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 RESULTS FOR THE YEAR ENDED 31 MARCH 2007

The board of directors (the "**Board**") of Ocean Grand Holdings Limited (Provisional Liquidators Appointed) (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2007, together with the comparative figures for the 15 months ended 31 March 2006 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2007

	Note	**12 months ended 31.3.2007**	15 months ended 31.3.2006
		HK$'000	*HK$'000*
Turnover	*5*	**–**	–
Other income	*5*	**527**	10,055
Other net income	*6*	**–**	10,693
General and administrative expenses		**(11,475)**	(3,229)
Loss on deconsolidation of subsidiaries and impairment loss on investment costs, amounts due from deconsolidated subsidiaries and loan to a deconsolidated subsidiary	*7*	**(49,593)**	(2,497,342)
Provision for contingent liabilities		**–**	(386,097)
Loss from operations		**(60,541)**	(2,865,920)
Finance costs	*8*	**(109,064)**	(53,426)
Loss before income tax	*9*	**(169,605)**	(2,919,346)
Income tax credit	*10*	**–**	700
Loss attributable to equity holders of the Company		**(169,605)**	(2,918,646)
Dividends attributable to the year/period	*11*	**–**	12,715
Loss per share	*12*		
– Basic		**(HK$0.40)**	(HK$6.89)
– Diluted		**N/A**	(HK$6.78)

CONSOLIDATED BALANCE SHEET

At 31 March 2007

	Note	2007 HK$'000	2006 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Interests in subsidiaries		**–**	391
		–	391
Current assets			
Other receivables	*13*	**621**	9,680
Amounts due from deconsolidated subsidiaries		**1,631**	29,443
Bank balances and cash		**106**	74,115
		2,358	113,238
Current liabilities			
Short-term borrowings		**1,333,378**	1,275,923
Other payables	*14*	**391,101**	391,052
Amounts due to deconsolidated subsidiaries		**126,385**	125,555
		1,850,864	1,792,530
Net current liabilities		**(1,848,506)**	(1,679,292)
Net liabilities		**(1,848,506)**	(1,678,901)
CAPITAL AND RESERVES			
Share capital		**423,835**	423,835
Reserves		**(2,272,341)**	(2,102,736)
Total equity		**(1,848,506)**	(1,678,901)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 and its principal place of business at 35/F., One Pacific Place, 88 Queensway, Hong Kong. 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 other wise indicated.

On 24 July 2006, the 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.

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 21 June 2010, the High Court of Hong Kong had further adjourned the hearing of the petition to 18 October 2010, or to the date which falls on the first Monday 14 days after a decision by the Listing Appeals Committee of the Stock Exchange on the resumption proposal of the Company is made available, whichever is earlier.

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 25 June 2010, the Supreme Court of Bermuda further adjourned the hearing of the petition to 22 October, 2010, or to the date which falls on the first Friday 14 days after a decision by the Listing Appeals Committee of the Stock Exchange on the resumption proposal of the Company is made available, whichever is earlier.

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. The meeting of the Listing Appeals Committee in this regard has not yet taken place.

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.

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 below) 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 its 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

The Group sustained a loss attributable to equity holders of the Company approximately HK$170 million for the year ended 31 March 2007 (15 months ended 31 March 2006: HK$2,919 million). As at 31 March 2007, the Group had net current liabilities of approximately HK$1,849 million (2006: HK$1,679 million) and net liabilities of approximately HK$1,849 million (2006: HK$1,679 million). These conditions indicate 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 and 4 January 2010, 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 and 31 December 2010 respectively.

Golden Beach Enterprises Limited ("**Golden Beach**"), a new 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.

Save for Golden Beach, FEL, Parkson, OG Aluminium Company Limited (Foshan), Ocean Grand Aluminium Company Limited (Foshan) and OG Aluminium (Sanshui) Company Limited, 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 Hong Kong scheme which was sanctioned by the High Court of Hong Kong on 15 April 2008.

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

(a) 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 were deconsolidated from the consolidated financial statements of the Group 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.

Name of subsidiaries

Dynamic Market Trading Limited
Ocean Grand Aluminium Company Limited (Foshan)
(Formerly: Foshan Nanhai Xingye Shaped Bronze & Aluminium Products Company Limited)
Harvest Fortune Limited
Hing Yip Holdings (China) Limited
Hing Yip Holdings (Hong Kong) Limited (In Liquidation)
OG Aluminium Company Limited (Foshan) (Formerly: Hongli Aluminium (Foshan) Company Limited)
Jorki Profits Limited
Kenlap Chemicals Limited (In Liquidation)
Kenlap Fine Chemical (Zhuhai) Technology Company Limited
Kenlap P.G.C. Manufacturer Company Limited (In Liquidation)
Ocean Grand Chemicals (BVI) Limited (In Liquidation)
Ocean Grand Chemicals Holdings Limited ("OGC")
(currently known as Hong Kong Resources Holdings Company Limited)*
OG Aluminium (Sanshui) Company Limited
OG Development Company Limited (In Liquidation)
OGC Management Services Limited (Dissolved)
Sky Leader Industries Limited (In Liquidation)
Successful Environmental Works and Investments Company Limited
Successful Gold Profits Limited (In Liquidation)
Toowomba Holdings Limited (In Liquidation)
Wintex Holdings Limited
Ocean Grand Development Holdings Limited

* The shares of OGC have been suspended for trading on the Stock Exchange since 17 July 2006 and have been resumed for trading on 3 October 2008.

(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) OG Aluminium Australia Pty Ltd ("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 2007.

Thus, in the opinion of directors, the consolidated financial statements for the year ended 31 March 2007 prepared on the aforementioned basis present more fairly the results and state of affairs of the Group as a whole.

(iii) Potential accounting irregularities

Pursuant to the announcement dated 24 July 2006, the Company has been unable to contact or locate the finance manager of OG Aluminium (Sanshui) Company Limited ("**OG Sanshui**"), an indirectly owned subsidiary of the Company, since 17 July 2006. Certain accounting books and records in respect of OG Sanshui are unknown and related electronic records have apparently been erased. In the course of the investigation into certain PRC subsidiaries, the Hong Kong management team and Deloitte have also found that the details of the cash and bank balances of most of PRC subsidiaries as shown to Deloitte by the financial personnel of the PRC subsidiaries are material different to those shown in their management accounts as at 31 March 2006.

Following the potential accounting irregularities uncovered by the Provisional Liquidators, the Commercial Crime Bureau of the Hong Kong Police Force conducted a number of searches at the Group's premises, seized documents and records and interviewed staff of the Group. Therefore, the directors were unable to satisfy themselves as to the validity, completeness and genuineness of the financial information on the Group's subsidiaries.

(iv) Insufficient information provided by the Directors

Due to the potential accounting irregularities described in note 3(iii) above and all of the former accounting personnel of the Group have left, the current directors were unable to obtain sufficient documentary information to satisfy themselves regarding the genuineness of certain books and records and treatment of various balances of the Group as at 31 March 2007 and have formed the following opinion.

(a) The directors have been unable to obtain sufficient documentary evidence to satisfy themselves as to whether the impairment loss on amounts due from deconsolidated subsidiaries of approximately HK$49,593,000 included in the loss of the Group for the year ended 31 March 2007 was fairly stated.

(b) Due to limited books and records available to the directors, the directors have been unable to obtain sufficient documentary information to satisfy themselves that the following amounts included in the consolidated financial statements for the year ended 31 March 2007 as to whether the completeness, correctness of identification and the disclosures recorded by the Company:

- turnover of HK$nil and in note 5;
- other income of approximately HK$527,000 in note 5;
- other net income of HK$nil and in note 6;
- general and administrative expenses of approximately HK$11,475,000;
- loss on deconsolidation of subsidiaries and impairment loss on investment costs, amounts due from deconsolidated subsidiaries and loan to a deconsolidated subsidiary of approximately HK$49,593,000 and in note 7;
- finance costs of approximately HK$109,064,000 and in note 8;
- directors' and senior executives' remuneration;
- income tax credit of HK$nil and in note 10;
- interests in subsidiaries of HK$nil;
- other receivables of approximately HK$621,000 and in note 13;
- amounts due from deconsolidated subsidiaries of approximately HK$1,631,000;
- bank balances and cash of approximately HK$106,000;
- short-term borrowings of approximately HK$1,333,378,000;
- other payables of approximately HK$391,101,000 and in note 14;
- amounts due to deconsolidated subsidiaries of approximately HK$126,385,000;
- deferred taxation;
- share options;
- commitments; and
- other disclosures under Hong Kong Companies Ordinance.

(c) Due to limited books of accounts and records 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 related party disclosures as required by HKAS 24 "Related Party Disclosures";
- details of the Group's financial risk management objectives and policies required by HKAS 32 "Financial Instruments: Disclosures and Presentation";
- details of contingent liabilities as required by HKAS 37 "Provisions, Contingent liabilities and Contingent Assets"; and
- details of analysis of pledge of assets.

(d) Due to insufficient information available to the directors, the consolidated financial statements do not contain a consolidated cash flow statement in accordance with the requirement of HKAS 7 "Cash Flow Statements".

Any adjustments arising from the matters described above might have a significant consequential effect on the loss of the Group for the year ended 31 March 2007 and the net liabilities of the Group as at 31 March 2007 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 2006 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 adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") that are relevant to its operations and effective for accounting periods beginning on or after 1 April 2006. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current and prior year.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of theses 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 TURNOVER AND OTHER INCOME

The Company is an investment holding company. No turnover was recognised for the year ended 31 March 2007 and the 15 months ended 31 March 2006 and thus no segmental information is presented.

	12 months ended 31.3.2007 *HK$'000*	15 months ended 31.3.2006 *HK$'000*
OTHER INCOME		
Interest income	**527**	10,055

6. OTHER NET INCOME

	12 months ended 31.3.2007 *HK$'000*	15 months ended 31.3.2006 *HK$'000*
Gain on exchange	–	679
Sundry income	–	10,014
	–	10,693

7. LOSS ON DECONSOLIDATION OF SUBSIDIARIES AND IMPAIRMENT LOSS ON INVESTMENT COSTS, AMOUNTS DUE FROM DECONSOLIDATED SUBSIDIARIES AND LOAN TO A DECONSOLIDATED SUBSIDIARY

	12 months ended 31.3.2007 *HK$'000*	15 months ended 31.3.2006 *HK$'000*
Loss on deconsolidation of subsidiaries (Note a)	–	413,014
Impairment loss on investment in deconsolidated subsidiaries	–	200,024
Impairment loss on amounts due from deconsolidated subsidiaries	**49,593**	1,768,054
Impairment loss on loan to a deconsolidated subsidiary	–	116,250
	49,593	2,497,342

(a) Loss on deconsolidation of subsidiaries

As disclosed in note 3(ii)(a) and (b) to the consolidated financial statements for the 15 months ended 31 March 2006, in the opinion of the directors, consolidating the results, assets and liabilities of those subsidiaries included into the consolidated financial statements for the 15 months ended 31 March 2006 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. Thus, for the purpose of appropriate presentation and to allow the public to evaluate the performance of the Group, those subsidiaries are deconsolidated from the consolidated financial statement since 1 January 2005. The details of loss on deconsolidation of subsidiaries are as follows:

Net assets of these deconsolidated subsidiaries were as follows:

	15 months ended 31.3.2006
	HK$'000
Property, plant and equipment	**526,191**
Intangible asset	**4,773**
Goodwill	**14,086**
Negative goodwill	**(1,928)**
Prepayments and deposits	**84,144**
Available-for-sale investments	**3,019**
Deferred tax assets	**8,300**
Other financial assets	**13,691**
Inventories	**87,143**
Trade and other receivables	**816,855**
Bank balances and cash	**1,050,583**
Short-term borrowings	**(496,910)**
Trade and other payables	**(151,469)**
Current portion of long-term bank borrowings	**(168,513)**
Current portion of obligations under finance leases	**(6,713)**
Current tax liabilities	**(13,943)**
Long-term bank borrowings	**(463,266)**
Obligations under finance leases	**(898)**
Deferred tax liabilities	**(1,400)**
Net amount due to the Group	**(667,023)**
Net assets deconsolidated	**636,722**
Release of statutory reserves	**(23,519)**
Release of capital reserve	**(27,206)**
Release of contributed surplus	**145,517**
Release of property revaluation reserves	**(39,880)**
Release of exchange reserve	**(1,387)**
Minority interests	**(76,818)**
Investment costs	**(200,415)**
Loss on deconsolidation of subsidiaries	**413,014**

8. FINANCE COSTS

	12 months ended 31.3.2007	15 months ended 31.3.2006
	HK$'000	*HK$'000*
Interest on borrowings wholly repayable within five years	**109,064**	53,176
Other borrowing costs	**–**	250
Total borrowing costs	**109,064**	53,426

9. LOSS BEFORE INCOME TAX

This is stated after charging:

	12 months ended 31.3.2007	15 months ended 31.3.2006
	HK$'000	*HK$'000*
Auditors' remuneration	**–**	1,960
Staff costs, including directors' emoluments:		
– Wages and salaries	**4,165**	–
– Contributions to defined contribution plans	**33**	–
Provision for contingent liabilities	**–**	386,097

10. INCOME TAX

	12 months ended 31.3.2007	15 months ended 31.3.2006
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax:		
– Over provision in prior years	**–**	(700)

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements for the year ended 31 March 2007 as the Group did not has any assessable profits for the year (15 months ended 31 March 2006: Nil).

Reconciliation of effective tax rate

	12 months ended 31.3.2007 %	15 months ended 31.3.2006 %
Applicable tax rate	–	18
Non-deductible expenses	–	(18)
Effective tax rate for the period/year	–	–

The applicable tax rate is the average tax rates prevailing in the territories in which the Group operates.

11. DIVIDENDS

	12 months ended 31.3.2007 HK$'000	15 months ended 31.3.2006 HK$'000
Interim dividend paid of HK$Nil (6 months ended 30 June 2005: HK$0.03) per share	–	12,715

The directors do not recommend the payment of a final dividend for the year ended 31 March 2007 (15 months ended 31 March 2006: Nil).

12. LOSS PER SHARE

The calculations of basic loss per share for the year ended 31 March 2007 is based on the loss attributable to equity holders of the Company of approximately HK$169,605,000 (15 months ended 31 March 2006: HK$2,918,646,000) and on the weighted average number of 423,835,000 (15 months ended 31 March 2006: 423,835,000) ordinary shares in issue during the year.

The share options have no dilutive effect on ordinary shares for the year ended 31 March 2007 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.

The calculation of diluted loss per share for the 15 months ended 31 March 2006 is based on the loss attributable to equity holders of the Company of approximately HK$2,918,646,000 and on the weighted average number of 430,750,000 ordinary shares after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

13. OTHER RECEIVABLES

	2007	2006
	HK$'000	*HK$'000*
Deposits, prepayments and other debtors	**621**	9,680

The carrying amount of other receivables at 31 March 2007 approximates to its fair value.

14. OTHER PAYABLES

	2007	2006
	HK$'000	*HK$'000*
Accrued charges and other creditors	**391,101**	391,052

Included in accrued charges and other creditors were the liabilities under indemnities given to deconsolidated subsidiaries of approximately HK$386,097,000 (2006: HK$386,097,000).

The carrying amount of other payables at 31 March 2007 approximates to its fair value.

AN EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The Company's auditors have qualified their report on the Group's consolidated financial statements for the year ended 31 March 2007, an extract of which is as follows:

BASIS FOR DISCLAIMER OF OPINION

1. Our report on the consolidated financial statements of the Company for the 15 months ended 31 March 2006 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 and material uncertainty in relation to the going concern of the Company. Accordingly, we were unable to form an opinion as to whether the net liabilities of the Group as at 31 March 2006 and the results and the related disclosures in the notes to the consolidated financial statements for the 15 months ended 31 March 2006 were fairly stated. Any adjustments to the opening balances as at 1 April 2006 would affect the net liabilities of the Group as at 31 March 2007 and the results and of the Group for the year ended 31 March 2007. Also the comparative figures in respect of the net liabilities of the Group as at 31 March 2006 and results of the Group for the 15 months ended 31 March 2006 may not be comparable with the figures for the current year.

2. As explained by the directors of the Company in note 3(ii)(c) to the consolidated financial statements, OG Aluminium Australia Pty limited, a new incorporated indirectly owned subsidiary, was not included into the consolidated financial statements because the directors do not have any financial information on this subsidiary.

3. As disclosed in note (3)(iii) to (iv), 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 to satisfy themselves regarding the genuineness of certain books and records and treatment of various balances of the Group as at 31 March 2007 and have formed the opinion as follows:

   (a) as set out in note 3(iv)(a) to the consolidated financial statements, the directors have been unable to obtain sufficient documentary evidence to satisfy themselves as to whether the impairment loss on amounts due from deconsolidated subsidiaries approximately HK$49,593,000 included in the loss of the Group for the year ended 31 March 2007 was fairly stated;

   (b) as explained in note 3(iv)(b) to the consolidated financial statements, due to limited books and records available to the current directors, the current directors of the Company were unable to obtain sufficient documentary information to satisfy themselves that the following amounts included in the consolidated financial statements for the year ended 31 March 2007 as to whether the completeness, correctness of identification and the disclosures recorded by the Company:

       – turnover of HK$nil and in note 5;
       – other income of approximately HK$527,000 in note 5;
       – other net income of HK$nil and in note 6;
       – general and administrative expenses of approximately HK$11,475,000;
       – loss on deconsolidation of subsidiaries and impairment loss on investment costs, amounts due from deconsolidated subsidiaries and loan to a deconsolidated subsidiary of approximately HK$49,593,000 and in note 7;
       – finance costs of approximately HK$109,064,000 and in note 8;
       – directors' and senior executives' remuneration;
       – income tax credit of HK$nil and in note 10;
       – interests in subsidiaries of HK$nil;
       – other receivables of approximately HK$621,000 and in note 13;
       – amounts due from deconsolidated subsidiaries of approximately HK$1,631,000;
       – bank balances and cash of approximately HK$106,000;
       – short-term borrowings of approximately HK$1,333,378,000;
       – other payables of approximately HK$391,101,000 and in note 14;
       – amounts due to deconsolidated subsidiaries of approximately HK$126,385,000;
       – deferred taxation;
       – share options;
       – commitments; and
       – other disclosures under Hong Kong Companies Ordinance.

(c) as explained in note 3(iv)(c) to the consolidated financial statements, due to limited books and records 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 HKAS 19 "Employee Benefits";

– details of related party disclosures as required by HKAS 24 "Related Party Disclosures";

– details of the Group's financial risk management objectives and policies as required by HKAS 32 "Financial Instruments: Disclosures and Presentation";

– details of contingent liabilities as required by HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and

– details on analysis of pledge of assets

(d) as explained in note 3(iv)(d) to the consolidated financial statements, the consolidated financial statements do not contain a consolidated cash flow statement. This is not in accordance with the requirements of HKAS 7 "Cash Flow Statements". In our opinion, information about the Group's cash flows is necessary for a proper understanding of the Group's state of affairs and loss for the year ended 31 March 2007. It is not practicable to quantify the effects of the departure from this requirement.

4. As at 31 March 2007, the consolidated balance sheet included other receivables, amounts due from deconsolidated subsidiaries, bank balances and cash, short-term borrowings, other payables and amounts due to deconsolidated subsidiaries of approximately HK$621,000, HK$1,631,000, HK$106,000, HK$1,333,378,000, HK$391,101,000 and HK$126,385,000 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.

5. 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 2007.

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 5 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 loss of the Group's result for the 15 months ended 31 March 2006 and for the year ended 31 March 2007 and the net liabilities of the Group as at 31 March 2006 and 2007 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 made in note 3(i) to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated 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 of 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 2007 and of the Group's loss 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 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 of 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.

BUSINESS REVIEW

The principal activity of the Company is investment holding. Its deconsolidated subsidiaries were principally engaged in the manufacturing of aluminium extrusion products and chemicals for use in electroplating process. The operations of the Group ceased since July 2006. The Group has reactivated its aluminium trading and supply of aluminium products through its newly incorporated companies since June 2008 and December 2009 respectively. In December 2009, the Group entered into a sale and purchase agreement to acquire a factory manufacturing aluminium products. The acquisition will be completed within July 2010. In order to expand the Group's current business, the Group also entered into a memorandum of understanding with a party to set up a factory which will primarily engage in the manufacturing of aluminium extrusion products. An agreement will be executed once all the terms are agreed.

RESTRUCTURING OF THE GROUP

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, the Investor, the Provisional Liquidators and Deloitte (the "Restructuring Agreement"). On 26 February 2009 and 4 January 2010, the Company, the Investor and the Provisional Liquidators entered into a supplemental agreement to extend the long stop date of the Restructuring Agreement from 31 December 2008 to 31 December 2009 and 31 December 2010 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 2007.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERANCE 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 Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("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 Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the year ended 31 March 2007.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Trading in the securities of the Company has been suspended since 17 July 2006 and Directors are of the opinion that since the date of suspension in trading of the Company's securities, the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules is not applicable.

DIVIDEND

The directors of the Company do not recommend the payment of a final dividend for the year ended 31 March 2007.

AUDIT COMMITTEE

Due to the severe financial difficulties of the Group and the prolonged suspension in trading of the securities of the Company on the Stock Exchange, up to the date of this report, no independent non-executive directors were appointed as required by Rule 3.19 and Rule 3.21 of the Listing Rules following their resignations in July 2006. And as a result, the audited annual results of the Group for the year ended 31 March 2007 have not been reviewed by the Audit Committee.

PUBLICATION OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at http://www.ogh-1220.info.

By Order of the Board, for
Ocean Grand Holdings Limited
(Provisional Liquidators Appointed)
Chin Chang Keng, Raymond
Director

Hong Kong, 19 July 2010.

As at the date of this announcement, the Board of the Company comprises seven executive directors, namely Dr. Yip Kim Po (Chairman), Dr. Hui Ho Ming, Herbert, JP (Deputy and Vice Chairman), Mr. Kwan Man Wai, Mr. Li Lee Cheung, Ms. Yip Wan Fung, Mr. Chin Chang Keng, Raymond and Ms. Ang Mei Lee, Mary.

* *For identification purposes only*