

To Shareholders of the Company:-

On behalf of the board, I am pleased to present the annual results of Orient Resources Group Company Limited (the "Company") and its subsidiaries (together called the "Group") for the fiscal year ended 31st March, 2004.

BUSINESS AND PROSPECTS

The Group's turnover dropped significantly as compared to the last year. It is attributable to the sell off of the manufacture and sale of food business in the People's Republic of China (the "PRC") as a sudden emergence of the severely acute respiratory syndrome that severely affected our business in the PRC.

Under the continued best effort of the management, the occupancy rate of the Group's investment property remained at satisfactory level as compared to the prevailing market condition. However, the management perceive that both the rental and occupancy rate will not significantly improve for the coming months.

Following the signing of Closer Economical Partnership Arrangement ("CEPA") and the continued lift up the travel restrictions to the citizen of major cities of the PRC, the overall economy of Hong Kong has been improving. In view of the recent consultation made by the Stock Exchange of Hong Kong Limited in respect of the listing status of the listed company, the management is considering to widen the asset base of the Company substantially.

During the period from 6th to 13th June, Mr Henry Tang, the Financial Secretary of Hong Kong, accompanied by some prominent businessmen and delegates to visit northeast provinces in the PRC. In addition, the Central Government has put forward incentive measures to revitalize the economy and attract foreign investments. Apart from that, some members of the board have extensive investment experiences in the region and therefore, the management believe that it will provide a good investment opportunities to the Company. At this stage, the Company carries some feasibility study in the region to explore new business opportunities which will strengthen the asset base of the Company and bring long term benefits to the shareholders.

FINANCIAL REVIEW

Liquidity and capital structure

As at 31st March, 2004, the Group's bank balances, deposits and cash amounted to approximately HK\$2.0 million while bank loans amounted to approximately HK\$12.6 million of which approximately HK\$1.3 million are due within one year. Interest on bank loans is charged at variable commercial rates prevailing in Hong Kong and the loans are denominated in Hong Kong dollars and accordingly, changes in foreign exchange rate would not affect the Group's capital liquidity structure.

Gearing Ratio

The gearing ratio increase from 28% to 65%. In fact, the debts were conclusively covered by the bank balances and deposits. Computation was based on total borrowings divided by shareholders' funds as at 31st March, 2004.

Charge on Group Assets

As at 31st March, 2004, investment of the Group with carrying value of approximately HK\$37 million. The Group have also executed a deed of assignment over the rental proceeds, deposits and license fees from tenants arising from the lease of investment properties held by the Group to secure credit facilities granted to the Group.

Debtors Aging Analysis

Over 50% of the Group's trade receivables at 31st March, 2004 was aged within 60 days. The collection procedures by the Group ensure sufficient cash inflow to meet the needs of days operations.

Material Acquisitions and Disposals

During the year, the Company disposed of its entire 55% interest in Beijing Huwang Wadakan Food Company Limited, and of its entire 34.5% interest in Beijing Wadakan Food Company Limited, for a consideration of approximately HK\$94,000 and HK\$200,000, respectively.

Exchange Rate Exposure

The assets, liabilities and transactions of the Group are denominated mainly in Hong Kong dollars and Renminbi, risk on exchange rate fluctuation would not expect to be material.

Major Customers and Suppliers

For the year ended 31st March, 2004 the percentages of the Group's sales and purchases attributable to major customers and suppliers were as follows:

	2004	2003
Sales attributable to:		
Largest customer	6%	11%
Five largest customers	22%	37%
Purchase attributable to:		
Largest supplier	23%	23%
Five largest suppliers	83%	47%

At no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) has an interest in any of the Group's five largest customers or suppliers.

Employees

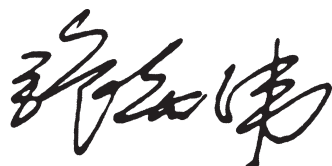
As at 31st March, 2004, the Group employed 4 staff in Hong Kong with their remuneration normally reviewed annually. The Group also provides its staff with other benefits including year-end double pay, discretionary bonus and contributory provident fund. Staff training is also provided and when required.

AUDIT COMMITTEE

The Audit Committee has reviewed the audited consolidated financial statements for the year ended 31st March, 2004 and discussed with management the accounting principles and practices adopted by the Group as well as internal control and financial reporting matters.

APPRECIATION

On behalf of the Board of Directors, I would like to express our sincere appreciation to all shareholders, business partners as well as the Group's workforce for their continuous support. I also wish to express our determination to make every endeavour to return to profitability and achieve aspiring results.



Zhang Hongwei
Chairman

22nd July, 2004