

SIN GHEE HUAT CORPORATION LTD.

(Company Registration No.: 197700475Z)

CHANGE IN USE OF IPO PROCEEDS

The Board of Directors of Sin Ghee Huat Corporation Ltd. ("**Company**") refers to the prospectus dated 28 May 2007 in relation to the initial public offering of ordinary shares of the Company in June 2007 ("**IPO**"). The net proceeds from the IPO were approximately \$15,510,000, of which approximately \$10,374,000 remains unutilized as at the date of this announcement as summarized below:

	Intended amount to be used (\$'000)	Amount actually utilized (\$'000)	Balance as at the date of this announcement (\$'000)
To partially finance the redevelopment of the existing warehousing facilities at 32 Gul Crescent (" Redevelopment ") or acquire new warehousing facilities (" Acquisition ")	7,000	0	7,000
General working capital	8,510	5,136	3,374
Total	15,510	5,136	10,374

Subsequent to the IPO, the Company proceeded to plan for the Redevelopment and sought for an extension of the existing lease for 32 Gul Crescent, which was due to expire on 16 May 2021. In April 2008, it accepted an offer by JTC Corporation to extend the lease for a further term of 16 years 10 months from 16 May 2021, subject to terms and conditions. However, plans for the Redevelopment were put on hold, in view of the uncertain market conditions, high construction costs and overseas expansion plans which had not materialized.

Presently, the \$7,000,000 from the issue of new shares in connection with the IPO, which was identified for the Redevelopment or the Acquisition, remains unutilized. In view of the protracted economic recession and the resulting fall in demand for stainless steel products in the current financial year, the Board proposes that the said amount be re-deployed as general working capital instead.

The remaining unused proceeds from the IPO, which amount to approximately \$3,374,000, will continue to be used as general working capital.

By Order of the Board

Kua Chee Seng
Chief Executive Officer
Sin Ghee Huat Corporation Ltd.

30 June 2009