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

RESPONSE TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED IN RELATION TO THE FY2014 Q3 FINANCIAL STATEMENTS ANNOUNCEMENT ON 14 NOVEMBER 2014

The Board of Directors ("**Board**") of Sino Construction Limited (the "**Company**" and together with its subsidiaries, the "**Group**") would like to respond to queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in relation to the FY2014 Q3 Financial Statements announcement released on 14 November 2014.

The SGX-ST requested that the Company provide further details on the following matters.

(a) In paragraph 10 of the Company's 3Q2014 Results Announcement ("Announcement"), the Company announced that "The RM43.2 million project (proposed mixed commercial development cum bus terminal in Kota Kinabalu, Sabah, Malaysia) undertaken by the Group's subsidiary in Malaysia, Elite Bay, has been experiencing slow progress in relation to its piling work (currently 57% completed) which resulted in the delay of Elite Bay's revenue recognition as the progress claims could not be submitted until the piling work is fully completed."

(i) Please provide details on the factors leading to the slow progress in piling work experienced by Elite Bay;

The slow progress of the piling work were due to several factors. There were unforeseen rock / boulder underneath the ground which caused pile cracks resulting in additional work in replacing the piles. There was also a late decision from the developer on the lift foundation design which delayed the work schedule. In addition, the slow payment from the developer has also affected Elite Bay's progress in the piling work.

(ii) Please explain why the Company did not give a profit warning to update on the slow progress;

Taking into consideration that it is work-in-progress and is subjected to unforeseen circumstances, the final outcome can only be determined at the end of every financial period whereby the resulting performance was duly reported in FY2014 Q3 Financial Results announcement. To issue any warning prior to determining the end result may be premature and misleading.

(iii) Please also provide details on when the piling work will be completed.

Barring unforeseen circumstances and prompt payment from the developer, the remaining piling work is expected to be completed by end of January 2015.

(b) In the Income Statement, "Foreign Currency Translation" of the Company amounted to S$4.57million. Please provide details on what has caused this the Foreign Currency Translation loss.

The translation loss of S$4.57m arises from the consolidation of the disposed China subsidiaries. As there was a change in presentation currency from Chinese Yuan ("RMB") to Singapore Dollar ("SGD"), the disposal of the China subsidiaries resulted an increase in the gain on disposal by $4.57m which was reported under "Profit/(loss) from discontinued operation" in the statement of comprehensive income.

(c) In the Balance Sheet, "Current Liabilities" of the Company amounted to S$33.7 million. As the Company has a cash balance of only S$74K, please provide details on how the Company intends to finance its current liabilities when they fall due.

The breakdown of Current Liabilities are as below:

Loan from shareholder	$ 4.5million
Redeemable Promissory Note	$ 28.3million
Others	$ 0.9million

The S$28.3 million Redeemable Promissory Note was issued by the Company as consideration for the acquisition of 19.9% of Renaissance Enterprises S.A. whereby the Company has the option to issue new shares in place of cash payment. The Company had the undertaking from the shareholder that there will not be any recall of the loan in the near future. As for the remaining short term liabilities of approximately S$0.9 million, the Company will continue to receive financial support from shareholder to meet all its obligations as and when they fall due.

(d) Please provide an update on the performance of Ardilaun Energy Limited.

The 19.9% stake in Ardilaun Energy Limited represents an investment of a passive nature. There has not been any material developments and nothing has come to the Company's attention that will adversely affects the value of the investment.

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