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 29 MAY 2015 WITH RESPECT TO THE COMPANY'S ANNOUNCEMENTS ON 29 APRIL AND 21 MAY 2015 ON ITS COMPANY'S ANNUAL REPORT 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 29 May 2015 with respect to the Company's announcements on 29th April 2015 that an amount of S$4.72 million out of the total S$5.33 million relating to "Payments on behalf of the Group by shareholders in which certain directors have a controlling interest", was payment made by Quintestellar on behalf of the Group. In a further announcement on 21 May 2015, it clarified that another amount of S$1.64 million which was previously disclosed as "Payments by the Group on behalf shareholders in which certain directors have a controlling interest" on page 105 of the Company's Financial Year 2014 Annual Report should read as "Payments made by the shareholders on behalf of the Group" as this was payment made by Quinstestellar to Renaissance on behalf of the Company. Unless otherwise defined herein, terms defined in such announcements shall have the same definitions herein.

(1) Please explain the difference in classification of the amount of S$1.64 million in the annual report from the other classification "Payments on behalf of the Group by shareholders in which certain directors have a controlling interest" amounting to S$5.33 million (which includes S$4.72 million due to Quintestellar)

There is no exclusive segregation between "Payments on behalf of the Group by shareholders in which certain directors have a controlling interest" and "Payments made by the shareholders on behalf of the Group." The total amount paid on behalf by shareholders of $5.13 million (refer to response to queries on 29 April 2014) includes the payments made by Quintestellar to Renaissance on the Group's behalf, and comprises most of the liability "Due to Shareholders" of $5.13 million as disclosed in the balance sheet of the 2014 Annual Report.

The Company believes that previous management separately disclosed the amount of S$1.64 million because in addition to the above liability, this transaction also resulted in a receivable of $1.64 million as disclosed in Note 15 to the Annual Report, which states:

"*<u>Other receivables</u>*

Included in other receivables of the Group and the Company is an amount of S$1,640,000 due from an investee of the Company, Renaissance Enterprises S.A (Note 11). This amount is unsecured, interest-free and repayable on demand."

The Company believes that previous management wanted to highlight that this S$1.64 million receivable resulted from a related party transaction (as it was paid on behalf of the Company by its shareholder, Quintestellar). The significant stake held by the Group in Renaissance amounting to 19.9%, which borders on the 20% threshold for presumption of significant influence in FRS 28, may also have contributed to previous management's decision to separately disclose this amount to enhance transparency.

BY ORDER OF THE BOARD

Drew Ethan Madacsi
Interim Executive Director
2 June 2015