

ST. JAMES HOLDINGS LIMITED
(Registration No: 200210338M)
(Incorporated in the Republic of Singapore)

JOINT VENTURE BETWEEN BAR STREET PTE. LTD. AND FOOD REPUBLIC PTE. LTD

1. INTRODUCTION

The Board of Directors of St. James Holdings Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Bar Street Pte. Ltd. (“**Bar Street**”), a wholly-owned subsidiary of the Group has on 2 December 2010 entered into a joint venture agreement with Food Republic Pte Ltd (“**Food Republic**”) to undertake the operation of all food stalls and non-alcoholic beverage stalls as a Beer Garden (the “**Business**”). The Business will be located at a designated area which is part of the existing outdoor car park adjoining the current premise of St. James Power Station (the “**Joint Venture**”).

Bar Street was incorporated in Singapore on 30 September 2010 with an issued and paid up share capital of \$2 for the purpose of the Joint Venture. Bar Street will operate all stores in the Beer Garden which sell alcoholic drinks, provide equipment and artistes for entertainment and procure designated car park space for the Beer Garden.

2. INFORMATION ON THE JOINT VENTURE

The Business will be undertaken by a joint venture company to be incorporated in Singapore (the “**JV Company**”). The JV Company is intended to have an initial issued and paid-up capital of S\$2.00 comprising of 2 ordinary shares, with Bar Street and Food Republic (the “**JV Partners**”) each holding 50% of equity interest in the JV Company.

Following the incorporation, the JV Partners will each provide, in proportion to their respective shareholdings in the JV Company, a sum of S\$600,000 by way of interest free shareholder’s loans to the JV Company.

The board of directors of the JV Company (the “**JV Board**”) will comprise 4 members, of which each JV Partner shall be entitled to appoint up to two directors at any time and to remove any director so appointed. The Chairman of the JV Board shall be a director appointed by Food Republic.

The commencement of the Business by the JV Company is, amongst others, conditional upon approval being given by the landlord and the grant of a temporary permission from URA. As at the date of this announcement, a provisional approval from URA has been obtained.

The principal activity of the JV Company is to undertake the Business which consists of managing the food and non-alcoholic beverage stalls in Beer Garden and the tenants of such food and beverage stalls.

3. INFORMATION ON FOOD REPUBLIC PTE LTD

Food Republic is a wholly-owned subsidiary of Topwin Investment Pte Ltd which in turn is a wholly-owned subsidiary of Breadtalk Group Limited (“**Breadtalk**”), a company listed on the Main Board of the Singapore Exchange Securities Trading

Limited. Breadtalk currently holds a 3.56% interest in the issued and paid up capital of the Company.

4. RATIONALE FOR THE JOINT VENTURE

Due to the growing influx of tourists arrivals in the Sentosa-Harbourfront precinct, and to ride on the strategic location of St. James Power Station, the Joint Venture will combine the expertise and experience of the JV Partners in the night entertainment industry and food and beverage industry under one roof to create a food street Beer Garden that will enhance the multi-theme entertainment concepts of St James Power Station. The Joint Venture is in line with the Company's strategy to expand the Group's business and earnings base.

5. SOURCES OF FUNDS

The investment in the JV Company, which includes the S\$600,000 interest free shareholder's loan to be provided by Bar Street to the JV Company, will be funded by the Group's internal resources.

6. FINANCIAL EFFECT

The financial commitment is not expected to have material effect on the earnings per share or the net tangible assets of the Group for the financial year ending 30 June 2011.

7. INTERESTS OF DIRECTORS AND SUBSTANCIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the above Joint Venture.

8. For more information on the Joint Venture, shareholders may wish to refer to the announcement dated 2 December 2010 issued by Breadtalk via the SGXNet.

Dennis Foo Jong Long
Chief Executive Officer

2 December 2010

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 (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.

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.