

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

**INCREASE IN SHARE CAPITAL OF MANCALA HOLDINGS LIMITED
AND ADDITIONAL INFORMATION ON ITS PROPOSED DISPOSAL**

1. Introduction

The Board of Directors (the “**Board**”) of Sapphire Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements on 6 January 2016 and 15 July 2016 relating to its mining services business and on 30 December 2016 on the proposed disposal of Mancala Holdings Limited (“**Mancala Holdings**”) and Mancala Holdings Pty Ltd (the “**Proposed Transaction**”) (collectively, the “**Announcements**”) and wishes to update and provide additional information below.

Unless otherwise defined herein, capitalised terms have the same meaning ascribed to them in the Announcements.

2. Update on Restructuring Exercise and the Proposed Transaction

Pursuant to the Restructuring Exercise, Mancala Holdings has issued and allotted 5,999,999 new shares in Mancala Holdings to the Company and its issued and paid up share capital of Mancala Holdings has been increased to US\$6,000,000.

The Proposed Transaction remains conditional upon the fulfillment of the other conditions precedent unless waived for its completion.

The Company will provide further updates in relation to the Proposed Transaction in due course.

3. Additional information on CVT Consideration Shares

The total 95,890,410 new ordinary shares in the share capital of CVT will represent approximately 4.4% of CVT’s enlarged share capital. As previously announced, the Company will keep 20,364,904 shares in CVT (representing 0.9% of CVT enlarged share capital) as Investment Shares after transferring 75,525,506 shares in CVT (from the CVT Consideration Shares the Company shall receive in accordance with the CVT SPA) to the Vendors for the partial redemption of the Second Corporate Bonds, as previously announced.

The Issue Price of HK\$0.365 per CVT Consideration Share represents:

- (i) a premium of approximately 14.1% to the closing price of HK\$0.320 per CVT Share as quoted on the Hong Kong Stock Exchange on 30 December 2016, the date of the Sale and Purchase Agreement;
- (ii) a premium of approximately 14.4% over the average closing price of approximately HK\$0.319 per CVT Share as quoted on the Hong Kong Stock Exchange for the 5 consecutive trading days immediately prior to the date of the Sale and Purchase Agreement;
- (iii) a premium of approximately 10.9% over the average closing price of approximately HK\$0.329 per CVT Share as quoted on the Hong Kong Stock Exchange for the 10 consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and

- (iv) a premium of approximately 4.6% over the average closing price of approximately HK\$0.349 per CVT Share as quoted on the Hong Kong Stock Exchange for the 10 consecutive trading days immediately after the date of the Sale and Purchase Agreement.

The Issue Price of HK\$0.365 per Consideration Share was arrived at after arm's length negotiation which took into consideration of the trading price of the CVT Share over the last 30 days prior to the date of the Sale and Purchase Agreement and current market conditions.

4. Independent Valuation for the Disposal Group

As previously announced, RSM Corporate Advisory Pte Ltd, an independent professional firm, has estimated the indicative value range of 100% of the Disposal Group to be in the range of **A\$11.0 to A\$16.1 million** as at 30 June 2016 based on "market approach" (the "**Indicative Value**"). The derived valuation of S\$13.7 million in relation to 100% of the Disposal Group thus falls within the range of the Indicative Value.

5. 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

17 January 2017