



SITRA HOLDINGS (INTERNATIONAL) LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197901237E)

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE - USE OF PROCEEDS

The board of Directors ("**Board**" or "**Directors**") of Sitra Holdings (International) Limited ("**Company**") refers to the announcements made on 23 May 2014, 29 May 2014, 30 July 2014, 25 August 2014, 3 September 2014, 25 September 2014 and 26 September 2014 as well as the circular dated 8 August 2013 to its shareholders ("**Circular**") and the offer information statement dated 3 September 2014 ("**Offer Information Statement**") in relation to the Rights Issue.

Unless otherwise defined, capitalised terms and references used herein shall bear the same meaning ascribed to them in the Circular and the Offer Information Statement. Any reference to a time of day herein shall be a reference to Singapore time unless otherwise stated.

USE OF PROCEEDS FROM THE RIGHTS SHARES

The Board of Directors of the Company refers to the issue of 438,200,000 Rights Shares pursuant to the Rights Issue which raised gross proceeds of S\$4,382,000.00.

As disclosed in the Circular and the Offer Information Statement, the proceeds of the Rights Issue are intended to be utilised in the manner set out below:

Use of Proceeds	Gross Proceeds (S\$)
1. Estimated costs and expenses relating to Rights Issue	175,000.00
2. Repayment of Outstanding SHI Loan	1,005,504.00
3. Proposed SHI Interest Payment (partial)	184,650.00
4. Working capital purposes	3,016,846.00
Gross Proceeds from Rights Issue	4,382,000.00

The Board wishes to announce that the Company intends to re-allocate a sum of S\$1,500,000.00 reserved for working capital purposes for the repayment of bank borrowings, which essentially are comprised of outstanding trading facilities. Following the completion of the Rights Issue, the Company has approached the bank for new credit facilities and has been advised by the bank to repay all its outstanding trading facilities so as to facilitate the Company's negotiation for new credit facilities. As the Rights Issue has been fully subscribed, the available funds are sufficient to repay the outstanding bank borrowings as well as meet the present working capital requirements of the Group. After evaluation, the Directors have deemed it in the interest of the Company to partially re-allocate the use of proceeds for working capital purposes so as to facilitate the Company's negotiation with its existing and other potential bankers for new credit facilities to support future working capital requirement of the Group. The repayment of the bank borrowings will also reduce the interest costs of the Company.

The Company has utilised fully the amount of S\$175,000.00 reserved for costs and expenses relating to the Rights Issue and S\$1,201,848.00 for general working capital.

The Company will make periodic announcements on the utilization of the balance net proceeds from the Rights Issue as and when they are materially disbursed and will provide a status report on the use of the net proceeds in its annual report.

BY ORDER OF THE BOARD

George Chew
Executive Chairman
10 October 2014

The announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Company's Sponsor has not independently verified the contents of the announcement. The announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of the announcement, including the correctness of any of the statements or opinions made or reports contained in the announcement.

The contact person for the Sponsor is Mr Chew Kok Liang, Registered Professional at 6 Battery Road, #10-01 Singapore 049909, telephone (65) 6381 6757.