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

MEDIA RELEASE – FOR IMMEDIATE RELEASE

SINO CONSTRUCTION ANNOUNCES INTENTION TO MAKE A TAKEOVER BID FOR AUSTRALIAN-LISTED GUILDFORD COAL; HERALDS POTENTIAL TRANSFORMATION INTO A MAJOR COAL PLAYER

Highlights:

- **Announces intention to make a takeover bid of Guildford Coal**
- **Guildford Coal has Australian and Mongolian producing coal assets, with the latter valued at A$300-400 million**
- **Embarks on transformation into major coal player**
- **Proposes change of name**

SINGAPORE, 25 September 2014 – SGX Mainboard-listed **Sino Construction Limited** (中华建筑有限公司) ("Sino Construction" and together with its subsidiaries, the "Group") today announced that it intends to make an off-market takeover bid ("the Takeover Bid") to acquire a 100% stake in Australian-listed Guildford Coal Limited ("GUF").

GUF is a mineral resources company that has coal-mining projects in Queensland, Australia and Mongolia, Central Asia that are in various stages of development, ***with the Mongolian projects having commenced production***.

The JORC-compliant indicated and inferred resources of GUF's Australian projects consist of 2.13 billion tonnes of coking, high-grade thermal, and pulverised coal injection (PCI) coal and a potential exploration target of up to 7.17 billion tonnes of coal from its 18,000 square kilometres of tenements.

The Mongolian projects, which have total JORC Resources of 290 million tonnes of coal, are valued by GUF at A$300-400 million on a pre-tax NPV basis. In August 2014, the Baruun Nayon mine in South Gobi, Mongolia commenced production with a first shipment of 8,000 tonnes of coking coal. The milestone shipment occurred in just over 3 years since GUF acquired the Mongolian projects and showcases the Australian company's ability to work in challenging business environments.

The size of its resources gives GUF the potential to become Australia's next largest independent miner, capitalising on its diverse and strategically positioned coal deposits in Queensland, Australia and Mongolia, Central Asia.

Subject to discussions with GUF, Sino Construction intends to retain GUF's management and operational team following the completion of the takeover. With their proven technical skills and multi-jurisdictional management and operational experience and expertise, Sino Construction hopes the Group will be able to leverage on the GUF team in its transformation into a major coal player.

Purchase Consideration

The Takeover Bid will be made at a bid price of A$0.0613 (approximately S$0.069) per GUF share. The consideration will be satisfied via an allotment and issue of 1 new ordinary share in Sino Construction for every 4.5 GUF Shares. Based on the issued and paid-up share capital of GUF as at the date of this Announcement, up to 229,639,650 new Shares may be issued as the consideration for the Takeover Bid. The proposed Takeover Bid is subject to regulatory and other customary conditions, including Shareholders' approval at an Extraordinary General Meeting (EGM) to be convened on a date to be announced. The Takeover Bid will be made within 2 months by way of the lodgement of a bidder's statement in compliance with Australian laws.

Rationale For Takeover Bid

On 31 July 2014, the Group had entered into non-binding terms with GUF to acquire GUF's entire portfolio of coal assets in Australia for a total consideration of US$25 million and a payment of an on-going royalty.

The management of Sino Construction is now of the view that it is more advantageous to acquire all of GUF's assets, ***including its coal producing assets in Mongolia***.

Mongolia and China signed a joint declaration upgrading their relationship to a "comprehensive strategic partnership" during the visit by China's President, Xi Jinping, in August. They also signed agreements to cooperate further in areas such as economics, energy, mining and finance. Mongolia had ambitions to become China's top coking coal supplier, largely through the development of mines near the Chinese border. Both sides have had very effective cooperation on the energy and mining side. Talks on relevant projects, including coal mines, railways and roads are ongoing. There will be greater Chinese involvement in its mining and infrastructure sectors, the two pillars of its long-term plans. But while the deal could give Mongolia more options, analysts expect the bulk of its coal and copper exports to be sold to China for years to come.

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Proposed Diversification And Proposed Change Of Name

The Board of Sino Construction today announced the Company's adoption of a new strategic direction to create additional value for the Group and its Shareholders by diversifying from its legacy business and seeking opportunities for the acquisition and holding of investments in high grade and coking coal resources projects and companies.

In conjunction with the Diversification, the Board would also like to propose a change of the Group's name to "**Magnum Strategic Resources Limited**" to better reflect the Group's new strategy and scope of operations in future.

Since early 2014, the Group has embarked on the Diversification to acquire and hold multiple and diversified mineral and energy resources assets (including mines), and it has been actively pursuing and acquiring new investment opportunities in this sector, with the goal of transforming itself into a mineral and energy resource business.

Commenting on the Announcement, Mr Andy Chee, Chairman of Sino Construction said, ***"With its large coal resource base and producing coal assets, the proposed takeover of Guildford completes the blueprint for the platform upon which Sino Construction will build its new mineral and energy resources business."***

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This press release is to be read in conjunction with the Company's announcements posted on the SGX website on 25 September 2014

For more information on Guildford Coal Limited, please visit the company's website at www.guildfordcoal.com.au

About Sino Construction Limited (Bloomberg: SICON:SP)

Sino Construction Limited (中华建筑有限公司) ("Sino Construction", together with its subsidiaries the "Group"), which listed on the SGX Mainboard on 12 June 2008, is in the midst of transforming itself from a construction player into a company focused on the mineral resources and energy sector.

Prior to the takeover bid for GUF, the Group had entered into a conditional sale and purchase agreement on 22 July 2014 to acquire a 52% stake in Australia-based coal producer JEMS Exploration Pty. Ltd. for US$20 million. The Group had entered into another sale and purchase agreement to acquire a 51% stake in South Africa-based Signet Coking Coal International Limited for US$21 million on 6 June 2014. Both acquisitions are subject to shareholders' approval at an EGM to be convened at a later date.

Completed acquisitions to-date include a 19.9% stake in Renaissance Enterprises on 3 June 2014 and a 19.9% stake in Ardilaun Energy on 14 February 2014. Renaissance Enterprises is the holding company of Topkapi, which is the sole legal and beneficial holder of seven licences granted in respect of a titanium project in Turkey. Ardilaun Energy holds working interests and exploration licenses in the Irish Sea with respect to the exploration of oil.

For more information, please visit the company website at www.sicon.sg

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