The Board of Directors (the "Board") of Sapphire Corporation Limited (the "Company") refers to the query on 25 September 2014 from Singapore Exchange Securities Trading Limited ("SGX-ST") regarding the unusual volume movements in the Company's shares today (the "Query").

In response to the questions raised in the Query (which are re-produced below), the Board wishes to respond as follows:

Question 1:

Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples.
- If yes, the information shall be announced immediately

Answer 1:

We are not aware of any information not previously announced concerning Sapphire Corporation Limited ("Sapphire") or its subsidiaries or associated companies (the "Group") or any discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset, which, if known, might explain the trading.

However, for clarity and ease of reference for our shareholders, the Management has summarized in chronological order the developments of the major restructuring exercise as initiated, undertaken and announced over the last three months which were deemed material and price-sensitive.

1. On 11 July 2014, Mr Teh Wing Kwan ("Mr Teh"), the Group CEO of Sapphire, provided a business update in the form of a Letter to Shareholders, in which he highlighted that (i) the disposal of the steel-making business ("Steel Business") will result in a disposal gain of more than S$6 million; (ii) Mancala Australia, a mining services specialist in Australia, had contributed maiden profits to Sapphire in 1Q14 and has further accelerated operational streamlining to boost productivity; and (iii) Sapphire is actively exploring opportunities to invest in the business of a profitable EPC (Engineering, Procurement and Construction) company specializing in land transport infrastructure design and engineering works. This EPC company has identified emerging markets such as China, India and parts of South-East Asia where land transport infrastructure investments remain a top priority for local government spending. Despite proactive discussions, Sapphire has not signed any binding documents for investment to date.

2. On 30 July 2014, Sapphire announced that the shareholders had in the EGM approved the sale of its entire PRC Steel Business as a prelude to a planned strategic investment in the above-mentioned EPC business in the near future. In the accompanying press release disclosed to the SGX, Mr. Teh said, “The divestment will further accelerate the shift in our corporate strategy towards expansion into the infrastructure and engineering industry, where we believe there is much potential for growth. We are dedicated to help Sapphire return to profitability at the earliest with a more diversified base of investment structure.”

3. On 14 August 2014, we updated in our 2Q14 results announcement that losses incurred by the Steel Business will be further compensated by a gain on disposal from the sale of the Steel Business. We also disclosed that the Company has been proactively evaluating various strategic investment opportunities and is looking out for other earnings-accretive targets involved in providing value-added engineering services for the mining and infrastructure sectors. In particular, we are now evaluating a profitable EPC business that specializes in undertaking and managing highly complex and large-scale municipal land transport infrastructure projects in China, India, Bangladesh and Saudi Arabia.

In conjunction with management effort to further streamline the Group’s operations, we are now in negotiations to dispose other non-core assets. However, the proposed disposal is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ending 31 December 2014. The parties are still discussing the disposal and announce details when the sale is finalized.

Question 2:
Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Answer 2:
Save for the information disclosed above, we are not aware of any other possible explanation for the trading today.

Question 3:

Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

Answer 3:
To the best of our knowledge, we confirm our compliance with the listing rules, and in particular, Rule 703.