

Sapphire Secures RMB 873 Million (S\$180M) Worth of Urban Infrastructure Contracts in China, Order Book Rises to RMB 2.75 Billion (S\$570M); Also in Talks with Governments in South Asia

Singapore, 14 July 2016 – Sapphire Corporation Limited (“Sapphire” or the “Group”) announced today that it has secured new infrastructure contracts in China worth approximately RMB 873 million (S\$180 million). Its order book has risen about 37.5% to approximately RMB 2.75 billion (S\$570 million) from RMB 2.0 billion (S\$415 million) previously announced.

Sapphire’s Engineering, Procurement and Construction subsidiary, Ranken Infrastructure Limited (“Ranken”), will undertake the RMB 300 million (S\$62 million) Jian Cao Ping flyover (太原尖草坪立交桥) which will connect to Metro Line 2, Taiyuan City’s first metro line, for which Ranken won a RMB 373 million design and build contract in January 2016.

“The award of this project extends Ranken’s involvement in Taiyuan City just six months after the first contract secured. Notably, both the metro line and flyover projects are part of the municipal integrated urban infrastructure development master plan,” said Mr. Teh Wing Kwan, Group CEO and Managing Director of SGX Mainboard-listed Sapphire.

Ranken also secured a RMB 313 million (S\$65 million) project to construct part of the Urumqi Rail Transit Line 2 (乌鲁木齐市轨道交通 2 号线) including 2.0 km of civil engineering works and the Hama Mountain Station (哈马山车站).

“The new Urumqi contract expands our current works at Urumqi Rail Transit Line 1 which Ranken had won in 2014. The contract extensions in Taiyuan and Urumqi underscore Ranken’s track record for reliability and confidence of client, which are vital in helping to secure project extensions,” Mr. Teh added.

Ranken has also procured other major infrastructure works to extend the 3.26km Shun He viaduct in Jinan City (济南顺河高架隧道), valued at RMB210 million (S\$42 million), and other civil engineering works for metro lines in Chongqing and Chengdu, worth close to RMB 50 million (S\$10 million).

These new contracts, to be completed over the next 24-30 months, are expected to have a positive impact on the Group’s earnings per share and net asset value per share for the financial years ending 31 December 2016 to 31 December 2018.

Under the strategic direction of Mr Teh - the new Group CEO - Sapphire acquired China-based Ranken in October 2015 as part of his corporate turnaround strategy, following the 2014 disposal of its legacy steel business. The foray into rail infrastructure comes at a time when governments and companies in China and Southeast Asia are investing substantially in rail lines, roads and other infrastructure.

Incorporated in 1998, Ranken has undertaken complex and large-scale municipal land transport projects in China, India and Bangladesh. It possesses fully integrated Triple-A qualifications and licenses for design, construction and project supervision in China's rail transit sector.

Sapphire will continue to accelerate business expansion opportunities for Ranken, its main revenue contributor, targeting projects for metro, urban rail transit and major land transport infrastructure in China and Southeast Asia.

It is also currently in talks with governments in South Asia regarding infrastructure business opportunities in the region.

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

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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.

On 1 October 2015, Sapphire 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 supervision in the rail sector. Ranken’s clients are mostly state-owned enterprises (“SOE”) and Fortune-500 companies in China.