

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

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**PROPOSED NON-RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE – RECEIPT OF IN-PRINCIPLE APPROVAL – REVISED IRREVOCABLE UNDERTAKING BY THE UNDERTAKING SHAREHOLDER**

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**1. INTRODUCTION**

- 1.1 The board of directors (the “**Board**”) of Sapphire Corporation Limited (the “**Company**”) refers to the Company’s announcement dated 30 December 2018 (the “**Previous Announcement**”) in relation to the Rights Issue.
- 1.2 Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Previous Announcement.
- 1.3 Subsequent to the Previous Announcement, the Company had on 19 March 2019 submitted an application for the additional listing of and quotation for the Rights Shares, on the Mainboard of the SGX-ST, to the SGX-ST.

**2. IRREVOCABLE UNDERTAKING**

- 2.1 Further to the Previous Announcement, the Company wishes to update that the Undertaking Shareholder has, as an indication of its support and commitment to the Company and the Rights Issue, informed the Company that it will be providing an irrevocable undertaking (“**Revised Irrevocable Undertaking**”) in favour of the Company, pursuant to which the Undertaking Shareholder will, subject to certain conditions, irrevocably undertake that *inter alia*:
- (a) as at Books Closure Date, the number of Shares held by it will not be less than the number of Shares held by it as at the date of the Revised Irrevocable Undertaking;
  - (b) it will vote in favour of the Rights Issue and the issue of the Rights Shares at the EGM (including an adjournment thereof); and
  - (c) it will, not later than the last day for acceptance and payment of the Rights Shares subscribe for and pay in full for and/or procure the subscription of and payment in full for its *pro rata* entitlement to the Rights Shares under the Rights Issue in relation to the Shares held by it as at the Books Closure Date, and all Excess Rights Shares which are not otherwise subscribed for by the Entitled Shareholders under the Rights Issue, in accordance with the terms and conditions of the Rights Issue.
- 2.2 The Undertaking Shareholder has procured confirmation from financial institution(s) that it has sufficient financial resources to fulfil its obligations under the Revised Irrevocable Undertaking. The Revised Irrevocable Undertaking is subject to, among others, the conditions set out in paragraph 6.5 of the Previous Announcement.

### 3. RECEIPT OF IN-PRINCIPLE APPROVAL

3.1 The Board is pleased to announce that the Company has today received the in-principle approval (“**AIP**”) of the SGX-ST for the dealing in, listing of and quotation for, up to 81,517,978 Rights Shares on the Mainboard of the SGX-ST. The AIP of the SGX-ST is subject to the following conditions:

- (a) the Company’s compliance with the SGX-ST’s listing requirements;
- (b) Shareholders’ approval for the Rights Issue;
- (c) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report;
- (d) a written undertaking from the Company that it will comply with Rule 877(10) of the Listing Manual with regards to the allotment of any Excess Rights Shares;
- (e) a written undertaking from the Company that:
  - (i) it will, prior to the announcement of the Books Closure Date for the Rights Issue, conduct and complete independent cash verification of its cash position as at 31 December 2018 using the transactional bank statements (the “**Cash Verification**”);
  - (ii) it will place the Net Proceeds into an escrow account and any disbursements from the escrow account to be approved by the Audit Committee of the Company (“**Audit Committee**”);
  - (iii) it will commission an independent verification of the material disbursements of the Net Proceeds (the “**Transaction Audit**”); and
  - (iv) the Audit Committee will review the findings of the Cash Verification and the Transaction Audit;
- (f) disclosure via SGXNET of:
  - (i) a confirmation from the Audit Committee as to whether it is satisfied with the results of the Cash Verification;
  - (ii) a confirmation from the Audit Committee as to whether it is satisfied with the results of the Transaction Audit; and
  - (iii) if applicable, material issues highlighted by the independent reviewer and how these material issues will be / have been addressed; and
- (g) a written confirmation from a financial institution as required under Rule 877(9) of the Listing Manual that the Undertaking Shareholder who has given the Irrevocable Undertaking has sufficient financial resources to fulfil its obligations under its undertakings.

- 3.2 The Company has provided the written undertakings and confirmations referred to in subparagraphs (c), (d) and (g) above to the SGX-ST.
- 3.3 The AIP is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Shares, the Company and/or its subsidiaries.
- 3.4 Further information on the Rights Issue will be provided in the Circular to be despatched to Shareholders, and an EGM will be convened to seek the approval of Shareholders for the Rights Issue and the Whitewash Resolution, in due course.

#### **4. APPOINTMENT OF MANAGER**

Further to its Previous Announcement, the Company wishes to update that it has appointed Haitong International Securities (Singapore) Pte. Ltd. as manager to manage the Rights Issue.

#### **5. CAUTIONARY STATEMENT**

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The completion of the Rights Issue is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Rights Issue will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

**Oh Eng Bin Kenneth**

Non-Executive Lead Independent Director

12 April 2019