

# Directors' Report

ORIENT RESOURCES GROUP COMPANY LIMITED

The directors present their annual report and the audited financial statements for the year ended 31st March, 2005.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activity of its subsidiary is set out in note 13 to the financial statements.

## RESULTS

The results of the Group for the year ended 31st March, 2005 are set out in the consolidated income statement on page 15 of the annual report.

## INVESTMENT PROPERTIES

The Group's investment properties were revalued at 31st March, 2005 on an open market value existing use basis. Details of the movements during the year in investment properties of the Group 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, 2005 is set out on page 40 of the annual report.

## 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

Chau Siu Wai (appointed on 9th November, 2004)

San Fung (appointed on 9th November, 2004)

Wong See Hung (resigned on 9th November, 2004)

In accordance with Article 99 of the Company's Articles of Association, Mr. Wong Wing Ming 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 SHARES**

At 31st March, 2005, the interests of the directors and their associates in the shares and underlying shares of the Company at the balance sheet date as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Future Ordinance ("SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transaction by directors of Listed Companies, were as follows:

### **Long position**

Mr. Zhang Hongwei was interested in 481,691,250 shares of the Company, representing approximately 50.18% of the issued share capital of the Company as at 31st March, 2005. 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 their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31st March, 2005.

## **SHARE CAPITAL**

Particulars of the Company's share capital are set out in note 19 to the financial statements.

## **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.

## SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2005, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of the relevant interests and short positions in the issued share capital of the Company.

Name of shareholder	Capacity	Number of shares held	%
He Fu International Limited	Beneficial owner	481,691,250	50.18
Newfield Resources Limited	Beneficial owner	84,000,000	8.75
Silver Ocean Finance Company Limited	Beneficial owner	68,422,000	7.13

All the interests stated above represent long positions. As at 31st March, 2005, no short positions were recorded in the register kept by the Company under section 336 of the SFO.

Save as disclosed above, the Company has not been notified of any other interest or short position in the issued share capital of the Company as at 31st March, 2005.

## 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, 2005 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.

## POST BALANCE SHEET EVENTS

Details of significant events occurring after the balance sheet date are set out in note 28 to the financial statements.

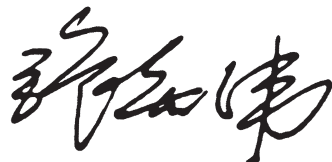
## SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st March, 2005.

## 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, 29th June, 2005