

SAN TEH LTD

(Company Registration No. 197901039W)

UPDATE ON LEGAL PROCEEDINGS IN SHANGHAI

The Board of Directors of San Teh Ltd (the “Company”, and together with its subsidiaries, the “Group”) refers to the announcements released on 3 November 2016, 22 December 2016, 14 August 2017 and 2 January 2018 in relation to several legal actions involving Shanghai San Teh Xing Real Estate Co., Ltd (“SSTX”), a subsidiary of the Group in Shanghai. The Board wishes to provide the following update in respect of the remaining six legal actions with SSTX’s tenants at the San Teh Commercial Plaza at Shanghai Anting:

- (a) SSTX has settled the legal action with one of the tenants based on the Arbitration Award issued by the Shanghai Arbitration Commission of China (上海仲裁委员会). The case is settled through the payment of net amount of approximately RMB0.9 million (approximately S\$0.2 million) by SSTX to the tenant. The Group has made the provision of this damages in full in its previous financial statements.
- (b) Shanghai Jiading People’s Court (上海市嘉定区人民法院) (the “Court”) had ruled on three of the cases in the first trial that: (i) the respective tenancy agreements are terminated; and (ii) SSTX to pay damages totaling approximately RMB2.2 million (approximately S\$0.4 million) to the three tenants.

On appeal by SSTX, the Shanghai No. 2 Intermediate Court (上海市第二中级人民法院) (the “Intermediate Court”) had ruled that: (i) the above judgement delivered by the Court in the first trial is revoked; and (ii) the three cases are to be sent back to the Court for retrial.

The Court had ruled in the first retrial that: (i) the respective tenancy agreements are terminated; and (ii) SSTX to pay damages totaling approximately RMB1.4 million (approximately S\$0.3 million) to the three tenants.

SSTX had appealed the above ruling. The three cases are still ongoing and pending for the judgement of the second retrial.

- (c) The Court had ruled on two of the cases in the first trial that: (i) the respective tenancy agreements are terminated; and (ii) SSTX to pay damages totaling approximately RMB0.9 million (approximately S\$0.2 million) to the tenants.

On appeal by SSTX, the Intermediate Court had ruled that: (i) the above judgement delivered by the Court in the first trial is revoked; and (ii) the two cases are to be sent back to the Court for retrial.

The two cases are still ongoing and pending for the judgement of the first retrial.

The Company will keep the shareholders informed of the progress of the matter and make such further announcements as and when appropriate.

BY ORDER OF THE BOARD

Lim Wee Tziang
Company Secretary

7 May 2018