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This announcement 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 announcement.

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NEWS RELEASE

ORIENTAL GROUP REPORTS CONSOLIDATED FINANCIAL RESULTS FOR THE HY2015

FINANCIAL HIGHLIGHTS

	Half Year Ended		Change
	30 June 15	30 June 14	
	RMB'000	RMB'000	
Revenue	**77,470**	251,596	-69%
Gross (loss)/ profit	**-1,716**	19,547	NM
Gross profit margin	**-2.2%**	7.8%	-10 pts
Net (loss)/ profit	**-18,584**	3,234	NM
Net profit margin	**-24.0%**	1.3%	NM
EBITDA	**-10,617**	13,941	NM
Basic & diluted EPS (in RMB cents)	**-4.79**	0.83	NM
NAV per share (in RMB cents)	**36.44**	41.08	-11%

SINGAPORE- 14 August 2015- Oriental Group Ltd. ("**Oriental**" or the "**Group**"), an integrated steel player which manufactures and trade steel related product in both the PRC and Singapore has released its consolidated financial results for the six months period ended 30 June 2015 ("**HY2015**"). The Group reported a net loss of RMB18.6 million in HY2015 against a net profit of RMB3.2 million in the last corresponding period ("**HY2014**"). The Group's EBITDA came in at a loss of RMB10.6 million in HY2015 as compared to a profit of RMB13.9 million in HY2014.

Total revenue decreased by RMB174.1 million from RMB 251.6 million in HY2014 to RMB 77.5 million in HY2015. The decrease was mainly due to the absence steel billet sales by the PRC subsidiary, Xinghua Rongcheng Precision Manufacturing Co., Ltd ("**XHRC**") during the construction period of XHRC's Phase II plant extension project and the drop in sales volume of steel bar in the PRC domestic market.

Outlook and Strategy

Industry Outlook

The outlook of the global steel industry is expected to remain challenging in second half of 2015. The PRC domestic market is still struggling with both overcapacity in steel production supply and slowdown in steel consumption demand. However, PRC remains one of the fastest growing economies and management believes that infrastructure development projects will continue to drive the steel consumption demand.

Domestic Sales in PRC

In Q4 FY2014, the Group has commenced XHRC Phase II plant extension to incorporate the rolling mill capabilities into XHRC so that the facility is able to engage in one continuous production from scrap metal to steel bars. During the construction period, XHRC's production of steel billets will be halted. Management had initially expected the completion of the Phase II plant extension to be in 3Q FY2015, however, the Group now expects a delay in the completion due to the weak economic conditions and financial performance of the Group in HY2015 which resulted in a negative operating cash flow working capital position. As such, management reallocated some funding for XHRC construction to its operations.

Mr Wu Dingrong, Oriental's Chairman, said, ***"The tough operating environment has affected our HY2015 results, however, we remain committed to XHRC Phase II plant extension as this will lower our XHRC overall production costs in the long run thus enabling the Group to improve its price competitiveness in this market and hence profitability."***

Sales outside PRC

The Group had in HY2015 set up its Steel Trading Division in its Singapore sales office and had expanded its steel trading business operation and market presence to other South East Asian countries.

Other corporate activities

As announced on 14 July 2015, the Group entered into a sales and purchase agreement for the acquisition of the entire issued and paid-up share capital of Wan Dormitory Pte. Ltd. ("Wan Dormitory") for an aggregate consideration of S$11 million.

Wan Dormitory is an industrial property management company and its principal asset is a tenanted 3-storey light industrial development with approved secondary workers' dormitory on a 30-year leasehold land at Woodland Industrial Park, Singapore. The remaining lease as at 30 June 2015 is 22 years.

Mr Lee Wan Sing, CEO, said, "This acquisition allows the Group to tap on the property markets and broaden its sources of revenue to enhance long term shareholders' value."



(Woodlands Auto Hub - General View)



(Woodlands Auto Hub - Building Façade)

- End-

About Oriental Group Ltd.

Oriental Group Ltd, stock code 5FI.SG, is a listed company in SGX-Catalist since 19 November 2004. Oriental is an integrated steel player which manufactures and trade steel related product in both the PRC and Singapore. Oriental also has a regional Sales Office and warehouse in Singapore and Oriental's production facilities are located in Jiangyin City and Xinghua City, Jiangsu Province, the People's Republic of China.

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