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

DISPOSAL OF A WHOLLY-OWNED SUBSIDIARY - OGL ENERGY PTE. LTD.

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 relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.

The Board of Directors (the "**Board**") of the Company (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, Oriental Investments Group Pte. Ltd. ("**Vendor**") had on 3 July 2014 entered into a sale and purchase agreement (the "**Agreement**") with 广州国储能源发展有限公司 (Guangzhou Guochu Energy Development Co. Ltd.) (the "**Purchaser**"), for the sale of its entire interest in its immediate subsidiary, OGL Energy Pte. Ltd. ("**OEP**"), which in turn holds a wholly-owned subsidiary, 兴化东方燃气有限公司 (Xinghua Oriental Gas Co., Ltd.) ("**XOG**") (collectively, the "**Sale Entities**") through the sale of the entire issued share capital of OEP ("**Sale Shares**") to the Purchaser for an aggregate cash consideration of RMB3 million (or equivalent to S$0.6 million, based on an exchange rate of S$1 = RMB5) ("**Disposal**"). The Vendor had, on the same date, completed the Disposal of the Sale Shares. Following the Disposal, both OEP and XOG have ceased to be the subsidiaries of the Company.

XOG has a conditional approval ("**Conditional Approval**") from the local government in Xinhua City, Jiangsu Province, People's Republic of China for a project which entails the installation of gas piping installation in nine villages in northeast of Xinghua (the "**Project**"). After assessing the capital investment required for the completion of the Project, Management is of the view that the Disposal will enable the Group to better focus its resources on the Group's core steel businesses.

The consideration for the Disposal was arrived after arm's length negotiations and on a willing buyer-willing seller basis, taking into consideration the Conditional Approval obtained by XOG.

Under the Agreement, the aggregate consideration ("**Consideration**") for the purchase of the Sale Shares will be the cash sum of RMB3 million (equivalent to S$0.6 million) and will be payable in the following manner and proportion:

i) 50% of the Consideration, being RMB 1.5 million (equivalent to S$0.3 million) will be paid within 3 business days from completion of the Disposal.

ii) 50% of the Consideration, being RMB 1.5 million (equivalent to S$0.3 million) will be paid within 3 business days after XOG obtains the concession from local government for the Project.

The Sale Entities are currently not operating and the total net tangible asset ("**NTA**") value amounts to RMB484 as at 31 December 2013 and the date of disposal. In connection with the Disposal, the Company incurred a transaction cost of RMB1.8 million (or equivalent to S$0.36 million, based on an exchange rate of S$1 = RMB5), which is mainly for the payment to a third party arranger of this transaction. The Group expects to recognise a gain on disposal of approximately RMB1.2 million at the Group level for the current financial year ending 31 December 2014.

The relative figures computed on the basis set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("Catalist Rules") for the Disposal, and based on the latest audited financial statements of the Group for the financial year ended 31 December 2013 are as follows:-

	Relative Figures (%)
Rule 1006 (a) Net asset value of the assets to be disposed of (RMB484), compared with the Group's net asset value (RMB168,229,000)	0.0003%
Rule 1006 (b) Net profits attributable to the assets disposed of (RMB Nil), compared with the Group's net profits (RMB4,259,000)	0%
Rule 1006 (c) Aggregate value of consideration given or received (S$600,000), compared with the market capitalisation of the Company as at 3 July 2014 (S$40,324,010)	1.48%
Rule 1006 (d) Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable to the Disposal
Rule 1006 (e) Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable to the Disposal

Based on the above, the relative figures as computed on the bases set out in Rule 1006 do not exceed 5%. The Disposal therefore constitutes a non-discloseable transaction within the meaning of Rule 1008 of the Catalist Rules. Other than the gain on the Disposal as disclosed above, the Disposal is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2014.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Disposal, save for their shareholdings in the Company.

By Order of the Board

Lee Wan Sing
Executive Director
8 July 2014