

SAPPHIRE CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 198502465W)

UPDATE ON MANCALA HOLDINGS PTY LTD

The Board refers to the announcements of the Company dated (i) 9 October 2013, 7 January 2014, 4 April 2014, 6 January 2016 and 15 July 2016 in relation to the acquisition of Mancala Holdings Pty Ltd ("**Mancala**") and (ii) 30 December 2016 in relation to the Proposed Disposal of Mancala Holdings Limited and Mancala (collectively the "**Mancala Group**") to the shareholders of the Company ("**Shareholders**") as follows.

Satisfaction of the Final Tranche Consideration and replacement of First Corporate Bond

Pursuant to the finalisation of annual returns and tax returns which Mancala has filed with the relevant authorities in relation to its financial affairs for FY2015, and in view of the proposed disposal of Mancala Group, the Company has (i) fully satisfied the Final Tranche Consideration of A\$4,685,417 and (ii) replace the First Corporate Bond of A\$2,065,000 via the issuance of 0% non-convertible corporate bonds with an aggregate face value of A\$6,750,417 to the Vendors which the Company shall redeem on or before 31 January 2017 ("**Second Corporate Bond**").

It was also disclosed in the announcement dated 30 December 2016 relating to the Proposed Disposal of Mancala Group that it is the Company's intention and shall be at the Company's discretion to fully redeem the Second Corporate Bond in the combination of (i) cash and (ii) via transfer part of CVT Consideration Shares in such equivalent amount on or before the redemption date upon completion of the Proposed Transaction.

Accordingly, there shall be no issuance of Consideration Shares in the capital of the Company to the Vendors.

Caution in trading

Shareholders are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this announcement that the Proposed Transaction will proceed to completion. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the actions they should take.

By Order of the Board
SAPPHIRE CORPORATION LIMITED

Teh Wing Kwan
Group Chief Executive Officer and Managing Director

30 December 2016