ZHIDAO INTERNATIONAL (HOLDINGS) LIMITED
志道國際（控股）有限公司*

(formerly known as Ocean Grand Holdings Limited
海域集團有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock code : 01220)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2012

The board of directors (the "**Board**") of Zhidao International (Holdings) Limited (formerly known as Ocean Grand Holdings Limited)(the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2012 (the "**Year**"), together with the comparative figures for the corresponding period in 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the year ended 31 March	
		2012	2011
	Note	***HK$'000***	*HK$'000*
Turnover	*6*	**343,153**	414,924
Cost of sales		**(317,376)**	(398,317)
Gross profit		**25,777**	16,607
Other income		**152**	165
Gain on disposal of subsidiaries	*7*	**—**	—
Gain on debt restructuring	*8*	**1,930,503**	—
Restructuring costs		**(25,000)**	—
General and administrative expenses		**(8,595)**	(5,060)
Finance costs	*9*	**(223)**	(237)
Profit before income tax	*10*	**1,922,614**	11,475
Income tax	*11*	**(962)**	(193)
Profit for the year		**1,921,652**	11,282

** For identification purposes only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

		For the year ended 31 March	
		2012	2011
	Note	***HK$'000***	*HK$'000*
Other comprehensive income			
Exchange differences on translating foreign operations		**67**	(210)
Total comprehensive income for the year		**1,921,719**	11,072
Profit attributable to owners of the Company		**1,921,652**	11,282
Total comprehensive income attributable to owners of the Company		**1,921,719**	11,072
Earnings per share			
— Basic	*13*	**HK$6.61**	HK$0.08
— Diluted	*13*	**HK$6.61**	HK$0.08

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31March	
		2012	2011
	Note	***HK$'000***	*HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**445**	620
Goodwill		**1,243**	1,243
Intangible assets		**252**	252
Retention receivables		**20,974**	9,714
		22,914	11,829
Current assets			
Inventories		**648**	1,924
Trade and other receivables	*14*	**107,418**	42,970
Amounts due from customers on construction contracts		**2,118**	3,379
Pledged bank deposits		**—**	1,000
Bank balances and cash		**75,490**	5,570
		185,674	54,843
Current liabilities			
Trade and other payables	*15*	**40,941**	434,375
Amounts due to deconsolidated subsidiaries		—	126,426
Short-term borrowings		—	1,448,078
Bank borrowings		—	2,414
Income tax payable		**1,102**	347
		42,043	2,011,640
Net current assets/(liabilities)		**143,631**	(1,956,797)
Total assets less current liabilities		**166,545**	(1,944,968)
Non-current liabilities			
Retention payables		**16,731**	6,636
Net assets/(liabilities)		**149,814**	(1,951,604)
CAPITAL AND RESERVES			
Share capital	*16*	**16,500**	423,835
Reserves		**133,314**	(2,375,439)
Total equity		**149,814**	(1,951,604)

Notes:

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The shares of the Company have been suspended for trading on the Stock Exchange since 17 July 2006. Following completion of the Company's restructuring proposal (the "**Debt Restructuring**") on 9 January 2012, trading of the Company's shares on the Stock Exchange was resumed on 11 January 2012. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of the principal place of business of the Company was moved to Unit C&D, 16th Floor, China Overseas Building, 139 Hennessy Road, Wanchai Hong Kong on 9 January 2012.

Pursuant to a special resolution passed at the special general meeting of the Company held on 23 May 2012 and approved by the Registrar of Companies in Bermuda and Companies Registry in Hong Kong, the name of the Company changed from "Ocean Grand Holdings Limited" to "Zhidao International (Holdings) Limited" and a new Chinese name "志道國際(控股)有限公司" be adopted for identification purposes only in place of the previous Chinese name "海域集團有限公司".

The Company is an investment holding company. The Group was principally engaged in trading of aluminium products and raw materials and in supply of aluminium products to construction projects.

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

Trading in the shares of the Company on the Stock Exchange 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, were appointed as the joint and several provisional liquidators of the Company (the "**Provisional Liquidators**") by the order of the High Court of Hong Kong ("**High Court**") on 24 July 2006 and by the order of the Supreme Court of Bermuda on 25 July 2006.

The court orders for the withdrawal of the winding-up petitions and the discharge of the Provisional Liquidators of the Company were granted on 19 December 2011 by the High Court and on 23 December 2011 by the Supreme Court of Bermuda. Following completion of the Company's Restructuring Agreement (as defined hereinafter), trading in the shares of the Company on the Stock Exchange was resumed on 11 January 2012.

3. RESTRUCTURING AGREEMENT

On 20 December 2007, a conditional agreement for the proposed restructuring of the Group, involving capital reorganization, debt restructuring, group reorganization, subscription of new shares and subscription of preference shares, was entered into by the Company, Goldstar Success Limited (the "**Investor**"), the Provisional Liquidators and an escrow agent (the "**Restructuring Agreement**" or the "**Restructuring**"). Details of the Restructuring proposal issued by the

Company and Investor are set out in the circular dated 31 October 2011 (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) Share Consolidation

Every 3 existing issued shares of the Company were consolidated into one Consolidated Share. Accordingly, 423,835,315 issued shares of HK$1.0 each were consolidated into 141,278,437 issued Consolidated Shares.

(b) Capital Reduction

The par value of every Consolidated Share was reduced from HK$3.0 to HK$0.01 and the resulting credit of approximately HK$422.4 million was applied to eliminate the accumulated losses of the Company. Upon the Capital Reduction becoming effective, all the existing authorized but unissued Shares will be cancelled in their entirety.

(c) Authorized Share Capital Change

The Company's authorized share capital was changed to HK$36,500,000 divided into 2,800,000,000 New Shares and 850,000,000 Convertible Preference Shares.

This was achieved by a reduction of the authorized share capital of the Company from HK$1,000,000,000 to HK$36,500,000.

(d) Board Lot Size

The New Shares are traded in board lots of 30,000 each, compared with the shares of the Company traded in board lots of 2,000 each before Share Consolidation.

(e) Reduction in Share Premium Account

The Company's share premium account was 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$35 million, which was funded by the Company out of the proceeds of the Subscription; and

(b) 157,600,000 New Shares were allotted and issued to the Creditors at nil consideration, with Creditors Put Options to sell all or part of the New Shares back to the Investor at the price of HK$0.1586 per New Share, representing approximately 19.7% of the enlarged issued share capital of the Company upon completion.

The Creditors Put Options will be exercisable within six months from 9 January 2012, 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 Golden Beach Enterprises Limited, Parkson Trade Services Limited, Fast Excel Limited, Tak Lee Metal Manufactory (Hong Kong) Company Limited, Zhongshan City Minzhong Deli Metal Company Limited, Fast Excel Gold Mountain Zhongshan Aluminium Products (Hong Kong) Limited (the "**Excluded Companies**") 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 Open Offer

Pursuant to the Restructuring Agreement, the Company proposed to raise, before expenses, not less than approximately HK$12.5 million and no more than approximately HK$13.0 million by way of the Open Offer at the Open Offer Subscription Price of HK$0.133 per Offer Share on the basis of two Offer Shares for every three New Shares to be held by the Qualifying Shareholders on the Record Date and payable in full on application.

81,718,455 Offer Shares not taken up by the Qualifying Shareholders were fully taken up by the Investor in accordance with the terms of the Underwriting Agreement.

(iv) The Subscription

Pursuant to the Restructuring Agreement, the Investor subscribed for the following:

1. 406,935,939 New Shares at the subscription price of HK$0.133 each; and

2. 850,000,000 Convertible Preference Shares of par value of HK$0.01 each at the subscription price of HK$0.133 each carrying the right to convert into New Shares at the ratio of one to one commencing on the first anniversary from the date of the resumption of the Company on 11 January 2012. The Convertible Preference Shares shall carry a fixed cumulative preferential dividend at a rate of 4% per annum on the initial subscription price of each Convertible Preference Share.

(v) The Disposal

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

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

4. BASIS OF PREPARATION

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

The consolidated financial statements have been prepared under the historical cost convention except that certain financial instruments are stated at fair value.

5. APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has applied the following new and revised standards, amendments to standards and interpretations ("**new and revised HKFRSs**") issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Rights Issues
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HK(IFRIC)-INT 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-INT 19	Extinguishing Financial Liabilities with Equity Instruments

Except as described below, the adoption of these new and revised HKFRSs has had no material effect on the Group's financial performance and positions for the current and prior years.

Amendments to HKAS 1 Presentation of Financial Statements (as part of "Improvements to HKFRSs 2010")

The amendments to HKAS 1 clarify that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements. In the current year, for each component of equity, the Group has chosen to present such an analysis in notes to the consolidated financial statements, with a single-line presentation of other comprehensive income in the consolidated statement of changes in equity.

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.

6. TURNOVER AND OPERATING SEGMENT INFORMATION

a) Reportable operating segments

For management purposes, the Group is currently organized into two operating segments namely trading of aluminium products and construction projects supply.

Reportable operating segments are as follows:

(i) Trading of aluminium products; and
(ii) Construction projects — supply of aluminium products

An analysis of segment information of the Group on these reportable operating segments for the Year and for the year ended 31 March 2011 is as follows:

	2012	2011
	HK$'000	*HK$'000*
Segment revenue		
Trading of aluminium products	**154,406**	285,653
Construction projects	**188,747**	129,271
	343,153	414,924
Segment results		
Trading of aluminium products	**(39)**	723
Construction projects	**20,523**	11,001
	20,484	11,724
Unallocated corporate income, net	**1,902,353**	—
Unallocated corporate expenses, net	—	(12)
Finance costs	**(223)**	(237)
Profit before income tax	**1,922,614**	11,475

b) Geographical information

The Group's operations are principally located in Hong Kong and the People's Republic of China (the "**PRC**"). The Group's administration is carried out in Hong Kong.

The following table provides an analysis of the Group's revenue from external customers by geographical market and analysis of non-current assets by the geographical location in which assets are located other than goodwill.

	Revenue from external customers		Non-current assets	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**7,432**	18,002	**21,226**	9,967
PRC	**335,721**	396,922	**445**	619
	343,153	414,924	**21,671**	10,586

7. GAIN ON DISPOSAL OF SUBSIDIARIES

The Debt Restructuring has been completed on 9 January 2012. Winding-up petitions had been withdrawn and Provisional Liquidators were discharged on 9 January 2012. Accordingly, OG Aluminium Australia Pty Ltd. and the following subsidiaries were transferred to the Scheme Administrators for the benefit of the Company's Scheme Creditors at a consideration of HK$1 pursuant to the Scheme. As the results, assets and liabilities of the following subsidiaries have been deconsolidated from the consolidated financial statements of the Company since 1 January 2005 and OG Aluminium Australia Pty Ltd. has not been included into the consolidated financial statements, the net asset value of these subsidiaries is HK$nil. Accordingly, the gain on disposal of subsidiaries is HK$1. The net assets of the subsidiaries at the date of disposal are as follows:

	Attributable equity interest of the Company	
Name of disposed subsidiaries	**Directly**	**Indirectly**
Chinacin.com Limited	—	100%
Harvest Fortune Limited (Dissolved)	—	100%
Hing Yip Holdings (China) Limited (Dissolved)	—	100%
Hing Yip Holdings (Hong Kong) Limited (In Liquidation)	—	100%
Jinbocho Holdings Limited	100%	—
Jorki Profits Limited	—	100%
Ocean Grand (China) Limited	—	100%
Ocean Grand Aluminium Company Limited (Foshan)	—	100%
Ocean Grand Development Holdings Limited	—	100%
Ocean Grand Finance Limited (Dissolved)	100%	—
Ocean Grand Services Limited	100%	—
Ocean Grand Technology Company Limited	100%	—

Name of disposed subsidiaries	Attributable equity interest of the Company Directly	 Indirectly
OG Aluminium (Sanshui) Company Limited	—	90%
OG Aluminium Company Limited (Foshan)	—	100%
OG Development Company Limited (In Liquidation)	—	100%
Sky Leader Industries Limited (In Liquidation)	—	100%
Successful Gold Profits Limited (In Liquidation)	100%	—
Toowomba Holdings Limited (In Liquidation)	100%	—
廣州倫帕理維信息科技有限公司	—	100%

	9.1.2012 *HK$'000*
Net assets disposed of	—
Gain on disposal of subsidiaries	—
Total consideration	—
Net cash inflow arising on disposal:	
Bank balances and cash disposed of	—

8. GAIN ON DEBT RESTRUCTURING

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

	HK$'000	*HK$'000*
Liabilities fully discharged pursuant to the Scheme:		
Other payables	391,101	
Amounts due to deconsolidated subsidiaries	126,426	
Short-term borrowings	1,448,078	
		1,965,605
Less:		
Cash paid to the Scheme	(35,000)	
Bank balances and cash of the Company transferred to the Scheme	(102)	
New ordinary shares allotted and issued to the Scheme creditors at nil consideration	—	
		(35,102)
		1,930,503

9. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within 5 years	**94**	73
Interest on bills and overdrafts	**129**	143
Other finance costs	**—**	21
	223	237

10. PROFIT BEFORE INCOME TAX

This is stated after charging:

	2012	2011
	HK$'000	*HK$'000*
Cost of construction and inventories sold	**317,376**	398,317
Auditors' remuneration	**753**	—
Depreciation of property, plant and equipment	**14**	12
Foreign exchange difference, net	**19**	14
Operating lease rentals in respect of land and buildings	**700**	570
Staff costs, including directors' emoluments:		
— Salaries and other benefits	**3,463**	1,656
— Retirement benefits scheme contributions	**157**	92
Impairment loss on other receivables	**—**	1,556

11. INCOME TAX

	2012	2011
	HK$'000	*HK$'000*
Current tax:		
Hong Kong		
Hong Kong Profits Tax	**183**	193
Under-provision in prior years	**715**	—
PRC		
PRC Enterprise Income Tax	**26**	—
Under-provision in prior year	**38**	—
	962	193

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits for the year.

PRC Enterprise Income Tax is calculated at 25% (2011: Nil) on the estimated assessable profits for the year.

The income tax for the Year can be reconciled to the profit before income tax per consolidated statement of comprehensive income as follows:

	2012	2011
	HK$'000	*HK$'000*
Profit before income tax	**1,922,614**	11,475
Tax at the domestic rates applicable to profits of taxation entities in the countries concerned	**317,060**	1,823
Tax effect of income that is not taxable	**(322,044)**	(3,298)
Tax effect of expenses that are not deductible	**4,842**	1,237
Tax effect of tax loss not recognized	**352**	—
Tax effect of temporary differences	**(1)**	(1)
Under-provision in prior years	**753**	—
Others	**—**	432
Income tax charge for the year	**962**	193

No deferred tax assets and liabilities has been recognized 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 2011 and 2012.

12. DIVIDENDS

No dividend has been paid or declared by the Company during the year (2011: Nil).

13. EARNINGS PER SHARE

The calculations of basic earnings per share for the Year is based on the profit attributable to owners of the Company of approximately HK$1,921,652,000 (2011: HK$11,282,000) and on the weighted average number of 290,661,000 (2011: 141,278,000) ordinary shares in issue during the year.

Diluted earnings per share attributable to owners of the Company for both years are the same as the respective basic earnings per share as the Company did not have any dilutive potential ordinary shares during both years.

The share options have no dilutive effect on ordinary shares for the years ended 31 March 2011 and 2012 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 before the date of effective of the Scheme on 9 January 2012 and all the shares options have been subsequently lapsed upon the effective of the Scheme.

14. TRADE AND OTHER RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables		
Trade receivables	**72,613**	27,481
Retention receivables	**679**	826
Other receivables		
Deposits, prepayments and other debtors	**35,682**	16,219
Provision for impairment	**(1,556)**	(1,556)
	107,418	42,970

Retention receivables represents certified contract payments in respect of works performed, for which payments are withheld by customers for retention purposes, and the amount retained is withheld on each payment up to a maximum amount calculated on a prescribed percentage of the contract sum. No aging analysis of retention receivables is presented as the retentions are released to the Group pursuant to the provisions of the relevant contracts after the completion of the projects in question.

The Group allows a credit period normally 0 to 90 days (2011: 0 to 90 days) to its trade customers. The aging analysis of trade receivables presented based on the invoice date as at the end of the reporting period is as follows:

	2012	2011
	HK$'000	*HK$'000*
0 to 30 days	**29,493**	8,466
31 to 60 days	**29,535**	19,014
61 to 90 days	—	—
Over 90 days	**13,585**	1
	72,613	27,481
Retention receivables	**679**	826
	73,292	28,307

As at 31 March 2012, trade receivables of HK$13,585,000 (2011: HK$1,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

15. TRADE AND OTHER PAYABLES

	2012	2011
	HK$'000	*HK$'000*
Trade payables		
Trade payables	**37,469**	26,816
Bill payable	—	2,814
Other payables		
Accrued charges and other creditors (Note)	**3,472**	404,745
	40,941	434,375

Note:

As at 31 March 2011, included in accrued charges and other creditors were the liabilities under indemnities given to deconsolidated subsidiaries of approximately HK$386,097,000. Following the Scheme became effective on 9 January 2012, these liabilities have been fully discharged accordingly.

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

	2012	2011
	HK$'000	*HK$'000*
0 to 30 days	**27,794**	8,243
31 to 60 days	**246**	17,676
61 to 90 days	—	8
Over 90 days	**9,429**	889
	37,469	26,816

16. SHARE CAPITAL

		Number of shares	Amount
		'000	*HK$'000*
Authorized:			
At 1 April 2010 and 2011			
Ordinary shares of HK$1.00 each		1,000,000	1,000,000
At 31 March 2012			
Ordinary shares of HK$0.01 each	*(note)*	2,800,000	28,000
Preference shares of HK$0.01 each	*(note)*	850,000	8,500
		3,650,000	36,500

		Number of shares *'000*	Amount *HK$'000*
Ordinary shares issued and fully paid:			
At 1 April 2010 and 2011			
Ordinary shares of HK$1.00 each		423,835	423,835
Capital reduction and share consolidation pursuant to the Restructuring Agreement	*(note)*	(282,556)	(422,422)
Issue of ordinary shares — open offer	*(note)*	94,185	942
Issue of ordinary shares — subscription	*(note)*	406,936	4,069
Issue of ordinary shares — creditors pursuant to the Scheme	*(note)*	157,600	1,576
At 31 March 2012			
Ordinary shares of HK$0.01 each		800,000	8,000
Preference shares issued and fully paid:			
At 1 April 2010 and 2011		—	—
Issue of preference shares pursuant to the Restructuring Agreement	*(note)*	850,000	8,500
At 31 March 2012			
Preference shares of HK$0.01 each		850,000	8,500

The preference share, with a paid-up value of HK$0.133 per share, shall entitle the holder thereof the right to convert one preference share into one fully-paid ordinary share of the Company commencing on the first anniversary from the date of the resumption of the Company on 11 January 2012. The preference shares are non-redeemable and do not bear any voting right.

The preference shares shall carry a fixed cumulative preferential dividend at a rate of 4% per annum on the initial subscription price of each preference share. The undeclared cumulative preferential share dividend as at 31 March 2012 amounted to HK$1,028,000 (2011: Nil).

Note:

On 24 November 2011, the Company has undergone a capital restructuring pursuant to the Restructuring Agreement (please refer to note 3 above). Further details of the transactions are set out in the Company's circular dated 31 October 2011, prospectus dated 8 December 2011 and the announcement dated 9 January 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group was principally engaged in trading of aluminium products and raw materials and in supply of aluminium products to construction projects.

The turnover of the Group for the Year was HK$343.2 million compared to HK$414.9 million for the last year. Throughout the Year, the Group has been following its strategies to create value from its operations. With the strategic shift of focus from the trading to the higher-margin business of supplying aluminium products to construction projects, the turnover of the trading business dropped from HK$285.6 million last year to HK$154.4 million for the Year while the turnover of the supply of aluminium products to construction projects business increased from HK$129.3 million last year to HK$188.8 million for the Year.

The Company has completed the restructuring exercise (please refer to note 3 above) during the Year. The profit attributable to shareholders of the Company for the Year was HK$1,921.7 million, compared to a profit of HK$11.3 million last year. As the Company completed its Restructuring (as described in note 3 above) in January 2012, a non-recurring gain on disposal of Excluded Companies of HK$1,930.5 million was recognized during the Year. The cost of restructuring was HK$25.0 million. The Group's profit before gain on Debt Restructuring and restructuring cost for the Year was HK$16.2 million.

Change of Company Name

Pursuant to a special resolution passed at a special general meeting on 23 May 2012, with effect from 25 May 2012 the Company changed its official registered English name from "Ocean Grand Holdings Limited" to "Zhidao International (Holdings) Limited" and adopted the new Chinese name of "志道國際(控股)有限公司" for identification purposes only to replace the Chinese name of "海域集團有限公司" which was previously adopted for identification purposes only. The Board believes that the change of company name is an appropriate reflection of a new beginning of the Company, new management concept and commitment from all members of the Group.

Prospects

As a result of support from our investors coupled with dedicated efforts of our employees, focusing on the governing principle of maximizing shareholders' value, the Group has re-established and gain substantial foothold within a relatively short period of time after the resumption of trading in its shares on the Stock Exchange.

Leveraging on our developed global customer base and our presence through doing business globally, we are on the path and have moving forward with strong momentum in transforming and migrating from a trading to manufacturing of higher value added products and is in the process of exploring business and investment opportunities which would enhance our long term business strategy and position the Group for sustainable growth.

We continue to work diligently to finalize the development of the contemplated joint venture in Zhongshan, the PRC, between Fast Excel Limited and our strategic partner, Zhongshan Gold Mountain Aluminium Factory Limited. We had experienced unexpected delay in the approval process but remain confident that the approval of the joint venture would be granted to us by the third quarter of 2012 in spite of the delay.

Our performance in the past year has exceeded our target in spite of the adverse business condition, thus, we are confident that we could continue with the momentum and achieve an even better performance in the coming year.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2012, the Group had bank balances and cash of HK$75.5 million (2011: HK$5.6 million) while total net assets was HK$149.8 million (2011: total net liabilities of HK$1,951.6 million). The Group's gearing ratio, being a ratio of total bank and other borrowings to shareholders' funds, was nil as at 31 March 2012 (2011: not applicable).

Pursuant to the Restructuring Agreement, the Group has undergone a capital restructuring on 24 November 2011 and details are set out in note 3 above.

Foreign Exchange Exposure

As at 31 March 2012, the majority of the Group's assets and liabilities were denominated in Hong Kong dollars. The Board considered its exposure to foreign exchange risk was insignificant, therefore no financial instruments was made to hedge such exposure.

Contingent Liabilities

On 23 August 2007, the Company was under provisional liquidation, together with its former subsidiaries, namely Toowomba Holdings Limited (In Liquidation), Hing Yip Holdings (Hong Kong) Limited (In Liquidation) and OG Development Company Limited (In Liquidation), as plaintiffs, issued a writ of summons in the High Court to claim against a number of former directors of the Company seeking compensation from them in connection with their alleged breach of duties during the period they acted as directors of the Company and the former subsidiaries. The total compensation claimed amounted to approximately HK$136 million in connection with the purported purchase of machinery by a former subsidiary in November 2005. Details of this litigation were disclosed in the Company's announcement dated 11 January 2012.

To the Company's information and knowledge, Mr. Li Lee Cheung ("Mr. Li") has filed his defence and the proceedings are on-going. Mr. Kwan Man Wai ("Mr. Kwan") is seeking leave from the court to commence, by way of counterclaim, an action against the Company for an alleged indemnity (the "Indemnity Claim"). The hearing date for Mr. Kwan's application for leave to proceed with the Indemnity Claim has not been fixed.

The Company considers that the action does not relate to the Company but relates to the Scheme and the former subsidiaries (the former subsidiaries had been transferred by the Company to the Scheme Administrators). Since the Scheme became effective on 9 January 2012, the former subsidiaries have ceased to be part of the Group and thus the action commenced against Mr. Li and Mr. Kwan should not have any business or financial effect on the Group, save for the Indemnity Claim. It is the Directors' opinion that the ultimate liability arising from the dispute, if any, is unable to quantify the possible effect on the Group's financial position.

Employees and Remuneration Policy

As at 31 March 2012, the Group had 55 employees. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, the Group's performance, and individual qualifications and performance.

The emolument policy for the employees of the Group is set up by the Company's remuneration committee on the basis of their merit, qualifications and competence. The emoluments of the Directors are decided by the remuneration committee, having regard to the Group's operating results, individual performance and comparable market statistics.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Trading in the shares of the Company was suspended from 17 July 2006 to 10 January 2012 (both days inclusive) and the Board is of the opinion that the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules was not applicable during the period from 17 July 2006 to 10 January 2012.

The Company has re-adopted the Model Code on 11 January 2012 as the code for dealing in securities of the Company by the Directors. Having made specific enquiry of all Directors of the Company, the Directors confirmed that they had complied with the required standards set out in the Model Code throughout the period from 11 January 2012 to 31 March 2012.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICE

For The Period From 1 April 2011 To 10 January 2012

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 of trading in the shares of the Company on the Stock Exchange and the severe financial difficulties of the Group before resumption of trading in the shares of the Company which took place on 11 January 2012, the Board is unable to comment as to whether the Company had complied with the CG Code during the period from 1 April 2011 to 10 January 2012.

For The Period From 11 January 2012 To 31 March 2012 (The "CG Report Period")

The Company has restored its corporate governance practices immediate after resumption of trading in the shares of the Company. The Company has all along committed to fulfill its responsibilities to its shareholders by ensuring that the proper processes for supervision and management of the Group's businesses are duly operated and reviewed and that good corporate governance practices and procedures, including but not limited to the CG Code, are established throughout the CG Report Period. The Company complied with the CG Code throughout the CG Report Period except for the following deviations from the CG Code:

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

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

The Company's auditors have qualified their report on the Group's consolidated financial statements for the year ended 31 March 2012, an extract of which is as follows:

Basis for Qualified Opinion

1. Opening balances and corresponding figures

Our audit opinion on the consolidated financial statements of the Group for the year ended 31 March 2011, which form the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effect of the limitations on the scope of our audit and material uncertainty in relation to going concern, details of which are set out in our audit report dated 20 July 2011.

2. **Gain on disposal of subsidiaries**

The Group has disposed a number of subsidiaries according to the Scheme during the year and a gain on disposal of subsidiaries amounted to approximately HK$1 was recognized in the consolidated statement of comprehensive income for the year ended 31 March 2012. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the accuracy of the financial position as at 1 April 2011 and at the disposal date, and of the results from 1 April 2011 to date of disposal being disposed of, and whether the amount of gain on disposal of subsidiaries had been accurately recorded in the consolidated statement of comprehensive income.

3. **Gain on debt restructuring**

As set out in note 8 above, the current directors have been unable to obtain sufficient documentary evidence to satisfy themselves as to whether the gain on debts restructuring amounted to approximately HK$1,930,503,000 represented indebtedness discharged upon effective of the Scheme and included in the consolidated statement of comprehensive income for the year ended 31 March 2012 was fairly stated.

4. **Transactions and disclosures**

The current directors are unable to satisfy themselves as to the completeness of the transactions entered into by the Company included in the consolidated financial statements and of the completeness of disclosure of finance costs, directors' emoluments and five highest paid employee, income tax, trade and other payables, short-term borrowings, deferred taxation, share options, commitment, retirement benefit plans, related party transactions and contingent liabilities for the period from 1 April 2011 to 9 January 2012 in the consolidated financial statements.

Any adjustments to the matters as described from points 1 to 4 above might have a consequential effect on the Group's results and cash flows for the year ended 31 March 2012 and related disclosures thereof in the consolidated financial statements.

Qualified Opinion

In our opinion, except for the possible effects on the corresponding figures and on the current year's consolidated financial statements of the matters as described in the basis for qualified opinion paragraphs, the consolidated financial statements give a true and fair view of the state of the Group's affairs as at 31 March 2012, and of its results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

AUDIT COMMITTEE REVIEW

The Audit Committee had reviewed with the external auditors the financial statements of the Group for the Year, including the accounting principles and practices adopted by the Group and the adequacy of internal control system. The Committee is satisfied with the review and the Board is also satisfied with the Committee's report.

By order of the Board
Zhidao International (Holdings) Limited

Mung Hing Choy
Chairman

Hong Kong, 28 June 2012

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Mung Hing Choy (Chairman), Mr. Chau Shing Yim, David and Ms. Cheung Oi Chun, one non-executive Director namely Mr. Tsoi Tong Hoo, Tony and three independent non-executive Directors, namely Mr. Choi Wing Koon, Mr. Li Kam Chung and Mr. Kwok Lap Fung, Beeson.

** For identification purposes only*