

RESPONSE TO QUERY RAISED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")

In response to the query raised by the SGX-ST on 20 Nov 2015 with regards to the Third Quarter Financial Statement Announcement for the period ended 30 September 2015 which was released on 13 November 2015, the Directors of San Teh Ltd (the "Company" and together with its subsidiaries, the "Group") would like to provide following additional information:

SGX-ST's query:

Paragraph 10 of the Announcement states that "On the development of the Dali Heqing project, a Judicial Authentication Report prepared by an independent party appointed by the Court has just been released. According to the report, the cost of the construction done and the work stoppage damages are assessed to be RMB31.7 million (approximately \$7.0 million) and RMB5.6 million (approximately \$1.2 million) respectively. The Group will vigorously contest these two matters at the second hearing to be convened by the Court."

Please disclose more details on the Judicial Authentication Report and when the second hearing will be convened by the Court.

The Company's response:

The Judicial Authentication Report consists the following sections:

a) Basic Information

This section states that:

- 1) The appointment is from Dali Baizu Autonomous Regional Intermediate People's Court (Yunnan Province).
- 2) The matters to be authenticated:
 - i) The cost of the construction done; and
 - ii) Work stoppage damages.
- 3) The documents and other materials used for the authentication process, the period and venue of the authentication process.

b) Summary of the Case

This section provides a summary of the legal proceedings.

c) Authentication Process

This section states that the authentication is conducted in the following five stages:

- 1) Pre-authentication preparation and planning
- 2) On-site verification
- 3) Authentication
- 4) Compilation
- 5) Conclusion

d) Analysis and Basis

This section provides the analysis and basis for the conclusion drawn from the authentication process.

e) Conclusion

This section states that the cost of the construction done and the work stoppage damages are assessed to be RMB31.7 million and RMB5.6 million respectively.

The second hearing was convened by the Court last week and a mediation session initiated by the Court will be held on 8 December 2015.

BY ORDER OF THE BOARD

Lim Wee Tziang
Company Secretary

23 November 2015