

SAN TEH LTD

(Company Registration No. 197901039W)

LEGAL PROCEEDINGS IN SHANGHAI

The Board of Directors of San Teh Ltd (the “Company”, and together with its subsidiaries, the “Group”) wishes to announce that Shanghai San Teh Xing Real Estate Co., Ltd (“SSTX”), a subsidiary of the Group is involved in several legal actions in Shanghai, China.

Legal Action 1

SSTX is in legal disputes with eight of its tenants at San Teh Commercial Plaza (the “Plaza”) at Shanghai Anting, under which SSTX has taken legal actions to recover outstanding rentals and claim damages totaling approximately RMB3.9 million (approximately S\$0.8 million) as well as to terminate the respective tenancy agreements. The tenants, on the other hand, have claimed against SSTX for renovation cost and losses suffered on the ground of breach of contract. The total claim by the tenants amounts to approximately RMB15.3 million (approximately S\$3.1 million).

Legal Action 2

SSTX engaged a property management company (“PMC”) to manage its shopping mall of the Plaza. According to the agreement, PMC would collect utilities and maintenance charges from the tenants on behalf of SSTX. As PMC failed to perform certain duties in accordance to the agreement and refused to return the utilities and maintenance charges collected from the tenants to SSTX, SSTX took legal action against PMC to terminate the agreement and recover the unreturned sum of approximately RMB3.0 million (approximately S\$0.6 million).

PMC has taken legal action against SSTX to counter-claim approximately RMB8.1 million (approximately S\$1.6 million) mainly for the maintenance charges like labour cost and expenses incurred for managing the property.

SSTX has engaged legal counsels in China to advise on the above matters and intends to take all appropriate steps to vigorously contest the above legal actions.

The Company will keep the shareholders informed of the progress of the matters and make such further announcements as and when appropriate.

BY ORDER OF THE BOARD

Lim Wee Tziang
Company Secretary

3 November 2016