

SGX-Listed Sapphire Directors Announce Intention To Step Down For Board Renewal

Singapore, 13 November 2017 – Sapphire Corporation Limited (“Sapphire” or the “Group”) announced today that its Board of Directors intends to voluntarily step down to facilitate a board renewal upon the completion of a proposed acquisition of a 27.97%-stake in the company by Hong Kong International Construction Investment Management Group Co., Limited (“HKICIM”).

SGX Mainboard-listed Sapphire announced on 18 October 2017 that two of its largest shareholders, Ou Rui Limited (“Ou Rui”) and Best Feast Limited (“Best Feast”), are swapping their stakes with HKICIM, a property development subsidiary of China’s HNA Holding Group Co. The completion of this deal will see HKICIM emerge as Sapphire’s single largest shareholder.

Chairman and Independent Director Mr Steven Lim said, “Most of my fellow directors and I intend to step down to facilitate the board transition upon completion of the shares swap deal, which we believe will augur a new era of growth for Sapphire as it sharpens its focus on China’s infrastructure sector.”

“I would like to express my sincere appreciation to our management and my fellow directors for their valuable contributions to the Group. In particular, our Group CEO, Mr Teh Wing Kwan, with his strong leadership and strategic vision, has guided the Board of Sapphire through the critical corporate recovery period,” added Mr Lim.

Mr Teh said, “Sapphire was in a state of flux back then. I am glad to have led the Group through the last few years of transformation and see its market capitalisation improve from its lowest of just above S\$45 million in 2014 to a record high of almost S\$120 million last year. Thank you, my supportive board members.”

“A strong corporate foundation has been laid for Sapphire and its core business is now supported by Ranken’s full-fledged engineering team. I believe the new board leadership will help us to expand our business networks in China; and in a meaningful way,” added Mr Teh.

Mr Teh was appointed Group CEO and Managing Director in October 2013 and launched major corporate turnaround plans shortly after. As top management, he strategically guided Sapphire through the divestment of legacy loss-making entities in the steel sector and the subsequent acquisition of rail engineering subsidiary **Ranken Infrastructure Limited** (“Ranken”), which has since become the Group’s main revenue contributor.

Ranken recently announced an order book of RMB 3.4 billion (S\$705 million) as at 12 October 2017, the highest since its acquisition by Sapphire.

Sapphire also reported a net profit and net operating cash flows of RMB 17.6 million and RMB 92.5 million, respectively, for the latest quarter ended 30 September 2017. For the nine months ended 30 September 2017, the Group reported a net profit of RMB 38.0 million on total revenue of RMB 853.4 million with net asset of close to RMB 500 million as at 30 September 2017.

The Group will announce the new compositions of the Board and related committees in due course.

Issued on behalf of the Company by WeR1 Consultants Pte Ltd:

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About Sapphire Corporation Limited

Listed on the Singapore Exchange since 1999, Sapphire has undergone a major restructuring exercise and corporate transformation over the last three years.

On 1 October 2015, Sapphire successfully completed the acquisition of China-based Engineering, Procurement and Construction (“EPC”) business, Ranken Infrastructure Limited (“Ranken”) as part of its corporate turnaround strategy. 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 private 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, with track records in emerging markets such as Bangladesh and India.

Sapphire owns a 19% stake 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.