ORIENTAL GROUP LTD.
(Company Registration No. 200401998C)
(Incorporated in Singapore)

PROPOSED PLACEMENT OF 50,000,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF ORIENTAL GROUP LTD

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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.*

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

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.

1. INTRODUCTION

The Board of Directors (the "**Board**") of Oriental Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 13 July 2015 entered into a placement agreement ("**Placement Agreement**") with 2 placees, namely Seng Lee Holdings Pte Ltd and Ong Boon Kiat (each a "**Placee**" and collectively, the "**Placees**").

2. THE PROPOSED PLACEMENT

2.1. Overview

Under the Placement Agreement, the Company intends to issue to the Placees an aggregate of 50,000,000 new ordinary shares in the capital of the Company (the "**Placement Shares**") at an issue price of S$0.10 per Placement Share (the "**Issue Price**"), for an aggregate consideration of S$5,000,000 (the "**Proposed Placement**").

The Issue Price represents a premium of 6.38% to the volume weighted average price of S$0.094 for trades done on the Shares (as defined below) on the Catalist of the SGX-ST on 13 July 2015 (being the full market day on which the Placement Agreement is signed).

2.2. Authority To Issue The Placement Shares

The Placement Shares will be allotted and issued pursuant to a general share issue mandate (the "**General Mandate**") obtained from the shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Company held on 30 April 2015 ("2015 AGM").

The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares) as at the date of the 2015 AGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing Shareholders shall not exceed 50% of the Company's total number of issued Shares (excluding treasury shares).

As at the date of the 2015 AGM, the number of issued Shares was 387,730,870. Following the issuance of 90,000,000 Shares pursuant to the proposed acquisition of 100% equity interest in Wan Dormitory Pte. Ltd. announced by the Company on 14 July 2015 ("**Proposed Acquisition**"), the balance number of new Shares that may be issued other than on a pro-rata basis is 103,865,435 Shares. The proposed allotment and issuance of an aggregate of 50,000,000 Placement Shares will fall within the limits of the General Mandate.

2.3. Terms of the Proposed Placement

(i) The Placement Shares

The Placement Shares, when issued, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights and entitlements similar to the existing Shares, except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Placement Shares.

(ii) Conditions Precedent

The Proposed Placement is subject to certain conditions, including amongst others, the in-principle approval and the listing and quotation notice (the "**Listing and Quotation Notice**") for the listing and quotation of the Placement Shares for each Placee on the Catalist of SGX-ST being obtained from the SGX-ST.

The Company will be making an application to the SGX-ST through its sponsor for the listing of and quotation for the Placement Shares on the Catalist of the SGX-ST, and will make the necessary announcement upon receipt of the Listing and Quotation Notice from the SGX-ST.

(iii) Long- Stop Date

Under the Placement Agreement, there is a long-stop date of six (6) months from the date of the Placement Agreement or such other date as the Placees and the Company may agree before which the conditions precedent as set forth in the Placement Agreement, failing which the Placement Agreement shall for such Placee *ipso facto* cease and be terminated and neither such Placee nor the Company shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the Proposed Placement without affecting the rights or liabilities under the Placement Agreement arising out of any antecedent breach of the Placement Agreement.

(iv) Completion

Completion of the Proposed Placement between the Company and each Placee shall proceed independently, and shall not be conditional upon successful or concurrent completion by any other Placee. The Company shall be entitled to proceed with completion of the Proposed Placement for each Placee on different completion dates independently of the other Placee, on satisfaction or waiver of the conditions precedent as set forth in the Placement Agreement and subject to any conditions set out in the Listing and Quotation Notice.

Completion of the Proposed Placement shall, for each Placee, be on a date as decided by the Company being a date falling at least five (5) clear Market Days (being a day on which the SGX-ST is open for securities trading) after the satisfaction of the conditions precedents.

Each of the Placees shall also be entitled to nominate that the Placement Shares be issued to an investment holding company fully held by such Placee, or by such Placee with one or more other Placees in the same proportion as each Placee's relative number of Placement Shares subscribed.

(v) Subscription of the Placement Shares

Pursuant to the Proposed Placement, the Company will issue and allot to the Placees the number of Placement Shares set out against their respective names as below:-

Name of the Placee	Number of Placement Shares to be subscribed for	As a percentage of the Group's issued share capital as at the date of this announcement[(1)]
Seng Lee Holdings Pte Ltd	35,000,000	9.03%
Ong Boon Kiat	15,000,000	3.87%

Note:

(1) Based on the Company's existing issued and paid-up share capital of 387,730,870 Shares.

3. INFORMATION ON THE PLACEES

The particulars of the Placees are as follows:-

Name	Place of Incorporation / Nationality	Shareholders of the Placee and shareholding percentages of such shareholders in the Placee	Directors of the Placee	Business Activity/ Occupation
Seng Lee Holdings Pte Ltd	Singapore	Lim Kim Chong Foundation Pte.Ltd.[(2)] (29.17%); Leong Quee Ching Karen (10.41%); Lim Kim Chong (31.25%); Lim Soon Heng [(1)] (29.17%)	Lim Kim Chong[(2)], Lim Soon Heng [(1)]	Investment holding company
Ong Boon Kiat [(3)]	Singaporean	N.A.	N.A.	Businessman

Notes:

(1) As at the date of this announcement, Lim Soon Heng holds directly 7,374,700 Shares and is deemed to hold 5,000,000 Shares by virtue of his wife, Tang Nancy's shareholding in the Company which represent 1.90% and 1.29% interest respectively. Lim Soon Heng is also a vendor in the Proposed Acquisition. If both the Proposed Acquisition and the Proposed Placement proceed, Lim Soon Heng will hold directly 12,174,700 Shares and be deemed to hold collectively 54,400,000 Shares, which consist of (a) 35,000,000 Shares by virtue of his shareholding of no less than 20% interest in Seng Lee Holdings Pte Ltd, and (b) his wife, Tang Nancy's shareholding of 19,400,000 (Tang Nancy is also a vendor in the Proposed Acquisition). Lim Soon Heng also holds S$500,000 convertible loan notes which at the prevailing conversion price of S$0.13 (for the period from 8 January 2015 to 7 January 2016) will, if converted, entitle him to 3,846,154 new ordinary shares of the Company.

(2) Lim Kim Chong is the sole shareholder of Lim Kim Chong Foundation Pte. Ltd. and he is deemed interested in 35,000,000 Shares held under Lim Kim Chong Foundation Pte. Ltd. Lim Kim Chong is the father of Lim Soon Heng.

The Placees were referred by Mr Lee Wan Sing, Chief Executive Officer of the Group. No referral fees will be payable by the Company to the referee.

Each of the Placees has in the Placement Agreement represented and warranted to the Company that neither of them (and in respect of corporate Placees, its directors, its shareholders and its ultimate beneficial owners) is within the category of persons set out under Rule 812(1) of the Catalist Rules, acting in concert with any other Placee or shareholders in the Company, nor is it has any connection or business relationship any other Placee or Directors or substantial shareholders of the Company.

The Placees have expressed keen interest to invest in the Group in view of the Group's current business and future developments.

4. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The financial effects of the Proposed Placement as presented herein:

(a) are purely for illustrative purposes only and is not a projection of the actual future financial performance or financial position of the Group after the Proposed Placement; and

(b) are based on the audited consolidated financial statement of the Group for the financial year ended 31 December 2014 ("**FY2014**").

For illustration purposes only, the information below are calculated on the basis of an exchange rate of S$1 to RMB4.6.

4.1. Net Tangible Assets ("NTA") per Share

Assuming that the Proposed Placement had been effected on 31 December 2014, the effects of the Proposed Placement on the Group's NTA per Share would be as follows:

	Before Proposed Placement	**After Proposed Placement**
NTA (S$'000)	34,626	39,576
Number of Shares	387,730,870	437,730,870
NTA per Share (Singapore Cents)	8.93	9.04

4.2. Loss per Share ("LPS")

Assuming that the Proposed Placement had been effected on 1 January 2014, the effects of the Proposed Placement on the Group's LPS would be as follows:

	Before Proposed Placement	**After Proposed Placement**
Net loss attributable to shareholders (S$'000)	1,340	1,340
Number of Shares	387,730,870	437,730,870
LPS (Singapore Cents)	0.346	0.306

4.3. Gearing

Assuming that the Proposed Placement had been effected on 31 December 2014, the effects of the Proposed Placement on the Group's gearing ratio are as follows:

	Before Proposed Placement	**After Proposed Placement**
Total debt (S$'000)	18,905	18,905
Total equity (S$'000)	34,626	39,626
Gearing ratio	54.60%	47.71%

4.4. Share Capital

As at the date of this announcement, the Company has in issue 387,730,870 ordinary shares (the "**Shares**"). Upon the allotment and issuance of the Placement Shares, the Company's issued share capital will increase to 437,730,870 Shares. Taking into account of the consideration shares for the Proposed Acquisition as well as the Placement Shares, the Company will have an enlarged issued share capital comprising 527,730,870 Shares ("**Enlarged Share Capital**"). The Placement Shares would represent approximately 12.90% of the issued share capital of the Company as at the date of

this announcement and approximately 9.47% of the Enlarged Share Capital after the Proposed Placement.

5. RATIONALE AND USE OF PROCEEDS

The Company is undertaking the Proposed Placement to strengthen its financial and working capital position. The estimated net proceeds from the Proposed Placement, after deducting estimated expenses pertaining to the Proposed Placement of approximately S$50,000, would be approximately S$4,950,000 (the "**Net Proceeds**"). The Group, after taking into account its working capital position, intends to apply the Net Proceeds as follows:

Use of Net Proceeds	**Amount (S$)**	**Percentage of Net Proceeds**
1) Repayment of the convertible loan notes issued in FY2012	3,000,000	60.6%
2) Working capital for the Group's trading business in Singapore	1,000,000	20.2%
3) General working capital purpose	950,000	19.2%
Total	4,950,000	100.0%

Pending utilisation of the Net Proceeds for the above purposes, the Group may deploy the Net Proceeds for working capital purposes of the Group and/or placement in deposits and/or short term investments.

Each of the Placees and the Company may agree to a deposit before the completion of the Proposed Placement by the Placee of part or all of the aggregate consideration to be paid by the Placee for the subscription of the Placement Shares:

The Company will make periodic announcements on the utilisation of the Net Proceeds from the Proposed Placement as and when such funds are materially disbursed, and provide a status report on the use of the Net Proceeds from the Proposed Placement in the Company's half and full year financial statements issued under Rule 705 of the Catalist Rules and annual report. Where the Net proceeds have been used for working capital purposes, the Company will disclose a breakdown with specific details on how the Net Proceeds have been applied in the announcements and status reports. Where there is any material deviation from the stated use of Net Proceeds, the Company will announce the reasons for such deviation.

The Directors are of the opinion that, after taking into consideration the Group's bank facilities and financial support from certain directors and shareholders, the working capital available to the Group is sufficient to meet its present requirements. The Placement will provide the Group with sufficient working capital to grow its business even after the repayment of its convertible loans that were issued in FY2012. The Directors are also of the opinion that, after taking into consideration the present bank facilities and Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

6. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Proposed Placement will be undertaken pursuant to a private placement exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

7. INTERESTS OF PLACEES, DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

	Before Proposed Acquisition and Proposed Placement				After Proposed Acquisition and Proposed Placement			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Placees								
Seng Lee Holdings Pte Ltd	-	0.00%	-	0.00%	35,000,000	6.63%	-	0.00%
Ong Boon Kiat[1]	8,139,000	2.10%	-	0.00%	23,139,000	4.38%	-	0.00%
Directors								
Wu Dingrong[2]	-	0.00%	77,986,667	20.11%	-	0.00%	77,986,667	14.78%
Lee Wan Sing[3]	-	0.00%	21,848,653	5.64%	-	0.00%	21,848,653	4.14%
Sun Lu[2]	-	0.00%	77,986,667	20.11%	-	0.00%	77,986,667	14.78%
Ong Wee Chuan[4]	-	0.00%	6,500,000	1.68%	-	0.00%	6,500,000	1.23%
Chua Hung Meng	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Tan Song Kwang	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Koh Choon Kong	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Substantial Shareholders (Other than Directors and Placees)								
Miao Lina[2]	-	0.00%	77,986,667	20.11%	-	0.00%	77,986,667	14.78%
Dingji Investments Ltd[2]	77,986,667	20.11%	-	0.00%	77,986,667	14.78%	-	0.00%
Liou Fangyou[5]	13,838,001	3.57%	8,000,000	2.06%	13,838,001	2.62%	8,000,000	1.52%
Tam Bee Moi[6]	1,500,000	0.39%	25,000,000	6.45%	1,500,000	0.28%	25,000,000	4.74%
Tan Seow Juay[6]	4,000,000	1.03%	22,500,000	5.80%	4,000,000	0.76%	22,500,000	4.26%
Lim Soon Heng[7]	7,374,700	1.90%	5,000,000	1.29%	12,174,700	2.31%	54,400,000	10.31%
Tang Nancy[7]	5,000,000	1.29%	7,374,700	1.90%	19,400,000	3.68%	12,174,700	2.31%
Tay Yong Hua	2,549,200	0.66%	-	0.00%	46,949,200	8.90%	-	0.00%
Lim Kim Chong Foundation Pte Ltd[8]	-	0.00%	-	0.00%	-	0.00%	35,000,000	6.63%
Lim Kim Chong[8]	-	0.00%	-	0.00%	-	0.00%	35,000,000	6.63%

Note:

(1) As announced on 8 January 2015, Ong Boon Kiat holds S$1,000,000 convertible loan notes which at the prevailing conversion price of S$0.13 (for the period from 8 January 2015 to 7 January 2016) will, if converted, entitle him to 7,692,308 new ordinary shares of the Company.

(2) Dingji Investments Ltd is a company established in British Virgin Islands and its 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.

(3) Lee Wan Sing is the beneficial owner of and deemed interested in (i) 6,348,653 Shares held under Mayban Nominees (S) Pte Ltd, (ii) 9,000,000 Shares held under OCBC Limited, (iii) 5,000,000 Shares held under Hong Leong Finance Limited and (iv) 1,500,000 Shares held under United Overseas Bank Nominees Limited. Therefore, Lee Wan Sing is deemed interested in 848,653 Shares.

(4) Ong Wee Chuan is the beneficial owner of and deemed interested in the 6,500,000 Shares held under DBS Nominees.

(5) As Liou Fangyou 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 Companies Act, he is deemed interested in all the 8,000,000 Shares owned by Giant Success Investments Limited. Therefore, Liou Fangyou is deemed interested in 8,000,000 Shares.

(6) Tan Seow Juay is the beneficial owner of and deemed interested in (i) 6,000,000 Shares held under Mayban Nominees (S) Pte Ltd, (ii) 9,000,000 Shares held under OCBC Limited and (iii) 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 interested in 1,500,000 Shares held by Tam Bee Mooi. Therefore, Tan Seow Juay is deemed interested in 22,500,000 Shares of the Company. Tan Seow Juay is the husband of Tam Bee Mooi. Tam Bee Mooi is deemed interested in 25,000,000 Shares held by Tan Seow Juay.

(7) Lim Soon Heng is the husband of Tang Nancy. Each of them is deemed to be interested in the Shares held by each other. As announced on 8 January 2015, Lim Soon Heng also holds S$500,000 convertible loan notes which at the prevailing conversion price of S$0.13 (for the period from 8 January 2015 to 7 January 2016) will, if converted, entitle him to 3,846,154 new ordinary shares of the Company.

(8) Lim Kim Chong is the sole shareholder of Lim Kim Chong Foundation Pte. Ltd. and he is deemed interested in 35,000,000 Shares held by Lim Kim Chong Foundation Pte. Ltd..

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement, save through their respective shareholdings in the Company (if any).

8. SERVICE CONTRACT OF DIRECTORS

No service contract has been entered into in connection with the Proposed Placement.

Under the terms of the Placement Agreement, Seng Lee Holdings Pte. Ltd. shall be entitled, subject to the completion of the Proposed Acquisition, to nominate a person to be appointed as director of the Company, subject to the Placee continuing to hold not less than 35,000,000 of the Placement Shares (subject to such proportion adjustment in the event of any bonus issue, subdivision or share consolidation after completion of the Proposed Placement) and such person not being disqualified from being a director under Singapore law.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement 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 announcement in its proper form and context.

10. INSPECTION OF DOCUMENTS

The Placement Agreement is available for inspection during normal business hours at the registered office of the Company at 10 Upper Aljunied Link, #04-09 Singapore 367904 for a period of three (3) months from the date of this announcement.

11. TRADING CAUTION

Shareholders and potential investors should exercise caution when trading in shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

BY ORDER OF THE BOARD

Lee Wan Sing
Chief Executive Officer

14 July 2015