



Sapphire's Subsidiary Secures RMB916M (S\$200M) Worth of New Railway Infrastructure Contracts in China

Singapore, 9 December 2015 – SGX Mainboard-listed **Sapphire Corporation Limited** (“Sapphire” or the “Group”) is pleased to announce that its recently acquired Engineering, Procurement and Construction (“EPC”) business, Ranken Infrastructure Limited (“Ranken”), has secured new railway infrastructure contracts in China, worth RMB916 million (about S\$200 million).

Ranken, which Sapphire acquired in October 2015, will carry out new projects for urban rail transit metro lines in two cities – Guiyang (贵阳) and Qingdao (青岛) – and construct a tunnel as part of the 1,814km cross-country Menghua Railway project (蒙华铁路) over the next 2 to 3 years.

Of the three contracts, the 2.3km urban rail transit No. 2 Guiyang Metro Line (Phase One) (贵阳地铁 2 号线 一期) in Guiyang, worth RMB428 million (S\$93.7 million), is the largest and is expected to be completed within 24 months.

Ranken, as a member of a project consortium led by China Railway Engineering Corporation (中国中铁) to bid a project in Qingdao, also specifically secured for itself, railway infrastructure engineering contracts worth about RMB377 million (S\$82.5 million) in Huangdao District (黄岛区), Qingdao. The contracts are for the China University of Petroleum (中国石油大学) and Taihang Mountain Road (太行山路) underground stations along the No. 1 Qingdao Metro Line (青岛地铁 1 号线) at Chang Jiang Road (长江中路), as well as a tunnel connecting both stations, which Ranken will complete within 35 months.

For the Menghua Railway project, Ranken will act as subcontractor for the construction of a tunnel at Dawei Mountain (大围山), which will also take place over 35 months. The entire railway will link Inner Mongolia (内蒙古) to five provinces and end at Jiangxi (江西). Ranken's contract is worth about RMB110.5 million (S\$24.2 million).

The acquisition of Ranken is a key part of Sapphire's new growth strategy following the disposal of its legacy steel business last year. The Group's foray into rail infrastructure development comes at a time when governments and companies in China and Southeast Asia are investing substantially in rail lines, roads and other infrastructure.

Incorporated in 1998, Ranken has undertaken complex and large-scale municipal land transport projects in China, India and Bangladesh. It possesses fully integrated Triple-A qualifications and licenses for design, construction and project consultation in China's rail transit sector.

“The new EPC contracts underscore Ranken's track record and bode well for Sapphire in securing sustainable revenues at a time when infrastructure investments are rising in China, in line with recent government policies, and also the region,” said Mr. Teh Wing Kwan, Group CEO and Managing Director of Sapphire.

The Group expects to recognise revenue from Ranken from the quarter starting 1 October 2015 (“Q42015”). The subsidiary is expected to be Sapphire's biggest revenue contributor, going forward.

These new contracts are scheduled to be delivered after 2015, and are not expected to have any material effect on the earnings per share and net asset value per share of Sapphire Group for the financial year ending 31 December 2015.

On 3 December 2015, Sapphire also announced its strategic alliance with the long-established, Singapore-based CPG Corporation. Together, Sapphire and CPG Corporation will pursue infrastructure business opportunities in China and other emerging markets in the region.

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

Issued on behalf of the Company by WeR1 Consultants Pte Ltd

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About Sapphire Corporation Limited

Following the divestment of its steel business, Sapphire, backed by a Board of Directors with strong corporate finance and investment records, has been actively looking out for investment propositions and merger & acquisition opportunities.

Listed on the Singapore Exchange since 1999, Sapphire currently owns 100% 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. Mancala Australia, which has a strong record of more than 100 completed projects in Australia and internationally, is currently operating a nickel mine in Son La Province, Vietnam, the largest in the country.

Sapphire, on 1 October 2015, successfully completed the acquisition of China-based Engineering, Procurement and Construction (“EPC”) business, Ranken Infrastructure Limited (“Ranken”). 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 privately-owned 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.