

Directors' Report

ORIENT RESOURCES GROUP COMPANY LIMITED

The directors present their annual report and the audited financial statements for the year ended 31st March, 2003.

PRINCIPAL ACTIVITIES

The Company is an investment holding and property investment company. The principal activities of its subsidiary and associate are set out in notes 15 and 16 to the financial statements, respectively.

During the year, the Company acquired 55% interest in Beijing Huwang Wadakan Food Company Limited a company engaged in the manufacture and sale of soya bean sauces, for a consideration of approximately HK\$17,000,000.

RESULTS

The results of the Group for the year ended 31st March, 2003 are set out in the consolidated income statement on page 14 of the annual report.

INVESTMENT PROPERTIES

The Group's and the Company's investment properties were revalued at 31st March, 2003 on an open market value existing use basis. Details of the movements during the year in investment properties of the Group and the Company are set out in note 12 to the financial statements.

A summary of the properties held for investment purposes by the Group at 31st March, 2003 is set out on page 56 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the year in property, plant and equipment of the Group and the Company are set out in note 13 to the financial statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Zhang Hongwei – *Chairman*

Guan Guoliang

Wong Wing Ming

Independent non-executive directors:

Chan Ka Si

Wong See Hung (appointed on 11th March, 2003)

Tam Chi Wah (resigned on 11th March, 2003)

In accordance with Article 91 of the Company's Articles of Association, Mr. Wong See Hung retires and, being eligible, offers himself for re-election.

In accordance with Article 99 of the Company's Articles of Association, Mr. Guan Guoliang retires by rotation and, being eligible, offers himself for re-election.

The term of office of each of the independent non-executive directors is the period up to his retirement in accordance with the Company's Articles of Association.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or its subsidiary which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN SECURITIES

At 31st March, 2003, as recorded in the register maintained by the Company pursuant to Section 29 of the Hong Kong Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), Mr. Zhang Hongwei was interested in 481,691,250 shares of the Company, representing approximately 50.2% of the issued share capital of the Company as at 31st March, 2003. These shares were held by He Fu International Limited, a company incorporated in the British Virgin Islands and is wholly-owned by Mr. Zhang Hongwei.

Save as disclosed above, none of the directors, nor any of their associates had any interest as at 31st March, 2003 in the securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its subsidiaries or holding company a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and none of the directors, their spouses or children under the age of 18, had any rights to subscribe for securities of the Company, or had exercised any such rights.

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SUBSTANTIAL SHAREHOLDERS

Other than the interest disclosed above in respect of a director, the Company has not been notified of any other interests as at 31st March, 2003 representing 10% or more in the issued share capital of the Company.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company, its subsidiaries or holding company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

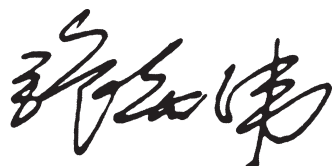
CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied throughout the year ended 31st March, 2003 with the Code of Best Practice, as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

AUDITORS

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board



Zhang Hongwei

CHAIRMAN

Hong Kong, 23rd July, 2003