CIRCULAR DATED 15 APRIL 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, financial, tax or other professional adviser immediately.

If you have sold or transferred all your shares in the issued share capital of Oriental Group Ltd. (the "**Company**") represented by physical share certificate(s), you should immediately forward this circular (this "**Circular**") together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

东方集团
ORIENTAL GROUP

(Company Registration Number 200401998C)
(Incorporated in the Republic of Singapore on 23 February 2004)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

(1) THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS (INCLUDING THE OFFTAKE AGREEMENT); AND

(2) THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE.

IMPORTANT DATES AND TIMES:

Last Date and Time for Lodgement of Proxy Form	:	28 April 2015 at 3.30 p.m
Date and Time of Extraordinary General Meeting	:	30 April 2015 at 3.30 p.m
Place of Extraordinary General Meeting	:	10 Upper Aljunied Link #04-09, Singapore 367904

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated.

Companies, Organisations and Agencies

"**ACRA**"	:	Accounting and Corporate Regulatory Authority of Singapore
"**Catalist**"	:	The sponsor-supervised listing platform of the SGX-ST
"**CDP**"	:	The Central Depository (Pte) Limited
"**Company**"	:	Oriental Group Ltd.
"**Group**"	:	The Company and its Subsidiaries as at the date of this Circular
"**Jiangyin Jincheng**"	:	江阴锦澄钢铁有限公司 (Jiangyin Jincheng Steel Co., Ltd.), a company established in the PRC. As at the Latest Practicable Date, the Non-Executive Chairman and the Controlling Shareholder of the Company, Mr Wu Dingrong and his Associates hold in aggregate 100% of the equity interest in Jiangyin Jincheng
"**Oriental Investments**"	:	Oriental Investments Group Pte. Ltd., a wholly-owned Subsidiary incorporated in Singapore
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Sponsor**"	:	PrimePartners Corporate Finance Pte. Ltd.
"**Xinghua Rongcheng**"	:	兴化市荣澄精密铸造有限公司(Xinghua Rongcheng Precision Casting Co., Ltd.), a wholly-owned indirect Subsidiary established in the PRC

General

"**12 April 2013 Circular**"	:	The circular dated 12 April 2013 despatched to Shareholders in connection with the extraordinary general meeting held on 30 April 2013
"**10 April 2014 Circular**"	:	The circular dated 10 April 2014 despatched to Shareholders in connection with the extraordinary general meeting held on 28 April 2014
"**22 March 2013 Circular**"	:	The circular dated 22 March 2013 despatched to Shareholders in connection with the extraordinary general meeting held 6 April 2013
"**28 April 2014 EGM**"	:	The extraordinary general meeting of the Company held on 28 April 2014
"**Acquisition**"	:	The acquisition by Oriental Investments of the entire equity interest in Xinghua Rongcheng, details of which are set forth in the 22 March 2013 Circular
"**Act**"	:	Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"**AGM**"	:	The annual general meeting of the Company to be held on 30 April 2015, the notice of which is set out on pages 79 to 81 of the Annual Report

"**Articles**"	:	The Articles of Association of the Company, as amended from time to time
"**Associate**"	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more; and (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more
"**Audit Committee**"	:	The audit committee of the Company, comprising Mr Chua Hung Meng, Mr Tan Song Kwang and Mr Koh Choon Kong for the time being
"**Board**"	:	The board of Directors of the Company for the time being
"**Catalist Rules**"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
"**Circular**"	:	This circular to Shareholders dated 15 April 2015
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly fifteen per cent. (15%) or more of the total number of issued Shares (excluding treasury shares) unless the SGX-ST determines that such a person is not a controlling shareholder of the Company; or (b) in fact exercises control over the Company
"**Director(s)**"	:	The director(s) of the Company for the time being
"**EGM**"	:	The extraordinary general meeting of the Company to be held on 30 April 2015, the notice of which is set out on pages N-1 to N-3 of this Circular
"**EPS**"	:	Earnings per Share
"**FY**"	:	The financial year ended or ending 31 December
"**Interested Person**"	:	Jiangyin Jincheng, being an Associate of Mr Wu Dingrong, the Non-Executive Chairman and Controlling Shareholder of the Company, and any subsidiary of Jiangyin Jincheng, if any from time to time
"**Latest Practicable Date**"	:	31 March 2015, being the latest practicable date prior to the printing of this Circular
"**Market Day(s)**"	:	A day or days on which the SGX-ST is open for securities trading
"**Memorandum and Articles**"	:	The Memorandum and Articles of Association of the Company, as amended from time to time

"**Non-Executive Chairman**"	:	The non-executive chairman of the Company, Mr Wu Dingrong
"**Notice of EGM**"	:	The Notice of EGM as set out on pages N-1 to N-3 of this Circular
"**NTA**"	:	Net tangible assets
"**Offtake Agreement**"	:	The agreement dated 18 March 2013 entered into between Xinghua Rongcheng and the Interested Person in respect of the sale of steel and related products produced by Xinghua Rongcheng to the Interested Person
"**Ordinary Resolution(s)**"	:	The ordinary resolution(s) as set out in the Notice of EGM
"**PRC**"	:	People's Republic of China
"**IPT Mandate**"	:	The mandate from Shareholders for the Recurrent IPTs (as defined under Section 2D of this Circular) with the Interested Person, which was last renewed at the 28 April 2014 EGM
"**Relevant Period**"	:	The period commencing from the date on which the last AGM of the Company was held and expiring on the date on which the next AGM of the Company is held or is required by law to be held, whichever is the earlier, after the date on which the ordinary resolution relating to the adoption of the Share Buyback Mandate is passed
"**Securities Account**"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
"**Share(s)**"	:	Ordinary share(s) in the share capital of the Company
"**Share Buyback**"	:	The purchase or acquisition of issued Share(s) by the Company pursuant to the terms of the Share Buyback Mandate
"**Share Buyback Mandate**"	:	The general and unconditional mandate given by the Shareholders to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire, on behalf of the Company, issued Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Act and the Catalist Rules
"**Shareholders**"	:	Registered holders of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with Shares
"**Subsidiary**"	:	A subsidiary company as defined by Section 5 of the Act
"**Substantial Shareholder**"	:	A person who holds directly or indirectly not less than five per cent. (5%) of the total number of issued Shares (excluding treasury shares)
"**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
"**Treasury Shares**"	:	Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Act applies and have since purchase been continuously held by the Company

"**Unaffected Directors**"	:	The Directors, namely Lee Wan Sing, Ong Wee Chuan, Chua Hung Meng, Tan Song Kwang and Koh Choon Kong who are not interested, directly or indirectly, in the IPT Mandate as at the Latest Practicable Date

Currencies, Units and Others

"**RMB**"	:	Renminbi, the lawful currency of the PRC
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
"**%**" or "**per cent.**"	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 130A of the Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons, where applicable, shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act or the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Act or the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of a day in this Circular shall be a reference to Singapore time.

Any discrepancies in the tables included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

Exchange Rates

Unless otherwise stated, the exchange rate between RMB and S$ as at the Latest Practicable Date was S$1 to RMB 4.5351. This exchange rate should not be construed as a representation that the such RMB amounts could have been, or could be, converted into Singapore dollars at the rate stated, or at all and *vice versa*.

ORIENTAL GROUP LTD.
(Company Registration Number: 200401998C)
(Incorporated in the Republic of Singapore on 23 February 2004)

Directors		**Registered Office**
Wu Dingrong	(Non-Executive Chairman)	10 Upper Aljunied Link,
Lee Wan Sing	(Executive Director & Chief Executive Officer)	#04-09
Sun Lu	(Executive Director)	Singapore 367904
Ong Wee Chuan	(Non-Executive Director)	
Chua Hung Meng	(Lead Independent Director)	
Tan Song Kwang	(Independent Director)	
Koh Choon Kong	(Independent Director)	

15 April 2015

To: The Shareholders of Oriental Group Ltd.

Dear Sir/Madam

(COLLECTIVELY, THE "PROPOSALS").

1. INTRODUCTION

The Directors are convening an EGM to be held on 30 April 2015 at 3.30 p.m. (or immediately after the conclusion or adjournment of the AGM of the Company to be held at 2.30 p.m. on the same day and at the same place) to seek the Shareholders' approval for the following proposals:

(a) the proposed renewal of the shareholders' general mandate for interested person transactions (including the offtake agreement) (the "**Proposed Renewal of IPT Mandate**"); and

(b) the proposed adoption of the share buyback mandate (the "**Share Buyback Mandate**")

(together, the "**Proposals**").

The purpose of this Circular is to provide Shareholders with information relating to the Proposals and to seek the Shareholders' approval in relation thereto at the EGM. The Notice of the EGM is set out on page N-1 to N-3 of this Circular.

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

A. Introduction

The Company had at the 28 April 2014 EGM obtained the approval of the Shareholders for the IPT Mandate.

The IPT Mandate is subject to annual renewal. The IPT Mandate was last renewed at the 28 April 2014 EGM. The IPT Mandate took effect from the date of the passing of the ordinary resolution at the EGM and shall continue in force until 30 April 2015, being the date of the forthcoming AGM of the Company.

The Directors propose that the IPT Mandate be renewed at the EGM and (unless revoked or varied by the Company in general meeting) to continue in force until the next AGM of the Company. Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next and each subsequent annual general meeting of the Company, subject to satisfactory review by the Audit Committee of its continued application to transactions with the Interested Persons.

B. Catalist Rules

(i) Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (known as an "**entity at risk**") enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested person could influence the listed company, its subsidiaries or associated companies to enter into transactions with it that may adversely affect the interests of the listed company or its shareholders.

(ii) Financial Thresholds

Pursuant to Rule 906 of the Catalist Rules, an issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:

(a) 5% of the group's latest audited net tangible assets; or

(b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S$100,000, and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence excluded from the ambit of Chapter 9 of the Catalist Rules.

Pursuant to Rule 909 of the Catalist Rules, the value of a transaction is the amount at risk to the listed company. This is illustrated by the following examples:

(a) in the case of a partly-owned subsidiary or associated company, the value of the transaction is the listed company's effective interest in that transaction;

(b) in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees given by the entity at risk; and

(c) in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. In the case of lending of funds to an interested person, the value of the transaction is the interest payable on the loan and the value of the loan.

(iii) Illustration

For illustration purposes, based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2014 ("**FY2014**"), the NTA of the Group as at 31 December 2014 was approximately RMB158,522,000 (approximately S$34,954,466). Accordingly, for the purposes of Chapter 9 of the Catalist Rules in the current financial year, Shareholders' approval is required where:-

(a) the transaction is of a value equal to, or more than, RMB7,926,100 (approximately S$1,747,723), being 5% of the Group's latest audited NTA as at 31 December 2014; or

(b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, RMB7,926,100 (approximately S$1,747,723). The aggregation will exclude any transaction that has been approved by Shareholders previously or is the subject of aggregation with another transaction that has been approved by Shareholders.

(iv) General Mandate

Part VIII of Chapter 9 of the Catalist Rules allows an issuer to seek a general mandate from its shareholders for recurring transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

An issuer must:

(a) disclose the general mandate in the annual report, giving details of the aggregate value of transactions conducted pursuant to the general mandate during the financial year. The disclosure must be in the form set out in Rule 907 of the Catalist Rules; and

(b) announce the aggregate value of transactions conducted pursuant to the general mandate for the financial periods which it is required to report on pursuant to Rule 705 of the Catalist Rules within the time required for the announcement of such report. The disclosure must be in the form set out in Rule 907 of the Catalist Rules.

C. Relationship between the entities at risk and the Interested Person

The Interested Person, namely Jiangyin Jincheng, and its subsidiaries if any from time to time, is a company established in the PRC engaged in the manufacture of mild steel bars and high tensile deformed bars such as carbon steel angle bars. Jiangyin Jincheng is not in a competing business with the Group, but produces products that are utilised by the Group.

As at the Latest Practicable Date, the Group's Non-Executive Chairman and Controlling Shareholder, Mr Wu Dingrong, holds 90% of the equity interest in Jiangyin Jincheng and his spouse, Ms Zhang Jianyuan, holds the remaining 10% of the equity interest in Jiangyin Jincheng. Jiangyin Jincheng is therefore considered as an Associate of Mr Wu Dingrong and an Interested Person as defined under Chapter 9 of the Catalist Rules.

Pursuant to Chapter 9 of the Catalist Rules:

(a) the entities at risk (the "**Entities at Risk**") under the IPT Mandate, include, the Group (including Xinghua Rongcheng after the Acquisition) and its associated companies;

(b) the Interested Person under the IPT Mandate, include Jiangyin Jincheng and its subsidiaries, if any, from time to time; and

(c) any transactions between the Group and the Interested Person will accordingly constitute Interested Person Transactions as defined under Chapter 9 of the Catalist Rules.

D. Scope of the IPT Mandate

(i) Nature of the Recurrent IPTs

The Group may, from time to time, in the ordinary course of business purchase steel related products such as steel billets, angle bars or other steel related products from the Interested Person and/or pursuant to the Offtake Agreement sell the steel billets produced by Xinghua Rongcheng to the Interested Person (the "**Recurrent IPTs**").

Given that the Recurrent IPTs are of a trading nature and are expected to recur and occur at any time, and due to the time sensitive nature of these transactions, in order that the Group and the Interested Person may undertake such transactions in a more expeditious manner, the Company is seeking the approval of its Shareholders for the Proposal Renewal of IPT Mandate in respect of the Recurrent IPTs provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

(ii) The Offtake Agreement

As disclosed in the 22 March 2013 Circular, Xinghua Rongcheng had on 18 March 2013 entered into an Offtake Agreement with Jiangyin Jincheng. Under the terms of the Offtake Agreement, Xinghua Rongcheng has an option to sell, and Jiangyin Jincheng has agreed to purchase, for a period of 2 calendar years from the completion of the Acquisition in 6 April 2013, up to 210,000 tons of steel billets over each 12 months period, produced by Xinghua Rongcheng.

The principal terms of the Offtake Agreement are as follows:

(a) The Offtake Agreement is conditional upon completion of the Acquisition;

(b) The Offtake Agreement will be for an initial term of two years, but can be extended prior to its expiry date upon the agreement of Xinghua Rongcheng and Jiangyin Jincheng;

(c) Xinghua Rongcheng has the option, from time to time to sell the steel billets, produced by Xinghua Rongcheng to Jiangyin Jincheng up to an amount of 210,000 tons per 12 months period; and

(d) Jiangyin Jingcheng agrees that the price at which steel billets will be sold to it will be as negotiated between itself and Xinghua Rongcheng and shall be no lower than the price as determined in accordance with the price determination procedures as set out in Section 2F(ii) below. Where no price can be agreed, then the price as determined in accordance with the price determination procedures as set out in Section 2F(ii) below shall be deemed to be the agreed price at which the steel billets shall be sold.

It is the intention of the Group that Xinghua Rongcheng will exercise the option to sell steel billets to Jiangyin Jincheng (aa) that are in excess to the requirements of the Group, or (bb) that can be sold at a better price to Jiangyin Jincheng than other customers. The Group do not foreseen any difficulty in sales of steel billets to other third party customers as steel billets are the common raw material for other steel bar manufacturers.

The Offtake Agreement will immediately extend for a further term of 2 years from the date of the passing of the resolution in relation to the Proposed Renewal of IPT Mandate, subject to the approval of the Shareholders under this Circular.

Following the expiration of the Offtake Agreement on 6 April 2015, Xinghua Rongcheng has not carried out any sale of billets to Jiangyin Jincheng and will not transact any sale of billets until the date of the receipt of approval from the Shareholders at the EGM for extension of the Offtake Agreement.

(iii) Value of the Recurrent IPTs

Based on the latest audited consolidated financial statements of the Group for FY2014, the NTA of the Group as at FY2014 was approximately RMB158,522,000 (approximately S$34,954,466). For the purposes of Chapter 9 of the Catalist Rules, 5% of the NTA of the Group would be approximately RMB7,926,100 (approximately S$1,747,723).

For the period from 28 April 2014, being the date of the last AGM of the Company, to 31 March 2015, being the Latest Practicable Date, the value of the Recurrent IPTs amounted to approximately RMB13,805,000 (approximately S$3,044,034). The Company estimates that from the date of the EGM to the date of the next AGM of the Company, which will have to be held no later than 30 April 2016, the value of the Recurrent IPTs will exceed 5% of the NTA of the Group, therefore Shareholders' approval to such Recurrent IPTs will be required.

(iv) Scope of the IPT Mandate

The IPT Mandate will apply to the Recurrent IPTs between the Group and the Interested Person. The IPT Mandate will cover both the sale of steel billets to the Interested Person and the purchase of steel billets and steel related products by the Group from the Interested Person.

The IPT Mandate does not cover any transaction by a company in the Group with the Interested Person that is below S$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules would not apply to such transactions.

(v) Validity Period of the IPT Mandate

The renewed IPT Mandate will take effect from the date of the receipt of Shareholders' approval at the EGM, and unless revoked or varied by the Company in a general meeting, the IPT Mandate will continue in force until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

Approval from the Shareholders will be sought for the Proposed Renewal of IPT Mandate at the next AGM and at each subsequent AGM of the Company or the date by which the next AGM of the Company is required by law to be held, subject to satisfactory review by the Audit Committee of its continued application to the Recurrent IPTs.

While the Offtake Agreement will have a tenure of 2 years from completion of the Acquisition with a further tenure of an additional 2 years after its extension thereof, subject to the approval of the

Shareholders under this Circular, the Group will ensure that Xinghua Rongcheng exercises the option to sell steel billets to Jiangyin Jincheng under the Offtake Agreement only if there is a valid IPT Mandate in place, or if the exercise of the option to sell steel billets to Jiangyin Jincheng does not require approval of Shareholders under the Catalist Rules.

(vi) Transactions by the Group with the Interested Person that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Catalist Rules.

E. Rationale for and Benefits of the Proposed Renewal of IPT Mandate

The Unaffected Directors believe that the Proposed Renewal of IPT Mandate is in the best interest of the Group for the following reasons:-

(a) The Unaffected Directors believe the Offtake Agreement is in the best interest of the Group as it will allow Xinghua Rongcheng to sell its products to the Interested Person amongst other customers and therefore will eliminate risks to Xinghua Rongcheng in being unable to sell its products. This will allow Xinghua Rongcheng to gradually expand its own customer base;

(b) The Interested Person is engaged in the production of steel billets, mild steel bars and high tensile deformed bars such as carbon steel angle bars which are required by the Group in its ordinary course of business or for its production. The IPT Mandate will allow the Group to source for materials that it requires from the Interested Person amongst other suppliers. The Unaffected Directors are of the view that it is beneficial to the Group to transact with the Interested Person as they are familiar with the Group's product requirements; and

(c) Timely delivery is an essential element in the business of the Group. If the Company is required to seek Shareholders' approval on each occasion it deals with the Interested Person, it would not be commercially viable for the Interested Person to transact with the Group. The IPT Mandate would facilitate such transactions with the Interested Person being carried out in a timely manner.

In summary, the Proposed Renewal of IPT Mandate will allow the Group to sell its products to the Interested Person amongst other customers and source for materials that it requires from the Interested Person amongst other suppliers. Such sales and purchase transactions with the Interested Person will be entered into by the Group in its ordinary course of business. The IPT Mandate (if approved and renewed on an annual basis) will eliminate, amongst others, the necessity and attendant costs for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when the aggregate value of such sales and purchases crosses the financial thresholds set out under Section 2B(ii) of this Circular.

F. Guidelines for IPTs under the IPT Mandate

(i) The Company shall establish the procedures as set out in Section 2F(ii) hereunder to supplement the existing internal control procedures to ensure that the Recurrent IPTs are undertaken on an arm's length basis, on the Company's normal commercial terms, and are consistent with the Company's usual business practices and policies. The Unaffected Directors and the Audit Committee will also review and approve the Recurrent IPTs where applicable, as further described below. The internal control systems of the Group will also include the following guidelines and procedures to ensure that the Recurrent IPTs are undertaken with the Interested Person on normal commercial terms.

(ii) Review process and price determination for the Recurrent IPTs

(a) Sale of steel billets to the Interested Person

The sale of steel billets to the Interested Person will be carried out at the prevailing market rates or prices and/or terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third party customers.

The accountant of Xinghua Rongcheng shall compare the terms of the sales transactions with:

(aa) the selling prices for steel billets obtained from reputable Internet based business-

to-business online market places; and/or

(bb) the terms of at least two other contemporaneous sale transactions with unrelated third party customers (whenever possible or available) for similar type, quality and quantity of steel billets (taking into consideration pertinent factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract, strategic purposes of the transaction, creditworthiness, delivery schedule, payment terms and where applicable, preferential rates or prices or discounts accorded for bulk sales) or otherwise in accordance with applicable industry norms;

to determine whether the prices and terms offered to the Interested Person are fair and reasonable and comparable to those offered to other unrelated third party customers for the same or substantially similar type of product.

(b) Purchase of steel billets and other steel related products from the Interested Person

The purchase of steel billets and other steel related products from the Interested Person will be carried out at the prevailing market rates or prices and/or terms which are no less favourable from Interested Person than the usual commercial terms extended by unrelated third party suppliers.

The accountant of the relevant company in the Group shall compare the terms of the purchase transactions with:

(aa) the selling prices of steel billets or similar steel related products obtained from reputable Internet based business-to-business online market places; and/or

(bb) the terms of at least two other contemporaneous purchase transactions from unrelated third party suppliers (whenever possible or available) or for similar type and quality of products (taking into consideration pertinent factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract, strategic purposes of the transaction, creditworthiness, delivery schedule, payment terms and where applicable, preferential rates or prices or discounts accorded for bulk sales) or otherwise in accordance with applicable industry norms,

to determine whether the prices and terms offered by the Interested Person are fair and reasonable and comparable to those offered by other unrelated third party suppliers for the same or substantially similar type of product.

The financial controller (the "**Financial Controller**") or finance manager (the "**Financial Manager**") of the Group will review the supporting documents prepared by the accountant, including the comparable prices obtained from reputable Internet based business-to-business online market places and the terms of other contemporaneous purchase or sale transactions (where available) to evaluate the terms of the Recurrent IPTs .

In the event where prevailing market rates or prices and/or terms are not available and the Financial Controller or Finance Manager of the Group determines it is not possible to carry out the abovementioned procedures, at least one Unaffected Director will determine whether the price and/or other terms offered by the Interested Persons are fair and reasonable before approving such transactions.

In so determining whether the relevant transaction is undertaken on an arm's length basis, on normal commercial terms and without prejudicing the interests of the Company and the minority Shareholders, the Unaffected Directors and the Financial Controller or Finance Manager of the Group will consider whether the prices and/or other terms are in accordance with the Group's usual business practices, consistent with the usual margin and/or terms to be obtained by the Group for the same or substantially similar type of contract or transaction with unrelated third party customers taking into consideration pertinent factors such as, but not limited to, quantity, volume, consumption, product requirements, specifications and strategic purposes of the transaction, creditworthiness, delivery schedules, payment terms and where applicable, preferential rates or prices or discounts

accorded for bulk purchase.

(iii) Threshold limits

In addition to the above review procedures, the Recurrent IPTs are also subject to the following approval procedures:

(a) transactions value equal to or exceeding S$5,000,000 but less than S$10,000,000 each in value will be reviewed and approved by an Unaffected Director;

(b) transactions value equal to or exceeding S$10,000,000 but less than S$15,000,000 each in value will be reviewed and approved by a member of the Audit Committee; and

(c) transactions equal to or exceeding S$15,000,000 each in value will be reviewed and approved by the Audit Committee,

and the Unaffected Directors and the Audit Committee may as they deem fit, in their review and approval of such transactions, request additional information pertaining to the transactions from independent sources.

An IPT Register (as defined below) will be maintained to record all interested person transactions and the basis on which they are entered into pursuant to the IPT Mandate.

Transactions that do not require the prior approval shall be reviewed on a half-year basis by the Audit Committee to ensure that the Recurrent IPTs are carried out on an arm's length basis and on normal commercial terms, in accordance with the guidelines and procedures.

(iv) General review procedures

In addition to the review procedures and the threshold limits set out above, the following general review procedures will also be implemented to record the transactions with the Interested Person:

(a) IPT Register

The Company will maintain a register of transactions carried out by the Group with the Interested Person including those pursuant to the IPT Mandate (the "**IPT Register**"). The accountant of the respective company in the Group or such other person as is duly appointed by the Audit Committee (who shall not be interested in any transactions entered into by the Group and the Interested Person) will compile and tabulate the information of the transactions carried out with the Interested Persons, amongst others, details of the nature of the transaction, the amount of the transactions, the basis for determination of the price, credit terms, if any, and other relevant documents maintained by the Company to support such basis on which they are entered into. The Financial Controller or Finance Manager of the Group will, on a monthly basis, review the IPT Register and submit the same to the Audit Committee for its review on, at least, a half-year basis to ensure that the transactions are conducted in line with the guidelines and review procedures.

To ensure completeness of the IPT Register, the Group will compare the register against the debtors/creditors statement from Jiangyin Jincheng and, if appropriate, the sales and purchase confirmation from Jiangyin Jincheng.

The Group will also maintain a list of interested persons and compare the list of interested persons against the IPT Register at least once annually.

(b) Reviews by internal auditors

The Company's internal auditors shall review the IPT Register at least once annually to ascertain that the procedures established to monitor the transactions entered by any of the companies within the Group with the Interested Person have been complied with.

The annual internal audit plan shall also incorporate a review of all the transactions entered into by the Group with the Interested Person, including a report to be submitted to the Audit

Committee for its review.

(c) Reviews by Audit Committee

The Company shall, on a half-year basis, report to the Audit Committee all transactions entered into with the Interested Person and such transactions shall also be reviewed at the Audit Committee's meetings except where such transactions are required to be approved by the Audit Committee prior to its entry. The Audit Committee may, as it deems fit, request for additional information pertaining to the transactions entered by any of the companies within the Group with the Interested Person from independent sources or advisers.

The Audit Committee has the overall responsibility for determining the review procedures with the authority to delegate responsibility to individuals within the Company as it deems appropriate.

In addition to the Audit Committee's participation in the review and/or approval processes described above, the Audit Committee will also:

(aa) carry out periodic reviews (at least twice a year) to ascertain that the established guidelines and review procedures in place have been complied with; and

(bb) consider at least twice a year whether the established guidelines and review procedures for transactions entered with the Interested Person have become inappropriate or are unable to ensure that the transactions will be carried out on normal commercial terms, and are not prejudicial to the interests of minority Shareholders.

If the Audit Committee is of the view that the established guidelines and review procedures have become inappropriate or insufficient in view of changes to the nature of, or the manner in which the business activities of the Group are conducted so as to ensure that the Recurrent IPTs will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders, it will in consultation with the Board, take such actions as it deems appropriate and/or institute additional procedures as necessary to ensure that future transactions of a similar nature are conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders, and the Company will seek a fresh mandate from the Shareholders based on new guidelines and review procedures for transactions with the Interested Person. All subsequent transactions with the Interested Person shall be reviewed and approved by at least one member of the Audit Committee prior to its entry while a fresh mandate is being sought from Shareholders.

For the purpose of the review process, if a member of the Audit Committee has an interest in the transaction to be reviewed by the Audit Committee, he will abstain from any decision making by the Audit Committee in respect of that transaction and approval of the transaction will be undertaken by the remaining members of the Audit Committee.

G. Disclosure of the Recurrent IPTs in the annual report

The Company will announce the aggregate value of transactions conducted with the Interested Person pursuant to the IPT Mandate for the relevant financial periods which the Company is required to report on pursuant to the Catalist Rules and within the time required for the announcement of such reports.

Disclosure will also be made in the Company's annual report of the aggregate value of transactions conducted with the Interested Persons pursuant to the IPT Mandate during the financial year, and in the annual reports for subsequent financial years that the IPT Mandate continues to be in force, in accordance with the requirements under Chapter 9 of the Catalist Rules.

The name of the Interested Persons and the corresponding aggregate value of the transactions entered with it will be presented in the following format:

Name of the Interested Person	Aggregate value of all interested person transactions entered during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000)

3. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

A. Introduction

It is a requirement under the Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. It is also a requirement under the Catalist Rules that an issuer which wishes to purchase its own shares should obtain prior approval of its shareholders at a general meeting. In this regard, approval is now being sought from Shareholders at the EGM for the adoption of the Share Buyback Mandate.

An Ordinary Resolution will be proposed at the EGM pursuant to which the Share Buyback Mandate will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of the Share Buyback Mandate.

If approved by Shareholders at the EGM, the authority conferred by the Share Buyback Mandate will continue to be in force until the conclusion of the next AGM of the Company or the date by which such AGM is required to be held (whereupon it will lapse, unless renewed at such meeting) or the date on which the purchases or acquisitions of Shares have been carried out to the full extent mandated or until it is varied or revoked by the Company in a general meeting (if so varied or revoked prior to the next AGM of the Company), whichever is the earliest.

B. Rationale

The Share Buyback Mandate will give the Company the flexibility to undertake purchases or acquisitions of its issued Shares up to ten per cent. (10%) limit described in Section 3C(i) below, at any time, subject to market conditions, during the period that the Share Buyback Mandate is in force.

Share Buyback is one of the methods by which return on equity may be enhanced. Share Buybacks also provide the Company with a mechanism to return surplus cash (if any) which is in excess of the Group's financial needs and/or ordinary capital requirements in an expedient and cost-effective manner. The Directors believe that Share Buybacks may help to mitigate short-term market volatility, off-set the effects of short-term speculation and bolster Shareholders' confidence and employees' morale. Share Buybacks will also allow the Directors greater flexibility over the Company's share capital structure with a view to enhancing the EPS and/or NTA per Share.

Whilst the Share Buyback Mandate would authorise Share Buybacks up to the said ten per cent. (10%) limit during the duration referred to in Section 3(C)(ii) below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full ten per cent. (10%) limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate would be made only as and when the Directors consider it to be in the best interest of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a Share Buyback pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

C. Authority and Limits on the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

(i) Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares of the Company as at the date of the EGM at which the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions of the Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered. Any Shares which are held as Treasury Shares will be disregarded for purposes of computing the ten per cent. (10%) limit.

Purely for illustrative purposes only, on the basis of 387,730,870 Shares in issue as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the EGM, not more than 38,773,087 Shares (representing 10% of the total number of issued Shares as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

(ii) Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company on and from the date of the EGM at which the adoption of the Share Buyback Mandate is approved, up to the earliest of:

(a) the date on which the next AGM of the Company is held or required by law to be held;

(b) the date on which the Share Buybacks are carried out to the full extent mandated; or

(c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in general meeting.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next AGM of the Company or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM.

(iii) Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares by the Company may be effected by way of:

(a) on-market purchases transacted on the SGX-ST through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buyback ("**Market Purchases**"); and/or;

(b) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an "**equal access scheme**" as defined in Section 76C of the Act ("**Off-Market Purchases**").

In an Off-Market Purchase, the Directors may impose such terms and conditions which are consistent with the Share Buyback Mandate, the Catalist Rules, the Act, the Articles of the Company and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the Act, an equal access scheme must satisfy all the following conditions:

(a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

(c) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable:

(i) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividends entitlements;

(ii) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and

(iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it must issue an offer document to all Shareholders containing at least the following information:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed purchase or acquisition of Shares;

(d) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;

(e) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;

(f) details of any purchases or acquisitions of Shares made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and

(g) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

(iv) Maximum Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for the Shares purchased or acquired pursuant to the Share Buyback Mandate will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to any Share Buyback must not exceed:

(a) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter); and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Average Closing Price,

(the "**Maximum Price**") in either case, excluding related expenses of the Share Buyback.

For the above purposes of determining the Maximum Price:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded before the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Day period.

"**date of making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

D. Status of Purchased or Acquired Shares

Any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on such cancellation) unless such Share is held by the Company as Treasury Share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Share.

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Act) will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

The Company may decide to cancel Shares which have been purchased by the Company or hold such Shares as Treasury Shares, depending on whether it is in the interests of the Company to do so.

E. Treasury Shares

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the provisions on Treasury Shares under the Act are summarised below:

(i) Maximum Holdings

The number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares.

(ii) Voting and Other Rights

The Company cannot exercise any rights in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed.

The Treasury Shares may be sub-divided or consolidated, so long as the total value of the Treasury Shares after such sub-division or consolidation is the same as the total value of the Treasury Shares before the sub-division or consolidation, as the case may be.

(iii) Disposal and Cancellation

Where Shares are held as Treasury Shares, the Company may at any time:

(a) sell the Treasury Shares (or any of them) for cash;

(b) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to an employees' share scheme;

(c) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the Treasury Shares (or any of them); or

(e) sell, transfer or otherwise use the Treasury Shares for such purposes as may be prescribed by the Minister of Finance.

Under the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of Treasury Shares comprised in the usage, the number of Treasury Shares before and after the usage and the

percentage of the number of Treasury Shares comprised in the usage against the total number of issued shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the usage and the value of the Treasury Shares comprised in the usage.

F. Reporting Requirements

Within thirty (30) days of the passing of the Shareholders' resolution to approve the proposed adoption of the Share Buyback Mandate, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA in the prescribed form within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include, *inter alia*, details of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued share capital before and after the purchase or acquisition of Shares and the amount of consideration paid by the Company for the purchase or acquisition.

The Catalist Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9.00 a.m.:

(a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made;

(b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

G. Source of Funds

The Company may only apply funds for the purchase or acquisition of Shares in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Pursuant to the Act, any payment made by the Company in consideration of the purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits, so long as the Company is solvent. It is an offence for a Director or an officer of the Company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to the Section 76F(4) of the Act, a company is solvent if:

(a) the company is able to pay its debts in full at the time of the payment of the purchase or acquisition of its shares and will be able to pay its debts as they fall due in the normal course of business during the period of twelve (12) months immediately following the date of payment of the purchase or acquisition of its shares; and

(b) the value of the company's assets exceeds its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition of shares, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance purchases or acquisitions of its Shares pursuant to the Share Buyback Mandate. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. However in considering the option of external financing, the Board will consider particularly the prevailing gearing level of the Group. The Board will only make purchases or acquisitions of Shares pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

H. Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, the number of Shares purchased or acquired, the price paid for such Shares, whether the Shares are purchased or acquired out of profits and/or capital of the Company and whether the Shares purchased or acquired are held by the Company as Treasury Shares or cancelled.

Under the Act, the Company may purchase or acquire its Shares out of its profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, this will not reduce the amount available for the distribution of cash dividends by the Company.

For illustrative purposes only, the financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2014, are based on the assumptions set out below.

(i) Share Buyback Mandate

It has been assumed that the Share Buyback Mandate was effective as at the Latest Practicable Date.

(ii) Number of Shares Acquired or Purchased

Purely for illustrative purposes, on the basis of 387,730,870 Shares in issue at the Latest Practicable Date and assuming no further Shares are issued on or prior to the EGM, the purchase by the Company of 1% of its issued Shares will result in the purchase or acquisition of 3,877,309 Shares.

(iii) Maximum Price Paid for Shares Acquired or Purchased

In the case of Market Purchases by the Company, assuming that the Company purchases or acquires 1% of its issued Shares at the Maximum Price of S$0.076 for one Share (being the price equivalent to 5% above the average of the closing market prices of the Shares over the last 5 Market Days on the SGX-ST preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 3,877,309 Shares is S$294,676.

In the case of an Off-Market Purchase by the Company, assuming that the Company purchases or acquires 1% of its issued Shares at the Maximum Price of S$0.091 for one Share (being the price equivalent to 20% above the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 3,877,309 Shares is S$352,836.

(iv) Illustrative Financial Effects

For illustrative purposes only and based on the assumptions set out in Clauses 3(H)(i) to 3(H)(iii) of this Circular and further assuming that the Share Buyback Mandate had been effective and the purchase of the Shares took place at the beginning of the financial year on 1 January 2014, the financial effects of:

(a) the purchase or acquisition of 3,877,309 Shares by way of Market Purchases pursuant to the Share Buyback Mandate made entirely out of capital and cancelled; and

(b) the purchase or acquisition of 3,877,309 Shares by way of Off-Market Purchases pursuant to the Share Buyback Mandate made entirely out of capital and held as Treasury Shares (38,773,087 Shares being the maximum number of Shares which may be held as Treasury Shares under the Act after taking into consideration that no Shares are held by the Company as Treasury Shares as at the Latest Practicable Date),

on the audited financial statements of the Company and the Group for FY2014 are set out below.

(a) Market Purchases of 1% of issued Shares made entirely out of capital and cancelled

	Group		Company	
	Before Share Buy-Back	**After Share Buy-Back**	**Before Share Buy-Back**	**After Share Buy-Back**
As at 31 December 2014	S$'000	S$'000	S$'000	S$'000
Share capital	179,491	178,154	179,491	178,154
Reserves	(19,644)	(19,644)	(46,862)	(46,862)
Treasury Shares	-	-	-	-
Shareholders' equity	159,847	158,510	132,629	131,292
NTA	158,522	157,185	132,629	131,292
Current assets	65,625	64,288	165,148	163,811
Current liabilities	147,034	147,034	35,171	35,171
Working capital	(81,409)	(82,746)	129,977	128,640
Total borrowings	86,964	86,964	17,271	17,271
Cash and cash equivalents	5,444	4,107	1,500	163
Total issued number of Shares ('000)	387,731	383,853	387,731	383,853
Weighted average number of Shares ('000)	387,731	383,853	387,731	383,853
Financial Ratios				
NTA per Share[(1)] (cents)	40.88	40.95	34.21	34.20
Gearing ratio[(2)] (times)	0.54	0.55	0.13	0.13
Current ratio (times)	0.45	0.44	4.70	4.66
EPS[(3)] (cents)	(1.59)	(1.61)	(3.35)	(3.38)

Notes:

(1) NTA per Share equals to NTA (excludes minority interests) divided by the number of Shares outstanding as at 31 December 2014.

(2) Gearing ratio represents total borrowings divided by shareholders' equity.

(3) EPS is calculated based on profit attributable to Shareholders and aggregated weighted average number of issued and paid-up Shares (excluding Treasury Shares) for FY2014.

(b) Off-Market Purchases of 1% of issued Shares made entirely out of capital and held as Treasury Shares

	Group		Company	
	Before Share Buy-Back	**After Share Buy-Back**	**Before Share Buy-Back**	**After Share Buy-Back**
As at 31 December 2014	S$'000	S$'000	S$'000	S$'000
Share capital	179,491	179,491	179,491	179,491
Reserves	(19,644)	(19,644)	(46,862)	(46,862)
Treasury Shares	-	(1,601)	-	(1,601)
Shareholders' equity	159,847	158,246	132,629	131,028
NTA	158,822	156,921	132,629	131,028
Current assets	65,625	64,024	165,148	163,547
Current liabilities	147,034	147,034	35,171	35,171
Working capital	(81,409)	(83,010)	129,977	128,376
Total borrowings	86,964	86,964	17,271	17,271
Cash and cash equivalents	5,444	3,843	1,500	(101)
Total issued number of Shares ('000)	387,731	383,853	387,731	383,853
Weighted average number of Shares ('000)	387,731	383,853	387,731	383,853
Financial Ratios				
NTA per Share[(1)] (cents)	40.88	40.88	34.21	34.13
Gearing ratio[(2)] (times)	0.54	0.55	0.13	0.13
Current ratio (times)	0.45	0.44	4.70	4.65
EPS[(3)] (cents)	(1.59)	(1.61)	(3.35)	(3.40)

Notes:

(1) NTA per Share equals to NTA (excludes minority interests) divided by the number of Shares outstanding as at 31 December 2014.

(2) Gearing ratio represents total borrowings divided by shareholders' equity.

(3) EPS is calculated based on profit attributable to Shareholders and aggregated weighted average number of issued and paid-up Shares (excluding Treasury Shares) for FY2014.

The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buy-back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for FY2014, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buyback Mandate would authorise the Company to purchase or otherwise acquire up to ten per cent. (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire ten per cent. (10%) of the issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution.

I. Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the chief executive officer of the Company or Substantial Shareholder of the Company or any of their Associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

J. Take-over implications arising from Share Buybacks

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

(i) Obligation to Make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

(ii) Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:-

(a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;

(b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code ("**Rule 14**") after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code ("**Appendix 2**").

(iii) Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

(iv) Application of the Take-over Code

Based on the information in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders' Shareholdings, as at the Latest Practicable Date, as set out in Section 4 of this Circular, Wu Dingrong and his concert parties being Sun Lu and Miao Lina are presumed persons acting in concert with each other pursuant to the Take-over Code, unless the contrary is established ("**Concert Group**"), collectively hold 77,986,667 Shares representing approximately 20.11% of the total number of issued Shares of the Company.

Assuming that the Company purchases the maximum of Shares (being 10% of its issued Shares excluding Treasury Shares) pursuant to the Share Buyback Mandate and that such Shares are cancelled upon purchase, and assuming further that there is no change in the number of Shares held by each member of Concert Group, the aggregate interests of the Concert Group would increase from 20.11% to 22.35% of the issued share capital of the Company. Accordingly, none of the member of Concert Group would become obliged to make a take-over offer for the Company under Rule 14.

The Directors are not aware of any of the other Shareholder(s) of the Company who would become obliged to make a take-over offer for the Company under Rule 14 if the Company undertakes, as permitted by the Share Buyback Mandate, Share purchases up to the maximum limit of 10% of its Shares as at the Latest Practicable Date (there being no Treasury Shares held by the Company as at the Latest Practicable Date).

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

K. Listing Status of Shares on the SGX-ST

Rule 723 of the Catalist Rules require a listed company to ensure that at least 10% of the total number of issued shares (excluding Treasury Shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders.

The expression "**public**" is defined under the Catalist Rules as persons other than (a) the directors, chief executive officer, substantial shareholders or controlling shareholders of a company and its subsidiaries and (b) the associates (as defined in the Catalist Rules) of the persons described in paragraph (a).

As at the Latest Practicable Date, there are 215,720,882 Shares in the hands of the public, representing 55.64% of the issued Shares of the Company (there being no Treasury Shares held by the Company as at the Latest Practicable Date). Assuming that the Company purchases its Shares

through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate from the public on the Latest Practicable Date, the number of Shares in the hands of the public would be reduced to 176,947,795 Shares, representing 50.71% of the issued Shares of the Company (there being no Treasury Shares held by the Company as at the Latest Practicable Date).

Accordingly, the Company is of the view that there is a sufficient number of Shares held by public shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the proposed Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

L. Share Buybacks in the Previous 12 Months

There was no Share Buyback Mandate in force in the last 12 months prior to the Latest Practicable Date. Hence, the Company had not purchased or acquired any Shares during the 12-month period immediately preceding the Latest Practicable Date.

M. Timing of Purchases

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the period of 1 month immediately preceding the announcement of the Company's half-year and full-year results, as the case may be, and ending on the date of announcement of the relevant results.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Director's Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors and the substantial shareholders before and after the purchase of Shares pursuant to the Share Buyback Mandate, assuming (a) the Company purchases the maximum limit of ten per cent. (10%) of the issued share capital of the Company and (b) there is no change in the number of Shares held by the Directors and the substantial Shareholders or which they are deemed interested in, will be as follows:

	As at the Latest Practicable Date				
	Before Share Buyback (Number of Shares)			Before Share Buyback	After Share Buyback
Directors	**Direct Interest**	**Deemed Interest**	**Total Interest**	**%**	**%**
Wu Dingrong[(1)]	-	77,986,667	77,986,667	20.11	22.35
Lee Wan Sing[(2)]	-	20,348,653	20,348,653	5.25	5.83
Sun Lu[(1)]	-	77,986,667	77,986,667	20.11	22.35
Ong Wee Chuan[(3)]	-	5,000,000	5,000,000	1.29	1.43
Chua Hung Meng	-	-	-	-	-
Tan Song Kwang	-	-	-	-	-
Koh Choon Kong	-	-	-	-	-
Substantial Shareholders (excluding Directors)					
Mao Lina[(1)]	-	77,986,667	77,986,667	20.11	22.35
Dingji Investments Ltd[(1)]	77,986,667	-	77,986,667	20.11	22.35
Liou Fang You[(4)]	13,838,001	8,000,000	21,838,001	5.63	6.26
Tam Bee Mooi[(5)]	1,500,000	25,000,000	26,500,000	6.83	7.59
Tan Seow Juay[(5)]	5,000,000	21,500,000	26,500,000	6.83	7.59
Ong Yick Yih[(6)]	-	20,336,667	20,336,667	5.25	5.83

Notes:

(1) Dingji Investments Ltd is a company established in BVI and it shares are held equally between Sun Lu and Miao Lina. Sun Lu is son in law of Wu Dingrong and Miao Lina is adopted daughter of Wu Dingrong. Sun Lu and Miao Lina are holding the shares in Dingji Investments Ltd on trust for Wu Dingrong, therefore, Wu Dingrong is the beneficial owner of and deemed interested in the 77,986,667 Shares held under Dingji Investments Ltd.

(2) Lee Wan Sing is the beneficial owner of and deemed interested in the 6,348,653 Shares held under Mayban Nominees (S) Pte Ltd, deemed interested in the 9,000,000 Shares held under OCBC Limited and deemed interested in the 5,000,000 Shares held under Hong Leong Finance Limited. Therefore, Lee Wan Sing is deemed to hold 20,348,653 Shares of the Company.

(3) Ong Wee Chuan is the beneficial owner of and deemed interested in the 5,000,000 Share held under DBS Nominees.

(4) As Liou Fang You holds 100% of the issued and paid up shares in the share capital of Giant Success Investments Limited, in accordance with Section 7 of the Act, he is deemed to be interested in all the 8,000,000 shares of the Company owned by Giant Success Investments Limited. Therefore, Liou Fang You is deemed to hold 8,000,000 Shares of the Company.

(5) Tan Seow Juay is the beneficial owner of and deemed interested in the 5,000,000 Shares held under Mayban Nominees (S) Pte Ltd, deemed interested in the 9,000,000 Shares held under OCBC Limited and deemed interested in the 6,000,000 Shares held under Hong Leong Finance Limited. Tam Bee Mooi is the wife of Tan Seow Juay, Tan Seow Juay is deemed to be interested in the 1,500,000 Shares held by Tam Bee Mooi. Therefore, Tan Seow Juay is deemed to hold 21,500,000 Shares of the Company. Tan Seow is the husband of Tam Bee Mooi, Tan Bee Mooi is deemed to be interested in the 25,000,000 Shares held by Tan Seow Juay.

(6) Ong Yick Yih is the beneficial owner of and deemed interested in the 11,170,000 Shares held under DBS Nominees. As Ong Yick Yih holds 100% of the issued and paid up shares in the capital of Frankland Investments Limited, in accordance with Section 7 of the Act, he is deemed to be interested in all the 9,166,667 Shares of the Company owned by Frankland Investments Limited. Therefore, Ong Yick Yih is deemed to hold 20,336,667 Shares of the Company.

Save for Wu Dingrong and his Associates (including but not limited to Sun Lu, an Executive Director of the Company) as disclosed in this Circular, none of the Directors or Substantial Shareholders has any direct or indirect interest in the Proposed Renewal of IPT Mandate other than through their respective shareholdings in the Company if any.

5. STATEMENTS OF THE AUDIT COMMITTEE

Pursuant to Rule 920(1)(c) of the Catalist Rules, the Audit Committee confirms that:

(i) the methods or procedures for determining the transaction prices as described in Section 2F hereof have not changed since last Shareholders approval of the IPT Mandate obtained on 28 April 2014 EGM; and

(ii) the methods or procedures for determining the transaction prices as described in Section 2F hereof are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures are inadequate or inappropriate to ensure that the relevant transactions with the Interested Person will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, or in the event of any amendment to Chapter 9 of the Catalist Rules, the Audit Committee will, in consultation with the Board, take such action as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary and direct the Company to revert to Shareholders for a fresh mandate based on the new guidelines and procedures for transactions with the Interested Person.

6. DIRECTORS' RECOMMENDATIONS

The Proposed Renewal of IPT Mandate. Having fully considered the rationale and benefits of the IPT Mandate as set out in Section 2E of this Circular, the Directors, with Wu Dingrong and his relevant Associates (including but not limited to Sun Lu, an Executive Director of the Company) abstaining from making any recommendations, are of the opinion that the Proposed Renewal of IPT Mandate (including the Offtake Agreement) is in the best interests of the Company. Accordingly,

they recommend that Shareholders vote in favour of the Ordinary Resolution in respect of the Proposed Renewal of IPT Mandate as set out in the Notice of EGM.

The proposed adoption of the Share Buyback Mandate. Having fully considered, inter alia, the rationale of the Share Buyback Mandate as set out in Section 3B of this Circular, the Directors are of the opinion that the proposed adoption of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution in respect of the proposed adoption of the Share Buyback Mandate as set out in the Notice of EGM.

7. ABSTENTION FROM VOTING

Wu Dingrong, being a Director interested in the IPT Mandate, will abstain from voting his shareholding, and undertakes to ensure that his Associates (including but not limited to Sun Lu, an Executive Director of the Company) will abstain from voting, in respect of the Ordinary Resolution relating to the Proposed Renewal of IPT Mandate. Further, Wu Dingrong undertakes to decline, and shall ensure that his Associates shall decline, to accept appointment as proxies to vote at and attend the forthcoming EGM in respect of the said Ordinary Resolution unless the Shareholder concerned shall have given specific instructions as to the manner in which his votes are to be cast at the EGM.

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 to N-3 of this Circular, will be held on 30 April 2015 for the purpose of considering and if, thought fit, passing, with or without modification, the Ordinary Resolutions set out in the Notice of EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the proxy form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company's share transfer agent in Singapore, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.) either by hand at 80 Robinson Road, #11-02 Singapore 068898 or by post at 80 Robinson Road, #02-00, Singapore 068898 not less than 48 hours before the time of the EGM in accordance with the instructions stated herein. The completion and return of the proxy form by such Shareholder will not prevent him from attending and voting in person at the EGM in place of his proxy should be subsequently wishes to do so.

A Depositor will not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears of the Depository Register as at 48 hours before the EGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Renewal of IPT Mandate and the Proposed Adoption of the Share Buyback Mandate, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the Company's registered office at 10 Upper Aljunied Link, #04-09, Singapore 367904 during normal business hours from the date hereof up to and including the date of the EGM:

(a) the Memorandum and Articles of Association of the Company;

(b) the annual report of the Company for FY2014; and

(c) the Offtake Agreement.

Yours faithfully
For and on behalf of the Board
Oriental Group Ltd.

Lee Wan Sing
Executive Director & Chief Executive Officer
15 April 2015

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORIENTAL GROUP LTD.
(Company Registration Number: 200401998C)
(Incorporated in the Republic of Singapore on 23 February 2004)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of Oriental Group Ltd. (the "**Company**") will be held at 10 Upper Aljunied Link, #04-09, Singapore 367904 on 30 April 2015 at 3.30 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be convened on the same day and at the same venue) for the purpose of considering and, if thought fit, passing with or without any amendments, the following ordinary resolutions.

All capitalised terms used in this notice which are not defined herein shall have the meanings ascribed to them in the Circular dated 15 April 2015 to Shareholders of the Company (the "**Circular**")

ORDINARY RESOLUTIONS

ORDINARY RESOLUTION 1
THE PROPOSED RENEWAL OF THE IPT MANDATE (INCLUDING THE OFFTAKE AGREEMENT)

That:-

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), for the Entities at Risk (as described in Section 2 of the Circular), or any of them, to enter into any of the transactions falling within the types of Recurrent IPTs set out in Section 2 of the Circular with the Interested Person (as described in Section 2 of the Circular), provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and or its minority Shareholders and are in accordance with the guidelines and review procedures for such Recurrent IPTs;

(b) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules, for the Group to continue the implementation of the Offtake Agreement with Jiangyin Jincheng for a further two (2) years from the date of the passing of this Ordinary Resolution;

(c) the approval given in paragraphs (a) and (b) above shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company;

(d) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendments to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time; and

(e) the Directors or any one of them be and are hereby authorised to complete and do all acts and things as they or he may consider necessary or expedient for the purposes of or in connection with and to give effect to the transactions contemplated and/or authorised by the IPT Mandate and/or this Ordinary Resolution (including but not limited to the execution of other ancillary documents, procurement of third party consents and making of amendments to the Recurrent IPTs) as they or he shall think fit and in the interests of the Company.

ORDINARY RESOLUTION 2
THE PROPOSED ADOPTION OF SHARE BUYBACK MANDATE

That:-

(a) for the purposes of Sections 76C and 76E of the Companies Act Chapter 50 of Singapore (the "**Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares fully paid in the capital of the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) (each a "**Market Purchase**") on the SGX-ST; and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on

the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all conditions prescribed by the Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Act and the listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**")

(b) unless varied or revoked by the Company at a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earlier of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held; or

(ii) the date on which purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(c) in this Ordinary Resolution:

"**Prescribed Limit**" means that number of issued Shares representing ten per cent. (10%) of the total number of issued Shares as at the date of the passing of this Ordinary Resolution unless the Company has effected a reduction of the total number of issued Shares of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period (as hereafter defined), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered. Any Shares which are held as Treasury Shares will be disregarded for purposes of computing the ten per cent (10%) limit; and

"**Relevant Period**" means the period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier, after the date of this Ordinary Resolution is passed; and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as hereinafter defined); and

(ii) in the case of an Off-Market Purchase, one hundred and twenty per cent. (120%) of the Average Closing Price (as hereinafter defined),

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded before the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as hereinafter defined) pursuant to Off-Market Purchase, and deemed to be adjusted for any corporate action which occurs after the relevant five (5) Market Day period;

"**date of making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price determined on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day(s)**" means a day or days on which the SGX-ST is open for securities trading;

(d) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased or acquired by the Company, pursuant to the Share Buyback Mandate, in any manner as they think fit, which is permissible under the Act; and

(e) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient and necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

BY ORDER OF THE BOARD

ONG WEI JIN
Company Secretary

Singapore
15 April 2015

Notes:

1 A member entitled to attend and vote at a EGM is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.

2 Where a member appoints two (2) proxies, he/she shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.

3 The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

4 The instrument appointing a proxy or proxies must be deposited together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof at the Company's share transfer agent in Singapore, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), either by hand at 80 Robinson Road, #11-02 Singapore 068898 or by post at 80 Robinson Road, #02-00, Singapore 068898, not less than forty-eight (48) hours before the time appointed for the EGM in accordance with the instructions stated herein.

5 A corporation which is a member may, by resolution of its directors or other governing body, appoint such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Act.

ORIENTAL GROUP LTD
(Company Registration Number: 200401998C)
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy Oriental Group Ltd's shares, this Circular is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.

2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

3. CPF investors who wish to attend the EGM as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We_____ (Name) NRIC/Passport No._____ of

_____(Address)

being a member/members of Oriental Group Ltd ("**Company**"), hereby appoint:–

Name	***NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**(%)**
Address			

*and/or

Name	***NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**(%)**
Address			

or failing him/her/them, the Chairman of the Extraordinary General Meeting ("**EGM**") of the Company as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the EGM to be held at 10 Upper Aljunied Link, #04-09, Singapore 367904 on 30 April 2015 at 3.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(If you wish to exercise all your votes "For" or "Against", please indicate a tick [X] within the box provided. Alternatively, please indicate the number of votes as appropriate.)

Ordinary Resolutions relating to:	**For**	**Against**
THE PROPOSED RENEWAL OF THE IPT MANDATE		
THE PROPOSED ADOPTION OF SHARE BUYBACK MANDATE		

All capitalised terms used in this Proxy Form which are not defined herein shall unless the context otherwise requires have the same meanings ascribed to them in the Company's Circular to Shareholders dated 15 April 2015 (including supplements and modifications thereto).

Total number of Shares in:	**No. of Shares**
(a) In CDP Register	
(b) In Register of Members	

Dated this ____ day of _____ 2015

_____

Signature of Shareholder(s) or,
Common Seal of Corporate Shareholder

3rd fold here

Affix postage stamp

ORIENTAL GROUP LTD

80 Robinson Road,
02-00, Singapore 068898

2nd fold here

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead.

3. Where a member appoints two proxies, he/she shall specify the percentage of his/her shares to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent one hundred percent. (100%) of his/her shareholding and the second named proxy shall be deemed to be an alternate to the first named.

4. A proxy need not be a member of the Company.

5. The duly completed instrument appointing a proxy or proxies together with the letter of power of attorney, if any, under which it is signed or a duly certified copy thereof, must be deposited at the office of the Company's share transfer agent in Singapore, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), either by hand at 80 Robinson Road, #11-02, Singapore 068898 or by post at 80 Robinson Road, #02-00, Singapore 068898, not less than forty-eight (48) hours before the time appointed for the EGM in accordance with the instructions stated herein.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such a person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

7. Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be for or against the Resolutions as set out in the Notice of EGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the EGM.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

9. In the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register forty-eight (48) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

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