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

ACQUISITION OF 19.9% OF RENAISSANCE ENTERPRISES S.A.

---

1. INTRODUCTION

1.1 The Board of Directors (the "**Board**") of Sino Construction Limited (the "**Company**", and together with its subsidiaries, collectively, the "**Group**") wishes to announce that it had on 29 April 2014 entered into a sale and purchase agreement (the "**SPA**") with **80 Dollars Ltd** (the "**1st Vendor**") and **Mr Hakan Baykam** (the "**2nd Vendor**") (together the 1st Vendor and the 2nd Vendor, the "**Vendors**"), for the acquisition of an aggregate of 6,169 ordinary shares (the "**Sale Shares**") of Renaissance Enterprises S.A. ("**Renaissance**"), such shares constituting 19.9% of the entire issued share capital of the Renaissance (the "**Acquisition**").

1.2 Completion of the Acquisition is expected to take place on 13 May 2014 (the "**Completion**").

2. INFORMATION ON RENAISSANCE AND THE VENDORS

2.1 **Renaissance.** Renaissance is a limited liability company incorporated in Luxembourg. The 1st Vendor and the 2nd Vendor are the legal and beneficial owners of 25,110 and 5,890 ordinary shares of Renaissance respectively, which together constitute the entire issued share capital of Renaissance.

2.2 **Topkapi.** Topkapi Mineral Sanayi ve Ticaret A.S. ("**Topkapi**") is a wholly-owned subsidiary of the Renaissance. Topkapi is a corporation established in Turkey and its principal activities are those of exploration, development, extraction, processing, production and trading of metals and minerals in Turkey.

2.3 Topkapi is the sole legal and beneficial holder of seven (7) licences ("**Key Licences**") granted in respect of the titanium project located within a contiguous area of 113 square kilometres in or around the Manisa District of western Turkey (the "**Manisa Titanium Project**"). The said licences allow Topkapi to explore, develop extract, process, produce and trade titanium obtained from the Manisa Titanium Project.

2.4 The Manisa Titanium Project is the world's second largest known heavy mineral reserve. The minerals contained include rutile and ilmenite (products bearing titanium) and zircon.

According to a technical report prepared by IMC-Montan Consulting GmbH, dated November 2013 and prepared to the Canadian National Instrument 43-101, Manisa Titanium Project contains 6.22 billion tonnes of Measured plus Indicated Resources at 3.10% total heavy minerals.

The Manisa Titanium Project contains Proven and Probable Reserves of 6.11 billion tonnes of heavy minerals.

2.5 As at the date of the SPA, the Manisa Titanium Project is in the late exploration/early feasibility study stage, with a pilot plant planned for commissioning in the first half of 2015.

2.6 **The 1st Vendor**. The 1st Vendor is a public limited company incorporated in Malta. Mr Gokhan Baykam is the sole shareholder and director of the 1st Vendor. Mr Gokhan Baykam is presently the founder and Chief Executive Officer of the Relight Group. Mr Gokhan Baykam is the elder brother of the 2nd Vendor.

2.7 **The 2nd Vendor**. The 2nd Vendor is Mr Hakan Baykam. He has been the Deputy Managing Director of Relight USA and is responsible for the development of the Relight Group's activities in wind energy in Northern America. At present, he is also a director in various companies within the Relight Group.

3. PRINCIPAL TERMS OF THE ACQUISITION

3.1 **Sale Shares**. Pursuant to the terms of the SPA, the Sale Shares will be purchased by the Company free from all encumbrances, and together with all dividends and distributions declared, made or paid on or after the date of Completion with respect to the Sale Shares. Between the Vendors, the 1st Vendor and the 2nd Vendor shall sell 4,997 Sale Shares and 1,172 Sale Shares to the Company respectively.

3.2 **Conditions Precedent.** The sale and purchase of the Sale Shares is conditional upon:

(i) the completion of a legal, financial and tax due diligence exercise by the Company and its advisers on Renaissance and Topkapi, and by the Vendors and their advisers on the Company, the results of such exercise being satisfactory to the relevant Party, in its reasonable discretion;

(ii) the form and contents of the Vendor's Disclosure Letters (if any) being satisfactory to the Company at the Company's sole discretion;

(iii) all approvals and consents as may be necessary from any third party, governmental or regulatory body or relevant competent authority having jurisdiction over the Key Licences, the Manisa Titanium Project and the transactions contemplated under this SPA or to the entry into and completion of this SPA by the parties, being granted or obtained, and being in full force and effect and not having been withdrawn, suspended, amended or revoked, and if such consents or approvals are granted or obtained subject to any conditions, and where such condition(s) affect any of the parties, such condition(s) being acceptable to the party concerned and if such condition(s) are required to be fulfilled before Completion, such condition(s) being fulfilled before Completion;

(iv) no material adverse change (as determined by the Company in its reasonable discretion) in the prospects, operations or financial conditions of the Company occurring on or before the Completion Date;

(v) all warranties provided by the Company and the Vendors (as the case may be) under the SPA being complied with, true, accurate and correct as at the date of the SPA and each day up to and including the Completion Date;

(vi) the Company being satisfied in its reasonable discretion, that the business of Renaissance and Topkapi have been carried on in a satisfactory manner, and all approvals and consents (including any governmental, regulatory and/or corporate approvals and consents) required for their business have been obtained, and are and shall remain on Completion valid and effective and not withdrawn or amended;

(vii) the execution and performance of the SPA by the parties hereto not being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any relevant statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority; and

(viii) the execution by the parties of such further documents, agreements and/or deeds and the doing of such further acts and things by the parties, as may be required so that full effect shall be given to the provisions of the SPA and the transactions contemplated hereunder.

If any of the above conditions is not fulfilled by the relevant party or is not waived by the other party by 30 June 2014, the SPA shall *ipso facto* cease and determine and none of the parties shall have any claim against the other for costs, damages, compensation or otherwise, save for any claim by a party against the other arising from antecedent breaches of the terms thereof.

3.3 **Purchase Consideration**. The aggregate consideration for the purchase of the Sale Shares is the aggregate sum of S$28,579,500 (the "**Purchase Consideration**"). In consideration of the 4,997 Sale Shares and 1,172 Sale Shares to be sold by the 1st Vendor and the 2nd Vendor respectively, the 1st Vendor and the 2nd Vendor shall be entitled to S$23,149,904.60 and S$5,429,595.40 of the Purchase Consideration respectively.

3.4 **Willing Buyer Willing Seller Basis**. The Purchase Consideration was determined after arms' length negotiations between the Company and the Vendors, on a willing buyer willing seller basis, taking into consideration, inter alia:-

(a) the measured and indicated resources, and proven and probable reserves of the Manisa Titanium Project;

(b) the stage of development of the Manisa Titanium Project; and

(c) the rationale referred to in Section 4 below.

3.5 **Satisfaction of the Purchase Consideration**. The Purchase Consideration shall be fully satisfied by the Company on Completion by:

(a) the issuance to the 1st Vendor of a redeemable promissory note under which the Company promises to, at its election, either:

(i) pay to the 1st Vendor the sum of S$23,149,904.60 in cash; or

(ii) allot and issue 109,352,407 new ordinary shares of the Company (the "**Shares**", each a "**Share**") to the 1st Vendor at the issue price of S$ 0.2117 per Share (the "**Issue Price**") in full and final settlement of all sums due under the redeemable promissory note; and

(b) the issuance to the 2nd Vendor of a redeemable promissory note under which the Company promises to, at its election, either:

(i) pay to the 2nd Vendor the sum of S$5,429,595.40 in cash; or

(ii) allot and issue 25,647,593 new Shares to the 2nd Vendor at the Issue Price in full and final settlement of all sums due under the redeemable promissory note,

(collectively, the "**Redeemable Promissory Notes**" and each, a "**Redeemable Promissory Note**")

3.6 **Principal Terms of the Redeemable Promissory Notes**. Save for the amount of the principal (equivalent to the respective Purchase Consideration) to be paid (the "**Principal**") and the number of new Shares to be allotted and issued (the "**New Shares**"), the terms of the Convertible Promissory Notes are identical and, *inter alia*, provide as follows:

(a) each of the Principal shall mature and be due and payable on the date (the "**Maturity Date**") falling twelve months after the date of such Redeemable Promissory Note;

(b) each Redeemable Promissory Note may be redeemed in whole at any time prior to the Maturity Date, at the option of the Company and without the consent of the Vendor, by the Company:

(i) paying to the Vendor the Principal in cash; or

(ii) allotting and issuing an aggregate the specified number of Shares to the Vendor at the Issue Price in full and final settlement of all sums due (whether as the Principal or otherwise) under each Redeemable Promissory Note.

(c) each Redeemable Promissory Note is a non-interest bearing note.

3.7 **Payment of Redeemable Promissory Notes**. The Company intends to fund the payment of the Redeemable Promissory Notes from the proceeds of equity fundraising, external financing, internal sources of fund or a combination thereof. Nevertheless, if the Company so elects, it has the option to allot and issue the New Shares as full and final settlement of all sums due (whether as the Principal or otherwise) under the Redeemable Promissory Notes.

3.8 **New Shares.** If the Company so elects to allot and issue the New Shares, the total number of New Shares will represent (i) approximately 10.25% of the existing issued share capital of the Company as at the date hereof; and (ii) approximately 9.30% of the enlarged issued share capital of the Company as enlarged by the issue of the New Shares.

The Company will be making an application for the listing and quotation of the New Shares on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

3.9 **Issue Price.** The Issue Price represents a premium of 22.02% to the volume weighted average price ("**VWAP**") of S$0.1735 for trades done on the Company's Shares on the SGX-ST for the full market day on 29 April 2014 (being the market day on which the SPA was signed).

The Issue Price is equivalent to VWAP of S$0.2117 for trades done on the Company's Shares on the SGX-ST for the three (3) month period up to and including 25 April 2014.

3.10 **Share Issue Mandate.** If the Company so elects to allot and issue the New Shares, such New Shares will be issued pursuant to the general mandate ("**General Mandate**") obtained at the annual general meeting of the Company held on 26 June 2013 ("**Date of AGM 2013**") which authorises the Directors of the Company to allot and issue new Shares in the capital of the Company in accordance with, and subject to, the provisions of Rule 806 of the Listing Manual of the SGX-ST.

It is envisaged that the New Shares will be allotted and issued after the expiry of the General Mandate. Nevertheless, as authorized by the General Mandate, notwithstanding that the authority conferred by the General Mandate may have ceased to be in force, the Directors were granted authority to issue Shares in pursuance of any offers, agreements, or options made or granted by the Directors while the General Mandate was in force.

The issued share capital of the Company (in terms of number of Shares) as at the Date of AGM 2013 comprised 685,305,599 Shares. Therefore, the share capital base of the Company for the computation of the number of Shares which may be issued pursuant to the General Mandate is 685,305,599 Shares and the maximum number of new Shares which may be issued (other than on a pro rata basis to existing Shareholders) pursuant to the General Mandate is 137,061,119 Shares.

As at the date of this Announcement, the Company has not utilised the General Mandate obtained on the Date of AGM 2013 for the allotment and issue of new Shares. As such, the maximum number of new Shares which may still be issued (other than on a pro rata basis to existing Shareholders) pursuant to the General Mandate is 137,061,119 Shares.

3.11 **Moratorium.** Each Vendor has irrevocably and unconditionally undertaken to the Company that:-

(a) during the period of twelve (12) months (the "**Initial Period**") from the date of allotment and issue of the New Shares to such Vendor (and/or wholly owned entity of such Vendor to whom the New Shares are allotted and issued) pursuant to the Redeemable Preference Notes (if any), such Vendor (and/or the wholly owned entity of such Vendor to whom the New Shares are allotted and issued) will not sell, transfer, assign, realise or otherwise dispose of any of the New Shares, or create any encumbrance over any of the New Shares; and

(b) for a period of twelve (12) months after the Initial Period, such Vendor (and/or the wholly owned entity of such Vendor to whom the New Shares are allotted and issued) will not sell, transfer, assign, realise or otherwise dispose of more than 50% of the New Shares, or create any encumbrance over more than 50% of the New Shares.

4. RATIONALE FOR THE ACQUISITION

Based on the present status of the Manisa Titanium Project and the Manisa Resources and Reserves Statement, the Board believes the Acquisition will enable the Company to gain a strong foothold to participate in the titanium and heavy mineral resources industry.

The Acquisition is in line with the Company's present strategy to explore different investment opportunities so as to diversify its existing business, thereby bringing additional value to the Company and its Shareholders.

5. NET PROFITS (LOSS) / VALUE OF ASSETS (LIABILITIES) BEING ACQUIRED

Renaissance incurred an unaudited net loss of EUR 109,148.56 (or approximately S$ 190,977.24, at the exchange rate of EUR 1.7497: S$ 1) for the financial year ended 31 December 2013. As at 31 December 2013, Renaissance had net liabilities 579,982.13 of (or approximately S$1,014,794.73, at the exchange rate of EUR 1.7497: S$ 1).

As such, the unaudited net loss attributable to the Sale Shares being acquired is approximately 21,720.56 (or approximately S$38,004.47, at the exchange rate of EUR 1.7497: S$ 1) and the value of the net tangible liabilities attributable to the Sale Shares being acquired by the Group pursuant to the Acquisition is approximately EUR 115,416.44 (or approximately S$ 201,944.15, at the exchange rate of EUR 1.7497: S$ 1).

The Company has not commissioned any valuation of Renaissance or Topkapi.

6. FINANCIAL EFFECTS

For illustration purposes only, the table below sets out the financial effects of the Acquisition based on the following bases and assumptions:-

(a) The unaudited consolidated financial statements of the Group for the financial year ended 31 December 2013;

(b) The issued share capital of the Company comprising of 1,316,763,799 Shares as a result of the completion of the allotment and issue of 631,458,200 Shares to the controlling Shareholder of the Company on 26 June 2013;

(c) The Company allots and issues the specified number of New Shares to the Vendors at the Issue Price in full and final settlement of all sums due (whether as the Principal or otherwise) under each Redeemable Promissory Note;

(d) The disposal of the Company's PRC subsidiaries – Daqing Xinyuan Construction Installation Co., Ltd ("**Xinyuan Construction**") and Daqing Sunshine Reli Thermal Co., Ltd ("**Reli Thermal**") which had been completed on 27 March 2014; and

(e) The financial impact on the Group's consolidated net tangible assets ("**NTA**") per Share is computed based on the assumption that the Acquisition was completed on 31 December 2013 and in relation to the Group's consolidated earnings per Share ("**EPS**"), computed based on the assumption that the Acquisition was completed on 1 January 2013. The foregoing financial impact on the NTA and EPS shall be computed taking into account the allotment and issue of the 631,458,200 new Shares and the disposal of Xinyuan Construction and Reli Thermal referred to in Notes (b) and (d) above respectively.

	Before the Acquisition	**After the Acquisition**
Share Capital		
- Issued and paid up share capital (RMB)	480,540,000	616,601,000
- Issued and paid up share capital (S$)[(1)]	96,108,000	123,320,200
- Number of Shares	1,316,763,799	1,451,763,799
Net Tangible Assets		
- NTA (RMB)	47,505,000	183,566,000
- NTA (S$)[(1)]	9,501,000	36,713,200
- Number of Shares	1,316,763,799	1,451,763,799
- NTA per Share (RMB)	0.0361	0.1264
- NTA per Share (S$) [(1)]	0.0072	0.025
Loss Per Share		
- Loss after tax attributable to owners of the Company (RMB)	140,033,000	140,033,000
- Loss after tax attributable to owners of the Company (S$)[(1)]	28,006,600	28,006,600
- Number of Shares	1,014,009,867	1,149,009,867
- Loss per Share (RMB)	0.1381	0.1219
- Loss per Share (S$) [(1)]	0.0276	0.0244

Notes:
(1) Based on the exchange rate of S$1:RMB5

The financial effects of the Acquisition on the Group are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Group after the completion of the Acquisition.

7. CHAPTER 10 OF THE LISTING MANUAL

7.1 Relative Figures

The relative figures for the Acquisition computed on the bases set out in Rule 1006 of the listing manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**") are as follows:

Rule 1006	**Bases**	**Relative Figure (%)**
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not Applicable
(b)	The net losses attributable to the assets acquired or disposed of, compared with the Group's net losses [(1)]	0.14

(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares[(2)]	12.95
(d)	The number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue[(3)]	9.30

Notes:-

(1) Based on the Group's unaudited consolidated net loss before tax of S$28,006,600 for the financial year ended 31 December 2013 and Renaissance's unaudited consolidated net loss of EUR 109,148.56 (or approximately S$190,977.24, at the exchange rate of EUR 1.7497: S$ 1) for the financial year ended 31 December 2013.

(2) Based on the Company's existing issued ordinary share capital of 1,316,763,799 Shares and the VWAP of S$0.1676 for trades done on the Company's shares on the SGX-ST for the full market day on 28 April 2014 (being the market day immediately preceding the date on which the SPA was signed), the Company's market capitalization on 28 April 2014 was S$220,689,613.

(3) Assuming the Company so elects to issue and allot the New Shares. Based on the aggregate amount of the New Shares (of 135,000,000 Shares) and the Company's issued ordinary share capital of 1,316,763,799 Shares.

7.2 **Classification**

As some of the relative figures under Rule 1006 for the Acquisition exceed 5% but none exceeds 20%, the Acquisition constitutes a Discloseable transaction for the purposes of Chapter 10 of the Listing Manual. Accordingly, the Acquisition is not subject to the approval of the Company's shareholders.

8. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company (other than in their capacity as directors or shareholders of the Company) has any interest, direct or indirect, in the Acquisition.

9. APPOINTMENT OF DIRECTOR

Upon completion of the Acquisition, the Vendors shall have the right to jointly appoint one (1) Director to the Board, and such appointee shall be appointed as the Deputy Chairman of the Board, subject however to compliance with all applicable laws, regulations and rules including, without limitation, the requirements of the SGX-ST under the Listing Manual and the Code of Corporate Governance, and any other requirements that may be imposed by SGX-ST.

10. DOCUMENTS FOR INSPECTION

Copies of the SPA (including the Redeemable Promissory Notes) are available for inspection during normal business hours at the registered office of the Company at 21 Merchant Road, #04-01 Royal Merukh S.E.A. Building, Singapore 058267 for a period of three (3) months commencing from the date of this Announcement.

By Order of the Board

William Joseph Condon
Executive Director
30 April 2014