

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

In response to the query raised by the SGX-ST on 10 May 2018 with regards to the Annual Report for the financial year ended 31 December 2017, the Directors of San Teh Ltd (the "Company") would like to provide the following additional information:

SGX-ST's query:

Please explain material variances between the Company's Full Year Results and Annual Report for FY2017 in the Company's cash flow statement.

The Company's response:

The variances in the line items between the audited consolidated statement of cash flows for the financial year ended 31 December 2017 as presented in the Company's Annual Report for FY2017 and the unaudited consolidated statement of cash flows for the financial year ended 31 December 2017 as presented in the Company's announcement dated 28 February 2018 are as follows:

	Audited 2017 S\$'000	Unaudited 2017 S\$'000	Variance S\$'000
Cash flows from operating activities			
Write-down of inventories	-	699	(699)
Impairment loss on other receivables	-	48	(48)
Operating cash flows before changes in working capital	(3,523)	(2,776)	(747)
Changes in working capital:			
Trade and other receivables and prepayments	5,783	5,735	48
Inventories	1,299	600	699
Net cash from operating activities	4,854	4,854	-

As shown above, the variances arose from the different presentation of the line items. The Company together with the Auditors, did not consider the above variances to be material and consequently, no separate announcement pursuant to Listing Rule 704(6) was made in relation to the above variances.

BY ORDER OF THE BOARD

Lim Wee Tziang
Company Secretary

11 May 2018