

**SELECT GROUP LIMITED**  
(Company Registration No. 199500697Z)

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**PROPOSED ACQUISITION OF 100% INTEREST IN PG HOLDINGS PTE. LTD. ("PGH")**

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**Proposed acquisition of PGH and the Company's transition to the Catalyst sponsor-supervised regime**

The Board of Directors (the "Board") of Select Group Limited (the "Company") refers to the announcement made on 13 August 2008 (the "13 August 2008 Announcement") in relation to the agreement entered into by the Company with Gan Kim Heoh, Low Cheong Hui, Tan Chai Fong, Chia Yee Kuan, Ho Heng Wah, Poon Seng Fatt and Wee Tee Phong (the "Vendors") on 13 August 2008 ("Share Purchase Agreement") for the proposed acquisition of PGH by the Company (the "Proposed Acquisition") and the announcements made on 15 October 2008 and 6 November 2008 in relation to the transition of the Company to the Catalyst sponsor-supervised regime.

The Board wishes to inform shareholders of the Company (the "Shareholders") that following the transition of the Company to the Catalyst sponsor-supervised regime with effect from 17 November 2008, Rules 1006, 1013 and 1014 of the Listing Manual (the "Mainboard Rules") of the Singapore Exchange Securities Trading Limited ("SGX-ST") will no longer be applicable to the Company. Accordingly, the classification of the Proposed Acquisition and the requirement to obtain Shareholders' approval will be determined in accordance with Section B: Rules of Catalyst of the Listing Manual of the SGX-ST (the "Catalist Rules").

**Major Transaction**

The relative figures computed on the bases set out in Rule 1006 of the Catalyst Rules with respect to the Proposed Acquisition are as follows:-

- |     |                                                                                                                                                                                                       |                |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| (a) | Net asset value of the assets to be disposed of compared with the Group's net asset value as at 31 December 2007                                                                                      | Not applicable |
| (b) | Net profit/(loss) attributable to the assets acquired or disposed of, compared with the Group's net profits as at 31 December 2007                                                                    | Not meaningful |
| (c) | The aggregate value of the consideration given, compared with the Company's market capitalisation as at 11 August 2008, the last traded market day preceding the date of the Share Purchase Agreement | 23.07%         |
| (d) | The number of shares in the Company issued as part consideration for the Proposed Acquisition, compared with the number of shares previously in issue                                                 | 8.1%           |

As the Proposed Acquisition does not constitute a major transaction under Rule 1013 of the Catalyst Rules, the Company is not required to convene an extraordinary general meeting to seek the approval of Shareholders for the Proposed Acquisition.

**Information on PGH and its group of companies (the "PGH Group")**

Further to the 13 August 2008 Announcement, the Board wishes to disclose the following additional information on the PGH Group, based on information furnished by the Vendors. Where information relating to the PGH Group is obtained from the Vendors, or is extracted from published or otherwise available sources, the sole responsibility of the Directors has been to

ensure that such information has been accurately and correctly extracted from these sources or, as the case may be, reflected or reproduced in this Announcement.

*Background and Corporate Information*

PGH was incorporated in Singapore on 14 April 2006 under the Companies Act as a private company limited by shares bearing company registration number 200605454G. As at the date of this Announcement, PGH has an issued and paid-up share capital of S\$666,157 divided into 666,157 ordinary shares.

As at the date of this Announcement, the directors and shareholders of PGH are as follows:-

<b>Directors</b>	<b>Shareholders</b>	<b>Number of PGH Shares held</b>
Poon Seng Fatt	Poon Seng Fatt	566,942
Chia Yee Kuan	Chia Yee Kuan	10,000
Tan Chai Fong	Tan Chai Fong	30,280
	Ho Heng Wah	30,280
	Low Cheong Hui	10,000
	Gan Kim Heoh	8,655
	Wee Tee Phong	10,000

PGH has the following subsidiaries, particulars of which are as follows:-

<b>Name of Subsidiary</b>	<b>Country and date of incorporation</b>	<b>Nature of Business</b>	<b>Issued Share Capital</b>	<b>Number of Issued Shares</b>	<b>Shareholders</b>	<b>Effective interest held by PGH</b>	<b>Directors</b>
PG Management Services Pte. Ltd.	Singapore 17 April 2006	Business, management services	\$10,002	10,002	PG Holdings Pte. Ltd.	100%	Chia Yee Kuan Ho Heng Wah
Peach Garden @ 33 Pte. Ltd.	Singapore 10 October 2006	Operation and management of restaurants and sale of food and beverages	\$2.00	2	PG Holdings Pte. Ltd.	100%	Tan Chai Fong Chia Yee Kuan Poon Seng Fatt
Peach Garden (Novena) Pte. Ltd.	Singapore 26 November 2002	Operation and management of restaurants and sale of food and beverages	\$399,501	399,501	PG Holdings Pte. Ltd.	100%	Tan Chai Fong Chia Yee Kuan Poon Seng Fatt
Peach Garden Pte. Ltd.	Singapore 21 October 2002	Operation and management of restaurants and sale of food and beverages	\$206,094	206,094	PG Holdings Pte. Ltd.	100%	Tan Chai Fong Chia Yee Kuan Poon Seng Fatt

Name of Subsidiary	Country and date of incorporation	Nature of Business	Issued Share Capital	Number of Issued Shares	Shareholders	Effective interest held by PGH	Directors
Peach Garden Restaurant Pte. Ltd.	Singapore 19 December 2002	Operation and management of restaurants and sale of food and beverages	\$2.00	2	PG Holdings Pte. Ltd.	100%	Tan Chai Fong Chia Yee Kuan Poon Seng Fatt

### Business Overview

The PGH Group is the owner and operator of casual and fine dining restaurants in Singapore offering Chinese cuisine under the brand name of "Peach Garden". In addition, the PGH Group also provides outside catering services to corporations and private residences with high-end menus for fine dining, banquets and buffets. The Peach Garden restaurants have received a number of awards and accolades from renowned magazines such as the Singapore Tatler and Wine & Dine as well as the American Express.

Particulars of the restaurants operated by the PGH Group as at the date of this Announcement are as follows:-

Name	Location	Approximate area (square feet)	Capacity (guests)	Year of Commencement
Peach Garden @ Novena Gardens	273 Thomson Road #01-06 Novena Gardens Singapore 307644	3,000	120	2002
Peach Garden @ Thomson Plaza	301 Upper Thomson Road #01-88 Thomson Plaza Singapore 574408	9,000	350	2005
Peach Garden @ 33	The Executives' Club 65 Chulia Street #33-01 OCBC Centre Singapore 049513	10,000	250	2006

The PGH Group started its business in 2002 when its first flagship restaurant was opened at Novena Garden under the name of Peach Garden ("Peach Garden @ Novena"). Peach Garden @ Novena initially occupied an area of 2,000 square feet. Due to brisk business, Peach Garden @ Novena was quickly expanded to include another 1,000 square feet of an adjacent unit in Novena Garden.

In 2003, the PGH Group started its second restaurant with an area of about 2,000 square feet at Eastwood. The Eastwood restaurant was relocated to Thomson Plaza in 2005 upon the expiry of the initial term of tenancy at the Eastwood premises. The "Peach Garden" restaurant at Thomson Plaza ("Peach Garden @ Thomson Plaza") occupies a much bigger space with an area of about 9,000 square feet and offers greater flexibility in catering to ala carte customers and banquets. Its "dim sum" dishes are popular with families onweekends, eve of public holidays and holidays.

With good operating infrastructure in place and to enjoy the economies of operations, in 2005, the PGH Group started its outdoor catering services. Since then, the PGH Group has successfully served at numerous private functions, catering from between 10 to more than 1,000 guests.

In 2006, the PGH Group opened its third restaurant at the OCBC Executive Club located on the 33<sup>rd</sup> storey in OCBC Centre ("Peach Garden @ 33"). Peach Garden @ 33 serves as a Chinese fine dining venue to the public and also to the members of the exclusive OCBC Executive Club.

In addition to operating its own restaurants, the PGH Group, through its subsidiary, PG Management Services Pte Ltd, provides restaurant management services. In 2006, PG Management Services Pte Ltd entered into a two-year management services contract with Cathay Building 2000 Pte Ltd to provide management services to Cathay Building 2000 Pte Ltd, in the operation of the Cathay Restaurant located at the Cathay Building in Singapore. As at the date of this Announcement, PG Management Services Pte Ltd has no other management services contract other than with Cathay Building 2000 Pte Ltd.

As at the date of this Announcement, the PGH Group does not own any real property. All the premises from which the PGH Group operates are leased from third parties. The tenancies of the leases for the three restaurants mentioned above will expire between June 2011 and December 2011. In addition to the leases for its restaurants, the PGH Group has leased two other properties at 29 and 33-A Shrewsbury Road, Singapore 307813 as offices.

#### *Management*

The operations of the three Peach Garden restaurants are managed by an operations team led by Ms Tan Chai Fong and Ms Ho Heng Wah. Under the terms of the Proposed Acquisition, the Company will enter into service agreements with each of Ms Tan Chai Fong and Ms Ho Heng Wah, pursuant to which Ms Tan Chai Fong and Ms Ho Heng Wah will continue to manage the operations of the Peach Garden restaurants following completion of the Proposed Acquisition.

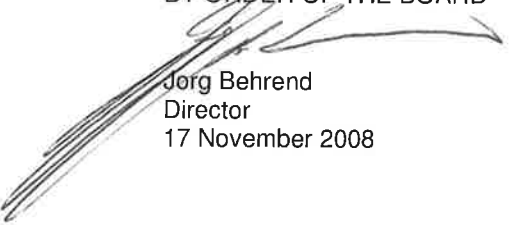
Ms Tan Chai Fong and Ms Ho Heng Wah each has more than 25 years of working experience in restaurant operations. They began their working partnership in 1982 when they were tasked with the opening of a Sichuan cuisine restaurant, the Min Jiang Restaurant at Goodwood Park Hotel. From 1985 to 1991, they were made joint managers of the newly opened Liu Hsiang Lou Restaurant, serving Sichuan and Hunan cuisine, at the Tai Pan Ramada Hotel. From 1991 to 2002, Ms Tan and Ms Ho jointly managed the Hua Ting Restaurant at Orchard Hotel that serves creative Cantonese cuisine.

In 2002, Ms Tan and Ms Ho left the employment of Orchard Hotel to branch out as working partners to set up Peach Garden @ Novena and another outlet at Upper East Coast Road, the Eastwood Restaurant. Subsequently, Ms Tan and Ms Ho also separately set up PG Management Services Pte Ltd, a catering department to tap into the demand for catering at private events at residences and corporate boardrooms. In August 2005, the restaurant outlet at Upper East Coast Road was relocated to the current Peach Garden @ Thomson Plaza. They also set up Peach Garden @ 33 in December 2006, and are in charge of the running of the businesses.

Besides managing the day-to-day operations and management of the PGH Group's restaurants, Ms Tan and Ms Ho are also involved in advisory work (including recruitment of key employees such as master chefs and restaurant managers) relating to PG Management Services Pte. Ltd.

Unless otherwise disclosed in this Announcement, the information contained in the 13 August 2008 Announcement remains unchanged.

BY ORDER OF THE BOARD



Jorg Behrend  
Director  
17 November 2008