SINO CONSTRUCTION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200613299H)

RESPONSES TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON 21 MAY 2014 WITH RESPECT TO THE COMPANY'S ANNOUNCEMENT ON 30 APRIL 2014 ON THE ACQUISITION OF 19.9% OF RENAISSANCE ENTERPRISES S.A. FOR A CONSIDERATION OF S$28.6 MILLION

The Board of Directors ("**Board**") of Sino Construction Limited (the "**Company**" and together with its subsidiaries the "**Group**") would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 21 May 2014 with respect to the Company's announcement on 30 April 2014 on the acquisition of 19.9% of Renaissance Enterprises S.A. for a consideration of S$28.6 million. Unless otherwise defined herein, terms defined in such announcement shall have the same definitions herein.

(1) Please provide further details on the track record of Topkapi's (Renaissance's wholly owned subsidiary) mining activities as well as its customers and its date of incorporation.

Topkapi was founded on 27 January 2009 as a subsidiary of Relight Capital A.S. of Istanbul, Turkey to engage in the exploration, development, mining, extraction, processing, reclamation, production and trading of primarily gold, silver, heavy minerals and rare earth properties.

Through Topkapi and other entities, Relight Capital has interests in a total of 25 mining exploration licenses that cover 39,036 hectares of concession areas in Turkey.

Relight Capital, through Topkapi and other entities, has conducted exploration, analysis and feasibility study work for more than five years on its mineral assets using its own geological and engineering staff also in conjunction with various external consultants, in particular Deutsche Mining Technologies (DMT GmBH), a German consulting firm. All work is carried out to best class international standards, in particular the Canadian NI 43-101 standard and the Australian JORC standard.

Relight Capital is an international investment group focusing on Renewable Energy Developments, Commodities Trading and Natural Resources with proven financial background, technological skills and highly qualified human capital. The Group develops assets in Italy, Turkey, Poland, Kazakhstan, Vietnam, Ukraine and USA.

At this time Topkapi does not have signed customer contracts for its production from the Manisa Titanium Deposit. However, it has had extensive discussions with potential customers in Europe, India and China. During the course of late 2014 and into 2015 Topkapi plans a process to secure off-take agreements for its future production.

(2) The Company disclosed that "Topkapi is the sole legal and beneficial holder of seven (7) licences". Please provide details on the material conditions of the licenses and their respective years to expiry and the tenure of any concessions for the mining operations, where applicable.

The Company has received a legal opinion on the seven licenses owned by Topkapi. The licenses are Mining Operation Licenses (MOLs), which are valid till 30 December 2023. They provide the license owner the exclusive right to operate mining activity at the locations covered subject to

receiving the additional Mining Operation Permits, which must be applied for prior to 30 December 2016. The MOLs have been granted under Turkey's Mining Law and allow the owner to undertake activities of a "Group IV" nature, which is comprised of energy, metal and industrial minerals. Specifically, the seven licenses granted to Topkapi cover the right to gain economic benefit from the titanium, zirconium and iron ores for the coordinates to which they pertain.

There are no material conditions to the licenses other than those provided for by the standard provisions of Turkey's Mining Law. Furthermore, there are no agreement of encumbrances that can limit the use of the permits.

(3) Company announced that the Manisa Titanium Project is the "world's second largest known heavy mineral reserve". Please provide data to support this statement.

Topkapi provided the Company with various materials showing research on the industry, including market and competitor analysis. This material included a chart depicting known heavy minerals deposits listed by size based on their Proved plus Probable Reserves. On this basis only Rio Tinto's Lac Allard deposit in Canada is larger.

(4) The Company also reported that "The minerals contained include rutile and ilmenite (products bearing titanium) and zircon". Please provide details on the commercial usage of the minerals and the customers of these minerals.

Ilmenite and rutile are both minerals that occur in mineral sands containing titanium as one of their elements. Rutile typically has a very high titanium content (typically 92-96% titanium dioxide), with ilmenite having lower titanium content (typically 35-65% titanium dioxide). Both minerals are known as titanium feedstock. The key customers for titanium feedstock are companies in the global chemicals industry, including DuPont, Tronox, Kronos and China Non-Ferrous Metals.

When processed, titanium dioxide becomes white and opaque and can primarily be used as a whitening pigment. In addition to its primary use as a pigment, titanium feedstock can be processed to produce titanium metal.

Pigments are used in paint, plastics, coatings paper, inks and fibers. Titanium metal is used in aerospace, chemicals, alloying and defense applications. Zircon is an opaque, hardwearing and inert mineral. It is primarily processed to be used as a hardening material and its main use is ceramic tiles.

(5) The Company reported that "According to a technical report prepared by IMC-Montan Consulting GmbH, dated November 2013 and prepared to the Canadian National Instrument 43-101, Manisa Titanium Project contains 6.22 billion tonnes of Measured plus Indicated Resources at 3.10% total heavy minerals." In respect of this, please provide the following:

(a) A discussion on the track record and experience of IMC-Montant Consulting with regards to issuers listed on international exchanges;

See the answer to query 9 below for commentary on IMC's track record. IMC has prepared technical experts' reports for companies listed on Toronto Stock Exchange, London Stock Exchange, and Australian Stock Exchange (among others).

In addition to the above, the IMC report was prepared and signed off by three technical experts, all of whom demonstrated that they certify as Competent Persons for the definition of NI 43-101.

(b) The Company disclosed that according to the technical report by IMC Montant Consulting, the Indicated Resources is "at 3.10% of total heavy minerals". Please disclose what is the basis set out in the technical report for the 3.10%; and

The project area is part of a fluvial sedimentary depositional system. The detailed geological-structural features controlling style and characteristics and hard limits of mineralization are unknown but previous exploration work demonstrated a quite homogenous distribution and composition of heavy minerals. Based on this knowledge, the only hard boundaries applied are the topography as digital terrain model as well as the plane connecting the end of drill holes to limit the resource to depth. Lateral limits of mineralization are based on geostatistical parameters. The resource estimate is based on a block model comprising concentrations of heavy minerals of potential value and data of bulk density.

The conversion from element to heavy mineral concentration has been based on MLA results, particularly on the chemical composition of all occurring heavy minerals and the element to mineral distribution. Based on the element to mineral distribution showing e.g. the proportion of titanium (Ti) bound in rutile and with the aim of the conversion factor from Ti to rutile calculated from chemical composition of rutile, the Ti concentration of each 3 meter interval has been converted to rutile concentration.

For the purpose of resource estimate and ongoing pit optimisation, a Surpac block model has been set-up using nearest neighbour interpolation. Each drill hole defines a block, its area depending on the NNI. The block size is 50m x 50m x 3m. In comparison to the resource based on 2D model, there are slightly higher tonnages and grades for some minerals, especially in the measured and indicated resource which are caused by topographical influence considered in 3D block model. Densities were attributed regarding the proportion of sandy and silty areas to an average of 1.63 t/mÑ. Resource categorization into measured, indicated and inferred resource has been based on geostatistical investigations (variography).

Due to the non-selectivity of possible mining methods, no cut-off has been applied to the resource.

(c) In relation to the statement "Manisa Titanium Project contains 6.22 billion tonnes of Measured plus Indicated Resources at 3.10% total heavy minerals", please provide a breakdown between "Measured" and "Indicated" resources. In addition, please disclose the grade of the minerals.

Resource category	Bulk Tonnage [Mt]	Ilmenite (includes alteration/ weathering minerals) [%]	Rutile [%]	Zircon [%]	REE-bearing Minerals (monazite, allanite, xenotime) [%]	Limonite [%]	Hematite [%]	Almandine [%]	Apatite [%]	THM [%]
Measured	4 340	0.25	0.37	0.05	0.05	1.07	0.07	0.95	0.27	3.1
Indicated	1 880	0.24	0.36	0.04	0.05	1.06	0.07	0.94	0.27	3.0
Total M+I	6 220	0.25	0.37	0.05	0.05	1.07	0.07	0.95	0.27	3.1
Inferred	740	0.26	0.40	0.04	0.05	0.97	0.06	0.94	0.29	3.0

[Mt = Million tons]

(6) **The Company disclosed that "The Manisa Titanium Project contains Proven and Probable Reserves of 6.11 billion tonnes of heavy minerals." Please disclose whether the stated 6.11 billion tonnes of the heavy minerals is as reported by a Qualified Person. In addition, please provide a breakdown between "Proven" and "Probable".**

Reserve	Tonnes	Ilmenite	Rutile	Zircon	Ilmenite eq
	Mt	%	%	%	%
Proven	4,289	0.25	0.38	0.047	2.30
Probable	1,818	0.25	0.37	0.045	2.25
Total	**6,108**	**0.25**	**0.38**	**0.046**	**2.28**

As mentioned above, the IMC report was prepared and signed off by three technical experts, all of whom demonstrated that they certify as Competent Persons for the definition of NI 43-101.

(7) **The Company disclosed that "the Manisa Titanium Project is in the late exploration/early feasibility study stage, with a pilot plant planned for commissioning in the first half of 2015". Please disclose what is the estimated cost to bring the mine to production and whether the Company will be required to fund any of these further costs. Please provide details on the funding arrangements.**

Pursuant to a JORC Standard feasibility study for the Manisa Titanium Project, the estimated initial capital expenditure to build the project is approximately US$926 million. At this time it has not been determined to proceed with construction of the project. That will be a decision made subsequent to the results from the pilot plant study. One of the purposes of the pilot plant study interim step is to allow the advancement of data to confirm metrics to a level that would satisfy bank financing. Topkapi anticipates undertaking a bank project financing process in the second half of 2015 to then determine what the remaining equity component of financing would be. Furthermore, Topkapi has initiated discussions with potential customers in Europe, India and China. Some of these discussions include the potential for pre-paid off-take financing for some component of the project capital requirements.

(8) **Please provide details on who introduced the deal to the Company as well as the background of the originator and whether any commission or fees have been paid or will be payable by the Company.**

The Acquisition was introduced to the Company by Mr Andy Chee, a Director of the Company. No commission or fees have been paid or will be payable by the Company to Mr Andy Chee in respect of such introduction.

(9) **Please provide a discussion on the expertise of Renaissance's management in titanium exploration/production or in heavy metals mining.**

Each of Relight Capital and Topkapi has its own fully-qualified geological and engineering team. However, it has complemented that team with the use of international leading consultants.

The lead consultant on the project is International Mining Consultants (IMC). IMC, headquartered in the UK, was founded in 1947 and has worked in more than 150 countries. Its areas of expertise include project management, feasibility and design for minerals projects. In addition to IMC, no less than 13 additional consultants are involved to provide specialist assistance in the areas of: markets and marketing; metallurgy and processing; environment; and mine design.

As the Manisa Titanium Project moves through the pilot plant phase, then marketing and financing, then construction, Topkapi Mineral has identified a plan for its additional staffing requirements and the skills required.

(10) In Section 3.2(iii) of the Announcement, it was disclosed that "all approvals and consents as maybe necessary from any third party, governmental or regulatory body or relevant competent authority having jurisdiction over the Key Licences, the Manisa Titanium Project and the transactions contemplated under this SPA…". Please provide a status update on what have been obtained so far.

The provision was included as a safeguard pending completion of the due diligence exercise by the Company. Subsequent thereto, the Company understands that there are no such approvals and consents which are necessary to be obtained for the completion of the SPA.

(11) The Company disclosed the purchase consideration of S$28.6 million was arrived at taking into consideration, inter alia, the "measured and indicated resources". Please quantify on the valuation of the resources that was considered and how this amount was derived.

The Company reviewed a report on the Manisa Titanium Project provided being: "Pre-Feasibility Study on the Multi-Mineral Project, Ahmetli, Turkey, IMC-Montan Consulting GMBH, November 2013" (Technical Report). That report was prepared to Canadian NI 43-101 Standard, which is broadly equivalent in standing to the Australian JORC Standard for reviewing minerals projects. That report was the source of 'measured and indicated resources' relied upon by the Company. Based on the 'measured and indicated resources' stated using the NI 43-101 standard, the Manisa Titanium Project would, in theory, have a net present value range of between US$1.04 billion to US$2.03 billion. The Company considered S$28.6 million for a 20% stake provided an appropriate discount to those theoretical NPV levels to account for the project risks at this time.

Further to the above, The Company has requested Topkapi to compile an update to its November 2013 report to conform to the 2012 Australian JORC Code because the JORC Code is more commonly used for SGX-listed matters. This report has been furnished (dated May 2014) and confirms the findings above.

(12) In Section 3.6b(ii) it was mentioned that "each Redeemable Promissory Note may be redeemed in whole at any time prior to the Maturity Date, at the option of the Company and without the consent of the Vendor, by the Company: allocating and issuing an aggregate the specified number of Shares to the Vendor…". Please disclose the "specified number" of shares referred to and provide a discussion on how the number was determined.

Please refer to Section 3.5, which clearly states and specifies that, under the Redeemable Promissory Notes:

(a) 109,352,407 new Shares may be allotted and issued by the Company to the 1st Vendor at the Issue Price in full and final settlement of all sums due under the Redeemable Promissory Note issued to the 1st Vendor; and

(b) 25,647,593 new Shares may be allotted and issued by the Company to the 2nd Vendor at the Issue Price in full and final settlement of all sums due under the Redeemable Promissory Note issued to the 2nd Vendor.

The number of Shares to be allotted and issued by the Company was computed by dividing the principal amount due under the respective Redeemable Promissory Notes by the Issue Price. (In case, for whatever reason it is not clear, the basis for the Issue Price is set out in Section 3.9).

(13) Section 3.8 mentioned "New Shares". Please quantify the number of New Shares and state what the New Shares comprise of. Please also elaborate on the allocation and proportion to each of the vendors.

The "New Shares" refer to the:-

(a) 109,352,407 new Shares which may be allotted and issued by the Company to the 1st Vendor at the Issue Price in full and final settlement of all sums due under the Redeemable Promissory Note issued to the 1st Vendor; and

(b) 25,647,593 new Shares which may be allotted and issued by the Company to the 2nd Vendor at the Issue Price in full and final settlement of all sums due under the Redeemable Promissory Note issued to the 2nd Vendor.

(14) Listing Rule 1010(5) of the Listing Manual requires the Company to disclose the value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation. Please disclose accordingly.

This has been disclosed in Section 5 under the header "**NET PROFITS (LOSS) / VALUE OF ASSETS (LIABILITIES) BEING ACQUIRED**".

(15) Listing Rule 1011 of the Listing Manual states that where a sale and purchase agreement is entered into, or a valuation is conducted on the assets to be acquired, the issuer must include a statement in the announcement that a copy of the relevant agreement, or valuation, report is available for inspection during normal business hours at the issuer's registered office for 3 months from the date of the announcement. Please disclose this accordingly.

This has been disclosed in Section 10 under the header "**DOCUMENTS FOR INSPECTION**".

BY ORDER OF THE BOARD

William Joseph Condon
Executive Director
3 June 2014