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

FURTHER CLARIFICATION ON THE BUSINESS TIMES ARTICLE

The Company refers to the article published on the Business Times yesterday entitled "Sino Construction turning itself into a global coal resource player" (the "**Article**"), and to the earlier announcement on 19 November 2014 relating to the Article.

Shareholders should also refer to the Company's announcement on 25 September 2014 entitled "Proposed Diversification and Change of Name" for information on the Company's plans.

The Article

Further to the announcement released earlier today on the Article, the Company would like to clarify the following:

(a) The Company hopes to build a resource portfolio with up to 10 billion tonnes of coal in terms of exploration targets and resources, with minimal gearing or financial exposure in the next two years, through the acquisitions and investments announced this year, as well as potential transactions in future.

As previously announced:

(i) Signet Coking Coal International Limited has an exploration target of over 2 billion tonnes of coal resources.
(ii) JEMS Exploration Pty Ltd has JORC inferred coal resources of 858 million tonnes.
(iii) Guildford Coal Limited has total JORC compliant measured, indicated and inferred resources of 15, 268 and 2,134 million tonnes respectively and an upper exploration target of 8.134 billion tonnes.

In expressing the Company's goal, Mr Chee took a conservative approach with respect to the two year timeframe, taking into consideration factors such as the uncertainties inherent in exploration and prospecting work, and the conditions for the completion of these proposed acquisitions.

(b) The Business Times article reported that Edward Lee, the Company's controlling shareholder, commented that "the company's conservative use of its balance sheet, with management opting to tap bond markets, rather than take on excessive debt, as well as its asset-light approach, buying tenements and rights, and drilling to prove reserves rather than committing billions of dollars to build and run mining operations".

The Company will not comment on Mr Lee's views. However, the Company would like to provide some insight on its current strategy:

(i) Several of the proposed investments and acquisitions entered into by the Company were to be funded by convertible promissory notes rather than cash. This allows the Company to defer payment of portions of the total consideration, and gives the Company flexibility to pay in new shares instead of cash.

(ii) As a listed Company, one of the key benefits of a public listing is access to the capital markets for funding. The Company intends to tap on the capital market as and when it deems necessary.

If the Company chooses to take on debt financing, it will do so prudently. The use of convertible promissory notes also allows the Company more time to decide on whether to make payment in cash or new shares, which the Board believes to be a prudent strategy in light of the Company's expansion plans. The Company believes that it will have a more complete view on its commitments and funding needs by the time the promissory notes mature and the payments for these transactions become due.

If the proposed investments and acquisitions previously announced do proceed to completion, the Company does not believe it will be possible to continue being asset light.

As stated in the Article and the Company's announcement, the Company hopes that the next stage of its development will be to sell coal assets with proven reserves, or to pursue joint ventures with partners to share the burden of developing the coal assets further.

Caution in Trading

None of the plans stated in the Article are finalised to date. The Company will issue further announcements to update shareholders on any developments, as and when they occur.

Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Andy Chee / Kenneth Lim
Chairman / Executive Director
20 November 2014