

Sapphire's New CEO Says Outlook For Rail Business Remains Positive

China's infrastructure investments expected to underpin strong performance; enhance shareholder value

Singapore, 12 February 2018 – The newly appointed Chief Executive Officer of SGX Mainboard-listed **Sapphire Corporation Limited** ("Sapphire" or the "Group"), Executive Director Ms. Wang Heng, said today the growth prospects of its core rail engineering business **Ranken Railway Construction Group Co., Ltd** ("Ranken") are intact despite the termination of a proposed transaction that would have resulted in a new substantial shareholder.

Ms. Wang, a co-founder of Ranken – where she oversaw the company's operations, corporate strategy and business development – was appointed as CEO of Sapphire on 15 December 2017. Prior to co-founding Ranken, she worked in China Railway Construction for over 10 years, focusing on engineering and marketing.

Under Ms. Wang's leadership, Ranken undertook projects across 18 cities in China. It now ranks as one of the country's top private enterprises specialising in underground and urban rail engineering and construction. Ms. Wang said she will draw on her 27 years of experience in civil engineering to strengthen the business and accelerate its growth in China.

Ms. Wang said in a statement:

"China's GDP increased 6.9% in 2017, achieving the first rebound in GDP growth since 2010, and investment in infrastructure remains the main engine of China's economic growth. National infrastructure spending for the 2016-2020 13th Five-Year Plan will be approximately RMB 15 trillion (S\$3.13 trillion), including RMB3.5 trillion (S\$730 billion) for railways alone.

Ranken's prospects remain bright due to ongoing investment in China's infrastructure. Construction of metro and urban rail transit systems in first- and second-tier cities is our traditional strength. We shall consolidate this as we prepare to explore new modes of rail transit in third- and fourth-tier cities, which will be a massive market going forward. China's government is actively promoting the construction and operation of underground utility tunnels, which will create another underground construction market in the coming years.

We are happy to see the growth in opportunities for private enterprises in urban rail transit, which are increasingly competing for and winning more bids in the field. As one of China's leading private enterprises in underground construction, we are optimistic about our development in 2018.

Ranken has an order book of RMB 3.4 billion (S\$705 million) after winning three new rail contracts on 11 December 2017 worth RMB 280 million (S\$57 million) in our home city of Chengdu. We are securing new contracts and increasing our order book amid strong growth in the sector. We will bid for more new contracts while improving our capabilities, productivity and cost control, which will benefit our business in 2018 and beyond.

Despite the recent changes to the board and management, I am confident in our team's professional qualifications and track records. We will work together to achieve breakthroughs in new areas and gain business momentum to offer greater value for shareholders."

Ranken continues to evaluate state-level projects via various forms of strategic collaboration. In May 2017, it signed a strategic cooperation agreement with major Chinese conglomerates and state-owned enterprises, Beijing Enterprises Water Group and China Railway Investment Group to explore civil engineering and infrastructure projects relating to environmental conservation and water management.

Sapphire will release its unaudited FY2017 results by 28 February 2018.

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

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About Sapphire Corporation Limited

Listed on the Singapore Exchange since 1999, Sapphire has undergone a major restructuring exercise and corporate transformation over the last three years.

On 1 October 2015, Sapphire successfully completed the acquisition of China-based Engineering, Procurement and Construction ("EPC") business, Ranken Infrastructure Limited ("Ranken") as part of its corporate turnaround strategy. 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 private 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, with track records in emerging markets such as Bangladesh and India.

Sapphire owns a 19% stake 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.