SINO CONSTRUCTION LIMITED
中华建筑有限公司

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

RESPONSES TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON 28 APRIL 2015 WITH RESPECT TO THE COMPANY'S ANNOUNCEMENTS ON 14 APRIL 2015 ON ITS ANNUAL REPORT FOR FY 2014

The Board of Directors ("**Board**") of Sino Construction Limited (the "**Company**" and together with its subsidiaries the "**Group**") wishes to announce the following: -

Response to Queries

The Company would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 28 April 2015 with respect to the Company's announcements on 14 April 2015 on its Annual Report for FY2014. Unless otherwise defined herein, terms defined in such announcements shall have the same definitions herein.

(1) We note on page 35 of the Annual Report that the statement that there are no interested person transactions for the financial year ended 31 December 2014. However, on page 105 of the Annual report the following significant related party transactions were noted: -

(a) Amounts due from companies in which a director of a subsidiary has controlling interests: S$127,000

The amount relates to a loan from Elite Bay to its director ("**Borrower**"). It is not an Interested Person Transaction as the Borrower is not a director or controlling shareholder (or an associate of any such person) of the Company.

(b) Payments on behalf of the Group by shareholders in which certain directors have a controlling interest: S$5,330,000

Payments on behalf of the Group by shareholders in which certain directors have a controlling interest on page 105 of Annual Report should read S$5,133,000 after audit adjustment.

Breakdown of the S$5,133,000 is as follows:

Broadwell	S$ 418,000
Quintestellar	S$4,715,000

These were not disclosed as interest person transactions, as they were advances made by the controlling shareholders on behalf of the Company. As they were interest free advances, there is no amount at risk, and the advances are not Interested Person Transactions.

(c) Payments by the Group on behalf shareholders in which certain directors have a controlling interest: S$1,640,000

None of the directors or controlling shareholders of the Company or their associates have a controlling interest in Renaissance. As such, the advance of S$1,640,000 is not an Interested Person Transaction.

Please provide details of each arrangement in (a) to (c) above and explain why these are not reported as interested person transactions on page 35.

For the reasons given above, none of the transactions referred to below are interested person transactions under Chapter 9 of the Listing Rules ("**Interested Person Transaction**"), although they have been classified as "related party transactions" under the Singapore Financial Reporting Standard (SFRS).

(2) We note the Independent Auditor's disclaimer of opinion that they were "unable to obtain sufficient audit evidence to satisfy [themselves] as to the ability of the Group and the Company to continue to continue as going concerns". For the purpose of determining if Rule 1303(3)(c) should apply, please provide the following information: -

(a) the Board's opinion if the Company will be able to operate as going concern and basis for the Board's view; and

As stated in "Statement of Directors – 31 December 2014" on page 41- 42 of the Annual Report, the Board had highlighted the same matters that were discussed by the auditors in their independent auditors report and concurs with their findings. With reference to "Going Concern Assumption" found on page 81 of the Annual report, the Board has reasonable expectation that the company will be able to operate on a going concern basis.

(b) the Board's confirmation that all material disclosures have been provided for trading of the Company's shares to continue.

The Board hereby confirms that, to the best of their knowledge, all material disclosures have been provided for trading of the Company's shares to continue.

(3) We note that all the Executive/non-independent directors listed on page 25 of the Annual Report, namely William Joseph Condon, Chee Tet Choy Andy and Lim Tiong Hian (Lin Zhongxian) have resigned. Notwithstanding this, it was disclosed on page 25 of the Annual Report that for that for William Joseph Condon, Chee Tet Choy Andy and Lim Tiong Hian (Lin in their independent auditors report and concurs with their findings. With Corporate Governance 2012 (the "Code") which states that the company should fully disclose the remuneration of each individual director and the CEO on a named basis, to the nearest thousand dollars.

Please elaborate on:

(a) Why the Company is of the view that the salary paid to the directors who have resigned should be kept confidential; and

(b) How this is a "prevention of prejudice to the Group's business".

Due to the change in management, the Company was unable to determine the exact amount of remuneration paid to each director mentioned above in 2014. The current Board did not wish to release any information regarding individual remunerations unless the current Board were confident of the accuracy of the information released in order to avoid prejudice to the Company.

The total compensation paid to the Directors of the Company amounting to S$430,000 was disclosed in page 105 of the Company's Annual Report 2014.

(4) The Corrigendum to the Company's Annual Report stated that the Executive Director Mr Drew Madacsi who was appointed on 9 February 2015 is not in the position to provide assurance to the Board on the integrity of the Group's financial statements and "[a]s such, it is no necessity for the Group Accountant to give the assurance without the executive director's endorsement". Please provide the Board of Directors and the Audit Committee's justification on why they do not require the Group Accountant's assurance that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, in particular since they were not be able to receive such assurance from a newly appointed executive director.

The current Group Accountant was only appointed on 6 March 2015. The previous management prepared FY2014 financials. Hence, if the newly appointed interim Executive Director is unable to provide assurance, the Company does not deem that the current Group Accountant should be providing assurance that the 2014 financial records have been properly maintained and the financial statements give a true and fair view of the Company's 2014 operations and finances.

(5) No assurance have been provided by the Executive Director and the Group Accountant that the financial records have been properly maintained and that the financial statement give a true and fair view of the Company's operations and finances. The auditors have also issued a Disclaimer of Opinion as they have not been able to obtain sufficient audit evidence to provide a basis for an audit opinion on various matters including the opening balances relating to Dazheng, Baixingyuan, Xinyuan and Sunshine, the acquisition of Elite Bay Sdn Bhd, recoverability of investment in subsidiaries and the appropriateness of Going Concern Assumption (as set out in pages 44-47 of the annual Report). Please provide details on and the basis how the Board of Directors had formed the opinion that the Group's system of internal controls in place were adequate and effective and provides reasonable assurance against, inter alia, material financial misstatements of loss and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, as disclosed by the Board on page 26 of the Annual report.

The previous Board relied on confirmation provided by Mr William Joseph Condon and Mr Chee Tet Choy Andy that there were no matters that came to attention, which may render the financial results to be false or misleading in any material respect. The previous management provided the FY2014 financials to the auditors prior to the appointment of the Group's current interim Executive Director, Mr Drew Madacsi.

Currently under the new management, the Board is satisfied that with the Group's current system of internal controls and maintenance of accounting records.

BY ORDER OF THE BOARD

Drew Ethan Madacsi
Executive Director
29 April 2015