

SINO CONSTRUCTION LIMITED
中华建筑有限公司

BIDDER'S STATEMENT

SINO CONSTRUCTION LIMITED

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

Offer by Sino Construction Limited
to acquire all your shares in Guildford Coal Limited
1 Sino Construction Share for every 4.5 Guildford Shares

This document is important and requires your immediate attention. You should read it in its entirety. If you are in any doubt as to how to deal with this document, please consult your financial, legal or other professional adviser

Legal Adviser



HOLDING REDLICH

IMPORTANT NOTICES

This Bidder's Statement is given by Sino Construction Limited (**Sino Construction**) to Guildford Coal Limited (**Guildford**) and Guildford Shareholders in relation to an off-market takeover bid for all Guildford Shares. It sets out certain disclosures required by the Corporations Act together with the terms of the Offer to acquire Your Guildford Shares.

What's happening	Date
Announcement Date	25 September 2014
Date of this Bidder's Statement	18 November 2014
Date of the Offer	24 November 2014
Offer ends (unless extended or withdrawn)	7pm Sydney time on 25 February 2015

Role of ASIC

A copy of this Bidder's Statement was lodged with ASIC and the ASX on 18 November 2014. Neither ASIC, the ASX nor any of their officers take any responsibility for the contents of this Bidder's Statement.

Singapore Exchange (SGX) and application for listing of the Sino Construction Shares offered as the Offer Consideration

A copy of this Bidder's Statement will also be released by Sino Construction on SGXNET in Singapore. The SGX assumes no responsibility for the correctness of any of the statements, reports contained/referred to or opinions expressed in this Bidder's Statement. This Bidder's Statement is also used, or to be used, by Sino Construction in support of its application to the SGX for the listing and quotation of the Sino Construction Shares (to be issued as the Offer Consideration) on the SGX. Sino Construction has made an application for the listing and quotation of the Sino Construction Shares to be issued as the Offer Consideration on the 'Official List' of the SGX. Sino Construction expects that the in-principle approval of the SGX for the listing and quotation of the Sino Construction Shares to be issued as the Offer Consideration will be granted at or around the time that the Circular is despatched to Sino Construction Shareholders. If granted, the in-principle approval of the SGX for the listing and quotation of the Sino Construction Shares is not to be taken as an indication of the merits of the Offer, Guildford, the Sino Construction Group, or their business and operations, or the Sino Construction Shares.

Responsibility for information in this Bidder's Statement

Sino Construction is responsible for the contents of the Bidder's Statement other than, to the maximum extent permitted by law, the Investigating Accountant's Report (contained in Annexure E to this Bidder's Statement), the Australian taxation considerations in respect of accepting the Offer (contained in Annexure C to this Bidder's Statement) and the information relating to Guildford (see Section 7).

Investment decisions

This Bidder's Statement is not intended to provide financial or tax advice and has been prepared without taking into account your personal circumstances. You should obtain your own independent professional advice before making any decisions regarding the matters contained in this Bidder's Statement.

Forward looking statements

This Bidder's Statement contains forward looking statements which are not based solely on historical facts but are based on current expectations about future events and results. These forward looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the industries in which the Sino Construction Group and Guildford operate, as well as general economic conditions, prevailing exchange rates and interest rates, conditions in financial markets, government policies and regulation, competitive pressures and changes in technology. Actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

None of Sino Construction, the members of the Sino Construction Group or any of their directors, officers, employees and advisers make any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

Accordingly, you are cautioned about relying on forward looking statements contained in this Bidder's Statement.

Sino Construction Shareholders' Approval and Circular

The Offer is subject to a number of Conditions, as set out in Section 11.5. In particular, Sino Construction requires the approval of Sino Construction Shareholders for the Offer and the proposed allotment and issue of Sino Construction Shares to be issued as the Offer Consideration. Under the Listing Manual of the SGX, Sino Construction must prepare, and distribute to Sino Construction Shareholders, a 'Circular' in respect of the Offer. Sino Construction must also provide a 'qualified person's report' with the Circular, which will require Guildford's cooperation. Sino Construction intends to apply to the SGX for a waiver of the requirement to prepare a 'qualified person's report', but cannot guarantee that the waiver will be granted. If the waiver application is rejected, Sino Construction will discuss with Guildford the preparation of that report, and the likely timing of the finalisation of the report. Guildford Shareholders should note that, if the 'qualified person's report' is required, Sino Construction considers that it may take approximately 6 months for that report to be prepared and subsequent Extraordinary General Meeting to be held. Sino Construction will keep Guildford Shareholders updated on the status of this Condition and will make announcements on the ASX and SGXNET when the date for the Extraordinary General Meeting has been set.

Sino Construction also requires the Sino Construction Shareholder approval for each of the Sino Construction Proposed Acquisitions to proceed. Please see Section 4.6 for further details regarding the Sino Construction Proposed Acquisitions and the need for Sino Construction Shareholder approval.

Foreign Shareholders

The distribution of this Bidder's Statement in jurisdictions outside Australia and Singapore may be restricted by law and any person who comes into possession of it should seek advice. In particular, Guildford Shareholders whose address in the Guildford Register last supplied to Sino Construction is in New Zealand are currently, for the purposes of this Offer, considered as Ineligible Foreign Shareholders.

This Bidder's Statement does not constitute an Offer to acquire Guildford Shares from any Guildford Shareholder in any jurisdiction in which to do so would be illegal. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

This Bidder's Statement has been prepared having regard to Australian disclosure requirements. These disclosure requirements may be different from those in other countries. If you are not an Australian resident taxpayer or are liable for tax outside Australia, it is important that you seek specific tax advice in relation to the Australian and overseas tax consequences of the Offer.

Sino Construction public announcements and releases

Sino Construction has made various announcements on SGXNET and Sino Construction's Website (www.sicon.sg) which comply with the laws of Singapore and the Listing Manual. While all information which is material and required to be disclosed for the purposes of this Offer which is contained in various announcements on SGXNET and Sino Construction's Website is included in this Bidder's Statement, statements made on SGXNET and Sino Construction's Website in relation to exploration targets, mineral resources and ore reserves may not be in compliance with the JORC Code 2012. Accordingly, Guildford's Shareholders should exercise caution before making any decision in relation to this Offer based on any publicly available information that is not included or incorporated by reference in this Bidder's Statement (or any supplementary Bidder's Statement).

Maps and diagrams

Any diagrams and maps appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data in maps, graphs, tables and diagrams are based on information available at the Last Practicable Date.

Currency

Unless otherwise stated, the exchange rates used in this Bidder's Statement are the exchange rates published by the Reserve Bank of Australia at 4pm (Sydney time) on the Last Practicable Date, being A$1:S$1.1243, A$1:RM2.9022, A$1:RMB 5.3315 and A$1:US$0.8701.

Effect of Rounding

A number of figures, amounts, percentages or estimates and calculations of value in this Bidder's Statement may be subject to the effect of rounding.

Privacy

Personal information relating to your shareholding in Guildford will be obtained by Sino Construction or its agents from Guildford in accordance with its rights under the Corporations Act. Sino Construction may share this information with its Related Bodies Corporate, advisers, agents and regulators, such as ASIC, ASX and SGX, where necessary for the purposes of the Offer, or as otherwise required or permitted by law. Sino Construction, its Related Bodies Corporate, advisers and agents will use this information solely for purposes relating to the Offer and to assist in any future relationship with you as a Sino Construction Shareholder.

Enquiries

Please contact the Offer Information Line on 1300 721 637 (for callers within Australia) or +61 2 8016 2890 (for callers outside of Australia) if you have any questions in relation to this Bidder's Statement or the Offer.

Glossary

Please see the Glossary at Section 13 for the meaning of capitalised terms.

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SINO CONSTRUCTION LIMITED

(Incorporated in the Republic of Singapore)

(Registration No: 200613299H)

A MESSAGE FROM THE CHAIRMAN OF SINO CONSTRUCTION

Dear Guildford Shareholder,

On 25 September 2014, Sino Construction Limited (**Sino Construction**) announced its intention to make an off-market takeover bid for all the ordinary shares in Guildford Coal Limited (**Guildford**).

On behalf of the Board of Directors of Sino Construction, I am delighted to provide you with this Offer by Sino Construction to acquire all of Your Guildford Shares and to become a shareholder in Sino Construction.

Background on Sino Construction

Sino Construction has been listed on the SGX Mainboard since 12 June 2008 and has been principally engaged in building construction and civil engineering in the People's Republic of China, Singapore and other Asia-Pacific countries.

On 6 November 2013, we announced our intention to restructure and re-organise the Sino Construction Group. Over the last year we have disposed of several subsidiary entities to focus our attention on two key areas:

1. our Construction Business (which involves design, construction and civil engineering activities, and project consultancy and management services, in Singapore and other ASEAN countries); and

2. several completed and proposed acquisitions of diversified interests in the Mineral and Energy Resources Sector.

The second limb is an exciting transformation for Sino Construction. During 2014, we have actively pursued and acquired investment opportunities in the Mineral and Energy Resources Sector. Our completed investments include the acquisition of a 19.9% interest in Renaissance Enterprises S.A for S$28.6 million (approximately A$25.4 million) (Renaissance undertakes exploration and production of metals and minerals in Turkey) and the acquisition of a 19.9% interest in Ardilaun Energy Limited for S$12 million (approximately A$10.7 million) (Ardilaun undertakes oil and gas exploration and development in Irish territories and internationally). Further, and subject to receiving Sino Construction Shareholder approval, we propose to acquire a 51% interest in Signet Coking Coal International Limited for US$21 million (approximately A$24.1 million) (Signet and its subsidiaries are in the business of exploration and mining of coal, including thermal coal and coking coal in South Africa) and to acquire a 52% interest in JEMS Exploration Pty Limited for US$20 million (approximately A$23 million) (JEMS is an Australian company that is engaged in the exploration of coal at the Grey Range Project in Queensland).

These acquisitions, and the Offer that we are making to acquire Guildford under this Bidder's Statement, are an important part of our goal to transform Sino Construction into a mineral and energy resources business and to create new business opportunities with the intention of delivering sustainable earnings, as well as growth opportunities. The acquisition of Guildford is an integral part of this strategy.

In line with our change in strategic direction, we also propose to change Sino Construction's name to "Magnum Strategic Resources Limited" to better reflect our future operations.

Our interest in Guildford

The Sino Construction Board shares the Guildford Board's vision and business strategy for Guildford's projects and believes that the projects have excellent potential. On 31 July 2014, Sino Construction and Guildford entered into a non-binding term sheet under which it was proposed that Sino Construction would acquire Guildford's entire portfolio of coal assets in Australia. Sino

Construction's management is now of the view that it is more advantageous to acquire all of Guildford's assets including its coal producing assets in Mongolia. Therefore, we are delighted to be able to make this exciting Offer to acquire all the ordinary shares in Guildford.

Sino Construction believes that it can provide the scale, financial resources and access to capital necessary to develop Guildford's projects to their full potential in a more timely manner than without the added strength of Sino Construction behind Guildford.

Details of our Offer

We are offering to acquire Your Guildford Shares and in exchange you will receive 1 Sino Construction Share for every 4.5 Guildford Shares that you own.

Our Offer represents an attractive premium for Your Guildford Shares. In particular, it is a:

1. 77.89% premium to the closing price of A$0.035 per Guildford Share on the ASX on the Last Practicable Date; and

2. 17.03% premium to the three month volume weighted average price of A$0.0532 per Guildford Share as at the Last Practicable Date.

We believe that our Offer is also a compelling offer for the following additional reasons:

1. by accepting the Offer, Guildford Shareholders will still have an indirect interest in Guildford's assets but will also have acquired an interest in a larger, more diversified organisation; and

2. Sino Construction has access to Singapore capital markets and, by extension, a wider investor community in Asia which Sino Construction believes will make it easier to raise finance to develop Guildford's assets compared to Guildford seeking to do so alone.

Guildford Shareholders should note that the implied value of the Offer, and the extent of any premium to the Guildford Share price, will (in addition to other variables) depend on the prevailing price of Sino Construction Shares as quoted on the SGX.

Conditions of the Offer

Please note that the Offer is subject to Conditions, which are set out in Section 11.5. These include (but are not limited to):

1. acceptance of the Offer by Guildford Shareholders which gives the Sino Construction Group an aggregate Relevant Interest in Guildford Shares of at least 50.1%;

2. the approval of Sino Construction's Shareholders at an Extraordinary General Meeting for the Offer and the allotment and issue of the Sino Construction Shares to be issued as the Offer Consideration. As noted in Section 11.6(a), that approval may take approximately 3 months to be obtained; and

3. the in-principle approval by the SGX of Sino Construction's application for the listing and quotation on the SGX of the Sino Construction Shares to be issued as the Offer Consideration. Sino Construction expects that the in-principle approval of the SGX for the listing and quotation of the Sino Construction Shares to be issued as the Offer Consideration will be granted at or around the time that the Circular is despatched to Sino Construction Shareholders.

As with all equity investments, there are risks in becoming a Sino Construction Shareholder. These are discussed in Section 9.

Accept the Offer

I encourage you to carefully read this Bidder's Statement. Our Offer is open for acceptance until 7pm (Sydney time) on 25 February 2015 unless extended. I encourage you to **ACCEPT** the Offer by following the instructions on the accompanying Acceptance Form. If you have any queries, please contact the Offer Information Line on 1300 721 637 (for callers within Australia) or +61 2 8016 2890 (for callers outside Australia).

The Sino Construction Board strongly believes that the Offer is a compelling opportunity for Guildford Shareholders and we look forward to receiving your acceptance and to welcoming you as a shareholder in Sino Construction.

Yours sincerely,



Mr Andy Chee
Chairman
Sino Construction Limited

1. INVESTMENT OVERVIEW

The information set out in this Section is intended to provide an overview of the Sino Construction Group, the Offer that Sino Construction is making for Your Guildford Shares and the risks you should consider in accepting this Offer.

The information in this Section is not intended to be exhaustive and should be read in conjunction with the detailed information contained in this Bidder's Statement.

1.1 Summary of the Offer

Question	Answer	More Information
What is the Offer?	Sino Construction is offering to acquire Your Guildford Shares, on the terms and subject to the Conditions of this Offer.	See Section 11 for details of the Offer
What consideration will I be sent if I accept the Offer?	If you are an Eligible Shareholder and you accept the Offer, and it is declared unconditional, you will be issued 1 Sino Construction Share for every 4.5 Guildford Shares you own.	See Section 11.2 regarding the Offer Consideration
What if I am an Ineligible Foreign Shareholder?	If you are an Ineligible Foreign Shareholder you can still accept the Offer. However, you will not receive any Sino Construction Shares. Instead, you will be paid the net proceeds of the sale (in Australian dollars) by the Foreign Sale Nominee of the Sino Construction Shares you would have otherwise been entitled to receive under the Offer.	See Section 11.19 for details regarding Ineligible Foreign Shareholders
What is the value of the Offer?	If you accept the Offer, the value of the consideration you will receive under the Offer will depend on the price of the Sino Construction Shares at the time the Sino Construction Shares are allotted and issued to you under the Offer, as well as the prevailing foreign exchange rate. For example, based on the exchange rate of A$1: S$1.1243 and using the closing price of S$0.315 of Sino Construction Shares traded on the SGX on the Last Practicable Date, this results in the Offer having an implied value of A$0.0623 per Guildford Share at the Last Practicable Date. If you are an Ineligible Foreign Shareholder and you accept the Offer, the amount of cash you will be sent for your Sino Construction Shares will depend on the price received for the Sino Construction Shares when they are sold by the Foreign Sale Nominee and the prevailing foreign exchange rate. There is no certainty as to what that price and exchange rate may be and this will affect the amount that you will be paid.	See Section 2.1 and Section 11.19
Why should I accept the Offer?	The Sino Construction Board considers that there are numerous reasons why Guildford Shareholders should accept the Offer. These include: ▪ as at the Last Practicable Date, the Offer represents an attractive premium for your Guildford Shares; ▪ by accepting the Offer, Guildford Shareholders will still have an indirect interest in Guildford's assets and, following completion of the Takeover Bid, will	See Section 2 for more information about why you should accept the Offer

Question	Answer	More Information
	acquire an interest in a larger, more diversified organisation; ▪ if the Offer becomes unconditional and Sino Construction acquires control of Guildford there are risks to remaining a minority shareholder in Guildford; and ▪ some Guildford Shareholders may be able to obtain the benefit of capital gains tax scrip-for-scrip rollover relief if Sino Construction acquires more than an 80% interest in Guildford. Guildford Shareholders should note that there are risks associated with accepting the Offer and becoming a Sino Construction Shareholder. Please see Sections 1.4 and 9 for further details of these risks.	
Is the Offer subject to Conditions?	Yes. Similar to other off-market takeover bids, this Offer is subject to the satisfaction of various Conditions, including, but not limited to the following: ▪ minimum acceptance by Guildford Shareholders which gives Sino Construction a Relevant Interest in Guildford Shares of at least 50.1%; ▪ the approval of Sino Construction's Shareholders at an Extraordinary General Meeting for the Offer and the allotment and issue of the Sino Construction Shares to be issued as the Offer Consideration. As noted in Section 11.6(a), that approval may take approximately 3 months to be obtained (or, potentially, up to 6 months as set out in Section 11.6(a)); and ▪ SGX in-principle approval for the listing and quotation on the SGX of the Sino Construction Shares to be issued as Offer Consideration. Please note that the Offer is subject to various other Conditions, details of which are set out in Section 11.5.	See Section 11.5 for more details of these and the other Conditions
What happens if the Conditions of the Offer are not satisfied or waived?	If the Conditions of the Offer are not satisfied or waived by the Closing Date, the Offer will lapse.	See Section 11.9

1.2 Overview of the Sino Construction Group

Question	Answer	More Information
Who is making the Offer?	Sino Construction Limited is the company making the Offer.	See Sections 4, 5 and 6
Who is Sino Construction?	Sino Construction is a company incorporated in the Republic of Singapore and whose shares are listed and quoted for trading on the SGX (Bloomberg code: SICON:SP, SGX code: F3V). On the Last Practicable Date, Sino Construction had a market capitalisation of approximately S$415 million (approximately A$369 million). Sino Construction has been principally engaged in building construction and civil engineering in the People's Republic of China, Singapore and other ASEAN countries. However, Sino Construction is in the midst of a transformation of its business. Over the last year, Sino Construction has disposed of several subsidiary entities to focus its attention on two key areas: 1. its Construction Business (which involves design, construction and civil engineering activities, and project consultancy and management services, in Singapore and other ASEAN countries); and 2. several completed and proposed acquisitions of diversified interests in the Mineral and Energy Resources Sector. As part of the second limb, during 2014 Sino Construction has actively pursued and acquired investment opportunities in the Mineral and Energy Resources Sector for a total amount of S$40.6 million (approximately A$36.1 million) and, subject to the receiving Sino Construction Shareholder approval, Sino Construction proposes to acquire two further interests in the Mineral and Energy Resources Sector (for a total amount of US$41 million (approximately A$47.1 million) (which will be satisfied by way of using promissory notes which are convertible to Sino Construction Shares). On top of this, Sino Construction is making the Offer under this Bidder's Statement to acquire Guildford. Sino Construction's goal is to transform itself into a mineral and energy resources business and to create new business opportunities with the intention of delivering sustainable earnings, as well as growth opportunities. In line with its change in strategic direction, Sino Construction also proposes to change its name to "Magnum Strategic Resources Limited" to better reflect the Sino Construction Group's future operations. Guildford Shareholders can obtain trading information about the Sino Construction Shares on the SGX Website or Sino Construction's Website.	See Section 4 (for a general outline of the Sino Construction Group's business), Section 5 (for information about the corporate profile of Sino Construction), Section 6 (for details about Sino Construction's financial information) and Section 12 (for additional information about the Sino Construction Group)

Question	Answer	More Information
What are Sino Construction's intentions for Guildford?	It is the present intention of Sino Construction that, subject to the Offer becoming unconditional and Sino Construction acquiring a controlling interest in Guildford: ▪ Sino Construction will, at an appropriate time, seek the appointment of persons to the Guildford Board such that Sino Construction nominees comprise a majority of the Guildford Board; ▪ the operations of Guildford will be conducted in substantially the same manner as presently conducted (other than to the extent stated in Section 8); ▪ there will not be any redeployment of fixed assets of Guildford; ▪ to the extent permitted by regulations and the ASX Listing Rules, Sino Construction intends to retain Guildford's ASX listing; and ▪ Sino Construction does not anticipate any need to reduce operational staff employed by Guildford. See Section 8 for more information about Sino Construction's intentions for Guildford, including an explanation of more specific intentions which are dependent on the Relevant Interest that Sino Construction acquires in Guildford after the Closing Date.	See Section 8
What happened in respect of Sino Construction's August 2014 announcement of its non-binding intention to acquire Guildford's Australian coal assets?	On 31 July 2014, Sino Construction and Guildford entered into a non-binding term sheet under which it was proposed that Sino Construction would acquire Guildford's entire portfolio of coal assets in Australia. Sino Construction's management is now of the view that it is more advantageous to acquire all of Guildford's assets including its coal producing assets in Mongolia and accordingly this term sheet no longer applies.	Section 4.6(d)
Who are Sino Construction's Directors?	Sino Construction's Directors are: ▪ Chee Tet Choy, Andy (Non-Executive Chairman – appointed 2 May 2014 as a Sino Construction Director and Chairman on 6 June 2014); ▪ Lim Tiong Hian, Kenneth (Executive Director – appointed 12 June 2014); ▪ Chan Ying Wei (Independent Non-Executive Director- appointed 19 December 2013); ▪ Chong Chee Meng, Gerard (Independent Non-Executive Director - appointed 19 December 2013); and ▪ Rajesh Dilip Wadhwani (Independent Non-Executive	See Section 5.3

Question	Answer	More Information
	Director - appointed 19 December 2013). As part of the restructure and reorganisation of the Sino Construction Group over the last 12 months, the entire board of directors of Sino Construction has changed since December 2013. In particular, all of the current independent and non-executive directors were appointed on 19 December 2013 and the Chairman, Mr Chee, and the executive director, Mr Lim, were appointed in May and June 2014, respectively. Please see Section 5.3 for a biography of each of the Sino Construction Directors.	
Who are Sino Construction's senior management?	Sino Construction's senior management are: ▪ Zhou Xing Zhong, General Manager of Daqing Nafei Le Consulting Co. Ltd; and ▪ Mak Hon Hum, General Manager of SC Building & Construction Pte Ltd. Please see Section 5.5 for a biography of each of the senior management members.	See Section 5.5
Who are the substantial shareholders of Sino Construction?	Sino Construction's substantial shareholders as at the Last Practicable Date are: ▪ Quintestellar Re Capital Inc, a company controlled by Mr Andy Chee (the Chairman of Sino Construction); ▪ Sino Xin Yuan Construction Investments Pte Limited; ▪ Lexon Global Capital Limited; ▪ Dealson Limited; ▪ Edward Lee Ewe Ming; and ▪ Zhang Yanmin.	See Section 5.7
Are there any differences between Australian and Singapore securities laws?	Yes, you should be aware that the companies and securities laws in Singapore (where Sino Construction is incorporated and the Sino Construction Shares are listed for trading) are different to Australian securities laws and listing rules. Please see Annexure B for a comparison of some of the key differences in the securities laws and regulations of Australia and Singapore.	See Annexure B

1.3 Questions about accepting the Offer

Question	Answer	More Information
What choices do I have?	If you are an Eligible Shareholder, you have the following choices: ▪ accept the Offer; ▪ sell Your Guildford Shares (unless you have previously	See Section 3 and Section 11.19 if you are an Ineligible Foreign Shareholder

Question	Answer	More Information
	accepted the Offer); or ▪ do nothing. If you are an Ineligible Foreign Shareholder, you can do all of the above, however, if you accept the Offer the procedure set out in Section 11.19 will apply following your acceptance.	
What choices do I have if I accept the Offer?	If you are an Eligible Shareholder and you validly accept the Offer you can: ▪ receive Sino Construction Shares in certificated form (by way of a physical share certificate); ▪ elect to receive the Sino Construction Shares in uncertificated form (electronically) into your CDP Securities Account; or ▪ elect to have the Sino Construction Shares issued to the CDP Securities Account of your nominee in uncertificated form (electronically).	See Section 3
How do I accept the Offer?	To accept the Offer, you must correctly complete the accompanying Acceptance Form in accordance with the instructions on it or, if you have a CHESS Holding, provide your instructions to your Controlling Participant (normally your stockbroker).	See the accompanying Acceptance Form and Section 3 for information about accepting the Offer
Where do I send the Acceptance Form?	***By mail:*** Boardroom Pty Limited Sino Construction Takeover Offer GPO Box 3993 SYDNEY NSW 2001 ***By hand:*** Boardroom Pty Limited Sino Construction Takeover Offer Level 7, 207 Kent Street SYDNEY NSW 2000	See the accompanying Acceptance Form
What is the Closing Date?	The Offer is scheduled to close at 7pm (Sydney time) on 25 February 2015 unless extended or withdrawn in accordance with the Corporations Act.	
What happens if I do not accept the Offer?	If you do not accept the Offer and you do not sell Your Guildford Shares, you will remain a Guildford Shareholder and will not be sent any Offer Consideration.	
Can I withdraw my acceptance after I have accepted the Offer?	You cannot withdraw your acceptance of the Offer unless a right to withdraw arises under the Corporations Act. A withdrawal right will arise if, after you accept the Offer and the Offer is subject to any of the Conditions, Sino Construction varies the Offer in a way that postpones for more than one month the time that Sino Construction has to meet its	See Section 11.10

Question	Answer	More Information
	obligations under the Offer (for example, if Sino Construction extends the Offer for more than one month while the Offer remains subject to any of the Conditions).	
Can I accept the Offer for part of my shareholding?	No, you may only accept the Offer for all Your Guildford Shares.	See Section 11.1
Do I have to pay any brokerage fees if I accept the Offer?	No, you will not pay brokerage fees if you accept the Offer and are entitled to receive Sino Construction Shares. However, you may need to pay brokerage fees if you wish to trade the Sino Construction Share(s) you receive under the Offer.	
If I accept the Offer when will I receive my Sino Construction Shares?	If you are an Eligible Shareholder and accept the Offer, and the Offer becomes unconditional, the Sino Construction Shares will be issued to you on or before the earlier of one month after the Offer becoming unconditional or 21 days after the end of the Offer Period. If you are an Ineligible Foreign Shareholder please see Section 11.19 for details regarding the distribution by the Foreign Sale Nominee of the net proceeds you will receive from the sale of the Sino Construction Shares you would have otherwise been entitled to receive under the Offer.	See Section 11.13
Will Sino Construction Shares issued as the Offer Consideration be listed on the ASX?	No. If you accept the Offer, and subject to the SGX in-principle approval for the listing and quotation on the SGX of the Sino Construction Shares to be issued as the Offer Consideration being obtained, the Sino Construction Shares you receive will be listed and quoted for trading on the SGX. Sino Construction has made an application to the SGX for in-principle approval for the listing and quotation on the SGX of the Sino Construction Shares to be issued as the Offer Consideration.	
How do I deal with Sino Construction Shares on the SGX that I receive?	If you accept the Offer you will be issued Sino Construction Shares. These will only be quoted on the SGX (and not the ASX). Market trades for shares listed on the SGX are settled electronically through CDP. Generally, to trade shares on the SGX, you will need a CDP Securities Account (which is an account which allows you to hold shares that are listed and quoted for trading on the SGX), a trading account (maintained with a stockbroker who is a "SGX Member Company") and a bank account (with a bank account that can provide a direct crediting service) (even if you appoint a broker). If you do not have a CDP Securities Account and do not wish to open one, you should contact a broker for advice.	See Annexure A for more details on how you can deal with your Sino Construction Shares
What happens if I am entitled to receive a fraction of a Sino	Fractional entitlements will be rounded up to the nearest whole number.	See Section 11.2

Question	Answer	More Information
Construction Share as part of the Offer Consideration?		
Are there any difficulties in dealing with small parcels of Sino Construction Shares on the SGX?	Under the rules relating to trading on the SGX, listed securities are traded on the "ready market" of the SGX in lots of 1,000 shares, known as "board lots" (from 19 January 2015, SGX intends that 100 shares will constitute a "board lot"). Trading in smaller lots than board lots occurs on the unit share market, which is not as easily tradable. Accordingly, if you hold less than 4,500 Guildford Shares and you accept the Offer and are entitled to be issued with Sino Construction Shares, you will be issued less than 1,000 Sino Construction Shares and, therefore, you may not be able to easily trade those shares prior to 19 January 2015 at which time SGX intends that the number of shares that constitutes a board lot will be lowered to 100 shares (that is, from that time if you hold less than 100 Sino Construction Shares you may not be able to easily trade those shares). You may need to appoint a broker and incur costs (including brokerage costs) in respect of dealing with that lot of shares. You might also find it difficult to find a broker who is willing to deal with such a small number of shares.	See Annexure A
What are the taxation implications of accepting the Offer?	Sections 10.2 and 10.3 contain an overview of the Australian and Singapore taxation implications of accepting the Offer. Sino Construction recommends that you seek independent professional advice in relation to your own specific circumstances. Any Guildford Shareholder that is in any doubt as to the taxation consequences of accepting the Offer should seek their own independent professional advice.	See Sections 10.2, 10.3, Annexure C and Annexure D

1.4 Overview of Risks

Question	Answer	More Information
What are the risks if I accept the Offer?	If you accept the Offer, and the Offer becomes unconditional, you will be issued with new Sino Construction Shares (unless you are an Ineligible Foreign Shareholder). There are risks in holding Sino Construction Shares. Guildford Shareholders should note that the Section below is not an exhaustive list of all of the risks of the Offer and of becoming a Sino Construction Shareholder (for a fuller list, and more information on the risks, please refer to Section 9).	See Section 9 for more information on the risks of the Offer
Risks that may arise from accepting the Offer	Guildford Shareholders may be exposed to the following risks as a result of accepting the Offer: ▪ the price of the Sino Construction Shares as quoted on the SGX fluctuates and, therefore, the implied value of the Offer Consideration will fluctuate depending on the value of the Sino Construction Shares; ▪ the Offer is subject to a number of Conditions, as set out	See Section 9

Question	Answer	More Information
	in Section 11.5. In particular, Sino Construction requires the approval of Sino Construction Shareholders for the Offer and the proposed allotment and issue of the Sino Construction Shares to be issued as the Offer Consideration. Under the Listing Manual of the SGX, Sino Construction must prepare, and distribute to Sino Construction Shareholders, a 'Circular' in respect of the Offer. Sino Construction must also provide a 'qualified person's report' with the Circular, which will require Guildford's cooperation. Sino Construction intends to apply to the SGX for a waiver of the requirement to prepare a 'qualified person's report', but cannot guarantee that the waiver will be granted. If the waiver application is rejected and a 'qualified person's report' is required to be prepared, Sino Construction considers that it may take approximately 6 months for that report to be prepared and subsequent Extraordinary General Meeting to be held. In those circumstances, Sino Construction expects that it will need to vary the Offer Period so that it is extended to be a date that is at least 6 months after the date of this Bidder's Statement (that is, Sino Construction expects that it will need to extend the Offer Period by at least 3 months). In those circumstances, Sino Construction will send each Guildford Shareholder a formal notice of the extension of the Offer Period; ▪ Guildford Shareholders should note that the Offer will remain subject to the Conditions unless and until the Conditions are satisfied or waived. If, and until, that occurs, Guildford Shareholders that have accepted the Offer will not be able to withdraw their acceptance of the Offer or otherwise dispose of their Guildford Shares (except in limited circumstances as detailed in Section 11.10); ▪ there are risks in investing in a company which is incorporated and its securities listed in an overseas country (as Sino Construction is incorporated in Singapore and its shares are listed on the SGX – Sino Construction Shares are not listed on the ASX and Sino Construction has no intention to seek listing on the ASX at this time); and ▪ Sino Construction intends to issue additional Sino Construction Shares to satisfy the consideration payable by Sino Construction in respect of the Sino Construction Proposed Share Issues and may issue new Sino Construction Shares or convertible securities as part of future fundraisings or further acquisitions. Accordingly, any further issues of Sino Construction Shares will have a dilutive effect on your Sino Construction Shares.	

Question	Answer	More Information
Risk relating to the Sino Construction Group's overall business activities	Guildford Shareholders may be exposed to the following risks which relate to the Sino Construction Group's overall business activities: ▪ in order to proceed with the development of the projects in which it has or may in the future have an interest, including its intentions for Guildford as set out in Section 8, and to pursue future acquisitions, the Sino Construction Group is likely to be required to raise additional funding in the future. There is no assurance that the Sino Construction Group will be able to raise such capital when it is required or that the terms associated with providing such capital will be satisfactory to Sino Construction, which may prejudice its ongoing ability to fully pursue its strategy, intentions and projects in which it has an interest; ▪ as detailed in Section 4.2, the Sino Construction Group's current revenue is derived from its existing Construction Business and, to date, the Sino Construction Group has not received any revenue in respect of its investments in the Mineral and Energy Resources Sector. Therefore, other than raising capital through financing as discussed in Section 4.9, the Sino Construction Group relies on its existing Construction Business for its current financing and cash flow management; ▪ in terms of the Sino Construction Group's Construction Business, Sino Construction Group is dependent on its on-going and secured projects and its ability to secure new and profitable projects; ▪ the Sino Construction Group does not have a proven track record in the Mineral and Energy Resources Sector and the current management of the Sino Construction Group may not have the relevant experience and expertise required in the carrying out or implementation of its investments in the Mineral and Energy Resources Sector. Any failure in the execution of the investments in the Mineral and Energy Resources Sector could materially and adversely affect the Sino Construction Group's financial performance and financial position; and ▪ the returns on the Sino Construction Group's investments are dependent upon the financial performance of the projects and entities and/or companies in which it invests. However, as the Sino Construction Group may not take majority positions in the projects or companies nor seek board representation, it is reliant on the project or company's management in respect of the project or company's financial performance.	See Section 9

Question	Answer	More Information
Risks relating to exploration, exploitation, development and production generally	There are also additional risks that apply in respect of exploration, exploitation, development and production generally. These include: ▪ geopolitical risks; ▪ commodity price volatility; ▪ title and tenure risks; ▪ environmental risks; and ▪ exploration, exploitation, development and production risks in general.	See Section 9

2. REASONS TO ACCEPT THE OFFER

2.1 The Offer represents an attractive value for Your Guildford Shares

The Offer is 1 Sino Construction Share for every 4.5 Guildford Shares which implies a value of A$0.0623 per Guildford Share (based on a Sino Construction Share price of S$0.315 (approximately A$0.28) and the prevailing foreign exchange rate of A$1:S$1.1243 on the Last Practicable Date).

The Offer represents a:

(a) 77.89% premium to the closing price of A$0.035 per Guildford Share on the ASX on the Last Practicable Date;

(b) 13.5% premium to the closing price of A$0.054 per Guildford Share on the ASX on the day before the Announcement Date; and

(c) 17.03% premium to the three month VWAP of A$0.0532 per Guildford Share on the ASX as at the Last Practicable Date.

The chart below illustrates the premium reflected in the Offer.

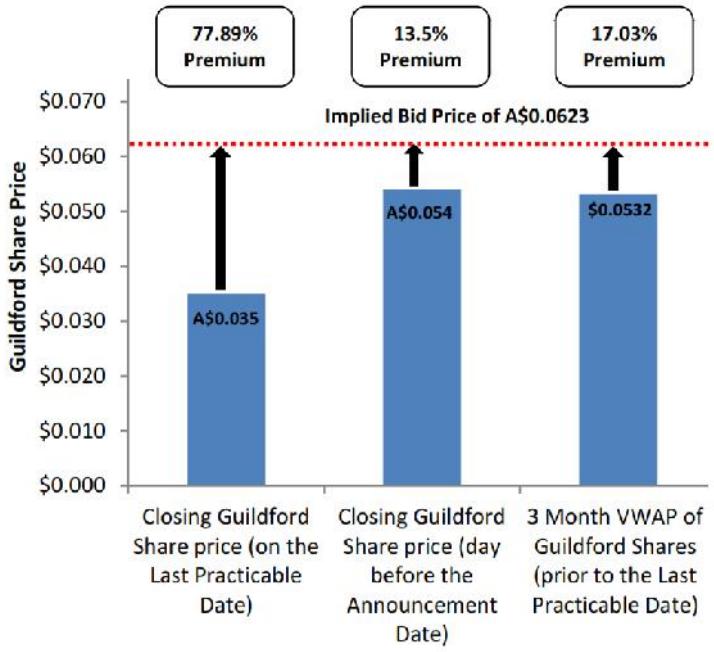


Figure 1: Implied offer premium as at the Last Practicable Date. All amounts are stated in Australian dollars (A$).

The implied value of the Offer, including the extent of the premium (if any) to the price of Guildford Shares as quoted on the ASX, will depend on a number of variables. These variables include:

(a) the price of Sino Construction Shares as quoted on the SGX;

(b) the price of Guildford Shares as quoted on the ASX; and

(c) the Singapore / Australian dollar exchange rate.

2.2 Retain an indirect exposure to Guildford's assets but achieve greater diversification

By accepting the Offer, former Guildford Shareholders will still have an interest in Guildford's assets. It is just that the interest will be indirect by virtue of holding Sino Construction Shares and Sino Construction holding the Guildford Shares.

You will also benefit from greater diversification through exposure to the Sino Construction Group's other assets and businesses, including its investments in other companies. Therefore, following completion of the Takeover Bid, you will become a shareholder in a larger and more diversified company which intends to seek out and secure further additional investments, such as the Sino Construction Proposed Acquisitions. Further details regarding the Sino Construction Proposed Acquisitions are contained in Section 4.6.

Please see Section 4 of this Bidder's Statement for full details on the Sino Construction Group's current assets and strategy.

2.3 If the Offer becomes unconditional and Sino Construction acquires control of Guildford there are risks to remaining a minority shareholder in Guildford

If Sino Construction acquires an interest in more than 50% of Guildford Shares, remaining Guildford Shareholders will become minority shareholders in a listed subsidiary. This is likely to result in Guildford Shares being less likely to be subject to a future takeover bid unless that bid is supported by Sino Construction. In these circumstances it is likely that trading in Guildford Shares will become less liquid than it was prior to the Last Practicable Date.

2.4 Access to Asian capital markets

Sino Construction has access to Singapore capital markets and, by extension, a wider investor community in Asia which Sino Construction believes will make it easier to raise finance to develop Guildford's assets compared to Guildford seeking to do so alone.

2.5 Capital gains tax roll-over relief

If, as a result of the Offer, Sino Construction becomes the holder of 80% or more of the Guildford Shares and Guildford Shareholders would otherwise have made a capital gain in respect of the disposal of their Guildford Shares under the Offer, some Guildford Shareholders may be entitled to capital gains tax scrip-for-scrip rollover relief. If applicable, no taxable gain will arise as a consequence of acceptance of the Offer. Please see Annexure C for further details as to the potential operation of the scrip-for-scrip rollover provisions.

3. INFORMATION ABOUT ACCEPTING THE OFFER

3.1 Overview

The table below sets out an overview of the options available to Eligible Shareholders to receive the Offer Consideration if they accept the Offer. Further details about each of the options can be found in this Section below. The information in this Section is not intended to be exhaustive and if any Guildford Shareholders are in any doubt they should contact the Offer Information Line or seek independent professional advice.

If you are an Ineligible Foreign Shareholder you can, of course, still accept the Offer. Please see Section 11.19 for the procedure that will apply following your acceptance of the Offer.

If you choose to accept the Offer Consideration in this way:	You will need to do this:	You will receive this:	Next steps:
Receive Sino Construction Shares in certificated form (by way of a physical share certificate)	Accept the Offer as set out below. You do not need to do anything further.	You will be sent a physical share certificate in the mail.	If you wish to trade your Sino Construction Shares, you will need to deposit your physical share certificate with CDP in order to credit the shares into your CDP Securities Account. Please refer to Annexure A for further details about setting up a CDP Securities Account. You will also need to set up a trading account with an SGX Member Company that is linked to your CDP Securities Account and open a bank account with a bank that provides direct crediting services. Alternatively, if you do not wish to open a CDP Securities Account, you may appoint a broker who has a CDP Securities Account to trade your Sino Construction Shares on your behalf.
Elect to receive Sino Construction Shares through your CDP Securities Account in uncertificated form (electronically)	Accept the Offer as set out below. You must also provide Boardroom with your CDP Securities Account details under the Acceptance Form.	Your Sino Construction Shares will be deposited electronically into your CDP Securities Account. You will not receive a physical share certificate. Sino Construction will allot and despatch, to CDP for the account of the Depositors who hold the Sino Construction Shares, one certificate for all the Sino Construction Shares.	You can trade your Sino Construction Shares through a trading account linked to your CDP Securities Account. You must also have a bank account opened with a bank that provides direct crediting services.

Elect to direct the Sino Construction Shares to be issued to your nominee's CDP Securities Account in uncertificated form (electronically)	Accept the Offer as set out below. You or your nominee must also provide the nominee's CDP Securities Account details under the Acceptance Form.	Your Sino Construction Shares will be deposited electronically into the CDP Securities Account of your nominee as advised. You will not receive a physical share certificate. Sino Construction will allot and despatch, to CDP for the account of the Depositors who hold the Sino Construction Shares, one certificate for all the Sino Construction Shares.	You should contact your nominee to deal with your Sino Construction Shares held in your nominee's CDP Securities Account.

3.2 How do I accept the Offer?

Your Guildford Shares are registered in an Issuer Sponsored Holding (your SRN begins with an "I")	To accept the Offer you must complete, sign and return the accompanying Acceptance Form in accordance with the instructions so that it is correctly completed and received at the address indicated on the Acceptance Form before the end of the Offer Period.
Your Guildford Shares are registered in a CHESS Holding (your HIN starts with an "X")	To accept the Offer you must either: ▪ instruct your Controlling Participant (usually your broker) to accept the Offer in sufficient time for your acceptance to be received in CHESS before the end of the Offer Period – please also email a copy of the completed and signed Acceptance Form to corporateactions@boardroomlimited.com.au to provide the required CDP Securities Account details if you want your Sino Construction Shares to be deposited into a CDP Securities Account; ▪ correctly complete, sign and send the accompanying Acceptance Form directly to your Controlling Participant in sufficient time for the Offer to be accepted before the end of the Offer Period with instructions to initiate acceptance of the Offer on your behalf – please also email a copy of the completed and signed Acceptance Form to corporateactions@boardroomlimited.com.au to provide the required CDP Securities Account details if you want your Sino Construction Shares to be deposited into a CDP Securities Account; or ▪ correctly complete, sign and return to Boardroom the accompanying Acceptance Form in accordance with the instructions so that it is received at the address indicated on the Acceptance Form by the second last Business Day of the Offer Period. This will authorise Sino Construction to instruct your broker or Controlling Participant to initiate acceptance of the Offer on your behalf.
You are a Controlling Participant	Acceptance of the Offer must be initiated in accordance with the ASX Settlement Operating Rules before the end of the Offer Period. Controlling Participants are advised that there are two separate CHESS codes:

	▪ accept the Offer; and ▪ accept the Offer and direct the Sino Construction Shares to be electronically deposited into a particular CDP Securities Account.

Please note that if you accept the Offer but do not make any other election in the Acceptance Form, you will receive a physical share certificate.

Also, if you do not provide CDP Securities Account details (whether your own or those of your nominee), or the details you provide do not match CDP's information, you will receive a physical share certificate (which will be mailed to you at your risk). It is your responsibility to provide these details in a timely manner.

You should be aware that you will not be able to deal with or trade your Sino Construction Shares until you establish or nominate a CDP Securities Account into which your Sino Construction Shares are to be held. This can be done at any time after you receive the share certificate for your Sino Construction Shares.

3.3 If I accept the Offer, how will I receive my Sino Construction Shares?

If you accept the Offer, you can receive your Sino Construction Shares in one of the following ways:

(a) receive a physical share certificate;

(b) if you provide details of your CDP Securities Account, your Sino Construction Shares will be credited to your CDP Securities Account; or

(c) if you appoint or nominate a broker/nominee/custodian with a CDP Securities Account to which you would like your Sino Construction Shares to be issued, your Sino Construction Shares will be credited to that CDP Securities Account.

If you accept the Offer and are an Ineligible Foreign Shareholder, you will not be issued Sino Construction Shares but rather the Sino Construction Shares to which you would otherwise have been entitled will (together with those of all other Ineligible Foreign Shareholders who accept the Offer) be issued to the Foreign Sale Nominee and you will receive the net proceeds of the sale by cheque – please refer to Section 11.19 for further details.

3.4 Appointment of a nominee

If you do not have a CDP Securities Account in your own name, you may appoint a nominee broker to receive your Sino Construction Shares in your nominee broker's CDP Securities Account. Sino Construction will not be responsible to any Guildford Shareholder for any delay in issuing the Sino Construction Shares to the nominee broker's CDP Securities Account if incorrect or insufficient information has been provided.

Please note that if you elect to appoint a nominee to receive your Sino Construction Shares in a CDP Securities Account, you will be deemed to have provided additional warranties and indemnities in favour of Sino Construction and others as set out in Section 11.11.

This option may also be used if you are a nominee who holds Guildford Shares on behalf of another person (**UBO**) and, on instructions of the UBO, you wish to receive Sino Construction Shares into the CDP Securities Account of another person (for example, because you are not able, whether under the terms of your mandate or otherwise, to hold shares listed on a foreign exchange, such as Sino Construction Shares).

3.5 Trading your Sino Construction Shares

Please see Annexure A for further information about how you may deal with the Sino Construction Shares you receive under the Offer, including the process involved in setting up a CDP Securities Account.

4. SINO CONSTRUCTION GROUP'S ACTIVITIES

4.1 Introduction – current businesses and expanded focus on Mineral and Energy Resources Sector

The Offer is being made by Sino Construction. If you accept the Offer (and are not an Ineligible Foreign Shareholder) you will be issued Sino Construction Shares as your Offer Consideration.

(a) **Snapshot of Sino Construction's existing businesses**

The Sino Construction Group currently undertakes two key business activities as detailed in the table below.

Key business activity	Details of the Sino Construction Group's current businesses
Construction Business	Members within the Sino Construction Group currently are engaged in the business of the design, construction, civil engineering, project consultancy and management services in Singapore and other ASEAN markets. Further details of these activities are included in Section 4.8.
Investments in the Mineral and Energy Resources Sector	The Sino Construction Group holds equity investments in companies which operate in Mineral and Energy Resources Sector. Further details of these interests are included in Section 4.7. Sino Construction also proposes, subject to receiving the approval from its shareholders in general meeting, to acquire further interests in the Mineral and Energy Resources Sector as set out in Section 4.6.

(b) **Snapshot of Sino Construction's proposed expansion into the Mineral and Energy Resources Sector**

Sino Construction proposes to seek the approval of Sino Construction Shareholders to add the Mineral and Energy Resources Sector as an additional "core business" activity of Sino Construction, in particular, (i) the exploration, exploitation, development and production of mineral and energy resources and (ii) investments in mineral and energy resource projects, entities and companies. If that approval is not obtained, this Takeover Bid of Guildford can proceed (as this particular Sino Construction Shareholder approval is not a Condition of this Takeover Bid) subject to the Conditions of the Offer (as set out in Section 11.5).

Importantly, the Sino Construction Group remains committed to continuing its existing Construction Business for as long as it remains viable. The expanded focus on the Mineral and Energy Resources Sector is intended to be an expansion of the Sino Construction Group's core businesses, rather than a diminution or closure of the existing Construction Business.

Further details regarding Sino Construction's proposed expansion into the Mineral and Energy Resources Sector are contained in the remainder of this Section 4.

4.2 Contribution of each of the current business units to the Sino Construction Group's overall current operations

The contribution of each of the business units set out in Section 4.1 to the Sino Construction Group during the six months ended 30 June 2014 is detailed in the table below (which is based on the unaudited consolidated half year financial statements of the Sino Construction Group).

Business Segment	Assets as at 30/06/14		Revenue (half year to 30/06/14)		Profit/(loss) before income tax (half year to 30/06/14) [1]	
	S$ and A$ '000s (approx)	%	S$ and A$ '000s (approx)	%	S$ and A$ '000s (approx)	%
Construction Business	S$3,595 (A$3,198)	9.22%	S$1,137 (A$1,011)	100%	S$(29) (A$(26))	100%
Investments in the Mineral and Energy Resources Sector	S$35,380 (A$31,468)	90.78%	S$0 (A$0)	0%	S$0 (A$0)	0%

Total	S$38,975 (A$34,666)	100%	S$1,137 (A$1,011)	100%	S$(29) (A$(26))	100%

Note: *[1] This refers only to continuing operations of the Sino Construction Group and does not include any profits/losses from discontinued operations and foreign currency translations.*

As set out above, to date, the Sino Construction Group has not received any revenue from its investments in the Mineral and Energy Resources Sector and does not expect to receive any revenue from these investments in the short term due to the fact that most of the companies in which those investments are made are focused on exploration activities.

For further information about the Sino Construction Group's financial position and performance, please see Section 6 and also the Investigating Accountant's Report.

4.3 Proposed diversification of the Sino Construction Group and proposed addition of Mineral and Energy Resources Sector as a core business activity

In late 2013, the Sino Construction Group undertook an internal restructuring exercise to re-organise its business and to resolve certain issues in the PRC (see Section 4.8 for further information).

Since early 2014, the Sino Construction Group has embarked on a programme to acquire and hold multiple and diversified assets in the Mineral and Energy Resources Sector, with the goal of transforming itself into a Mineral and Energy Resources Sector business. In connection with this diversification, Sino Construction has completed the Ardilaun Investment and Renaissance Investment (which are detailed in Section 4.7), thereby gaining a foothold in the oil & gas industry and titanium and heavy mineral resources industry. In addition, and of more significance to the Sino Construction Group, particularly in relation to its focus on the coal industry, Sino Construction has announced the Proposed Signet Acquisition, the Proposed JEMS Acquisition and, under this Bidder's Statement, in making the Takeover Bid for Guildford Coal Limited.

Sino Construction is seeking to obtain the approval of its shareholders for its new business strategy to continue its expansion in the Mineral and Energy Resources Sector, and will be seeking the approval of its shareholders in a general meeting to be convened to add its activities in the Mineral and Energy Resources Sector as an additional "core business" activity of Sino Construction. Please see Section 4.1 for more details on that approval which will be sought by Sino Construction.

If that approval is obtained at the meeting of Sino Construction Shareholders, the Sino Construction Group intends to continue to expand its involvement in the following:

(a) exploration, exploitation, development and production of mineral and energy resources – this will involve the Sino Construction Group becoming directly involved in the management of businesses which undertake these activities. This may include members of the Sino Construction Group undertaking physical exploration and/or exploitation, project planning and development, providing funding and providing management, technical and administrative services; and

(b) investing in the Mineral and Energy Resources Sector – this will involve the Sino Construction Group investing (including through partnerships and joint ventures) in selected projects and companies which are in the early stages of defining, developing and/or producing mineral and/or energy resources assets. The investments may be significant minority or majority interests.

If that approval is not obtained at the meeting of Sino Construction Shareholders, the Sino Construction Group intends to continue its proposed expansion into the Mineral and Energy Resource Sector, however, any further acquisitions (other than the Sino Construction Proposed Acquisitions and this Takeover Bid) may require separate approvals from Sino Construction Shareholders and other regulatory approvals in accordance with the Listing Manual of the SGX. As such, any further proposed acquisitions will need to be considered on a case-by-case basis.

The Sino Construction Group does not intend for the Mineral and Energy Resources Sector to be restricted to any geographical area.

4.4 The rationale for the proposed expansion in the Mineral and Energy Resources Sector

The Sino Construction Group proposes to expand its focus on the Mineral and Energy Resources Sector for the following reasons:

(a) diversification - as part of its business development strategy, Sino Construction continually aims to provide Sino Construction Shareholders with diversified returns. It intends to continue searching for business opportunities in sectors with good prospects for long term growth to broaden the Sino Construction Group's revenue stream; and

(b) potential in the growing Mineral and Energy Resources Sector - Sino Construction has identified the Mineral and Energy Resources Sector as a business activity which will provide the Sino Construction Group with expected sustainable and long term prospects of profitability and growth. The rising global population and the increasing industrialisation and urbanisation, and rising income levels in emerging economies (particularly in Asia), are expected to continue to fuel demand for mineral and energy resources in the foreseeable future.

4.5 Proposed change of name of Sino Construction

In line with its change in strategic direction, Sino Construction also proposes to change its name to "Magnum Strategic Resources Limited" to better reflect the Sino Construction Group's future operations.

4.6 The Sino Construction Group's ongoing acquisition program

(a) **Overview**

Sino Construction has announced two proposed acquisitions of majority interests in the Mineral and Energy Resources Sector – being the Proposed Signet Acquisition and the Proposed JEMS Acquisition. Sino Construction regards these proposed acquisitions (together with this Offer to acquire the Guildford Shares) as key proposed projects of Sino Construction and an important part of Sino Construction's goal to transform itself into a mineral and energy resources business, for the following reasons:

(i) Sino Construction proposes (subject to the terms and conditions of the relevant transactions) to acquire control of these entities by way of acquiring a majority shareholding – this contrasts with Sino Construction's other investments in the Mineral and Energy Resource Sector (being the Ardilaun Investment and the Renaissance Investment – see Section 4.7 for more details); and

(ii) the projects of these entities are all in the coal industry which Sino Construction considers will give it a good foothold in the coal industry and enable it to draw on the consolidated management and expertise of each of these entities.

(b) **Proposed Signet Acquisition**

(i) Introduction

On 6 June 2014, Sino Construction entered into a sale agreement with Lighthouse Strategic Group Limited (**Lighthouse**). Under the Proposed Signet Acquisition, Sino Construction will acquire 51% of Signet Coking Coal International Limited (**Signet**). Completion of the Proposed Signet Acquisition is subject to Sino Construction Shareholder approval, which is expected to be sought at the Extraordinary General Meeting detailed in Section 11.6(a).

(ii) Information about Signet's projects

Through a series of interposed companies, Signet and its subsidiaries are in the business of exploration and mining of coal, including predominantly coking coal in South Africa. As at the Last Practicable Date, Signet has a 74% interest in the following projects (all of which are currently at an exploration stage):

(A) The Duel: Signet has completed the first round of JORC exploration on the farm, The Duel 186 MT, as part of The Duel project, with coking coal qualities discovered deemed as Hard Coking Coal (**HCC**). Sino Construction understands that laboratory composite samples of the coal discovered suggests that the relevant qualities of the coal zones would suggest that, whether individually or blended, the

coal would qualify as HCC. The potential to produce a premium hard quality coking coal from selective seams is also evident, with selective seams also offering a potentially high fluidity, hard coking coal.

(B) Universal Annex and Mopane: The Soutpansberg coalfield is divided into three separate sectors named from west to east as Mopane, Tshipise and Pafuri. The Mopane sector is already known to contain semi soft coking coal and thermal coal. It is anticipated that the first stage of exploration will seek to determine the position of the coal seams before Signet embarks on a full scale exploration.

(C) Tshipise II: Signet has the right to explore on 6 farms for coking coal. Land ownership and surface rights belong to private individuals. The project sits within the Tshipise sector of the Soutpansberg coalfield.

Under the laws of the Republic of South Africa, any company holding rights under the *Mineral Petroleum and Resources Development Act 2002* (Act 28 of 2002 of the Republic of South Africa) must have at least 26% of its issued share capital held by persons who qualify as Black Economic Empowerment (BEE) shareholders. As the two interposed companies that hold the interests in the above projects are South African registered companies, Signet only has a 74% interest in these two interposed companies with the remaining shareholders being BEE shareholders.

The information in this Section 4.6(b)(ii), to the extent that it relates to Signet's projects, has been compiled and reviewed by Mr PC Meyer. Mr Meyer is a member of the South African Council for Natural Scientific Professions, being a "Recognised Overseas Professional Organisation" included in the list promulgated by the ASX, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr Meyer consents to the inclusion of this information in the form and context in which it appears based on the information presented to him and has not withdrawn that consent before the date of lodgement with ASIC of this Bidder's Statement.

(iii) Key terms and status of Proposed Signet Acquisition

If Sino Construction Shareholder approval is obtained at the Extraordinary General Meeting, Sino Construction will pay US$21 million (approximately A$24 million) to acquire 51% of Signet under the Signet Purchase Agreement, which will be paid in three instalments over a 12 month period following the completion of the initial program and a JORC compliant report in respect of The Duel. That consideration is proposed to be issued under a non-interest bearing promissory note by Sino Construction (**Signet Promissory Note**). Please see Section 5.2(b) for further details regarding the terms of the Signet Promissory Note.

Completion of the Proposed Signet Acquisition is subject to the SGX approving the listing and quotation of the Sino Construction Shares to be issued under the Signet Promissory Note and the shareholders of Sino Construction approving the transaction at the Extraordinary General Meeting.

Sino Construction will also be responsible for funding the prospecting operations of the Signet group by lending and advancing to Signet an aggregate amount of US$5 million (approximately A$5.7 million) in three parts as follows:

(A) US$2.5 million (approximately A$2.9 million), 5 days after the date of the Signet Purchase Agreement;

(B) US$1.5 million (approximately A$1.7 million), 60 days after the date of the Signet Purchase Agreement; and

(C) US$1 million (approximately A$1.1 million), 90 days after the date of the Signet Purchase Agreement.

As completion of the Proposed Signet Acquisition was made subject to shareholder approval due to Rule 1003 of the Listing Manual of the SGX, Sino Construction did not disburse the loan required. Instead, US$3.5 million (approximately A$4 million) of the loans were disbursed by Quintestellar Re Capital Inc., a substantial shareholder of Sino Construction, on behalf of Sino Construction.

Please see Section 12.11(b) for a summary of the material terms of the Signet Purchase Agreement and Signet Promissory Note.

(c) **Proposed JEMS Acquisition**

(i) Introduction

On 22 July 2014, Sino Construction entered into a conditional sale agreement with Bizcap Investments Ltd (**Bizcap**) under which it is proposed that Sino Construction will acquire 52% of the JEMS Exploration Pty Limited (**JEMS**). Completion of the Proposed JEMS Acquisition is subject to Sino Construction Shareholder approval, which is expected to be sought at the Extraordinary General Meeting detailed in Section 11.6(a). If the Proposed JEMS Acquisition completes, Bizcap is expected to retain a 48% interest in JEMS and it is not proposed that any shareholders' agreement will be entered into between Sino Construction and Bizcap.

(ii) Information about JEMS and the Grey Range Project

JEMS is an Australian registered proprietary company that is engaged in the exploration for coal at the Grey Range Project in Queensland. The Grey Range Project is a coal development project which proposes to mine thermal coal within Exploration Permits for Coal (**EPCs**) 2510, 2544 and 2557. Details of the EPCs are set out below:

(A) EPC2510: up to 18 July 2017;

(B) EPC2544: up to 7 April 2018; and

(C) EPC2557: up to 18 July 2017.

The centre of these EPCs is located about 70 kilometres southwest of Quilpie in Western Queensland. The tenements comprise low plateau tablelands of the Grey Range which merge eastwards to gently undulating scrub covered lowlands interspaced within grass-land plains. Land use is primarily open rangeland sheep and cattle grazing. Mining and pastoral activities are considered to be highly complimentary in the area and fully supportive.

In 2013, JEMS conducted exploration drilling on each of the EPCs. Within this area, the drilling program provided approximate coal resource data for about 160 square kilometres or about 22% of the total area. Areas where coal was encountered were divided into nine squares or rectangular blocks and average thicknesses of coal for each of these blocks was calculated. The exploration drilling programs conducted on the Grey Range Project consists of seismic work and exploration boreholes. The results of the exploratory programs have identified inventory of 1,458 million tonnes of coal in the "Inferred" coal classification category. Due to some of the coal seams being thin and containing poorer quality coal, the total has been reduced by 40% to provide a JORC Inferred Coal Resource of 858 million tonnes. JEMS considered the initial results from the drilling as promising and 78% of the area where coal was proven to be present remains to be investigated.

The information in this section 4.6(c)(ii), to the extent that it relates to JEMS' Grey Range Project, including statements as to Mineral Resources, has been compiled and reviewed by Dr Brian Senior. Dr Senior is a Fellow of the Australian Institute of Mining and Metallurgy, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Dr Senior consents to the inclusion of this information in the form and context in which it appears based on the information presented to him and has not withdrawn that consent before the date of lodgement with ASIC of this Bidder's Statement.

(iii) Key terms and status of the transaction

If Sino Construction Shareholder approval is obtained at the Extraordinary General Meeting, Sino Construction will pay US$20 million (approximately A$23 million) to acquire 52% of JEMS under the JEMS Purchase Agreement. That consideration will be issued under promissory notes by Sino Construction (**JEMS Promissory Notes**). Please see Section 5.2(b) for further details regarding the terms of the JEMS Promissory Notes.

Completion of the Proposed JEMS Acquisition is subject to Sino Construction Shareholder approval, Sino Construction having undertaken and completed due diligence on JEMS to Sino Construction's reasonable satisfaction, as well as the SGX approving the listing and quotation of the Sino Construction Shares to be issued under the JEMS Promissory Notes. The end date for the satisfaction of these conditions precedent is 22 January 2015 which, if not satisfied by that time, will result in the Proposed JEMS Acquisition not proceeding, unless extended by Sino Construction and Bizcap.

Please see Section 12.11(c) for a summary of the material terms of the JEMS Purchase Agreement and JEMS Promissory Notes.

(d) **Previous proposed non-binding acquisition by Sino Construction of the Australian coal assets of Guildford**

On 31 July 2014, Sino Construction and Guildford entered into a non-binding term sheet under which it was proposed that Sino Construction would acquire Guildford's entire portfolio of coal assets in Australia. Under that proposed transaction the coal assets of Guildford would have been restructured so that they were held by a newly incorporated company which would have been acquired by Sino Construction. Sino Construction would have paid US$25 million (approximately A$28.7 million) for the proposed acquisition (which may, in certain circumstances, have been satisfied by issuing Sino Construction Shares), as well as paying a royalty of US$0.35 per tonne of coal sold through the Australian coal assets of Guildford acquired under the proposed transaction (the royalty would have been for a period of 5 years from the commencement of commercial production).

Sino Construction's management is now of the view that it more advantageous to acquire all of Guildford's assets including its coal producing assets in Mongolia and accordingly the term sheet no longer applies.

4.7 Details of the Sino Construction Group's completed investments in the Mineral and Energy Resources Sector

(a) **Overview**

Sino Construction has announced two completed acquisitions of minority interests in the Mineral and Energy Resources Sector – being the Ardilaun Investment and the Renaissance Investment.

(b) **Investment in Ardilaun**

On 14 February 2014, Sino Construction acquired the entire issued and paid-up share capital of Sunny Cove Investments Limited (**Sunny Cove**). Sunny Cove is an investment holding company incorporated in the British Virgin Islands.

Sunny Cove is the owner of 19.9% (or 1,990,000) of the shares in Ardilaun Energy Limited (**Ardilaun**). Ardilaun is a company established in the Republic of Ireland. The principal activities of Ardilaun are oil and gas exploration and development in Irish territories and internationally and it has interests in the Irish Sea and Celtic Sea for exploration of oil and gas.

Sino Construction paid S$12 million (approximately A$10.7 million) to acquire Sunny Cove and this acquisition gave Sino Construction its initial interest in the oil & gas industry.

(c) **Investment in Renaissance Enterprises**

On 3 June 2014, Sino Construction acquired a 19.9% interest in Renaissance Enterprises S.A (**Renaissance**). Renaissance is a limited liability company incorporated in Luxembourg.

Sino Construction understands that Renaissance wholly owns Topkapi Mineral Sanayi ve Ticaret A.S (**Topkapi**), which is a corporation established in Turkey and its principal activities are exploration for and production of metals and minerals in Turkey. Topkapi is the legal and beneficial owner of seven licences in respect of a titanium project located within a contiguous area of 113 square kilometres in or around the Manisa District of western Turkey (**Manisa Titanium Project**). Those licences allow Topkapi to explore, develop, extract, process, produce and trade titanium obtained from the Manisa Titanium Project.

The minerals contained in the Manisa Titanium Project include rutile and ilmenite (products bearing titanium) and zircon.

Sino Construction paid approximately S$28.6 million (approximately A$25.4 million) to acquire 19.9% interest in Renaissance and, therefore, a 19.9% interest in Topkapi. This consideration was satisfied by the issue of the promissory note of that amount to the Renaissance Vendors (**Renaissance Promissory Notes**). Please see Section 5.2(b) for further details regarding the terms of the Renaissance Promissory Notes.

The Renaissance Vendors have the right to nominate one person to the Sino Construction Board, however, as at the Last Practicable Date have not exercised that right.

Sino Construction is proposing to seek Sino Construction Shareholder approval for the issue of the Sino Construction Shares under the Renaissance Promissory Notes which is expected to be sought at the Extraordinary General Meeting detailed in Section 11.6(a). If that Sino Construction Shareholder approval is not obtained, as the investment in Renaissance has already occurred and the Renaissance Promissory Notes have already been issued, it will mean that Sino Construction will not be able to issue Sino Construction Shares under the Renaissance Promissory Notes but will instead have to redeem these notes for the face value on the maturity date.

Please see Section 12.11(a) for a summary of the material terms of the Renaissance Promissory Notes.

4.8 Details of Sino Construction Group's existing Construction Business

(a) **History**

Following its listing on the Singapore Exchange in 2008, Sino Construction was one of the leading construction groups in Daqing City in Hellongjang Province, People's Republic of China. Completed projects included, in 2009, the first airport in Daqing City. Sino Construction was the lead construction company for the airport terminal building, interior fitting and ancillary facilities in Daqing Heilongjiang Province. Sino Construction was one of the main contractors for building construction, civil engineering projects and supply of specialty concrete and ancillary products in both the public and commercial sectors in Daqing. Some of its public sector projects included government offices, hospitals, university campuses, as well as commercial projects such as commercial properties, residential apartments, sub-structure and special structure works. Sino Construction was also involved in civil engineering works such as construction of roads, ancillary drainage systems and installation of pipes. The Sino Construction Group also supplied specialty concrete of various industrial grades for buildings, foundation, works roads and bridges.

(b) **Decline in the historical business**

Since 2011, the Sino Construction Group had seen its business environment deteriorate due to macro factors, including, the intense business competition in the construction industry and a slow-down in government spending on building government offices and other administrative buildings following austerity measures. The Sino Construction Group also faced cashflow shortages which directly affected the ability of the Sino Construction Group to secure new contracts. In addition, in January 2013, certain (former) subsidiaries of the Sino Construction Group had also been implicated in an on-going tax investigation (**Daqing Tax Investigation**) by the taxation audit bureau of Daqing City (**Daqing Tax Authority**) and consequently developers had been wary to award the Sino Construction Group new contracts in Daqing. Sino Construction Group had, for some time, not received any information or update on the Daqing Tax Investigation.

(c) **Restructure**

Accordingly, in January 2014, Sino Construction announced the disposal of its former subsidiaries that were engaged in building construction and civil engineering activities in Daqing (**Former PRC Subsidiaries**). These disposals also allowed the Sino Construction Group to effectively isolate itself from the on-going Daqing Tax Investigation and gave Sino Construction a new starting point to re-consider the Sino Construction Group's future strategic plans as well as its new business directions.

In addition, Sino Construction incorporated a new wholly owned subsidiary in the People's Republic of China, Daqing Naifei Le Consulting Co. Ltd (**New PRC Subsidiary**) which is currently sourcing construction contracts with a view to providing construction supervision and consultancy services, with any actual construction works outsourced to local companies in the PRC. The New PRC Subsidiary retained selected key personnel from the engineering department of the Former PRC Subsidiaries and formed an alliance with a strategic business partner with the requisite license to tender for new projects in the PRC. To date, no construction contracts has been secured.

As announced by Sino Construction on SGXNet on 3 December 2013, Sino Construction incorporated a new wholly-owned subsidiary, SC Building & Construction Pte. Ltd. (**SC Building & Construction**), to carry on the business of design, construction, civil engineering, project consultancy and management services in Singapore and other ASEAN countries. In January 2014, SC Building & Construction acquired a 60% equity interest in Elite Bay Sdn Bhd (**Elite Bay**) to take advantage of Elite Bay's presence in the construction sector in Malaysia. Elite Bay acts as contractor in building construction projects in Penang and Kuala Lumpur. Elite Bay currently has a team comprising of project managers, site supervisors and administrative staff. Elite Bay has completed various projects in Malaysia in collaboration with other Malaysian entities.

(d) **Current material projects**

Currently, Elite Bay's major construction project is a commercial development and bus terminal in Kota Kinabalu, Malaysia, in respect of a which Elite Bay has entered into a Ringgit 43 million (approximately A$14.8 million) contract under which Elite Bay will undertake the construction and project management services in respect of this important project. Please see section 12.11(e) for further information about this contract.

4.9 Funding of the Sino Construction Group's projects and interests

(a) **Proposed issue of Sino Construction Convertible Bonds**

On 7 April 2014, Sino Construction entered into a subscription agreement (**SC Convertible Bonds Subscription Agreement**) with Dealson Limited (**Dealson**) under which Sino Construction proposes to issue up to S$16 million (approximately A$14.2 million) of unsecured redeemable convertible bonds to Dealson (**Sino Construction Convertible Bonds**).

Sino Construction proposes to seek shareholder approval for the issue of the Sino Construction Convertible Bonds at the Extraordinary General Meeting detailed in Section 11.6(a). If Sino Construction Shareholder approval is not obtained, the Sino Construction Convertible Bonds will not be issued.

The gross proceeds of the issue of the Sino Construction Convertible Bonds will be S$16 million (approximately A$14.2 million). Assuming costs and expenses incurred in relation to the issue of approximately S$150,000 (approximately A$133,416), the net proceeds from the issue is expected to be approximately S$15.85 million (approximately A$14.1 million). The net proceeds will primarily be applied towards undertaking the Proposed Signet Acquisition, Proposed JEMS Acquisition, as well as payment of the face value of the Renaissance Promissory Notes, should any of those transactions require the payment of cash by Sino Construction rather than the issue of Sino Construction Shares. No more than 20% of the proceeds of the issue will be applied towards the general corporate and working capital purposes of the Sino Construction Group.

The key features of the Sino Construction Convertible Bonds are:

(i) each will bear interest at the rate of 5% per annum;

(ii) each will mature on the date that is 36 months after the conditions precedent in the SC Convertible Bonds Subscription Agreement have been satisfied;

(iii) each may be converted, at Dealson's election, into Sino Construction Shares. The conversion price per Sino Construction Share is S$0.16 (approximately A$0.14). Assuming that all Sino Construction Convertible Bonds are converted into Sino Construction Shares, Dealson will receive 100 million Sino Construction Shares or approximately 4.81% of Sino Construction Shares (assuming that all the Sino Construction Proposed Share Issues occur); and

(iv) each will not be listed on the SGX.

Please see Section 12.11(d) for a summary of the material terms of the SC Convertible Bonds Subscription Agreement.

(b) **General**

The Sino Construction Group currently funds its businesses through a combination of internal sources and borrowings and, as detailed in Section 4.9(a), proposes to issue S$16 million (approximately A$14.2 million) of Sino Construction Convertible Bonds (which is conditional on the prior approval of Sino Construction Shareholders). The Sino Construction Board will determine the optimal mix of internal and external funding (taking into account the cash flows of the Sino Construction Group and prevailing bank borrowing costs). In addition, Sino Construction may consider equity capital raisings when deemed appropriate.

In terms of revenue from existing operations, for the half year ended 30 June 2014 (and based on the unaudited consolidated half year financial statements of the Sino Construction Group), the Sino Construction Group's existing Construction Business contributed S$1,137,000 (approximately A$1,011,296) of revenue and approximately S$(29,000) (approximately A$(25,600)) of losses. The Sino Construction Group has not received any revenue from its investments in the Mineral and Energy Resources Sector to date.

The Sino Construction Group anticipates requiring additional funds for the purposes of advancing the Sino Construction Group's businesses in the Mineral and Energy Resources Sector. Until such time that those businesses achieve an aggregate cash generative status, Sino Construction intends to utilise the funds raised by the issue of the Sino Construction Convertible Bonds for the purpose of funding the Sino Construction Group's activities.

Further, Sino Construction is required to:

(i) pay the face value of the Renaissance Promissory Notes of S$28.6 million (approximately A$25.4 million) unless, in accordance with the terms of the Renaissance Promissory Notes, Sino Construction Shares are issued instead of Sino Construction repaying these amounts in cash under the Renaissance Promissory Notes. The Renaissance Promissory Notes are due to mature on 3 June 2015 (being 12 months from the date of the Renaissance Promissory Notes);

(ii) if the Proposed Signet Acquisition proceeds:

(A) pay the face value of US$21 million (approximately A$24.1 million) on the Signet Promissory Notes unless, in accordance with the terms of the Signet Promissory Notes, Sino Construction Shares are issued instead of Sino Construction repaying in cash these amounts to Lighthouse. The Signet Promissory Notes will mature in three separate tranches within a 12 month period following the completion of a JORC compliant report (which may not be completed prior to the end of 2014); and

(B) fund the prospecting operations of the Signet group by lending and advancing to Signet an aggregate amount of US$5 million (approximately A$5.7 million) in three parts as set out in Section 12.11(b) – please see Section 4.6(b) for further details as to the loan that has been advanced; and

(iii) if the Proposed JEMS Acquisition proceeds, pay the face value of US$20 million (approximately A$23 million) on the JEMS Promissory Notes unless, in accordance with the terms of the JEMS Promissory Notes, Sino Construction Shares are issued instead of Sino Construction repaying in cash these amounts to Bizcap. Each of the JEMS Promissory Notes will mature 12 months after they are issued.

Sino Construction intends, where possible, to issue Sino Construction Shares in lieu of making cash payments under the above promissory notes as the terms of the Renaissance Promissory Notes and JEMS Promissory Notes permit

the issue of Sino Construction Shares at Sino Construction's option. In respect of the Signet Promissory Note, conversion into Sino Construction Shares is only at Lighthouse's option, however, Sino Construction notes that these promissory notes can only be redeemed in cash in three tranches within a 12 month period following the completion of a JORC compliant report (which may not be completed prior to the end of 2014) – see Section 12.11(b) for further details. Therefore, in respect of this potential financial obligation, Sino Construction considers that it will be able to consider its financing needs at that future time, if, indeed, those obligations arise.

Sino Construction will require additional funds to advance Guildford's projects should the Takeover Bid become unconditional and Sino Construction controls Guildford. Sino Construction does not intend to fund either of Guildford's ongoing operations and projects from Sino Construction's existing reserves or financing facilities.

5. SINO CONSTRUCTION CORPORATE INFORMATION

5.1 Sino Construction corporate structure

Sino Construction, the company making the Offer under this Bidder's Statement, is a company registered in the Republic of Singapore, and has been listed on the Singapore Exchange since 12 June 2008.

The graph below provides details of the members of the Sino Construction Group.

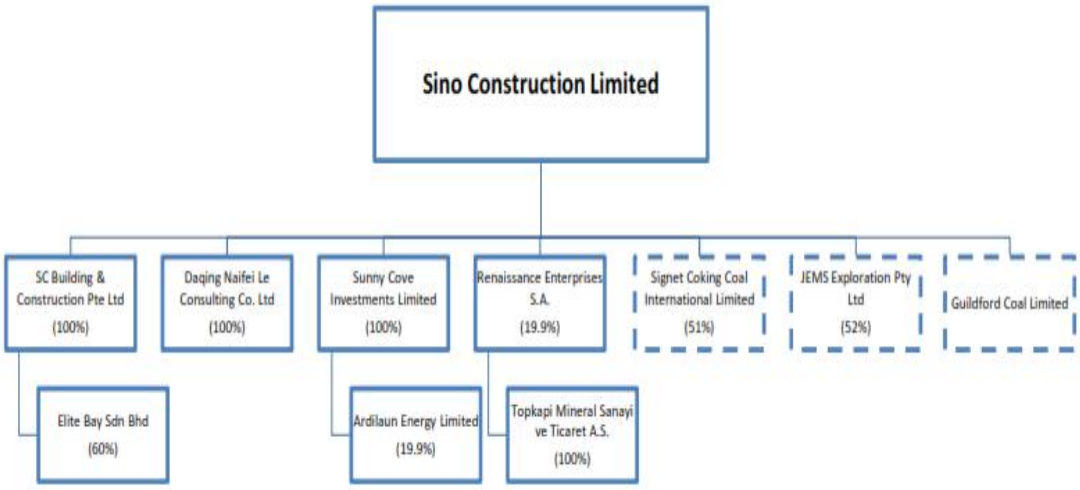


Figure 2: Structure chart of the Sino Construction Group

Note: In the above diagram the dotted lines indicate proposed transactions which have not been completed and are each subject to conditions which as at the Last Practicable Date have not been satisfied.

Please see Section 4 for further details of each of these entities.

5.2 Sino Construction Share Structure

(a) **Sino Construction current share structure**

As at the Last Practicable Date, Sino Construction had 1,316,763,799 ordinary shares on issue. The market capitalisation of Sino Construction, as at the Last Practicable Date, is approximately S$415 million (approximately A$369 million).

(b) **Proposed Share Issues**

As detailed in Section 4, Sino Construction is party to various arrangements under which Sino Construction Shares may be issued in the future. These arrangements include:

(i) **Signet Promissory Note:** The Signet Promissory Notes, which will have a face value of US$21 million (approximately A$24.1 million), relates to the Proposed Signet Acquisition which is discussed in Section 4.6(b). Under the terms of the Signet Purchase Agreement and Signet Promissory Notes, Lighthouse can elect to receive Sino Construction Shares which will be issued at a 10% discount to the VWAP of Sino Construction Shares on the SGX on 6 June 2014 (which was the date on which the Signet Purchase Agreement was signed by the parties). If these Sino Construction Shares are allotted and issued to Lighthouse, it will hold approximately 6.57% (or 136,490,250) of Sino Construction Shares in connection with the Proposed Signet Acquisition assuming that all the Sino Construction Proposed Share Issues occur. Please see Section 12.11(b) for a summary of the material terms of the Signet Promissory Notes.

(ii) **JEMS Promissory Notes:** The JEMS Promissory Notes, which will have a face value of US$20 million (approximately A$23 million), relates to the Proposed JEMS Acquisition which is discussed in Section 4.6(c).

The JEMS Promissory Notes will be issued in two equal tranches. Sino Construction has the option to redeem the JEMS Promissory Notes (each of which does not bear interest and has a maturity date of 12 months after issue) and issue 126 million Sino Construction Shares. Under the terms of the JEMS Promissory Notes, Sino Construction can, in respect of each tranche of the payment of the consideration, elect to issue Sino Construction Shares which will be issued at a 6.63% discount to the six month VWAP of Sino Construction Shares on the SGX for the period until 18 July 2014. If these Sino Construction Shares are allotted and issued to Bizcap, it will hold approximately 6.06% (or 126,000,000) of Sino Construction Shares in connection with the Proposed JEMS Acquisition assuming that all the Sino Construction Proposed Share Issues occur.

(iii) **Renaissance Promissory Notes:** The Renaissance Promissory Notes, which will have a face value of S$28.6 million (approximately A$25.4 million), relates to the Renaissance Investment which is discussed in Section 4.7(c). Under the terms of the Renaissance Promissory Notes (which are non-interest bearing notes and mature 12 months after the issue date) Sino Construction can, at its election, either pay to the Renaissance Vendors the face value of the Renaissance Promissory Notes or issue a total of 135 million Sino Construction Shares to the Renaissance Vendors (the potential share issue was priced at a 22% premium to the VWAP of Sino Construction Shares on SGX on the day that the sale agreement to acquire the interest in Renaissance was signed by the parties). If these Sino Construction Shares are allotted and issued to the Renaissance Vendors, the Renaissance Vendors would hold approximately 6.49% of Sino Construction Shares in connection with the Renaissance Investment assuming that all the Sino Construction Proposed Share Issues occur and each of the Renaissance Vendors has agreed that they will not sell or dispose of any of those Sino Construction Shares during the 12 months after the date of issue of those Sino Construction Shares, or more than 50% during the following 12 months ending on the second anniversary of the issue date.

(iv) **Guildford Takeover Bid:** If the Offer under this Bidder's Statement is accepted by all Guildford Shareholders and assuming all the Guildford Options, Guildford Performance Rights, Guildford Warrants and Guildford Convertible Notes are exercised (subject to the maximum number of Guildford Shares that can be issued under the Condition set out in Section 11.5(c)(iv)(D) subject to the comments in Section 11.6(b)), the maximum number of Sino Construction Shares that will be issued under the Offer will be 264,287,799 which, at the Last Practicable Date, constitutes approximately 20.07% of the existing share capital of Sino Construction. On a fully diluted basis, assuming the exercise of all Guildford Options, Guildford Performance Rights, Guildford Warrants and Guildford Convertible Notes (subject to the maximum number of Guildford Shares that can be issued under the Condition set out in Section 11.5(c)(iv)(D) subject to the comments in Section 11.6(b)), the maximum number of Sino Construction Shares issued under the Offer will, at the Last Practicable Date, constitute approximately 12.72% of the enlarged share capital of Sino Construction following and assuming the issue of Sino Construction Shares under the Sino Construction Proposed Share Issues.

(v) **Sino Construction Convertible Bonds:** As discussed in Section 4.9(a), subject to receiving Sino Construction Shareholder approval, Sino Construction proposes to issue S$16 million (approximately A$14.2 million) of unsecured redeemable convertible bonds to Dealson. Each may be converted, at Dealson's election, into Sino Construction Shares. The conversion price per Sino Construction Share is S$0.16 (approximately A$0.14). Assuming that all Sino Construction Convertible Bonds are converted into Sino Construction Shares, Dealson will receive 100 million Sino Construction Shares or approximately 4.81% of Sino Construction Shares assuming that all the Sino Construction Proposed Share Issues occur.

Therefore, assuming that all Sino Construction Shares that may be issued under the above transactions are issued, Sino Construction's issued capital will be as set out in the table below.

	Number and class of securities to be issued	Key features
Current number of issued ordinary shares	1,316,763,799	-
Sino Construction Shares that may be issued under the Signet Promissory Note	136,490,250	Convertible into Sino Construction Shares at the option of Lighthouse
Sino Construction Shares that may be issued under the JEMS Promissory Note	126,000,000	Convertible into Sino Construction Shares at the option of Sino Construction
Sino Construction Shares that may be issued under the Renaissance Promissory Note	135,000,000	Convertible into Sino Construction Shares at the option of Sino Construction
Sino Construction Shares that may be issued under the Sino Construction Convertible Bonds	100,000,000	Convertible into Sino Construction Shares at the option of Dealson
Sino Construction Shares that may be issued under the Takeover Bid	264,287,799	See comments in Section 5.2(b)(iv)
Total	2,078,541,848	

5.3 Board of Directors

The current members of the Sino Construction Board are detailed in the table below.

Chee Tet Choy, Andy, Non-Executive Chairman (appointed 2 May 2014 as a Sino Construction Director and Chairman on 6 June 2014)	Mr. Andy Chee is the Founder and Chief Executive Officer of A C Stellar Law Corporation, a boutique legal practice focused on Singapore and regional corporate finance, investment and capital markets. He is also a Director of Quintestellar, an investment and capital management group focusing on asset regeneration opportunities in Southeast Asia, China and the United States, and value creation through investor activism. Before he founded A C Stellar Law Corporation, Mr. Andy Chee was formerly a Partner in the established Singapore law firm of Lee & Lee from 2006 to 2012. Mr. Andy Chee has extensive legal expertise specializing in corporate finance and capital market transactions, fund management, and private equity and direct investments. His areas of practice encompass initial public offerings, reverse takeovers, cross border mergers & acquisitions, general offers and the structuring, establishment, management and operation of fund management entities and private equity funds (including the structuring and execution of their investments and divestments). He has also been actively involved in significant projects in regional emerging markets. With his wide-ranging expertise and experience relating to investments and acquisitions, Mr. Andy Chee frequently spearheads and structures complex transactions incorporating innovative and novel solutions. Mr. Andy Chee graduated from the National University of Singapore with a Bachelor of Laws (Hons) in 1997. He was admitted as an Advocate & Solicitor of the Supreme

	Court of Singapore in 1998, and qualified as a Solicitor of England and Wales in 2000.
Lim Tiong Hian, Kenneth, Executive Director (appointed 12 June 2014)	Mr Kenneth Lim is responsible for overseas expansion and the day-to-day business operation of Sino Construction. Prior to this appointment, between 2009 and 2014 he was managing investor relations, corporate communications and technology development for Swee Hong Limited which is a SGX-listed company. Mr. Lim had extensive experience in infocomm technology with roles spanning across technical, project, marketing and business development over 15 years. He began his career at Television Corporation of Singapore (now known as Mediacorp Singapore) where he worked extensively in the area of multimedia development. Mr. Lim's experience and involvement with creative projects led him to sharing his expertise at Republic Polytechnic (School of Information and Communications Technology), where he was Academic Manager (Media) and played a key role in anchoring the 3D Computer Graphics Technology, Audio and Video Production modules of the Diploma in Interactive Digital Media. Mr. Lim graduated from the University of Huddersfield, UK with a Bachelor of Arts (Multimedia Design). He has been appointed by the BCA (Building and Construction Authority) Academy in Singapore as a member on the Board of Examiners in BCA's program of Specialist Diploma in Business Information Modelling (**BIM**). He is frequently invited as a key note speaker on BIM in numerous global conferences and local seminars.
Chan Ying Wei, Independent Non-Executive Director (appointed 19 December 2013)	Mr. Chan has about 19 years of experience in the areas of auditing, accounting, treasury, taxation and corporate finance & planning in various industries. As Group Financial Controller of Freight Management Holdings Berhad (**FMHB**), he is responsible for financial reporting, governance and compliance, treasury, corporate finance and investor relations of FMHB and its group of companies. Prior to joining FMHB, he was the Chief Financial Officer of OCK Group Berhad. Mr Chan was the Vice President - Treasury & Corporate Finance with IEV Holdings Limited, a company listed on the Catalist Board of the SGX-ST. Mr Chan graduated from RMIT University, Melbourne, Australia with a Bachelor of Business (Accountancy). He is also a Chartered Accountant of the Malaysian Institute of Accountants and a member of Certified Practicing Accountants (CPA) Australia. Mr Chan is an independent director as he does not have any business or other material relationship with Sino Construction other than his appointment to the Board of Sino Construction. Mr Chan is Chairman of Sino Construction's Audit Committee, and a member of its Remuneration Committee and Nominating Committee.
Chong Chee Meng Gerard, Independent Non-Executive Director (appointed 19 December 2013)	Mr Chong is the Principal Consultant and Managing Partner of Radiant Communications LLP, a Singapore-based boutique agency specialising in media publicity, online & integrated marketing communications, and public relations service. Mr Chong is a communication and public relation specialist with over 15 years of experience in communications, management and team leadership. He has initiated, driven and supervised integrated communications programmes targeting government and industry stakeholders, led and directed local and regional teams and agencies across the Asia-Pacific region and provided strategic counsel to senior-level MNC, private and public sector executives. Mr Chong graduated with a BA in English (Literature) from the University of Calgary,

	Canada. Mr Chong is an independent director as he does not have any business or other material relationship with Sino Construction other than his appointment to the Board of Sino Construction. Mr Chong is a Chairman of Sino Construction's Nominating Committee and a member of its Audit Committee and Remuneration Committee.
Rajesh Dilip Wadhwani, Independent Non-Executive Director (appointed 19 December 2013)	Mr Wadhwani is currently the Director of Paradime Solutions Pte Ltd, which offers people development and training programs designed to inspire long-term positive changes in individuals, teams and organizations. Mr Wadhwani is a technologist, entrepreneur, certified neuro linguistic programmer practitioner and coach with over 16 years of experience in building high performance teams, business management, change management and process enhancement. His career spans line management, general management and directorships. He has experience with global sales operations and global business transformations. His previous roles have included IT Books dot Com Sdn Bhd (Director and Head of Sales and Sales Operations), Mile2 Asia Pacific Sdn Bhd (Regional Director- Business Development & Company Director), Global Processes and Operations Hitachi Data Systems (Senior Manager), Channel Support Consultants, APAC &EMEA, Hitachi Data Systems (Manager). Mr Wadhwani graduated with a Bachelor of Computing Science from Curtin University of Technology, Perth, Western Australia and a Master of Business Administration from Southern Cross University, New South Wales, Australia. Mr Wadhwani is an independent director as he does not have any business or other material relationship with Sino Construction other than his appointment to the Board of Sino Construction. Mr Wadhwani is Chairman of Sino Construction's Remuneration Committee and a member of its Nominating Committee and Audit Committee.

As part of the restructure and reorganisation of the Sino Construction Group over the last 12 months, the entire board of directors of Sino Construction has changed since December 2013. In particular, all of the current independent and non-executive directors were appointed on 19 December 2013 and the Chairman, Mr Chee, and the executive director, Mr Lim, were appointed in May and June 2014, respectively.

As detailed in Section 4.7(c), in connection with the Renaissance Investment, the Renaissance Vendors have the right to nominate one person to the Sino Construction Board. However, as at the Last Practicable Date, have not exercised that right.

5.4 Proposed further appointments to the Sino Construction Board

Sino Construction is constructively reviewing the composition of the Sino Construction Board and considering inviting directors with relevant experience and qualifications in the Mineral and Energy Resources Sector, especially independent director(s), to join the Sino Construction Board.

5.5 Technical team/senior management

The profiles of some of Sino Construction's senior management team are set out below.

Zhou Xing Zhong, General Manager of Daqing Nafei Le	Mr Zhou joined the Sino Construction Group in June 1993 as an accountant. In June 2003, he was promoted to position of finance manager and was responsible for the overall financial functions of the PRC subsidiaries within the Sino Construction Group. On

Consulting Co. Ltd	31 March 2014, Mr Zhou stepped down from the position of Executive Director to assume the position of General Manager of Daqing Nafei Le Consulting Co. Ltd in order to focus on the business development of the Sino Construction Group's subsidiary in PRC. Mr Zhou Xing Zhong graduated from Heilongjiang Guang Bo Dian Shi University in 1998 with a Degree in Economics Management.
Mak Hon Hum, General Manager of SC Building & Construction Pte Ltd	Mr Mak Hon Hum was appointed as General Manager of SC Building & Construction Pte Ltd (**SCBC**) on 20 December 2013. As General Manager, he is responsible for the general control, management, organisation and operations of the businesses of SCBC. Mr Mak graduated with a Bachelor of Science from Alabama State University majoring in Accountancy and a Bachelor of Science in Business Administration from Auburn University majoring in Finance. He has also obtained his MBA from Auburn University in 1992.

In the future, Sino Construction may establish project management team(s) to be led by Sino Construction's executive directors to support and oversee the development and management of the companies or projects within the Mineral and Energy Resources Sector in which the Sino Construction Group invests. Sino Construction may also engage any additional manpower with suitable expertise and experience as and when required to assist the project management team(s). The Sino Construction Board is of the view that such experience and expertise can be progressively acquired and developed by the Sino Construction Group over time as it grows its businesses in the Mineral and Energy Resources Sector. The Sino Construction Group will evaluate the manpower and expertise required to carry out its businesses in the Mineral and Energy Resources Sector and will hire suitably qualified staff, external consultants and professionals with the necessary expertise and experience as and when required.

5.6 Sino Construction Directors' interests as at the Last Practicable Date

Name of Director	Direct Shares	Interest %	Deemed Shares	Interest %
Chee Tet Choy, Andy, Non-Executive Chairman[1]	0	0%	266,572,000	20.24%
Lim Tiong Hian, Kenneth, Executive Director	0	0%	60,000,000	4.56%
Chan Ying Wei, Independent Non-Executive Director	0	0%	0	0%
Chong Chee Meng Gerard, Independent Non-Executive Director	0	0%	0	0%
Rajesh Dilip Wadhwani, Independent Non-Executive Director	0	0%	0	0%

Note: Please see the footnotes to the table in Section 5.7.

5.7 Substantial shareholders in Sino Construction

As at the Last Practicable Date, the substantial shareholders in Sino Construction are listed in the table below.

Name of Shareholder	Direct Shares	Interest (%)	Deemed Shares	Interest (%)
Quintestellar Re Capital Inc[1]	221,572,000	16.83 %	45,000,000	3.42%

[1] These relate to the same parcel of Sino Construction Shares. Chee Tet Choy, Andy is deemed to be interested in the Sino Construction Shares held by Quintestellar Re Capital Inc. and a nominee under the Companies Act.

[2] These relate to the same parcel of Sino Construction Shares. Zhao Chuan Wen is a director of Sino Xin Yuan Construction Investments Pte Ltd.

Sino Xin Yuan Construction Investments Pte Limited[2]	146,311,413	11.11%	0	0%
Zhao Chuan Wen[2]	0	0%	146,311,413	11.11%
Lexon Global Capital Limited[3]	120,000,000	9.11%	0	0%
Tan Wic Ki[3]	0	0%	120,000,000	9.11%
Dealson Limited	115,000,000	8.73%	10,000,000	0.76%
Edward Lee Ewe Ming	41,167,667	3.13%	234,698,667	17.82%
Zhang Yanmin	144,542,667	10.98%	11,672,000	0.89%

5.8 Corporate Governance

Sino Construction is committed to maintaining a high standard of corporate governance. It recognises the importance of practising good corporate governance as a fundamental part of its responsibilities to enhance shareholder value and the financial performance of the Sino Construction Group. As Sino Construction is listed on the SGX, it is required to report annually on its compliance with the Singapore Code of Corporate Governance (**Code**). The Code was first issued in March 2001 and a revised Code was issued in July 2005. The Monetary Authority of Singapore issued a revised Code in May 2012 (**2012 Code**). The 2012 Code supersedes and replaces the Code that was issued in July 2005 and took effect in respect of annual reports relating to financial years commencing from 1 November 2012.

The Code is benchmarked to international standards and designed to serve as a guide for companies to meet stakeholders' expectations of governance standards. Singapore adopts a 'comply-or-explain' approach towards the Code. Although compliance with the 2012 Code is not mandatory, companies listed on the SGX are required to disclose their corporate governance practices and give explanations for deviations from the Code in their annual reports. Principles of the Code and 2012 Code include having a strong and independent element on the board of directors, adopting transparent procedures and maintaining sound systems of risk management and internal controls to safeguard shareholders' interests and the company's assets.

Sino Construction has the following committees (which consist entirely of independent non-executive directors):

(a) an Audit Committee - Chairman: Chan Ying Wei; Members: Gerard Chong, Rajesh Dilip Wadhwani;

(b) a Remuneration Committee - Chairman: Rajesh Dilip Wadhwani; Members: Chan Ying Wei, Gerard Chong; and

(c) a Nominating Committee - Chairman: Gerard Chong; Members: Rajesh Dilip Wadhwani, Chan Ying Wei.

Sino Construction provides a corporate governance statement in its 'Annual Report' which can be found on Sino Construction's Website.

5.9 Sino Construction's recent share price performance

The table below shows Sino Construction's share price performance in the 12 months preceding the Last Practicable Date. During this time, Sino Construction Shares have been trading between a range of S$0.01 and S$0.325.

[3] These relate to the same parcel of Sino Construction Shares. Tan Wic Ki is a director of Lexon Global Capital Limited.



Figure 3. Source: Shareinvestor.com. As permitted by ASIC Class Order 07/429, this chart contains SGX share price trading information sourced from Shareinvestor.com without its consent.

5.10 Dividends

During the last three years, Sino Construction has not paid dividends. Sino Construction will continue to assess the payment of dividends in light of its financial performance, regulations regarding the payment of dividends and the best interests of its shareholders.

5.11 Information about the Sino Construction Shares

Sino Construction is incorporated in the Republic of Singapore. The Sino Construction Shares that are issued as the Offer Consideration will be listed on the SGX (subject to approval in-principle from the SGX for the listing and quotation on the SGX). Please note that they will not be listed on the ASX.

The following is a broad summary of the rights which attach to Sino Construction Shares. It is not intended to be an exhaustive summary. Please also refer to Annexure B for a table setting out some of the key companies and securities laws and regulations in Singapore which apply to Sino Construction and also a comparison of these laws and regulations against Australian companies and securities laws and regulations.

The rights, privileges and restrictions attaching to Sino Construction Shares are as follows:

Members	A holder of Sino Construction Shares whose name appears on Sino Construction's Register of Members is recognised as the legal owner of those Sino Construction Shares entered against his or her name and thus a member of Sino Construction. Members of Sino Construction are entitled to the rights which attach to Sino Construction Shares and members' rights conferred upon them by the Companies Act, the articles of association of Sino Construction and general law in Singapore. Under section 130D(1) of the Companies Act where the Sino Construction Shares are held under the book-entry system of CDP (i.e. in uncertificated form), the shares are registered in the name of CDP but CDP will not be deemed a member of Sino Construction. The persons who are named as Depositors in the Depository Register maintained with CDP will be recognised as members of Sino Construction. This means that CDP acts as a bare trustee for the shareholder, holding the shares on behalf of the shareholder and all rights, entitlements and privileges attached to the Sino Construction Shares pass through to the shareholder. Depository agents (such as brokers) and custodian banks may also maintain sub-accounts for those shareholders who do not wish to maintain a direct account with CDP.

Share capital	The power to issue Sino Construction Shares is vested with the directors of Sino Construction. However, the directors may not exercise any power to issue shares without the prior approval of the company by ordinary resolution in general meeting. Pursuant to section 161 of the Companies Act and Chapter 8 of the Listing Manual, the directors of Sino Construction may, at the company's annual general meeting, obtain a general mandate from members of Sino Construction to issue shares at any time to such persons and upon such terms and for such purposes as the directors of Sino Construction deem fit provided always that the aggregate number of shares to be issued pursuant to this mandate does not exceed 50% of Sino Construction's total number of issued shares excluding treasury shares, of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of Sino Construction does not exceed 20% of the total number of Sino Construction's issued shares excluding treasury shares. This general mandate, if approved, will, unless revoked or varied by Sino Construction at a general meeting, continue in force until the conclusion of Sino Construction's next annual general meeting or the date by which the next annual general meeting of Sino Construction is required by law to be held, whichever is earlier. Sino Construction may also obtain specific approval from its members to issue shares. A company may issue preference shares by ordinary resolution in general meeting, provided that the rights attaching to such preference shares are expressly set out in Sino Construction's memorandum and articles of association.
Class of shares	As at the Last Practicable Date, Sino Construction has only one class of shares, namely ordinary shares.
No par value	Sino Construction Shares have no par value, meaning that the liabilities of the members to Sino Construction are measured by the amount of capital remaining unpaid on the Sino Construction Shares held by them. Sino Construction is also not required to have an authorised capital, which is the maximum value of shares which a company may issue. As at the Latest Practicable Date, all Sino Construction Shares in issue are fully paid. The Sino Construction Shares you receive in exchange for Your Guildford Shares will be issued to you fully paid.
Share certificate	Every member of Sino Construction is entitled to receive one certificate for all the Sino Construction Shares held by it. In the case of members whose Sino Construction Shares are held in a CDP Securities Account and registered in the name of CDP, Sino Construction will allot and despatch to CDP for the account of such Depositors who hold Sino Construction Shares one certificate for all their Sino Construction Shares registered in the name of CDP. Where a registered holder of Sino Construction Shares has transferred part of its Sino Construction Shares which are comprised in one share certificate, Sino Construction will despatch to the registered holder a certificate in respect of the Sino Construction Shares not transferred.
Status of the Sino Construction Shares issued as the Offer Consideration	The Sino Construction Shares to be issued as the Offer Consideration will be allotted and issued as fully-paid ordinary shares in the capital of Sino Construction and will rank pari passu in all respects with all other Sino Construction Shares as at the date of their issue. This includes the right to any distributions declared in respect of all other Sino Construction Shares for which the record date falls on or after such issue date.
General meetings	Under the Companies Act, every member of Sino Construction has a right to attend any general meeting of Sino Construction and to speak at such meetings. In addition, every member of Sino Construction has a right to vote on any resolution to be passed at a

	meeting and is entitled to be sent notice of general meetings specifying the place, day and hour of the meeting at least 14 days before the meeting (excluding the date of notice and the date of meeting). Where notices contain special resolutions, they must be given to members at least 21 days before the meeting (excluding the date of notice and the date of meeting). A special resolution is a resolution passed by not less than 75% of members entitled to vote at the meeting, either in person or by proxy. An ordinary resolution is a resolution passed by a simple majority of over 50% of the votes cast by members entitled to vote at the meeting, either in person or by proxy.
Voting rights	A member need not be personally present at a meeting in order to cast his or her vote and he or she may appoint a proxy to do so on his or her behalf. The member may appoint not more than two proxies to attend and vote at the same general meeting, provided that the percentage of Sino Construction Shares to be represented by each proxy is specified. A proxy need not be a member of Sino Construction. On a show of hands every member present in person and each proxy will have one vote and, on a poll, every member present in person or by proxy will have one vote for each Sino Construction Share in respect of which he or she is a member. For Sino Construction Shares held under the book-entry system of CDP and where the member is a Depositor, a vote is accepted as validly cast by a Depositor in respect of such number of Sino Construction Shares as is equal to the number of Sino Construction Shares appearing against his or her name in the Depository Register 48 hours prior to the commencement of the general meeting as certified by CDP to Sino Construction. Any corporation which is a member of Sino Construction may, by resolution of its directors, authorise any person to act as its representative at any meeting of Sino Construction and such representative will be entitled to exercise the same powers on behalf of the corporation which he or she represents as if he or she had been an individual member.
Dividend rights	Sino Construction may, by ordinary resolution, declare dividends at a general meeting. No dividend will be declared which is larger than recommended by the directors and all dividends declared by Sino Construction must be paid out of the profits of the company. The right to any dividend declared will not pass with a transfer of Sino Construction Shares until the transfer has been registered or entered in the Depository Register. Any dividend may be paid in Singapore dollars by cheque, warrant or post office order sent through the post to the address of the member entitled appearing in the register. For Sino Construction Shares held in a CDP Securities Account, dividends are credited into a designated 'Direct Crediting Service' account. If the dividends cannot be credited into the account, CDP will issue a cheque instead.
Winding-up	If Sino Construction were to be wound up, and the assets available for distribution among the members are insufficient to repay the whole of the paid-up capital (**shortfall**), each member is liable for the shortfall in proportion to the capital paid up on the member's Sino Construction Shares. If the assets available for distribution among the members are more than sufficient to repay the whole of the paid-up capital, the excess will be distributed among the members in proportion to the capital paid up on the Sino Construction Shares held by each member. Under the Companies Act, there are two forms of winding-up: ▪ voluntary winding-up; and ▪ compulsory winding-up by the court.

	Voluntary winding-up In order to initiate a voluntary winding-up, a special resolution must be approved by the members at a general meeting. The directors of the company may make a statement pursuant to section 293(1) of the Companies Act that the directors of the company are of the view that the company will be able to pay its debts in full within a period not exceeding 12 months after the commencement of the winding-up (**declaration of solvency**). If the directors make such a declaration of solvency, the winding-up will proceed as a members' voluntary winding-up. In such circumstances, the members of the company will appoint the liquidator. If the directors do not make such a declaration of solvency, the winding-up will proceed as a creditors' voluntary winding up, in which case the directors must call a meeting of creditors in order to appoint the liquidator. A members' voluntary winding-up may be converted into a creditors' voluntary winding-up if the liquidator appointed by the members forms the opinion that the company will not be able to pay its debts in full within the period stated in the declaration of solvency. The liquidator will then have to summon a meeting of creditors and lay before them a statement of the assets and liabilities of the company. The creditors may then appoint some other person to be the liquidator for the purpose of the winding-up of the company. *Compulsory winding-up by the court* Where the directors of a company are unable to make a declaration of solvency, the company may also be compulsorily wound-up by an order of a court on the passing of a special resolution by the members in a general meeting. A petition to the court to wind up the company may be presented by: ▪ the company itself; ▪ a creditor; ▪ a contributory, the personal representative of a deceased contributory or the official assignee of the estate of a bankrupt contributory; ▪ the liquidator of the company; ▪ a judicial manager; or ▪ certain government ministers on specified grounds.
Transfer of Shares	Any member of Sino Construction may transfer all or any of his or her Sino Construction Shares, provided that no Sino Construction Shares are transferred to any infant, bankrupt or person of unsound mind. Transfer of the Sino Construction Shares may be by either of the following means: ▪ where Sino Construction Shares are held directly by a member in certificated form: an instrument in writing in the form approved by the SGX, which must be left at the registered office of Sino Construction, duly stamped and accompanied by the certificates of the Sino Construction Shares to be transferred; or ▪ where Sino Construction Shares are held by a Depositor through the CDP: o market transfers: book-entry in the Depository Register; or o off-market transfers: CDP Form 4.2 (the form prescribed by the CDP for transfers of scripless shares) which must be submitted to the CDP duly executed by the transferor and transferee and accompanied by a certified true copy of the share sale agreement relating to the transfer and the

	prescribed transfer fee. The instrument of transfer will be signed by or on behalf of both the transferor and the transferee and be witnessed. CDP may transfer any Sino Construction Share in respect of which its name is entered in the Register of Members of Sino Construction by means of a registered transfer. CDP will not be required as transferee to sign any form of transfer for the transfer of Sino Construction Shares to it. The transferor will be deemed to remain the holder of the Sino Construction Shares concerned until the name of the transferee is entered in the Register of Members of Sino Construction in respect thereof. Under the book-entry settlement system of CDP, the transfer of share ownership is effected through computerised book entries by making an appropriate entry in the Depository Register. Three market days after instructions for the transfer, the buying clearing member will pay funds to CDP, while CDP will pay funds to the selling clearing member. After payment obligations are settled, CDP will debit the shares from the seller's account and credit them to the selling broker's account. Subsequently, the shares will be debited from the selling broker's account and credited to the buying broker's account before they are credited into the buyer's account.
Variation of rights of existing shares or classes of shares	Any special rights or privileges attached to any class of shares in the issued capital of Sino Construction may be modified either with the consent in writing of the members of Sino Construction who hold not less than 75% of the issued shares of that class or by the passing of a special resolution at a general meeting of the members in respect of shares in that class.
Change in capital	Subject to compliance with the relevant provisions under the Companies Act, the articles of association of Sino Construction permit Sino Construction to carry out the following: ▪ consolidate and divide all or any of its share capital into shares of a larger or smaller amount than its existing shares; ▪ cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; ▪ by subdivision of its existing shares or any of them divide its capital or any part thereof into shares of smaller amount than is fixed by its memorandum of association and so that as between the holders or Depositors of the resulting shares, one or more of such shares may be given any preference or advantage as regards dividend, capital, voting or otherwise over the others; and ▪ reduce its share capital, any capital redemption reserve fund or any share premium account in any manner.
Access to records and right to information	Under the Listing Manual, Sino Construction is required to announce via SGXNET any information known to it concerning it or any of its subsidiaries or associated companies that is necessary to avoid the establishment of a false market in its securities or would be likely to materially affect the price or value of its securities. The Listing Manual also provides that certain transactions, such as related party transactions and major acquisitions and disposals, must be immediately announced. Where a sale and purchase agreement is entered into, or a valuation is conducted, in connection with a major acquisition or disposal, a copy of the relevant agreement or report must be made available for inspection for 3 months from the date of the announcement. Under the Companies Act, a member of Sino Construction has a right to inspect the following: ▪ the register of members; ▪ the register of directors, secretaries, managers and auditors;

	▪ the register of substantial shareholders; ▪ the register of debenture holders; ▪ the register of charges; and ▪ minutes of the company's general meetings. Inspection of the above registers by members of Sino Construction may be made free of charge. A member may request to inspect the minutes of Sino Construction's general meetings (and not directors' meetings) at a nominal charge. In addition, every member of Sino Construction is also entitled to be informed of Sino Construction's financial position. Each member is entitled to be sent free of charge a copy of the last audited profit and loss account and balance sheets not less than 14 days before the general meeting at which the accounts are to be presented. Each member is also entitled to a copy of the auditor's report and director's report on the accounting records.

6. SINO CONSTRUCTION FINANCIAL INFORMATION

6.1 Sino Construction financial information

Set out in Tables A and B below (Sino Construction consolidated Balance Sheets and Sino Construction consolidated Statements of Comprehensive Income) is a summary of Sino Construction's consolidated balance sheets and statements of comprehensive income for the past 3 full financial years (noting the financial year of Sino Construction ends on 31 December) and for the 6 month period ended 30 June 2014 (noting that these are unaudited but subject to review by the Investigating Accountant as part of the preparation of the Investigating Accountant's Report).

Guildford Shareholders should note that historical financial information is not necessarily a guide or an assurance as to the future performance or prospects of the Sino Construction Group. Further, the historical financial information of the Sino Construction Group for the periods prior to 30 June 2014 includes the contribution of the Disposed Businesses which, as detailed in Section 4.8, have been sold by Sino Construction. Therefore, to the extent the financial information below incorporates the position and performance of the Disposed Businesses, it will not be relevant or an appropriate guide to the current financial position or future performance of the Sino Construction Group. For these reasons, Sino Construction has also prepared and had reviewed by Moore Stephens Perth Corporate Services Pty Limited its 6 monthly profit and loss statements for the period ended 30 June 2014.

In relation to the summarised financial information set out in Tables A and B below to the extent that it relates to the 2011, 2012 and 2013 financial years, Sino Construction draws Guildford Shareholders' attention to the following matters:

(a) Sino Construction's auditor was unable to express an opinion on the consolidated financial statements for the year ended 31 December 2012. The auditor's disclaimer of opinion was in respect of the accounting records of the Former PRC Subsidiaries being submitted to the Daqing Tax Authority in January 2013 in respect of the Daqing Tax Investigation. As the accounting records had not been returned to the Sino Construction Group, the auditor was unable to perform audit procedures to obtain sufficient audit evidence to ascertain the appropriateness of the carrying value of the assets, liabilities and operating results included in the consolidated financial statements of the Sino Construction Group as at and for the year ended 31 December 2012;

(b) the auditor was unable to express an opinion on the consolidated financial statements for the year ended 31 December 2013. The disclaimer of opinion was in respect of the matter noted above for the 31 December 2012 financial statements, which remained unresolved in the 2013 financial year, as the accounting records referred to above were still not made available to the Sino Construction Group. In view of this, the auditor was unable to perform audit procedures to obtain sufficient audit evidence to ascertain the appropriateness of the carrying amount of the opening balances in the financial statements for the year ended 31 December 2013. Accordingly, the auditor was unable to determine any adjustments to the opening balances of the financial statements for the year ended 31 December 2013, which would have consequential effects on the 2013 financial statements. In addition, the Sino Construction Group agreed to dispose of the Former PRC Subsidiaries prior to 31 December 2013. As the financial statements of the Former PRC Subsidiaries had not been audited, the auditor was unable to perform audit procedures to obtain sufficient appropriate audit evidence relating to the loss from discontinued operations of RMB115,085,000 (approximately A$21,585,858), as disclosed in the financial statements for the year ended 31 December 2013 and consequently:

    (i) the appropriateness and accuracy of the gain on disposal of the Former PRC Subsidiaries amounting to RMB78,850,000 (approximately A$14,789,459) as recorded in the consolidated statement of comprehensive income for the financial year ended 31 December 2013; and

    (ii) the appropriateness and accuracy of the write down of the net assets of the remaining key subsidiary operating in the People's Republic of China (which itself was subsequently sold in March 2014) to its recoverable amount as included in the consolidated financial statements of the Sino Construction Group as at 31 December 2013.

Guildford Shareholders should refer to the description of the Construction Business in Section 4.8 in order to place the above comments in context – in particular, Guildford Shareholders should note that, since the disposal of the Former PRC Subsidiaries, Sino Construction has no residual liabilities (whether in relation to the Daqing Tax Investigation or otherwise) in relation to these activities conducted by these entities. Accordingly, Sino Construction Directors believe that the matters

noted above regarding the qualifications to the historical financial statements of the Sino Construction Group will have no material impact on the Sino Construction Group or its prospects.

The results of the review of the consolidated financial statements for the 6 month period ended 30 June 2014 are set out in the Investigating Accountant's Report. The summarised financial information for the 6 month period ended 30 June 2014 should be read in conjunction with the Investigating Accountant's Report.

The full accounts and financial statements, other than those for the 6 month period ended 30 June 2014 (which are dealt with in the Investigating Accountant's Report), of Sino Construction are available on both the SGX Website (www.sgx.com) and Sino Construction's Website (www.sicon.sg). You are encouraged to read these statements together with the Investigating Accountant's Report in order to gain an understanding of Sino Construction's financial statements, financial position and recent financial performance.

6.2 Currency

Sino Construction's financial statements for the last three full financial years (as set out in Table A, Part 1 and Table B, Part 1) are reported in RMB given that, during those financial years, the Sino Construction Group mainly operated in the People's Republic of China. However, the financial statements for the six months ended 30 June 2014 (as set out in Table A, Part 2 and Table B, Part 2), the pro-forma statement of financial position as at 30 June 2014 (as set out in Table C) and the Investigating Accountant's Report (contained at Annexure E) are all reported in S$ given the restructure of the business of the Sino Construction Group during late 2013 and early 2014 (as discussed in Section 4.8).

For convenience, the figures above are also presented in Australian dollars at an exchange rate of A$1 = RMB 5.3315 and A$1 = S$1.1243 being the currency rate as at the Last Practicable Date.

Table A, Part 1: Sino Construction consolidated Balance Sheets (for the last 3 financial years, in RMB and A$) and as at 30 June 2014

	Sino Construction Group					
	Audited As at 31.12.2013		Audited As at 31.12.2012		Audited As at 31.12.2011	
	RMB'000	A$'000	RMB'000	A$'000	RMB'000	A$'000
ASSETS						
Current assets						
Property, plant and equipment	-	-	146,135	27,410	-	-
Land use rights	-	-	46,859	8,789	-	-
Inventories	-	-	3,703	695	19,320	3,624
Trade and other receivables	23,883	4,480	128,360	24,076	411,013	77,091
Prepaid operating expenses	-	-	37,028	6,945	21,620	4,055
Cash and cash equivalents	1,012	190	13,513	2,535	66,516	12,476
Total	24,895	4,670	375,598	70,450	518,469	97,246
Assets classified as held for sale	249,970	46,885	-	-	-	-
Total Current Assets	274,865	51,555	375,598	70,450	518,469	97,246
Non-current assets						
Property and equipment	-	-	-	-	382,838	71,807
Land use rights	-	-	-	-	58,396	10,953
Trade and other receivables	-	-	-	-	34,910	6,548
Total Non-Current Assets	-	-	-	-	476,144	89,308
Total Assets	274,865	51,555	375,598	70,450	994,613	186,554
LIABILITIES						
Current liabilities						
Loan and Borrowings	-	-	50,740	9,517	51,509	9,661
Trade and other payables	23,883	4,480	134,423	25,213	237,953	44,632
Other liabilities	1,273	239	8,184	1,535	6,967	1,307
Provision for maintenance warranties	-	-	317	59	1,396	262
Income tax payable	-	-	26,866	5,039	38,074	7,141
Deferred tax liabilities	-	-	5,136	963	-	-
Total	25,156	4,719	225,666	42,326	335,899	63,003
Liabilities directly associated with assets classified as held for sale	202,204	37,926	-	-	-	-
Total current liabilities	227,360	42,645	225,666	42,326	335,899	63,003
Non-current liabilities						
Deferred tax liabilities	-	-	-	-	31,359	5,882
Total non-current liabilities	-	-	-	-	31,359	5,882
Total Liabilities	227,360	42,645	225,666	42,326	367,258	68,885
Net Assets	47,505	8,910	149,932	28,124	627,355	117,669
EQUITY						
Capital and reserves attributable to owners of the Company						
Share capital	480,540	90,132	445,908	83,637	426,832	80,059
Reserves	-	-	64,814	12,157	64,814	12,157
Merger reserve	-	-	(92,568)	(17,362)	(92,568)	(17,362)
Foreign currency translation reserve	(2,848)	(534)	(5,822)	(1,092)	(2,397)	(450)
(Accumulated losses)/	(430,187)	(80,688)	(262,400)	(49,217)	-	-
Retained earnings	-	-	-	-	230,674	43,266
Total Equity	47,505	8,910	149,932	28,123	627,355	117,670

Table A, Part 2: Sino Construction consolidated Balance Sheet as at 30 June 2014

	Reviewed As at 30.06.2014	
	S$'000	A$'000
ASSETS		
Current assets		
Trade and other receivables	2,431	2,162
Gross amount due from customers for contact work-in-progress	133	118
Prepaid operating expenses	74	66
Cash and cash equivalents	113	101
Total	2,751	2,447
Non-current assets		
Investments in unquoted equity investments at cost		
-Investment in Renaissance	23,380	20,795
-Investment in Ardilaun	12,000	10,673
Property, plant and equipment	844	751
Total	36,224	32,219
Total Assets	38,975	34,666
LIABILITIES		
Current liabilities		
Trade and other payables	33,291	29,610
Other liabilities	11	10
Loan and borrowings	78	69
Income tax payable	11	10
Total	33,391	29,699
Non-current liabilities		
Borrowings	636	566
Total	636	566
Total Liabilities	34,027	30,265
Net Assets	4,948	4,401
EQUITY		
Capital and reserves attributable to owners of the Company		
Share capital	95,482	84,926
Other reserve – equity component of convertible promissory notes	(5,200)	(4,625)
(Accumulated losses)/	(85,593)	(76,130)
Total	4,689	4,171
Non-controlling interests	259	230
Total Equity	4,948	4,401

Table B, Part 1: Sino Construction Consolidated Statements of Comprehensive Income (for the last three financial years, in RMB and A$)

	Sino Construction Group					
	Audited 31.12.2013		Audited 31.12.2012		Audited 31.12.2011	
	RMB'000	A$'000	RMB'000	A$'000	RMB'000	A$'000
Continuing operations						
Other income	-	-	-	-	372	70
Expenses						
- Administrative expenses	(3,317)	(622)	(1,367)	(256)	(6,272)	(1,176)
- Finance cost	(3)	(1)	(3)	(1)	-	-
- Other expenses	(21,628)	(4,057)	(238)	(45)	-	-
(Loss)/Profit before income tax	(24,948)	(4,680)	(1,608)	(302)	(5,900)	(1,106)
Income tax	-	-	-	-	-	-
Loss for the year from continuing operations	(24,948)	(4,680)	(1,608)	(302)	(5,900)	(1,106)
Discontinued operations						
Loss for the year from discontinued operations	(115,085)	(21,586)	(491,466)	(92,182)	(152,837)	(28,667)
(Loss)/Profit for the year	(140,033)	(26,266)	(493,074)	(92,484)	(158,737)	(29,774)
Other comprehensive (loss)/income						
Items reclassified and may be reclassified subsequently to profit or loss:						
Foreign currency translation gain/(loss)	2,974	558	(3,425)	(642)	87	16
Other comprehensive income/(loss), net of tax	2,974	558	(3,425)	(642)	87	16
Total comprehensive (loss)/income for the year attributable to equity holders of the Company	(137,059)	(25,708)	496,499	93,126	(158,650)	(29,758)
(Losses)/Earnings per share attributable to owners of the Company (expressed in cents)						
Basic & Diluted – continuing operations	(2.46)	(0.46)	(0.25)	(0.05)	(0.98)	(0.18)
Basic & Diluted – discontinued operations	(11.35)	(2.13)	(75.44)	(14.15)	(26.50)	(4.97)

Note: The information that is included above in relation to the discontinued operations of the Sino Construction Group is limited to the aggregate financial results (i.e. the aggregate (loss)/profit) and does not include a breakdown of the income and expenses referable to these operations on the basis that this information is no longer of relevance to Sino Construction Group's ongoing financial performance or prospects (see Section 4.8(c) for further details of the Disposed Businesses to which those discontinued operations relate).

Table B, Part 2: Sino Construction Consolidated Statements of Comprehensive Income for the 6 month period ended 30 June 2014

	Sino Construction Group Reviewed 30.06.2014	
	S$'000	A$'000
Continuing operations		
Revenue	1,137	1,011
Cost of Sales	(943)	(839)
Gross profit	194	172
Other Items of Income		
Other income – Others	2	2
Other income – Negative goodwill	221	197
Expenses		
- Administrative expenses	(438)	(390)
- Finance cost	(5)	(4)
- Other expenses	(3)	(3)
Profit/(Loss) before income tax	(29)	(26)
Income tax	-	-
Profit/(Loss) for the year	(29)	(26)
Discontinued operations		
Profit/(Loss) from discontinued operations	4,879	4,340
Gross profit	4,850	4,314
Other comprehensive income		
Items reclassified and may be reclassified subsequently to profit or loss:		
Foreign currency translation gain/(loss)	(3,764)	(3,348)
Other comprehensive income/(loss), net of tax	(3,764)	(3,348)
Total comprehensive income for the year	1,086	966
Profit/(Loss) for the year attributable to:		
Owners of the Company	4,813	4,281
Non-controlling interests	37	33
	4,850	4,314
Total comprehensive income for the year attributable to:		
Owners of the Company	1,049	933
Non-controlling interests	37	33
	1,086	966
(Losses)/Earnings per share attributable to owners of the Company (expressed in cents)		
Basic & Diluted – continuing operations	(0.01)	(0.01)
Basic & Diluted – discontinued operations	0.37	0.33

6.3 Accounting Standards

The financial statements of Sino Construction are prepared in accordance with Singapore Financial Reporting Standards, with the reviewed condensed consolidated financial information of Sino Construction for the six month period ended 30 June 2014, which forms part of the Investigating Accountant's Report (**IAR**), having been prepared in accordance with Singapore Financial Reporting Standard FRS 34 Interim Financial Reporting (which is equivalent to Australian Accounting Standard 134 Interim Financial Reporting).

There are no material differences between Australian Accounting Standards (Australian Equivalents to the International Financial Reporting Standards) and Singapore Financial Reporting Standards, with both countries closely modelling their accounting standards on the International Financial Reporting Standards issued by the International Accounting Standards Board.

6.4 Pro Forma Unaudited Consolidated Financial Information to show the effects of the acquisition of Guildford Shares under the Offer

The pro forma financial information included in Table C below (Pro Forma Unaudited Consolidated Statement of Financial Position as at 30 June 2014) is intended to illustrate the financial effects of the acquisition of Guildford Shares under the Offer. The information reproduced below has been extracted from the IAR. You are encouraged to read the full IAR at Annexure E for an understanding of the basis and methodology used in preparing this information.

The pro forma statement of financial position as at 30 June 2014 incorporates the unaudited consolidated statement of financial position of Sino Construction as at 30 June 2014, adjusted on the basis of the acquisition of 100% of the issued capital of Guildford and the completion of certain other transactions as disclosed in note 3 of Appendix 3 of the IAR.

The condensed unaudited consolidated pro forma Statement of Financial Position of Sino Construction as at 30 June 2014, as presented in the IAR, does not take into account the trading results of Sino Construction and its controlled entities subsequent to 30 June 2014, except to the extent of specific transactions itemised in the IAR.

The pro forma statement of financial position (at Table C) is unaudited and consolidated to include Guildford.

Table C: Pro-Forma Unaudited Consolidated Statement of Financial Position as at 30 June 2014

	Pro-forma 30.06.2014 S$'000	A$'000
ASSETS		
Current assets		
Cash and cash equivalents	26,242	23,341
Trade and other receivables	3,275	2,913
Amounts due for contract work-in-progress	133	118
Other current assets	2,328	2,071
Total	31,978	28,443
Non-current assets		
Exploration & evaluation assets	90,054	80,098
Trade and other receivables	2,574	2,289
Intangible assets	372	331
Financial assets available-for-sale	35,380	31,468
Property, plant and equipment	80,418	71,527
Total	208,798	185,713
Total Assets	240,776	214,156
LIABILITIES		
Current liabilities		
Trade and other payables	48,005	42,698
Borrowings	43,049	38,290
Other liabilities	11	10
Income tax payable	11	10
Short term provisions	146	130
Total	91,222	81,138
Non–current liabilities		
Borrowings	63,511	56,489
Long term provisions	742	660
Other liabilities	32	28
Total	64,285	57,177
Total liabilities	155,507	138,315
Net Assets	85,269	75,841
EQUITY		
Capital and reserves attributable to owners of the Company		
Share capital	177,412	157,798
Reserves	(5,200)	(4,625)
Accumulated losses	(86,443)	(76,886)
Total	85,769	76,287
Non-controlling interests	(500)	(445)
Total Equity	85,269	75,842

6.5 Borrowings

As at the Last Practicable Date, Sino Construction's borrowings or other financial indebtedness comprises the following:

(a) promissory notes which have or are proposed to be issued to various parties in relation and in accordance with the terms of the Sino Construction Proposed Acquisitions and the Renaissance Investment – see Sections 4.9(b) and 12.11 for details of the terms of these promissory notes;

(b) Sino Construction Convertible Bonds which are proposed to be issued in accordance with the SC Convertible Bonds Subscription Agreement – see Sections 4.9(a) and 12.11 for further details;

(c) Shareholder loans – S$4,744,325 (approximately A$4,219,803), which has been advanced by Quintestellar Re Capital Inc (a substantial shareholder of Sino Construction) to Sino Construction under non-interest bearing loans which have been advanced in tranches (each repayable 24 months after drawdown). In addition, Quintestellar Re Capital Inc has advanced an amount of US$3.5 million (approximately A$4 million) to Signet which was advanced in respect of Sino Construction's obligations to Signet as set out in Section 4.6(b) – this amount will only be deemed to be owing by Sino Construction on completion of the Proposed Signet Acquisition;

(d) a bank loan of S$618,000 (approximately A$549,675) in relation to the Construction Business which is secured by a building under construction by a subsidiary of Sino Construction; and

(e) finance leases of approximately S$96,000 (approximately A$85,386) secured by the underlying assets in connection with the Construction Business.

7. INFORMATION ABOUT GUILDFORD

7.1 Disclaimer as to Guildford information

The information about Guildford and Guildford Shares contained in this Bidder's Statement has been prepared by Sino Construction using publicly available information. Information in this Bidder's Statement as to Guildford, the Guildford Shares, the Guildford Group and the assets and liabilities, financial position and prospects of the Guildford Group has not been independently verified by Sino Construction. Accordingly, Sino Construction does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

Further information relating to Guildford's business may be included in the Target's Statement.

7.2 Overview

Guildford is an ASX-listed company (ASX: GUF) with a market capitalisation of approximately A$30 million on the Last Practicable Date. Guildford was incorporated on 7 May 2010 and has its registered office in Queensland.

Guildford is a coal exploration and mining company with a large portfolio of projects in the prime coal bearing regions of Queensland and Mongolia. In Queensland, Guildford has interests in eight exploration projects and tenements that cover an estimated 18,000 square kilometres across the coal bearing Bowen, Galilee and Maryborough Basins. Guildford's subsidiary in Mongolia, Terra Energy LLC, has two projects located in the coal bearing regions of the South Gobi and Middle Gobi which contain thermal and coking coals.

Project	Commodity	Location
South Gobi Project (Baruun Noyon Uulcoal (BNU))	Coal	Noyon soum, South Gobi, Mongolia
Mid Gobi Project	Coal	Dundgovi, Mongolia
Clyde Park Project	Coal	Galilee Basin, Queensland
Springsure Project	Coal	Bowen Basin, Queensland
Hughenden Project	Coal	Galilee/Eromanga Basins, Queensland
Pentland Project	Coal	Galilee Basin, Queensland
Kolan Project	Coal	Maryborough Basin, Queensland
Monto Project	Coal	Nagoorin Graben and Mulgildie Basin), Queensland
Sunrise Project	Coal	Surat/Bowen Basin, Queensland
Sierra Project	Coal	Bowen Basin, Queensland

7.3 Financial overview

For details about the financial position of Guildford, please refer to the Guildford website (www.guildfordcoal.com.au) or the ASX website (www.asx.com.au).

7.4 Guildford's issued securities

As at the Last Practicable Date, based on information lodged with ASX, Guildford's issued securities consist of the securities set out in the following table:

Class of security	Number
Fully paid ordinary shares	845,205,594
Convertible notes convertible to ordinary shares	1,000
Detachable Warrants convertible to one fully paid ordinary share	66,762,962
Performance Rights granting the right to acquire one fully paid ordinary share	4,758,444
Options to acquire one fully paid ordinary share exercisable until 7 November 2014 [1]	83,318,094

[1] *Sino Construction understands these options were exercisable until 7 November 2014. Sino Construction notes that on 31 October 2014 Guildford announced to the ASX that it had received confirmation from Maiora Asset Management Pte Ltd (**Maiora**) that Maiora intends to exercise 73,500,000 of the 77,300,446 unlisted options issued to Maiora on 7 August 2014. As at the Last Practicable Date, Guildford had not announced the issue of any Guildford Shares on exercise of these options.*

The Guildford Shares are listed and quoted for trading on the ASX. According to Guildford's Annual Report released on the ASX on 1 October 2014, there are approximately 2,100 Guildford Shareholders.

7.5 Guildford Board of Directors

As at the Last Practicable Date, the Guildford Directors are as detailed in the table below.

Director	Position
The Hon Alan Griffiths	Acting Non-Executive Chairman
Peter Kane	Group Managing Director
Tsogt Togoo	Executive Director
Michael Avery	Non-Executive Director

7.6 Publicly available information

Guildford is a company that is listed on the ASX and is subject to periodic and continuous disclosure requirements under the Corporations Act and ASX Listing Rules. Specifically, as a listed company, Guildford is subject to the Listing Rules which require disclosure of any information that a reasonable person would expect to have a material effect on the price or value of the Guildford Shares. In addition, Guildford is required to periodically lodge documents with ASX, including financial reports and activities statements.

A copy of Guildford's public announcements is available at Guildford's website (www.guildfordcoal.com.au) or the ASX website (www.asx.com.au).

8. SINO CONSTRUCTION'S INTENTIONS FOR GUILDFORD

8.1 Introduction

This Section sets out Sino Construction's intentions on the basis of facts and public information concerning Guildford which are known to Sino Construction at the Last Practicable Date. However, Sino Construction will only reach its decisions in light of material facts and circumstances at the relevant time. Accordingly, the statements set out are statements of current intentions only and may vary as new information becomes available or if circumstances change.

Further, the ability of Sino Construction to implement the intentions set out in this Section 8 will be subject to:

(a) the law, in particular in relation to related party transactions and conflicts of interests;

(b) the legal obligations of the Guildford Directors to act for proper purposes and in the best interests of Guildford Shareholders as a whole; and

(c) the rights of holders of Guildford Shares which may be subject to compulsory acquisition.

8.2 General intentions

Subject to the matters set out in this Section 8 and elsewhere in this Bidder's Statement, it is the present intention of Sino Construction, on the basis of the facts and information concerning Guildford that are known to Sino Construction and the existing circumstances affecting the business of Guildford at the Last Practicable Date, that:

(a) the operations of Guildford will be conducted in substantially the same manner as it is presently being conducted other than as set out below;

(b) to the extent permitted by regulations and the ASX Listing Rules, Sino Construction intends to retain Guildford's ASX listing;

(c) there will not be any other redeployment of fixed assets of Guildford; and

(d) the employment of Guildford's current employees will continue.

8.3 Intentions if Sino Construction acquires more than 90% of Guildford Shares

This Section sets out Sino Construction's current intentions if during, or at the end of the Offer Period, Sino Construction has a Relevant Interest in 90% or more of the Guildford Shares and is entitled to proceed to compulsory acquisition of the outstanding Guildford Shares.

Compulsory acquisition	At this stage, it is not Sino Construction's intention to proceed with the compulsory acquisition of any Guildford Shares not acquired under the Offer which Sino Construction is entitled to compulsorily acquire under the Corporations Act. However, Sino Construction reserves its right to do so and will update Guildford Shareholders, by way of a supplementary bidder's statement, if and when Sino Construction forms an intention to proceed with compulsory acquisition if the circumstances permit.
Review of operations and assets	Currently, Sino Construction does not have an intention to redeploy any of the material assets of Guildford. Sino Construction intends to conduct, after the end of the Offer Period, an immediate review of Guildford's operations, assets, structure and employees. The key objective of this review will be to ascertain the extent of any changes required to improve the performance of Guildford and ensure that Guildford's assets are operated in order to maximise their value and long term viability.
Guildford Board	Sino Construction intends to, at an appropriate time, seek the appointment of its nominees to the Guildford Board so that its nominees comprise a majority of directors of the Guildford Board. While the potential appointees to the Guildford Board have not yet been identified, it is likely that the candidates who will be considered by Sino Construction will be executives or directors of Sino Construction, with appropriate experience, skills and

	qualifications for Guildford and to implement Sino Construction's strategies and intentions for Guildford.
ASX listing	Unless Sino Construction elects to implement a compulsory acquisition process, to the extent permitted by regulations and the ASX Listing Rules, Sino Construction intends to retain Guildford's ASX listing.
Employees	As noted above, Sino Construction intends to conduct, after the end of the Offer Period, an immediate review of Guildford's operations, assets, structure and employees. This will be done with the input of management of both Sino Construction and Guildford. Advancement opportunities may be provided to suitably qualified employees. In addition, Sino Construction may provide the opportunity to suitably qualified employees to be given the option to be redeployed to support the expanded Sino Construction Group as considered appropriate by Sino Construction. Other than the above, Sino Construction intends to retain the present employees of Guildford.
Financing	Sino Construction does not intend to fund Guildford's ongoing operations from Sino Construction's existing reserves or financing facilities. In considering financing options, Guildford Directors will be required to have regard to the interests of Guildford and all Guildford Shareholders and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties.
Projects of Guildford	Subject to adequate third party financing being available, Sino Construction intends to continue the expansion of the business of Guildford to its full potential for the development of its projects. Sino Construction will seek to increase exploration efforts at a prudent scale so as not to overstretch available resources, but at an appropriate rate to bring these operations to account. Other than as noted above, Sino Construction has no specific intentions regarding the Australian or Mongolian projects of Guildford.

8.4 Intentions if Sino Construction acquires less than 90% but more than 50% of Guildford Shares

This Section sets out Sino Construction's current intentions if during, or at the end of the Offer Period, it has a Relevant Interest in less than 90% but more than 50% of Guildford Shares.

Guildford Board	Sino Construction will seek, at any appropriate time, to appoint to the board of directors of Guildford its nominees, so that it has, at least, a majority of nominees on the board of directors of Guildford. While the potential appointees to the Guildford Board have not yet been identified, it is likely that the candidates who will be considered by Sino Construction will be executives or directors of Sino Construction, with appropriate experience, skills and qualifications to implement Sino Construction's strategies and intentions for Guildford to the extent possible and appropriate.
Review of operations and assets	Currently, Sino Construction does not have an intention to redeploy any of the material assets of Guildford. Sino Construction intends to conduct, after the end of the Offer Period, an immediate review of Guildford's operations, assets, structure and employees. The key objective of this review will be to ascertain the extent of any changes required to improve the performance of Guildford to the extent that Sino Construction is able to procure that these occur.
Dividends	The payment of dividends by Guildford will be at the discretion of its board. Sino Construction intends that Guildford should retain its cash to fund its business and operations and repay debt and, therefore, not pay a dividend if Guildford were to become controlled by, not wholly owned by, Sino Construction.

Employees	Sino Construction intends to retain the present employees of Guildford.
Financing	Sino Construction does not intend to fund Guildford's ongoing operations from Sino Construction's existing reserves or financing facilities. In considering financing options, Guildford Directors will be required to have regard to the interests of Guildford and all Guildford Shareholders and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties.
ASX Listing	Subject to the spread and number of Guildford Shareholders remaining after the close of the Offer and any regulatory requirements, Sino Construction intends to retain Guildford's listing on the ASX.
Limitation in giving effect to intentions	The ability of Sino Construction to implement the intentions set out in this Section 8.4 will be subject to the legal obligation of Guildford Directors to have regard to the interests of Guildford and all Guildford Shareholders and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties. These may limit or modify the implementation of the intentions outlined above.

8.5 Intentions if Sino Construction acquires less than 50% of Guildford Shares

This Section sets out Sino Construction's current intentions if during, or at the end of the Offer Period, it has a Relevant Interest in less than 50% of Guildford Shares.

Sino Construction reserves its right to waive the Condition of the Offer that Sino Construction obtains a Relevant Interest of at least 50.1% of Guildford Shares but it has no present intention to do so. If Sino Construction does waive this Condition, Sino Construction intends to implement the intentions outlined in Section 8.4 to the extent that it is able to do so. This will include seeking the appointment of its nominees to the Guildford Board having regard to Sino Construction's interest in Guildford at the time.

9. RISK FACTORS

9.1 Introduction

This Section is a summary of the material risk factors to the Sino Construction Group as well as risks arising from the terms of the Offer.

9.2 Risks that may arise from accepting the Offer

Sino Construction Shareholder approval is required	The Offer is subject to a number of Conditions, as set out in Section 11.5. In particular, Sino Construction requires the approval of Sino Construction Shareholders for the Offer and the proposed allotment and issue of the Sino Construction Shares to be issued as the Offer Consideration. Under the Listing Manual of the SGX, Sino Construction must prepare, and distribute to Sino Construction Shareholders, a 'Circular' in respect of the Offer. Sino Construction must also provide a 'qualified person's report' with the Circular, which will require Guildford's cooperation. Sino Construction intends to apply to the SGX for a waiver of the requirement to prepare a 'qualified person's report', but cannot guarantee that the waiver will be granted. If the waiver application is rejected, Sino Construction will discuss with Guildford the preparation of that report, and the likely timing of the finalisation of the report. Guildford Shareholders should note that, if a 'qualified person's report' is required, Sino Construction considers that it may take approximately 6 months for that report to be prepared and subsequent Extraordinary General Meeting to be held. In those circumstances, Sino Construction expects that it will need to vary the Offer Period so that it is extended to be a date that it is at least 6 months after the date of this Bidder's Statement (that is, Sino Construction expects that it will need to extend the Offer Period by at least 3 months). In those circumstances, Sino Construction will send each Guildford Shareholder a formal notice of the extension of the Offer Period. Sino Construction will keep Guildford Shareholders updated on the status of its waiver application and will make announcements on the ASX and SGXNET when the waiver application is determined by SGX. Guildford Shareholders should note that the Offer will remain subject to the Conditions unless and until the Conditions are satisfied or waived. If, and until, that occurs, Guildford Shareholders that have accepted the Offer will not be able to withdraw their acceptance of the Offer or otherwise dispose of their Guildford Shares (except in limited circumstances as detailed in Section 11.10). Further, Sino Construction Shareholder approval is required for the Sino Construction Proposed Acquisitions to occur and the Sino Construction Convertible Bonds to be issued. If Sino Construction Shareholder approval is not separately obtained for each of these transactions, that respective transaction will not proceed.
Dilution	Sino Construction intends to issue additional Sino Construction Shares to satisfy the consideration payable by Sino Construction in respect of the Sino Construction Proposed Share Issues, and may issue new Sino Construction Shares or convertible securities as part of future fundraisings or further acquisitions. Accordingly, any further issues of Sino Construction Shares will have a dilutive effect on your Sino Construction Shares.
Investing in a foreign company	There are risks in investing in a company which is incorporated and its securities listed in an overseas country (as Sino Construction is incorporated in Singapore and its shares are listed on the SGX – Sino Construction Shares are not listed on the ASX and Sino Construction has no intention to seek listing on the ASX at this time). These risks include the difficulty in taking legal action (including enforcing your rights) against a

	foreign company and the associated costs in doing so. There are differences between the companies and securities laws of Singapore (which apply to Sino Construction) and Australian law. Please refer to Annexure B for more information about some of the key differences. Further, the Sino Construction Shares that will be issued as the Offer Consideration are expected to be listed and quoted on the SGX. Therefore, they will be quoted in Singapore dollars and any dividends will likely be paid in Singapore dollars. If a Guildford Shareholder wants to sell its Sino Construction Shares and receive proceeds in Australian dollars, or wants to convert any dividends paid in Singapore dollars to Australian dollars, this will involve a foreign exchange risk (meaning that the resulting proceeds in Australian dollars will vary depending on the prevailing exchange rate).
Offer terms	Once you have accepted the Offer for Your Guildford Shares, you only have the right to withdraw your acceptance of the Offer in limited circumstances (as set out in Section 11.10). Under the Corporations Act, if after you have accepted the Offer and while it remains subject to the Conditions, the Offer is varied (such as by an extension of the Offer Period) so as to postpone for more than one month the time when Sino Construction must meet its obligations under the Offer, you will be able to withdraw your acceptance. Otherwise, you will be unable to withdraw your acceptance of the Offer even if the market value of Sino Construction Shares varies significantly from their value on the date of your acceptance of the Offer.

9.3 Risk factors relating to the Sino Construction Group's overall business activities

Financing	One of the major factors that could affect the Sino Construction Group's ability to acquire assets in the Mineral and Energy Resources Sector as planned is the adequacy of financing. Further, in order to proceed with the development of the projects in which it has or may in the future have an interest, including its intentions for Guildford (as set out in Section 8), the Sino Construction Group is likely to be required to raise additional funding in the future (including due to the fact that the Mineral and Energy Resources Sector is capital intensive). Due to various factors, the Sino Construction Group is not able to predict with certainty the total expected capital expenditure for each of its current and future investments in the Mineral and Energy Resources Sector. The Sino Construction Group plans to finance its investments in the Mineral and Energy Resources Sector through internal resources, equity capital raisings and/or forms of debt financing. There is no assurance that the Sino Construction Group will be able to raise such capital when it is required or that the terms associated with providing such capital will be satisfactory, which may prejudice its ongoing ability to fully pursue its strategy, intentions and projects in which it has an interest. The use of financing from capital markets is also subject to, amongst others, the prevailing capital market conditions, willingness and ability of Sino Construction Shareholders to support the fundraising exercise and the costs associated with the fundraising. If the Sino Construction Group is unable to obtain such additional financing, it may be required to reduce the scope of its business activities, which could adversely affect its business, operating results and financial condition and the development of Guildford's projects.
Concentration of revenue from	As detailed in Section 4.2, the Sino Construction Group's current revenue is derived from its existing Construction Business. In respect of each of the Sino Construction Group's

Construction Business	current investments in the Mineral and Energy Resources Sector, the Sino Construction Group has not yet received any revenue from these investments to date. Sino Construction does not expect to receive any revenue from these investments in the short term due to the fact that most of the companies in which these investments are made are exploration rather than producing companies. Therefore, other than raising capital through financing as discussed above and the proposed issue of the Sino Construction Convertible Bonds as detailed in Section 4.9(a), the Sino Construction Group relies on the Construction Business for part of its current financing and cash flow management.
The Sino Construction Group does not have a proven track record in the Mineral and Energy Resources Sector	The Sino Construction Group does not have a proven track record in the Mineral and Energy Resources Sector and the current management of the Sino Construction Group may not have the relevant experience and expertise required in the carrying out or implementation of its investments in the Mineral and Energy Resources Sector. There is no assurance that the Sino Construction Group will be able to undertake the investments in the Mineral and Energy Resources Sector profitably. As all business and investment decisions are a matter of subjective judgment, there is no assurance that the Sino Construction Group will be able to make the right decisions in a timely manner all or most of the time. Any failure in the execution of the investments in the Mineral and Energy Resources Sector could materially and adversely affect the Sino Construction Group's financial performance and financial position.
The Sino Construction Group's Construction Business is dependent on its on-going and secured projects and its ability to secure new and profitable projects	The Sino Construction Group's Construction Business is project-based and non-recurring in nature. These projects are generally secured through a tender process under which the contract is usually awarded to the most competitive bidder. As such, the financial performance of the Sino Construction Group is dependent on its ability to secure new projects. Due to the nature of the Sino Construction Group's Construction Business, the number and value of the projects that it is able to secure fluctuates. There is no assurance that it will continue to be able to secure new projects that are profitable. If the Sino Construction Group is unable to secure new projects, its financial performance will be adversely affected. Further, as it faces intense competition in the tender process, it may be forced to lower its tender prices in order to secure the projects, and this will affect its profit margins. As detailed Section 4.8(d), the Sino Construction Group currently has one major construction project, however, is sourcing for more.
The Sino Construction Group's Construction Business is subject to the performance of the building construction and civil engineering industries in which it operates	The Sino Construction Group's Construction Business is subject to the performance of the building construction and civil engineering industries in which it operates. If the economies in these markets and/or industries experience a downturn in performance or activity, the demand for building construction and civil engineering activities may not be sustainable and may result in a slow down in these industries. This may in turn lead to a fall in tenders and contract values of projects available for tender, the postponement, delay or cancellation of building construction and civil engineering projects or the delay in the recovery of receivables. This may have a material adverse effect on the Sino Construction Group's business and prospects.
The Sino Construction	The Sino Construction Group engages sub-contractors to provide various services for its building construction and civil engineering projects. Its sub-contractors are selected

Group's Construction Business is subject to sub-contracting risks	based on the quality of their projects and services, pricing, reputation and their ability to fabricate their projects according to the Sino Construction Group's specifications. If its sub-contractors are unable to carry out their contractual obligations in accordance with the required specifications and time schedule, and the Sino Construction Group is unable to find suitable alternative sub-contractors in a timely manner and on comparable commercial terms, it may not be able to complete the building construction or civil engineering projects within the budget and the agreed time schedule. As a result, cost overruns may occur and Sino Construction may incur liquidated damages, each of which would affect its financial performance.
Fluctuations in the price of construction materials	The major construction materials that the Sino Construction Group requires for its Construction Business are steel, cement, bitumen, sand, bricks, gravel and consumables. The market price of these materials is subject to change. If the Sino Construction Group is unable to pass on any increase in construction material prices to its customers or is unable to find alternative sources of construction materials at competitive prices, its financial performance will be adversely affected.
Cost overruns adversely affecting profitability in the Construction Business	Public sector projects are normally awarded to contractors based on competitive bids. Due to the long duration of building construction and civil engineering projects, the Sino Construction Group's Construction Business is susceptible to cost overruns and fluctuations in the building material costs, cost of supplies, labour costs and fixed overheads, which may result in the unanticipated erosion of profit margins or even losses. The Sino Construction Group's projects may utilise large amounts of construction materials and, therefore, the cost of materials constitutes a substantial percentage of the overall construction costs. The costs of its major construction materials may vary from the tendered price over the duration of the project resulting in cost overruns.
Sino Construction's Construction Business is exposed to disputes, claims and variation costs	It is normal in the building construction and civil engineering industries that disputes may occur and claims may be made by and against contractors during the course of construction or following completion, including on grounds such as defective workmanship and deviation from contract specifications. In addition, project owners normally retain an agreed percentage of the contract sum as retention monies, which may be used to cover the cost of rectifying any defect after the completion of the projects. The periods of retention monies are up to one year after the completion of the project. However, the project owners may withhold the retention monies for longer periods in the event of dispute. In that case, the Sino Construction Group may then have to lodge a claim for the outstanding retention monies, if initial attempts to recover the retention monies prove unsuccessful. In addition, in the event that the defective claims exceed the retention monies, or the Sino Construction Group is required to incur additional costs in the rectification of any defects during the warranty period (typically up to five years from the date of completion), the Sino Construction Group's financial performance will be adversely affected.
Sino Construction's Construction Business is dependent on its management team and staff	Sino Construction Group's Construction Business is dependent to a large extent on its ability to retain its key management personnel. The demand for such experienced personnel is intense and the search for personnel with relevant skills set can be time consuming. In addition, the Sino Construction Group's Construction Business is highly labour-intensive and is dependent on both skilled and non-skilled labour. There may be limited supply of skilled engineers or managers in the jurisdictions in which the Sino Construction Group operates. The supply of skilled or non-skilled labour is subject to demand and supply in the labour market. If the Sino Construction Group does not have

	sufficient labour, it may have to pay higher salaries to attract and retain such employees or employ foreign skilled managers or engineers in the future.
Personnel risks	The future performance of the Sino Construction Group's interests in the Mineral and Energy Resources Sector will, where the Sino Construction Group is an active investor rather than holding a passive minority interest, depend on the ability of the Sino Construction Group to attract and retain key personnel. In particular, the successful operation will depend on the Sino Construction Group's ability to retain key management and qualified employees for technical, operations, marketing and managerial positions. The failure to attract such key personnel and/or the loss of any of these individuals could have a material effect on the operations and financial performance of the Sino Construction Group.
Control risks	The returns on the Sino Construction Group's investments are dependent upon the financial performance of its projects and entities and/or companies in which it invests. However, as the Sino Construction Group may not take majority positions in the projects or companies nor seek board representation, it is reliant on the project or company's management in respect of the project or company's financial performance.
Change in control	Change of control provisions, if any, in Guildford's agreements triggered upon the acquisition of control of Guildford by Sino Construction under the Offer may lead to adverse consequences, including possible termination of those agreements.
Contractual	Members of the Sino Construction Group are party to a number of material contracts including those as set out at Section 12.11, some of which are with third parties. Failure by any party to a contract with a member of the Sino Construction Group to comply with their obligations could have a material adverse effect on the Sino Construction Group. Additionally, the failure by the Sino Construction Group to finalise and execute contracts or perform its obligations under contracts presently under negotiation, or to finalise conditions arising under existing conditional material contracts, could affect the timely delivery of the Sino Construction Group's interest in projects and also have an adverse financial effect on the Sino Construction Group.
Exchange rates	The Sino Construction Group is exposed to currency exchange fluctuations in several countries in which it operates or has interests. The Sino Construction Group does not currently hedge its foreign exchange rate exposure. This has the potential to have an adverse effect on the Sino Construction Group particularly where revenue under contracts or investments is received in one currency but costs relating to that contract or interest are sourced in another currency.
Risk relating to failure to integrate business into the Sino Construction Group	The Sino Construction Group's investments in the Mineral and Energy Resources Sector need to be integrated with the other interests and operations of the Sino Construction Group. The Sino Construction Group may fail to successfully integrate the investments in the Mineral and Energy Resources Sector into its other operations and realise the anticipated benefits from such integration on a timely basis, or at all, which could negatively impact its business.
Taxation	The taxation regimes in the jurisdictions that the Sino Construction Group operates in or intends to operate in are subject to differing interpretation and changes in those jurisdictions. The interpretation by Sino Construction's subsidiaries of relevant taxation laws as applied to their transactions and activities may differ from that of the relevant tax authorities. The relevant tax authorities could challenge that company's taxation treatment of transactions, which may subject the profits of that company (and, therefore, the Sino Construction Group) from activities in those jurisdictions to additional taxation requirements. Reimbursements (if any) by certain tax authorities to

	those companies could also be subject to delay. An additional tax requirement or delay in the reimbursement of tax could result in a material adverse effect on the Sino Construction Group's business, results of operations and financial condition.

9.4 Risks relating to exploration, development and production

Resources Estimate	Resource estimates are based on calculations and expressions of judgment based on knowledge, experience and industry practice and on data collected in an ordered, methodical basis under the supervision of a "competent person". Sino Construction currently intends to apply industry best practices in accordance with acceptable standards such as the Canadian National Instrument 43-101 Standards of Disclosure for Minerals Projects (**NI43-101**) and/or the JORC Code, which is accepted by the SGX. The JORC Code and NI43-101 give investors and shareholders some comfort of different classifications for increased confidence in the estimates. Nonetheless, estimates valid when originally calculated may alter when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork, data collection and analysis, the estimates may change. This could result in alterations to development and mining plans, which may, in turn, affect the Sino Construction Group's performance.
Exploration, exploitation, development and production risk	Exploration, exploitation and high risk development and production is inherently difficult and a speculative activity and success in ascertaining economic recoverable resources can never be guaranteed (and may be subject to factors over which the Sino Construction Group has little or no control). Substantial expenditures are also required in order to establish reserves through drilling, to develop metallurgical processes to extract the mineral from the ore, to develop the mining, production, gathering or processing facilities and infrastructure at any site chosen for mining and to determine if a property contains commercial quantities of minerals. Until the Sino Construction Group is able to realise value from its projects and interests, it may incur ongoing operating and financial losses. In addition, exploration, exploitation, development and production activities can be affected by uncontrollable factors such as inclement weather, industrial action, environmental issues, project delays, unforeseen increases in costs and technical difficulties not anticipated in Sino Construction's business plans. The development of the Sino Construction Group's current or future Mineral and Energy Resources Sector projects may require obtaining approvals and additional expenditure if economic mineral deposits are discovered. The Sino Construction Group might not be able to raise additional capital or to find suitable joint venture partners, which would negatively impact the Sino Construction Group's performance. There can be no assurance that exploration of the project areas described in this Bidder's Statement, or any other interests or tenements that may be acquired in the future, will result in the discovery of an economic ore deposit of commercial quantity. Even if an apparently viable deposit is identified, there is no certainty that it can be commercially developed.
Fluctuation is Sino Construction Share price	As with all investments in listed securities, the price of Sino Construction Shares on SGX fluctuates and, therefore the value of the Offer Consideration will also fluctuate. Guildford Shareholders should see Section 5.9 for a discussion regarding the recent Sino Construction Share price.
Risk of unforeseen additional capital	Given that the state of environmental technology and the compliance standards applicable to the mineral and energy resources industry, consequently the cost of

expenditure	complying with such standards are constantly changing, the Sino Construction Group is not able to predict with certainty the total expected capital expenditure for each of its current and future investments in the Mineral and Energy Resources Sector. Furthermore, in the event that the Sino Construction Group is only a minority investor in these mineral and energy resources projects/entities/companies, it will only have access to publicly available information which is generally an insufficient basis on which such predictions can be made. Additionally, any unforeseen circumstances which may cause interruptions in the exploration, exploitation and production activities of the Sino Construction Group may require large capital expenditures to remedy the situation and this could affect the profitability of these investments and consequently, the business and performance of the Sino Construction Group.
Geopolitical risks	The Sino Construction Group's investments in the Mineral and Energy Resources Sector, as well as industry profitability generally, can be affected by changes in government policy, which are beyond the control of the Sino Construction Group. The governments of some of the countries in which the Sino Construction Group operates or has interests have exercised and continue to exercise significant influence over their respective mineral and energy resources industries. The Sino Construction Group has investments in projects in various countries and is, therefore, subject to differing legal systems, economic risks and political tensions. The Sino Construction Group must also comply with a number of regulatory, legal and political environments which increases its legal risks and may result in additional costs to ensure compliance. In certain countries where Sino Construction is seeking to expand its operations, there is heightened risk of state intervention such as nationalisation of part or all of private or foreign investment holdings in the Mineral and Energy Resources Sector. If disputes arise in connection with the Sino Construction Group's operations in developing countries, the Sino Construction Group may be subject to the exclusive jurisdiction of foreign courts or foreign arbitration tribunals or may not be successful in subjecting foreign persons, especially foreign mineral and energy resources ministries and national mineral and energy resources entities/companies, to the jurisdiction of courts in other countries.
Commodity price volatility	The price of commodities, which may fluctuate, is affected by numerous factors beyond the Sino Construction Group's control, which include: ▪ expectations of the rate of inflation; ▪ the relative exchange rate of the US dollar with other major currencies; ▪ global and regional economic activity; ▪ speculative trading; ▪ demand for the commodity; ▪ supply of the commodity from production, disinvestment, scrap and hedging; ▪ level of sales by producers in forward transactions and other hedging; ▪ the production and cost levels for the commodity in major producing nations; ▪ the cost level (in local currencies) for commodities in major consuming nations;

	and ▪ technology advancements. Fluctuations in commodity prices may adversely affect the market value of the Sino Construction Group's interests (including inventory), financial performance or results of operations and the inherent value of Sino Construction Shares. Further, if the market price of commodities in the sectors in which the Sino Construction Group operates falls, profitability and cash flow will suffer and the Sino Construction Group may experience losses, asset write-downs and may curtail or suspend some or all of its exploration, development and mining activities. Furthermore, sustained low commodity prices can: ▪ reduce revenues further by production cutbacks due to the cessation of the mining of deposits or portions of deposits that have become uneconomic at the then-prevailing commodity price; ▪ halt or delay the development of new projects; ▪ reduce funds available for exploration, with the result that depleted reserves are not replaced; ▪ reduce the existing mineral reserves where they cannot be economically mined or treated at prevailing prices; and ▪ result in the recording of a write-down of mining interests due to the determination that future cash flows do not recover the carrying value.
Title and tenure risks	Members of the Sino Construction Group have or may acquire an interest in mining rights which are governed by laws and regulations covering the grant and administration of permits, leases and licences. Each permit, lease or licence is for a specific term and may carry with it annual expenditure, reporting, compliance or compulsory reduction conditions. Consequently, the relevant member of the Sino Construction Group may lose title to an interest if the relevant permit, lease or licence conditions are not met or if insufficient funds are available to meet expenditure requirements. If a mining right, permit, lease or licence is not renewed, the Sino Construction Group may suffer significant damage through loss of opportunity to discover and develop a material project within the relevant area granted. Permits, leases and licences are subject to administrative procedures for application, renewal or conversion into a different type of title. The Sino Construction Group has no control over the administrative procedures for the application, grant or renewal of a title.
Lack of, and maintenance of, infrastructure	Physical infrastructure in some areas of the countries in which the Sino Construction Group operates or intends to operate in the Mineral and Energy Resources Sector (or in which it has interests), is obsolete or non-existent and in certain respects has not been adequately funded and maintained. Breakdowns or failures of any part of the physical infrastructure in such areas may disrupt the Sino Construction Group's normal business activity, cause the Sino Construction Group to suspend operations or result in environmental damage to the surrounding areas. Further, deterioration of the physical infrastructure in such areas may disrupt the transportation of goods and supplies, increase operational costs of doing business in these areas and generally interrupt business operations, any or all of which could have a material adverse effect on the Sino Construction Group's business, results of operations, financial condition and prospects.

Processing capacity and production schedule	The estimated processing capacity of the Sino Construction Group's current and prospective investments is and will be based on certain estimates and assumptions, including the initial test results of samples obtained from exploratory drilling and interpretation of geological data, which are subject to significant uncertainties. Furthermore, variations in the execution of mining and processing plans, and unexpected delays in the construction of processing plants, may result in an inability to meet production schedules. The production schedule may also be affected by any prolonged and/or significant downtime from major and unexpected repairs or servicing of any major production plants which could result in a significant decrease in production rate or production quality.
Environmental risks	The operations and activities of the Sino Construction Group's business are subject to state and national laws and regulations concerning the environment. Mining, property and construction activities can cause damage or harm to the environment. Although it is the intention of the Sino Construction Group to conduct its activities to the required standard of environment obligations, including compliance with environmental laws, the Sino Construction Group could be subject to costs for environmental rehabilitation, damage control and losses by third parties due to risks inherent in its activities, such as accidental spills, leakages or other unforeseen circumstances and pollutions such as noise, air, soil contamination, water, radioactive and littering. Furthermore, there may be exposure to restitution or compensation suits from individuals or communities affected by the hazardous waste products, which would not only result in negative publicity but would also have an adverse effect on the operations, business and profitability of the Sino Construction Group.
Reliance on third party service providers	As the Sino Construction Group and the companies in which it invests may not have ownership nor maintain all the infrastructure that produces, processes and transports commodities to customers, such infrastructure and services may have to be leased from third party providers and the Sino Construction Group and the companies in which it invests will have no or little control over the quality and availability of such services. Examples of such infrastructure include drilling and well completion equipment and materials, pipelines, storage tanks, separation equipment, enhanced recovery equipment, logging equipment and products and services provided by seismic companies. Interruptions due to logistical complications may also occur and, in the event of disruption or delay in the availability of equipment or infrastructure, the sale of commodities will have to be halted until the problem is rectified or until delivery is achieved via alternative methods.
Weather	The Sino Construction Group's operations and interests may be affected by wet weather conditions. During the wet weather seasons, excessive rainfall, typhoons and other conditions may cause landslides or floods, which, in turn, may damage roads and infrastructure thereby restricting travel, delivery of products and the suspension of mining activities in the affected regions. Conversely, droughts pose a threat to the ability to continue mining and exploration activities which may rely on potable and industrial water. This may have an effect on the revenue and/or profitability of the Sino Construction Group's investments in the Mineral and Energy Resources Sector.
Insurance	Insurance against all risks associated with mineral exploration production and construction services is not always available or affordable. The Sino Construction Group will maintain insurances where it is considered reasonably appropriate for its needs, however, it will not be insured against all risks either because appropriate cover is not available or because the Sino Construction Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

Competing claims	The properties in which the Sino Construction Group has an interest may consist of recorded interests that have not been legally surveyed, and therefore, the precise boundaries and locations of such interests may be in doubt and may be challenged. A mineral and energy resources property may also be subject to prior unregistered agreements or transfers or native land claims, and the company's title may be affected by these and other undetected defects.

10. TAXATION

10.1 Introduction

The information provided in this Bidder's Statement about Australian and Singapore tax considerations does not constitute, and should not be construed as, taxation advice. Sino Construction does not accept any liability or responsibility in respect of any statements concerning the taxation consequences of the Offer or in respect of the taxation consequences themselves. You should obtain your own taxation advice in regard to your own individual circumstances.

10.2 Australian tax considerations

Please see Annexure C for a letter from Moore Stephens setting out an overview of relevant Australian taxation considerations in relation to the Offer.

10.3 Singapore tax considerations

Please see Annexure D for an overview of relevant Singapore tax considerations in relation to the Offer.

11. TERMS OF THE OFFER

11.1 Offer

(a) Sino Construction offers to acquire all of Your Guildford Shares, together with all Rights attached to them, on the following terms and conditions.

(b) The Offer will extend to Guildford Shares which are issued during the period from the Register Date to the Closing Date due to a conversion or exercise of rights attached to securities which exist, or will exist, as at the Register Date, including on the conversion of Guildford Options, Guildford Convertible Notes (to the extent permitted under Offer Condition set out in section 11.5(c)(iv)(D) subject to the comments in Section 11.6(b)), Guildford Warrants and Guildford Performance Rights on issue at that date.

(c) Please note that you may only accept the Offer for all, and not part only, of Your Guildford Shares.

11.2 Offer Consideration

(a) The consideration offered is 1 Sino Construction Share for every 4.5 Guildford Shares, with any fractional entitlements to Sino Construction Shares rounded up to the nearest whole Sino Construction Share.

(b) If Sino Construction reasonably believes that a Guildford Shareholder's holding has been manipulated to take advantage of any rounding (for example, through share splitting), then any fractional entitlement will be aggregated and rounded to the nearest whole number of Sino Construction Shares.

(c) The Sino Construction Shares to be issued under this Offer will, from their date of issue, rank equally in all respects with existing Sino Construction Shares currently on issue.

11.3 Offer Period

The Offer, unless withdrawn, will remain open for acceptance during the period commencing on the date of this Offer, being 24 November 2014, and ending at 7pm (Sydney time) on 25 February 2015, subject to any extension in accordance with the Corporations Act.

11.4 Official quotation

Sino Construction has applied for official quotation on the SGX of the Sino Construction Shares that are to be issued as the Offer Consideration. Quotation will not be automatic but will depend on the SGX exercising its discretion. Sino Construction has already been admitted to the mainboard of the SGX and the Sino Construction Shares to be issued under the Offer are of the same class as Sino Construction Shares already quoted on the SGX. Sino Construction does not guarantee, and does not represent or imply, that the Sino Construction Shares will be listed on the SGX following issue. The Offer is conditional on the SGX approving the application for listing and quotation of the Sino Construction Shares to be issued as the Offer Consideration.

11.5 Offer Conditions

(a) **Minimum acceptance**

At the close of the Offer Period, Sino Construction has a Relevant Interest in such number of Guildford Shares which represents at least 50.1% of the aggregate of all the Guildford Shares then on issue.

(b) **Shareholder approval**

Prior to the end of the Offer Period, Sino Construction receives the approval of its shareholders, in general meeting, for:

(i) the Takeover Bid and the Offer, if required under Chapter 10 of the Listing Manual; and

(ii) the issuance of the Sino Construction Shares as the consideration under the Offer in accordance with Chapter 8 of the Listing Manual.

(c) **No prescribed occurrences**

During the period from the Announcement Date to the end of the Offer Period (each inclusive), none of the following occurrences happens:

(i) Guildford converts all or any of its shares into a larger or smaller number of shares;

(ii) Guildford or a subsidiary of Guildford resolves to reduce its share capital in any way;

(iii) Guildford or a subsidiary of Guildford enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;

(iv) Guildford or a subsidiary of Guildford issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option other than:

(A) up to 66,762,962 Guildford Shares which are issued as a result of the exercise of up to 66,762,962 detachable warrants on issue by Guildford on the Announcement Date, on the condition that each warrant only entitles the holder to subscribe for one Guildford Share;

(B) up to 4,758,444 Guildford Shares which are issued as a result of the exercise of up to 4,758,444 performance rights on issue by Guildford on the Announcement Date, on the condition that each performance right only entitles the holder to subscribe for one Guildford Share;

(C) up to 83,333,334 Guildford Shares which are issued as a result of the exercise of up to 83,333,334 unlisted options on issue by Guildford on the Announcement Date, on the condition that each unlisted option only entitles the holder to subscribe for one Guildford Share; and

(D) up to 33,333,333 Guildford Shares which are issued as a result of the exercise of up to 1,000 Guildford Convertible Notes on issue by Guildford on the Announcement Date;

(v) Guildford or a subsidiary of Guildford issues, or agrees to issue, convertible notes;

(vi) Guildford or a subsidiary of Guildford disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

(vii) Guildford or a subsidiary of Guildford grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;

(viii) Guildford or a subsidiary of Guildford resolves to be wound up;

(ix) a liquidator or provisional liquidator of Guildford or of a subsidiary of Guildford is appointed;

(x) a court makes an order for the winding up of Guildford or of a subsidiary of Guildford;

(xi) an administrator of Guildford or of a subsidiary of Guildford is appointed under section 436A, 436B or 436C of the Corporations Act;

(xii) Guildford or a subsidiary of Guildford executes a deed of company arrangement; or

(xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Guildford or a subsidiary of Guildford,

each a "**Prescribed Occurrence**".

(d) **No action by Government Agency adversely affecting the Takeover Bid**

During the period from the Announcement Date to the end of the Offer Period (each inclusive):

(i) there is not in effect any preliminary or final decision, order, ruling or decree issued by (or on behalf of) a Government Agency;

(ii) no action or investigation is instituted, or threatened, by any Government Agency with respect to a member of the Guildford Group; or

(iii) no application is made to any Government Agency (other than an application by Sino Construction or any Related Body Corporate (as defined in the Corporations Act) of Sino Construction, an application under sections 657C or 657G of the Corporations Act, or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Takeover Bid),

in consequence of, or in conjunction with, the Takeover Bid (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), which restrains or prohibits, or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Takeover Bid or the completion of any transaction contemplated by the Takeover Bid (including implementing the intentions expressed therein) or that seeks to require the divestiture by Sino Construction of any Guildford Shares, or the divestiture of any assets by a member of the Guildford Group.

(e) **Approvals by Government Agencies**

During the period from the Announcement Date to the end of the Offer Period (each inclusive), Sino Construction receives all Approvals which are required by Law or by any Government Agency:

(i) to permit the Offers to be made to and accepted by Guildford Shareholders;

(ii) as a result of the Offers or the successful acquisition of the Guildford Shares and which are necessary for the continued operation of the business of a member of the Guildford Group or of Sino Construction and its subsidiaries; or

(iii) for Sino Construction to be able to acquire an interest in all the Guildford Shares the subject of the Offer,

and those Approvals are on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those Approvals.

This includes Sino Construction receiving the approval of:

(iv) the SGX for the listing and quotation of the Sino Construction Shares to be issued as consideration under the Takeover Bid; and

(v) relevant Government Agencies in Mongolia and Australia which may be required in respect of the Offer and, in particular, the change of control in the Tenements.

(f) **No material acquisitions, disposals, etc**

Except for any proposed transaction publicly announced by Guildford through the ASX before the Announcement Date, none of the following events occurs before the end of the Offer Period:

(i) a member of the Guildford Group:

(A) enters into, or agrees to enter into, any contract of service for the appointment of a director or senior manager; or

(B) varies, or agrees to vary, any existing contract of service with any director or senior manager, including making or agreeing to make a substantial change in the basis of amount of remuneration of any director or senior manager (except as required by Law);

(ii) a member of the Guildford Group acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than A$1,000,000 or makes an announcement about such an acquisition;

(iii) a member of the Guildford Group disposes, offers to dispose or agrees to dispose of, or creates, or offers to create or agrees to create, an equity interest in one or more companies or assets (or an interest in one or more companies or assets) for an amount or value in aggregate greater than A$1,000,000 or makes an announcement about such a disposal or creation;

(iv) a member of the Guildford Group enters into, offers to enter into or announces that it proposes to enter into one or more joint ventures, partnerships or management agreements involving in aggregate a commitment of greater than A$1,000,000 or dual listed company structure, or makes an announcement about such a commitment;

(v) a member of the Guildford Group enters into, amends in a material respect, terminates or waives or otherwise forgoes any material rights under any agreement, arrangement or understanding to which a member of the Guildford Group is a party that is material to the business or operations of a member of the Guildford Group. For this purpose, an agreement, arrangement or understanding to which a member of the Guildford Group is party is material if it involves an aggregate commitment of greater than A$1,000,000;

(vi) a member of the Guildford Group implements or agrees to implement any scheme or arrangement or comprise (including one for the reconstruction or amalgamation of any members of the Guildford Group), or any analogous procedure, scheme or arrangement in any jurisdiction;

(vii) a member of the Guildford Group makes any change to its constitution or passes a special resolution;

(viii) a member of the Guildford Group incurs or commits to, or grants to another person a right the exercise of which would involve a member of the Guildford Group incurring or committing to, any capital expenditure or liability individually or in aggregate greater than A$1,000,000 or makes an announcement about such a commitment; or

(ix) a member of the Guildford Group disposes, offers to dispose or agrees to dispose of, or creates, or offers to create or agrees to create, an interest in or an Encumbrance over any one or more of the Tenements or any of its material assets or, in total, over a material part of its assets.

(g) **Change in control consequences**

During the period commencing on the Announcement Date and prior to the end of the Offer Period (each inclusive), no person exercises or purports to exercise or has stated an intention to exercise under any Guildford Material Finance Document to which a member of the Guildford Group is a party, or by which a member of the Guildford Group or any of its assets may be bound or be subject, a right which could result in:

(i) any monies borrowed or raised by or any other monetary obligations of any member of the Guildford Group being payable or repayable or being capable of being declared payable or repayable immediately or earlier than the payment date stated in such Guildford Material Finance Document or otherwise accelerated or any transaction being closed out or becoming capable of being closed out before the maturity date stated in such Guildford Material Finance Document; or

(ii) the terms of any such Guildford Material Finance Document being varied, modified, denied or terminated or operating in a manner that is adverse to the commercial interests of the Guildford Group,

as a result of the Takeover Bid.

(h) **No material failings in filings and capital structure**

Sino Construction does not become aware, during the period from the Announcement Date to the end of the

Offer Period (each inclusive), that:

(i) any document filed by or on behalf of a member of the Guildford Group with the ASX or ASIC contains a statement which is incorrect or misleading in any material respect or from which there is a material omission;

(ii) Guildford has made or not made an announcement in breach of its continuous disclosure obligations; or

(iii) that the number of Guildford securities (as defined in the ASX Listing Rules), excluding any securities issued as permitted under Condition 11.5(c)(iv), is different to that announced by Guildford to ASX on 8 August 2014 and that there is no other arrangement or understanding to which Guildford is a party under which it has agreed, or may be required, to issue any further securities.

(i) **Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of the Takeover Bid or Sino Construction acquiring Guildford Shares to:

(i) acquire, or require a member of the Guildford Group to dispose of, or offer to dispose of, any material asset of a member of the Guildford Group;

(ii) terminate or vary any material agreement with a member of the Guildford Group; or

(iii) accelerate or adversely modify the performance or occurrence of any obligations of a member of the Guildford Group in a material respect under any material agreements, contracts or other arrangements.

(j) **No force majeure event**

During the period from the Announcement Date to the end of the Offer Period (each inclusive), no outbreak of hostilities (whether war is declared or not) or terrorism, mobilisation of armed forces, civil or political unrest or labour disturbance, fire or natural disaster, material increase in the intensity of any of the above events or other event beyond the control of a member of the Guildford Group occurs which materially affects or is likely to materially affect the assets, liabilities, financial position, performance, profitability or prospects of a member of the Guildford Group.

(k) **No material adverse change to Guildford**

During the period from the Announcement Date to the end of the Offer Period (each inclusive), no Guildford Material Adverse Change occurs.

(l) **Mining interests**

Between the Announcement Date and the end of the Offer Period (each inclusive), no Tenement, mining or exploration agreement, right or licence to explore or mine or both a particular area or to construct, use or maintain infrastructure in connection with a mining operation, including an exploration licence or mining licence held by any member of the Guildford Group or in which a member of the Guildford Group has a legal or economic interest (including the Tenements) at the Announcement Date ("**Mining Interests**"), or any interest in any Mining Interest, is revoked or terminated (excluding for the avoidance of doubt relinquishment of parts of tenements in the ordinary course of business).

(m) **Distribution**

No member of the Guildford Group, prior to the end of the Offer Period, makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and irrespective of whether it is cash or in specie).

(n) **Other persons acquiring a Relevant Interest**

Prior to the end of the Offer Period, no person or persons (other than Sino Construction and its Associates)

acquire a Relevant Interest in 20% or more of Guildford Shares.

(o) **No new indebtedness**

Between the Announcement Date and the end of the Offer Period (each inclusive), no member of the Guildford Group:

(i) other than in the ordinary course of business:

(A) borrows any money or incurs new financial indebtedness (or agrees to do so); or

(B) enters into any guarantee or indemnity on behalf of or provides security for the obligations of any person (or agrees to do so); or

(ii) other than in the ordinary course of business, grants or agrees to grant, any Encumbrance over any of its assets.

(p) **No new performance rights**

Between the Announcement Date and the end of the Offer Period (each inclusive), no New Performance Rights are granted or issued, or agreed to be granted or issued.

(q) **Litigation**

Between the Announcement Date and the end of the Offer Period (each inclusive), no person announces, commences or threatens any litigation against any member of the Guildford Group (whether in aggregate or for any single litigation) which may result in a judgement against a member of the Guildford Group of more than A$1,000,000 (individually, or in aggregate), other than that which has been fully and fairly publically disclosed to the ASX by Guildford prior to the Announcement Date.

11.6 Status of the Offer Conditions as at the Last Practicable Date

As at the Last Practicable Date, Sino Construction notes the following:

(a) in respect of the Condition set out at Section 11.5(b) (Sino Construction Shareholder approval), Sino Construction requires the approval of Sino Construction Shareholders for the Offer and the proposed allotment and issue of the Sino Construction Shares to be issued as the Offer Consideration. Under the Listing Manual of the SGX Sino Construction must prepare, and distribute to Sino Construction Shareholders, a 'Circular' in respect of the Offer. Sino Construction must also provide a 'qualified person's report' with the Circular, which will require Guildford's cooperation. Sino Construction intends to apply to the SGX for a waiver of the requirement to prepare a 'qualified person's report', but cannot guarantee that the waiver will be granted. If the waiver application is rejected, Sino Construction will discuss with Guildford the preparation of that report, and the likely timing of the finalisation of the report. Guildford Shareholders should note that, if a 'qualified person's report' is required, Sino Construction considers that it may take approximately 6 months for that report to be prepared and subsequent Extraordinary General Meeting to be held. In those circumstances, Sino Construction expects that it will need to vary the Offer Period so that it is extended to be a date that it is at least 6 months after the date of this Bidder's Statement (that is, Sino Construction expects that it will need to extend the Offer Period by at least 3 months). In those circumstances, Sino Construction will send each Guildford Shareholder a formal notice of the extension of the Offer Period. Sino Construction will keep Guildford Shareholders updated on the status of its waiver application and will make announcements on the ASX and SGXNET when the waiver application is determined by SGX and also when the date for the Extraordinary General Meeting has been set;

(b) in respect of the Condition set out at Section 11.5(c)(iv)(D), Sino Construction notes that, in its annual report for the year ended 30 June 2014 which was released after the Announcement Date, Guildford noted that the price at which the Guildford Convertible Notes may be converted has been reduced to A$0.06. Sino Construction notes that it will not seek to rely on a breach of this Condition unless the number of Guildford Shares issued as a

result of the exercise of up to 1,000 Guildford Convertible Notes in issue by Guildford on the Announcement Date is more than 189,250,000 Guildford Shares; and

(c) Guildford has, on 1 October 2014, announced to ASX that it has negotiated the termination of a management agreement with TheChairmen1 Pty Limited (**Management Agreement** with **C1**), subject to Guildford Shareholder approval being received. If the termination of the Management Agreement proceeds, total fees for the remainder of the duration of the Management Agreement of approximately A$2 million will be waived by C1, and Guildford will transfer 15% of its interest in Springsure Mining Pty Limited. Sino Construction considers that this triggered the Condition in Section 11.5(f)(iii). Sino Construction agrees to waive this Condition with respect to the proposed transfer of 15% of Guildford's interest in Springsure Mining Pty Limited to C1 in connection with the termination of the Management Agreement provided that the transfer occurs in accordance with the terms of Guildford's announcement regarding the transfer on the ASX on 1 October 2014.

11.7 Declaration of the Offer being free from the Conditions

(a) Sino Construction may, subject to the Corporations Act, declare this Offer and all contracts resulting from the acceptance of the Offer free from the Conditions (or any one or more or any part of them) in Section 11.5. Sino Construction has no present intention of waiving these Conditions. If for whatever reason, this intention does change, and any or all of the Conditions are waived, Sino Construction may provide you with further information as to whether or not to accept the Offer having regard to the impact of the Condition or Conditions being waived.

(b) Subject to compliance with sections 630 and 650F of the Corporations Act, a declaration made under Section 11.7(a) must be made by Sino Construction by notice in writing to Guildford not less than 7 days before the end of the Offer Period, other than if the Condition is one specified in section 652C(1) or 652C(2) of the Corporations Act in which case Sino Construction may make such a declaration no later than 3 Business Days after the end of the Offer Period.

11.8 Status Notice

The date for giving the notice referred to in section 630(1) of the Corporations Act relating to the status of the Conditions in Section 11.5 is 17 February 2015. This date will be extended in accordance with section 630(2) of the Corporations Act if the Offer Period is extended.

11.9 Void Contracts

If, at the end of the Offer Period:

(a) Sino Construction has not declared this Offer and all contracts resulting from the acceptance of the Offer free from the Conditions in Section 11.5; and

(b) the Conditions in Section 11.5 have not been fulfilled,

all contracts resulting from the acceptance of the Offer and all Offers that have been accepted from whose acceptance binding contracts have not yet resulted will be automatically void.

11.10 Effect of acceptance

Other than as detailed below, once you have accepted the Offer, you will be unable to revoke your acceptance. The contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Guildford Shares from the Offer or otherwise dispose of Your Guildford Shares, except as follows:

(a) if the Offer is terminated in accordance with Section 11.9; or

(b) if the Offer Period is extended for more than one month and at the time this Offer is subject to one or more of the Conditions in Section 11.5, in which case you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

11.11 Your agreement

By completing, signing and returning the Acceptance Form, or otherwise accepting the Offer, you will be deemed to have:

(a) subject to section 650E of the Corporations Act and Section 11.10, irrevocably accepted this Offer in respect of all Your Guildford Shares;

(b) subject to this Offer being declared by Sino Construction free from the Conditions or such Conditions being fulfilled, agreed to transfer all Your Guildford Shares to Sino Construction;

(c) agreed to execute all such documents, transfers and assurances that may be necessary or desirable to convey Your Guildford Shares and any Rights to Sino Construction;

(d) represented and warranted to Sino Construction as a fundamental condition of the contract resulting from your acceptance of this Offer that, both at the time of acceptance of this Offer and at the time the transfer of Your Guildford Shares to Sino Construction:

(i) you have paid to Guildford all amounts which have fallen due for payment in respect of Your Guildford Shares;

(ii) all of Your Guildford Shares are fully paid up and free from all Encumbrances; and

(iii) you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership of Your Guildford Shares to Sino Construction;

(e) irrevocably authorised Sino Construction (and any of Sino Construction's Directors, officers, servants or agents) to alter the Acceptance Form on your behalf by:

(i) inserting correct details of you or Your Guildford Shares;

(ii) filling in any blanks remaining on the Acceptance Form; and

(iii) rectifying any errors or omissions on the Acceptance Form,

as may be necessary to make the Acceptance Form an effective acceptance of this Offer or to enable registration of all Your Guildford Shares in the name of Sino Construction;

(f) with effect from the later of your acceptance of this Offer and the date on which all of the Conditions to this Offer in Section 11.5 have been fulfilled or freed:

(i) irrevocably appointed Sino Construction (and each of Sino Construction's Directors, secretaries, officers, agents and attorneys), from time to time, jointly and severally as your true and lawful attorney to exercise all powers and rights which you could lawfully exercise as the registered holder of Your Guildford Shares, including (without limitation), powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative at all general meetings of Guildford and to request Guildford to register, in the name of Sino Construction or its nominee, Your Guildford Shares; and

(ii) agreed not to attend or vote in person at any meeting of Guildford or to exercise or purport to exercise any of the powers conferred on Sino Construction or its nominees under Section 11.11(f)(i);

(g) agreed that in exercising the powers and rights conferred by the powers of attorney granted under Section 11.11(f)(i), the attorney is entitled to act in the interests of Sino Construction as the beneficial owner and intended registered holder of Your Guildford Shares;

(h) agreed to do all such acts, matters and things that Sino Construction may require to give effect to the matters the subject of this Section 11.11 (including the execution of a written form of proxy to the same effect as this

Section 11.11) which complies in all respects with the requirements of the constitution of Guildford, if requested by Sino Construction;

(i) irrevocably authorised and directed Guildford to pay to Sino Construction, or to account to Sino Construction for, all Rights in respect of Your Guildford Shares, subject to Sino Construction accounting to you for any such Rights received if this Offer is withdrawn or any contract resulting from your acceptance of this Offer is rescinded or rendered void;

(j) irrevocably authorised Sino Construction to notify Guildford on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Guildford Shares is the address specified by Sino Construction in the notification;

(k) if, at the time of acceptance of this Offer, Your Guildford Shares are in a CHESS Holding, with effect from the later of your acceptance of this Offer and the date on which all of the Conditions to this Offer in Section 11.5 have been fulfilled or freed, irrevocably authorised Sino Construction (and any nominee) to transmit a message in accordance with ASX Settlement Operating Rule 14.17.1 so as to transfer Your Guildford Shares to Sino Construction, regardless of whether it has not yet allotted the Offer Consideration due to you under this Offer at the time of such transfer;

(l) if, at the time of acceptance of this Offer, Your Guildford Shares are in an Issuer Sponsored Holding, with effect from the later of your acceptance of this Offer and the date on which all of the Conditions to this Offer in Section 11.5 have been fulfilled or freed, irrevocably authorised Sino Construction (and any nominee) to transfer ownership of Your Guildford Shares to Sino Construction, regardless of whether Sino Construction has not yet allotted the Offer Consideration due to you under this Offer at the time of such transfer;

(m) agreed to indemnify Sino Construction in respect of any claim or action against it for any loss, damage or liability whatsoever incurred by it as a result of you not producing your HIN or SRN, or in consequence of the transfer of Your Guildford Shares to Sino Construction being registered by Sino Construction without production of your HIN or SRN for Your Guildford Shares; and

(n) represented and warranted to Sino Construction that, unless you have notified it in accordance with Section 11.15, Your Guildford Shares do not consist of separate and distinct parcels of Guildford Shares.

In addition, if you elect to receive Sino Construction Shares through your CDP Securities Account in uncertificated form (or the account of your nominee), by completing, signing and returning the Acceptance Form, or otherwise accepting the Offer, you will be deemed to have:

(a) agreed that you will not receive a share certificate or any other document evidencing title to the Sino Construction Shares once the shares are credited to the CDP Securities Account;

(b) agreed that you will be responsible for any fee or other charge that may be levied by the nominee (if any);

(c) warranted that the issue of Sino Construction Shares to the CDP Securities Account of a nominee is not a change in beneficial ownership (including in respect of the consideration payable on those Guildford Shares);

(d) if you are a custodian, warranted that the client has provided instructions which are consistent with the information you provide on and in connection with the Acceptance Form;

(e) acknowledged that Sino Construction is not privy to and has no knowledge (actual, implied or constructive) of your relationship or arrangement with your nominee and you warrant that you and your nominee will retain sole and absolute discretion on and over the Sino Construction Shares that would be allotted and issued to your nominee;

(f) undertaken not to bring any claim against and release Sino Construction and any of its directors, officers, employees, consultants or advisors in relation to the direction given under the Acceptance Form;

(g) acknowledged and accepted that, in the event that Sino Construction or Boardroom are not, for any reason, able or permitted to transfer Sino Construction Shares to the CDP Securities Account nominated in the Acceptance Form, that you will instead receive a share certificate for the Sino Construction Shares and, in these circumstances, undertake not to make any claim against Sino Construction or Boardroom or any of their directors, officers, employees, consultants or advisors for any loss, costs, charges or expenses you (or others) incur or may incur arising from the failure to issue or transfer Sino Construction Shares to the CDP Securities Account nominated in the Acceptance Form; and

(h) agreed to indemnify and hold harmless Sino Construction and Boardroom and each of their directors, officers, employees, consultants and advisors for any loss, costs, charges and expenses incurred by any of them in relation to any of the above representations, undertakings and statements or otherwise arising out of the allotment, issue or transfer of Sino Construction Shares which are the subject of the Acceptance Form.

11.12 Continuing representations and warranties

The representations, warranties, undertakings and authorities referred to in Section 11.11 will (unless otherwise stated) remain in force after you receive the consideration for Your Guildford Shares and after Sino Construction becomes registered as the holder of Your Guildford Shares.

11.13 Allotment of the Offer Consideration

(a) **When you will be issued your Offer Consideration**

Subject to this Section 11.13 and the Corporations Act, if you accept this Offer and Sino Construction is given all necessary documentation at the time of your acceptance, Sino Construction will issue the Offer Consideration that you are entitled to under the terms of this Offer on or before the earlier of:

(i) 1 month after the date you validly accepted this Offer or, if at the time of your acceptance this Offer is subject to any of the Conditions, within 1 month after the contract resulting from your acceptance of this Offer becomes unconditional; or

(ii) 21 days after the end of the Offer Period.

(b) **Where additional documents are required**

Where the Acceptance Form requires additional documents to be given to Sino Construction with your acceptance of the Offer to enable Sino Construction to become the holder of Your Guildford Shares (such as a power of attorney):

(i) if the documents are given with your acceptance, Sino Construction will issue the Offer Consideration in accordance with Section 11.13(a) above;

(ii) if the documents are given after the acceptance and before the end of the Offer Period and the Offer is subject to any of the Conditions at the time that Sino Construction is given the documents, Sino Construction will issue the Offer Consideration by the end of whichever period ends earlier:

(A) within 1 month after the contract resulting from your acceptance of the Offer becomes unconditional; and

(B) 21 days after the end of the Offer Period;

(iii) if the documents are given after acceptance and before the end of the Offer Period and the Offer is unconditional at the time that Sino Construction is given the documents, Sino Construction will issue the Offer Consideration by the end of which whichever period ends earlier:

(A) within 1 month after Sino Construction is given the documents; and

(B) 21 days after the end of the Offer Period; and

(iv) if the documents are given after the end of the Offer Period, and the Offer is unconditional at the time, Sino Construction will issue the Offer Consideration within 21 days after the documents are given but if at the time Sino Construction is given the documents the Offer is still subject to any of the Conditions referred to in subsection 652C(1) and 652C(2) of the Corporations Act, Sino Construction will issue the Offer Consideration within 21 days after the Offer becomes unconditional.

If you do not provide Sino Construction with the required additional documents within 1 month after the end of the Offer Period, Sino Construction may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

(c) **Return of documents**

If the Offer does not become unconditional or any contract arising from the Offer is rescinded by Sino Construction on the ground of a breach of a condition of that contract, Sino Construction will, at its election, return by post to you (at the address shown on the Acceptance Form) the Acceptance Form and any other documents sent by you or destroy those documents and notify the ASX of this.

(d) **Where Sino Construction is entitled to Rights**

If you accept this Offer and Sino Construction becomes entitled to any Rights in respect of Your Guildford Shares, you must give Sino Construction all documents necessary to vest title to those Rights in Sino Construction. If you do not give those documents to Sino Construction, or if you have received the benefit of those Rights, Sino Construction will be entitled to deduct from the Offer Consideration that you are entitled to in accordance with the terms of this Offer the amount (or an amount equal to the value, as reasonably assessed by Sino Construction) of those Rights.

(e) **Clearance for offshore residents**

If, at the time of acceptance of this Offer:

(i) any authority or clearance of a Government Agency is required for you to receive the Offer Consideration under the Offer; or

(ii) you are a:

(A) resident in, or a resident of, a place to which; or

(B) person to whom,

any law that would make it unlawful for Sino Construction to allot the Offer Consideration that you are entitled to under the terms of the Offer,

then the acceptance of the Offer will not create or transfer to you any right (contractual or contingent) to have the Offer Consideration allotted to you unless and until all requisite authorities or clearances have been obtained.

11.14 If another person is entitled to Your Guildford Shares

If, when the Offer is made to you, or at any time during the Offer Period, another person is entitled to be registered as the holder of some or all of Your Guildford Shares (**Transferred Shares**), then Sino Construction will be taken to have:

(a) made to the other person a corresponding Offer for the Transferred Shares;

(b) made you a corresponding Offer for Your Guildford Shares except the Transferred Shares; and

(c) otherwise withdrawn the initial Offer made in respect of those Guildford Shares.

11.15 If you are a trustee or nominee

If at any time during the Offer Period you are a trustee for or nominee of (or otherwise hold on an account of) another person, or Your Guildford Shares for some other reason consist of two or more distinct parcels within the meaning of section 653B of the Corporations Act, then:

(a) a separate Offer will be taken to have been made to you in relation to each of the distinct parcels of Your Guildford Shares; and

(b) if you are a trustee or nominee, or otherwise hold the securities on account of another person, an acceptance by you of the Offer for a distinct parcels of Your Guildford Shares will be ineffective unless:

(i) you have given Sino Construction a notice, delivered in accordance with this Section 11.15, stating that Your Guildford Shares consist of distinct parcels; and

(ii) your acceptance specifies the number of Guildford Shares in the distinct parcels to which the acceptance relates.

11.16 Withdrawal

Sino Construction may withdraw this Offer at any time with the written consent of ASIC. That consent may be given subject to any conditions specified in the consent.

11.17 Variation

Subject to the Corporations Act, Sino Construction may at any time before the end of the Offer Period vary this Offer in accordance with the Corporations Act including:

(a) by extending the Offer Period;

(b) by increasing the Offer Consideration; and

(c) with the written consent of ASIC, and subject to any conditions specified by ASIC in that consent, in the manner that ASIC permits.

11.18 Extension of the Offer Period

If Sino Construction extends the Offer Period, you will be sent notice of the extension, unless at the date of the extension you have already accepted this Offer and the Offer has become free from the Conditions in Section 11.5 or those Conditions have been waived.

11.19 Offer to Ineligible Foreign Shareholders

(a) If you are a person:

(i) whose address as shown in the Guildford Register last supplied to Sino Construction is in a jurisdiction other than Australia, its external territories or Singapore and the law of that jurisdiction makes it, in the reasonable opinion of Sino Construction, unlawful or too onerous for Sino Construction to make the Offer to you and for Sino Construction to issue you with Sino Construction Shares; or

(ii) to whom any law would make it unlawful or too onerous for Sino Construction to issue you with Sino Construction Shares,

then you will be taken to be an **Ineligible Foreign Shareholder**. As an Ineligible Foreign Shareholder, you will not be entitled to receive Sino Construction Shares as consideration for your Guildford Shares.

(b) In these circumstances:

(i) Sino Construction will arrange for the issue or transfer to the Foreign Sale Nominee the Sino Construction Shares which you (and other Guildford Shareholders to whom Section 11.19(a) applies) would have become entitled to receive under the Offer Consideration but for this Section 11.19;

(ii) Sino Construction will cause the Foreign Sale Nominee to sell on-market on the SGX, or cause the Foreign Sale Nominee to procure the on-market sale on the SGX of, all Sino Construction Shares issued to the Foreign Sale Nominee under Section 11.19(b)(i) as soon as reasonably practicable after the Closing Date;

(iii) after the sale of the Sino Construction Shares pursuant to Section 11.19(b)(ii), Sino Construction will cause the Foreign Sale Nominee to procure the payment of the amount which is received by the Foreign Sale Nominee upon the sale of all Sino Construction Shares to which Section 11.19(a) applies less stamp duty and other sale expenses (**Net Proceeds of Sale**) to Boardroom;

(iv) Boardroom (as paying agent) will pay, or procure the net payment of the proportion of the Net Proceeds of Sale to which you are entitled to be paid (**Your Entitlement**), determined in accordance with the following formula:

Your Entitlement = Net Proceeds of Sale x (A/B)

where:

A is the number of Sino Construction Shares which Sino Construction would otherwise be required to issue to you as a result of the acceptance of the Offer; and

B is the total number of Sino Construction Shares issued to the Foreign Sale Nominee under this Section 11.19; and

(v) under no circumstances will interest be paid on Your Entitlement of the Net Proceeds of Sale regardless of any delay in remitting those proceeds to you.

(c) Payment will be made by cheque in Australian dollars posted to you at your risk by ordinary mail.

(d) Notwithstanding anything else in the Bidder's Statement, Sino Construction is not under any obligation to spend any money, or undertake any action, in order to satisfy itself that a person is not an Ineligible Foreign Shareholder and is, therefore, able to receive Sino Construction Shares under the Offer or their share of the Net Proceeds of Sale as set out in this Section 11.19.

(e) If you are an Ineligible Foreign Shareholder, the amount of cash you will be sent in respect of the Sino Construction Shares that would otherwise have been issued to you will depend on the price received by the Foreign Sale Nominee for the Sino Construction Shares when they are sold and the prevailing foreign exchange rate.

12. ADDITIONAL INFORMATION

12.1 Announcements

Copies of the announcements made by Sino Construction on SGXNET and by Guildford to the ASX on the Announcement Date regarding the Offer are available through the ASX and SGX Websites, and Sino Construction's Website and Guildford's website respectively.

12.2 Acquisitions of Guildford Shares by Sino Construction and its Associates during the last 4 months

During the 4 months prior to the date of this Bidder's Statement, neither Sino Construction nor any Associates of Sino Construction acquired Guildford Shares and, therefore, did not provide or agree to provide any consideration for any Guildford Shares.

12.3 Interests in Guildford Shares

As at the date of this Bidder's Statement, Sino Construction does not have a Relevant Interest (and, therefore, any voting power) in any Guildford Shares.

12.4 Collateral benefits

During the period of 4 months before the date of this Bidder's Statement, neither Sino Construction nor any Associate of Sino Construction gave, or offered to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

(a) accept the Offer; or

(b) dispose of their Guildford Shares,

and which was not offered to all holders of Guildford Shares under the Offer.

12.5 Disclosure of fees and benefits received by certain persons

(a) Except as set out in this Bidder's Statement, no Sino Construction Director or proposed Sino Construction Director or any person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement or a promoter holds, or held at any time during the last two years, any interest in:

(i) the formation or promotion of Sino Construction;

(ii) property acquired or proposed to be acquired by Sino Construction in connection with its formation or promotion or the Offer; or

(iii) the Offer of Sino Construction Shares.

(b) No director or proposed director of Sino Construction will receive any benefit from Sino Construction in connection with the Offer.

(c) Holding Redlich acted as Australian legal adviser to Sino Construction in relation to the Offer. In respect of this work, Holding Redlich will be paid approximately A$190,000 (excluding disbursements and GST) for work performed by it until the date of this Bidder's Statement.

(d) Moore Stephens Perth Corporate Services Pty Limited acted as Investigating Accountant and has prepared the Investigating Accountant's Report. Moore Stephens has prepared the section on the Australian tax considerations in Annexure C, as well as the section on the Australian legal treatments of franking credits in the final column of Annexure B. These entities will be paid approximately A$50,000 (excluding disbursements and GST) for work performed until the date of this Bidder's Statement.

12.6 Additional Consents

(a) Boardroom Pty Limited has been engaged by Sino Construction to assist with certain aspects of the Offer, including:

(i) the printing and despatch of this Bidder's Statement;

(ii) providing the Offer Information Line;

(iii) the receipt and processing of acceptances of the Offer; and

(iv) the receipt and despatch to relevant Guildford Shareholders of funds received from the Foreign Sale Nominee in respect of the proceeds received under the sale of the Sino Construction Shares applying to Ineligible Foreign Shareholders.

(b) Holding Redlich acted as Australian legal adviser to Sino Construction in relation to the Offer.

(c) Stamford Law acted as Singapore legal adviser to Sino Construction in relation to the Offer.

(d) Moore Stephens Perth Corporate Services Pty Limited acted as Investigating Accountant and has prepared the Investigating Accountant's Report. Moore Stephens has prepared the section on the Australian tax considerations in Annexure C, as well as the section on franking credits in the final column of Annexure B.

The parties above have given and have not, before the date of this Bidder's Statement, withdrawn their consent to be named in this Bidder's Statement in the form and context in which they are named above.

12.7 Responsibility for information

Moore Stephens Perth Corporate Services Pty Limited prepared the Investigating Accountant's Report and is responsible for that document. Moore Stephens prepared the Australian tax considerations section (Section 10.2 and corresponding Annexure), as well as the section on the Australian legal treatments of franking credits in the final column of Annexure B and is responsible for those sections. None of Sino Construction, nor its respective directors, officers, employees and advisers, assumes any responsibility for the accuracy or completeness of the information in the Investigating Accountant's Report or the Australian tax considerations section of this Bidder's Statement except, in relation to information given by Sino Construction to Moore Stephens Perth Corporate Services Pty Limited and Moore Stephens.

12.8 Agreements with Guildford Directors

There is no agreement between Sino Construction and a director or another officer of Guildford in connection with or conditional on the outcome of the Offers.

12.9 Expenses of the Offer

The total costs of the Offer to be borne by Sino Construction are estimated at approximately S$850,000 (approximately A$756,000). This includes accounting, solicitors, stamp duty, share registrar, printing, postage, ASIC, the ASX and other professional fees.

12.10 Date for determining holders

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is the Register Date, being 7pm (Sydney time) on 18 November 2014.

12.11 Key contracts

Sino Construction's key contracts which are referred to in this Bidder's Statement are set out below.

(a) **Renaissance Promissory Notes**

As detailed in Section 4.7(c), Sino Construction acquired 6,169 ordinary shares in Renaissance, which comprises 19.9% of the entire issued share capital of Renaissance. Completion of the Renaissance Investment took place on 3 June 2014 and Sino Construction has issued the Renaissance Promissory Notes to the Renaissance Vendors in full and final settlement of the purchase price payable to the Renaissance Vendors.

The Renaissance Promissory Notes mature on 3 June 2015 at which time, Sino Construction, at its option (and without the consent of the Renaissance Vendors) may either pay cash (being, in aggregate, the sum of S$28,579,500 (approximately A$25,419,817) or allot and issue to the Renaissance Vendors, in aggregate, 135 million Sino Construction Shares (**Renaissance Consideration Shares**). At the Last Practicable Date, on a fully diluted basis and, assuming the issue of all Sino Construction Shares that may be issued in respect of the Sino Construction Proposed Share Issues, the Renaissance Consideration Shares represents approximately 6.49% of the enlarged share capital of Sino Construction.

The Renaissance Vendors have agreed to the following restrictions on the Renaissance Consideration Shares that may be issued to them:

(i) during the period of 12 months (**Initial Period**) from the date of allotment and issue of the Renaissance Consideration Shares, each Renaissance Vendor will not sell, transfer, assign, realise or otherwise dispose of any of the Renaissance Consideration Shares, or create any encumbrance over any of the Renaissance Consideration Shares; and

(ii) for a period of 12 months after the Initial Period, each Renaissance Vendor will not sell, transfer, assign, realise or otherwise dispose of more than 50% of the Renaissance Consideration Shares, or create any encumbrance over more than 50% of the Renaissance Consideration Shares.

All amounts outstanding under the Renaissance Promissory Notes will become due and payable immediately in the event that:

(i) Sino Construction becomes insolvent, or is unable to pay its debts as they fall due or stops or threatens to stop or suspend payment of its debts;

(ii) distress, attachment, execution or other legal process is enforced against Sino Constructions' assets which has a material adverse effect on the holder of the Renaissance Promissory Notes; or

(iii) any step is taken for the dissolution of Sino Construction or a receiver is appointed over Sino Construction and/or its assets.

(b) **Signet Purchase Agreement and Signet Promissory Notes**

Under the Signet Purchase Agreement, Sino Construction agreed to acquire shares in Signet (**Signet Sale Shares**) representing 51% of the issued share capital of Signet for an aggregate consideration of US$21 million (approximately A$24.1 million) (**Signet Purchase Consideration**). The Signet Purchase Consideration is to be fully satisfied by the issuance of a convertible promissory note (**Signet Promissory Note**).

Completion of the Proposed Signet Acquisition is subject to the following conditions being satisfied:

(i) Sino Construction having undertaken and completed due diligence to its reasonable satisfaction;

(ii) Sino Construction having received the written approval in-principle of the SGX-ST for the listing and quotation of the Signet Conversion Shares (defined below) on the SGX-ST; and

(iii) Sino Construction receiving the approval of its shareholders at a general meeting.

The key terms of the Signet Promissory Note are:

(i) Sino Construction undertakes to pay the Signet Purchase Consideration to Lighthouse in three tranches as follows:

(A) US$6 million (approximately A$6.9 million) on the completion of the initial program for the exploration, development, production and exploitation of "The Duel Project" and the preparation, completion and delivery to the parties to the Signet Purchase Agreement respectively of a JORC compliant report in respect of "The Duel Project" (**Signet JORC Completion Date**);

(B) US$10 million (approximately A$11.5 million) on the day falling six months after the Signet JORC Completion Date; and

(C) US$5 million (approximately A$5.7 million) on the day falling 12 months after the Signet JORC Completion Date.

(ii) Lighthouse will be entitled in respect of each of the three tranches of payment of the Signet Purchase Consideration to demand that each relevant tranche be paid and settled by the allotment and issue, credited as fully paid, of shares in the issued share capital of Sino Construction (**Signet Conversion Shares**), equal in value to the value of the relevant payment tranche. The Signet Conversion Shares will be issued at an issue price equal to 90% of the VWAP of the price of Sino Construction Shares on the SGX-ST on the date of the Signet Purchase Agreement (**Signet Issue Price**), and the applicable exchange rate for the conversion will be US$1:S$1.26. The Signet Conversion Shares will be issued at an issue price of S$0.19386 (approximately A$0.17243).

(iii) Lighthouse will be obliged, by not later than 14 days before the due date for payment of each of the three tranches of payment of the Signet Purchase Consideration to it in terms of the Signet Promissory Note, to notify Sino Construction in writing whether it elects to be paid the relevant tranche in cash or by the allotment and issue of Signet Conversion Shares.

(iv) As security for the due and punctual payment and performance by Sino Construction of all of its obligations under the Signet Promissory Note, Sino Construction has pledged the Signet Sale Shares to and in favour of Lighthouse. Sino Construction will, on completion, deliver the certificates issued to it in respect of the Signet Sale Shares to an escrow agent (**Escrow Agent**) agreed between the parties and the Escrow Agent will hold the certificates in respect of the Signet Sale Shares for and on behalf of Lighthouse as continuing security for the performance by Sino Construction of all of its obligations in terms of the Signet Promissory Note. The Signet Sale Shares will be pledged to Lighthouse (and held by the Escrow Agent) on reasonable terms to be agreed between the parties, in line with prevailing commercial practice.

If Sino Construction is required to make any cash payments under the Signet Promissory Notes, it intends to fund these payments from the proceeds of one or a combination of equity fundraising, external financing and internal sources of funding. Nevertheless, if the holder of the Signet Promissory Note elects, it has the option to be paid the relevant tranche by the allotment and issue of Signet Conversion Shares under the Signet Promissory Note.

If Lighthouse elects for all three tranches to be satisfied by the allotment and issue of Signet Conversion Shares, the total number of Signet Conversion Shares to be allotted and issued will be 136,490,250 Signet Conversion Shares and will, at the Last Practicable Date, on a fully diluted basis and, assuming the issue of all Sino Construction Shares that may be issued in respect of the Sino Construction Proposed Share Issues, represent approximately 6.57% of the enlarged share capital of Sino Construction.

Sino Construction will also be responsible for funding the prospecting operations of the Signet group by lending and advancing to Signet an aggregate amount of US$5 million (approximately A$5.7 million) in three parts as follows:

(i) US$2.5 million (approximately A$2.9 million), 5 days after the date of the Signet Purchase Agreement;

(ii) US$1.5 million (approximately A$1.7 million), 60 days after the date of the Signet Purchase Agreement; and

(iii) US$1 million (approximately A$1.1 million), 90 days after the date of the Signet Purchase Agreement.

As completion of the Proposed Signet Acquisition was made subject to shareholder approval due to Rule 1003 of the Listing Manual of the SGX, Sino Construction did not disburse the loan required. Instead, US$3.5 million of the loans were disbursed by Quintestellar Re Capital Inc., a substantial shareholder of Sino Construction, on behalf of Sino Construction – see Section 6.5(c) for further details. As at the Last Practicable Date, the total amounts advanced on behalf of Sino Construction under this loan is US$3.5million (approximately A$4 million). An amount of US$1.5 million (approximately A$1.7 million) remains to be paid.

(c) **JEMS Purchase Agreement and JEMS Promissory Notes**

Under the JEMS Purchase Agreement between Sino Construction and Bizcap dated 22 July 2014, Sino Construction has agreed to acquire 26 million JEMS shares comprising 52% of the issued share capital of JEMS (**JEMS Shares**).

Completion of the Proposed JEMS Acquisition is conditional on, amongst others:

(i) the completion by Sino Construction of a due diligence exercise on JEMS and the Grey Range Project, and the results of such due diligence exercise being satisfactory to Sino Construction;

(ii) the approval in-principle being given by the SGX-ST for the listing and quotation of the JEMS Conversion Shares (defined below) on the Official List of the SGX-ST which approval has not been obtained; and

(iii) the approval of the Sino Construction Shareholders for the Proposed JEMS Acquisition being obtained at the Extraordinary General Meeting.

The aggregate consideration for the purchase of the JEMS Shares is the US$20 million (approximately A$23 million) (**JEMS Purchase Consideration**), which is to be satisfied by the issue of the JEMS Promissory Notes.

Sino Construction will completely pay for and satisfy the JEMS Purchase Consideration by the issue to Bizcap of convertible promissory notes (**JEMS Promissory Notes**) as follows:

(i) JEMS Promissory Note A for the aggregate principal sum of US$10 million (approximately A$11.5 million) will be issued by Sino Construction on the following terms and conditions:

(A) the JEMS Promissory Note A will not bear interest;

(B) the principal sum of US$10 million (approximately A$11.5 million) will mature and be due and payable in cash on the date falling 12 months after the date of issue of the JEMS Promissory Note(s); and

(C) prior to maturity, Sino Construction has the option to redeem the JEMS Promissory Note(s) from the holder of the JEMS Promissory Note A by converting the principal sum of the JEMS Promissory Note A into an aggregate of 63,000,000 Sino Construction Shares (**JEMS Conversion Shares**) and allotting and issuing such JEMS Conversion Shares to the holder of the JEMS Promissory Note A in full and final settlement of all sums due (whether as principal or otherwise) under such JEMS Promissory Note(s).

(ii) JEMS Promissory Note B for the aggregate principal sum of US$10 million (approximately A$$11.5 million) will be issued by Sino Construction subject to the following terms and conditions:

(A) the JEMS Promissory Note B will not bear interest; and

(B) subject to JEMS having secured the funding or procuring offtake as described below:

(AA) the principal sum of US$10 million (approximately A$$11.5 million) will mature and be due and payable in cash on the date falling 12 months after the date of issue of such JEMS Promissory Note(s); and

(BB) prior to maturity, Sino Construction has the option to redeem the JEMS Promissory Note(s) from the holder(s) of such JEMS Promissory Note(s) by converting the principal sum of the JEMS Promissory Note(s) into an aggregate of 63,000,000 JEMS Conversion Shares and allotting and issuing such JEMS Conversion Shares to the holder(s) of the JEMS Promissory Note(s) in full and final settlement of all sums due (whether as principal or otherwise) under such JEMS Promissory Note(s).

Unless otherwise agreed in writing by Sino Construction, Sino Construction will only be liable to make payment in respect of the principal sum of US$10 million (approximately A$$11.5 million) provided that, during the period of 12 months after the date of issue of the JEMS Promissory Note B, JEMS either:

(AA) secures funding for the capital expenditure requirements of Sino Construction to develop and operate the mining operations of the Grey Range Project on terms acceptable to Sino Construction; or

(AB) procures offtake for the thermal coal to be produced from the Grey Range Project on terms acceptable to Sino Construction.

Sino Construction intends to fund the payment of the JEMS Promissory Notes from the proceeds of equity fundraising, external financing, internal sources of funding or a combination thereof. Nevertheless, if Sino Construction elects, it has the option to allot and issue the JEMS Conversion Shares as full and final settlement of all sums due (whether as principal or otherwise) under the JEMS Promissory Notes.

If Sino Construction elects to allot and issue all of the JEMS Conversion Shares, the total number of JEMS Conversion Shares to be allotted and issued will be 126,000,000 JEMS Conversion Shares which will, at the Last Practicable Date, on a fully diluted basis and, assuming the issue of all Sino Construction Shares that may be issued in respect of the Sino Construction Proposed Share Issues, represent approximately 6.06% of the enlarged share capital of Sino Construction.

(d) **SC Convertible Bonds Subscription Agreement**

Dealson has agreed to subscribe for S$16 million (approximately A$14.2 million) in unsecured redeemable convertible bonds due 2017 (**Sino Construction Convertible Bonds**) which may be converted into new Sino Construction Shares (**Dealson Conversion Shares**).

Assuming all the Sino Construction Convertible Bonds are subscribed and fully converted, Dealson will receive 100,000,000 Dealson Conversion Shares representing, at the Last Practicable Date, on a fully diluted basis and, assuming the issue of all Sino Construction Shares that may be issued in respect of the Sino Construction Proposed Share Issues, approximately 4.81% of the enlarged share capital of Sino Construction.

The approval of the Sino Construction Shareholders will be required before the Sino Construction Convertible Bonds can be issued by Sino Construction.

The closing of the Sino Construction Convertible Bonds issue (**Closing**) is conditional on the following conditions precedent being satisfied:

(i) the approval in-principle of the SGX-ST for the listing and quotation of the Dealson Conversion Shares being obtained and not having been revoked;

(ii) the approval of Sino Construction Shareholders for the issue of the Sino Construction Convertible Bonds and allotment and issue of the Dealson Conversion Shares being obtained; and

(iii) the issue of the Sino Construction Convertible Bonds on the issue date not being prohibited by (A) any statute, order, rule or regulation promulgated by any legislative executive or regulatory body or authority of Singapore or any other jurisdiction which is applicable to Sino Construction or (B) any injunction or other orders issued by any court of competent jurisdiction.

The principal terms of the Sino Construction Convertible Bonds are:

Principal amount	S$16,000,000 (approximately A$14,231,077) in denominations of S$500,000 (approximately A$444,721) each
Issue price	100% of the principal amount
Interest rate	5% per annum
Drawdown	At the option of Sino Construction, by serving a drawdown notice during the Drawdown Period, in S$500,000 (approximately A$444,721) in principal amount or integral multiples. For the avoidance of doubt, there can be a maximum of 32 drawdowns
Drawdown Period	At any time during the period commencing from the date falling five business days after the fulfilment of the conditions precedent (the **Commencement Date**) and ending seven days prior to the Maturity Date
Maturity Date	36 months after the Commencement Date
Conversion Period	At the option of Dealson, at any time on or after the 30th calendar day after the date of issue of the relevant tranche of the bonds (**Issue Date**) and up to the close of business on the Maturity Date
Conversion Price	S$0.16 (approximately A$0.14) per Dealson Conversion Share, subject to adjustments noted below
Redemption at the Option of Sino Construction	On or at any time after the date which is 24 months from the Commencement Date but prior to the Maturity Date, Sino Construction may redeem all of the Sino Construction Convertible Bonds then in issue
Conversion for Change of Control	On the occurrence of a Change of Control Event, Dealson will have the right to exercise the conversion right attaching to any Sino Construction Convertible Bonds.
Change of Control Event	Any of the following: (a) an offer which is made to all Sino Construction Shareholders to acquire the whole or any part of the issued share capital of Sino Construction; (b) any person proposing a scheme of arrangement with regard to such acquisition, and (such offer or scheme having become or been declared unconditional in all respects) more than 50% of the voting rights of the issued share capital of Sino Construction have or will become unconditionally vested in the offeror and/or its associates; or (c) an event which has a like or similar effect

Redemption for Change of Control	If a Change of Control Event occurs, Dealson will have the right, at its option, to require Sino Construction to redeem in whole (but not in part) the Sino Construction Convertible Bonds at 100% of a bond's principal amount together with accrued interest (calculated up to but excluding the date of redemption) at the date fixed for such redemption
Redemption on maturity	Sino Construction will redeem each bond at 100% of its principal amount together with all accrued interest (calculated up to but excluding the Maturity Date)
Adjustment to the Conversion Price	The Conversion Price may be adjusted from time to time on the occurrence of, amongst other things, the following events: (a) any alteration to the number of issued Sino Construction Shares as a result of consolidation, subdivision or reclassification; (b) any capitalisation of profits or reserves; (c) any payment of capital distribution or dividend; (d) any issues of by way of rights, or rights of warrants, options or other securities at less than 90% of the average closing price quoted on SGX-ST for one Sino Construction Share for the preceding 20 consecutive trading days (**Current Market Price**); (e) any issues at less than 90% of the Current Market Price on the last market day preceding the date on which the final terms of such issue is first publicly announced; (f) any modification of rights of conversion; or (g) any other offers to shareholders of Sino Construction
Listing status	Sino Construction Convertible Bonds will not be listed and quoted on the SGX-ST
Redemption upon Event of Default	Events of default include: (a) a default by Sino Construction in the payment of any principal due in respect of the Sino Construction Convertible Bonds within five business days after the they become due and payable; (b) insolvency events; (c) if it is or will be unlawful for Sino Construction to perform or comply with its obligations under the Sino Construction Convertible Bonds relevant

	Subscription Agreement or any consent or approval required for such obligations to be binding and enforceable is not obtained; and (d) Sino Construction does not perform or comply with any of its obligations under the Sino Construction Convertible Bonds or relevant Subscription Agreement and which default is not remedied within 21 days after written notice of such default has been given to Sino Construction.
Conversion Shares	100,000,000 Conversion Shares

(e) **Kota Kinabalu Construction Contract**

On 28 February 2014, Golden Wave Sdn Bhd (**Golden Wave**), awarded Sino Construction's subsidiary, Elite Bay (in which Sino Construction has a 60% interest) a Ringgit 43.2 million (approximately A$14.9 million) construction contract. The award relates to the building and construction main contracts work for a proposed mixed commercial development and bus terminal in Kota Kinabalu, Sabah, Malaysia.

The project is for the development of a central public transport hub in the heart of Kota Kinabalu City with public amenities such as carparks and stalls. The development will comprise a 9-story building with 480 carpark lots, a food court, rooftop garden and multi purpose hall. The total built up area of the project will be approximately 38,144 square metres.

The works commenced in March 2014 and Elite Bay is required to complete the works by January 2016.

As at the Last Practicable Date, approximately 7% of the works has been completed and Sino Construction Group has received revenue of S$1,137,000 (approximately A$1,011,296).

12.12 ASIC modifications

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or ASX. Under the terms of the ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in the Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, free of charge and within 2 Business Days, please contact the Offer Information Line on 1300 721 637 (for callers within Australia) or +61 2 8016 2890 (for callers outside of Australia).

12.13 Governing law

The Offer and any contract that results from your acceptance of it are to be governed by the laws in force in New South Wales, Australia.

12.14 No other material information

Except as set out in this Bidder's Statement, in the opinion of the Sino Construction Board, there is no other information material to the making of a decision in relation to the Offer which has not been previously been disclosed, being information that is within the knowledge of any director of Sino Construction which has not been disclosed.

12.15 Expiry date

No Sino Construction Shares will be issued on the basis of the Offer after the date that is 13 months after the date of this Bidder's Statement.

13. GLOSSARY AND INTERPRETATION

13.1 Glossary

The following is a glossary of certain terms used in this Bidder's Statement (except for the documents contained at Annexure C and Annexure E to this Bidder's Statement) unless the context clearly requires otherwise.

Expression	Meaning
A$	Australian dollars, the lawful currency of the Commonwealth of Australia
Acceptance Form	the acceptance form accompanying this Bidder's Statement
Announcement Date	the date of announcement of the Offer, being 25 September 2014
Approval	includes any consent, authorisation, registration, certificate, permission, permit, licence, approval, registration, determination, administrative decision or exemption (including any conditions or Requirements under any of them)
Ardilaun	Ardilaun Energy Limited, a company established in the Republic of Ireland
Ardilaun Investment	the acquisition by Sino Construction set out in Section 4.7(b)
ASEAN	Association of South East Asian Nations
ASIC	Australian Securities & Investments Commission
Associate	has the meaning in section 12 of the Corporations Act
ASX	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange
ASX Listing Rules	the Listing Rules of the ASX
ASX Settlement	ASX Settlement Pty Ltd, the body which administers CHESS in Australia
ASX Settlement Operating Rules	the settlement rules of ASX Settlement
Bidder's Statement	this document including its annexures
Bizcap	Bizcap Investments Ltd, a company incorporated in the Marshall Islands
Boardroom	Boardroom Pty Limited (ABN 14 003 209 836)
Business Day	a day on which the banks are open for business in Sydney, Australia and Singapore, excluding a Saturday, Sunday or public holiday
CDP	The Central Depository (Pte) Limited
CDP Securities Account	an account held by CDP for shareholders to enable them to trade their shares on the SGX
CHESS	Clearing House Electronic Subregister System established and operated by ASX Settlement which provides for electronic transferring and registering of the ownership of ASX listed securities
CHESS Holding	a holding of Guildford Shares on the CHESS subregister of Guildford
Circular	the 'circular' that Sino Construction is required to prepare and distribute to Sino Construction Shareholders in connection with seeking the Sino Construction Shareholder approvals discussed in Section 9.2 and Section 11.6(a)
Closing Date	7pm (Sydney time) on 25 February 2015 or such later date to which the Offer is extended
Companies Act	*Companies Act* (Cap. 50) of Singapore
Condition or **Offer Condition**	each condition set out in Section 11.5

Expression	Meaning
Construction Business	Sino Construction's existing construction business as set out in Section 4.8
Controlling Participant	has the same meaning as in the ASX Settlement Operating Rules
Corporations Act	*Corporations Act 2001* (Cth) of Australia
Daqing Tax Authority	has the meaning given in Section 4.8
Daqing Tax Investigation	the investigations discussed in Section 4.8
Dealson	Dealson Limited, a company incorporated in the British Virgin Islands
Depositor	means a person who has an account directly with CDP and not through a depository agent, but does not include a sub-account holder
Depository Register	means a register maintained by CDP in respect of book-entry securities
Disposed Businesses	the businesses which Sino Construction has sold as set out in Section 4.8(c)
Eligible Shareholder	all Guildford Shareholders who are not Ineligible Foreign Shareholders
Elite Bay	Elite Bay Sdn Bhd, a company incorporated in Malaysia
Encumbrance	includes a security interest, mortgage, charge, lien, restriction against transfer, encumbrance and other third party interest and "encumber" has a corresponding meaning
EPC	exploration permit for coal
Extraordinary General Meeting	the proposed meeting of Sino Construction Shareholders as detailed in the 'Important Notices' Section of the Bidder's Statement, Section 9.2 and Section 11.6(a) in connection with the Offer and the issue of the Sino Construction Shares to be issued as the Offer Consideration
Foreign Sale Nominee	an entity that will be appointed in accordance with section 619(3) of the Corporations Act as the nominee for the purpose of receiving and selling Sino Construction Shares to which Ineligible Foreign Shareholders would otherwise have been entitled to receive under the Offer
Former PRC subsidiaries	has the meaning given in Section 4.8
Government Agency	means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity whether foreign, federal, state, territorial or local in any part of the world in which a party is domiciled or holds any of its assets, including ASIC, ASX and SGX (and any other stock exchange)
Grey Range Project	the project of that name conducted by JEMS and as set out in Section 4.6(c)
Guildford	Guildford Coal Limited (ACN 143 533 537)
Guildford Board	the board of directors of Guildford
Guildford Convertible Notes	has the meaning given to 'Convertible Notes' in the Note Trust Deed dated 20 December 2013 between Guildford and Madison Pacific Trust Limited
Guildford Director	a director of Guildford
Guildford Group	Guildford and each of its subsidiaries

Expression	Meaning
Guildford Material Adverse Change	any event, change or condition that does, or could reasonably be expected to (when aggregated with all other events, changes and conditions): (a) have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Guildford Group, taken as a whole by an amount of A$500,000 or more; or (b) have a material adverse effect on the status or terms of any Approvals by any Government Agency or of any Tenement (and, for the avoidance of doubt, relinquishment of parts of Tenements in the ordinary course of business will not be considered, for the purpose of this definition, as an event having a material adverse effect on a Tenement); or (c) result in, or could reasonably be expected to result in (now or at any time in the future) the termination or loss of, or a reduction in a member of the Guildford Group's interest in and/or the termination or loss of, or failure to renew, any of the Tenements, except for events, changes and conditions publicly announced by Guildford or otherwise disclosed to ASX or ASIC by Guildford prior to the Announcement Date provided that the relevant announcement or disclosure was not when made materially incomplete, incorrect, untrue or misleading
Guildford Material Finance Document	(a) each financing agreement or instrument, money borrowing or raising arrangement or other financing arrangement, liability, encumbrance or other security, guarantee, indemnity or other credit support agreement; or (b) derivative or treasury transaction, agreement or arrangement, between a member of a Guildford Group and a third party (including Noble Resources International Pte. Ltd. or any of its associated entities) under which one or more members of the Guildford Group have been provided with, or are entitled to be provided with, financial accommodation in an amount equal to or exceeding $5 million (including under the Guildford Notes) (or a foreign currency equivalent of this amount as at the Announcement Date) including when aggregated with all other amounts which that party, or any of its Associates, have provided to, or are entitled to provide to, a member of the Guildford Group
Guildford Notes	has the meaning given to 'Notes' in the Note Trust Deed dated 20 December 2013 between Guildford and Madison Pacific Trust Limited
Guildford Options	the 83,318,094 options issued by Guildford as set out in Section 7.4
Guildford Performance Rights	the 4,758,444 performance rights issued by Guildford as set out in Section 7.4
Guildford Register	the share register of Guildford
Guildford Share	a ordinary share in the capital of Guildford
Guildford Shareholder	a person who is recorded in Guildford Register as the holder of one or more Guildford Shares
Guildford Warrants	the 66,762,962 detachable warrants issued by Guildford as set out in Section 7.4
GST	has the meaning given under section 195(1) of the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*
HIN	Holder Identification Number, which is the number that starts with an "X"
IAR or **Investigating Accountant's Report**	the Investigating Accountant's Report prepared by Moore Stephens Perth Corporate Services Pty Limited attached as Annexure E to this Bidder's Statement

Expression	Meaning
Ineligible Foreign Shareholder	has the meaning given to that term in Section 11.19
Investigating Accountant	Moore Stephens Perth Corporate Services Pty Limited (ABN 41 421 048 107)
Issuer Sponsored Holding	a holding of Guildford Shares on Guildford's issuer sponsored register
JEMS	JEMS Exploration Pty Limited, a company incorporated in Victoria (ACN 140 611 043)
JEMS Promissory Notes	has the meaning given in Section 4.6(c)
JEMS Purchase Agreement	the agreement, the material terms of which, are set out in Section 12.11(c)
JORC	Joint Ore Reserves Committee
JORC Code	the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' 2012 Edition
Last Practicable Date	13 November 2014
Law	means the law in force at any time in the Commonwealth of Australia (including in each state and territory and local government area) and Mongolia, as those laws apply to any member of the Guildford Group, and the law of the Commonwealth of Australia (including in each state and territory and local government area) and Singapore as those laws apply to Sino Construction, and includes: (a) legislation, ordinances, regulations, rules, rulings, determinations, by-laws or orders; (b) common law; and (c) Requirements
Lighthouse	Lighthouse Strategic Group Limited, a limited liability company incorporated in the British Virgin Islands and the seller under the Proposed Signet Acquisition
Listing Manual	the 'Listing Manual' of the SGX
Manisa Titanium Project	the project described in Section 4.7(c)
Mineral and Energy Resources Sector	the business of the exploration, exploitation, development and production of mineral and energy resources and investments in mineral and energy resources projects, entities and companies
Moore Stephens	Moore Stephens Perth Pty Limited (ABN 87 009 034 048)
New Performance Rights	performance rights issued by a member of the Guildford Group but, for the avoidance of doubt, does not include any performance rights that have been issued by a member of the Guildford Group before the Announcement Date as announced on the ASX, even if such shares have not yet vested
Offer	the offer by Sino Construction for Guildford Shares as set out in this Bidder's Statement
Offer Consideration	the consideration for the Offer as set out in Section 11.2
Offer Information Line	the telephone line that Guildford Shareholders can call if they have any questions in relation to the Offer, being 1300 721 637 (for callers within Australia) or +61 2 8016 2890 (for callers outside Australia)
Offer Period	the period during which the Offer is open for acceptance, being 24 November 2014 to the Closing Date
PRC	People's Republic of China

Expression	Meaning
Proposed Signet Acquisition	the proposed acquisition by Sino Construction as set out in Section 4.6(b)
Proposed JEMS Acquisition	the proposed acquisition by Sino Construction as set out in Section 4.6(c)
Prescribed Occurrence	has the meaning given in Section 11.5
Register Date	7pm (Sydney time) on 18 November 2014
Related Body Corporate	has the meaning given in section 50 of the Corporations Act
Relevant Interest	has the meaning given in the Corporations Act
Renaissance or **Renaissance Enterprises**	Renaissance Enterprises S.A, a limited liability company incorporated in Luxembourg
Renaissance Investment	the acquisition by Sino Construction set out in Section 4.7(c)
Renaissance Promissory Notes	has the meaning given in Section 4.7(c)
Renaissance Vendors	80 Dollars Ltd and Mr Hakan Baykam, the persons from whom Sino Construction made the Renaissance Investment
Requirements	means any requirement, notice, order, direction, judgment, injunction, recommendation, stipulation or similar notification given by any Government Agency or imposed by a Government Agency, whether written or otherwise
Rights	means all accretions, rights or benefits of whatever kind attaching to or arising from Guildford Shares directly or indirectly, including all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or made by Guildford or any of its subsidiaries
Ringgit or **RM**	the lawful currency of Malaysia
S$	Singapore dollars, the lawful currency of the Republic of Singapore
SC Building & Construction	SC Building & Construction Pte. Ltd.
SC Convertible Bonds Subscription Agreement	has the meaning given in Section 4.9(a)
Section	a section of this Bidder's Statement
Securities and Futures Act	*Securities and Futures Act* (Cap. 289) of Singapore
SGX, **SGX-ST** or **Singapore Exchange**	Singapore Exchange Securities Trading Limited or the financial market known as the Singapore Exchange
SGXNET	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX
SGX Member Company	an entity that has been approved as a stockbroking member company (member of CDP) of the SGX in accordance with the rules of the SGX
SGX Website	www.sgx.com
Signet	Signet Coking Coal International Limited, is a limited liability company incorporated in Hong Kong

Expression	Meaning
Signet Purchase Agreement	the agreement, the material terms of which, are set out in Section 12.11(b)
Signet Promissory Note	the promissory notes proposed to be issued under the Proposed Signet Acquisition agreement, the material terms of which, are set out in Section 12.11(b)
Sino Construction or the **Company**	Sino Construction Limited incorporated in the Republic of Singapore, company registration number 200613299H
Sino Construction Board	the board of directors of Sino Construction
Sino Construction Convertible Bonds	has the meaning given in Section 4.9(a)
Sino Construction Director	any member of the Sino Construction Board
Sino Construction Group	Sino Construction and its subsidiaries
Sino Construction Proposed Acquisitions	the Proposed Signet Acquisition and the Proposed JEMS Acquisition
Sino Construction Proposed Share Issues	(a) the proposed issue of Sino Construction Shares in connection with Renaissance Investment as set out in Section 4.7(c); (b) the potential issue of Sino Construction Shares under the Takeover Bid, assuming 100% acceptances under the Takeover Bid; (c) the proposed issue of Sino Construction Shares in connection with the Proposed Signet Acquisition as set out in Section 4.6(b); (d) the proposed issue of Sino Construction Shares in connection with the Proposed JEMS Acquisition as set out in Section 4.6(c); and (e) the proposed issue of Sino Construction Shares in accordance with the proposed issued of the Sino Construction Convertible Bonds as set out in Section 4.9(a)
Sino Construction Share	a fully paid ordinary share in the capital of Sino Construction
Sino Construction Shareholder	a holder of Sino Construction Shares from time to time
Sino Construction's Website	www.sicon.sg
SRN	Securityholder Reference Number, which is the number which starts with an "I" to identify a Guildford Shareholder with an Issuer Sponsored Holding
Sunny Cove	Sunny Cove Investments Limited, an investment holding company incorporated in the British Virgin Islands
Takeover Bid	an off-market takeover bid for all Guildford Shares by Sino Construction constituted by the despatch of the Offers in accordance with the Corporations Act
Target Statement	the target's statement to be issued by Guildford under section 638 of the Corporations Act in relation to the Offer
Tenements	any prospecting licence, exploration licence, retention licence, tenement, mining lease, general purpose lease or a miscellaneous or similar licence or interest granted or acquired under any Law in which a member of the Guildford Group has or is entitled to a legal, equitable or economic interest
Topkapi	Topkapi Mineral Sanayi ve Ticaret A.S, which is a corporation established in Turkey
US$	United States dollars, the lawful currency of the USA
VWAP	volume weighed average price

Expression	Meaning
Your Guildford Shares	the Guildford Shares in respect of which a Guildford Shareholder is registered as the holder and to which that person is able to give good title at the time they accept the Offer during the Offer Period

13.2 Interpretation

In this Bidder's Statement unless the context clearly indicates otherwise:

(a) a reference to **legislation** or a **legislative provision** includes any statutory modification or substitution of that legislation or legislative provision and any subordinate legislation issued under that legislation or legislative provision;

(b) a reference to a **body** or **authority** which ceases to exist is a reference to a body or authority having substantially the same objects as the named body or authority;

(c) a reference to a **person** includes a natural person, corporation, statutory corporation, partnership, the Crown or any other organisation or legal entity;

(d) a reference to a **natural person** includes their personal representatives, successors and permitted assigns;

(e) a reference to a **corporation** includes its successors and permitted assigns;

(f) terms defined in the **Corporations Act** have the meaning given in the Corporations Act;

(g) **including** and **includes** are not words of limitation; and

(h) a reference to a time is to that time in Sydney, Australia.

Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution passed at a meeting of the directors of Sino Construction.

Signed for and on behalf of Sino Construction by Mr Andy Chee, being a director and Chairman of Sino Construction, who is authorised to sign by a resolution passed at a meeting of the directors of Sino Construction.



…….
Mr Andy Chee
Chairman

Dated: 18 November 2014

ANNEXURE A

TRADING YOUR SINO CONSTRUCTION SHARES

Annexure A **– TRADING YOUR SINO CONSTRUCTION SHARES**

1. **Introduction**

This Annexure provides a brief overview about how you may trade Sino Construction Shares if you accept the Offer and wish to establish your own CDP Securities Account. You should obtain your own independent professional advice about dealing with shares listed on the SGX.

If you accept the Offer and elect to have your Sino Construction Shares deposited in your nominee's CDP Securities Account, you will need to speak with your nominee in order to have the Sino Construction Shares deposited into that CDP Securities Account. You will not need to undertake the remaining actions in this Annexure A in order to have your Sino Construction Shares deposited into your nominee's CDP Securities Account or for your nominee to subsequently trade those Sino Construction Shares on your behalf.

2. **What do I need to do to trade my Sino Construction Shares that I receive under the Offer into my own CDP Securities Account?**

Unless you appoint a nominee broker that is able to receive your Sino Construction Shares in a CDP Securities Account (regardless whether such CDP Securities Account is in the name of your nominee broker or in your name maintained with your nominee broker), you will need a CDP Securities Account, a trading account and a bank account (with a bank that can provide a direct crediting service) in order to trade shares on the SGX.

Market trades for shares listed on the SGX are settled electronically through The Central Depository (Pte) Limited (**CDP**), a subsidiary of SGX, that provides depository, clearing, settlement and computerized book-entry services for securities traded on the SGX. CDP holds shares on your behalf in securities accounts.

Your situation	Further information
I do not have a CDP Securities Account and wish to trade shares on the SGX	You will need to do all of the below (not in order of priority): ▪ open a CDP Securities Account (further details below); ▪ open a trading account (further details below); ▪ open a bank account with a participating bank which provides direct crediting services (further details below); and ▪ link the CDP Securities Account with the trading account (further details below).
I have a CDP Securities Account, a trading account, and a bank account opened with a bank that provides direct crediting services	If you already have a CDP Securities Account, a trading account opened with a SGX Member Company that is linked to your CDP Securities Account, and a bank account opened with a bank that provides direct crediting services, you are able to instruct the SGX Member Company with whom you have a trading account to trade your Sino Construction Shares on your behalf.
I do not have a CDP Securities Account and do not wish to obtain one	If you do not have a CDP Securities Account and do not wish to open a CDP Securities Account or appoint a nominee broker who has a CDP Securities Account, you should contact a stockbroker based in Australia to enquire if they are able to assist you in trading your Sino Construction Shares on your behalf.

3. **Opening a CDP Securities Account**

How do I open a CDP Securities Account?	▪ In person in Singapore at CDP ▪ Through a SGX Member Company ▪ By mailing the application form to CDP

What do I need to do?	You need to provide the required documents (see the question and answer below) and verify your signature on the application form (see the relevant question and answer below)
Who can verify my signature on the application form?	▪ Singapore Embassy ▪ Notary Public ▪ Singapore solicitors or advocates ▪ Justices of the Peace ▪ Commissioners for Oaths
What documents do I need?	You will need to provide certified (certified by the same person witnessing the signature on the application form) copies of the following: ▪ an application form; ▪ applicable identity documents – Australian citizens will need a valid and current passport; and ▪ additional corporate documents (for corporations) Please note that if the CDP Securities Account is in a joint name you will also need to provide further information in addition to the application form. Please contact the Offer Information Line for further details regarding the required information and documentation to provide this information.
Who do I give certified copies of these documents to?	▪ If in person, at the offices of CDP. Send to The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20, The Metropolis Tower 2, Singapore 138588. ▪ Give them to the SGX Member Company with whom you have opened a trading account
Who are SGX Member Companies?	This information can be found on the SGX Website or a list can be requested from the Offer Information Line.
Are there any fees to open a CDP account?	No, there are no fees.
Additional information	Additional information relating to CDP and the services offered by CDP is available at the SGX Website.

4. **Opening a trading account**

How do I open a trading account?	You must visit a stockbroker who is a SGX Member Company and complete an application form in the presence of an authorised officer. Alternatively, some SGX Member Companies may allow you to complete and sign the application form in the presence of the persons listed under the section, "Who can verify my signature on an application form". You may contact the SGX Member Companies to enquire if you are able to open a trading account if you are unable to visit their offices.
What documents do I need?	Identification card (if applicable), passport, work and re-entry permit (if applicable), bank account number, CPF (the Singapore statutory pension fund scheme), investment account number (if any), CDP Securities Account number.
Additional information	Additional information on how to open a trading account is available at the SGX Website.

5. **Opening a bank account with a direct crediting service**

You need to open a bank account which allows you to credit payments directly into your bank account. The direct crediting service application form can be obtained from the SGX Website. Conditions may apply.

6. **Linking your CDP Securities account with your trading account**

You need to complete a linkage form, which can be obtained from the SGX Member Company with whom you have opened your trading account. Alternatively, this form can also be obtained from the SGX Website.

7. **What are the brokerage fees if I trade my Sino Construction Shares?**

There is no fee involved in opening a CDP Securities Account but there will be fees and brokerage payable when you trade your Sino Construction Shares. Commission may be charged by stockbrokers and rates vary from stockbroker to stockbroker. You should contact brokers directly to obtain their fees and charges. Guildford Shareholders should note that brokerage fees in Singapore may be higher than equivalent rates in Australia, for those Guildford Shareholders who receive small shareholdings in Sino Construction Shares if they accept the Offer.

8. **Use a CDP account of your broker**

If you do not have a CDP Securities Account in your own name, you may appoint a nominee broker to receive your Sino Construction Shares in your nominee broker's CDP Securities Account. Sino Construction will not be responsible for any incorrectly completed or late form including any delay in issuing the Sino Construction Shares to the nominee broker's CDP Securities Account. Please contact your broker for further information.

9. **What happens if I do not elect to receive my Sino Construction Shares in a CDP Securities Account**

If you accept the Offer but do not nominate a CDP Securities Account into which your Sino Construction Shares should be issued, you will receive a physical share certificate. In this case, you will not be able to deal with or trade your Sino Construction Shares until you establish or nominate a CDP Securities Account into which your Sino Construction Shares are to be held. This can be done at any time after you receive your Sino Construction Shares.

10. **How can I get copies of the forms and documents required?**

If you require any help in obtaining the documents listed below, please call the Offer Information Line:

(a) application for opening of CDP Securities Account;

(b) direct credit service application form;

(c) account linkage form; or

(d) list of SGX Member Companies.

11. **Small parcels of shares**

Under the rules relating to trading of the SGX, listed securities are traded on the "ready market" of the SGX in lots of 1,000 shares, known as "board lots" (from 19 January 2015, SGX intends that 100 shares will constitute a board lot). Trading in smaller lots than board lots occurs on the unit share market, which is not as easily tradable.

Accordingly, if you hold less than 4,500 Guildford Shares and you accept the Offer and are entitled to be issued with Sino Construction Shares, you will be issued less than 1,000 Sino Construction Shares and, therefore, you may not be able to easily trade those shares prior to 19 January 2015 at which time SGX intends that the number of shares that constitutes a board lot will be lowered to 100 shares (that is, from that time if you hold less than 100 Sino Construction Shares you may not be able to easily trade those shares). You may need to appoint a broker and incur costs (including brokerage costs) in respect of dealing with that lot of shares. You might also find it difficult to find a broker who is willing to deal with such a small number of shares.

ANNEXURE B

COMPARISON OF RELEVANT COMPANIES AND SECURITIES LAWS AND LISTING RULES IN SINGAPORE AND AUSTRALIA

Annexure B **– COMPARISON OF RELEVANT COMPANIES AND SECURITIES LAWS AND LISTING RULES IN SINGAPORE AND AUSTRALIA**

As Sino Construction is a company incorporated under the laws of the Republic of Singapore and whose shares are listed on the SGX, Sino Construction must comply with Singapore laws, as well as the listing rules of the SGX.

Comparison table

The information below is only a summary of some of the companies and securities laws and listing rules that apply to Sino Construction in Singapore and which may be of interest to Guildford Shareholders in their consideration of the Offer. For comparison purposes only, a general outline of Australian laws and regulations (under the Corporations Act and ASX Listing Rules) is also set out in the 3rd column. Guildford Shareholders should note that this is set out for comparison purposes only and Australian laws and regulations will not apply to Sino Construction or to Sino Construction Shares that are issued as the Offer Consideration (other than in respect of taxation laws and regulations for which you should seek your own professional advice).

The information below is general in nature and is not intended to be an authoritative or a complete statement of the companies or securities laws or listing rules or other regulations that are or may be applicable to Sino Construction or to companies incorporated in the Republic of Singapore or whose shares are listed on the Singapore Exchange. The information below does not constitute legal advice and Guildford Shareholders should consider obtaining their own professional advice on these and other companies and securities laws and listing rules and other regulations that do or may apply to Sino Construction and how they do or may differ to Australian companies and securities laws, regulations and listing rules.

	Singapore position	Australian position
Takeovers	Under Rule 14 of the Singapore Code on Take-overs and Mergers, mandatory offers must be made to all shareholders of a listed company when: (a) a person acquires more than 30% or more of the voting rights of a listed company; or (b) when a person, holds between 30% and 50% of the voting rights of a listed company, and that person acquires in any period of 6 months additional shares carrying more than 1% of the voting rights.	Under Chapter 6 of the Corporations Act, a person must not acquire a Relevant Interest in voting shares of a public company of 20% or more, subject to a number of exemptions (including approval by shareholders and a 3% creep every 6 months).
Compulsory Acquisition	Under section 215(1) of the Companies Act, if a person receives valid acceptances or acquires not less than 90% of the total shares of another company (other than those already held by such person, its related corporations or their respective nominees as at the date of the offer and excluding shares held as treasury shares), such person would be entitled to exercise the right to compulsorily acquire all the shares of shareholders who have not accepted the offer at the offer price and proceed to delist the company from the SGX. In addition, under section 215(3) of the Companies Act, if a person acquires such number of shares which, together with shares held by it, its related corporations and their respective nominees, comprise not less than 90% of the total shares of a company, shareholders who have not accepted the offer have a right to require such person to acquire their shares at the offer price.	Under Chapter 6A of the Corporations Act, a person who holds a Relevant Interest in 90% or more of a class of securities in a public company may be entitled to compulsorily acquire all of the remaining securities in that class and move to 100% ownership. There are different rules that apply to a compulsory acquisition which follows a takeover bid and a compulsory acquisition which follows a person acquiring a 90% interest in securities in a class by other means. In addition, if the bidder and their associates have a Relevant Interest in at least 90% of the securities by number in the bid class at the end of the offer period, the bidder must offer to buy out the remaining holders in the bid class.

	Singapore position	Australian position
Issue of new securities	Shareholder approval is required for any issue of new shares by listed companies. Companies listed on the SGX usually obtain a general mandate from the shareholders to issue shares at the listed company's annual general meeting. This general mandate continues in force until the conclusion of the next annual general meeting (or expiration of the period within which the next annual general meeting was supposed to be held). The aggregate number of shares that may be issued under the general mandate must not be more than 50% of the total number of issued shares of the company (excluding treasury shares) of which the aggregate number of shares issued, other than on a pro rata basis, must not be more than 20% of the total number of issued shares of the company (excluding treasury shares).	Under ASX Listing Rule 7.1, an entity listed on the ASX cannot issue securities without shareholder approval unless the securities to be issued constitute less than 15% of the total ordinary share capital of the company. This 15% threshold is calculated by reference to shares on issue over a rolling 12 month period. Certain exceptions apply under Listing Rule 7.2. Some listed companies may be able to obtain shareholder approval at an annual general meeting to increase the 15% limit to 25%.
Disclosure requirements for issues of new securities	Under the *Securities and Futures Act* (Cap. 289) of Singapore, listed companies proposing to issue new shares to new investors would need to provide each new investor with a prospectus (which includes a prospectus, notice, circular, material, advertisement or publication used to make an offer of securities). There are exemptions from these disclosure requirements, including: (a) a small personal offer where the total amount raised in a 12-month period does not exceed S$5 million (approximately A$4.4 million); (b) a private placement to no more than 50 persons within a 12-month period; (c) an underwriting agreement relating to securities; (d) an offer to institutional investors and specified persons, including sophisticated investors; and (e) offers for the same class of shares already listed for quotation, whether by way of rights issues or otherwise – in which case, an offer information statement is required.	A public company cannot issue new securities without a disclosure document which complies with the requirements of Chapter 6D of the Corporations Act. However, there are a number of exemptions from these requirements, including: (a) personal offers where the total amount raised does not exceed A$2 million in a 12 month period and from no more than 20 investors; (b) issues to "professional investors" (as defined in section 9 of the Corporations Act); (c) issues to sophisticated investors, being investors who have an income of more than A$250,000 per annum or assets in excess of A$2.5 million, in each case, as certified by an accountant; (d) offers to senior managers; and (e) offers by way of rights issues by listed entities – subject to section 708AA of the Corporations Act (including that an entity has not been suspended from trading for 5 or more days over the preceding 12 months and the entity has complied with its financial reporting requirements).
Related party transactions	Under the Listing Manual, the concept of related parties transactions is referred to as "interested person transactions". Under Rule 905(1) of the Listing Manual, in the case of any transaction with an interested party (which includes a director, chief executive officer, controlling shareholder or an associate of the listed company), a listed company must make an immediate announcement on SGXNET where the value of the interested person transaction is equal to or more than 3% of the group's latest audited net tangible assets. In addition, under Rule 906(1) of the Listing Manual, listed companies must obtain shareholder approval for any transaction with	Under Chapter 2E of the Corporations Act, a public company cannot provide a financial benefit to a related party without shareholder approval, subject to certain exemptions, including arm's length transactions. A related party includes: (a) an entity that controls the public company; (b) directors of the public company; (c) directors of an entity that controls the public company; (d) an entity that has reasonable grounds to believe that it will be a related entity in the future; and (e) an entity which acts in concert with a related party of the public company on the understanding that the related party will

	Singapore position	Australian position
	an interested party where the value of the transaction is equal to or more than 5% of the group's latest audited net tangible assets (provided that no approval is required for any transaction below S$100,000 (approximately A$88,944). The exceptions to these rules include as follows: (a) a payment of dividends, a subdivision of shares, an issue of securities by way of a bonus issue, a preferential offer, or an off-market acquisition of the issuer's shares, made to all shareholders on a pro-rata basis, including the exercise of rights, options or company warrants granted under the preferential offer; (b) the grant of options, and the issue of securities pursuant to the exercise of options, under an employees' share option scheme approved by the SGX; (c) a transaction between an entity at risk and an investee company, where the interested person's interest in the investee company, other than that held through the listed company, is less than 5%; (d) a transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the listed company at the time of the transaction; (e) a transaction (which includes telecommunication and postal services, public utility services, and sale of fixed price goods at retail outlets) between an entity at risk and an interested person for the provision of goods or services if: (i) the goods or services are sold or rendered based on a fixed or graduated scale, which is publicly quoted; and (ii) the sale prices are applied consistently to all customers or class of customers; (f) the provision of financial assistance or services by a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business; (g) the receipt of financial assistance or services from a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business; and (h) director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments). There are reporting requirements (similar to	receive a financial benefit if the public company gives the entity a financial benefit. In addition, under Chapter 10 of the ASX Listing Rules, a shareholder who holds 10% or more of the shares of a listed entity is subject to restrictions under Listing Rule 10.1 regarding acquisitions and disposals of substantial assets from the public company. On any shareholders' resolution to approve the giving of a financial benefit under Chapter 2E of the Corporations Act (or Chapter 10 of the ASX Listing Rules), none of the related party or its associates is able to vote on the relevant resolution. Under section 671B of the Corporations Act, a substantial shareholder of a listed company must give the ASX information about its shareholding, including any movements of 1% or more in its shareholding. A substantial shareholder is defined as being a holder who holds a Relevant Interest in 5% or more of the securities of a listed entity. In addition, under Listing Rule 3.19A of the ASX Listing Rules, a listed entity must notify the ASX of any notifiable interests of directors, i.e. information about their shareholdings in the listed entity. The listed entity must then provide this information to the ASX. There are also restrictions that apply to remuneration of directors of public companies (and listed entities) particularly any termination payments under section 200 of the Corporations Act and Chapter 10 of the Listing Rules.

	Singapore position	Australian position
	Australia) regarding the disclosure of shareholdings of directors and substantial shareholders of listed companies. Directors must notify the listed company of interests or changes in interests in the shares of the listed company. Substantial shareholders (a person holding not less than 5% of the voting rights in the company) must notify the listed company of changes in percentage level in voting shares of the listed company. The listed company must then notify the securities market via an announcement made on SGXNET.	
Capital reductions	A listed company cannot reduce its capital, except to the extent that the Companies Act permits. There are two methods of capital reduction for a listed company under the Companies Act: (a) court-sanction capital reduction under sections 78G, 78H and 78I; and (b) non-court sanctioned capital reduction under sections 78C to 78F. The articles of association of the company must also permit the reduction of capital.	Under Chapter 2J.1 of the Corporations Act, a company can reduce its capital if the reduction: (a) does not materially prejudice creditors or the interest of the company; and (b) is approved by shareholders. In addition, there are specific forms of capital reduction, share buy-backs and financial assistance that have specific rules and restrictions under the Corporations Act and the ASX Listing Rules.
Appointment or removal of directors	In general, the articles of association of a company prescribe that directors may be appointed and removed by ordinary resolution. For listed companies, electing two or more persons as directors in a single resolution is not allowed. Most listed companies' articles of association also allow the board of directors to fill casual vacancies or to appoint additional directors. Such directors so appointed will hold office only until the next annual general meeting of the company, and then will be eligible for re-election. A company's articles of association usually provide for the retirement of one-third of the directors by rotation at the annual general meeting of the company, provided that all directors will retire from office at least once in every three years.	Generally speaking, directors may be appointed to fill casual vacancies on the board by the directors of the company. However, under the ASX Listing Rules, the appointment of any director appointed by the board must be ratified by shareholders at the next annual general meeting of the company. In addition, most listed entities have provisions in their constitution requiring directors to retire at least every 3 years but are eligible for re-election. Directors of a public company may only be removed by ordinary resolution of the members – the board cannot remove directors. Any such resolution of the company is subject to requirements set out in the Corporations Act (including a two month notice period).
Disclosure requirements that apply to mining companies	Listed companies are subject to continuous disclosure requirements set out in the Listing Manual. In particular, Singapore listed mineral, oil and gas companies (companies whose principal activities consist of exploration for or extraction of minerals, oil or gas) are subject to additional disclosure requirements set out, amongst others, under Part VIII of Chapter 7 of the Listing Manual.	Listed entities are subject to continuous disclosure requirements set out in section 674 of the Corporations Act and Listing Rule 3.1 of the Listing Rules. Australian listed entities that are "mining entities" (as defined in the Listing Rules) are subject to separate disclosure requirements under Chapter 5 of the Listing Rules.
Franking credits	Singapore has implemented a one-tier corporate tax system since 1 January 2003. As such, there is no franking credit system in Singapore in relation to any dividends that may be paid. Dividends are exempt from tax in the	Australia has a full dividend franking (imputation) system. If Guildford was a taxpayer it may pay a dividend which is franked and carries a franking credit. An Australian tax resident shareholder would be entitled to a franking credit. A shareholder who is not

	Singapore position	Australian position
	hands of shareholders of the company.	an Australian tax resident and receives a fully franked dividend from Guildford would not be subject to withholding tax on the dividend but would not receive any credit in Australia in respect of the franking credit. Australian tax resident shareholders in Sino Construction will generally include the gross amount (inclusive of any withholding tax deducted) of any dividends received in their taxable income. They would then be allowed a tax off-set in respect of any withholding tax paid in Singapore.

ANNEXURE C

AUSTRALIAN TAXATION CONSIDERATIONS

Annexure C **– AUSTRALIAN TAXATION CONSIDERATIONS**

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10 November 2014

The Board of Directors
Sino Construction Limited
21 Merchant Road #4-01
Royal Merukh S.E.A. Building
SINGAPORE 058267

Dear Directors

OFF-MARKET TAKEOVER OF GUILDFORD COAL LIMITED ('GUILDFORD') BY SINO CONSTRUCTION LIMITED ('THE COMPANY')

Following are our comments for inclusion in a Bidder's Statement in relation to the tax consequences for shareholders in GUF ('Guildford Shareholders') who accept the offer ('the Offer'). The facts in this matter are summarised in the Investigating Accountant's Report and we have relied on these in preparing our comments.

1 TAX CONSIDERATIONS

1.1 Introduction

The information contained in this section is general in nature and should not be relied upon by Guildford Shareholders as tax advice. This Section is not intended to be an authoritative or complete statement of the taxation law applicable to the particular circumstances of every Guildford Shareholder.

This Section reflects the tax law in effect in Australia as at the date of this letter. It does not take into account or anticipate any changes in taxation law, nor does it take into account the tax law in any other country except Australia.

Any information in this section does not constitute tax advice. Guildford Shareholders should obtain their own professional advice on the taxation consequences of disposing of their Guildford Shares under the Offer.

This Section does not consider the Australian tax consequences for Guildford Shareholders who:

- hold their Guildford Shares as trading stock or as revenue assets; or
- hold their Guildford Shares as part of a profit making undertaking or plan.

Acceptance of the Offer will involve the disposal by Guildford Shareholders of Guildford Shares to the Company which may give rise to a capital gains tax event ('**CGT Event**') for Australian (tax resident) Guildford Shareholders. The **CGT Event** will generally happen at the time Australian Guildford Shareholders accept the Offer to transfer their Guildford Shares to the Company.

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However this may not be so in all cases and each shareholder should confirm their position with an appropriate advisor.

Australian Guildford Shareholders will make a capital gain if the capital proceeds received are greater than the cost base (or indexed cost base as referred to below) of those shares.

The capital proceeds on the disposal of Guildford Shares under the transaction will, for each Guildford Shareholder, be the value of the Company shares issued to the Guildford Shareholder.

The cost base of the Guildford Shares in the hands of the Guildford Shareholders will, broadly, be the original amount paid to acquire those Guildford Shares plus any incidental costs incurred in acquiring or disposing of the shares.

1.2 Australian Tax Implications

(a) Duty

No transfer duty should be payable by Guildford Shareholders on the disposal of their Guildford Shares pursuant to the Offer.

(b) GST

No GST will be payable by Guildford Shareholders in respect of the disposal their Guildford Shares pursuant to the Offer.

Guildford Shareholders may however be subject to GST on costs that relate to their participation in the transaction (such as advisor fees). Guildford Shareholders may be entitled to full or partial input tax credits for any GST payable on such costs, but this will depend on the Guildford Shareholder's individual circumstances.

Guildford Shareholders should seek independent advice in this regard.

(c) Capital Gains Tax

The disposal of Guildford Shares will (an exception is explained under Scrip for Scrip Rollover) gives rise to a **CGT Event** for Guildford Shareholders.

(i) Shares acquired (or deemed to be acquired) on or after 20 September 1985

Guildford Shareholders who acquired (or are deemed to have acquired) their Guildford Shares on or after 20 September 1985 may be entitled to reduce any capital gain on the disposal of their Guildford Shares by applying the CGT discount (discussed below). Alternatively they may be able to calculate any capital gain by adjusting (discussed below) the cost to account for movements in the Consumer Price Index ('CPI').

(ii) Indexation

Where Guildford Shares were acquired (or are deemed to have been acquired) by Guildford Shareholders on or after 30 September 1985 and at or before 11.45am on 21 September 1999 the cost base of the Guildford Shares may be increased for indexation based on the CPI movement from the date of acquisition to 30 September 1999.

This indexation can be applied by Guildford Shareholders that are companies and have held their Guildford Shares for at least 12 months. These taxpayers would not be entitled to any general discount.

Guildford Shareholders that are individuals, trusts or complying superannuation funds that have held Guildford Shares prior to 11.45am on 21 September 1999 can choose to apply either the cost base indexation or the CGT discount in calculating their net capital gain from the disposal of their Guildford Shares.

Where Guildford Shareholders acquired (or are deemed to have acquired) their Guildford Shares after 11.45am on 21 September 1999, they cannot apply indexation to the cost base of the Guildford Shares.

(iii) Capital Gains Tax discount

The capital gains tax discount should be available to Guildford Shareholders who are individuals, trusts or complying superannuation funds, who have held their Guildford Shares for at least 12 months before the disposal under the transaction and who hold their shares as a capital asset.

Broadly, the capital gains tax discount provisions enable the Guildford Shareholders to reduce their capital gain (after the application of any current year or prior year capital losses) by 50% for individuals and trusts and 33 1/3% for complying superannuation funds.

The capital gains tax discount is not available to Guildford Shareholders that are companies or for Guildford Shareholders who have chosen to apply the indexation method to the cost base of their Guildford Shares.

If the Guildford Shares are held for less than 12 months the discount would not apply to any capital gain.

(d) Capital losses

Any capital loss may be used to offset any capital gains derived by the Guildford Shareholder for the relevant year of income, or may be carried forward to offset against capital gains in future income years.

Specific loss recoupment rules apply to trusts and companies to restrict their ability to utilise capital losses in future years. Guildford Shareholders should seek their own tax advice in relation to the operation of these rules.

(e) Shares acquired before 20 September 1985

A Guildford Shareholder who acquired their Guildford shares before 20 September 1985 (and is not deemed under the income tax law to have acquired them on or after that date) should seek their own legal advice.

1.3 Scrip for Scrip Rollover

Deferral of a taxable capital gain that would otherwise arise as described above may be available. If applicable no taxable gain will arise as a consequence of acceptance of the Offer, and the tax consequences will be determined when the Company shares are dealt with (subject to further rollover concessions).

The basic requirements for an Australian resident Guildford Shareholder to be able to choose roll-over are:

- Guildford shares are exchanged for the Company shares.
- A capital gain would have been made if roll-over wasn't chosen.
- The Guildford shareholder chooses to take roll-over.
- The Company ultimately acquires at least 80% of Guildford's issued shares.

Subject to satisfying the conditions, scrip for scrip relief under Subdivision 124-M of the *Income Tax Assessment Act 1997* may be available to the Guildford Shareholders that are Australian resident taxpayers. A shareholder who derives a taxable capital gain can choose to apply the provisions. The choice is only available where a gain would have otherwise been made and cannot be made where a capital loss is incurred.

Guildford Shareholders who are not Australian tax residents may be able to choose the roll-over but only if they would have made a taxable capital gain. Non-resident Guildford Shareholders would only make a taxable capital gain under the arrangement if:

- They hold a 10% or greater interest in Guildford (either directly or indirectly)
- More than 50% of Guildford's assets are Australian real property

Australian real property is:

- Real property situated in Australia
- A mining, quarrying or prospecting right in respect of minerals, petroleum or quarrying materials situated in Australia.
- Any rights in respect of buildings, or other improvements that are on the land concerned or used in connection with operations on it.

The most recent Guildford Annual Financial Report disclosed on their web site does not disclose the allocation of assets between taxable Australian real property and other assets. However we have been advised that the majority of these assets relate to Mongolian mining assets. Therefore based on the information we have been given a non-resident is unlikely to derive a taxable capital gain for Australian taxation purposes.

The script v script roll-over option is only available where a taxpayer would have derived a taxable capital gain. Therefore where the non-resident has not made a taxable capital gain they cannot take advantage of the roll-over option. Where the Offer is accepted these shareholders will be deemed to have acquired the shares in the Company at the market value attributed to the shares they receive in the Company under the Offer.

If the provisions are applicable, and a choice is made to apply them, any capital gain which would otherwise be realised by a Guildford Shareholder would be disregarded for tax. However there is uncertainty about the level of assets that are Australian real property and further enquiry is necessary to establish this value.

Where the choice is made to apply the scrip v scrip provisions, the Guildford Shareholders' CGT cost base for the shares they receive in The Company will be the same as the cost base of the shares they previously held in Guildford.

Guildford shareholders who accept the Company Offer and choose to take advantage of these provisions will need to apportion the cost base of their Guildford shares over the larger number of the Company shares they receive.

If rollover relief is not available or no choice is made the shareholder will derive an assessable capital gain or incur a loss on disposal of Guildford shares. The capital gain would be calculated as outlined above.

The choice for scrip v scrip rollover is only available where the Company ultimately acquires at least 80% of the shares in Guildford. Subject to the 80% level being achieved Guildford Shareholders can make their choice at the time they lodge their income tax return for the year in which the Offer is accepted.

Yours sincerely



Syd Jenkins
Moore Stephens

ANNEXURE D

SINGAPORE TAXATION CONSIDERATIONS

Annexure D **– SINGAPORE TAXATION CONSIDERATIONS**

The information provided below is general in nature and is not intended to be an authoritative or a complete statement of the Singapore income tax, goods and services tax and stamp duty implications that are or may be applicable to Guildford Shareholders who accept the Takeover Bid and become holders of Sino Construction Shares. The information provided below is based on relevant Singapore taxation and stamp duty law, regulations and guidelines issued by the relevant authorities as at the Last Practicable Date and does not take into account or anticipate changes in Singapore taxation law, nor does it take into account tax laws of any other countries other than Singapore.

The information provided below does not constitute tax advice regarding a particular Guildford Shareholder's tax position. Guildford Shareholders should consider obtaining their own professional advice from a qualified taxation advisor specific to their own circumstances.

(a) Income tax

Corporate income tax

Companies, whether Singapore tax residents or non tax-residents (where such companies have a permanent establishment in Singapore), are subject to Singapore corporate income tax on:

(i) income that is accrued in or derived from Singapore; or

(ii) subject to certain exceptions, foreign-sourced income (income that does not arise from a trade or business carried on in Singapore) received or deemed to be received in Singapore.

A company is a Singapore tax resident if the control and management of its business is exercised in Singapore. The control and management of a company generally lies with its board of directors. In practice, the board of directors exercise control and manage in the country where the board of directors' meetings of the company are held, which is normally the country where a company is resident.

Foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by specified Singapore tax resident companies or individuals on or after 1 June 2003, will be exempt from tax if the following prescribed qualifying conditions are met:

(i) the foreign-sourced income must have been subject to tax in the foreign country from which it is received;

(ii) the highest corporate tax rate of the foreign country in the year that the foreign-sourced income is received must be at least 15%; and

(iii) the Comptroller of Income Tax must be satisfied that the tax exemption would be beneficial to the Singapore corporate tax resident.

The prevailing corporate tax rate in Singapore is currently 17% with certain exemptions for the first S$300,000 of the company's chargeable income.

Individual income tax

For individuals (whether Singapore tax-resident or non tax-resident), only income which is accrued or derived from Singapore will be subject to income tax. All foreign-sourced income received in Singapore on or after 1 January 2004 by individuals (other than partners of a partnership) is exempt from tax. In addition, certain Singapore-sourced investment income received on or after 1 January 2004 is exempt from tax.

The rate of tax applied to income which is accrued or derived from Singapore depends on the tax residency of the individual.

An individual is a tax resident in Singapore in a year of assessment if, in the preceding year, he or she was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he or she resides in Singapore.

For a Singapore tax resident individual, the rate of tax varies progressively from 0% to 20% depending on the individual's chargeable income.

For a non-resident individual, investment income is subject to tax at a current rate of 20%, except for certain specified income that may be taxed at lower rates, and employment income is taxed at 15% or at the Singapore tax resident rate, whichever is higher. Director's fees and other income are also currently taxed at a rate of 20%.

(b) Dividend distributions

Singapore moved to the one-tier corporate tax system with effect from 1 January 2008. Under this system, the tax payable on normal chargeable income by Singapore companies, whether tax resident in Singapore or not, would constitute a final tax. As such, dividends payable by Singapore companies under the one-tier corporate tax system are exempt from tax in the hands of its shareholders.

There is also no withholding tax imposed on dividends paid to non-Singapore tax resident shareholders by Singapore companies.

Guildford Shareholders are advised to consult their own tax advisors in respect of the tax laws of their respective countries of residence and the applicability of any double taxation agreement that their country of residence may have with Singapore.

(c) Gains on disposal of Your Guildford Shares

Singapore does not impose tax on capital gains. However, gains derived from sale of Your Guildford Shares may be construed to be income and subject to Singapore tax if they arise from or are connected with activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade or business in Singapore.

Similarly, any gains from the disposal of Sino Construction Shares are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature, in which case, the disposal profits would be taxable.

Under section 13Z of the *Income Tax Act* (Cap. 134) of Singapore (**Income Tax Act**), the gains derived from the disposal of ordinary shares in an investee company during the period 1 June 2012 to 31 May 2017 (both dates inclusive) is exempt from income tax if immediately prior to the date of the share disposal, the divesting company had legally and beneficially held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months.

This rule does not apply to a divesting company whose gains or profits from the disposal of shares are included as part of its income based on the provisions of section 26 of the Income Tax Act, or disposal of shares in an unlisted investee company that is in the business of trading or holding Singapore immovable properties (other than the business of property development).

In addition, corporate shareholders who adopt the tax treatment to be aligned with the Singapore Financial Reporting Standard 39 Financial Instruments—Recognition and Measurement for the purposes of Singapore income tax may be taxed on gains or losses (not being gains or losses in the nature of capital) even though no sale or disposal of offering shares is made.

(d) Stamp Duty

No stamp duty is payable on the issuance of your Sino Construction Shares.

Stamp duty is payable on the instrument of transfer of Sino Construction Shares at the rate of S$0.20 for every S$100 or any part thereof, calculated on the consideration of the transfer, or the market value of the Sino Construction Shares, whichever is higher.

The purchaser is liable for stamp duty, unless otherwise agreed. No stamp duty is payable if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore and is not received in Singapore. However, stamp duty will be payable if the instrument of transfer which is executed outside Singapore is received in Singapore.

Stamp duty is not applicable for electronic transfers of Sino Construction Shares under the book-entry settlement system of CDP (i.e. in uncertificated form).

(e) Singapore Estate duty

Singapore estate duty was abolished with effect from 15 February 2008.

(f) Singapore Goods and Services Tax (GST)

The sale of shares by an investor who is GST-registered in Singapore through an SGX member or to another person who is a resident of Singapore is an exempt sale not subject to GST. Any GST directly or indirectly incurred by the GST-registered investor in respect of this exempt sale will become an additional cost to the investor.

Where Sino Construction Shares are sold by a GST-registered investor to a person who is not a resident of Singapore, the sale is a zero-rated sale subject to GST at a zero rate if certain conditions are met. Any GST incurred by the GST-registered investor in the making of this zero-rated sale, if the same is a supply in the course or furtherance of a business, may be claimable as a refund from the Comptroller of GST. Services such as brokerage, handling and clearing charges rendered by a GST-registered person to an investor who is a resident of Singapore in connection with the investor's purchase, sale, holding of Sino Construction Shares will be subject to GST at the current rate of 7%. Similar services rendered to a non-resident investor in Singapore may be zero-rated if certain conditions are met.

ANNEXURE E

INVESTIGATING ACCOUNTANT'S REPORT

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

14 November 2014

The Directors
Sino Construction Limited
21 Merchant Road #4-01
Royal Merukh S.E.A. Building
Singapore 058267

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the Directors' of Sino Construction Limited ("Sino" or "the Company") for inclusion in the Bidder's Statement, so as to provide Guildford Coal Limited shareholders with information in relation to historical and pro-forma financial information of Sino as at 30 June 2014 and for the six months then ended.

On 25 September 2014 the Company announced an intention to make an off-market takeover bid ("the Bid") for all the issued and outstanding shares in Guildford Coal Limited ("GUF").

Consideration for the transaction will be in Sino shares with GUF shareholders offered 1.0 Sino share for every 4.5 GUF shares held (the "Offer"). Based on the issued and paid up share capital of GUF as at 25 September 2014 and, after making assumptions as to convertible notes, warrants, options and conditional performance rights expected to be converted into new GUF shares, up to 264,287,799 new Sino shares may be issued as consideration for the Takeover Bid. The transaction values GUF at AUD$0.0613 per share, or approximately AUD$72.86 million (SGD$81.93 million), based on a Sino share price of SGD$0.31 and foreign exchange rate of SGD$1.1244 : AUD$1.00, as at 25 September 2014. Further details of the off-market takeover bid are set out in the Bidder's Statement.

Expressions defined in the Bidders Statement have the same meaning in this report.

2. Basis of Preparation

The historical and pro-forma financial information is presented in a condensed consolidated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the Corporations Act 2001.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Stephens Perth Corporate Services Pty Ltd has not been requested to consider the prospects for Sino nor the merits and risks associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently Moore Stephens Perth Corporate Services Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Bidder's Statement, other than responsibility for this report.

3. Background

Sino is a public Company which is headquartered In Singapore and has been listed on the main board of the Singapore Exchange Limited ("SGX') since 12 June 2008.

Sino's legacy businesses largely comprised construction businesses and a heating services business which operated in the Peoples Republic of China ("PRC"). Between November 2013 and March 2014 the Company completed the disposal of its subsidiary companies which operated these businesses.

The Company has recently established its Singapore incorporated construction company, which in January 2014 acquired control of a construction company incorporated in Malaysia (Elite Bay Sdn. Bhd.). In addition the Company recently incorporated a construction company in China. The Company remains focused on its core business of construction and is actively seeking construction business opportunities in the PRC and Asia Pacific regions. In March 2014 Elite Bay Sdn. Bhd. was awarded a contract for a mixed commercial development cum bus terminal in Kota Kinabalu, Malaysia with a total contract sum of RM43.2 million. At this time this remains the Company's major construction contract currently in progress.

Sino is currently in the process of transforming itself into a company focused on the mineral resources and energy sector and has recently been actively pursuing and acquiring new investment opportunities in this sector. The Company has recently acquired or is in the process of acquiring several strategic mineral and energy resources assets comprising projects involved in coal, heavy metals and oil.

Completed acquisitions to date include a 19.9 % shareholding in Renaissance Enterprises Ltd on 3 June 2014 and a 19.9% shareholding in Ardilaun Energy on 14 February 2014. Renaissance Enterprises controls a titanium project in Turkey whilst Ardilaun holds oil exploration licenses and working interest in the Irish Sea.

The Company has also entered into conditional sale and purchase agreements to acquire a 52% shareholding in an Australian based coal producer JEMS Exploration Pty Ltd for US$20 million (22 July 2014) and a 51% shareholding in South African Based Signet Coal International Limited for US$21 million (6 June 2014). Both acquisitions are subject to shareholder approval at an EGM to be convened at a later date.

GUF is a public listed Company on the Australian Securities Exchange ("ASX"). It is a mineral exploration and development company, which is moving into production in Mongolia, that has coal mining projects in Queensland, Australia and Mongolia, in Central Asia that are at various stages of development.

In Queensland GUF's exploration assets cover an estimated 18,000 square kilometres across the Bowen, Galilee and Maryborough coal basins, whilst in Mongolia a subsidiary of the group has two projects in the coal bearing regions of South Gobi and Middle Gobi

One of the Mongolian projects has recently commencing production in August 2014 with an initial shipment of 8,000 tonnes of coal.

On 25 September 2014 Sino announced an intention to make an off-market takeover bid to acquire all the issued share capital in GUF, to be satisfied by the issue of up to 264,287,799 Sino shares.

The Bid is subject to a number of conditions including Sino receiving all approvals required by law or by any government agency.

Further information about the takeover bid and the future plans of the Company can be found in other sections of the Bidder's Statement.

4. Scope of Report

You have requested Moore Stephens Perth Corporate Services Pty Ltd to prepare an Investigating Accountant's Report to provide limited assurance on:

a) The condensed consolidated Statement of Profit or Loss and Other Comprehensive Income, in terms of the results from continuing operations only, of Sino for the six months ended 30 June 2014.

b) The condensed consolidated Statement of Financial Position of Sino as at 30 June 2014.

c) The condensed consolidated pro-forma Statement of Financial Position of Sino as at 30 June 2014 adjusted on the basis of the acquisition of 100% of the issued and outstanding shares in GUF as at that date and the completion of certain other transactions as disclosed in this report.

The scope of our report did not extend to the full condensed consolidated Statement of Profit or Loss and Other Comprehensive Income of Sino for the six month ended 30 June 2014, which in addition to the results from continuing operations, also included a gain attributable to discontinued operations amounting to SGD$4,879,000 and foreign currency translation movements of SGD$3,764,000, which mainly comprises of the reclassification of translation reserves to profit or loss arising from the disposal of the discontinued operations.

As reported in the auditor's report to the financial statements of Sino Construction Limited for the year ended 31 December 2013 the accounting records of the subsidiaries comprising the discontinued operations were submitted to tax authorities in the People's Republic of China in January 2013 for a tax investigation and were not returned to the Group. Accordingly we were unable to conclude as to the accuracy of the gain attributable to the discontinued operations and the foreign currency translation movements as referred to above.

We have not included in our report a condensed consolidated Statement of Profit or Loss and Other Comprehensive Income of Sino for the full year ended 30 June 2014 because part of that period comprises financial information that the auditor had, in his report for the year ended 31 December 2013, issued a disclaimer of opinion on (because of the missing accounting records referred to above). We could therefore place no reliance on the accuracy of the financial results for the full year ended 30 June 2014.

The financial information included in our report is not affected by the financial performance or gains attributable to the discontinued operations referred to above, which comprise of three key operating subsidiaries in the People's Republic of China disposed of between November 2013 and March 2014. These matters will have no ongoing impact on the Group's financial position or performance

5. Scope of Review

Management's responsibilities

The Directors of Sino are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions.

Our responsibilities

Procedures performed by us have been undertaken to form a conclusion as to whether we have become aware, in all material respects, that the historical financial information set out in Appendix 1 to 3 does not present fairly, in accordance with Australian Accounting Standards (which are equivalent to International Financial Reporting Standards) and the accounting policies adopted by the Company, a view which is consistent with our understanding of the financial position and pro-forma financial position of the Company and its controlled entities as at 30 June 2014 and of their actual consolidated financial result from continuing operations for the six months ended 30 June 2014.

We have conducted our limited assurance review of the historical financial information in accordance with Australian Auditing Standard ASRE 2405 *Review of Historical Financial Information Other than a Financial Report.* We have also considered the requirements of ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document*.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used to compile the pro-forma financial information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the pro-forma financial information, or the pro-forma information itself.

The purpose of the compilation of the pro-forma information is solely to illustrate the impact of the takeover bid on unadjusted financial information of the Company as if the event had occurred at an earlier date selected for purposes of the illustration. Accordingly we do not provide any assurance that the actual outcome of the takeover would be as presented.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

a) a review of contractual arrangements;

b) a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;

c) a comparison of consistency in application of the recognition and measurement principles in Accounting Standards in Australia and Singapore, with the accounting policies adopted by the Company;

d) a review of the assumptions used to compile the condensed consolidated pro-forma Statement of Financial Position;

e) a review of the overall presentation of the pro-forma financial information; and

f) enquiry of directors, management and auditors of Sino.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Sources of information

The historical financial information has been extracted from the Company's audit reviewed consolidated management accounts for the six months ended 30 June 2014 and the audited consolidated financial statements of GUF for the year ended 30 June 2014.

The Company's consolidated management accounts for the six months ended 30 June 2014 were subject to audit review by Moore Stephens LLP (the Company's auditor) in accordance with Singapore Standards on Auditing.

GUF's consolidated financial report for the year ended 30 June 2014 was subject to audit by Ernst & Young (GUF's auditor) in accordance with Australian Auditing Standards.

Historical and Pro-forma Financial Information

The condensed consolidated Statement of Profit or Loss and Other Comprehensive Income, to the extent of results from continuing operations only, of Sino for the six months ended 30 June 2014 are included at Appendix 1.

The condensed consolidated Statement of Financial Position as at 30 June 2014 of the Company is included in Appendix 2.

Also included in Appendix 2 is the condensed consolidated pro-forma Statement of Financial Position of the Company which incorporates the condensed consolidated Statement of Financial Position as at 30 June 2014, adjusted on the basis of the acquisition of 100% of the issued and outstanding shares in GUF as at that date and the completion of certain other transactions as disclosed in this report. Details of these transactions are set out in Note 3 of Appendix 3.

6. Valuation of Capitalised costs – Exploration & Evaluation Expenditure

Upon completion of the acquisition of GUF, a significant asset of Sino will be its interests in exploration and mining tenements, comprising tenement acquisition, exploration, evaluation and development costs, which have been capitalised in the Statements of Financial Position.

The interests in exploration and mining tenements have been included at either cost of acquisition to Sino or capitalised exploration, evaluation and development expenditure incurred, in the Statements of Financial Position.

We have not carried out valuations of the exploration and mining tenements and do not express a view on whether the carrying values of the capitalised exploration, evaluation and development expenditure exceeds recoverable amounts. In addition the value of the exploration and mining tenements may rise or fall depending on such factors as future exploration results and world prices for minerals being sought.

7. Measurement of assets and liabilities acquired from GUF

The acquisition of GUF as recorded in the condensed consolidated pro-forma Statement of Financial Position reflects provisional amounts allocated to the assets and liabilities acquired (also refer Appendix 3, Note 4).

The assets and liabilities acquired from GUF will be remeasured after completion of the acquisition. Whilst the total net assets acquired are not expected to change significantly, the allocation between the different types of assets acquired may change significantly as a result of this re-measurement.

8. Financial Assets Available for Sale

Financial assets available for sale, at Note 15 of Appendix 3, include the acquisition of 100% of the issued capital of Sunny Cove Investments Limited ("Sunny Cove") which in turn owns 19.9% of Ardilaun Energy Limited ("Ardilaun").

The investment in Ardilaun is recorded in the condensed statement of financial position at SGD$12 million as at 30 June 2014, which represents the consideration paid for by Sino for the acquisition of Sunny Cove.

We were unable to access accounting records of Ardilaun for the six month period ended 30 June 2014 and, accordingly, were unable to obtain sufficient appropriate review evidence about the financial position of Ardilaun as at 30 June 2014 (ie were there any other assets and liabilities) and its income and expenses for the six months then ended. Consequently we are unable to determine if any adjustments are necessary.

In addition we were unable to obtain sufficient appropriate evidence about the carrying amount of the investment in Ardilaun as at 30 June 2014 of SGD$12 million. In the absence of such evidence we are unable to assess whether or not there is objective evidence that the investment was impaired as at 30 June 2014.

9. Conclusion

Except for adjustments, if any, that we might have become aware of had it not been for limitations imposed on our review, as set out in Section 8 above, based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- The condensed consolidated Statement of Profit or Loss and Other Comprehensive Income, to the extent of results from continuing operations only, of the Company for the six months ended 30 June 2014, as set out in Appendix 1, does not present fairly the results from continuing operations for the six months then ended in accordance with the accounting methodologies required by Australian Accounting Standards;

- The condensed consolidated Statement of Financial Position of the Company, as set out in Appendix 2, does not present fairly the assets and liabilities of the Company and its controlled entities as at 30 June 2014 in accordance with the accounting methodologies required by Australian Accounting Standards;

- The condensed consolidated pro-forma Statement of Financial Position of the Company, as set out in Appendix 2, does not present fairly the assets and liabilities of the Company and its controlled entities as at 30 June 2014 in accordance with the accounting methodologies required by Australian Accounting Standards and on the basis of assumptions and transactions set out in Note 3 of Appendix 3;

- The assumptions and applicable criteria used in the preparation of the condensed consolidated pro-forma Statement of Financial Position of the Company as at 30 June 2014 do not provide a reasonable basis for presenting the significant effects directly attributable to the takeover bid and do not reflect proper application of those adjustments to the unadjusted financial information.

10. Consistency in Application of Accounting Standards

We have been advised by the Directors' of Sino that the Company's unaudited consolidated management accounts for the six months ended 30 June 2014 have been prepared in accordance with Singapore Financial Reporting Standards, with the accounting policies applied and methods of computation used being consistent with those adopted in the preparation of the Company's most recently audited financial statements.

There are no key differences between Australian Accounting Standards (Australian Equivalents to International Financial Reporting Standards - "AIFRS") and Singapore Financial Reporting Standards ("FRS"), with both countries closely modelling their accounting standards on the International Financial Reporting Standards issued by the International Accounting Standards Board.

Accordingly we expect there to be no material differences between the consolidated management accounts (nor the consolidated financial statements once finalised) of Sino for the six months ended 30 June 2014, as they have been prepared, in comparison to their preparation under AIFRS. In order to confirm this view we reviewed the Company's audit reviewed consolidated management accounts for the six months ended 30 June 2014 and audited consolidated financial statements for the year ended 31 December 2013 and made enquiries of the persons at Sino responsible for the financial information included therein. Based on our review and discussions nothing has come to our attention that indicates that Sino's audit reviewed consolidated management accounts for the six months ended 30 June 2014, have not been prepared on a basis consistent with Australian Accounting Standards (AIFRS).

Our review and discussions in relation to the above matter was substantially less in scope than an audit or review conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit or review. Accordingly we do not express an audit opinion or provide any level of assurance in relation to the Company's audit reviewed consolidated financial results from continuing operations for the six months ended 30 June 2014.

11. Subsequent Events

To the best of our knowledge and belief, there have been no material items, transactions or events subsequent to 30 June 2014 not otherwise disclosed in this report or the Bidder's Statement, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

The condensed consolidated pro-forma Statement of Financial Position of Sino as at 30 June 2014, as presented in Appendix 2 of our report, does not take into account the trading results of Sino and its controlled entities subsequent to 30 June 2014, except to the extent of specific transactions itemised in Note 3 of Appendix 3.

12. Other Matters

Moore Stephens Perth Corporate Services Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased conclusion on this matter.

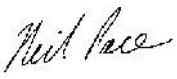
In conducting the review we have complied with the independence requirements of the Corporations Act 2001 and the applicable code of professional conduct.

Moore Stephens Perth Corporate Services Pty Ltd will receive a professional fee for the preparation of this Investigating Accountant's Report.

Moore Stephens Perth, a related practice entity of Moore Stephens Perth Corporate Services Pty Ltd, has also provided a letter for inclusion in the Bidders Statement summarising the tax implications of the offer for Sino shareholders. Moore Stephens Perth will receive a professional fee for the preparation of this letter.

Moore Stephens Perth Corporate Services Pty Ltd were not involved in the preparation of any other part of the Bidder's Statement and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Bidder's Statement.

Yours faithfully



Neil Pace
Director

Signed at Perth this 14th day of November 2014.

SINO CONSTRUCTION LIMITED
(Incorporated in Singapore with Limited Liability)

AND ITS SUBSIDIARIES

CONDENSED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME, TO THE EXTENT OF RESULTS FROM CONTINUING OPERATIONS

FOR THE SIX MONTHS ENDED 30 JUNE 2014

Summarised below is the Company's unaudited actual condensed consolidated Statement of Profit or Loss and Other Comprehensive Income, to the extent of results from continuing operations only, for the six months ended 30 June 2014.

	Note	Unaudited Actual 30.06.2014 S$'000
Continuing operations		
Revenue	5	1,137
Cost of sales		(943)
Gross profit		**194**
Other items of income		
Other income	6	223
Other items of expense		
Administrative expenses		(438)
Finance costs		(5)
Other expenses		(3)
Profit (loss) before tax		**(29)**
Income tax expense	7	-
Profit (loss) from continuing operations		**(29)**
Profit (loss) for the period attributable to:		
Owner of the Company		(66)
Non-controlling interests		37
		(29)
(Losses) earnings per share attributable to owners of the Company (expressed in cents)		
Basic	8	0.00
Diluted	8	0.00

To be read in conjunction with the accounting policies set out in Appendix 3

SINO CONSTRUCTION LIMITED
(Incorporated in Singapore with Limited Liability)

AND ITS SUBSIDIARIES

CONDENSED

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	Unaudited Actual 30.06.2014 S$'000	Unaudited Pro-forma 30.06.2014 S$'000
Current assets			
Cash and cash equivalents	9	113	26,242
Trade and other receivables	10	2,431	3,275
Amounts due for contract work-in-progress		133	133
Other current assets	11	74	2,328
		2,751	31,978
Non-current assets			
Exploration & evaluation assets	12	-	90,054
Trade and other receivables	13	-	2,574
Intangible assets	14	-	372
Financial assets available for sale	15	35,380	35,380
Property, plant and equipment	16	844	80,418
		36,224	208,798
Total assets		**38,975**	**240,776**
Current liabilities			
Trade and other payables	17	33,291	48,005
Borrowings	18	78	43,049
Other liabilities		11	11
Income tax payable		11	11
Short term provisions	19	-	146
		33,391	91,222
Non-current liabilities			
Borrowings	18	636	63,511
Long term provisions	19	-	742
Other liabilities		-	32
		636	64,285
Total liabilities		**34,027**	**155,507**
Net assets		**4,948**	**85,269**
Equity			
Share capital	20	95,482	177,412
Reserve funds	21	(5,200)	(5,200)
Accumulated losses		(85,593)	(86,443)
		4,689	85,769
Non-controlling interest		259	(500)
		4,948	**85,269**

To be read in conjunction with the accounting policies set out in Appendix 3

SINO CONSTRUCTION LIMITED
(Incorporated in Singapore with Limited Liability)

AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2014

1 Significant Accounting Policies (cont'd)

(a) Basis of Preparation

The unaudited actual and unaudited pro-forma condensed consolidated financial information of Sino and its controlled entities (the "Group") as at 30 June 2014 and for the six months ended 30 June 2014 has been prepared on a condensed basis in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards ("FRS"), including related Interpretations of FRS ("INT FRS"), which are consistent with Australian Equivalents to International Financial Reporting Standards – "AIFRS".

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial information of the Group is presented in Singapore dollars, which is the functional currency of the Company and all values presented are rounded to the nearest thousand ("S$'000") unless otherwise stated.

The condensed consolidated financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Group's audited annual report for the year ended 31 December 2013 and the Group's quarterly results announcements made during the last 12 months, which are available on the Company's and SGX's websites.

The financial information has been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Accounting policies and methods of computation used in the condensed consolidated financial information are consistent with those applied in the Group's audit reviewed consolidated management accounts for the six months ended 30 June 2014.

(b) Group Accounting

Consolidation

Subsidiaries are entities over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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1 Significant Accounting Policies (cont'd)

(b) Group Accounting (cont'd)

Consolidation (cont'd)

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity.

Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity in the consolidated statement of financial position, it is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill on the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-

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1 Significant Accounting Policies (cont'd)

(b) Group Accounting (cont'd)

Acquisition of businesses (cont'd)

controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standards.

Disposals of subsidiaries or businesses

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(i) Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to equity holders of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Company.

(c) Functional and Foreign Currency

Functional and presentation currency

The financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to each entity (the "functional currency"). The functional currency of the Company is Singapore Dollar ("S$").

The consolidated financial statements are presented in Singapore Dollars ("S$").

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1 Significant Accounting Policies (cont'd)

(c) Functional and Foreign Currency (cont'd)

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency ("foreign currency") are recognised at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rates at the end of the reporting date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in the foreign currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the exchange rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the date of the balance sheet;

(ii) Income and expenses for each statements presenting profit and loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and

(iii) All resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

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1 Significant Accounting Policies (cont'd)

(c) Functional and Foreign Currency (cont'd)

Translation of Group entities' financial statements (cont'd)

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities not involving a change of accounting basis), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate at the reporting date.

(d) Property, Plant and Equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are also included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Estimated useful lives
Buildings	20 or 30 years
Motor vehicles	5 to 8 years
Machinery and Construction equipment	10 to 20 years
Office equipment and furniture and fittings	2 to 8 years

Construction-in-progress relates to factory facilities and are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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1 Significant Accounting Policies (cont'd)

(d) Property, Plant and Equipment (cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit and loss in the year the asset is derecognised.

(e) Assets held-for-sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less cost to sell.

The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

(f) Impairment of Non-Financial Assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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1 Significant Accounting Policies (cont'd)

(f) Impairment of Non-Financial Assets (cont'd)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment loss.

(h) Financial Assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets, at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception.

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling it in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy.

Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within twelve months after the end of the reporting period.

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1 Significant Accounting Policies (cont'd)

(h) Financial Assets (cont'd)

(i) Classification (cont'd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are presented as current assets, except for those expected to be realised later than twelve months after the end of the reporting period which are presented as non-current assets.

Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" in the statement of financial position.

Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. These are presented as non-current assets unless management intends to dispose of the assets within twelve months after the end of the reporting period.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on a trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sales proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as an expense in profit or loss.

(iv) Subsequent measurement

Financial assets, both available-for-sale and at fair value through profit or loss, are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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1 Significant Accounting Policies (cont'd)

(h) Financial Assets (cont'd)

(iv) Subsequent measurement (cont'd)

Changes in the fair values of financial assets, at fair value through profit or loss, including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Interest and dividend income on financial assets, available-for-sale are recognised separately in income. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

(v) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

Financial assets, available-for-sale

In addition to the objective evidence of impairment described above, a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense.

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1 Significant Accounting Policies (cont'd)

(h) Financial Assets (cont'd)

(v) Impairment (cont'd)

Financial assets, available-for-sale (cont'd)

The impairment losses recognised as an expense on equity securities are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(i) Impairment of Financial Assets

The Group and Company assess at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a weighted average basis and comprises all costs of purchase and other related charges incurred in bringing the inventories to their present location and condition.

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1 Significant Accounting Policies (cont'd)

(j) Inventories (cont'd)

Net realisable value is the estimated selling price at which the inventories can be realised in the normal course of business after allowing for obsolete, slow-moving and defective inventories.

(k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible to know amount of cash and which are subject to an insignificant risk of changes in value.

(l) Construction Contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method), when the outcome of a construction contract can be estimated reliably.

The outcome of a construction contract can be estimated reliably when: (i) total contract revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) the costs to complete the contract and the stage of completion can be measured reliably; and (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue (as defined below) multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date and the estimated costs to complete.

Contract revenue – Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they are capable of being reliably measured.

Contract costs – Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: site labour costs (including site supervision); costs of materials used in construction; depreciation of equipment used on the contract; costs of design, and technical assistance that is directly related to the contract.

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1 Significant Accounting Policies (cont'd)

(l) Construction Contracts (cont'd)

The Group's contracts are typically negotiated for the construction of a single asset or a group of assets which are closely interrelated or interdependent in terms of their design, technology and function. In certain circumstances, the percentage of completion method is applied to the separately identifiable components of a single contract or to a group of contracts together in order to reflect the substance of a contract or a group of contracts.

Assets covered by a single contract are treated separately when:

- Separate proposals have been submitted for each asset;
- Each asset has been subjected to separate negotiation and the contractor and customer have been able to accept or reject that part of the contract relating to each asset; and
- The costs and revenues of each asset can be identified.

A group of contracts are treated as a single construction contract when:

- The group of contracts is negotiated as a single package; the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin; and
- The contracts are performed concurrently or in a continuous sequence.

(m) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

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1 Significant Accounting Policies (cont'd)

(n) Financial Liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Group and Company become a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

For financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised or impaired, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(o) Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(p) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave, expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected

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1 Significant Accounting Policies (cont'd)

(p) Employee Benefits (cont'd)

Long service leave (cont'd)

future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Equity-settled compensation

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share based payments reserve. The number of shares expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund and Social Insurance Schemes participated by the subsidiaries (in respect of retirement insurance and medical insurance scheme organised by the People's Republic of China ("PRC") provisional social security bureau pursuant to the relevant provisions), and will have no legal or constructive obligation to pay further contributions if any of the funds does not hold sufficient assets to pay all employee benefits relating to employee service in the current and preceding financial years. The Group's contributions to defined contributions are recognised as employee compensation expense when they are due.

(q) Operating Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(i) As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value

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1 Significant Accounting Policies (cont'd)

(q) Operating Leases

(i) As lessee

of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(r) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measure at the fair value of consideration received or receivable, excluding discounts, rebates and sales taxes or duty. The Group assesses its revenue arrangements to determine if is acting as principal or agent, the Group has concluded that is acting as a principal in all of its revenue arrangements, the followings specific recognition criteria must also be met before revenue is recognised:

(i) Construction revenue

Construction revenue is recognised using the percentage of completion when the outcome of the construction contracts can be reliably estimated. The accounting policy for construction contracts is set out in Note 2(m).

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1 Significant Accounting Policies (cont'd)

(r) Revenue Recognition (cont'd)

(ii) Sales of goods

Revenue from the sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(iii) Interest income

Interest income is recognised using effective interest method.

(s) Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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1 Significant Accounting Policies (cont'd)

(s) Income Taxes (cont'd)

(ii) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in the accounting for the business combination.

(t) Share Capital and Share Issue Expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(u) Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

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1 Significant Accounting Policies (cont'd)

(u) Contingencies (cont'd)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

(v) Borrowings

Borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the end of the reporting period.

(w) Trade and Other Payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

(x) Exploration, evaluation and development expenditure

Direct and indirect costs attributable to finding mineral resources are allocated to the exploration and evaluation assets. General and administrative costs that are not related directly to operational activities in the areas of interest have been expensed as incurred.

Exploration and evaluation assets are reclassified when technical feasibility and commercial viability has been established.

The exploration and evaluation assets are assessed against facts and circumstances to determine whether the carrying amount exceeds the recoverable amount. The facts and circumstances considered include whether the rights to explore are current, whether any area of interest has been removed from plans for substantive exploration, whether a decision has been taken to discontinue activities, and whether data suggests that the carrying amounts are unlikely to be recovered from development or sale.

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1 Significant Accounting Policies (cont'd)

(x) Exploration, evaluation and development expenditure (cont'd)

Alternatively, when an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is able to be restated proportionately with the change in the gross carrying amount of the asset so that the net carrying amount of the asset after revaluation equals its revalued amount.

(y) Restoration and rehabilitation

The Group records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the asset is installed or the ground/environment is disturbed at the production location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred by the development/construction of the mine. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is recognised in profit or loss as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur.

For closed sites, changes to estimated costs are recognised immediately in profit or loss.

(z) Intangible Assets

Software

Computer software expenses are capitalized at cost of acquisition. Computer software has a finite life and is carried at cost less any accumulated amortisation, and any impairment losses. Computer software is amortised over its useful life ranging from three to five years.

Other intangible assets

Other intangible asset expenses are capitalised at cost. Other intangible assets have a finite life and are carried at cost less any accumulated amortisation, and any impairment losses. Other intangible assets are amortised over their useful life ranging from three to five years.

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2 Critical Accounting Estimates, Assumptions and Judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key judgments – exploration and evaluation expenditure

The Group capitalised expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been identified, the directors are of the continued belief that such expenditure should not be written off since limited exploration and evaluation has been conducted to date and further exploration and evaluation activities in these areas is intended and feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period.

Key estimates – impairment

The Group assesses the recoverable amount of its non-financial assets for impairment whenever there are indicators impairment might exist. When calculating recoverable amount, management makes various estimates and assumptions, including assumptions around recoverable reserves and resources, coal prices and costs of production. In addition management considers any likely transactions to dispose of the assets subject to testing. Actual results may differ from such assumptions.

Key estimates – recoverable reserves and resources

Estimated recoverable reserves and resources are used to determine the depreciation of mine production assets, in accounting for deferred stripping costs and in performing impairment testing. Estimates are prepared by appropriately qualified persons, but will be impacted by forecast commodity prices, exchange rates, production costs and recoveries amongst other factors. Changes in assumptions will impact the carrying value of assets and depreciation and impairment charges recorded in the Statement of Comprehensive Income.

Key estimates – environmental rehabilitation costs

The provisions for rehabilitation costs are based on estimated future costs using information available at the balance sheet date. To the extent the actual costs differ from these estimates, adjustments will be recorded and the income statement may be impacted.

Key judgments – recognition of asset acquisitions

In determining the recognition of asset and business acquisitions, an assessment of the underlying assets and operations of the acquired entity is completed. Where the Group acquires an entity for tenements only, rather than acquiring an operation with clear distinct processes, the acquisition is deemed to be an asset acquisition, rather than a business combination.

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2 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

Key judgments – Minerals Resources Rent Tax

From 1 July 2012, the Group is subject to the Australian Mineral Resources Rent Tax (MRRT). All of the Group's Australian coal licenses are still in the exploration phase, and therefore no reasonable assessment can be made as to whether any MRRT will ultimately be payable. Nevertheless, AASB 112 Income Taxes requires a deferred tax asset to be recorded where the MRRT tax base as at 30 June 2012, known as the "starting base", exceeds the book value at the date to the extent that it is considered probable that the starting base will be recovered through the generation of sufficient mining profits in the future. Conversely, a deferred tax liability is recorded where the starting base is less than book value. No recognition criteria exist for the booking of a deferred tax liability. That is, a deferred tax liability is required to be recorded regardless of the likelihood of paying MRRT in the future.

Under the MRRT legislation, the starting base can be measured based on either market value or book value as at 2 May 2010 (being the date the MRRT, or RSPT as it was originally known, was first announced) plus any qualifying exploration expenditure subsequently incurred. However, where an "exploration right" was not granted as at 2 May 2010, the starting base is limited only to qualifying exploration expenditure incurred on the tenement subsequent to the exploration right being acquired. The majority of the Group's Australian Exploration Permits (or EPCs) were the in application stage as at 2 May 2010.

The determination of whether EPC applications constitute an "exploration right" under the MRRT legislation involves interpretation of the MRRT legislation which is currently unclear.

As at 30 June 2014, no deferred tax liability relating to MRRT has been recorded by the Company on the basis that a) management consider that it is reasonably arguable that the EPC applications are considered "exploration rights" under the MRRT legislation and therefore the starting base is able to be measured with reference to market value, and b) the market value exceeds the book value.

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3 The Preparation of the Unaudited Condensed Consolidated Pro-Forma Statement of Financial Position

The 30 June 2014 unaudited condensed consolidated Statement of Financial Position of the Group has been adjusted to reflect the impact of the following transactions which have or are expected to take place subsequent to 30 June 2014:

- The acquisition by Sino of all the issued and outstanding shares in GUF (for the purposes of this Pro-Forma assumed to be 1,189,295,094) satisfied by the issue of 264,287,799 Sino shares at SGD$0.31 per share. On this basis the consideration is valued at SGD$81.93 million (AUD $72,86 million).

- The issue of shares by GUF, subsequent to 1 July 2014, relating to a rights issue/entitlement offer to shareholders, placing 83,333,334 fully paid ordinary shares at a price of AUD$0.06 each for total cash consideration of SGD$5,622,000 (AUD$5,000,000).

- Options in GUF converted to shares, subsequent to 1 July 2014, resulting in the issue of 83,333,334 fully paid ordinary shares at a price of AUD$0.06 each for total cash consideration of SGD$5,622,000 (AUD$5,000,000).

- Convertible notes issued by GUF converted to shares, subsequent to 1 July 2014, resulting in the issue of 189,250,000 fully paid ordinary shares for total implied consideration of SGD$11,310,785 (AUD $10,059,000)

- Detachable warrants issued by GUF (relating to Amortising Notes) converted to shares by the holders subscribing for new GUF shares, subsequent to 1 July 2014, resulting in the issue of 66,762,962 fully paid ordinary shares at a price of approximately AUD$0.061 for total cash consideration of SGD$4,606,644 (AUD$4,096,980)

- Performance rights issued by GUF to the Group Managing Director converted to shares, subsequent to 1 July 2014, resulting in the issue of 4,758,444 fully paid ordinary shares at a price of approximately AUD$0.061 having an estimated value of SGD$328,332 (AUD$292,006) which has been expensed to the Statement of Profit or Loss and Other Comprehensive Income.

- The accrual of an estimated SGD$500,000 in costs to be incurred by the Company in relation to the acquisition of GUF and an estimated SGD$350,000 in associated stamp duty costs, and the subsequent expensing of these costs in the Statement of Profit or Loss and Other Comprehensive Income.

- The statement of financial position for GUF as at 30 June 2014 has been translated from Australian Dollars (AU$) to Singapore Dollars (SGD$) at an exchange rate of AUD$1 to SGD$1.1244 which is the exchange rate quoted in the proposed takeover bid announcement on 25 September 2014.

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4 The Preparation of the Unaudited Condensed Consolidated Pro-Forma Statement of Financial Position

Details of the acquisition of GUF transaction, provisionally measured are:

	S$'000
Purchase consideration	81,929
Assets and liabilities held at acquisition date, at estimated fair values:	
Cash	26,129
Other current assets	2,254
Trade & other receivables	3,418
Property, plant and equipment	79,574
Mining interests – exploration & evaluation	90,054
Intangible assets	372
Other non-current assets	789
Trade & other payables	(13,864)
Provisions	(888)
Borrowings	(105,846)
Other liabilities	(63)
	81,929

5 Revenue

	Actual 30.06.2014
	S$'000
Construction revenue	1,137
	1,137

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6. Other Income – Net

	Actual 30.06.2014 S$'000
Revenue arising from investment holding:	
Management fee income	-
Fair value (losses)/gains – net	
- financial assets held for trading	-
- financial assets, at fair value through profit or loss	-
(Losses)/Gains on the disposal of financial assets, at fair value through profit or loss – net	-
	-
Interest income	
- bank balances	-
- loan facility and convertible notes	-
- others	-
Currency exchange gains/(losses) – net	2
(Loss)/Gain on disposal of property and equipment	-
Premium on acquisition of subsidiary	221
Property and equipment written off	-
Impairment losses of financial assets, available for sale	-
Miscellaneous income	-
	223

7. Income Tax Expense

The income tax expense on the (loss)/profit before income tax differs from the amount that would arise using the Singapore statutory rate of income tax as explained below:

(Loss)/Profit before income tax	(29)
Tax calculated at a tax rate of 17%	(5)
Effect of different tax rates in other countries	-
Tax exempt revenues	-
Income not subject to tax	-
Expenses not deductible for tax purposes	-
Deferred tax assets not recognised	5
(Over)/Under provision of income tax in prior years	-
	-

The tax rate used for the 2014 year reconciliations above is the corporate tax rate of 17% payable by corporate entities in Singapore (which are the major operating entities of the Group) on taxable profits under tax laws in that jurisdiction.

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8. (Losses)/Earnings per Share

(a) Basic (losses)/earnings per share

Basic (losses)/earnings per share is calculated by dividing the net earnings attributable to equity holders of the Company of SGD$(29,000) by the weighted average number of ordinary shares outstanding of 1,316,763,799 (pro-forma 2,387,402,775).

(b) Diluted (losses)/earnings per share

For the purpose of calculating diluted (losses)/earnings per share, it was based on net earnings attributable to equity holders of the Company of SGD$(29,000) divided by the weighted average number of ordinary shares outstanding, after adjustment for the effects of all dilutive potential ordinary shares, of 1,316,763,799. As at 30 June 2014, the diluted (losses)/earnings per share is the same as the basic (losses)/earnings per share as there were no dilutive potential ordinary shares.

9. Cash and Cash Equivalents

	Actual 30.06.2014 S$'000	Pro-forma 30.06.2014 S$'000
Cash and cash equivalents	113	26,242
	113	26,242

10. Trade and Other Receivables

Trade receivables – third parties (a)	632	632
Loan receivable –Renaissance S.A.	1,256	1,256
Other receivables (b)	543	1,387
Total trade and other receivables	2,431	3,275

(a) Trade receivables from third parties are non-interest bearing and repayable within the normal trade credit terms of 30 to 60 days.

(b) Other receivable in 2014 include a 2013 R&D concession refund received in July 2014.

11. Other Current Assets

Current		
Prepayments	74	2,207
Deposits (i)	-	121
Total	74	2,328

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11. Other Current Assets (cont'd)

(i) In prior periods the Group paid US$2 million (AU$2,066,867) as a deposit in respect of the potential purchase of shares in Mongolian Petroleum Corporation LLC (Mongolian Petroleum). As at 30 June 2014 the Group had not started due diligence in respect of this acquisition (as is allowed under the purchase contract) and accordingly the purchase had not been completed. Under the terms of the agreement the deposit is refundable to Guildford at any time. At year end management assessed the recoverability of the deposit and determined it was appropriate to fully impair the asset recorded. This was based on an assessment of the ability of Mongolian Petroleum to repay the US$2 million, rather than the legal agreements in place. Notwithstanding the impairment the Company will seek to recover the deposit.

12. Exploration and Evaluation Assets

	Actual 30.06.2014 S$'000	Pro-forma 30.06.2014 S$'000
Exploration and evaluation assets – at cost	-	90,054

Movements in carrying amounts of exploration and evaluation assets

During the year ended 30 June 2014, the Group capitalised SGD$4,592,357 worth of expenditure as exploration expenditure. These costs relate to the acquisition and evaluation of mining tenements, including drilling, consulting and rent. A summary of movements for capitalised exploration and valuation expenditure is as follows:

	S$'000
Balance at 1 July 2013	144,788
Exploration expenditure	4,592
Transfer to development assets	(5,387)
Impairment losses (refer below)	(49,721)
Effects of foreign exchange on opening balance	(4,993)
Acquisition Adjustment	775
Balance at 30 June 2014	**90,054**

The recoverability of the carrying amounts of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. During the year a review of the exploration and evaluation assets, in part, precipitated by the unsolicited and non-binding offer from Sino Construction Limited indicated the Australian assets were impaired.

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12. Exploration and Evaluation Assets (cont'd)

The impairment loss of SGD$49,721,000 represented a write-down of certain exploration and evaluation assets in the Australian segment to the recoverable value. This was recognised in the consolidated statement of profit or loss. The recoverable value of AUD$52,000,000 at 30 June 2014 for the Australian exploration and evaluation assets was based on management considering the unsolicited offer announced to the market on 17 July 2014 and independent valuations of the assets. The valuations were determined on both a market multiple and on a discounted cash flow basis, at a discount rate the company would expect a market participant to apply to such cash flows. In light of the current state of the coal market the Company continues to review the value of its assets.

13. Trade and other receivables

	Actual 30.06.2014	Pro-forma 30.06.2014
	S$'000	S$'000
Non-current		
VAT receivable	-	2,312
Loan receivable	-	262
Total	**-**	**2,574**

- Loan receivable relates to Wiggins Island Coal Export Terminal

14. Intangible Assets

Computer software		
Cost	-	370
Accumulated amortisation	-	(27)
	-	343
Other intangible assets		
Cost	-	33
Accumulated amortisation	-	(4)
	-	29
Total	**-**	**372**

15. Financial Assets, Available-for-Sale

Unquoted equity investment, at cost		
Additions at cost	40,580	40,580
Value of conversion rights (promissory notes)	(5,200)	(5,200)
Balance at the end of the year	35,380	35,380
Accumulated impairment		
Balance at the beginning and end of the year	-	-
Net carrying amount	35,380	35,380

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15. Financial Assets, Available-for-Sale (cont'd)

At the end of the reporting period, financial assets, available-for-sale with net carrying amount of SGD$35.38 million are effectively secured against unpaid promissory notes related to the acquisition of these investments (Note 17(b)).

On 3 June 2014 the Company completed the acquisition of 19.9% of the issued capital of Renaissance Enterprises S.A ("Renaissance"), which in turn owns 100% of Topkapi Mineral Sanayi ve Tiearet A.S ("Topkapi"). Topkapi is a corporation established in Turkey with its principal activities being the exploration, evaluation and development of heavy mineral resources in the Ahmetli region in Western Turkey. The cost of the investment in Renaissance is SGD$28.58 million (book value of SGD$23.38 million after deducting value of conversion rights attached to the promissory notes) financed by two 12 month non-interest bearing promissory notes, issued to the vendors of Renaissance, of SGD$23.15 million and SGD$5.43 million respectively. The promissory notes are payable in cash, or are convertible to a total of 135 million Sino shares, at any time during the 12 month period at Sino's option

On 14 February 2014 the Company completed the acquisition of 100% of the issued capital of Sunny Cove Investments Limited ("Sunny Cove") which in turn owns 19.9% of Ardilaun Energy Limited ("Ardilaun"). Ardilaun is a private company incorporated in the Republic of Ireland which in turn owns 100% of Island Oil & Gas Limited, which holds working interests for exploration of oil and gas in the Irish Sea, Celtic Sea and the Seven Heads Gas Field in the Celtic Sea. The cost of the investment in Sunny Cove is SGD$12 million, financed by a 6 month non-interest bearing promissory note issued to the vendors of Sunny Cove. The Company subsequently paid SGD$10 million of the promissory note leaving a balance owning at 30 June 2014 of SGD$2 million.

16. Property, plant & equipment

	Actual 30.06.2014	**Pro-forma 30.06.2014**
	S$'000	**S$'000**
Land and Buildings		
At cost	817	1,002
Accumulated depreciation	(18)	(106)
	799	896
Capital works in progress		
At cost	-	10,807
	-	10,807
Plant and equipment		
At cost	350	4,694
Accumulated depreciation	(305)	(921)
	45	3,773
Mine development		
At cost	-	64,942
	-	64,942
Total	**844**	**80,418**

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17. Trade and Other Payables

	Actual 30.06.2014	Pro-forma 30.06.2014
	S$'000	S$'000
Current		
Trade payables		
- third parties (a)	19	1,942
Accrued payables/expenses	948	7,937
Interest accrued	-	4,952
Promissory Notes payable (b)	30,580	30,580
Shareholder loans	1,744	1,744
Non-trade payable	-	-
Accrued costs associated with the offer	-	850
	33,291	48,005

(a) Trade payables from third parties are non-interest bearing and are settled on 30 to 60 days terms.

(b) Promissory notes payable are non-interest bearing and payable as follows;

- 12 month promissory notes payable to the vendors of Renaissance no later than June 2015 amounting to SGD$28,580,000. The promissory notes are payable in cash or are convertible to a total of 135 million Sino shares, at any time during the 12 month period at the option of Sino.
- 6 month promissory notes payable to the vendors of Sunny Cove amounting to SGD$2,000,000. The promissory notes were payable in cash on 14 August 2014 and have subsequently been paid..

18. Borrowings

Current			
Working capital facility	(a)	-	11,937
Interest bearing loans	(b)	-	31,034
Other loans	(f)	78	78
		78	**43,049**
Non-current			
Interest bearing loans	(b)	-	1,989
Convertible loan	(c)	-	-
Amortising notes	(d)	-	60,886
Other loans	(f)	636	636
Total		**636**	**63,511**

(a) Working capital facility

On 24 September 2012, GUF entered into a working capital facility agreement for US$10,000,000 with Noble International Pte Ltd ("Noble"). The facility originally bore an annual interest rate of LIBOR (London Interbank Offered Rate) plus a margin of 7.25% however from June 2014 this was increased to 10.5% after commencement of negotiations

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18. Borrowings (cont'd)

(a) Working capital facility (cont'd)

to defer the principle repayment. Subsequent to year end GUF has agreed with Noble to defer the principle repayment until 15 December 2014. Both parties are currently executing this agreement.

GUF has capitalised interest to the extent that funds were used in developing a qualifying asset in accordance with accounting policies. As at 30 June 2014, the entire US$10,000,000 facility had been drawn down, with AU$165,960 in unrealised foreign exchange gains being recognised.

(b) Interest bearing loans

On 31 October 2012, GUF entered into a long-term debt facility agreement for US$10,000,000 with Noble. The facility originally bore an annual interest rate of LIBOR (London Interbank Offered Rate) plus a margin of 7.25% however from June 2014 this was increased to 10.5% after commencement of negotiations to defer principle repayments. Principle repayments of 9 equal instalments of US$1,111,111 are made each quarter until maturity, the first of which was made 4 March 2014. Subsequent to year end GUF has agreed with Noble to defer further principle repayments until 10 December 2014. Both parties are currently executing this agreement. Contractually the facility matures on 30 April 2016 however as GUF has deferred some principle repayments Noble has reserved its rights with respect to events of default so the full outstanding balance has been classified as current.

GUF has capitalised interest to the extent that funds were used in developing a qualifying asset in accordance with accounting policies. As at 30 June 2014, the entire US$10,000,000 facility had been drawn down, with AU$98,706 in unrealised foreign exchange gains being recognised.

On 14 November 2013, GUF entered into a Fuel Exclusivity agreement with Noble International Pte Ltd for US$8,000,000. The facility bears an implied annual interest rate of 9.7% and matures on 11 November 2015. As at 30 June 2014, the entire US$8,000,000 facility had been drawn down, US$1,666,667 of principle repayments were made during the financial year. Subsequent to year end GUF has agreed with Noble to defer further principle repayments until 5 December 2014. Both parties are currently executing this agreement.

GUF has capitalised interest to the extent that funds were used in developing a qualifying asset in accordance with accounting policies. AUD$236,423 in unrealised foreign exchange losses have been recognised.

On 18 December 2013, GUF entered into a long-term additional debt facility agreement with Noble International Pte Ltd for US$14,000,000. The facility originally bore an annual interest rate of LIBOR (London Interbank Offered Rate) plus a margin of 7.25% however from June 2014 this was increased to 10.5% after commencement of negotiations to defer principle repayments. Principle repayments of 9 equal instalments of US$1,555,555 are made each quarter until maturity, the first of which was made 4 March 2014. Subsequent to year end

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18. Borrowings (cont'd)

(b) Interest bearing loans (cont'd)

GUF has agreed with Noble to defer further principle repayments until 10 December 2014. Both parties are currently executing this agreement. Contractually the facility matures on 4 March 2016 however as GUF has deferred some principle repayments Noble has reserved its rights with respect to events of default so the full outstanding balance has been classified as current.

GUF has capitalised interest to the extent that funds were used in developing a qualifying asset in accordance with accounting policies. As at 30 June 2014, the entire US$14,000,000 facility has been drawn down, with AUD$689,802 in unrealised foreign exchange losses being recognised.

(c) Convertible loan

On 1 March 2013, GUF entered into a convertible non-revolving term bonds agreement ("the convertible loan") with OCP Asia for proceeds of $39,400,000. GUF paid OCP Asia a bond structuring fee of $1,900,000 and received net proceeds of $37,500,000 on 30 April 2013. The convertible loan included an option at the lenders discretion for conversion into ordinary shares at $0.45 per share.

During the year, this facility was settled in full at the face value of $39,400,000 plus an early settlement charge of $1,549,358, which has been recorded as a finance expense. The facility was settled by offset with the new convertible and amortising notes discussed at Note 14(d).

As at the date of settlement, the notes were carried at an amortised cost of $34,997,039 upon early settlement for $39,400,000 an additional finance expense charge of $4,402,961 was also recognised in the Statement of Comprehensive Income to account for the difference between the settlement value and the amortised cost of the notes.

The attached conversion options were never exercised, and were cancelled upon early settlement. Therefore, a gain of $751,176 has been recorded in other income in the consolidated Statement of Comprehensive Income to reverse the previously booked financial liability.

On 8 January 2014 GUF entered into a debt facility with "OCP Asia" to issue convertible notes with a face value of USD$10,000,000. Proceeds were used to fund working capital requirements in the Groups Mongolian operations. The Convertible Notes bear an interest rate of 12% p.a and mature on the 8 July 2015. Principle terms are:

- 1,000 convertible notes, each with a face value of US$10,000
- Term: 18 months from the date of issue, being 8 July 2015 (the "maturity date")
- Conversion Price: $0.30 (subject to standard adjustments)
  - Subsequent to year end the exercise price has been reset to A$0.06 per share as a result of the Rights Placement in July
- Dates for Conversion: at any time on 8 January 2014 and up to 7 business days prior to the maturity date

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18. Borrowings (cont'd)

(c) Convertible loan (cont'd)

The convertible notes issued include an option for the lender to convert the debt to ordinary shares of GUF at $0.30 per share. At the date of grant, this conversion options were recognised as a financial liability at their fair value being $277,937, which was determined using the Black Scholes option pricing model with the following assumptions:

Dividend yield	nil
Stock price volatility	79.00%
Risk-free interest rate	2.43%
Expected life	1.5 years
Share price	$0.09

At 30 June 2014, the option was fair valued to $683 therefore, a gain of $277,254 has been recorded in other income in the consolidated Statement of Comprehensive Income to reverse the previously booked financial liability at the fair value at grant date of $277,937. The fair value of the option was determined by applying the Black Scholes option pricing model with the following assumptions:

Dividend yield	nil
Stock price volatility	50.75%
Risk-free interest rate	2.43%
Expected life of options	1.02 years
Share price	$0.06

Issuing fees associated with the convertible notes amounted to $561,184 and have been allocated entirely to the convertible note liability.

Subsequent to the end of the year GUF undertook a non-renounceable pro rate entitlement offer to GUF's shareholders. The entitlement offer resulted in an OPC Asia debt facility covenant being broken, specifically that a change of control as defined in the Deed Agreement had occurred. GUF has discussed this with OCP Asia and are in the process of amending the change of control definition in the Deed Agreement.

(d) Amortising notes

On 8 January 2014 GUF also entered into an agreement with "OCP Asia" to issue amortising notes with a face value of USD$55,000,000. The facility was fully drawn down with proceeds used to settle the previous convertible loans discussed at Note 14(c) and to fund working capital requirements in the Group's Mongolian operations. The Amortising Notes bear an interest rate of 12% p.a and matures on 8 January 2017.

The Amortising Notes carried detachable warrants for an amount equal to 18.5% of the Face Value of the Amortising Notes as calculated in Australian dollars at the average USD/AUD exchange rate quoted on Bloomberg on the date of issue of the Amortising Notes. Each warrant entitles the holder to 1 share. Principle terms are:

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18. Borrowings (cont'd)

(d) Amortising notes (cont'd)

- 66,762,962 Detachable Warrants
- Expiry Date: 5 years from the date of issue, being 8 July 2019 (the" warrant maturity date")
- Exercise Price: $0.17 (subject to standard adjustments)
- Date for Exercise: after 8 January 2014 and up to 5pm on the warrant maturity date

The warrants have been recognised in equity (refer Note 17) with a fair value of $3,214,820 after issuance fees, determined by use of the Black Scholes model with the following assumptions:

Dividend yield	nil
Stock price volatility	86.60%
Risk-free interest rate	2.76%
Expected life	5 years
Share price	$0.09

Issuing fees associated with the Amortising Notes facilities amounted to $3,086,511 and have been allocated to the Amortising Notes and the detachable warrants based on their relative fair values on initial recognition.

(e) Security

As part of the security package in relation to the Noble facility agreements, GUF's subsidiaries have provided Mongolian law pledges over the coal stockpile held by Tellus Marketing Pte Ltd, Tellus Commodities Pte Ltd, Terra Energy Mongolia, Alag Tvesh and Tsagaan in favour of Noble.

GUF (together with its relevant subsidiaries) has also provided Mongolian law share pledges in favour of Noble over:

- 100% of the shares in Alag Tvesh held by Tellus Marketing Pte Ltd; and
- 100% of the shares in Tsagaan held by Terra Energy Mongolia.

The security provided by GUF to OCP Asia in relation to the Note Trust Deed includes a General Security Agreement entered into with GUF itself, and certain of its subsidiaries, attaching to all Australian mining tenements held or controlled by GUF or its subsidiaries.

g) Other Loans

Other loans comprise bank loans with a net carrying value of SGD$618,000 secured by a building under construction in a subsidiary and finance leases of SGD$96.000 secured by the underlying assets

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19. Provisions

	Actual 30.06.2014	Pro-forma 30.06.2014
	S$'000	S$'000
Short term		
Employee entitlements	-	146
Long term		
Environmental rehabilitation	-	742

20. Share Capital

	Number of ordinary shares		Amount	
	Actual 30.06.2014	Pro-forma 30.06.2014	Actual 30.06.2014	Pro-forma 30.06.2014
			S$'000	S$'000
Ordinary shares issued and fully paid:				
Balance at 30 June 2014	1,316,763,799	1,316,763,799	95,482	95,482
Issue of shares relating to acquisition of GUF	-	264,288	-	81,929
Share issue expense	-	-	-	-
Balance at 30 June 2014	1,316,763,799	1,317,028,087	95,482	177,412

Capital Management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising share capital, reserves, retained earnings/(accumulated losses) and net debts, which includes borrowings net of cash and cash equivalents.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

Consistently, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt ÷ adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less deferred tax liabilities and cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital reserves, and retained earnings/accumulated losses) and non-controlling interests other than amounts recognised in equity relating to cash flow hedges, and includes some forms of subordinated debt, if any.

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20. Share Capital (cont'd)

There were no changes in the Group's approach to capital management during the current and previous financial years.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

21. Reserves

		Actual 30.06.2014	Pro-forma 30.06.2014
		S$'000	S$'000
(a)	Composition:		
	Other Reserve – Equity component of convertible promissory notes	(5,200)	(5,200)
	Currency translation reserve	-	-
	Fair value reserve	-	-
		(5,200)	(5,200)

22. Capital and leasing commitments

(a) Finance leases

The group has no material finance lease commitments as at 30 June 2014

(b) Operating leases

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable minimum lease payments:		
- not later than one year	-	1,968
- Later than one year, not later than five years	-	11
	-	**1,979**

(c) Capital expenditure commitments

The exploration commitments for Exploration Permits for Coal (EPCs) to the Department of Mines and Energy (Queensland) and Mongolian authorities are tabulated below:

Payable		
- not later than one year	-	7,448
- Later than one year, not later than five years	-	8,422
	-	**16,245**

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22. Capital and leasing commitments (cont'd)

(c) Capital expenditure commitments (cont'd)

GUF has entered into a range of arrangements with Noble in respect of Exploration Licence 12600X, located adjacent to the South Gobi Project. The arrangements are linked to the Noble Facility Agreement and provide for Guildford to have an option to acquire all of the shares in Enkhtunkh Orchlon LLC ("EO"), a wholly owned subsidiary of Noble and the holder of Exploration Licence 12600X, or to operate the mines of 12600X for cost plus. As at 30 June 2014 GUF had exercised a conditional option to purchase all the shares is EO on the basis of certain terms and conditions resulting in a payment of US$6 million falling due in December 2014. However, at 30 June 2014 Noble had not signed the agreement and GUF formally rescinded acceptance of the option on 24 September 2014. GUF continues to be in discussions with Noble to further explore 12600X opportunities.

(d) Commitments for Investment

Commitments not recognised at the end of the reporting date in the financial statements are as follows:

	Actual 30.06.2014 S$'000	Pro-forma 30.06.2014 S$'000
Commitment - Investments	26,460	26,460

On 6 June 2014 the Company entered into a sale and purchase agreement for the acquisition of 51% of the issued capital of Signet Coking Coal International Limited for consideration of US$21 million.

Completion of the acquisition was initially due to take place on 5 August 2014 but is yet to take place, subject to shareholders approval at an Extraordinary General Meeting which is yet to be held.

The purchase consideration shall be satisfied by the Company on completion by the issue to the Vendor of a convertible promissory note. Principal terms of the promissory note are;

(i) US$6 million on the completion of the initial program for the exploration, development, production and exploitation of The Duel; and the preparation, completion and delivery to the Parties respectively of a JORC compliant report in respect of The Duel ("JORC Completion Date");

(ii) US$10 million on the day being 6 months after the JORC Completion Date; and

(iii) US$5 million on the day being 12 months after the JORC Completion Date.

The Vendor shall be entitled in respect of each of the 3 tranches of payment of the Purchase Consideration, on written notice to the Company, to demand that each relevant tranche shall

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22. Capital and leasing commitments (cont'd)

(d) Commitments for Investment (cont'd)

be paid and settled by the allotment and issue, credited as fully paid, of shares in the issued share capital of the Company ("Shares") (which Shares shall be listed for trading on the SGX-ST ("Conversion Shares") to the Vendor (and/or as its nominees(s)), equal in value to the value of the relevant payment tranche. For such purposes, the issue price ("Issue Price") of the Conversion Shares shall be equal to 90% of the Volume Weighted Average Price ("VWAP") of the Shares of the Company on the SGX-ST on the date of the SPA, and the applicable exchange rate for the conversion of US$ to S$ shall be USD1:SGD1.26.

Conversion Shares

If the holder of the Promissory Note so elects for all 3 tranches to be paid by the allotment and issue of Conversion Shares under the Promissory Note, the total number of Conversion Shares to be allotted and issued shall be 136,490,250.

23. Contingencies

Contingent liabilities

GUF had the following contingent liabilities at the end of the financial year:

The FTB (QLD) Pty Ltd Share Sale Agreement dated 14 September 2011 includes an agreement to pay a Royalty of $0.50 per tonne of coal mined from the FTB tenements and sold to a third party (tenements acquired as part of the sale agreement included 1300, 1394, 1477, 1478, 1479, 1480, 1573, 1574, 1576, 2046, 2047, 2048, 2049 and 2105). The Royalty applies to a maximum tonnage of 10 million tonnes (Mt) per year and will cease 20 years from the date of first production of coal from any of the FTB (QLD) Pty Ltd tenements. No amount has been paid or accrued as at 30 June 2014.

The Share Purchase Agreement between GUF and Resco Projects Pty Limited, for the purchase of 50.52% ownership in Springsure Mining Pty Limited, provides for contingent payments of $2,200,000 ("Initial additional consideration") for each of the first five tranches of 10Mt of JORC (Joint Ore Reserves Committee) Indicated Resources and $1,800,000 ("Final additional consideration") for each of the next five tranches of 10Mt of JORC Indicated Resource to a maximum of $20,000,000 (payable in cash or GUF shares). These contingent payments are in additional to the initial purchase consideration of $250,000.

On the 29 November 2013 GUF announced a Maiden JORC Indicated Resource of 43Mt in Exploration Permit for Coal (EPC) 1674, Springsure Project. The Indicated Resource triggered the Initial additional consideration settlement from the Company to Resco Projects Pty Limited (Resco) under the Springsure Share Sale Agreement by which Springsure was acquired by GUF (Springsure Settlement).

Resco had assigned the Springsure Settlement to TheChairmen1 Pty Ltd (C1). Resco's assignment of the Springsure agreement to C1 extinguished the corresponding liability that Resco had to C1, stemming from Resco's agreement to purchase shares in Springsure from C1. GUF consented to this assignment in return for adjustments to the Springsure Settlement which improved the commercial terms for GUF.

23. Contingencies (cont'd)

The revised commercial terms were as follows:

- The Springsure Settlement was to have been $11m (being payments of $2.2m for each 10Mt tranche up to a maximum 50Mt of JORC Indicated Resource). However, The Company would only make payments for four 10Mt tranches (totalling $8.8m) as C1 had agreed to forego, after negotiations with GUF, any settlements for the fifth 10Mt tranche;

- GUF was released from any obligation to pay the fifth 10Mt tranche; and

- Payment was made by the issue to C1 of fully paid ordinary shares in GUF, not a cash settlement.

Pursuant to a deed poll dated 19 December 2012 made by GUF in favour of Resco, Bluestone Global Limited and Gleneagle Securities Nominees Pty Ltd, GUF:

- Acknowledged the assignment by Resco of its rights to receive the Final additional Consideration in respect of the last five 10Mt Milestones to Gleneagle Securities Nominees Pty Ltd.

As announced on 5 April 2010, GUF has granted to a call option to certain affiliated funds of Och-Ziff Capital Management Group LLC (the Och-Ziff funds) with respect to Terra Energy Limited. The Call Option Deed provides the Och-Ziff funds with the right to acquire a 25% interest stake in Terra Energy Limited (which is now a wholly owned subsidiary of GUF) for A$25 million. The option expires immediately prior to a qualifying IPO, otherwise there is no expiration date.

GUF has received a revised claim of US$2m for 2013 contract variations relating to the BNU mine haul road contractor. GUF is reviewing the validity of the claim and is in ongoing discussions with the claimant.

GUF has issued bank guarantees to the value of $18,392 as at 30 June 2014.

24. Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and loans to and from subsidiaries and from external lenders.

The total for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

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24. Financial Risk Management (cont'd)

	Actual 30.06.2014	Pro-forma 30.06.2014
	S$'000	S$'000
Financial assets		
Cash and cash equivalents	113	26,242
Trade and other receivables	2,431	3,275
Deposits	-	121
Financial assets available for sale	35,380	35,380
	37,924	**65,018**
Financial liabilities		
Trade and other payables	33,291	48,005
Financial borrowings	714	106,560
	34,005	**154,565**

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Financial Controller. The audit committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the balance sheet.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an on-going basis.

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24. Financial Risk Management (cont'd)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

Surplus funds are placed with reputable banks.

Information relating to the Group's interest rate exposure is also disclosed in the notes on the Group's borrowings.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with various banks.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting date based on contractual undiscounted payments.

	Carrying amounts	Contractual amounts	< 1 year	1 - 5 years	> 5 years	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Actual						
2014						
Trade and other payables	33,291	33,291	33,291	-	-	33,291
Borrowings	714	714	714	-	-	714
	34,005	34,005	34,005	-	-	34,005
Pro-forma						
2014						
Trade and other payables	48,005	48,005	48,005	-	-	48,005
Borrowings	106,560	108,859	43,684	65,175	-	108,859
	154,565	156,864	91,689	65,175	-	156,864

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rate, interest rate and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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24. Financial Risk Management (cont'd)

(d) Market risk (cont'd)

(i) Currency risk

Sino

Sino operates internationally and is subject to various currency exposures, primarily with respect to the Malaysian Ringgit (RM), Chinese Renminbi (RMB) and Australian Dollars (AUD). Currency risk arises from recognised assets and liabilities and net investments in foreign operations.

The Group has certain investments in foreign operations (Malaysia, China, Australia, Ireland Turkey and South Africa), whose net assets are exposed to currency translation risk. Currency exposures to the net assets of the Group's foreign operations are kept at a minimal level. The Group does not presently hedge this foreign exchange exposure.

Generally, recognised assets and liabilities are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily Singapore Dollar, but also RM, RMB and AUD. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The Group monitors exposure of foreign currency risk on an ongoing basis by reviewing the liquid assets and liabilities held in currencies other than the Singapore Dollar to ensure that the net exposure are within acceptable parameters.

GUF

Exposure to foreign exchange risk may result in the fair value of future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which GUF holds financial instruments which are other than the functional currency of the entities within GUF.

As at 30 June 2014, GUF holds borrowings to the value of AU$104 million in overseas currencies.

(ii) Price risk

The Group is exposed to equity securities price risk from its investments held, which are classified on the statement of financial position as financial assets, at fair value through profit or loss or available-for-sale. These equity securities are unlisted in Singapore, Malaysia, Turkey, Ireland and Australia. The market value of these investments are affected, amongst others, by changes in market prices as a result of changes in global economic conditions, macro and micro economic factors affecting the relevant countries, where the investments are quoted, and factors specific to investee corporations. The fluctuations in market prices due to the above factors are unforeseen and the Group monitors these changes to respond to them as and when appropriate and necessary.

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24. Financial Risk Management (cont'd)

(d) Market risk (cont'd)

(iii) Cash and cash equivalents

The Group held cash and cash equivalents of SGD$113,000 (pro-forma SGD$26,242,000) as at 30 June 2014, which represents their maximum credit exposure on these assets. The cash and cash equivalents are held with banks with good credit ratings.

25. Fair Value Measurements

Fair value hierarchy

All assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows;

Level 1 – Measurement based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Measurement based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Measurement based on unobservable inputs for the asset or liability.

The table below shows the assigned categorisation within the fair value hierarchy for each asset and liability held at fair value by The Group.

	Level 1	Level 2	Level 3	Total
	S$'000	S$'000	S$'000	S$'000
30 June 2014				
Recurring fair value measurements				
Options on convertible loans	-	1	-	1
Financial Instruments not carried at fair value				
Convertible Bonds		11,311		
Amortising Notes		60,886		
Interest bearing loans		44,960		

Valuation techniques and inputs used to measure level 2 fair values

The fair value of the conversion option on the convertible notes is determined using the Black Scholes option pricing model which uses observable market data. The details of the data used Black Scholes model is contained in Note 18(c).

The fair value of the convertible bonds and amortising notes is based on the present value of expected cash flows determined using current estimates of market interest rates.

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25. Fair Value Measurements (cont'd)

The fair value of the interest bearing loans and working capital facility approximates their present value at 30 June 2014 due to their short term nature.

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair value.

26. Subsequent Events

(a) On 22 July 2014, the Company entered into a conditional sale and purchase agreement to acquire 52% of the issued share capital of JEMS Exploration Pty Ltd ("JEMS"), a company incorporated in Victoria, Australia, for an aggregate purchase consideration of US$20 million (SGD$25.2 million). JEMS is in the business of exploring and mining coal in Queensland.

Satisfaction of the Purchase Consideration

On completion, which is subject to shareholder approval at a yet to be held Extraordinary General meeting, the Company shall pay for and satisfy the Purchase Consideration by the issuance by the Company to the Vendor of convertible promissory notes (the "Promissory Notes") as follows;

(i) a Promissory Note(s) for the aggregate principal sum of USD$10,000,000 shall be issued by the Company subject to the following terms and conditions:

(i) The Promissory Note(s) shall be non-interest bearing; and

(ii) The principal sum of USD$10,000,000 shall mature and be due and payable in cash on the date falling twelve (12) months after the date of issuance of such Promissory Note(s); and

(iii) Prior to such maturity, the Company has the option to redeem the Promissory Note(s) from the holder(s) of such Promissory Note(s) by converting the principal sum of the Promissory Note(s) into an aggregate of 63,000,000 new ordinary shares in the capital of the Company ("Conversion Shares") and allotting and issuing such Conversion Shares to the holder(s) of the Promissory Note(s) (and/or as it may direct) at the issue price of S$0.20 for each Conversion Share ("Issue Price"), in full and final settlement of all sums due (whether as principal or otherwise) under such Promissory Note(s).

(ii) a Promissory Note(s) for the aggregate principal sum of USD$10,000,000 shall be issued by the Company subject to the following terms and conditions;

(i) The Promissory Note(s) shall be non-interest bearing; and

SINO CONSTRUCTION LIMITED
(Incorporated in Singapore with Limited Liability)

AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2014

26. Subsequent Events (cont'd)

(ii) Subject to (iii) below;

(a) The principal sum of USD$10,000,000 shall mature and be due and payable in cash on the date falling twelve (12) months after the date of issuance of such Promissory Note(s); and

(b) Prior to such maturity, the Company has the option to redeem the Promissory Note(s) from the holders(s) of such Promissory Note(s) by converting the principal sum of the Promissory Note(s) into an aggregate of 63,000,000 Conversion Shares and allotting and issuing such Conversion Shares to the holder(s) of the Promissory Note(s) (and/or as it may direct) at the Issue Price, in full and final settlement of all sums due (whether as principal or otherwise) under such Promissory Note(s).

(iii) Unless otherwise agreed in writing by the Company, the Company shall only be liable to make payment in respect of the principal sum of USD$10,000,000 provided that, during the abovementioned period of twelve (12) months after the date of Promissory Note(s), JEMS either;

(a) Secures funding (on terms acceptable to the Company) for the capital expenditure requirements of the Company to develop and operate the mining operations of the Grey Range Project; or

(b) Procures offtake (on terms acceptable to the Company) for the thermal coal to be produced from the Grey Range Project.

As the date of this report the acquisition has yet to be completed.

(b) On 25 September 2014, the Company announced an off-market takeover bid (the "Takeover Bid") to acquire all the fully paid ordinary shares in the capital of GUF ("GUF Shares"). The consideration to be offered under the Takeover Bid is to be satisfied by way of an allotment of 1.0 new fully paid ordinary shares in the capital of the Company's shares (the "Shares") for every 4.5 GUF Shares, up to a maximum of approximately 264,287,799 new Shares (the "Consideration Shares"), subject to any fractional entitlements being rounding up to the nearest whole Consideration Shares.

SINO CONSTRUCTION LIMITED

(Incorporated in the Republic of Singapore)

(Registration No: 200613299H)

ACCEPTANCE FORM

Offer by Sino Construction Limited to acquire all of your fully paid ordinary shares in Guildford Coal Limited

Need help?
Contact the Offer Information Line
Ph: 1300 721 637 (within Australia)
Ph: +61 2 8016 2890 (outside Australia)

THIS IS AN IMPORTANT DOCUMENT

IF YOU REQUIRE ANY ASSISTANCE PLEASE CONSULT YOUR FINANCIAL, LEGAL OR OTHER PROFESSIONAL ADVISER

Use this Acceptance Form to accept the Offer by Sino Construction Limited (**Sino Construction**) for all of Your Guildford Shares as recorded in the Guildford Register in accordance with the terms of the Offer set out in the Bidder's Statement dated 18 November 2014. You should read the Bidder's Statement which accompanies this Acceptance Form. By accepting the Offer for all of Your Guildford Shares you are accepting the Offer for all of Your Guildford Shares held on the Guildford Register on the date your acceptance is processed (even if different to the number stated in this Acceptance Form). The consideration applicable is set out in the Bidder's Statement. Defined terms in this Acceptance Form have the meaning given in the Bidder's Statement.

STEP 1 – Your name and address details

Total Number of Guildford Shares held by you at 7pm on 18 November 2014	
Consideration payable for the Guildford Shares	
HIN/SRN	
Sub-register	

STEP 2 – For Issuer Sponsored Holdings only

If Your Guildford Shares are held on the Issuer Sponsored Sub-register (see "Sub-register" above), to accept the Offer you must **complete Step 4 below, sign at Step 5 and return this form to the addresses stated below before the end of the Offer Period**.

STEP 3 – For CHESS Holdings only

If Your Guildford Shares are held on the CHESS Sub-register (see "Sub-register" above) to accept the Offer you can **either**:

- contact your Controlling Participant – normally your broker – and **instruct them to accept the Offer on your behalf - if you do this and your Controlling Participant follows those instructions, you must also complete Step 4 below, sign at Step 5 and either send this form to Boardroom Pty Limited (Boardroom) at the addresses detailed below or otherwise email a copy of this form to Boardroom at corporateactions@boardroomlimited.com.au; OR**
- if you want Sino Construction to contact your Controlling Participant on your behalf, **write their details below, complete Step 4 below, sign at Step 5 and return this form to the addresses stated below before 7.00pm (Sydney time) on the second last Business Day of the Offer Period**. By doing so you authorise Sino Construction to instruct your Controlling Participant to initiate acceptance of the Offer and to take all other steps necessary to cause acceptance of the Offer in accordance with the ASX Settlement Operating Rules.

Your broker's name	Your broker's address	Your broker's telephone number

STEP 4 – Select the method to receive the Sino Construction Shares

As detailed on the back of this Acceptance Form, there are two ways you can elect to receive the Sino Construction Shares that are offered as the Offer Consideration. Please mark **ONE** of the boxes below to choose the method in which you wish to receive the Offer Consideration. If you do not make an election or your election is invalid or indistinct, you will be deemed to have elected Option 1 (i.e. to receive the Sino Construction Shares in certificated form by way of a physical share certificate).

OPTION 1 ☐ **Have the Sino Construction Shares issued to you in certificated form (by way of a physical share certificate). You do not need to complete the remaining boxes in Step 4 but must complete Step 5**

OPTION 2 ☐ **Have the Sino Construction Shares issued in uncertificated form to your CDP Securities Account or your nominee's CDP Securities Account. Please complete the details below and then complete Step 5. If your Controlling Participant accepts the Offer on your behalf, please ensure you mail a copy of this Acceptance Form to Boardroom or email a copy to corporateactions@boardroomlimited.com.au**

Name CDP Securities Account Individual/Joint Names/Corporate/Approved Nominee) (as appears with CDP)	CDP Securities Account Number must be 12 digits (XXXXXXXXXXX)	Nationality or place of incorporation/registration of nominee (as appears with CDP) Tick box below:
		Singaporean ☐ Malaysian ☐ Other ☐
National Registration Identity Card for Singaporean Resident or Passport Number (as appears with CDP)	**Company/Business Registration Number (if not an individual) (as appears with CDP)**	**Are you a permanent resident of Singapore (please tick one box below)**
		Yes ☐ No ☐

If the Sino Construction Shares to be issued as the Offer Consideration are being issued to an approved nominee's CDP Securities Account, please also provide the following information

Ultimate Beneficial Owner's name	

STEP 5 - You must sign this form for your instructions in this Acceptance Form to be executed

I/We accept the Offer made by Sino Construction for all my/our Guildford Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of Your Guildford Shares as per the above instruction. By selecting Option 2 above, I/we unconditionally and irrevocably direct, authorise and instruct Sino Construction to issue the Sino Construction Shares which I/we are entitled to receive from my/our acceptance of the Offer to the CDP Securities Account stated above in lieu of a share certificate being issued. I/we acknowledge and agree that all information provided must exactly match those details of CDP and, if it does not, agree to the Sino Construction Shares being issued in certificated form and that Sino Construction (and its agent) will not be responsible for checking the sufficiency, accuracy or completeness of any information provided.

Guildford Shareholder	**Guildford Shareholder**	**Guildford Shareholder**
Individual	Director	Director/Company Secretary (Delete One)

Please ensure you provide a telephone number where you may be contacted during business hours: _____

HOW TO COMPLETE THIS ACCEPTANCE FORM AND ACCEPT THE OFFER

STEP 1. Your name and address details

The Offer Consideration you are entitled to will be issued in respect of the name(s) as they appear on the latest copy of the Guildford Register of shareholders received by Sino Construction

Your printed name and address is as it appears on the Guilford Register. If your holding is on Issuer Sponsored sub register and this information is incorrect, please make the correction on this form and initial the correction. Guildford Shareholders sponsored by a broker on the CHESS Sub-register should advise their broker of any changes.

This Acceptance Form can only be used in respect of the security holding printed on the other side of this form.

STEP 2 Issuer Sponsored Holdings (as indicated by "Issuer Sponsored" appearing next to "Sub-register" on this Acceptance Form)

If Your Guildford Shares are in an Issuer Sponsored Holding, to accept the Offer, you must **complete Step 4, sign at Step 5 overleaf and return this Acceptance Form to one of the addresses shown below before the end of the Offer Period**.

STEP 3 CHESS Holdings (as indicated by "CHESS" appearing next to "Sub-register" on this Acceptance Form)

If Your Guildford Shares are in a CHESS Holding, you can either:

- contact your Controlling Participant, normally your broker, and instruct them to accept the Offer on your behalf. You must **also complete Step 4, sign at Step 5 & either send this form to Boardroom at the addresses detailed below or otherwise email a copy of this form to Boardroom at corporateactions@boardroomlimited.com.au**; **OR**
- authorise Sino Construction (and its agents) to contact your Controlling Participant on your behalf. To do so, you must **complete Step 4, sign at Step 5 and return the Acceptance Form to one of the addresses shown below before 7.00pm (Sydney time) on the second last Business Day of the Offer Period** to authorise Boardroom to instruct your Controlling Participant to initiate acceptance of the Offer and to take all other steps necessary to cause acceptance of the Offer in accordance with the ASX Settlement Operating Rules.

It is the responsibility of the Guildford Shareholder to allow sufficient time for their Controlling Participant, including at the instruction of Boardroom, to initiate acceptance of the Offer on their behalf. Sino Construction and Boardroom will not be responsible for any delays incurred by this process.

STEP 4 Select the method to receive the Sino Construction Shares

Only sign and return this form if you wish to accept the offer for ALL of Your Guildford Shares. Provided you are not an Ineligible Foreign Shareholder, you have two choices as to how you can elect to receive the Sino Construction Shares (being Option 1 or Option 2 as detailed below). Please mark only ONE of Option 1 or Option 2 on the front of this Acceptance Form. If you do not make an election or your election is invalid or indistinct, you will be deemed to have elected Option 1 (i.e. to receive the Sino Construction Shares in certificated form by way of a physical share certificate). If you are an Ineligible Foreign Shareholder any election under Step 4 will be invalid. Instead you will receive the net cash sale proceeds of the Sino Construction Shares sold through a nominee (further details on this process are included in the Bidder's Statement).

OPTION 1 - Receive Sino Construction Shares in certificated form - If you wish to receive a physical share certificate please choose this option**.**

OPTION 2- Deposit the Sino Construction Shares in a CDP Securities Account - If you wish to receive the Sino Construction Shares in a CDP Securities Account (either your account or that of your nominee) please choose this Option. You will be required to provide further information as specified on the other side of this Acceptance Form in Step 4. We recommend that you contact your CDP Securities Account operator to advise them that, should the Offer become unconditional, the Sino Construction Shares issued as the Offer Consideration will be deposited into the CDP Securities Account.

STEP 5. Signature(s)

You must sign the form as follows in the space provided overleaf for your instructions to be executed:

Joint holding: Where the shareholding is in more than one name all of those Guildford Shareholders must sign.

Deceased estate: All executors must sign and, attach a certified copy of probate, letters of administration or grant accompanied (where required by law for the purpose of the transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of section 1071B(9)(b)(iii) of the Corporations Act.

Power of attorney: To sign under power of attorney, you must attach a certified copy of the power of attorney to this form when you return it. By signing this form under a power of attorney, you will have declared that you have no notice of revocation of the power of attorney.

Companies: This form must be signed by either 2 directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Delete titles as applicable.

ADDITIONAL NOTES

1. **Sold all your Guildford Shares?** If you have sold all of Your Guildford Shares you do not need to respond to this Offer**.**
2. **Recently bought or sold Guildford Shares?** If you have recently bought or sold any Guildford Shares, your holding may differ from that shown on the front of this form. If so, please alter the number of Guildford Shares shown as your registered holding on the front of this form to the number of Guildford Shares you now hold.

Information you supply on this Acceptance Form will be used by Sino Construction and Boardroom Pty Limited for the primary purpose of processing your acceptance of the Offer and to provide you with the consideration payable under the Offer. This information may be disclosed to Sino Construction's professional advisers, securities brokers, printing and mailing providers and other third parties in connection with the Offer. If you do not supply this information, your acceptance may not be processed and you may not receive the consideration payable. You may have rights to access the personal information you have supplied. Please see Boardroom Pty Limited's privacy policy on its website www.boardroomlimited.com.au

This Acceptance Form must be received at the relevant address shown below before the end of the Offer Period, being 7.00pm (Sydney time) on 25 February 2015 (unless the Offer is withdrawn or extended).

Postal address
Boardroom Pty Limited
Sino Construction Takeover Offer
GPO BOX 3993
SYDNEY NSW 2001

Delivery in person
Boardroom Pty Limited
Sino Construction Takeover Offer
Level 7, 207 Kent Street
Sydney NSW 2000

If the Acceptance Form is sent by mail from within Australia, you may use the enclosed reply paid envelope. Neither Sino Construction nor Boardroom Pty Limited takes any responsibility if you lodge this Acceptance Form at any other address or by any other means.