

SAN TEH LTD

(Company Registration No. 197901039W)

LEGAL PROCEEDINGS

The Board of Directors of San Teh Ltd (the “Company”, and together with its subsidiaries, the “Group”) wishes to announce that a legal action was filed against Dali San Teh Xing Real Estate Co., Ltd (“DLSTX”), a subsidiary of the Group, by its main contractor (the “Plaintiff”) in Dali, China.

DLSTX has served a notice to the Plaintiff to terminate the construction contract (the “Contract”) as the Plaintiff failed to perform certain duties stipulated in the Contract. The Plaintiff is now taking legal action to: (i) contest the validity of the notice to terminate the Contract; (ii) demand outstanding progress payment of approximately RMB6.4 million (approximately S\$1.4 million); and (iii) claim damages arising from the suspension of the construction work.

DLSTX has engaged legal counsels in China to advise on the matter and intends to take all appropriate steps to vigorously contest the legal action filed by the Plaintiff. DLSTX has also filed a countersuit against the Plaintiff to terminate the Contract and recover progress payment of approximately RMB8.3 million (approximately S\$1.8 million) that has been overbilled.

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

23 February 2015