



Sapphire Reports 3Q2015 Net Profit of S\$1.6 Million, Reversing S\$1.2 Million Loss in 3Q2014, Expects Contributions From Infrastructure Business From 4Q2015

S\$ '000	3Q2015	3Q2014	9M2015	9M2014
Revenue	13,185	15,507	42,746	43,396
Gross Profit	3,441	3,899	8,478	10,727
Net Profit/(Loss)	1,551	(1,218)	2,448	(8,279)

Singapore, 09 November 2015 – SGX Mainboard-listed **Sapphire Corporation Limited** ("Sapphire" or the "Group") reported today a net profit of S\$1.6 million for the three months ended 30 September 2015 ("3Q2015") due mainly to interest income, reversing a loss of S\$1.2 million for the same period last year ("3Q2014").

The Group, which owns a specialist mining services firm, Mancala Australia, generated revenue of S\$13.2 million for 3Q2015, down 15.0% from S\$15.5 million in 3Q2014. This was mainly due to foreign-exchange losses arising from the weakening of the Australian dollar against the Singapore dollar – the Group's reporting currency – during the quarter.

Gross profit fell 11.7% to S\$3.4 million as a result of the lower revenue. Gross profit margin improved by 1 percentage point to 26.1% from 25.1% in 3Q2014, due to better cost controls. Other income rose to \$1.3 million, due mainly to interest income of \$1.2 million from Propitious Holdings Company Limited ("PHCL") for the redemption of a bond following the disposal of the Group's legacy steel business in December 2014.

Earnings per share on a fully diluted basis for 3Q2015 came to 0.19 Singapore cent. Net asset value per share improved to 9.29 cents as at 30 September 2015 from 8.95 cents as at 31 December 2014.

Cash and cash equivalents rose by S\$5.0 million from S\$12.2 million as at 31 December 2014 to S\$17.3 million as at 30 September 2015, due mainly to proceeds received from the disposal of the steel business.

For the nine months ended 30 September 2015 ("9M2015"), the Group generated revenue of S\$42.7 million and a net profit of S\$2.4 million. It incurred a net loss of S\$8.3 million in 9M2014.

As part of its strategic shift into the infrastructure sector, the Group received approval from shareholders on 2 September 2015 for the proposed acquisition of the entire share capital of Ranken Infrastructure Limited ("Ranken"), an engineering, procurement and construction specialist. Sapphire completed the acquisition of Ranken on 1 October 2015.

Mr. Teh Wing Kwan, Group CEO and Managing Director of Sapphire, said, "Against a backdrop of softened commodity prices and weak global growth, market sentiment in the mining industry remains guarded. Mancala will continue to improve its cost management and operational efficiencies, which are critical."

"The successful completion of Ranken allows us to tap good opportunities for major infrastructure projects in China and other emerging markets, which could drive sustainable growth for the Group over a longer term," he added.

The Group expects to recognise revenue from Ranken during the quarter starting 1 October 2015 ("Q42015"). Ranken is expected to be Sapphire's biggest revenue contributor by then.

Given the above factors, the Board believes that the Group will be profitable in FY2015.

****End of Press Release****

Issued on behalf of the Company by WeR1 Consultants Pte Ltd:

Media & Investor Contact Information

WeR1 Consultants Pte Ltd
3 Phillip Street, #12-01
Royal Group Building
Singapore (048693)
Tel: (65) 6737 4944 | Fax: (65) 6737 4944
Sheryl Sim – sheryl@wer1.net;
Grace Yew – graceyew@wer1.net

About Sapphire Corporation Limited

Following the divestment of its steel business, Sapphire, backed by a Board of Directors with strong corporate finance and investment records, has been actively looking out for investment propositions and merger & acquisition opportunities.

Listed on the Singapore Exchange since 1999, Sapphire currently owns 100% in the capital of Mancala Holdings Pty Ltd ("Mancala Australia"), a specialist mining services company based in Australia that provides raise-bore, shaft excavation, engineering services and other mining services. Mancala Australia, which has a strong record of more than 100 completed projects in Australia and internationally, is currently operating a nickel mine in Son La Province, Vietnam, the largest in the country.

Sapphire, on 1 October 2015, successfully completed the acquisition of China-based Engineering, Procurement and Construction ("EPC") business, Ranken Infrastructure Limited ("Ranken"). Founded in 1998, based in Beijing and Chengdu, Ranken is now China's second-largest privately-owned integrated rail transport infrastructure construction group and the only privately-owned operator in China which has obtained the prestigious full AAA-certification for design, construction and project consultation in the rail sector. Ranken's clients are mostly state-owned enterprises ("SOE") and Fortune-500 companies in China.