Press Release – for immediate release

Sapphire's Subsidiary Awarded EPC Contract of RMB 832 million Related to its Public-Private-Partnership ("PPP") Project in Chengdu

- This EPC contract of RMB 832 million is expected to be completed within 2 years
- Sapphire is expected to benefit financially from three components of this PPP project as the EPC contractor, operational manager and as one of the strategic shareholders of the PPP project
- Positive boost to the Group's reputation and operational experience in both the water environmental industry and PPP industry in China
- Two-prong business strategy to secure larger EPC contracts and long-term recurring revenue related to PPP projects with minimal capital commitment

Singapore, 14 January 2019 – SGX Mainboard-listed **Sapphire Corporation Limited ("Sapphire" or "盛世企业" and together with its subsidiaries, the "Group")**, an established infrastructure design and construction group in China, is pleased to announce that the Group's 97.6% owned subsidiary, Ranken Railway Construction Group Co., Ltd ("Ranken"), has secured a EPC contract of RMB 832 million related to its PPP project in Chengdu.

On 19 November 2018, the Group announced that Ranken and its consortium partners have secured a PPP project to carry out investment and financing, design, build, operate and transfer works ("DBFOT Works") with the Urban and Rural Coordination Work Bureau of Chengdu Wuhou District（成都武侯区统筹城乡工作局）for the first phase of Wuhou District, "Liveable River Bank" project in Chengdu, Sichuan Province, China.

The DBFOT Works period of the PPP project is expected to be 15 years, which comprises 2 years of construction as well as the operational/management rights of the building infrastructures along the river bank for a 13-year period.

The scope of work related to the EPC contract includes engineering, procurement and construction works associated with the water environment protection, ecological restoration, flood control measures, building infrastructures and lifestyle amenities of this PPP project.

Recently, as announced on 30 December 2018, Ranken, being one of the consortium parties, has injected RMB 25 million in cash for a 25% equity interest in the PPP's project company, Chengdu Derun Jinlong Environmental Management Co., Ltd. ("CDJ Environmental Management Co.") (成都德润锦隆环境治理有限公司), which is funded through Ranken's internal resources.

The other well-known consortium partners in the PPP project includes Chongqing Derun Environment Co., Ltd. (重庆德润环境有限公司), Chengdu Wuhou Industrial Development Investment Management Group Co., Ltd. (成都武侯产业发展投资管理集团有限公司) and

Beijing Enterprises Water (China) Investment Limited (北控水务(中国)投资有限公司) have injected their proportionate share of the registered capital and capital reserve in CDJ Environmental Management Co..

Focusing on a broader urban renewal effort to create a greener living environment in Wuhou District, this PPP project involves the design, build, finance and management of ecological restoration, flood control measures and building infrastructures along an 18.68 km embankment along Jiang An River (江安河), one of the key waterways in Chengdu.

Two-Prong Business Strategy in the PPP Market Bearing Fruits

Adopting a two-prong business strategy in the PPP market, the Group targets to be a strategic shareholder with the first mover advantage to secure the EPC contract and operations management contract related to the PPP project.

As a testament to the Group's strategy, this EPC contract of RMB 8320 million is the largest contract win in recent years. As such, the Group is expected to benefit financially from three components of this PPP project as follows:

a. EPC contract of RMB 832 million during the 2-year construction period;
b. Potential of recurring dividend income arising from Ranken's 25% shareholding in CDJ Environmental Management Co.; and
c. Potential of recurring revenue from the operations management contract of the PPP contract for a 13-year period upon completion of the EPC contract

Commenting on winning the EPC contract of its PPP project, Ms Wang Heng (王恒), Chief Executive Officer of Sapphire, said, ***"Recognising that China's burgeoning PPP market presents strong prospects for long term recurring revenue, we have taken the first step as a strategic shareholder with a direct investment into this PPP project in Chengdu together with other well-known consortium partners.***

Other than being a shareholder in the PPP project, we also set our sights to secure the EPC component and operational management contracts of our own PPP projects so it will be accretive to our revenue, strengthened our track record, deepen our working relationships with leading industry players in the PPP industry and further mitigate our risks.

Moreover, working together with these leading industry players will be a positive boost to our reputation and operational experience in the water environmental industry, thereby leading to more working opportunities with major industry players in this field.

Besides being a EPC contractor and a strategic shareholder in this PPP project, we also have the opportunity to be the manager of the new recreational amenities, F&B retail and lifestyle concepts along the river bank for a 13-year period, thereby developing our operational experience in this area and creating a new recurring revenue stream for the Group."

Ms Wang added, "*With this approach, stakeholders' interests are aligned and provides greater assurance that the PPP project can be completed successfully on time and on budget.*

We have also demonstrated that this two-prong business strategy can present us with larger EPC contracts and long-term recurring revenue related to PPP projects with minimal capital commitment."

Established and Well-Known Consortium Partners

A PPP project is generally defined as a long-term contract between a government agency and private organisation(s) for the construction and operation of economic and social infrastructure (such as water treatment facilities, utilities and public transport systems). The PPP model has been utilised for many public infrastructure projects and it has been used in many countries.

The consortium partners of this PPP project include Chongqing Derun Environment Co., Ltd. (重庆德润环境有限公司), Chengdu Wuhou Industrial Development Investment Management Group Co., Ltd. (成都武侯产业发展投资管理集团有限公司) and Beijing Enterprises Water (China) Investment Limited (北控水务(中国)投资有限公司).

Chongqing Derun Environment Co., Ltd. ("Derun Environment") is jointly established in 2015 by SUEZ, NWS and Chongqing Water Assets Management Company and it is the biggest Sino-French investment platform in China's environment market, as well as the key investment project of SUEZ in China. Derun Environment aims to become provide systematic solutions for urban environmental problems domestically and globally. Derun Environment's total assets value has reached nearly RMB 30 billion.

Beijing Enterprises Water (China) Investment Limited is part of Beijing Enterprises Water Group Limited ("BEWG"), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 0371), is a large-scale group which provides a broad range of water services and environmental protection services in China. Currently, BEWG owns and operates a few hundred water supply plants and sewage treatment plants in China, Malaysia, and Portugal, with a total water treatment capacity of over tens of million tons per day.

Throughout the years, BEWG was consistently awarded "China Water Service Outstanding New Enterprises", "Best Water Business Enterprises in China", and recently, BEWG has been ranked No.1 of the "Top Ten Water Enterprises with Influence in China" for the eighth consecutive year.

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This press release is to be read in conjunction with Sapphire's exchange filings on 14 January 2019, which can be downloaded via www.sgx.com.

About Sapphire Corporation Limited
(Bloomberg Code: SAPP:SP / Reuters Code: SAPP.SI / SGX Code: BRD.SI)

Listed on the Mainboard of the Singapore Exchange since 1999, Sapphire Corporation Limited ("Sapphire" or the "Group") owns a 100% stake in China-based Ranken Infrastructure Limited ("Ranken") and its subsidiaries, which was founded in 1998, which has grown into an established integrated infrastructure design and construction group.

Notably, Ranken is one of the few private operators in China that holds full Triple-A qualifications and licences for design, civil engineering, construction and project consultation in the rail sector.

With a track record in major infrastructure projects across China, Bangladesh, India and Saudi Arabia, the Group has built up integrated capabilities and specialised industry knowledge to undertake an extensive scope of work associated with vital urban infrastructure projects (that includes urban rail transport system, expressways, roads, bridges and among others).

Issued on behalf of Sapphire Corporation Limited by:

Waterbrooks Consultants Pte Ltd
Tel: (+65) 6100 2228

Mr. Alex Tan	(M): +65 9451 5252	kai@waterbrooks.com.sg
Mr. Ng Tian Khean	(M): +65 9640 2808	tk@waterbrooks.com.sg
