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

DISPOSAL OF SUBSIDIARY - DAQING NAFEI LE CONSULTING CO., LTD

The Board of Directors ("**Board**") of Sino Construction Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company had, on 29 December 2014, entered into a sales and purchase agreement with Mr. Zhou Xing Zhong (the **"Purchaser"**) to dispose 100% of the equity interests in Daqing Nafei Le Consulting Co., Ltd ("**Nafei Le**") to the Purchaser for a purchase consideration ("**Consideration**") of RMB 100,000 (or S$21,276 based on the exchange rate of S$1:RMB4.7) (the "**Disposal**").

The Disposal was completed on 29 December 2014 ("**Completion**") and Nafei Le has ceased to be a subsidiary of the Company.

Rationale for the Disposal

Nafei Le has not been able to secure any construction contracts since its incorporation a year ago. Reasons cited are mainly due to the challenging business environment and intense competition in People's Republic of China ("**PRC**"). Poor visibility of the business environment in PRC has cast doubts as to whether the business conditions will actually improve.

Mr. Zhou Xing Zhong, the General Manager of Nafei Le, has expressed interest in carrying on the business of the Nafei Le and has offered to take over the Company for a consideration of RMB 100,000. The offer presents an opportunity for the Group to exit the unfavorable construction market in the PRC. In addition, it would prevent the Group from incurring high expenses normally associated with the winding up of companies in the PRC.

By undertaking the Disposal, the Group will be able to channel its resources and efforts to other area of its businesses instead of focusing on the non-performing asset. This is in line with the vision of the Group to generate positive returns in the best interest of its shareholders.

Sales Consideration and Payment

The total consideration of RMB 100,000 (the "**Consideration**") is based on arms-length negotiations and was arrived at on a willing-buyer willing-seller basis, after taking into consideration the net tangible asset value of Nafei Le. As at 30 September 2014, Nafei Le has a net tangible asset value of RMB 65,814.

The Consideration was satisfied on Completion by way of cash payment.

Use of Proceeds

There is a gain of RMB 34,186 (or S$7,273 based on the exchange rate of S$1:RMB4.7) arising from the Disposal. The proceeds from the gain on disposal will be deployed towards the funding of working capital.

Financial Effects

The Disposal is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year ending 31 December 2014.

Non-Discloseable Transaction

On the basis of the relative figures computed on the bases pursuant to Rule 1006(a) to (d) of the SGX-ST Listing Manual, the Disposal will constitute a "Non-Discloseable Transaction" of the Company within the meaning of Chapter 10 of the SGX-ST Listing Manual.

Interest of Directors and Substantial Shareholders

None of the Directors or substantial shareholders of the Company (other than in their capacity as directors or Shareholders of the Company) has any interest, direct or indirect, in the Disposal.

By Order of the Board
Andy Chee / Kenneth Lim
Chairman / Executive Director
29 December 2014