OCEAN GRAND CHEMICALS HOLDINGS LIMITED

海域化工集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 2882)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

The board of directors (the "Board") of Ocean Grand Chemicals Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2008 (the "Reporting Period") together with comparative figures for the corresponding period of last year.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2008

		For the six months ended 30 September	
	Note	**2008**	2007
		(Unaudited)	(Unaudited)
		HK$'000	*HK$'000*
Turnover	*6*	**76,010**	683
Cost of sales		**(75,490)**	(638)
Gross profit		**520**	45
Other income		**483**	2,253
General and administrative expenses		**(1,359)**	(1,540)
Gain on deconsolidation of a subsidiary		**–**	4,911
Impairment loss on amount due from a deconsolidated subsidiary		**–**	(8,093)
Gain on disposal of subsidiaries	*7*	**344,714**	–
Loss on Debt Restructuring	*8*	**(34,905)**	–
Restructuring costs		**(12,145)**	–
Other operating expenses		**(189)**	(2,392)

	Note	For the six months ended 30 September	
		2008	2007
		(Unaudited)	(Unaudited)
		HK$'000	*HK$'000*
Profit (Loss) from operations		**297,119**	(4,816)
Finance costs		**(401)**	(414)
Profit (Loss) before taxation	*9*	**296,718**	(5,230)
Income tax	*10*	**(48)**	–
Profit (Loss) attributable to equity holders of the Company		**296,670**	(5,230)
Dividends	*11*	**–**	–
Earnings (Loss) per share	*12*		
Basic		**HK$5.71**	(HK$0.11)
Diluted		**HK$5.71**	(HK$0.11)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2008

	Note	30 September 2008 (Unaudited) HK$'000	31 March 2008 (Audited) HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		–	10,000
Property, plant and equipment		**51**	4,217
Lease premium on land		–	1,317
		51	15,534
Current assets			
Lease premium on land		–	11
Trade and other receivables	13	**3,581**	5,963
Tax recoverable		–	932
Bank balances and cash		**183,508**	73,087
		187,089	79,993
Current liabilities			
Trade and other payables	14	**50,448**	30,985
Tax payable		**65**	–
Short-term bank borrowings		–	295,470
Amount due to a deconsolidated subsidiary		–	3,749
Short-term notes		–	120,081
Other borrowings		–	5,205
		50,513	455,490
Net current assets (liabilities)		**136,576**	(375,497)
Net assets (liabilities)		**136,627**	(359,963)
EQUITY			
Share capital	15	**4,518**	49,790
Preference share capital	15	**10,710**	–
Reserves		**121,399**	(409,753)
Equity attributable to equity holders of the Company		**136,627**	(359,963)

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Bermuda. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The Company's subsidiaries (which together with the Company are collectively referred to as the "Group") are principally engaged in the trading of precious metal electroplating chemicals.

2. WITHDRAWAL OF WINDING-UP PETITIONS AND DISCHARGE OF PROVISIONAL LIQUIDATORS

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

As a result of the applications, Messrs. Lai Kar Yan (also known as 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 of Hong Kong ("High Court") on 24 July 2006 and by the order of the Supreme Court of Bermuda on 25 July 2006 (the "Orders").

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

The Company also filed a winding-up petition against Kenlap PGC Manufacturer Company Limited ("Kenlap PGC"), a major subsidiary of the Company, to the High Court on 3 August 2006. Pursuant to the order of the High Court, Messrs. Lai Kar Yan and Darach E. Haughey of Deloitte were appointed as the joint and several provisional liquidators of Kenlap PGC.

A winding-up order was made against OGC Management Services Limited, a subsidiary of the Company, on 7 February 2007.

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

3. RESTRUCTURING AGREEMENT

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

(i) The Capital Restructuring

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

(a) Capital Reduction

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

(b) Share Consolidation

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

(c) Authorized Share Capital Change

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

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

The Company has no intention to issue additional New Shares apart from the New Shares issued pursuant to the Restructuring Agreement and the conversion of the Preference Shares.

(d) Board lot size

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

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

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

(ii) The Debt Restructuring

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

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

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

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

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

(iii) The Subscription

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

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

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

(iv) The Disposal

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

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

4. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

5. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the preparation of these condensed consolidated financial statements are consistent with those set out in the 2008 annual financial statements of the Group.

In the current period, the Group had applied for the first time, a number of new standards; amendments and interpretations (hereafter collectively referred to as "new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after 1 January 2008.

The application of these new HKFRSs did not have any material impact on how the condensed consolidated financial statements of the Group are prepared and presented for the current or prior accounting period. Accordingly, no prior period adjustment has been required.

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

HKAS 1 (Revised)	Presentation of Financial Statements (1)
HKAS 23 (Revised)	Borrowing Costs (1)
HKAS 27 (Revised)	Consolidated and Separate Financial Statements (2)
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation (1)
HKFRS 2 (Amendment)	Share Based Payment: Vesting Conditions and Cancellations (1)
HKFRS 3 (Revised)	Business Combinations (2)
HKFRS 8	Operating Segments (1)
HK(IFRIC)-Int 13	Customer Loyalty Programmes (3)
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate (1)
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation (4)

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 July 2008
4 Effective for annual periods beginning on or after 1 October 2008

6. TURNOVER

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

7. GAIN ON DISPOSAL OF SUBSIDIARIES

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

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

	30 September 2008 (Unaudited) *HK$'000*
Investment properties	**10,000**
Property, plant & equipment	**3,916**
Lease premium on land	**1,323**
Other receivables	**6**
Amount due from a deconsolidated subsidiary	**15,083**
Tax recoverable	**949**
Bank and cash	**72,474**
Trade and other payables	**(28,957)**
Amount due to a deconsolidated subsidiary	**(3,749)**
Short-term bank borrowings	**(295,678)**
Short-term notes	**(120,081)**
Net liabilities disposed	**(344,714)**
Consideration	**–**
Gain on disposal of subsidiaries	**344,714**

As most of the Company's former accounting personnel and former directors left the Group on or before Completion of the Restructuring Agreement, hence, the Directors were unable to obtain sufficient documentary information to satisfy themselves as to whether the gain on disposal of subsidiaries for the six months ended 30 September 2008 was fairly stated.

8. LOSS ON DEBT RESTRUCTURING

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

	30 September 2008 (Unaudited) *HK$'000*
Debts waived	**15,095**
Cash payable to the Schemes	**(50,000)**
New Shares allotted and issued to the Creditors at nil consideration	**–**
	(34,905)

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

As most of the Company's former accounting personnel and former directors had left the Group on or before Completion of the Restructuring Agreement, hence, the Directors were unable to obtain sufficient documentary information to satisfy themselves as to whether the loss on Debt Restructuring for the six months ended 30 September 2008 was fairly stated.

9. PROFIT (LOSS) BEFORE TAXATION

This is stated after charging the following:

	For the six months ended 30 September	
	2008 (Unaudited) *HK$'000*	2007 (Unaudited) *HK$'000*
Amortisation of lease premium on land	**6**	6
Depreciation	**287**	302
Interest on bank overdrafts and borrowings wholly repayable within five years	**401**	414
Staff costs	**832**	598

10. INCOME TAX

Hong Kong Profits Tax has been provided at the rate of 16.5% (2007: nil) on the estimated assessable profit for the six months ended 30 September 2008.

11. DIVIDENDS

The Board has resolved not to declare an interim dividend for the six months ended 30 September 2008 (2007: nil).

12. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share is based on the following data:–

	For the six months ended 30 September	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit (loss) for the period attributable to equity holders of the Company	**296,670**	(5,230)
	Number of	Number of
	'000	*'000*
Number of ordinary shares:		
Issued ordinary shares at the beginning of the period	**497,900**	497,900
Effect of Share Consolidation	**(448,110)**	(448,110)
Effect of shares issued through the Subscription and the Placement	**2,197**	–
Weighted average number of ordinary shares at the end of the period *(Note)*	**51,987**	49,790
	HK$	*HK$*
Earnings (loss) per share	**5.71**	(0.11)

The diluted earnings (loss) per share is based on the weighted average number of 51,987,000 ordinary shares in issue (30 September 2007: 49,790,000 ordinary shares) after adjusting of the effects of all dilutive potential ordinary shares under the Company's share option scheme.

Note:

These weighted average numbers of ordinary shares have taken into account the effect of the Share Consolidation that every ten issued old shares were consolidated into one New Share upon Capital Reduction and the calculation as below:

Period	**Days**	**No. of ordinary shares**	**Weighted average No. of ordinary shares**
From 1 April 2008 to 29 September 2008	182	49,790	49,518
30 September 2008	1	451,790	2,469
At 30 September 2008			51,987
From 1 April 2007 to 30 September 2007	183	49,790	49,790
At 30 September 2007			49,790

13. TRADE AND OTHER RECEIVABLES

The Group allows a credit term to its customers normally ranging from cash on delivery to 90 days to its trade customers.

	30 September 2008 (Unaudited) *HK$'000*	31 March 2008 (Audited) *HK$'000*
Trade receivables	**3,568**	255,977
Less: Impairment loss of trade receivables	**–**	(250,021)
	3,568	5,956
Other receivables:		
Deposit, prepayments and other debtors	**13**	15,581
Due from former ultimate holding company	**–**	450
Due from a former fellow subsidiary	**–**	341
	13	16,372
Less: Impairment loss of other receivables	**–**	(16,365)
	13	7
	3,581	5,963

The aged analysis of trade receivables is as follows:

	30 September 2008 (Unaudited) *HK$'000*	31 March 2008 (Audited) *HK$'000*
0 to 30 days	**3,568**	5,956
31 to 60 days	**–**	–
61 to 90 days	**–**	–
Over 90 days	**–**	250,021
	3,568	255,977

14. TRADE AND OTHER PAYABLES

	30 September 2008 (Unaudited) *HK$'000*	31 March 2008 (Audited) *HK$'000*
Trade payables	**448**	29,337
Other payables:		
Accrued charges and other creditors	**–**	1,648
Schemes fund payable	**50,000**	–
	50,448	30,985

The aged analysis of trade payables is as follows:

	30 September 2008 (Unaudited) *HK$'000*	31 March 2008 (Audited) *HK$'000*
0 to 30 days	**448**	462
31 to 60 days	**–**	–
61 to 90 days	**–**	–
Over 90 days	**–**	28,875
	448	29,337

15. SHARE CAPITAL

On 30 September 2008, the Company has undergone a restructuring pursuant to the Restructuring Agreement as referred to note 3 above.

	Number of	Amount
	'000	*HK$'000*
Authorized:		
At 1 April 2008		
Ordinary shares of HK$0.10 each	1,000,000	100,000
At 30 September 2008		
Ordinary shares of HK$0.01 each	4,000,000	40,000
Preference shares of HK$0.01 each	3,000,000	30,000
	7,000,000	70,000
Ordinary shares issued and fully paid:		
At 1 April 2008		
Ordinary shares of HK$0.10 each	497,900	49,790
Capital reduction	(448,110)	(49,292)
Issue of ordinary shares through the Subscription and the Placement	402,000	4,020
At 30 September 2008		
Ordinary shares of HK$0.01 each	451,790	4,518
Preference shares issued and fully paid:		
At 1 April 2008	–	–
Issue of preference shares through the Subscription	1,071,000	10,710
At 30 September 2008		
Preference shares of HK$0.01 each	1,071,000	10,710

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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

The turnover of the Group for the Reporting Period was HK$76,010,000 compared to HK$683,000 for the corresponding period in 2007. The substantial increase was mainly due to the resumption of trading business through Trump Power Limited, a wholly-owned subsidiary of the Company formed in October 2007, with funding support from Perfect Ace Investments Limited, the investor.

The profit attributable to shareholders of the Company for the Reporting Period was HK$296,670,000 while the Company recorded a loss of HK$5,230,000 attributable to its shareholders for the corresponding period in 2007. As the Company's Restructuring completed in September 2008, the Company recognized a non-recurring gain on disposal of Excluded Subsidiaries (as defined in note 3 to this announcement) of HK$344,714,000 during the Reporting Period. Details of the Restructuring and gain on disposal of subsidiaries are set out in note 3 and note 7 to this announcement respectively.

Restructuring

Provisional liquidators were appointed for the Company by the order of the High Court of Hong Kong on 24 July 2006 and by the order of the Supreme Court of Bermuda on 25 July 2006. Trading in the shares of the Company was suspended at the request of the Company on 17 July 2006.

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

In September 2008, upon the successful implementation of the restructuring plan, court orders for the discharge of the provisional liquidators of the Company were granted on 25 September 2008 by the Supreme Court of Bermuda and on 30 September 2008 by the High Court of Hong Kong. Trading in the shares of the Company has been resumed on the Stock Exchange since 3 October 2008. Details of the Restructuring are set out in note 2 and note 3 to this announcement.

Future Prospects

On 3 October 2008, the shares in Ocean Grand Chemicals Holdings Limited resumed trading on the Stock Exchange after a suspension period of over two years. That it was able to do so in spite of the growing global market turmoil, reflected substantially on the commitment to the Group by the new Board of Directors and executive management team ("Management") working in tandem with a group of dedicated professional advisors.

Given our Group's existing business of trading in gold salt and electroplating chemicals and our stated goal of exploring investment opportunities in gold and other metals industry for enhancing its future development, including but not limited to opportunities in upstream and downstream metal business, the recent major global economic paradigm shift had presented us with both significant challenges and opportunities.

Under particularly volatile and unprecedented market conditions, with recent average gold price fluctuating from a high of approximately US$980 per ounce on 15 July 2008 to a low of approximately US$720 per ounce on 13 November 2008, according to the London Fixes, Management has adopted a highly prudent and cautious approach to credit risk in relation to gold and other precious metal trading. At the same time and equally significant, the current global economic downturn has particularly affected all the major financial institutions in an unprecedented way. This in turn has drastically limited the availability of credit facilities from these financial institutions, and even if available, the escalating costs of such facilities would make them prohibitive from a profit margin point of view. With the economic outlook for the foreseeable future expected to remain highly volatile, our management team has been implementing our internal risk management systems in relation to our trading operations, through close monitoring of the global markets and customer credit and regularly reports to the Board on the latest developments.

In spite of the economic downturn, our Group had been well positioned to capture many business and investment opportunities in the metals related industries through the utilization of the Board's extensive network in the market and its relatively strong and debt free financial position. Management believes that in the foreseeable future, China will play a pivotal role in the gradual recovery of the global economy through a continued, albeit more conservative, economic growth. Recent events have made available a number of business opportunities for our Group in a variety of related industries at substantially reduced investment costs. Management will be looking at each opportunity very closely with a view to capturing the best opportunities for our Group.

Employee and Remuneration Policies

As at 30 September 2008, the Group had 10 employees in Hong Kong. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, the Group's performance, and individual qualifications and performance.

Liquidity, Financial Resources and Capital Structure

As at 30 September 2008, the Group had cash and bank balances of HK$183,508,000 (31 March 2008: HK$73,087,000) while total net assets was HK$136,627,000 (31 March 2008: total net liabilities of HK$359,963,000). The Group's gearing ratio, being a ratio of total bank and other borrowings to shareholders' funds, was nil as at 30 September 2008.

Pursuant to the Restructuring Agreement (as defined in note 3 to this announcement), the Company has undergone a capital restructuring on 30 September 2008 and details are set out in note 3 and note 15 to this announcement.

Foreign Exchange and Interest Rate Exposures

The Group did not enter into any foreign exchange contracts, interest or currency swaps or other financial derivatives.

Change on Company's Assets

Pursuant to the Restructuring Agreement (as defined in note 3 to this announcement), the issued shares of all of the subsidiaries of the Company, except Brand New Management Limited and Trump Power Limited were transferred to a company held by the Scheme Administrators in trust for the creditors of the Group at nominal consideration of HK$1 on 30 September 2008. Details are set out in note 3 and note 7 to this announcement.

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 six months ended 30 September 2008.

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 prolonged suspension in trading of the shares of the Company on the Stock Exchange and the severe financial difficulties of the Group before resumption of trading which took place on 3 October 2008, the Board is unable to comment as to whether the Company had complied with the CG Code during the six months ended 30 September 2008.

The Board expects the Company will comply with the CG Code after the Restructuring.

COMPLIANCE WITH THE MODEL CODE

Trading in the shares of the Company was suspended from 17 July 2006 to 2 October 2008 (both days inclusive) and the Board is of the opinion that the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules was not applicable during the six months ended 30 September 2008.

AUDIT COMMITTEE

The Company's audit committee, comprising all the three independent non-executive directors, has reviewed with the management of the Company the accounting principles and practices adopted by the Company and discussed the auditing, internal control and financial reporting matters including a review of the Company's unaudited interim financial statements for the six months ended 30 September 2008.

By Order of the Board
Ocean Grand Chemicals Holdings Limited
Dr. Wong, Kennedy Ying Ho, BBS, J.P.
Chairman

Hong Kong, 19 December 2008

* *For identification purposes only*

As at the date of this announcement, the Board comprises Dr. Wong, Kennedy Ying Ho, BBS, J.P., Mr. Chui Chuen Shun, Dr. Hui Ho Ming, Herbert, J.P., and Mr. Mung Kin Keung as executive Directors, Mr. Yin Richard Yingneng as non-executive Director, and Mr. Wong Kam Wing, Ms. Estella Yi Kum Ng and Mr. Fan, Anthony Ren Da as independent non-executive Directors.