

SAN TEH LTD

(Company Registration No. 197901039W)

UPDATE ON LEGAL PROCEEDINGS

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

The Court ruled that: (i) DLSTX and the Plaintiff to continue fulfilling their respective obligations under the existing contracts; (ii) DLSTX to pay RMB5.4 million (approximately S\$1.1 million) work stoppage damages for the period up to 22 May 2015 to the Plaintiff; (iii) DLSTX to pay work stoppage damages from 23 May 2015 up to the day of construction work resumption calculated by RMB10,081 (approximately S\$2,105) per day to the Plaintiff; and (iv) the Plaintiff to pay RMB7.2 million (approximately S\$1.5 million) to DLSTX for the progress payment overbilled.

DLSTX has instructed its legal counsels in China to vigorously appeal the judgment.

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

22 April 2016