

SAPPHIRE CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198502465W)

INVESTMENT IN AN ASSOCIATED COMPANY

The Board of Directors (the “**Directors**”) of Sapphire Corporation Limited (the “**Company**”) together with its subsidiaries (collectively known as the “**Group**”), wishes to announce that a consortium (the “**Consortium**”) comprising:

(a) Beijing Enterprises Water (China) Investment Limited (北控水务 (中国) 投资有限公司);

(b) Chongqing Derun Environment Co., Ltd. (重庆德润环境有限公司);

(c) Ranken Railway Construction Group Co., Ltd (“**Ranken**”) (a 97.6% owned subsidiary of the Company); and

(d) Nuclear Industry Southwest Survey and Design Research Institute Co., Ltd (核工业西南勘察设计研究院有限公司) ((a), (b) and (d) which are all independent third parties)

has signed an Public-Private-Partnership (“**PPP**”) cooperation agreement (the “**Cooperation Agreement**”), with 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 Chengdu, Wuhou District “Liveable River Bank” project (武侯区“宜居水岸”一期PPP项目合作合同).

The Cooperation Agreement

Pursuant to the Cooperation Agreement, 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) (“**Chengdu Wuhou**”) and the Consortium will set up a Project Company (the “**Project Company**”) to carry out investment and financing, design, build, operate and transfer works (“**DBFOT Works**”) for the first phase of Chengdu, Wuhou District “Liveable River Bank” project with estimated cost of about RMB 1.4 billion (the “**Project**”). The Project revenue will come from user payment and government subsidy.

The registered share capital of the Project Company shall be RMB 50 million to be injected in cash contributed by Chengdu Wuhou and the Consortium for 10% and 90% respectively. The initial equity investment shall be RMB 30 million to be injected within 30 days from the incorporation of the Project Company. The balance of equity injection will be disbursed to Project Company in tranches progressively over the course of construction of the Project which is envisioned to be approximately 2 years.

As part of the Consortium, Ranken will hold 25% equity interest in the Project Company (the “**Investment**”) with an initial cash investment of RMB 7.5 million (“**Investment Sum**”). The Investment Sum will be funded through Ranken’s internal resources.

The DBFOT period of the PPP project 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.

For the avoidance of doubt, the Group's investment in the Project Company and the Project will not change the risk profile of the Group.

The Project Company will be accounted for as a 25%-owned associated company of the Group.

A separate announcement and/or press release will be made upon the incorporation and capital injection into the Project Company in due course.

The Investment is not expected to have any material impact on the Group's earnings per share and the net tangible assets per share for the financial year ending 31 December 2018.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction, other than in their respective capacities as a Director and/or substantial shareholder of the Company and Mr Cheung Wai Suen's direct interest in Chengdu Kai Qi Rui Business Management Co., Ltd and Ranken Railway Construction Group Co., Ltd of 2.0% and 0.4% respectively.

By Order of the Board

SAPPHIRE CORPORATION LIMITED

Wang Heng
Chief Executive Officer and Executive Director
19 November 2018