



Select Group Limited
Incorporated in the Republic of Singapore
(Registration No. 199500697Z)

MATERIAL ADJUSTMENTS TO PRELIMINARY FULL YEAR RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

The Board of Directors (the "Board") of Select Group Limited (the "Company") refers to the announcement released by the Company via the SGXNET on 26 February 2010 in relation to the Full Year Financial Statements and Dividend Announcement for the year ended 31 December 2009 (the "Announcement").

On 13 April 2009, the Company announced that one of its wholly owned subsidiaries, Wisteria Hotel Management Pte Ltd ("Wisteria"), had entered into a tenancy agreement with Jit Sun Investments Pte Ltd ("Jit Sun"), a substantial shareholder of the Company, for the rental of the hotel under the name of Klapsons The Boutique Hotel ("Klapsons") from Jit Sun for use and operation as an international standard boutique hotel. The tenancy agreement was approved by the shareholders of the Company at the extra ordinary meeting held on 28 April 2009. The details of the tenancy agreement were set out in the circular to shareholders of the Company dated 15 April 2009 (the "Circular").

The Circular indicates that Klapsons was targeted to be officially opened in May 2009. However, Klapsons was officially launched on 18 October 2009. Jit Sun, the owner of Klapsons, has agreed to reimburse Wisteria for the costs incurred prior to the official launch and the startup losses amounting to \$1,700k, which had been recorded in the Company's consolidated statement of comprehensive income released in the preliminary full year results announcement on 26 February 2010.

With reference to the Financial Reporting Standards, FRS 1, para IN13(a), which reads as follows:-

"All changes in equity arising from transactions with owners in their capacity as owners (i.e. owner changes in equity) to be presented separately from non-owner changes in equity. An entity is not permitted to present components of comprehensive income (i.e. non-owner changes in equity) in the statement of changes in equity. The purpose is to provide better information by aggregating items with shared characteristics and separating items with different characteristics".

The auditors of the Company, after the assessment and taking into consideration of the above FRS 1, para IN13 (a), has advised that, as Jit Sun, the owner of Klapsons, is a substantial shareholder of the Company, only the reimbursement sum for the costs incurred prior to the official launch and the startup losses of approximately \$1,300k is permitted to be credited to the consolidated statement of comprehensive income. The remaining \$400k relating to the operating losses (albeit startup losses) is considered as contribution by Jit Sun, which shall be taken up in the statement of changes in equity of the financial statements.

As a result of the above adjustment, the Company's total comprehensive income for the year ended 31 December 2009 would be reduced by \$393k, from \$396k, as reported in the preliminary full year results announcement released on 26 February 2010, to \$3k. Other than the adjustment of \$400k in respect of contribution from Jit Sun for the operation of Klapsons, which was reclassified from the statement of comprehensive income to statement of equity, there are no material changes to the net assets or total equity and the net cash flows of the Company.

BY THE ORDER OF THE BOARD OF DIRECTORS

Tan Chor Khoon
Managing Director

Tan Choh Peng
Executive Director

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of Singapore Exchange Securities Trading Limited (the "Exchange"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange 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 Company's Sponsor is Mr. Bernard Lui
Tel: 6389 3000 Email: bernard.lui@stamfordlaw.com.sg*