

ORIENT RESOURCES GROUP COMPANY LIMITED

(Incorporated in the Cayman Island and continued in Bermuda with limited liability)

(Stock Code: 467)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

The Board of Directors of Orient Resources Group Company Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March, 2007 as follows:

CONSOLIDATED INCOME STATEMENT

	<i>Notes</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i> (Unaudited and restated)
Turnover	4	15,933	236,468
Cost of sales and service		<u>(5,314)</u>	<u>(224,367)</u>
Gross profit		10,619	12,101
Other income	5	33,337	20,917
Administrative expenses		<u>(19,758)</u>	<u>(13,025)</u>
Profit from operations	6	24,198	19,993
Finance costs	7	<u>(951)</u>	<u>(718)</u>
Profit before tax		23,247	19,275
Income tax expense	8	<u>(2,571)</u>	<u>(7,879)</u>
Profit for the year		<u>20,676</u>	<u>11,396</u>
Attributable to:			
Equity holders of the Company		18,508	6,419
Minority interests		<u>2,168</u>	<u>4,977</u>
		<u>20,676</u>	<u>11,396</u>
Earnings per share			
Basic	9	<u>0.28 cents</u>	<u>0.12 cents</u>
Diluted	9	<u>N/A</u>	<u>N/A</u>

CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	2007 HK\$'000	2006 HK\$'000 (Unaudited and restated)
Non-current assets			
Property, plant and equipment		149,710	137,147
Investment properties		161,616	172,523
		311,326	309,670
Current assets			
Properties under development		367,480	328,854
Trade and other receivables	<i>10</i>	76,850	760
Deposits paid for prepaid land lease payments		13,398	15,745
Due from a director		5	—
Due from a related company		69	—
Financial assets at fair value through profit or loss		6,109	—
Bank and cash balances		355,158	242,212
		819,069	587,571
Current liabilities			
Trade and other payables	<i>11</i>	21,654	13,302
Current tax liabilities		573	584
Due to directors		3,930	12,454
Due to related companies		12,792	23,288
Due to a minority shareholder		31,402	—
Bank loans		303,030	1,473
		373,381	51,101
Net current assets		445,688	536,470
Total assets less current liabilities		757,014	846,140
Non-current liabilities			
Bank loans		—	303,648
Deferred tax liabilities		29,020	26,572
		29,020	330,220
NET ASSETS		727,994	515,920

	<i>Notes</i>	2007 HK\$'000	2006 HK\$'000 (Unaudited and restated)
Capital and reserves			
Share capital		68,760	51,760
Reserves		<u>452,534</u>	<u>268,234</u>
Equity attributable to equity holders of the Company		521,294	319,994
Minority interests		<u>206,700</u>	<u>195,926</u>
TOTAL EQUITY		<u>727,994</u>	<u>515,920</u>

Notes:

1. Basis of Preparation and Accounting Policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through profit or loss which are carried at their fair values.

Pursuant to the sale and purchase agreement dated 22nd September, 2005, the Company issued 5,080,000,000 shares at par value of HK\$0.01 each as consideration to acquire Grand Hope Group Limited (“Grand Hope”) and its subsidiaries (“Grand Hope Group”) from He Fu International Limited (“He Fu”) (the “Acquisition”). The Acquisition was a very substantial acquisition pursuant to the Listing Rules. Details of the Acquisition were set out in the Company’s circular dated 31st March, 2006. The Acquisition was completed on 6th June, 2006.

Grand Hope Group is principally engaged in the investment holding, property development and investment and wholesale of household building materials.

As the Company and Grand Hope Group were both ultimately controlled by He Fu before and after the Acquisition, the Acquisition was accounted for as a combination of entities under common control. The financial statements of the Group have been prepared based on the principles of merger accounting in accordance with the Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the HKICPA, as if the Acquisition had occurred from the date when the combining entities first came under the control of He Fu. Comparative figures have been restated accordingly.

2. Adoption of New and Revised HKFRSs

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for accounting periods beginning on or after 1st January, 2006. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. 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 year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The directors anticipate that the adoption of these new and revised HKFRSs in future periods will not have material impact on the financial statements of the Group.

3. Segment Information

(a) *Primary reporting format — business segments*

The Group is organised into three main business segments:

- | | | |
|-------------------------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Property development | — | The property development segment engages in development of commercial properties for sales; |
| Property investment | — | The property investment segment invests in commercial properties for their rental income, property management service fee and value appreciation potential; |
| Wholesale of household building materials | — | The wholesale of household building materials segment engages in trading of household building materials on indent basis. |

(b) *Secondary reporting format — geographical segments*

More than 90% of the Group's turnover and operating profit is earned within the PRC and all major operating assets of the Group are located in the PRC. Therefore, no geographical segment is presented.

Primary reporting format — business segments:

Year ended 31st March, 2007	Property development HK\$'000	Property investment HK\$'000	Wholesale of household building materials HK\$'000	Consolidated HK\$'000
Total revenue	<u>—</u>	<u>12,850</u>	<u>3,083</u>	<u>15,933</u>
Segment results before fair value gain on investment properties and gain on disposals of property and investment properties	(5,568)	7,131	(365)	1,198
Gain on disposals of property and investment properties	—	12,788	—	12,788
Fair value gain on investment properties	<u>—</u>	<u>2,020</u>	<u>—</u>	<u>2,020</u>
Segment results	<u>(5,568)</u>	<u>21,939</u>	<u>(365)</u>	16,006
Other income				18,529
Unallocated expenses				<u>(10,337)</u>
Profit from operations				24,198
Finance costs				<u>(951)</u>
Profit before tax				<u>23,247</u>
At 31st March, 2007				
Segment assets	<u>544,537</u>	<u>189,744</u>	<u>245,916</u>	980,197
Unallocated assets				<u>150,198</u>
Total assets				<u>1,130,395</u>
Segment liabilities	<u>18,196</u>	<u>1,202</u>	<u>107</u>	19,505
Unallocated liabilities				<u>382,896</u>
Total liabilities				<u>402,401</u>
Other segment information:				
Capital expenditure	5,755	1,943	—	7,698
Depreciation	<u>76</u>	<u>582</u>	<u>3</u>	<u>661</u>

Year ended 31st March, 2006	Property development <i>HK\$'000</i> (Unaudited and restated)	Property investment <i>HK\$'000</i> (Unaudited and restated)	Wholesale of household building materials <i>HK\$'000</i> (Unaudited and restated)	Consolidated <i>HK\$'000</i> (Unaudited and restated)
Total revenue	<u>—</u>	<u>12,385</u>	<u>224,083</u>	<u>236,468</u>
Segment results before fair value gain on investment properties	(3,380)	7,839	1,011	5,470
Fair value gain on investment properties	<u>—</u>	<u>20,129</u>	<u>—</u>	<u>20,129</u>
Segment results	<u>(3,380)</u>	<u>27,968</u>	<u>1,011</u>	25,599
Other income				788
Unallocated expenses				<u>(6,394)</u>
Profit from operations				19,993
Finance costs				<u>(718)</u>
Profit before tax				<u>19,275</u>
At 31st March, 2006				
Segment assets	<u>486,068</u>	<u>177,429</u>	<u>231,250</u>	894,747
Unallocated assets				<u>2,494</u>
Total assets				<u>897,241</u>
Segment liabilities	<u>9,665</u>	<u>1,137</u>	<u>170</u>	10,972
Unallocated liabilities				<u>370,349</u>
Total liabilities				<u>381,321</u>
Other segment information:				
Capital expenditure	5,523	1	13	5,537
Depreciation	<u>41</u>	<u>23</u>	<u>2</u>	<u>66</u>

4. Turnover

The Group's turnover which represents rental income, property management service fee income and wholesale of household building materials are as follows:

	2007 HK\$'000	2006 HK\$'000 (Unaudited and restated)
Rental income	9,491	9,227
Property management service fee income	3,359	3,158
Wholesale of household building materials	<u>3,083</u>	<u>224,083</u>
	<u>15,933</u>	<u>236,468</u>

5. Other Income

	2007 HK\$'000	2006 HK\$'000 (Unaudited and restated)
Fair value gain on investment properties	2,020	20,129
Gain on disposals of property and investment properties	12,788	—
Gain on disposals of financial assets at fair value through profit or loss	8,896	—
Interest income	6,887	472
Others	<u>2,746</u>	<u>316</u>
	<u>33,337</u>	<u>20,917</u>

6. Profit from operations

Profit from operations is arrived at after charging the following:

	2007 HK\$'000	2006 HK\$'000 (Unaudited and restated)
Auditors' remuneration		
— Current	915	888
— Underprovision in prior year	214	9
	1,129	897
Depreciation	661	66
Directors' emoluments	2,934	2,170
Operating lease rentals paid in respect of rented premises (Note)	1,204	33
Staff costs including directors' emoluments		
Salaries, bonuses and allowances (Note)	5,208	4,195
Retirement benefits scheme contributions	267	472
Direct operating expenses of investment properties that generate rental income (include in cost of sales and service in consolidated income statement)	<u>2,264</u>	<u>2,326</u>

Note: The amount includes the accommodation benefits provided to a director amounting to HK\$206,000 (2006: HK\$Nil) which is included in the above directors' emoluments.

7. Finance Costs

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i> (Unaudited and restated)
Interest on bank loans	19,147	20,399
Amount capitalised	<u>(18,196)</u>	<u>(19,681)</u>
	<u>951</u>	<u>718</u>

Borrowing costs on funds borrowed generally are capitalised at a rate of 6% per annum (2006: 6.9%).

8. Income Tax Expense

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i> (Unaudited and restated)
Current tax — PRC enterprise income tax		
Provision for the year	1,306	1,479
(Over)/under-provision in prior years	<u>(28)</u>	<u>152</u>
	1,278	1,631
Deferred tax	<u>1,293</u>	<u>6,248</u>
	<u>2,571</u>	<u>7,879</u>

9. Earnings Per Share

Basic earnings per share is calculated based on earnings attributable to equity holders of the Company during the year divided by the weighted average number of ordinary shares in issue. The calculation of the basis earnings per share is based on the following:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i> (Unaudited and restated)
Earnings		
Profit attributable to equity holders of the Company	<u>18,508</u>	<u>6,419</u>
	2007	2006
Number of shares		
Weighted average number of ordinary shares	<u>6,568,586,476</u>	<u>5,175,985,375</u>

In determining the weighted average number of ordinary shares in issue, the 5,080,000,000 ordinary shares as consideration of the Acquisition (*note 1*) were deemed to be in issue since 1st April, 2005.

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary share during the two years ended 31st March, 2007.

10. Trade And Other Receivables

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i> (Unaudited and restated)
Trade receivables (<i>note a</i>)	32	40
Loan receivable (<i>note b</i>)	74,280	—
Deposits and other receivables	<u>2,538</u>	<u>720</u>
Total trade and other receivables	<u>76,850</u>	<u>760</u>

- (a) The Group allows an average credit period of 30 days to its trade customers. The following is an aged analysis of trade receivables, based on invoice date:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i> (Unaudited and restated)
Within 60 days	29	40
61 to 90 days	<u>3</u>	<u>—</u>
	<u>32</u>	<u>40</u>

- (b) The loan receivable was secured, carrying interest at 8% per annum and repayable on or before 9th July, 2007. The amount has been fully settled after the balance sheet date.

The loan receivable was arranged at a fixed interest rate, thus exposing the Group to fair value interest rate risk.

11. Trade And Other Payables

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i> (Unaudited and restated)
Trade payables (<i>note a</i>)	7,664	6,814
Receipts in advance	10,101	2,213
Accrual and other payables	3,763	4,135
Salary and welfare payables	<u>126</u>	<u>140</u>
Total trade and other payables	<u>21,654</u>	<u>13,302</u>

- (a) The following is an aged analysis of trade payables at the balance sheet date:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i> (Unaudited and restated)
Within 60 days	638	—
91 to 180 days	—	3,026
181 to 365 days	—	1,156
Over 365 days	<u>7,026</u>	<u>2,632</u>
	<u>7,664</u>	<u>6,814</u>

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31st March, 2007.

CLOSURE OF REGISTER

The register of members will be closed from Wednesday, 5th September, 2007 to Friday, 7th September, 2007 (both days inclusive) during which period no transfer of share will be registered. In order to qualify for the transfer, all relevant share certificates must be lodged with the Company's Branch Share Registers, Secretaries Limited at 28/F., Three Pacific Place, 1 Queen's Road East, Hong Kong, for registration, not later than 4:00 p.m. on Tuesday, 4th September, 2007.

BUSINESS AND PROSPECTS

Upon completion of the acquisition of Grand Hope Group on 6th June, 2006, the principal activities of the Group was engaged in a large-scale commercial real estate development and property investment in Shenyang, the PRC. It has marked the Group's actual entry into the real estate market of the Mainland China. The directors hold a positive view regarding the prospect of the property market in Shenyang and the PRC. The directors believe that the acquisition is in the interest of the Company and its shareholder as a whole.

On 26th July, 2006, the Group has entered into a cooperation agreement with Beijing Glory Real Estate Co., Ltd ("Beijing Glory") on the development of Shenyang Project. Base on the agreement, the Group will not need to contribute further capital on the project which will in turn bring positive return to the Group. This will reserve more fund to the Group for other potential investments.

On 30th March, 2007, the Group completed the disposal of the property located in Hong Kong. The disposal has reduced the Group's borrowing and interest expenses and improved its financial position and the working capital condition. With the stable property letting and management business in the PRC, the disposal will not affect the Group's turnover substantially. Nevertheless, the directors are of the view that the turnover of the Group will be further expanded by Shenyang development project.

FINANCIAL REVIEW

Liquidity and Capital Structure

The Group continued to be in a strong financial position for the year under review with cash and cash equivalents amounting to HK\$355 million as at 31st March, 2007.

As at 31st March, 2007, the total bank borrowings of the Group amounted to HK\$303 million (2006: HK\$305 million) and are wholly repayable within one year. The Group's borrowings were denominated in Renminbi.

Upon signing the cooperation agreement with Beijing Glory on 26th July, 2006 for the development of the parcels of land in Shenyang, the Group has been ceased from the pressure for raising funds to develop the land in Shenyang because, according to the cooperation agreement, the Group will contribute no further funds towards the Shenyang Projects while Beijing Glory will be responsible for all additional funding required, which will not be less than RMB1 billion (approximately equivalent to approximately HK\$1.01 billion), to develop the remaining parts and the overall management of the Shenyang Project, except for the financial and accounting function which will be managed jointly by the Group and Beijing Glory. Beijing Glory will also be responsible for the repayment of the principal and interest of RMB300 million (equivalent to approximately HK\$303 million) of banking borrowing and RMB60 million (equivalent to approximately HK\$60.6 million) of corporate borrowing.

The Group had no long-term borrowings, therefore the gearing ratio is not applicable. The current ratio was 2.20, based on current assets of HK\$819 million and current liabilities of HK\$373 million.

Orders

Due to the Group's business nature, as at 31st March, 2007, the Group did not have order record.

Contingent Liabilities

The Group had no significant contingent liabilities as at 31st March, 2007.

Debtors Aging Analysis

All of the Group's trade receivables at 31st March, 2007 was aged within 90 days. The collection procedures by the Group ensure sufficient cash inflow to meet the needs of daily operations.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's transaction was mainly denominated in Hong Kong Dollars and Renminbi. As the exchange rate between the two currencies is relatively stable, the exposure to fluctuations in the exchange rate of the currencies is minimal. Accordingly, no hedge on the currencies was made during the year under review.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

AUDIT COMMITTEE

The Audit Committee has reviewed the audited consolidated financial statements for the year ended 31st March, 2007 and discussed with management the accounting principles and practices adopted by the Group as well as internal control and financial reporting matters.

OTHER COMMITTEE

Besides the Audit Committee, the Board has also established Remuneration Committee. Each Committee has its defined scope of duties and written terms of reference.

CODE OF CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provision set out in Appendix 14 of the Listing Rules for the year ended 31st March, 2007 except as disclosed below:

Code provision A.2.1 The Company does not have the post of chief executive officer and the executive function of the Company is performed by the executive directors and management. Thus significant decision of the Company is made by the Board.

Code provision A.4.1 There is no specific term on the appointment of non-executive directors but they will subject to retirement by rotation at least every three years in accordance with the Company's Bye-laws.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited website at www.hkex.com.hk under “Latest Listed Companies Information”. The annual report of the Company containing all the information required by the Listing Rules will be published on the above websites in due course.

By Order of the Board
Zhang Hongwei
Chairman

Hong Kong, 30th July, 2007

As at the date of this announcement, the Board comprises three executive Directors namely Mr. Zhang Hongwei, Mr. Zhu Jun and Ms Zhang Meiying and three independent non-executive Directors, Mr. San Fung, Mr. Chau Siu Wai and Mr. Zhu Chengwu.

*“Please also refer to the published version of this announcement in **The Standard**.”*