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

ANNOUNCEMENT IN RELATION TO RULE 704(5) OF THE LISTING MANUAL – DISCLAIMER OF OPINION BY INDEPENDENT AUDITORS ON FINANCIAL STATEMENTS

In compliance with Rule 704(5) of the SGX-ST Listing Manual of The Singapore Exchange Securities Trading Limited ("SGX-ST"), the Board of Directors of Sino Construction Limited (the "Company" or the "Group") wishes to announce the following in respect to Moore Stephens LLP ("MS"), the Company's external auditors, Independent Auditors' Report for the financial year ended 31 December 2013 :

1. Disclaimer Audit Opinion on the Consolidated Financial Statements for the Previous Year Ended 31 December 2012

The consolidated financial statements for the year ended 31 December 2012 were audited by another firm of auditors who expressed a disclaimer opinion on 10 June 2013. The disclaimer opinion was in respect of the following matters:

(a) The accounting records of the key operating subsidiaries in the People's Republic of China were submitted to the Daqing Tax Authority in January 2013 for tax investigation. As the accounting records had not been returned to the Group, the previous auditors were unable to perform audit procedures to obtain sufficient audit evidence to ascertain the appropriateness of the carrying value of the assets, liabilities and operating results included in the consolidated financial statements of the Group as at 31 December 2012. In addition the Company had fully impaired its investments in subsidiaries and the amounts due from subsidiaries. The previous auditors were unable to assess the assumptions and bases used by management in their impairment assessment.

(b) The matter referred to in the paragraph above is further discussed under paragraph 2(a).

(c) Management prepared the financial statements of the Group and the Company on a realisation basis where the assets were measured at the lower of their carrying amounts and estimated realisable values and liabilities were measured at estimated settlement amounts, as management was of the opinion that the Group and the Company were unable to continue to operate as a going concern.

(d) With regard to the matter referred to the paragraph above, the Group and the Company have reverted to a going concern basis for the preparation of its financial statements as more fully described in Note 3 to the financial statements.

2. Basis for Disclaimer Opinion

(a) The matter referred to in paragraph 1(a) above remains unresolved in the current financial year as the accounting records for the year ended 31 December 2012 were still not made available to the Group. In view of this, MS was unable to perform audit procedures to obtain sufficient audit evidence to ascertain the appropriateness of the carrying amount of the opening balances in the financial statements for the year ended 31 December 2013. Accordingly, MS was unable to determine any adjustments to the opening balances of the financial statements for the year ended 31 December 2013, which would have consequential effects on the 2013 financial statements.

(b) As mentioned in Note 12 to the financial statements, the Group disposed of its interest in two subsidiaries – Daqing City Dazheng Building Installation Co., Ltd and Daqing City

Baixinyuan Concrete Products Co., Ltd prior to the year ended 31 December 2013. Further, the Group disposed of its interest in a subsidiary - Daqing Xinyuan Construction Installation Co., Ltd subsequent to the year ended 31 December 2013. As the financial statements of these subsidiaries have not been audited, MS was unable to perform audit procedures to obtain sufficient appropriate audit evidence relating to the loss from discontinued operations of RMB115,085,000 as disclosed in Note 10(c) of the financial statements, and consequently:

i. The appropriateness and accuracy of the gain on disposal of Daqing City Dazheng Building Installation Co., Ltd and Daqing City Baixinyuan Concrete Products Co., Ltd amounting to RMB78,850,000 (included in Note 12 to the financial statements) recorded in the consolidated statement of comprehensive income for the financial year ended 31 December 2013;

ii. The appropriateness and accuracy of the write down of the net assets of Daqing Xinyuan Construction Installation Co., Ltd and its subsidiary (the "Disposal Group") to their recoverable amount (as disclosed in Note 11 to the financial statements) included in the consolidated financial statements of the Group as at 31 December 2013.

3. Disclaimer of Opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs above, MS has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, MS does not express an opinion on the financial statements of the Group and the Company for the financial year ended 31 December 2013.

Copies of the aforesaid Independent Auditors' Report together with extracts of the relevant notes to the Financial Statements are annexed to this announcement.

BY ORDER OF THE BOARD

William Joseph Condon
Executive Director
7 May 2014