

**SELECT CATERING SERVICES LIMITED**  
(Company Registration No. 199500687Z)

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- (1) **PROPOSED LEASE AND MANAGEMENT OF HOTEL**  
(2) **STRATEGIC STAKE BY JIT SUN INVESTMENTS**
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**Proposed Lease and Management of Hotel**

The Directors of Select Catering Services Limited (the "Company") wish to announce that the Company has entered into a memorandum of understanding ("MOU") with Jit Sun Investments Pte. Ltd. ("JSI") for the proposed lease and management of a hotel, which is under construction.

Under the MOU, JSI will construct and develop a boutique business class hotel block ("Hotel") on part of the property situated at 15 Hoe Chiang Road Singapore. The Hotel is intended to comprise at least three floors and 25 luxury guestrooms equipped and furnished with daily amenities and other room and communications technology features suitable for both business and leisure travellers ("Project"). The Company proposes to take on a lease and the operation, management and marketing of the Hotel upon completion of the Project. Alimento Holdings Limited ("Alimento"), a substantial shareholder of the Company played a key role in introducing JSI to the Company and the negotiations leading to the MOU.

The terms and conditions of the proposed lease and management agreement are subject to negotiations between the parties. Subject to the successful negotiations of such terms and conditions, the parties will in due course enter into a formal lease and management agreement with each other. The Company will make further announcement when a formal agreement has been entered into. Shareholders and potential investors should note that the proposed transaction under the MOU is subject to a formal agreement being entered into with JSI. As there is no certainty that such an agreement will be successfully negotiated, the proposed transaction may therefore not be proceeded with at all. Accordingly, shareholders and investors are advised to exercise caution when trading in the shares of the Company.

**Strategic Stake by Jit Sun Investments**

In connection with the Project, JSI wishes to acquire a strategic stake in the Company. In this regard, JSI proposes to acquire from Alimento 32.42 million shares in the Company.

In connection with the 23 January 2007 placement of 39,000,000 new shares ("Subscription Shares"), constituting 29.6% of the enlarged issued number of shares in the capital of the Company, to Alimento (pursuant to the Circular dated 3 January 2007), Alimento has undertaken to the Company not to, without the prior written approval of the Directors, sell, transfer or in any way dispose of its interest (direct or indirect) in the Subscription Shares or any part thereof for a period of six months commencing from the date of completion of the Placement (ie. 23 January 2007). In relation to JSI's proposed acquisition of a strategic stake in the Company, the Company has received a request from Alimento for consent to transfer 32.42 million of the Subscription Shares to JSI. Taking into consideration *inter alia*, the possible strategic alliance which the Company may establish with JSI through the abovementioned proposed lease and management agreement of the Hotel and the commercial benefit of such alliance, the Directors have agreed to the waiver of the moratorium undertaken by Alimento, and consented to the proposed transfer of the Subscription Shares to JSI.

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**Interests of Directors and Substantial Shareholders**

None of the Directors or substantial shareholders of the Company have any interest or are deemed to be interested in the above transactions. If JSI becomes an interested person of the Company (as defined under Chapter 9 of the Listing Manual) as a result of the transfer of 32.42 million of the Subscription Shares (constituting 24.61% of the share capital of the Company) to JSI, the Company will, if required, seek the approval of shareholders and comply with such other requirements as may be imposed by the Listing Manual of the SGX-ST in relation to the proposed lease and management agreement of the Hotel.

By Order of the Board

Tan Chor Khoon  
Director

6 June 2007