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ORIENT RESOURCES GROUP COMPANY LIMITED

(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 467)

ANNOUNCEMENT

MAJOR AND CONNECTED TRANSACTION ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF AND SHAREHOLDERS LOAN OWED BY UNITED PETROLEUM & NATURAL GAS INVESTMENTS LIMITED AND PLACING OF NEW SHARES AND RESUMPTION OF TRADING

FINANCIAL ADVISER



PLACING AGENT



I. THE ACQUISITION AGREEMENT

On 8 August 2007, the Company entered into the Acquisition Agreement with the Vendors pursuant to which the Company has conditionally agreed to acquire the entire issued share capital of, and shareholder's loan owing by United Petroleum to United Energy Holdings Limited at an aggregate consideration of HK\$7,288,644,294 (subject to the adjustment in relation to the total amount of shareholder's loan outstanding as at Completion). The Consideration will be satisfied at Completion by way of the issue of 4,527,108,257 Consideration Shares (subject to the adjustment in relation to the total amount of shareholder's loan outstanding as at Completion) at an issue price of HK\$1.61 per Share to the Vendors and/or its nominee(s). The Consideration has been arrived at after arm's length negotiation between the Company and the Vendors with reference to the preliminary valuation estimated of the entire issued share capital of United Petroleum by an independent valuer.

United Petroleum is an investment holding company principally investing in oil and gas business and holds certain participating interests in an oilfield project in Bohai Bay Basin in the PRC. The Acquisition constitutes a major transaction for the Company under the Listing Rules. As two of the Vendors are wholly-owned by Mr. Zhang, the Controlling Shareholder and executive Director of the Company, the Acquisition will also constitute a connected transaction for the Company under the Listing Rules and will be subject to, and therefore conditional on, among other things, the approval by the Independent Shareholders by poll at the SGM. He Fu and its associates will abstain from voting in relation to the ordinary resolution to be put forward to the Independent Shareholders at the SGM for the purpose of approving the Acquisition Agreement. The Directors consider the Acquisition is in the interests of the Company and the Shareholders and the terms of the Agreement are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

II. PLACING OF NEW SHARES

On 8 August 2007, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, a total of 1,374,000,000 Placing Shares at the Placing Price to not less than six independent individual, corporate and/or institutional places.

The Placing Shares represent about 19.98% of the existing issued share capital of the Company of 6,875,983,375 Shares and about 10.75% of the issued share capital of the Company of 12,777,091,632 Shares as enlarged by issue of the Consideration Shares (prior to the adjustment in relation to the total amount of shareholder's loan outstanding as at Completion) and the Placing Shares.

The Placing Price represents (i) a discount of approximately 8.52% to the closing price of HK\$1.76 per Share as quoted on the Stock Exchange on the Last Trading Date; and (ii) a discount of approximately 17% over the average closing price per Share of about HK\$1.94 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date.

The completion of the Placing is conditional upon, among others, the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares and completion of the Acquisition. The Placing Shares will be issued under the general mandate given to the Directors at the annual general meeting dated 18 August 2006 to allot and issue Shares.

The purpose of the Placing is to maintain the public float of the Company after the issue of the Consideration Shares pursuant to Rule 8.08 of the Listing Rules and to raise new capital for the development of the oil business proposed to be acquired by the Company. The net proceeds from the Placing are estimated to be about HK\$2,146 million. The Board intends to apply as to HK\$2.1 billion to finance the development of oil project and the remaining balance for working capital of the Company.

A circular containing, among other things, further details of the Acquisition the recommendation of the Independent Board Committee in respect of the Acquisition, a letter of advice from the Independent Financial Adviser, an expert report, a notice of the SGM and other information as required under the Listing Rules will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules.

The Independent Board Committee has been established to advise the Independent Shareholders on the Acquisition Agreement. Hercules Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Acquisition Agreement.

Trading in the Shares was suspended on the Stock Exchange at the request of the Company with effect from 9:30 a.m. on 8 August 2007. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on 16 August 2007.

Shareholders and potential investors should note that the Acquisition, which is subject to a number of conditions precedent, may or may not be completed. The release of this announcement does not in any way imply that the Acquisition will be completed or the transactions contemplated therein will be completed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

I. THE ACQUISITION AGREEMENT

Date

8 August 2007

Parties

- Vendors :
1. United Energy Holdings Limited, an investment holding company incorporated in the BVI with limited liability on 15 March 2006 and wholly-owned by Mr. Zhang, which holds 34% of the share capital of United Petroleum at an original subscription fee to incorporation of HK\$132,600
 2. United Petroleum & Natural Gas Holdings Limited, an investment holding company incorporated in the BVI with limited liability on 16 March 2006 and wholly-owned by Mr. Zhang, which holds 51% of the share capital of United Petroleum at an original subscription fee to incorporation of HK\$198,900
 3. Kowin Limited, a company incorporated in the BVI with limited liability on 15 October 2004 and beneficially owned by Ms. Sun Kin and Mr. Li Changhe (both are Independent Third Parties), which holds 15% of the share capital of United Petroleum

Warrantors : Mr. Zhang, Ms. Sun Kin and Mr. Li Changhe

Purchaser : The Company

Kowin Limited and its associates has no shareholding interests in the Company as at the date of this announcement.

Subject matter of the Acquisition

- The entire issued share capital of United Petroleum;
- The shareholder's loan presently in the amount of HK\$268,644,294 owing by United Petroleum to United Energy Holdings Limited.

Consideration

The total consideration for the Acquisition is HK\$7,288,644,294 (subject to the adjustment in relation to the total amount of shareholder's loan outstanding as at Completion, presently estimated to be approximately HK\$268,644,294). The Consideration will be satisfied by the Company at the Completion Date by way of issue of the 4,527,108,257 Consideration Shares (subject to the

adjustment in relation to the total amount of shareholder's loan outstanding as at Completion) to the Vendors and/or their nominees. The Consideration Shares represent approximately 65.84% of the issued share capital of the Company prior to the issue of the Consideration Shares and approximately 35.43% of the issued share capital of the Company as enlarged by the Consideration Shares (prior to the adjustment in relation to the total amount of shareholder's loan outstanding as at Completion) and the Placing Shares.

According to the Acquisition Agreement, it is agreed that prior to Completion, the amount of outstanding Shareholder's Loan will not increase by an amount in excess of the equivalent of RMB110,880,000 up to and including 31 October 2007 and in any event only if reasonably necessary for the purpose of performing the United Petroleum obligations under the EOR Contract (as defined below).

The Consideration has been arrived at after arm's length negotiation between the Company and the Vendors with reference to the preliminary valuation estimated of the entire issued share capital of United Petroleum of HK\$7,800,000,000 in July 2007 by BMI Appraisals Limited, an independent valuer.

The Consideration Shares will be issued to the Vendors and/or their nominees at a price of HK\$1.61 per Share. The issue price of the Consideration Shares, which is equivalent to the Placing Price, has been determined based on an arm's length negotiations between the Company and the Vendors. The number of Consideration Shares (subject to the adjustment in relation to the total amount of shareholder's loan outstanding as at Completion) to be issued to each of the Vendors are as follows:

Vendors	Consideration Shares
United Energy Holdings Limited	(i) For interests in United Petroleum: 1,482,484,473
	(ii) For Shareholder's loan: 166,859,809
	Total: 1,649,344,282
United Petroleum & Natural Gas Holdings Limited	2,223,726,708
Kowin Limited	654,037,267
Total	4,527,108,257

Through the Acquisition, the Group will be able to diversify its current businesses into oil business which the Directors believe is of prospects. Since the payment of the Consideration will be by way of issue of the Consideration Shares and hence will not strain the Group's liquidity. The price of the Consideration Shares is equivalent to the Placing Price which is determined with reference to

the market price of the Shares. Based on the above reasons, the Directors consider that the terms of the Acquisition, including the price of the Consideration Shares, are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

The Consideration Shares will rank pari passu with the existing issued fully-paid Shares including the right to receive in full all dividends and other distributions declared after the date of allotment of the Consideration Shares. The Acquisition and the issue of the Consideration Shares are subject to approval by the Independent Shareholders at the SGM by poll. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange.

Conditions precedent

Completion of the Acquisition Agreement is subject to the fulfillment of the following conditions:

1. the passing of an ordinary resolution by the Independent Shareholders by poll at the SGM approve: (i) the Acquisition Agreement and the transactions contemplated by the Acquisition Agreement as required by the Listing Rules and (ii) the allotment and issue of the Consideration Shares to the Vendors;
2. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares and such listing and permission not subsequently being revoked or amended;
3. if required, the relevant authorities in the PRC approving the transactions contemplated by the Acquisition Agreement;
4. if required, the Bermuda Monetary Authority approving the issue of the Consideration Shares;
5. the valuation of United Petroleum to be valued by an independent valuer shall not be less than HK\$7,800,000,000;
6. the receipt by the Company of a legal opinion issued by a PRC law firm acceptable to the Company and in a form reasonably acceptable to the Company, in its sole discretion, which confirms that all licences, permits and approvals required under PRC laws to be held by United Petroleum that are relevant to the business of United Petroleum are valid and subsisting and will not be invalidated by the transactions as contemplated by the Acquisition Agreement and such other issues as may be required by the Company;
7. the Company conducting a due diligence review of and being satisfied at its absolute discretion, with the business, assets, financial position and prospects of United Petroleum;

8. the obtaining by the parties to the Acquisition Agreement, to the Company's satisfaction, of all necessary consents, authorisations or other approvals of any kind in connection with the entering into and performance by the parties of the terms of the Acquisition Agreement which may be required by any regulatory authority, any relevant governmental agencies or other third parties;
9. all the conditions precedent as set out in the Placing Agreement (save for the condition in relation to completion of the Acquisition) being fulfilled or waived (as the case may be); and
10. the Placing Agreement having been completed in accordance with its terms simultaneously with the completion of the Acquisition Agreement.

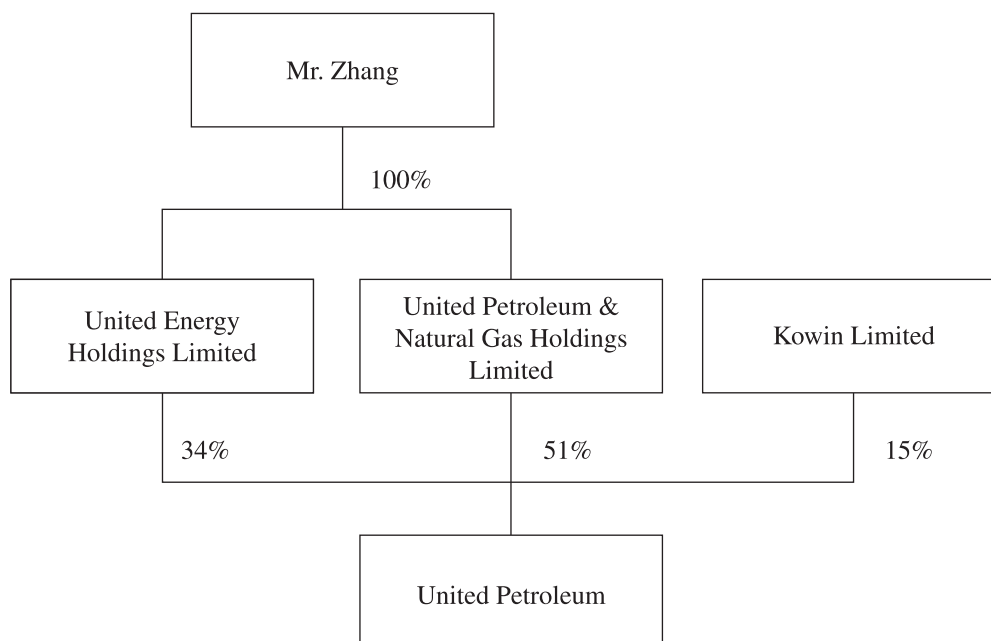
If any of the conditions is not fulfilled or waived by the Purchaser (other than conditions 1, 2, and 10 which cannot be waived) before 5:00 p.m. on the Long Stop Date, being 31 December 2007 or such other date as the parties to the Acquisition Agreement may agree in writing, neither the Vendors nor the Company shall be obliged to complete the Acquisition under the Acquisition Agreement.

Major and connected transaction

The Acquisition constitutes a major transaction for the Company under the Listing Rules. As two of the Vendors are wholly-owned by Mr. Zhang, the Controlling Shareholder and the executive Director of the Company, the Acquisition will also constitute a connected transaction for the Company under the Listing Rules and will be subject to, and conditional on, among other things, the approval of the Independent Shareholders by poll at the SGM. Accordingly, the Independent Board Committee has been established to advise the Independent Shareholders and the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the Acquisition Agreement and the transactions contemplated thereunder.

INFORMATION ON THE VENDORS AND UNITED PETROLEUM

The shareholding structure of United Petroleum as at the date of this announcement is as follows:



Each of United Energy Holdings Limited and United Petroleum & Natural Gas Holdings Limited, being one of the Vendors, is an investment holding company established in the BVI on 15 March 2006 and 16 March 2006 respectively and each is wholly-owned by Mr. Zhang.

Kowin Limited, also one of the Vendors, is an investment holding company established in the BVI on 15 October 2004 and is held by two individuals independent from the Group.

United Petroleum is an investment holding company principally investing in oil and gas business established by the Vendors in the BVI on 15 March 2006. The asset of United Petroleum is the participating interests in an oilfield project in Bohai Bay Basin in the PRC which refers to United Petroleum's rights pursuant to the EOR Contract as defined below. Such participating interests comprise of and represent an entitlement of 60% of the annual production of the incremental oil (after payment for value added tax, royalty and operating costs). The activities of United Petroleum do not include exploration for natural resources. As the participating interests are in relation to the enhancing oil recovery from the existing oilfield project of CNPC in Bohai Bay Basin only, it does not include exploration for natural resources but only exploitation of natural resources. United Petroleum currently has no other investments in oil and gas business apart from the participating interests in the oilfield project in Bohai Bay Basin.

The management team of United Petroleum comprised of very experienced managers and technical advisers with local and first-hand experience in oil industry and in project area.

On 15 September 2006, United Petroleum and China National Petroleum Corporation (“CNPC”) entered in to a cooperative contract for enhancing oil recovery (“EOR Contract”) in Gaosheng Block, Bohai Bay Basin of the PRC. Pursuant to the EOR Contract, United Petroleum agreed to provide funds and apply its appropriate and advanced technology, equipment and managerial experience to enhance, with the cooperation of CNPC, the oil recovery of the reservoir(s) within the relevant contract area in contrast to the estimated oil recovery that CNPC would be able to reach by applying the original operation method. The maximum term of the EOR Contract is 25 years from the date of commencement of implementation of the EOR Contract, i.e. 1 February 2007, unless extended due to the production period.

CNPC and United Petroleum have appointed an equal number of representatives to form a joint management committee (“JMC”) for proper performance of the EOR operations.

The term of the EOR Contract consists of the following three phases:

1. Pilot Test Period

Study and operations will be conducted for the purpose of determining the economical efficiency of enhancing oil recovery (“EOR”) for the reservoir(s) or payzone(s) within the relevant contract area and production activities will be conducted within the area specified for pilot test, including drilling, well repair, recompletion, injection, stimulation and testing operations, injectivity test and pilot displacement test and other activities related to these operations and tests.

The pilot test period has begun on 1 February 2007 and will last for two years, the term of which may be extended with approval from CNPC. The operations were commenced on 5 June 2007, prior to which United Petroleum was responsible for the preparation work. During the first year of the pilot test period, United Petroleum is required to instigate a steamflood pilot test on four well groups and also to drill a minimum of ten new wells, install a steam injection facility, construct injection and production lines, and build a metering station for the pilot test area. For the second year, United Petroleum is to complete the steamflood pilot tests and formulate an EOR programme for the relevant contract area. As the operator, United Petroleum is required to bear 100% of the cost of the pilot test, of approximately US\$16 million, which includes US\$10.96 million for capital expenditure (“CAPEX”) and US\$5.04 million for operating expenditure (“OPEX”) and which has been paid in June 2007. A fee of US\$75,000 is payable to CNPC during each year of the pilot test period.

At the end of the pilot test period, United Petroleum has the right to terminate the EOR Contract without penalty.

2. Development Period

The EOR programme formulated by United Petroleum will be submitted for approval before the pilot test period ends. The development period will begin upon the approval from a department or unit authorised by the State Council of the PRC. The EOR Contract does not specify term of the development period but it is currently estimated that the major part of the programme will last for approximately three years.

During the development period, operations will be carried out for the realisation of enhancing the oil recovery for any reservoir or payzone within the relevant contract area, including design, drilling, construction, installation, specific EOR operations and the related research work and production activities. The development costs for such operations shall be borne by CNPC and United Petroleum in proportion of 30% by CNPC and 70% by United Petroleum.

3. Production Period

The production period will commence on a date on which a cumulative 20,000 metric tons of incremental oil from the EOR operations have been extracted from the relevant contract area, and will continue for a period of 15 consecutive years, which may be extended with the approval from CNPC. During the production period, operations such as extraction, injection, stimulation, treatment, storage, transportation and lifting in relation to EOR will be carried out. The OPEX for the production period shall be shared by CNPC and United Petroleum at 40% and 60% respectively.

The annual production of the incremental oil shall, after payment for value added tax, royalty and operating costs, shall be allocated to CNPC and United Petroleum in proportion of 40% for CNPC and 60% for United Petroleum.

As at the date of this announcement, the relevant oilfield in Bohai Bay Basin under the EOR Contract is still at the Pilot Test Period.

INFORMATION ON CNPC

CNPC is a PRC state-owned enterprise and has the exclusive right to engage in petroleum exploration, development and production in cooperation with foreign enterprises in areas approved by the State Council of the PRC (including the oilfield in Bohai Bay Basin) for exploitation of land petroleum resources in cooperation with foreign enterprises. Under the EOR Contract, CNPC has the obligation to assist United Petroleum to carry out expeditiously and efficiently the EOR operations, including obtaining various administrative approvals or permits.

Certain key financial information of United Petroleum prepared in accordance with accounting principles generally accepted in Hong Kong for the periods from 15 March 2006 which is the date of incorporation of United Petroleum to 31 March 2007 and from 1 April 2007 to 31 May 2007:

	For the period from 15 March 2006 to 31 March 2007 (<i>unaudited</i>) HK\$	For the period from 1 April 2007 to 31 May 2007 (<i>unaudited</i>) HK\$
Net loss before taxation	1,687,548	457,157
Net loss after taxation	1,687,548	457,157

As at 31 May 2007, the net liability of United Petroleum amounted to HK\$1,754,705.

Upon Completion, United Petroleum will become a wholly-owned subsidiary of the Company.

REASONS FOR THE ACQUISITION

The Company is an investment holding company. The principal activities of its subsidiary are investment holding, property development and investment and wholesale of household building materials. The Company takes initiative in identifying investment opportunities that will broaden its revenue sources. The Acquisition represents a good opportunity for the Company to diversify its business into the oil business. With the anticipated continued rapid growth of the PRC economy which will fuel the demand for oil, the Directors believe that the oil business under the Acquisition provides a promising growth potential and prospect for the Group. Based on the above reasons, the Directors, consider that the Acquisition is beneficial to the Company's business prospects and the terms and conditions of the Acquisition Agreement, including the issue price of the Consideration Shares, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

II. PLACING

The Placing Agent

Date

8 August 2007

Placing Agent

BOCI Asia Limited, an Independent Third Party

The Placing Agent has conditionally agreed with the Company to place, on a best-effort basis, to not less than six independent individual, corporate and/or institutional placees for the Placing Shares. The Placing Agreement was arrived at after arm's length negotiations between the Company and the Placing Agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent third parties of the Company and are not connected persons of the Company.

Placees

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placees are independent individual, corporate and/or institutional investors, and who and whose ultimate beneficial owners are not connected person(s) of the Company and are Independent Third Parties of and not connected with the Company, connected persons of the Company and any of the directors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules). None of the Placees will become substantial shareholders (as defined in the Listing Rules) of the Company as a result of the Placing.

Placing Shares

The Placing Shares represent (i) approximately 19.98% of the existing issued share capital of the Company of 6,875,983,375 Shares as at the date of this announcement; and (ii) approximately 10.75% of the issued share capital of the Company of 12,777,091,632 Shares as enlarged by the issue of the Consideration Shares (prior to the adjustment in relation to the total amount of shareholder's loan outstanding as at Completion) and the Placing Shares.

The Placing Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of the allotment and issue of the Placing Shares.

Placing Price

The Placing Price represents (i) a discount of approximately 8.52% to the closing price of HK\$1.76 per Share as quoted on the Stock Exchange on the Last Trading Date; and (ii) a discount of approximately 17% over the average closing price per Share of about HK\$1.94 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date. The issue price of the Consideration Shares is equivalent to the Placing Price.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to, among other things, the price of the Consideration Shares. The Board considers that the terms of the Placing Agreement to be fair and reasonable and in the interest of the Company and its Shareholders as a whole. The net Placing Price per Placing Shares is estimated to be not less than HK\$1.56.

Conditions Precedent of the Placing Agreement

Completion of the Placing Agreement is conditional upon, among others:

1. the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares;
2. if required, the Company obtaining all consents and approvals from the relevant authorities in respect of the transactions contemplated under the Placing Agreement;
3. the Acquisition Agreement having become unconditional (except for the condition in relation to completion of the Placing Agreement); and
4. Completion of the Acquisition in accordance with the terms of the Acquisition Agreement simultaneously with the completion of the Placing Agreement.

If the above conditions precedent of the Placing Agreement are not fulfilled on or prior to 31 December 2007 or such other date as the parties to the Placing Agreement may agree in writing, the Placing Agreement shall terminate and neither of the parties thereto shall have any claim against the other for costs, damages, compensation or otherwise save as provided in the Placing Agreement. In the event that the Placing Agreement is terminated, a further announcement will be issued by the Company.

Completion of the Placing

The completion of the Placing Agreement is expected to take place on or before the fifth Business Day upon the fulfillment of the conditions precedent to the Placing Agreement or such other time or date as the Company and the Placing Agent shall agree in writing. Although the Placing Agreement is on a best-effort basis, given the possible shortfall after the issue of the Consideration

Shares without taking in account the Placing Shares is only about approximately 4%, the Company is of the view that the Placing Agreement can be completed to the extend to maintain the sufficiency of public float.

General mandate

The Placing Shares will be issued under the general mandate to allot, issue and deal with up to 1,375,196,675 Shares granted to the Directors by the Shareholders at the annual general meeting held on 18 August 2006.

Use of proceeds

The net proceeds from the Placing are estimated to be not less than HK\$2,146 million. The Board intends to apply as to HK\$2.1 billion to finance the development of oil project and the remaining balance for working capital of the Company.

Reason for the Placing

The purpose of the Placing is to maintain the public float of the Company after the issue of the Consideration Shares pursuant to Rule 8.08 of the Listing Rules and raise new capital for development of the oil business.

The Directors have considered different means to maintain the public float of the Company. As compared to an open offer or rights issue to the existing public Shareholders, the Directors believe that the Placing allows the maintenance of the public float of the Company in a shorter time frame. In considering placing of existing Shares versus new Shares, the Directors are of the view that the placing of new Shares can raise capital for the Company to finance the development of the oil project of United Petroleum whilst at the same time broadens the shareholder and capital bases of the Company.

Despite the Placing may cause shareholding dilution effect on the existing public Shareholders and the Placing Price represents a discount of about 8.52% as mentioned above, the Directors believe that the Placing is the best mean among other options to restore the public float of the Company and to raise capital to finance the development of the oil project of United Petroleum. The Board is also of the view that the terms of the Placing Agreement are fair and reasonable and therefore are in the interest of the Company and its Shareholders as a whole.

Effect on shareholding structure

As at the date of this announcement, the Company has no outstanding share options granted under the Company's share option scheme. The shareholding structure of the Company as at the date of this announcement and after the issue of the Consideration Shares (subject to the adjustment in relation to the total amount of shareholder's loan outstanding as at Completion) and the Placing Shares are set out as below:

	As at the date of this announcement		Immediately after issue of Consideration Shares (subject to the adjustment in relation to the total amount of shareholder's loan outstanding as at Completion)		Immediately after issue of Consideration Shares (subject to the adjustment in relation to the total amount of shareholder's loan outstanding as at Completion) and Placing Shares	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
He Fu (Note 1)	5,128,169,125	74.58%	5,128,169,125	44.97%	5,128,169,125	40.14%
United Energy Holdings Limited (Note 1)	—	—	1,649,344,282	14.46%	1,649,344,282	12.91%
United Petroleum & Natural Gas Holdings Limited (Note 1)	—	—	2,223,726,708	19.51%	2,223,726,708	17.40%
Zhu Jun (Note 2)	1,443,000	0.02%	1,443,000	0.01%	1,443,000	0.01%
Existing public Shareholders	1,746,371,250	25.40%	1,746,371,250	15.31%	1,746,371,250	13.67%
Kowin Limited	—	—	654,037,267	5.74%	654,037,267	5.12%
Holders of Placing Shares	—	—	—	—	1,374,000,000	10.75%
Total	<u>6,875,983,375</u>	<u>100%</u>	<u>11,403,091,632</u>	<u>100%</u>	<u>12,777,091,632</u>	<u>100%</u>
Total Shares in public hands	<u>1,746,371,250</u>	<u>25.40%</u>	<u>2,400,408,517</u>	<u>21.05%</u>	<u>3,774,408,517</u>	<u>29.54%</u>

Notes:

1. The entire issued share capital of each of He Fu International Limited ("He Fu"), United Energy Holdings Limited and United Petroleum & Natural Gas Holdings Limited is solely and beneficially owned by Mr. Zhang, the chairman of the Company.
2. Mr. Zhu Jun is a Director.

Fund raising activity of the Company in the 12 months immediately preceding the date of this announcement

There was no fund raising activity conducted by the Company in the 12 months immediately preceding the date of this announcement.

INFORMATION ON THE GROUP

The Company acts as an investment holding company. The principal activities of its subsidiary are investment holding, property development and investment and wholesale of household building materials.

GENERAL

A circular containing, among other things, further details of the Acquisition, the recommendation of the Independent Board Committee in respect of the Acquisition, the transactions contemplated thereunder, a letter of advice from the Independent Financial Adviser, a technical expert report in relation to the oil project of United Petroleum, a notice of the SGM and other information as required under the Listing Rules will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules. The vote of the Independent Shareholders will be taken by poll pursuant to the Listing Rules. He Fu and its associates will abstain from voting in relation to the ordinary resolution to be put forward at the SGM for the purpose of approving the Acquisition. Save as aforementioned, there is no other Shareholder who or whose associates have an interest in the Acquisition which is different from the other Shareholders.

The Independent Board Committee has been established to consider and advise the Independent Shareholders regarding the fairness and reasonableness of the terms of the Acquisition Agreement and whether the terms of the Acquisition Agreement are in the interests of the Company and the Shareholders as a whole.

Hercules Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Acquisition.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares and the Consideration Shares on the Stock Exchange.

Trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on 8 August 2007. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares with effect from 9:30 a.m. on 16 August 2007.

Shareholders and potential investors should note that the Acquisition, which is subject to a number of conditions precedent, may or may not be completed. The release of this announcement does not in any way imply that the Acquisition will be completed or the transactions contemplated therein will be completed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities in the Company.

DEFINITIONS

“Acquisition”	the acquisition of the entire issued share capital of and shareholders loan owing by United Petroleum
“Acquisition Agreement”	the conditional sale and purchase agreement dated 8 August 2007 entered into between the Company and the Vendors for the acquisition of the entire issued share capital of and shareholder’s loan owing by United Petroleum by the Company
“associates”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	means a day other than a Saturday and Sunday on which banks are open for commercial business in Hong Kong
“BVI”	the British Virgin Islands
“Company”	Orient Resources Group Company Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition
“Completion Audit Date”	the Completion Date
“Completion Date”	the fifth Business Day after fulfillment of the conditions precedent or such other date as the parties to the Acquisition Agreement may agree
“Connected Person”	has the same meaning as ascribed to it under the Listing Rules
“Consideration”	HK\$7,288,644,294, (subject to the adjustment in relation to the total amount of shareholder’s loan outstanding as at Completion), being the consideration for the Acquisition under the Acquisition Agreement
“Consideration Shares”	such number of Shares to be issued at HK\$1.61 per Share to the Vendors as the consideration for the Acquisition
“Controlling Shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Enlarged Group”	the Group as enlarged immediately after the Completion, comprising the Group and United Petroleum

“Group”	the Company and its subsidiaries
“He Fu”	He Fu International Limited, a company incorporated in the BVI with limited liability on 18 August 1997 and wholly-owned by Mr. Zhang, who is also the Controlling Shareholder of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising Mr. San Fung, Mr. Chau Siu Wai and Mr. Zhu Chengwu all being independent non-executive Directors, established for the purpose of reviewing the transaction contemplated under the Acquisition Agreement
“Independent Financial Adviser”	Hercules Capital Limited, a licensed corporation under the Securities and Futures Ordinance permitted to engage in types 6 of the regulated activities under the Securities and Futures Ordinance, an independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Acquisition
“Independent Shareholders”	Shareholders other than He Fu and its associates
“Independent Third Party”	person(s) or company(ies) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is or are third party/parties independent of the Company and connected person of the Company
“Last Trading Date”	7 August 2007, being the last trading day prior to the suspension of trading in the Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2007 or such other date as the parties to the Acquisition Agreement may agree as stated in the Acquisition Agreement
“Mr. Zhang”	Mr. Zhang Hongwei, the Controlling Shareholder and the executive Director of the Company beneficially owning approximately an 74.58% equity interest in the Company since May 2006
“Placing”	the placing of Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	BOCI Asia Limited, a licensed corporation for types 1 (dealing in the securities), type 2 (dealing in future contracts) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Placing Agreement”	the placing agreement dated 8 August 2007 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$1.61 per Placing Share
“Placing Shares”	an aggregate of 1,374,000,000 new Shares to be placed through the Placing Agent by the Company pursuant to the terms of the Placing Agreement
“PRC”	The People’s Republic of China
“SGM”	a special general meeting of the Company to be held to consider the ordinary resolution to be proposed to approve, among other things, the Acquisition Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United Petroleum”	United Petroleum & Natural Gas Investments Limited, a company incorporated in the BVI with limited liability on 15 March 2006
“Vendors”	United Energy Holdings Limited, United Petroleum & Natural Gas Holdings Limited and Kowin Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

As at the date of this announcement, the executive Directors are Mr. Zhang Hongwei (Chairman), Mr. Zhu Jun and Ms. Zhang Meiyong, and the independent non-executive Directors are Mr. Chau Siu Wai, Mr. San Fung and Mr. Zhu Chengwu.

By order of the Board
Orient Resources Group Company Limited
Zhang Hongwei
Executive Director

15 August 2007, Hong Kong

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