

**UPDATE ON LEGAL PROCEEDINGS IN SHANGHAI**

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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, 22 December 2016 and 14 August 2017 in relation to several legal actions involving Shanghai San Teh Xing Real Estate Co., Ltd (“SSTX”), a subsidiary of the Group in Shanghai. The Board wishes to provide the following update in respect of the eight legal actions with SSTX’s tenants at the San Teh Commercial Plaza at Shanghai Anting:

- (a) SSTX has settled the legal action with one of the tenants based on the judgement delivered by the Shanghai Jiading People’s Court (上海市嘉定区人民法院) (the “Court”) in the first trial. The Court had ruled that: (i) the tenant to pay rental of approximately RMB509,000 (approximately S\$102,000) to SSTX; and (ii) SSTX to pay damages approximately RMB532,000 (approximately S\$106,000) to the tenant. SSTX has settled the case by paying the net amount of approximately RMB23,000 (approximately S\$5,000) to the tenant.

- (b) The Court had ruled on one of the cases in the first trial that: (i) the tenancy agreement is terminated; and (ii) SSTX to pay damages approximately RMB268,000 (approximately S\$54,000) to the tenant.

On appeal by SSTX, the Shanghai No. 2 Intermediate Court (上海市第二中级人民法院) (the “Intermediate Court”) has dismissed the appeal lodged by SSTX and upheld the above judgement. The judgement is final.

- (c) The Court had ruled on three of the cases in the first trial that: (i) the respective tenancy agreements are terminated; and (ii) SSTX to pay damages totaling approximately RMB2.2 million (approximately S\$0.4 million) to the three tenants.

On appeal by SSTX, the Intermediate Court had ruled that: (i) the above judgement delivered by the Court in the first trial is revoked; and (ii) the three cases are to be sent back to the Court for retrial.

The Court has ruled in the first retrial that: (i) the respective tenancy agreements are terminated; and (ii) SSTX to pay damages totaling approximately RMB1.4 million (approximately S\$0.3 million) to the three tenants.

SSTX has appealed the above ruling.

- (d) Two cases which have been sent back to the Court for retrial are still ongoing and no judgement has been delivered.

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

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

2 January 2018