

SAN TEH LTD

(Company Registration No.: 197901039W)

PROPOSED CHANGE OF AUDITORS

The Board of Directors (the “**Board**”) of San Teh Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the proposed change of auditors of the Company from Ernst & Young LLP (“**EY**”) to RSM Chio Lim LLP (“**RSM**”) (the “**Proposed Change of Auditors**”).

The Board, having considered various factors, *inter alia*, the fee proposals from various audit firms, the adequacy of resources, the experience of the audit firm and the audit engagement partner, the number and experience of supervisory and professional staff, the audit firm’s other audit engagements and the size and complexity of the Group’s operations, are of the view that RSM is the most appropriate candidate and that (i) RSM would be able to meet the overall audit requirements of the Group; and (ii) the appointment of RSM would be in compliance with Rule 712 and 715 of the Listing Manual. The Board is thus recommending that RSM be appointed as the new Auditors.

Pursuant to the above, EY has, on 12 July 2016, given notice to the Company of its resignation as Auditors. EY’s resignation will only take effect upon the appointment of new auditors to the Company. RSM has, on 14 July 2016, given its written consent to be appointed as Auditors, subject to the approval of the shareholders of the Company (the “**Shareholders**”) at the Extraordinary General Meeting (the “**EGM**”) of the Company to be held in due course. The resignation of EY and the appointment of RSM as Auditors will take effect upon approval of the same by the Shareholders at the EGM.

The Board wishes to express their appreciation for the services rendered by EY in the past.

A circular on the Proposed Change of Auditors, together with a notice of EGM, will be despatched to Shareholders in due course.

By Order of the Board

Lim Wee Tziang
Company Secretary

22 July 2016