

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 and 22 December 2016 in relation to several legal actions involving Shanghai San Teh Xing Real Estate Co., Ltd (“SSTX”), a subsidiary of the Group in Shanghai and wishes to provide the following update.

Legal Action 1

In respect of the eight legal actions with SSTX’s tenants at the San Teh Commercial Plaza at Shanghai Anting:

- (a) Shanghai Jiading People’s Court (上海市嘉定区人民法院) (the “Court”) had ruled on five of the cases in the first trial that: (i) the respective tenancy agreements are terminated; and (ii) SSTX to pay damages totaling approximately RMB3.6 million (approximately S\$0.7 million) to the five 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 five cases are to be sent back to the Court for retrial.

The retrial is still ongoing.

- (b) 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 RMB0.8 million (approximately S\$0.2 million) to the tenants.

SSTX had appeal the above ruling and is now pending for the judgement of the second trial.

- (c) The remaining one case is still ongoing and no judgement has been delivered.

Legal Action 2

In respect of the legal action with the property management company (“PMC”), the Court had dismissed the claims by SSTX to terminate the property management agreement and recover the unreturned sum of approximately RMB3.0 million (approximately S\$0.6 million).

Subsequently, the Intermediate Court had dismissed the appeal lodged by SSTX and upheld the original judgement.

After withdrawing their legal action against SSTX previously, the PMC has re-initiated legal action against SSTX to counter-claim approximately RMB8.2 million (approximately S\$1.7 million) mainly for the maintenance charges like labour cost and expenses incurred for managing the property.

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

14 August 2017