



25 September 2014

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Dear Sirs

Guildford Coal Limited (ASX:GUF) Announcement of Off-Market Takeover Bid

We act for Sino Construction Limited.

We attach for release on the Company Announcement Platform of the ASX an announcement by Sino Construction Limited of an intention to make a conditional off-market takeover bid to acquire all of the ordinary shares in Guildford Coal Limited.

A copy of this announcement will be sent to Guildford Coal Limited.

Yours faithfully

Holding Redlich

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SINO CONSTRUCTION LIMITED

(Incorporated in the Republic of Singapore)

(Registration No: 200613299H)

25 September 2014

Sino Construction Limited proposes takeover bid for 100% of the ordinary shares in Guildford Coal Limited

Highlights

- Sino Construction offers to acquire all ordinary shares in Guildford
- Sino Construction offers 1 Sino Construction share for every 4.5 Guildford shares
- The offer values each Guildford share at approximately 6.13 cents
- The offer is a 13.5% premium to the closing price of Guildford shares on ASX yesterday

Sino Construction Limited, a company listed on the Singapore Exchange (SGX: F3V) (**Sino Construction**) today is pleased to announce that it intends to make an off-market takeover bid (**Offer**) for all the ordinary shares in Guildford Coal Limited (ASX:GUF) (**Guildford**). Under the Offer, Sino Construction is offering Guildford shareholders the opportunity to receive 1 Sino Construction share for every 4.5 Guildford shares.

Attractive premium

Sino Construction's Offer is at an attractive premium. Based on the closing price of Sino Construction shares on the Singapore Exchange (**SGX**) on 24 September 2014 and the Australian dollar / Singapore dollar exchange rate as published by the Reserve Bank of Australia on 24 September 2014, the implied value of the Offer is 6.13 cents which is a:

- 13.5% premium to the closing price of Guildford shares on the Australian Securities Exchange (**ASX**) on 24 September 2014;
- 14.15% premium to the volume weighted average price (**VWAP**) of Guildford shares traded on ASX on 24 September 2014;
- 11.86% premium to the 5-day VWAP of Guildford shares on ASX as at 24 September 2014; and
- 8.69% premium to the 30-day VWAP of Guildford shares on ASX as at 24 September 2014.

An attractive Offer

Sino Construction's Chairman Andy Chee said: "Sino Construction is very excited about the opportunity to acquire Guildford and we are making a compelling offer to every Guildford shareholder. Our Offer provides a unique opportunity for Guildford shareholders to become a shareholder in a larger and more diversified organisation, both in terms of business operations and geographical scope. Importantly, Guildford shareholders will also retain an indirect interest in Guildford by virtue of it becoming part of the expanded Sino Construction Group.

For Sino Construction, the Offer provides an opportunity to acquire Guildford's assets which sits neatly within Sino Construction's transformation, strategic direction and its proposal to diversify its operations to enter the mineral and energy resources sector. We believe that our Offer provides an attractive opportunity for both companies."

Sino Construction's interest in Guildford's assets

Sino Construction and Guildford recently 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 for US\$25 million (which may, in certain circumstances, have been satisfied by Sino Construction issuing Sino Construction shares to Guildford) and the payment of an on-going royalty.

Sino Construction now considers that it is preferable and more beneficial to Guildford Shareholders to acquire all of Guildford's assets, including its assets in Mongolia, rather than just its Australian coal assets. By undertaking the takeover bid, Sino Construction now offers Guildford shareholders the opportunity to directly become a Sino Construction shareholder, rather than as previously structured where the interest would have only been indirect (by virtue of Guildford owning Sino Construction shares).

About 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 regions.

On 6 November 2013, Sino Construction announced its intention to restructure and re-organise the Sino Construction Group by disposing of several subsidiaries to resolve, amongst others, tax issues faced by those subsidiaries based in the People's Republic of China and to re-focus the Sino Construction Group's core business. In December 2013, Sino Construction incorporated SC Building & Construction Pte. Ltd. to carry on the business of design, construction and civil engineering activities and project consultancy and management services in Singapore and other ASEAN countries.

Sino Construction is now in the midst of a transformation. It is currently disposing its sub-performing assets and exploring investments to generate new income streams aimed at creating a new business platform that delivers sustainable earnings as well as growth opportunities. Since early 2014, Sino Construction has sought to acquire and hold multiple and diversified mineral and energy resources assets (including mines), and it has been actively pursuing and acquiring new investment opportunities in this sector, with the goal of transforming itself into a mineral and energy resources business. The acquisition of Guildford is a key part of this strategy.

Based on the Offer of 1 Sino Construction share for every 4.5 Guildford shares, if the Offer were to be fully accepted, and assuming that other Guildford securities currently on issue that are convertible into ordinary Guildford Shares (on the basis that not more than 33,333,333 Guildford shares are issued as a result of any conversion of the Guildford Convertible Notes) are converted to Guildford shares, Sino Construction expects that it would issue up to approximately 229,639,650 Sino Construction shares as the aggregate consideration under the Offer. This would constitute approximately 11.24% of all Sino Construction shares then on issue (assuming that all other Sino Construction securities currently on issue that are convertible into ordinary Sino Construction shares are converted and that Sino Construction completes each of the transactions it has publicly announced before today under which it is proposed that Sino Construction will issue Sino Construction shares to acquire the assets). Therefore, on that basis, Guildford shareholders would end up owning approximately 11.24% of Sino Construction.

Formal bidder's statement

Sino Construction will prepare a formal bidder's statement which will contain the full details of its Offer, as well as detailed information about Sino Construction. Sino Construction expects to lodge that document with the Australian Securities Exchange within the next two months.

Conditions

The Offer is subject to a number of conditions which are set out in Annexure A. These include (but are not limited to):

- a 50.1% minimum acceptance condition;
- Sino Construction receiving the approval of its shareholders for Sino Construction to make the Offer and issue the Sino Construction shares under the Offer (as that approval is required under the rules of the Listing Manual of the SGX on which Sino Construction shares are listed);
- other regulatory approvals which may be required for the Offer to proceed; and
- Guildford maintaining its mining interests.

By order of the Sino Construction Board

Andy Chee / Kenneth Lim

Chairman / Executive Director

Annexure A – Bid Conditions**OFFER CONDITIONS**

The Offer is subject to the fulfilment of the following conditions:

1. Minimum acceptance

At the close of the Offer Period, the Bidder 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.

2. Shareholder approval

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

- (a) the Takeover Bid and the Offer, if required under Chapter 10 of the Listing Manual; and
- (b) the issuance of the Bidder Shares as the consideration under the Offer in accordance with Chapter 8 of the Listing Manual.

3. 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:

- (a) Guildford converts all or any of its shares into a larger or smaller number of shares;
- (b) Guildford or a subsidiary of Guildford resolves to reduce its share capital in any way;
- (c) 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;
- (d) 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:
 - (i) 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;
 - (ii) 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;
 - (iii) 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
 - (iv) 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;
- (e) Guildford or a subsidiary of Guildford issues, or agrees to issue, convertible notes;
- (f) Guildford or a subsidiary of Guildford disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

- (g) 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;
- (h) Guildford or a subsidiary of Guildford resolves to be wound up;
- (i) a liquidator or provisional liquidator of Guildford or of a subsidiary of Guildford is appointed;
- (j) a court makes an order for the winding up of Guildford or of a subsidiary of Guildford;
- (k) an administrator of Guildford or of a subsidiary of Guildford is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Guildford or a subsidiary of Guildford executes a deed of company arrangement; or
- (m) 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".

4. 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):

- (a) there is not in effect any preliminary or final decision, order, ruling or decree issued by (or on behalf of) a Government Agency;
- (b) no action or investigation is instituted, or threatened, by any Government Agency with respect to a member of the Guildford Group; or
- (c) no application is made to any Government Agency (other than an application by the Bidder or any Related Body Corporate (as defined in the Corporations Act) of the Bidder, 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 the Bidder of any Guildford Shares, or the divestiture of any assets by a member of the Guildford Group.

5. Approvals by Government Agencies

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

- (a) to permit the Offers to be made to and accepted by Guildford Shareholders;
- (b) 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 the Bidder and its subsidiaries; or
- (c) for the Bidder 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 the Bidder receiving the approval of:

- (a) the SGX for the listing and quotation of the Bidder Shares to be issued as consideration under the Takeover Bid; and
- (b) 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.

6. 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:

- (a) a member of the Guildford Group:
 - (i) enters into, or agrees to enter into, any contract of service for the appointment of a director or senior manager; or
 - (ii) 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);
- (b) 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;
- (c) 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;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) a member of the Guildford Group makes any change to its constitution or passes a special resolution;
- (h) 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
- (i) 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.

7. 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:

- (a) 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
- (b) 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.

8. No material failings in filings and capital structure

The Bidder does not become aware, during the period from the Announcement Date to the end of the Offer Period (each inclusive), that:

- (a) 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;
- (b) Guildford has made or not made an announcement in breach of its continuous disclosure obligations; or
- (c) that the number of Guildford securities (as defined in the ASX Listing Rules), excluding any securities issued as permitted under Condition 3(d) above, 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.

9. Non-existence of certain rights

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

- (a) 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;
- (b) terminate or vary any material agreement with a member of the Guildford Group; or
- (c) 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.

10. 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.

11. 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.

12. 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).

13. 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).

14. Other persons acquiring a Relevant Interest

Prior to the end of the Offer Period, no person or persons (other than the Bidder and its Associates) acquire a Relevant Interest in 20% or more of Guildford Shares.

15. No new indebtedness

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

- (a) other than in the ordinary course of business:
 - (i) borrows any money or incurs new financial indebtedness (or agrees to do so); or
 - (ii) enters into any guarantee or indemnity on behalf of or provides security for the obligations of any person (or agrees to do so); or
- (b) other than in the ordinary course of business, grants or agrees to grant, any Encumbrance over any of its assets.

16. 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.

17. 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.

DEFINITIONS

"Announcement Date" means the date of this announcement;

"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);

"Associate" has the meaning given in section 12 of the Corporations Act;

"ASIC" means the Australian Securities and Investments Commission;

"ASX" means the Australian Securities Exchange;

"Bidder" means Sino Construction Limited, incorporated in the Republic of Singapore, company registration number 200613299H;

"Bidder Share" means a fully paid ordinary share in the capital of the Bidder;

"Condition" means each of the conditions to which the Takeover Bid is subject as set out in this document;

"Corporations Act" means the *Corporations Act 2001* (Cth);

"Encumbrance" includes a security interest, mortgage, charge, lien, restriction against transfer, encumbrance and other third party interest and **"encumber"** has a corresponding meaning;

"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);

"Guildford" means Guildford Coal Limited (ACN 143 533 537);

"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 Group" means Guildford and its subsidiaries;

"Guildford Material Adverse Change" means 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" means:

- (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 Share" means an ordinary share in the capital of Guildford;

"Guildford Shareholder" means a person who is recorded in Guildford's register of members as the holder of one or more Guildford Shares;

"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 the Bidder, and includes:

- (a) legislation, ordinances, regulations, rules, rulings, determinations, by-laws or orders;
- (b) common law; and
- (c) Requirements.

"Listing Manual" means the 'Listing Manual' of the SGX;

"New Performance Rights" means 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" means each offer to acquire Guildford Shares to be made by the Bidder in connection with the Takeover Bid;

"Offer Period" means the period during which the Offer is open for acceptance;

"Relevant Interest" has the meaning given in the Corporations Act;

"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;

"SGX" means Singapore Exchange Securities Trading Limited or the financial market known as the Singapore Exchange;

"Takeover Bid" means the off-market takeover bid under which the Bidder makes the Offers; and

"Tenements" means 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.