

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

ANNOUNCEMENT IN RELATION TO MANCALA HOLDINGS PTY LTD (“MANCALA”):

- (I) NEGOTIATION ON A NEW MAJOR MINING SERVICES CONTRACT AND DISCUSSION WITH A STRATEGIC INVESTOR; AND**
 - (I) UPDATE ON THE ACQUISITION**
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The Board of Directors (the “**Board**”) of Sapphire Corporation Limited (the “**Company**”) wishes to provide the following updates to the shareholders of the Company (“**Shareholders**”):

I. NEGOTIATION ON A NEW MAJOR MINING SERVICES CONTRACT AND DISCUSSION WITH A STRATEGIC INVESTOR

The Company wishes to update that the management of Mancala Holdings Pty Ltd (“**Mancala**”) has recently conducted a site visit to a zinc and lead mine in the People’s Republic of China (“**Mine**”) for the purposes of quoting a major mining services contract for the Mine in relation to

- (i) providing shaft excavation works;
- (ii) recommending drilling methods and mining designs for productivity improvement;
- (iii) advising on energy saving and environmental protection technologies; and
- (iv) mine operating management (including recycling of tailings and other disposables).

(collectively, the “**Potential Contracts**”)

These discussions come at a time when the government of the People’s Republic of China is emphasising sustainable development for the local mining industry that includes increasing focus on technology upgrade, environmental protection and productivity improvement, which experienced Australian mining services specialists could advise.

The Potential Contracts, if materialized, will provide additional recurring income to Mancala. Meanwhile, the Company is also in discussions with a strategic investor (“**Investor**”), which has expressed interest in forming an alliance with Mancala via equity participation.

It should be noted that whilst the management of Mancala has completed the site visit, the final contracts are still subject to commercial negotiations and there is no certainty that Mancala will be able to secure the Potential Contracts. There is also no certainty that the Company will be able to finalise commercial terms with the Investor.

II. UPDATE ON THE ACQUISITION OF MANCALA HOLDINGS PTY LTD

The Board refers to the announcements dated 9 October 2013, 7 January 2014 and 4 April 2014 relating to the acquisition of Mancala (the “**Previous Announcements**”).

Unless otherwise defined herein, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Previous Announcements.

Payment of Second Tranche Consideration

Pursuant to the FY2014 Financial Statements of Mancala Holdings Pty Ltd (“**Mancala**”) which were previously received by the Company, the Company is currently awaiting the finalisation of annual returns and tax returns which Mancala needs to file with the relevant authorities in relation to its financial affairs of Mancala for FY2014, following the change of financial year end of Mancala from 30 June to that of 31 December. The change in financial year-end date of Mancala to 31 December was to coincide with that of the Company. The Company expects to make Second Tranche Consideration in 2016.

The Company will provide further updates in relation to (i) details of the negotiation for new mining services contract and discussions with the Investor, if materialized; and (ii) the satisfaction of the Second Tranche Consideration; as may be necessary and/or appropriate.

By Order of the Board

SAPPHIRE CORPORATION LIMITED

Teh Wing Kwan
Group Chief Executive Officer and Managing Director
6 January 2016