

**SELECT GROUP LIMITED**  
(Incorporated in Singapore with limited liability)  
(Company Registration No.: 199500697Z)  
(the “Company”)

**INTERESTED PERSON TRANSACTIONS - OFFSHORE SERVICE AGREEMENTS ENTERED INTO WITH EMAS OFFSHORE CONSTRUCTION AND PRODUCTION PTE. LTD. AND EMAS OFFSHORE SERVICES PTE. LTD., THE ASSOCIATES OF A CONTROLLING SHAREHOLDER**

**1. Introduction**

On 1 November 2007, the Company made a press release that the Company and its subsidiaries (the “**Group**”) had widened their business into the offshore, oil and gas industry by entering into an agreement with Emas Offshore Construction and Production Pte. Ltd. (“**EOCP**”) on a formal contract to provide EOCP with offshore catering services on board a pipe-laying and accommodation barge.

**2. Offshore Service Agreements**

Further to the press release mentioned above, the board of directors of the Company (the “**Directors**”) wishes to announce that Select Food Services Pte Ltd, a wholly-owned subsidiary of the Company incorporated in Singapore (“**Select Food**”) had entered into the following agreements (the “**Offshore Service Agreements**”):-

- (a) On 24 October 2007, with EOCP for the supply of catering and housekeeping services on Lewek Champion, a heavy lift, pipe-laying and accommodation barge;
- (b) On 30 January 2008, with Emas Offshore Services Pte. Ltd. (“**EOSP**”) for the supply of catering and housekeeping services on Lewek Chancellor, a heavy lift accommodation crane barge; and
- (c) On 4 April 2008, with EOCP for the supply of catering and housekeeping services on Lewek Arunothai (formerly known as Lewek FPSO), a floating production and storage offloading unit.

Under the Offshore Service Agreements, Select Food is or was appointed the contractor to provide catering, laundry and housekeeping services on board the respective vessels. The services are provided 24 hours a day and 7 days a week throughout the entire duration of the relevant agreement while the vessel is on tow to the location of its operations and during the period of its offshore operations.

Select Food is paid based on an agreed manday daily rate, that is, the rate payable for each resident on board the vessel and for each visitor who consumes a minimum number of meals a day. For visitors who consume less than the minimum number of meals, such meals are charged based on agreed casual rates. A minimum number of residents was guaranteed under each agreement.

The value of each Offshore Service Agreements transaction was arrived at after taking into consideration the prices charged to Ezra Holdings Limited (“**Ezra**”) and its subsidiaries and/or associated companies (“**Ezra Group**”) by other third party catering contractors unrelated to the Ezra Group for transactions of a similar nature. EOSP is a wholly owned subsidiary of Ezra while EOCP is a wholly owned subsidiary of EOC Limited (“**EOC**”), a company in which Ezra has approximately 48.87% interest.

Brief particulars of the Offshore Service Agreements are as follows:-

Vessel	Contracting parties	Contractual period of operation	Actual period of operation
Lewek Champion (Heavy-lift, accommodation and pipelay barge)	Select Food EOCP	30 October 2007 to 30 January 2008 (extended to 15 April 2008)	1 November 2007 to 15 April 2008
Lewek Chancellor (Heavy lift accommodation crane barge)	Select Food EOSP	9 February 2008 to 30 November 2008	6 February 2008 to 20 November 2008
Lewek Arunothai (Floating production and storage offloading unit)	Select Food EOCP	4 April 2008 to 3 April 2011	4 April 2008 to Present

Revenue derived from each of the Offshore Service Agreements, as a percentage of the audited net tangible asset ("NTA") of the Group as at the last day of the financial year ended prior to the date of the relevant Offshore Service Agreement, is as follows:-

Vessel	Date of agreement	Revenue <sup>(1)</sup>	As a percentage of the audited consolidated NTA of the Group preceding date of agreement
Lewek Champion	27 October 2007	S\$674,041	9.7%
Lewek Chancellor	30 January 2008	S\$1,910,792	15.8%
Lewek Arunothai	4 April 2008	S\$310,023 (as at 31 December 2008)	2.6% (based on the revenue derived up to 31 December 2008)

### 3. Rationale

The Offshore Services Agreements were entered into as part of the Company's efforts in expanding its business into the offshore, oil and gas industry, with the view of becoming one of the leading one-stop offshore service solutions provider. As the nature of the business of providing offshore catering and housekeeping services is relatively less capital intensive, the Group's foray into this new area of the business will increase its revenue stream, without the adverse effect of increasing its capital expenditure significantly. Further, with the increase in experience and track record, the Group aims to procure more offshore service contracts to achieve greater economies of scale and improved profit margins.

### 4. Interested person transactions

EOSP is a company incorporated in Singapore. Its directors are Lionel Lee, Lee Kian Soo and Adarash Kumar A/L Chranji Lal Amarnath and its sole shareholder is Ezra. EOSP carries on the business of providing ship management services. It also provides crewing and other related or associated services to offshore support vessels.

EOCP is a company incorporated in Singapore. Its directors are Lionel Lee, Lee Kian Soo, Lim Kwee Keong, Dominic Koay Seng Keong and Chan Eng Yew, and its sole shareholder is EOC. EOCP is the operator of a floating production, storage and offloading unit. It is also an offshore construction services contractor based in Asia, with operations throughout Australasia and the Middle East.

For the purpose of Rule 904(4) of Section B: Rules of the Catalist of the listing manual of Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"), EOCP and EOSP are considered interested persons, being associates of Jit Sun Investments Pte. Ltd. ("**Jit Sun**") and Lionel Lee Chye

Tek ("**Lionel Lee**"), as described below. The Offshore Service Agreements, being entered into by the Group with EOCP and EOSP, are considered interested person transactions.

Jit Sun, which holds 22.7% of the total issued shares of the Company, is a controlling shareholder of the Company. As the date of this announcement, Lionel Lee holds 100% of the total issued shares in the capital of Jit Sun. He is as such deemed to be interested in the 22.77% shareholding interest in the Company held by Jit Sun by virtue of Section 7(4A) of the Companies Act. Lionel Lee is therefore deemed to be a controlling shareholder of the Company. As at the date of this announcement, Lionel Lee and his associates in aggregate hold more than 30% of the shareholding interests in Ezra. Ezra is as such an associate of Lionel Lee, and an interested person of the Company. Ezra holds 100% of EOSP. EOSP, being a wholly-owned subsidiary of Ezra, is thus also an associate of Lionel Lee and Jit Sun. Transactions entered into by the Group with EOSP should accordingly be treated as interested person transactions under Chapter 9 of the Catalist Rules.

As at the date of this announcement, Ezra holds 48.87% of EOC, which in turn holds 100% of EOCP. Therefore, Lionel Lee and Jit Sun are deemed interested in 48.87% of the shares in EOC by virtue of section 7(4A) of the Companies Act. EOCP, being a wholly-owned subsidiary of EOC, is thus an associate of Lionel Lee and Jit Sun. Transactions entered into by the Group with EOCP should accordingly be treated as interested person transactions under Chapter 9 of the Catalist Rules.

## 5. Shareholders' approval/ratification

In accordance with Rule 906(1)(a) of the Catalist Rules, where the value of an interested person transaction is equal to or exceeds 5% of the latest audited net tangible asset of the Group for the financial year immediately preceding the date the agreement was entered into, the approval of shareholders of the Company (the "**Shareholders**") is required to be obtained either prior to the transaction being entered into, or prior to completion of the transaction, as the case may be.

As set out above, the revenue derived from the Offshore Service Agreements in respect of Lewek Champion and Lewek Chancellor each exceeded the said 5% threshold while the revenue to be derived from the Offshore Service Agreement in respect of Lewek Arunothai for the entire duration of the contract is expected to exceed the said 5% threshold. Shareholders' approval and ratification for each of the Offshore Service Agreements is therefore required. To that effect, the Company intends to convene an extraordinary general meeting ("**EGM**") for the purpose of seeking Shareholders approval and ratification of the Offshore Service Agreements.

## 6. Aggregate value of interested person transactions

The aggregate value of all interested person transactions entered into by the Group for the financial year ("**FY**") ended 31 December 2007 and 2008 and with each of EOCP and EOSP are as follows:

	<b>Aggregate value of all interested person transactions entered into by the Group</b>	<b>Aggregate value of interested person transactions entered into by the Group with EOCP</b>	<b>Aggregate value of interested person transactions entered into by the Group with EOSP</b>
FY2007	S\$265,372	S\$265,372	Nil
FY2008	S\$2,629,484	S\$718,692	S\$1,910,792

Save as aforesaid, there were no other interested person transactions entered into between the Group with EOSP and EOCP in FY2007 and FY2008 and for the current financial year (other than in respect of the Offshore Service Agreement for Lewek Arunothai).

## 7. Independent financial adviser

The Company has appointed Collins Stewart Pte. Limited (“**IFA**”) as the independent financial adviser to advise the Directors who do not have an interest in the Offshore Service Agreements on whether the terms of the Offshore Service Agreements are on normal commercial terms and whether they are prejudicial to the interests of the Company and its minority Shareholders.

The Company will, in due course, despatch to Shareholders a circular containing further details of the Offshore Service Agreements, the opinion of the IFA and enclosing a notice of EGM in connection therewith.

## 8. Statement from the Audit Committee

The audit committee of the Company (excluding Lai Kai Jin Michael), has reviewed *inter alia*, the terms of the Offshore Service Agreements and subject to the advice of the IFA, is of the opinion that the terms of the Offshore Service Agreements are on normal commercial terms and are not prejudicial to the interests of the Company and the minority Shareholders.

## 9. Interests of Directors and controlling shareholders of the Company

Lai Kai Jin Michael, a director of the Company, is also a director of EOC, the holding company of EOCP. Save as aforesaid, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Offshore Service Agreements.

## 10. Documents for inspection

A copy of each of the Offshore Service Agreements is available for inspection during normal business hours at the Company’s registered office at 36 Seneko Crescent, Singapore 758282 for a period of three months from the date hereof.

By Order of the Board  
Vincent Tan Chor Khoo  
Managing Director

9 April 2009

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This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, Stamford Corporate Services Pte Ltd (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**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.

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