

## **SAPPHIRE CORPORATION LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. 198502465W)

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### **INCORPORATION OF A SUBSIDIARY**

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The Board of Directors (the “**Board**”) of Sapphire Corporation Limited (the “**Company**”) wishes to announce that Ranken Railway Construction Group Co., Ltd. (“**Ranken Railway**”), a subsidiary which the Company has an effective interest of 97.6%, has incorporated a wholly-owned subsidiary known as Sichuan Yilong Equipment Co., Ltd (“**SYE**”) (四川易隆装备有限公司) in the People’s Republic of China (the “**PRC**”).

The principal activities of SYE are (i) manufacturing of railway concretes structure; and (ii) research & development focusing on sustainable construction or eco-friendly engineering methods, repairs and maintenance of engineering equipment (including re-conditioning), and providing storage for engineering equipment and such related facilities (“**Principal Activities**”). Ranken Railway is expected to set up offices and construct facilities in Shaqu Industrial Development Area (“**SIDA**”), the PRC, for commencement of the Principal Activities.

In accordance with the Articles of SYE, SYE shall have a registered capital of not less than RMB100 million by 30 December 2025, of which RMB 20 million shall be invested in cash (“**Cash Investment**”) and RMB 80 million is to be represented by capitalisation of assets (new, used and/or re-conditioned equipment and tunnel boring machines). Cash Investment is expected to be funded by internal resources and / or borrowings with Cash Investment to be deployed mainly for (i) the capital expenditure in relation to the proposed development and construction of necessary facilities for the Principal Activities in SIDA; and (ii) general working capital.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company and the 2.4% effective equity interest in Ranken Railway held by Mr Cheung Wai Suen, the Executive Director of the Company).

The incorporation of SYE is not expected to have any material impact on the consolidated net earnings per share or consolidated net tangible assets per share of the Company for the year ending 31 December 2016.

By Order of the Board

**SAPPHIRE CORPORATION LIMITED**

Teh Wing Kwan  
Group Chief Executive Officer and Managing Director

7 April 2016