness in the aggregate amount of approximately HK$81 million together with interest and (ii) deposit of approximately HK$174 million to relevant bankers, pursuant to various banking facilities, indemnities, undertakings for repayment of overdraft and guarantees entered into with those banks.

In July 2006, in view of the deterioration of the cash position of the Group to a level which resulted in difficulties to meet its short-term debts, the directors of the Company voluntarily resolved to apply for suspension of trading in its shares on the Stock Exchange and to apply to the courts in Hong Kong and Bermuda respectively for a winding up and for an appointment of provisional liquidators for the Company in order to protect the assets of the Group and to safeguard the interests of both the creditors and the shareholders.

As a result of the applications, Messrs. Joseph Kin Ching Lo and Lai Kar Yan (also known as Lai Kar Yan, Derek), both of Deloitte Touche Tohmatsu ("**Deloitte**"), have been appointed as the joint and several provisional liquidators of the Company (the "**Provisional Liquidators**") by the orders of the High Court on 24 July 2006 and by the Supreme Court of Bermuda on 25 July 2006 ("**Orders**").

Pursuant to the Orders, the Provisional Liquidators may, among other things, exercise the powers to take into their custody and protect the assets of the Group and carry on and stabilise the operations of the Group, including facilitating a restructuring of the Company.

2. Winding-up petitions and appointment of provisional liquidators (continued)

The winding-up petition against the Company was originally scheduled to be heard by the High Court of Hong Kong on 20 September 2006. Upon applications by the Provisional Liquidators, the High Court adjourned the hearing of winding-up petition against the Company to further date. On 11 July 2011, the High Court of Hong Kong had further adjourned the hearing of the petition to 19 December 2011.

The hearing of the winding-up petition against the Company by the Supreme Court of Bermuda was originally scheduled to be 18 August 2006. Upon applications by the Provisional Liquidators, the Supreme Court of Bermuda adjourned the hearing of winding-up petition against the Company to further date. On 15 July 2011, the Supreme Court of Bermuda further adjourned the hearing of the petition to 23 December 2011.

The Company also filed a winding-up petition against HYHK with the High Court on 25 July 2006. HYHK filed a winding-up petition against OGD and Sky Leader Industries Limited (In Liquidation) ("**Sky Leader**"), wholly owned by the Company, with the High Court on 5 December 2006. Pursuant to the orders of the High Court, Messrs. Lai Kar Yan, Derek and Darach E. Haughey of Deloitte were appointed as the joint and several provisional liquidators of HYHK, OGD and Sky Leader. Subsequently, Messrs. Lai Kar Yan, Derek and Darach E. Haughey, were also appointed as liquidators of HYHK, OGD and Sky Leader upon the winding-up of the above companies.

On 27 August 2008, a proposal for the resumption of trading in the Company's shares was submitted to the Stock Exchange (the "**Resumption Proposal**"). An updated Resumption Proposal was submitted to the Stock Exchange on 19 October 2009. On 12 November 2009, the Listing Committee of the Stock Exchange rejected the Resumption Proposal (the "**Decision**"). On 23 November 2009, the Company applied to the Listing (Review) Committee of the Stock Exchange for a review of the Decision. On 25 February 2010, the Listing (Review) Committee of the Stock Exchange upheld the decision of the Listing Committee of the Stock Exchange. On 5 March 2010, the Company applied to Listing Appeals Committee of the Stock Exchange for a review of the Decision to reject the Resumption Proposal. On 28 September 2010, the Listing Appeals Committee of the Stock Exchange had decided to accept the Resumption Proposal, subject to the Company's compliance with certain conditions (as set out in the decision letter from the Stock Exchange to the Company dated 28 September 2010) to the satisfaction of the Listing Division of the Stock Exchange by 30 June 2011 and confirmation by the Provisional Liquidators. Upon application by the Company, on 15 June 2011, the Listing Appeals Committee had agreed to extend the deadline for compliance with the conditions by the Company to 30 November 2011.

The winding-up petitions against the Company will be withdrawn subject to and upon the successful implementation of the Restructuring Agreement as referred to note 3 below. If the Resumption Proposal does not proceed, the shares of the Company will be delisted by the Stock Exchange and it is likely that the Company would be wound-up.

The Company's scheme of arrangement for discharging its debts ("**Scheme**") was sanctioned by the High Court on 15 April 2008. In light of the amendments on certain terms of the Restructuring Agreement (defined below), on 24 June 2011, the Provisional Liquidators made an application to the High Court for modification to the Scheme and the High Court has approved such modification on 30 June 2011.

Under the Restructuring Agreement (defined below), the Company shall, inter alia, transfer the entire issued share capital of its subsidiaries as defined as "Excluded Subsidiaries" (defined in note 3(i) below) to the Scheme administrators or their nominees upon completion of the Restructuring Agreement as referred to note 3 below. Therefore, the winding-up petitions against these subsidiaries will not affect the Group after completion of the Restructuring Agreement.

3. Going concern basis of preparation of consolidated financial statements

(i) Going Concern basis

As at 31 March 2009, the Group had net liabilities of approximately HK$1,964 million (2008: HK$1,965 million). This condition indicates the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

As detailed in note 2 to the consolidated financial statements, a writ of summons to demand petitions for the winding up of the Company and its certain subsidiaries had been filed. Following the petitions, the Company applied to the court for the appointment of the Provisional Liquidators.

On 23 April 2008, the Company announced that an 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 20 December 2007 among the Company, Gold Star Success Limited (the "**Investor**"), the Provisional Liquidators and Deloitte (the "**Restructuring Agreement**"). On 26 February 2009, 4 January 2010 and 12 April 2011, the Company, the Investor and the Provisional Liquidators entered into supplemental agreements to extend the long stop date of the Restructuring Agreement to 31 December 2009, 31 December 2010 and 31 December 2011 respectively.

Golden Beach Enterprises Limited ("**Golden Beach**"), a wholly owned subsidiary of the Company, was incorporated in the British Virgin Islands. Golden Beach is an investment holding company which beneficially owns 100% interest in Fast Excel Limited ("**FEL**") and Parkson Trade Services Limited ("**Parkson**"). FEL and Parkson were incorporated in Hong Kong. The Company has reactivated its trading of the aluminum products through Parkson and supply of aluminium products to construction companies through FEL since June 2008 and December 2009 respectively.

On 30 September 2010, the Group acquired entire equity interest in Tak Lee Metal Manufactory (Hong Kong) Company Limited and its subsidiary namely Zhongshan City Minzhong Deli Metal Co., Ltd through FEL.

In addition, on 20 July 2010, the Group entered into an agreement with a company to establish a joint venture for manufacturing aluminium extrusion products.

On 29 November 2010, Fast Excel Gold Mountain Zhongshan Aluminium Products (Hong Kong) Limited, a subsidiary of the Company, was incorporated in Hong Kong for the purpose of the establishment of joint venture.

Save for Golden Beach, FEL, Parkson, Tak Lee Metal Manufactory (Hong Kong) Company Limited, Zhongshan City Minzhong Deli Metal Co., Ltd and Fast Excel Gold Mountain Zhongshan Aluminium Products (Hong Kong) Limited and the proposed joint venture, the issued shares of all other subsidiaries directly or indirectly held by the Company (the "**Excluded Subsidiaries**"), will be transferred to the Scheme administrators or their nominees for the benefit of the creditors at a nominal consideration of HK$1 as a term of the Scheme which was sanctioned by the High Court of Hong Kong on 15 April 2008. Modification to the Scheme were subsequently approved by the High Court on 30 June 2011.

3. Going concern basis of preparation of consolidated financial statements (continued)

(i) Going Concern basis (continued)

The Company was placed into the third stage of delisting procedures on 13 March 2008. Having reviewed and considered the revitalised operations and affairs of the Group and the Company, the directors concluded that the proposed restructuring represents the best means available for the Company to be returned to solvency and to continue the development and enhancement of its business. The directors are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

(ii) Deconsolidation of subsidiaries and a subsidiary not consolidated

Deconsolidation of subsidiaries

The consolidated financial statements have been prepared based on the available books and records as maintained by the Company and its subsidiaries. The results, assets and liabilities of the following significant subsidiaries, small-sized or inactive subsidiaries were deconsolidated ("**Deconsolidated Subsidiaries**") from the consolidated financial statements of the Group since 1 January 2005.

(a) Due to (1) all the shares in the capital of Toowomba Holdings Limited and Successful Gold Profits Limited, wholly owned subsidiaries of the Company, were charged under a share charge agreement to The Bank of New York, as a trustee, for and on behalf of the holders of the US$125 million and US$35 million 9.25% guaranteed notes issued by the Company in December 2005 and March 2006, or (2) liquidation of certain significant subsidiaries or their immediate holding companies; or (3) the major assets and production facilities of the significant subsidiaries were subject to freezing orders obtained by the creditors in the PRC, the directors have not been able to obtain access to the books and records of these subsidiaries and considered that controls have been lost. In the opinion of the directors, consolidating the results, assets and liabilities of the following significant subsidiaries into the consolidated financial statements will only provide a misleading picture of the state of affairs of the Group and will be no value to the members of the Company.

3. Going concern basis of preparation of consolidated financial statements (continued)

(ii) Deconsolidation of subsidiaries and a subsidiary not consolidated (continued)

Deconsolidation of subsidiaries (continued)

Name of subsidiaries

Ocean Grand Aluminium Company Limited (Foshan)
Harvest Fortune Limited
Hing Yip Holdings (China) Limited
Hing Yip Holdings (Hong Kong) Limited (In Liquidation)
OG Aluminium Company Limited (Foshan)
Jorki Profits Limited
OG Aluminium (Sanshui) Company Limited
OG Development Company Limited (In Liquidation)
Sky Leader Industries Limited (In Liquidation)
Successful Gold Profits Limited (In Liquidation)
Toowomba Holdings Limited (In Liquidation)
Ocean Grand Development Holdings Limited

Disposed deconsolidated subsidiaries

Ocean Grand Chemicals Holdings Limited ("**OGC**")
(currently known as Hong Kong Resources Holdings Company Limited) (Note 1)
Dynamic Market Trading Limited (Note 2)
Kenlap Fine Chemical (Zhuhai) Technology Company Limited (Note 2)
Kenlap Chemicals Limited (In Liquidation) (Note 2)
Kenlap P.G.C. Manufacturer Company Limited (In Liquidation) (Note 2)
Ocean Grand Chemicals (BVI) Limited (In Liquidation) (Note 2)
OGC Management Services Limited (Dissolved) (Note 2)
Successful Environmental Works and Investments Company Limited (Note 2)
Wintex Holdings Limited (Note 2)

(Note 1): All the shares in the capital of Successful Gold Profits Limited, immediate holding company of OGC, were charged under a share charge agreement to The Bank of New York, as a trustee, for and on behalf of the holders of the US$125 million and US$35 million 9.25% guaranteed notes issued by the Company in December 2005 and March 2006. The court orders for the withdrawal of the winding-up petitions and the discharge of the provisional liquidators of OGC were granted on 25 September 2008 by the Supreme Court of Bermuda and on 30 September 2008 by High Court. Successful Gold Profits Limited was also placed into liquidation on 3 March 2009. Following completion of OGC's restructuring agreement and the liquidators of Successful Gold Profits Limited had disposed of the company's interest in OGC, OGC formed no part of the Company accordingly.

(Note 2): Pursuant to the scheme of arrangement between OGC and its scheme creditors, and following the debt restructuring has been completed on 30 September 2008, these subsidiaries directly and indirectly owned by OGC were transferred to the scheme administrators or their nominees of creditors' scheme of OGC. Accordingly, these subsidiaries formed no part of the Company.

3. Going concern basis of preparation of consolidated financial statements (continued)

(ii) Deconsolidation of subsidiaries and a subsidiary not consolidated (continued)

Disposed deconsolidated subsidiaries (continued)

(b) In addition, the results, assets and liabilities of the following small-sized or inactive subsidiaries were also deconsolidated from the consolidated financial statements since 1 January 2005. The directors considered that the exclusion of the results, assets and liabilities of these subsidiaries from the consolidated financial statements would not significantly affect the results of the Group for the current year as the cost of obtaining these information would exceed the value of these information to the members of the Company.

Name of subsidiaries

Chinacin.com Limited
Jinbocho Holdings Limited
Ocean Grand (China) Limited
Ocean Grand Finance Limited
Ocean Grand Services Limited
Ocean Grand Technology Company Limited
廣州倫帕理維信息科技有限公司

(c) A subsidiary not consolidated

OG Aluminium Australia Pty Limited ("**OGA**"), indirectly owned subsidiary of the Company, was incorporated in Australia on 19 May 2006. The directors do not have any accounting books and records on OGA and considered that the exclusion of the results, assets and liabilities of OGA into the consolidated financial statements would not significantly affect the results of the Group for the year ended 31 March 2009.

Thus, in the opinion of directors, the consolidated financial statements for the year ended 31 March 2009 prepared on the aforementioned basis present more fairly the results and state of affairs of the Group as a whole.

(iii) Insufficient information provided by the Directors

Due to the potential accounting irregularities described in the consolidated financial statements of the Company for the year ended 31 March 2008 and all of the former accounting personnel of the Group have left, the directors were unable to obtain sufficient documentary information in relation to the Deconsolidated Subsidiaries to satisfy themselves regarding the genuineness of certain books and records and treatment of various balances of the Group and have formed the following opinion:

3. Going concern basis of preparation of consolidated financial statements (continued)

(iii) Insufficient information provided by the Directors (continued)

(a) Deconsolidated Subsidiaries were deconsolidated from the consolidated financial statements since 1 January 2005 and OGA was not consolidated into the consolidated financial statements since the date of its incorporation on 19 May 2006. Thus, these consolidated financial statements include the results, assets and liabilities of the Company and its newly incorporated subsidiaries namely Golden Beach, FEL and Parkson. Due to limited books and records of the Deconsolidated Subsidiaries available to the current directors and material uncertainty relating to the completion of the restructuring of the Company for discharging its debts, the current directors of the Company were unable to obtain sufficient documentary information to satisfy themselves that the following amounts of the Company included in the consolidated financial statements for the year ended 31 March 2009 as to whether the completeness, correctness of identification and the disclosures recorded by the Group:

- finance costs of HK$nil;
- general and administrative expenses of approximately HK$30,000;
- bank balances and cash of approximately HK$92,000;
- short-term borrowings of approximately HK$1,448,078,000;
- trade and other payables of approximately HK$391,101,000;
- amounts due to deconsolidated subsidiaries of approximately HK$126,399,000;
- deferred taxation;
- commitments;
- related parties transactions;
- share options;
- pledge of assets; and
- other disclosures under Hong Kong Companies Ordinance.

(b) Due to limited books and records of Deconsolidated Subsidiaries available to the directors, the following disclosures have not been made in the consolidated financial statements:

- details of the retirement benefit scheme and the employee benefits as required by Hong Kong Accounting Standard ("**HKAS**") 19 "Employee benefits";
- details of the Group's financial risk management objectives and policies required by HKAS 32 "Financial Instruments: Presentation"; and
- details of contingent liabilities as required by HKAS 37 "Provisions, Contingent liabilities and Contingent Assets".

Any adjustments arising from the matters described above might have a significant consequential effect on the profit of the Group for the year ended 31 March 2009 and the net liabilities of the Group as at 31 March 2009 and the related disclosures thereof in the consolidated financial statements.

Also, as a result of the matters described above, the comparative figures as at 31 March 2008 shown in the consolidated balance sheet and in the consolidated income statement for the year then ended may not be comparable with the figures for the current year.

4. Application of new/revised hong kong financial reporting standards

In the current year, the Group has applied, for the first time, the new and revised standards, amendments and interpretations (the "**new and revised 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 and revised 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 applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

5. Principal accounting policies

These consolidated financial statements have been prepared in accordance with HKFRSs 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 except for matters disclosed in note 3 to the consolidated financial statements.

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

The preparation of consolidated 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 consolidated financial statements.

5. Principal accounting policies (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March. 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. They are deconsolidated from the date of control ceases.

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 equity 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.

Business combinations

The acquisition of business is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

5. Principal accounting policies (continued)

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 profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from 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 nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries 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. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to 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 asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised 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)

Impairment of assets

At each balance sheets date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Sale of goods is recognised 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 by reference to the principal outstanding using the effective interest rate method.

Foreign currencies

In preparing the financial statements of the each individual group entity, transactions in currencies other than functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) 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 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 recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) at the rate of exchange prevailing on the balance sheet date, and their income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case, the exchange rates prevailing 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 recognised in profit or loss in the period in which the foreign operation is disposed of.

5. Principal accounting policies (continued)

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;

(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 to 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 to 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.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated balance sheet when a group entity 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 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 of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified as loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

5. Principal accounting policies (continued)

Effective interest method

The effective interest method is a method of calculating the amortised 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 to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

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 amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of financial assets, the estimated future cash flows of the financial assets have been affected.

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-organisation.

For certain categories of financial asset, such as trade receivables, assets 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, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised 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 the estimated future cash flows discounted at the original effective interest rate.

5. Principal accounting policies (continued)

Impairment of financial assets (continued)

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets 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 recognised 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 recognised, the previously recognised 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 amortised cost would have been had the impairment not been recognised.

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 amortised 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.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including trade and other payables, short-term borrowings and amounts due to deconsolidated subsidiaries are subsequently measured at amortised 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)

Derecognition

Financial assets are derecognised 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 recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as 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 capitalisation.

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

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non–occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Retirement benefit scheme

The Group's contributions to defined contribution retirement benefit schemes are charged as expenses when employees have rendered services entitling them to the contributions.

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.

Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group being able to achieve a successful restructuring and continue its business. Details are explained in note 3(i) to the consolidated financial statements.

Deconsolidation of subsidiaries

The consolidated financial statements have been prepared based on the available books and records maintained by the Group. However, the Directors considered that the control over certain significant subsidiaries has been lost and the effect on the exclusion of the results, assets and liabilities of certain small-sized or inactive subsidiaries from the Group is not significant. Accordingly, the results, assets and liabilities of these subsidiaries were deconsolidated from the consolidated financial statements of the Group since 1 January 2005. Details are explained in note 3(ii)(a) & (b) to the consolidated financial statements.

A subsidiary is not consolidated

The consolidated financial statements have been prepared based on the available books and records maintained by the Group. However, the Directors do not have any accounting books and records of OGA as disclosed in note 3(ii)(c), and considered that the effect on exclusion of the results, assets and liabilities of OGA from the Group is not significant. Accordingly, the results, assets and liabilities of OGA were excluded from the consolidated financial statements since the date of its incorporation on 19 May 2006.

7. Turnover and other income

The Group is mainly engaged in the trading of aluminium products in PRC only. Segmental information is therefore not applicable.

	2009	2008
	HK$'000	*HK$'000*
SALES	**161,432**	–
OTHER INCOME		
Interest income	**4**	22
Gain on foreign exchange, net	**3**	–
	7	22
	161,439	22

8. Finance costs

	2009	2008
	HK$'000	*HK$'000*
Interest on borrowings wholly repayable within 5 years	–	114,700

9. Profit/(loss) before income tax

This is stated after charging:

	2009	2008
	HK$'000	*HK$'000*
Operating lease payments made in respect of rental premises	402	–
Staff costs, including directors' emoluments:		
Wages, salaries and other benefits	874	1,972
Retirement benefit scheme contributions	39	20

10. Directors' emoluments and five highest paid employees

(a) Directors' emoluments

The emoluments paid or payable to the directors of the Company were as follows:

		2009				
Name of director	*Note*	Fees	Salaries and other benefits	Discretionary bonus	Retirement benefit scheme contributions	Total
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors						
Hui Ho Ming, Herbert		–	–	–	–	–
Kwan Man Wai		–	–	–	–	–
Li Lee Cheung		–	–	–	–	–
Yip Kim Po		–	–	–	–	–
Yip Wan Fung		–	–	–	–	–
Chin Chang Keng, Raymond	(1)	–	–	–	–	–
Ang Mei Lee, Mary	(1)	–	–	–	–	–
		–	–	–	–	–

10. Directors' emoluments and five highest paid employees (continued)

(a) Directors' emoluments (continued)

	2008				
Name of director	**Fees**	**Salaries and other benefits**	**Discretionary bonus**	**Retirement benefit scheme contributions**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Hui Ho Ming, Herbert	–	1,182	–	10	1,192
Kwan Man Wai	–	790	–	10	800
Li Lee Cheung	–	–	–	–	–
Yip Kim Po	–	–	–	–	–
Yip Wan Fung	–	–	–	–	–
	–	1,972	–	20	1,992

Note:

(1) Appointed on 1 September 2008

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

(b) Five highest paid employees

Of the five individuals with the highest emoluments in the Group, None (2008: two) was director of the Company whose emolument is included in note 10(a) above. The emoluments paid or payable to the remaining five (2008: None) individuals were as follows:

	2009	2008
	HK$'000	*HK$'000*
Salaries, allowances and benefits-in kind	**740**	–
Retirement benefit scheme contributions	**33**	–
	773	–

The emoluments were within the following bands

	Number of employees	
	2009	2008
HK$nil to HK$1,000,000	**5**	–

11. Income tax

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements for the year ended 31 March 2009 since the Group did not generate any assessable profits arising in Hong Kong (2008: Nil).

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

	2009	2008
	HK$'000	*HK$'000*
Profit/(Loss) before income tax	**1,317**	(116,950)
Tax at the statutory tax rate	**217**	(20,466)
Tax effect of income that is not taxable	**(539)**	(4)
Tax effect of expenses that are not deductible	**317**	–
Tax effect of tax loss not recognised	**5**	20,470
Income tax charge for the year	**–**	–

12. Dividends

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

13. Earnings/(loss) per share

The calculations of basic earnings per share for the year ended 31 March 2009 is based on the profit attributable to equity holders of the Company of approximately HK$1,317,000 (2008: loss attributable to equity holders of the Company of approximately HK$116,950,000) and on the weighted average number of 423,835,000 (2008: 423,835,000) ordinary shares in issue during the year.

The share options have no dilutive effect on ordinary shares for the years ended 31 March 2009 and 2008 because the average market price of the shares of the Company cannot be determined as the share of the Company were suspended from trading on the Stock Exchange since 17 July 2006.

14. Interest in subsidiaries

Particulars of principal subsidiaries

	2009 HK$'000	2008 HK$'000
Unlisted shares of Deconsolidated Subsidiaries, at cost	**200,024**	200,024
Less: Accumulated impairment loss	**(200,024)**	(200,024)
	–	–

The issued shares of the Excluded Subsidiaries will be transferred to the Scheme administrators or their nominees for the benefit of the creditors at a nominal consideration of HK$1 as a term of the Hong Kong scheme which was sanctioned by the High Court of Hong Kong on 15 April 2008. Modification to the Scheme were approved by the High Court on 30 June 2011.

(a) Subsidiaries included in the consolidated financial statements

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

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid up capital	Percentage of issued ordinary share capital held by the Company Directly	Indirectly	Principal activities
Golden Beach Enterprises Limited	British Virgin Islands	US$1	100%	–	Investment holding
Fast Excel Limited	Hong Kong/PRC	HK$10	–	100%	Trading of iron ore and construction supply
Parkson Trade Services Limited (formerly known as Loyal Rise Limited)	Hong Kong/PRC	HK$1	–	100%	Trading of aluminium products

(b) As mentioned in note 3(ii)(a), the results, assets and liabilities of the following subsidiaries were deconsolidated from the consolidated financial statements since 1 January 2005. Due to (1) all the shares in the capital of Toowomba Holdings Limited and Successful Gold Profits Limited, wholly owned subsidiaries of the Company, were charged under a share charge agreement to The Bank of New York, as a trustee, for and on behalf of the holders of the US$125 million and US$35 million 9.25% guaranteed notes issued by the Company in December 2005 and March 2006, or (2) liquidation of certain significant subsidiaries or their immediate holding companies; or (3) the major assets and production facilities of the significant subsidiaries were subject to freezing orders obtained by the creditors in the PRC, the directors have not been able to obtain access to the books and records of these subsidiaries and considered that controls have been lost. In the opinion of the directors, consolidating the results, assets and liabilities of these significant subsidiaries into the consolidated financial statements will only provide a misleading picture of the state of affairs of the Group and will be no value to the members of the Company.

14. Interest in subsidiaries (continued)

(b) (continued)

Accordingly, the consolidated financial statements for the year do not include the following subsidiaries and details of these deconsolidated subsidiaries are as follows:

Name of subsidiaries	Place of incorporation/ operation	Issued and fully paid up capital	Percentage of capital held by the Company		Principal activities
			Directly	Indirectly	
Harvest Fortune Limited	Hong Kong	HK$2	–	100%	Inactive
Hing Yip Holdings (China) Limited	Hong Kong	HK$2	–	100%	Dormant
Hing Yip Holdings (Hong Kong) Limited (In Liquidation)	Hong Kong	HK$100 ordinary, HK$100 non-voting deferred (Note i)	–	100%	Investment holding
Jorki Profits Limited	British Virgin Islands/ Hong Kong	US$1	–	100%	Investment holding
Ocean Grand Aluminium Company Limited (Foshan)	PRC	US$12,000,000	–	100%	Inactive
Ocean Grand Development Holdings Limited	British Virgin Islands/ Hong Kong	US$50,000	–	100%	Inactive
OG Aluminium (Sanshui) Company Limited	PRC	HK$50,000,000	–	90%	Not yet commenced business
OG Aluminium Company Limited (Foshan)	PRC	HK$39,000,000	–	100%	Inactive
OG Development Company Limited (In Liquidation)	Hong Kong	HK$1,000	–	100%	Inactive
Sky Leader Industries Limited (In Liquidation)	Hong Kong	HK$1,000	–	100%	Investment holding
Successful Gold Profits Limited (In Liquidation)	British Virgin Islands	US$1	100%	–	Investment holding
Toowomba Holdings Limited (In Liquidation)	British Virgin Islands	US$100	100%	–	Investment holding

(c) As mentioned in note 3(ii)(b), the results, assets and liabilities of following small-sized or inactive subsidiaries were also deconsolidated from the consolidated financial statements since 1 January 2005. The directors considered that the exclusion of the results, assets and liabilities of these subsidiaries from the consolidated financial statements would not significantly affect the results of the Group for the current year as the cost of obtaining these information would exceed the value of these information to the members of the Company.

14. Interest in subsidiaries (continued)

(c) (continued)

Accordingly, the consolidated financial statements for the year do not include the following subsidiaries and details of these deconsolidated subsidiaries are as follows:

Name of subsidiaries	Place of incorporation/ operation	Issued and fully paid up capital	Percentage of capital held by the Company		Principal activities
			Directly	Indirectly	
Chinacin.com Limited	Hong Kong	HK$100	–	100%	Dormant
Jinbocho Holdings Limited	British Virgin Islands/ PRC	US$1	100%	–	Investment holding
Ocean Grand (China) Limited	Hong Kong	HK$1,000	–	100%	Inactive
Ocean Grand Finance Limited	Hong Kong	HK$1,000	100%	–	Inactive
Ocean Grand Services Limited	Hong Kong	HK$2	100%	–	Inactive
Ocean Grand Technology Company Limited	Hong Kong	HK$2	100%	–	Investment holding
廣州倫帕理維信息科技有限公司	PRC	HK$15,000,000	–	100%	Inactive

(d) As mentioned in note 3(ii)(c), OGA was incorporated in Australia on 19 May 2006. The directors do not have any accounting books and records on OGA and considered that the exclusion of the results, assets and liabilities of OGA into the consolidated financial statements would not significantly affect the results of the Group for the year ended 31 March 2009.

(e) As disclosed in note 3(ii)(note 1) to the consolidated financial statements, the court orders for the withdrawal of the winding-up petitions and the discharge of the provisional liquidators of OGC were granted on 25 September 2008 by the Supreme Court of Bermuda and on 30 September 2008 by the High Court. Following completion of OGC's restructuring agreement and the liquidators of Successful Gold Profits Limited had disposed of the company's interest in OGC, OGC formed no part of the Company accordingly.

As disclosed in note 3(ii)(a)(note 2), pursuant to the scheme of arrangement between OGC and its scheme creditors, and following the debt restructuring has been completed on 30 September 2008, subsidiaries directly and indirectly held by OGC were transferred to a company held by the scheme administrators or their nominees of creditors' scheme of OGC for the benefits of its creditors at a nominal consideration of HK$1. Accordingly, these subsidiaries formed no part of the Company. As the following deconsolidated subsidiaries were deconsolidated from the Group since 1 January 2005 and thus the effect on the Group's results, assets and liabilities is minimal. Details of these deconsolidated subsidiaries are as follows:

14. Interest in subsidiaries (continued)

(e) (continued)

Name of subsidiaries	Place of incorporation/ operation	Issued and fully paid up capital	Percentage of capital held by the Company Directly	Indirectly	Principal activities
Dynamic Market Trading Limited	British Virgin Islands	US$1	–	71.34%	Dormant
Kenlap Chemicals Limited (In Liquidation)	Hong Kong	HK$100	–	71.34%	Inactive
Kenlap Fine Chemical (Zhuhai) Technology Company Limited	PRC	HK$80,000,000	–	71.34%	Inactive
Kenlap P.G.C. Manufacturer Company Limited (In Liquidation)	Hong Kong	HK$2 ordinary, HK$1,113,352 non-voting deferred (Note ii)	–	71.34%	Inactive
Ocean Grand Chemicals (BVI) Limited (In Liquidation)	British Virgin Islands/ Hong Kong	US$11,133.52	–	71.34%	Investment holding
Ocean Grand Chemicals Holdings Limited (Currently known as Hong Kong Resources Holdings Company Limited) ("OGC")	Bermuda/Hong Kong	HK$49,790,000	–	71.34%	Investment holding
OGC Management Services Limited (Dissolved)	Hong Kong	HK$2	–	71.34%	Inactive
Successful Environmental Works and Investments Company Limited	Hong Kong	HK$100	–	71.34%	Not yet commenced business
Wintex Holdings Limited	Hong Kong	HK$100	–	71.34%	Inactive

Notes:

(i) The non-voting deferred shares of Hing Yip Holdings (Hong Kong) Limited (In Liquidation) are not owned by the Group. These shares have no voting rights, are not entitled to dividends unless the net profit of Hing Yip Holdings (Hong Kong) Limited (In Liquidation) exceeds HK$1,000,000,000,000 and are not entitled to any distributions upon winding up unless a sum of HK$5,000,000,000 has been distributed by Hing Yip Holdings (Hong Kong) Limited (In Liquidation) to the holders of ordinary shares.

(ii) The Group and minority shareholders holds 1,006,477 and 106,875 non-voting deferred shares of Kenlap P.G.C. Manufacturer Company Limited (In Liquidation) respectively. These shares have no voting rights, are not entitled to dividends and are not entitled to any distributions upon winding up unless a sum of HK$100,000,000,000,000,000 has been distributed by Kenlap P.G.C. Manufacturer Company Limited (In Liquidation) to the holders of ordinary shares.

15. Trade and other receivables

	2009	2008
	HK$'000	*HK$'000*
Trade receivables *(Note a)*	**94,459**	–
Other receivables		
Deposits, prepayments and other debtors	**1,556**	–
	96,015	–

The carrying amounts of trade and other receivables at 31 March 2009 approximate to its fair value.

(a) Trade receivables

The Group allows a credit period normally 0 to 90 days to its trade customers. The aging analysis of trade receivables presented based on the invoice date at the balance sheet date is as follows:

	2009	2008
	HK$'000	*HK$'000*
0 to 90 days	**47,665**	–
over 90 days	**46,794**	–
	94,459	–

16. Amounts due from deconsolidated subsidiaries

	2009	2008
	HK$'000	*HK$'000*
Amounts due from Deconsolidated Subsidiaries *(Note a)*	**1,817,647**	1,817,647
Loan to a former subsidiary *(Note b)*	**116,250**	116,250
	1,933,897	1,933,897
Less: Accumulated impairment loss on amounts due from deconsolidated subsidiaries	**(1,817,647)**	(1,817,647)
Less: Accumulated impairment loss on loan to a former subsidiary	**(116,250)**	(116,250)
	–	–

16. Amounts due from deconsolidated subsidiaries (continued)

Notes:

a) The amounts due from Deconsolidated Subsidiaries are unsecured, interest-free and repayable on demand.

Due to the appointment of provisional liquidators, the directors have formed the opinion that the amounts due from Deconsolidated Subsidiaries of approximately HK$1,817,647,000 (2008: HK$1,817,647,000) included in the consolidated balance sheet cannot be recovered. Accordingly, such impairment losses have been recognised in the previous consolidated financial statements.

b) On 7 December 2005 and 3 March 2006, the Company issued, in the aggregate, the US$160 million 9.25% guaranteed notes due 2010 to the noteholders. Out of the proceeds of US$160 million, the Company on 7 December 2005 lent US$15 million ("US$15 Million Debt") to Kenlap P.G.C. Manufacturer Company Limited (In Liquidation) ("Kenlap PGC"), a former subsidiary. On 7 December 2005, the Company assigned the US$15 Million Debt to the noteholders as a security, inter alias, for the obligations under the said notes.

At 31 March 2009, the loan provision to Kenlap PGC in respect of the US$15 Million Debt of approximately HK$116,250,000 (2008: HK116,250,000) bears interest at a rate of 9.25% per annum. Due to the liquidity situation, the directors have formed the opinion that the carrying value of this amount has been fully impaired and, accordingly, such impairment loss had been recognised in the previous consolidated financial statements.

17. Bank balances and cash

	2009	2008
	HK$'000	*HK$'000*
Bank balances and cash	**993**	121

These comprise bank balances placed in banks that are earned interest at floating rates based on daily bank deposit rates.

Included in the bank balances and cash of the Group as at 31 March 2009 are bank balances amounted to HK$226,000 (2008: HK$nil) which are denominated in United State Dollars.

18. Short-term borrowings

	2009	2008
	HK$'000	*HK$'000*
Notes	**1,448,078**	1,448,078

On 7 December 2005, the Company issued US$125,000,000 9.25% guaranteed notes due 2010 (the "US$125M Notes") to certain institutional investors. The US$125M Notes bear interest from 7 December 2005 at the interest rate of 9.25% per annum. Interest on the US$125M Notes will be payable semi-annually in arrear on 7 June and 7 December in each year commencing on 7 June 2006. The US$125M Notes are unconditionally and irrecoverably guaranteed on a joint and several basis by certain subsidiaries of the Company and are secured by (i) a first priority share charge over the shares of Toowomba Holdings Limited; (ii) a security assignment of the Company's rights and benefits in respect of the inter-company loan in the aggregate principal amount of US$15,000,000 made to Kenlap PGC; and (iii) a first priority share charge over the shares of Successful Gold Profits Limited (In Liquidation).

On 6 March 2006, the Group has further issued US$35,000,000 9.25% guaranteed notes due 2010 (the "US$35M Notes") to certain institutional investors. The terms and conditions of these US$35M Notes are the same as the outstanding US$125M Notes and they rank pari passu, and are consolidated to form a single series, with the outstanding US$125M Notes.

Due to the appointment of provisional liquidators, the Group has defaulted on repayment of the principal and interest on US$125M Notes and US$35M Notes, totaling approximately HK$1,448,078,000 (2008: HK$1,448,078,000)

19. Trade and other payables

	2009	2008
	HK$'000	*HK$'000*
Trade payables *(Note a)*	**83,541**	–
Other payables		
Accrued charges and other creditors	**403,129**	391,101
	486,670	391,101

Included in accrued charges and other creditors were the liabilities under indemnities given to deconsolidated subsidiaries and amount due to Investor of approximately HK$386,097,000 and HK$11,500,000 respectively (2008: HK$386,097,000 and HK$nil).

The carrying amounts of trade and other payables at 31 March 2009 approximate to its fair value.

19. Trade and other payables (continued)

Note:

(a) Trade payables

The ageing analysis of trade payables presented based on the invoice date as at the end of the reporting period is as follows:

	2009	2008
	HK$'000	*HK$'000*
0 to 90 days	**46,561**	–
over 90 days	**36,980**	–
	83,541	–

20. Amounts due to deconsolidated subsidiaries

The amounts due to Deconsolidated Subsidiaries are unsecured, interest-free and repayable on demand. The directors considered that the carrying amounts of these amounts due to Deconsolidated Subsidiaries approximate their fair values.

21. Deferred taxation

No deferred tax assets and liabilities has been recognised in the consolidated financial statements as the Group did not have material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts as at 31 March 2009 (2008: HK$Nil).

22. Share capital

	2009		2008	
	Number of shares	Amount	Number of shares	Amount
	'000	*HK$'000*	*'000*	*HK$'000*
Authorised:				
At beginning and end of year				
Ordinary shares of HK$1.00 each *(2008: HK$1.00 each)*	**1,000,000**	**1,000,000**	1,000,000	1,000,000
Issued and fully paid:				
At beginning and end of year				
Ordinary shares of HK$1.00 each *(2008: HK$1.00 each)*	**423,835**	**423,835**	423,835	423,835

23. Share options

The Company adopted a share option scheme (the "Share Option Scheme-2002") on 7 June 2002. The terms of the Share Option Scheme-2002 are contained in a circular sent to shareholders of the Company in April 2002.

At the Annual General Meetings of the Company held on 6 June 2003 and 3 June 2004, ordinary resolutions were passed approving the amendment to the Share Option Scheme-2002 by expanding the definition of participants and refreshing the scheme's mandate limit. Pursuant to the Share Option Scheme-2002 (Amended), participants (including Directors of the Group, employees, consultants and business associates) are entitled to be granted options to subscribe for shares in the Company.

Movements in share options granted under the Share Option Scheme-2002 (Amended) during the year, and which remain outstanding at the balance sheet date were:

Date of grant	**Exercise period***	**Subscription price per share** *HK$*	**Number of share options outstanding at 1.4.2008 and 31.3.2009** *'000*
24 September 2003	24 September 2003 to 6 June 2012	1.66	15,600
7 October 2003	7 October 2003 to 6 June 2012	1.999	3,300

* Share options are vested from date of grant.

Details of the share options outstanding during the year are as follows:

	2009		2008	
	Number of share options ***'000***	**Weighted average exercise price** ***HK$***	Number of share options *'000*	Weighted average exercise price *HK$*
Outstanding at the beginning of the year	**18,900**	**1.7192**	40,450	1.5900
Lapsed during the year	–	–	(21,550)	(1.4767)
Outstanding and exercisable at the end of the year	**18,900**	**1.7192**	18,900	1.7192

24. Operating leases

As at 31 March 2009, the Group had total future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	2009	2008
	HK$'000	*HK$'000*
Within 1 year	**597**	–

25. Related party transactions

Details of the Group's outstanding balances with related parties are set out on the consolidated balance sheet and in notes 14, 16 and 20.

26. Balance sheet of the company

	2009	2008
	HK$'000	*HK$'000*
ASSETS AND LIABILITIES		
Non-current asset		
Interests in subsidiaries	**(126,399)**	(126,398)
Current asset		
Bank balances and cash	**92**	121
Current liabilities		
Short-term borrowings	**1,448,078**	1,448,078
Other payables	**391,101**	391,101
	1,839,179	1,839,179
Net current liabilities	**(1,839,087)**	(1,839,058)
Net liabilities	**(1,965,486)**	(1,965,456)
CAPITAL AND RESERVE		
Issued capital	**423,835**	423,835
Reserves *(Note)*	**(2,389,321)**	(2,389,291)
Total equity	**(1,965,486)**	(1,965,456)

26. Balance sheet of the company (continued)

Note:

The movement of reserves is as follows:

	Share Premium	Contributed surplus *(a)*	Capital redemption reserve *(b)*	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2007	114,340	145,517	581	(2,532,779)	(2,272,341)
Loss for the year	–	–	–	(116,950)	(116,950)
At 31 March 2008	**114,340**	**145,517**	**581**	**(2,649,729)**	**(2,389,291)**
Loss for the year	**–**	**–**	**–**	**(30)**	**(30)**
At 31 March 2009	**114,340**	**145,517**	**581**	**(2,649,759)**	**(2,389,321)**

(a) *Contributed surplus*

The contributed surplus represented the difference between the aggregate net assets value of subsidiaries acquired and the nominal amount of the Company's shares issued for the acquisition. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payable be, unable to pay its liabilities as they became due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

(b) *Capital redemption reserve*

The capital redemption reserve represented the reserve created in relation to share repurchased.

27. Post balance sheet events

Details of significant post balance sheet events are summarized in notes 2 and 3 to the consolidated financial statements.

28. Approval of the consolidated financial statements

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 20 July 2011.

FINANCIAL SUMMARY

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 consolidated financial statements.

RESULTS

	Year/Period Ended				
	31.3.2009	31.3.2008	31.3.2007	31.3.2006	31.12.2004
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	**161,432**	–	–	–	2,832,638
Profit/(Loss) before income tax	**1,317**	(116,950)	(169,605)	(2,919,346)	235,945
Income tax credit/ (expenses)	**–**	–	–	700	(41,300)
Profit/(Loss) for the year/period	**1,317**	(116,950)	(169,605)	(2,918,646)	194,645
Minority interests	**–**	–	–	–	(20,557)
Profit/(Loss) attributable to equity holders	**1,317**	(116,950)	(169,605)	(2,918,646)	174,088

ASSETS AND LIABILITIES

	As at				
	31.3.2009	31.3.2008	31.3.2007	31.3.2006	31.12.2004
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	**97,008**	121	2,358	113,629	2,607,239
Total liabilities	**(2,061,147)**	(1,965,577)	(1,850,864)	(1,792,530)	(1,303,937)
Minority interests	**–**	–	–	–	(76,818)
Total equity	**(1,964,139)**	(1,965,456)	(1,848,506)	(1,678,901)	1,226,484