

CIRCULAR DATED 17 NOVEMBER 2022

THIS CIRCULAR TO SHAREHOLDERS (“CIRCULAR”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular is issued by Sapphire Corporation Limited (the “**Company**”). **If you are in any doubt about the contents of this Circular or the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.**

If you have sold or transferred all your ordinary shares in the capital of the Company (the “**Shares**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s) which are not deposited with CDP, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying proxy form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company. The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.



SAPPHIRE CORPORATION LIMITED

(Company Registration Number: 198502465W)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	: 6 December 2022 at 10.00 a.m.
Date and time of Extraordinary General Meeting	: 9 December 2022 at 10.00 a.m.
Place of Extraordinary General Meeting	: The EGM will be held by way of electronic means.

Please refer to the Notice of EGM dated 17 November 2022 for further details.

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:-

“Accumulated Losses”	:	Has the meaning ascribed to it in Section 3.2(ii) of this Circular
“ACRA”	:	Has the meaning ascribed to it in Section 6.1(iv) of this Circular
“Board of Directors” or “Board”	:	The board of directors of the Company, from time to time
“Capital Reduction BCD”	:	Such time and date as may be determined by the Directors in their absolute discretion as they deem fit and announced by the Company, at and on which the Register of Members and the Transfer Books of the Company will be closed for the purpose of determining the entitlements of Shareholders to the Proposed Cash Distribution pursuant to the Proposed Capital Reduction
“Capital Reduction Resolution”	:	Has the meaning ascribed to it in Section 6.1(i) of this Circular
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 17 November 2022
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	Sapphire Corporation Limited
“Completed Past Transaction”	:	Collectively, the (i) completed sale by the Company’s subsidiary, Chengdu Kai Qi Rui Business Management Co., Ltd. (“Chengdu KQR”) of 233,237,476 shares in Ranken Railway Construction Group Co. to Shandong Hi-Speed Road & Bridge Investment Management Co., Ltd. for a consideration of RMB280,000,000; and (ii) issue of 71,125,048 shares of Ranken Railway Construction Group Co. to the Shandong Hi-Speed Road & Bridge Investment Management Co., Ltd.;

For more information on the Completed Past Transaction, please refer to the circular on the Completed Past Transaction dated 9 October 2020

DEFINITIONS

“Constitution”	:	The constitution of the Company for the time being, as amended, supplemented or modified from time to time
“CPF”	:	Central Provident Fund
“CPFIS”	:	Central Provident Fund Investment Scheme
“CPFIS Investors”	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
“Director” or “Directors”	:	A director or directors of the Company, as the case may be
“Dividend Allocation Sum”	:	An amount equivalent to 36.3% of the Net Proceeds
“EGM”	:	The extraordinary general meeting of the Company to be held on 9 December 2022, at 10.00 a.m., notice of which is set out on pages N-1 to N-4 of this Circular
“EPS”	:	Earnings per Share
“FY”	:	The financial year commenced or, as the case may be, commencing on 1 January and ended, or as the case may be, ending 31 December
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	10 November 2022, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“NAV”	:	Net asset value
“Net Proceeds”	:	The net proceeds from the Completed Past Transaction, after deducting all costs and expenses, estimated to be approximately RMB257,048,000
“Notice of EGM”	:	The notice of the EGM as set out on pages N-1 to N-4 of this Circular
“Solvency Statements”	:	Has the meaning ascribed to it in Section 6.1(ii) of this Circular
“Special Resolution”	:	The special resolution to be passed by Shareholders at the EGM as set out in the Notice of EGM
“PRC”	:	People’s Republic of China

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“Proposed Capital Reduction”	:	Has the meaning ascribed to it in Section 3.2(i) of this Circular, and details of which are set out in Section 3.2 of this Circular
“Proposed Cash Distribution”	:	Has the meaning ascribed to it in Section 3.2(iii) of this Circular
“Proxy Form”	:	The proxy form in respect of the EGM as set out on pages N-5 to N-6 of this Circular
“Register of Members”	:	The register of members of the Company
“Registrar”	:	The registrar of Companies appointed under the Companies Act and includes any deputy or assistant registrar of companies
“RMB”	:	Renminbi, the lawful currency of the PRC
“Securities Account”	:	A securities account maintained by a Depositor with CDP
“Securities and Futures Act”	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNET”	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of information and announcements by listed companies
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“Shares”	:	Ordinary shares in the capital of the Company
“SRS”	:	Supplementary Retirement Scheme
“SRS Investors”	:	Investors who have purchased Shares pursuant to the SRS
“Transfer Books”	:	The share transfer books of the Company
“S\$” and “Cents”	:	Singapore dollars and cents, respectively
“%” or “per cent”	:	Percentage or per centum

DEFINITIONS

In this Circular:

- (a) The terms “**Depositor**”, “**Depository Register**”, and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.
- (b) The terms “**subsidiary**”, “**treasury share**”, “**related company**”, and “**substantial Shareholder**” shall have the meanings ascribed to them respectively in the Companies Act.
- (c) The term “**Associated Company**” and “**subsidiary holdings**” shall have the meaning ascribed to it in the Listing Manual.
- (d) Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.
- (e) References to persons shall include corporations.
- (f) Unless otherwise provided, references to Sections and Appendices are to sections and appendices of this Circular.
- (g) The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.
- (h) Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, Securities and Futures Act, Listing Manual, or any statutory modification thereof and used in this Circular shall, unless otherwise defined in this Circular, have the same meaning assigned to it under the Companies Act, Securities and Futures Act, Listing Manual, or any statutory modification thereof, as the case may be.
- (i) Any reference to a time of a day or date in this Circular shall be a reference to Singapore time and dates unless otherwise stated.
- (j) Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.
- (k) Various names with Chinese characters have been translated into English names. These translations are provided solely for convenience. The English translations may not have been registered with the relevant Chinese authorities and should not be construed as representations that the English names actually represent the names in Chinese characters.
- (l) Various amounts have been presented in both Singapore dollars and RMB for reference, the corresponding amounts are translated based on the relevant exchange rates and amounts presented are approximate amounts.

DEFINITIONS

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and the Company disclaims any responsibility and does not undertake any obligation to update publicly or revise any forward-looking statements contained in this Circular to reflect any change in the Group’s expectations with respect to such statements after the date of this Circular or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

SAPPHIRE CORPORATION LIMITED

(Company Registration Number: 198502465W)
(Incorporated in the Republic of Singapore)

Board of Directors:

Mr. Cheung Wai Suen (*Executive Chairman*)
Ms. Wang Heng (*Chief Executive Officer and Executive Director*)
Mr. Oh Eng Bin (*Non-Executive Lead Independent Director*)
Dr. Zhang Weiguo (*Non-Executive Independent Director*)
Mr. Tay Eng Kiat Jackson (*Non-Executive Independent Director*)

Registered Office:

1 Robinson Road #17-00
AIA Tower
Singapore 048542

17 November 2022

TO: THE SHAREHOLDERS OF SAPPHIRE CORPORATION LIMITED

Dear Sir/Madam

THE PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

1. INTRODUCTION

- 1.1. On 31 December 2020, the Board of Directors announced the Company's proposal to undertake a capital reduction exercise, pursuant to Section 78A read with 78C of the Companies Act, which will involve the reduction of the share capital of the Company that has been lost or is unrepresented by available assets to the extent of the amount of Accumulated Losses of the Company up till 30 June 2020 and a cash distribution to Shareholders. The announcement made by the Company in relation to the above is available at the SGX-ST's website at <http://www.sgx.com>.
- 1.2. Subsequent to the abovementioned announcement, the Board of Directors proposes to seek the approval of Shareholders for the Proposed Capital Reduction and the Proposed Cash Distribution at the EGM as a Special Resolution and sets out in this Circular, the information on the Proposed Capital Reduction and the Proposed Cash Distribution for which the approval of Shareholders will be sought.

2. RATIONALE FOR THE PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

- 2.1 The purpose of the Proposed Capital Reduction is to write off the Accumulated Losses with a view to restructure the finances of the Company and enable the Company to proceed with the Proposed Cash Distribution. This serves to rationalise the balance sheet of the Company for it to be an accurate reflection of the financial position of the Company and also enable the Company to return capital in excess of the immediate requirements of the Company to its Shareholders. In addition, the Proposed Capital Reduction will facilitate future equity-related fund-raising exercises to recapitalise and strengthen the balance sheet of the Company. The Company would also be in a better position to retain profits and enhance its ability to pay future dividends, when appropriate, if the Accumulated Losses are written off.

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- 2.2 Furthermore, the Proposed Cash Distribution (approximately 36.28% of Net Proceeds) is of a higher quantum than if the Dividend Allocation Sum had been paid out by way of dividends as, in the case of distributions further to capital reduction made by Chengdu KQR to its shareholders, withholding tax in the PRC is not applicable for distributions further to capital reduction but is required for dividends. Ranken Holding and Mr Cheung Wai Suen hold equity interest of 97.99% and 2.01% in Chengdu KQR respectively. Ranken Holding is the Company's wholly-owned direct subsidiary. The Proposed Cash Distribution is calculated from the total amount of Dividend Allocation Sum and the additional interest which has accrued on the Dividend Allocation Sum thereon. Mr Cheung Wai Suen's 2.01% equity interest of Chengdu KQR entitles him proportionally to the capital reduction of Chengdu KQR and reduces the cash available for the Proposed Cash Distribution accordingly.
- 2.3 As set out in the Company's announcements dated 3 June 2022, 25 July 2022 and 10 October 2022 in relation to the Proposed Capital Reduction, the Company's direct and indirect subsidiaries, Ranken Holding and Chengdu KQR respectively, were each to undertake a capital reduction exercise in order to distribute the Dividend Allocation Sum from Chengdu KQR to Ranken Holding and subsequently from Ranken Holding to the Company for the Proposed Cash Distribution. The capital reduction exercise in relation to Chengdu KQR had been completed on 21 July 2022 and accordingly, the registered share capital of Chengdu KQR had been reduced from RMB229,080,000 to RMB132,980,000. The capital reduction exercise in relation to Ranken Holding had been completed on 5 October 2022 and accordingly, the issued and registered share capital of Ranken Holding had been reduced from RMB334,306,332 to RMB240,212,332. The cash required for the Proposed Cash Distribution has been received by the Company and is held by the Company in its bank account in Singapore. Accordingly, the Company has received S\$18,750,573 and is in a position to proceed with the Proposed Cash Distribution in due course. The cash received by the Company will substantially be applied to the Proposed Cash Distribution after accounting for estimated professional expenses.
- 2.4 The Proposed Cash Distribution enables the Company to satisfy fully and complete all relevant obligations under its voluntary undertaking provided to SGX-ST as set out in Section 5(B) the circular of the Completed Past Transaction dated 9 October 2020 in order for the Company to not be deemed as a cash company under Rule 1018 of the Listing Manual, reproduced below, "the Dividend Allocation Sum, being part of the Tranche 1 Escrowed Sum and an amount equivalent to 36.3% of the Net Proceeds, will be allocated for distribution to Shareholders by way of dividends. The Dividend Allocation Sum, less PRC withholding tax, losses at the Company level for the current financial year of distribution and expenses related to undertaking a capital reduction exercise to write off all accumulated losses of the Group, and which is estimated to amount to approximately 30.0% of the Net Proceeds, will be distributed to the Shareholders in the form of dividends. Pending such distribution, the Dividend Allocation Sum will remain in the Escrow Account".
- 2.5 As SGX-ST had informed the Company that SGX-ST has no comments to the Proposed Capital Reduction, the Board wishes to update that the Company intends to satisfy fully and complete all relevant obligations under the voluntary undertaking above-mentioned by distribution to the Shareholders in the form of the Proposed Cash Distribution after the completion of the Proposed Capital Reduction instead of distribution in the form of dividends. There is no change to the arrangement that pending such distribution, the Dividend Allocation Sum will continue to remain in the Escrow Account.
- 2.6 The Proposed Cash Distribution comprises the issued and paid-up capital in excess of the immediate requirements of the Company. The Proposed Capital Reduction and Proposed Cash Distribution, if effected, would result in the Company having a more efficient capital structure, thereby also improving Shareholders' return on equity.

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3. DETAILS OF THE PROPOSED CAPITAL REDUCTION AND THE PROPOSED CASH DISTRIBUTION

3.1 The Company proposes to carry out the Proposed Capital Reduction pursuant to Section 78A read with Section 78C of the Companies Act.

3.2 The Proposed Capital Reduction will be effected in the following manner:

- (i) the issued and paid-up share capital of the Company shall be reduced from S\$98,458,091 to S\$73,717,285 (**“Proposed Capital Reduction”**) and that such reduction be effected by the cancellation of the Company’s issued and fully paid-up share capital as at the effective date of the Proposed Capital Reduction (such date to be announced by the Company on SGXNET) of the aggregate sum of approximately S\$6,154,707 (RMB22,571,000¹) and approximately S\$18,586,099 (RMB93,254,912²);
- (ii) the cancellation of the share capital of the Company to the extent of the sum of the accumulated losses of the Company as at 31 December 2021 of approximately S\$6,154,707 (RMB22,571,000¹) (**“Accumulated Losses”**) and applying such amount of approximately S\$6,154,707 (RMB22,571,000¹), being the credit arising from the aforesaid cancellation of share capital, to write off the Accumulated Losses; and
- (iii) by returning to all Shareholders equally, the aggregate amount of approximately S\$18,586,099 (RMB93,254,912) which is approximately 36.28% of Net Proceeds, being the surplus capital of the Company in excess of its needs, by way of a cash distribution of S\$0.0456³ per issued Share held by a Shareholder as at the Capital Reduction BCD (**“Proposed Cash Distribution”**).

3.3 As at the Latest Practicable Date, the Company’s issued and fully paid-up share capital (excluding treasury shares) is S\$98,458,091 divided into 407,589,893 Shares.

3.4 The Accumulated Losses arose mainly from corporate expenses over the years, and the Proposed Capital Reduction will reduce the Company’s Accumulated Losses by the cancellation of the share capital of the Company to the extent of approximately S\$6,154,707 (RMB22,571,000¹).

3.5 **There will be no change in the total number of issued Shares in the Company held by the Shareholders immediately after the Proposed Capital Reduction. Each Shareholder will hold the same number of Shares before and immediately after the Proposed Capital Reduction.**

1 Approximately equivalent to S\$6,154,707 based on the historical exchange rates across various years in respect of the accumulated losses of the Company totalling RMB31,668,000. In adopting SFRS(I) on 1 January 2018, cumulative currency translation differences for all foreign operations were deemed to be zero on the date of transition, 1 January 2017. The Company’s foreign currency translation reserve (**“FCTR”**) also decreased by RMB9,097,000 and retained earnings increased by the same amount as at 31 December 2017. Hence the retained earnings as at 31 December 2021 was RMB(-31,668,000 + 9,097,000) = RMB(-22,571,000) and the Accumulated Losses is RMB22,571,000.

2 Approximately equivalent to RMB93,254,912 based on the exchange rate of S\$1.00 : RMB5.017 which is the average exchange rate of conversion on the week of 15 August 2022.

3 The cash distribution of S\$0.0456 per issued share is calculated based on S\$18,586,099, being part of the Proposed Capital Reduction/total number of issued shares as at the Latest Practicable Date, i.e. S\$18,586,099/407,589,893 = S\$0.0456.

LETTER TO SHAREHOLDERS

4. FINANCIAL EFFECTS OF THE PROPOSED CAPITAL REDUCTION

- 4.1 For illustrative purposes only and based on the latest audited consolidated financial statements of the Company for the full year financial period ended 31 December 2021 (“FY2021”), the financial effects of the Proposed Capital Reduction and Proposed Cash Distribution on the Group are set out below.

The pro forma financial effects are calculated based on the assumptions that:

- (i) the Proposed Capital Reduction and Proposed Cash Distribution were completed on 31 December 2021;
- (ii) the Company has sufficient cash required for distribution; and
- (iii) the estimated transaction costs of approximately RMB840,855 have been taken into account in the computation of the financial effects.

(a) Share capital

The Proposed Capital Reduction and Proposed Cash Distribution will not have any impact on the number of Shares held by Shareholders after the Proposed Capital Reduction and Proposed Cash Distribution. The pro forma financial effects of the Proposed Capital Reduction and Proposed Cash Distribution on the share capital of the Company for FY2021 are as follows:

	Before the Proposed Capital Reduction	After the Proposed Capital Reduction
Number of issued Shares (excluding treasury shares) ⁽¹⁾	407,589,893	407,589,893
Amount of share capital (RMB)	466,700,000	350,874,088

Note:

(1) As at the Latest Practicable Date, the Company does not have any treasury shares.

(b) Earnings per Share (“EPS”)

The pro forma financial effects of the Proposed Capital Reduction and Proposed Cash Distribution on the EPS of the Group for FY2021 are as follows:

	Before the Proposed Capital Reduction	After the Proposed Capital Reduction
Profit attributable to Shareholders (RMB'000)	29,166	28,325
Number of issued Shares (excluding treasury shares)	407,589,893	407,589,893
EPS (RMB Cents) ⁽¹⁾	7.15	6.95

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Notes:

- (1) The calculation of the EPS was computed based on profit attributable to Shareholders divided by the weighted average number of Shares as at the full year financial period ended FY2021 detailed below:

	FY2021
Weighted average number of Shares ⁽²⁾	407,589,893

- (2) The weighted average number of shares in FY2021 is calculated based on the number of Shares outstanding at the beginning of the respective year, adjusted by the number of Shares issued during the year multiplied by a time-weighted factor.
- (3) The Profit attributable to Shareholders after the Proposed Capital Reduction is reduced by the estimated transaction costs of approximately RMB840,855.

(c) Net Asset Value ("NAV")

The pro forma financial effects of the Proposed Capital Reduction and Proposed Cash Distribution on the NAV of the Group for FY2021 are as follows:

	Before the Proposed Capital Reduction	After the Proposed Capital Reduction
Net asset (RMB)	635,932,000	541,836,233
Number of issued Shares (excluding treasury shares)	407,589,893	407,589,893
NAV per Share (RMB Cents)	156.02	132.94

Note:

- (1) The NAV after the Proposed Capital Reduction is reduced by the Proposed Cash Distribution of RMB93,254,912 as well as the estimated transaction costs of approximately RMB840,855.

(d) Gearing

The pro forma financial effects of the Proposed Capital Reduction and Proposed Cash Distribution on the gearing ratio of the Group for FY2021 are as follows:

	Before the Proposed Capital Reduction	After the Proposed Capital Reduction
Total borrowings (RMB'000) ⁽¹⁾	2,071	2,071
Net assets (RMB)	635,932,000	541,836,233
Gearing (%)	0.33	0.38

Note:

- (1) Total Borrowings comprises lease liabilities.

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(e) Return on Equity

The pro forma financial effects of the Proposed Capital Reduction and Proposed Cash Distribution on the return on equity of the Group for FY2021 are as follows:

	Before the Proposed Capital Reduction	After the Proposed Capital Reduction
Profit attributable to Shareholders (RMB'000)	29,166	28,325
Return on Equity (%)	4.59	5.23

Notes:

- (1) The Return on Equity before the Proposed Capital Reduction is the Profit attributable to Shareholders before the Proposed Capital Reduction of RMB29,166,000 divided by the NAV before the Proposed Capital Reduction of RMB635,932,000.
- (2) The Return on Equity after the Proposed Capital Reduction is the Profit attributable to Shareholders after the Proposed Capital Reduction of RMB28,325,145 divided by the NAV after the Proposed Capital Reduction of RMB541,836,233.

5. EFFECTIVE DATE OF THE PROPOSED CAPITAL REDUCTION

- 5.1 If no application is received from any creditor of the Company for the cancellation of the Capital Reduction Resolution within six (6) weeks commencing with the date of the Capital Reduction Resolution, the Company will after the end of the aforesaid six (6) weeks and before the end of the eight (8) weeks, beginning with the date of the Capital Reduction Resolution, lodge the relevant documents required under Sections 78E(2)(c) and (d) of the Companies Act with the Registrar, upon which the Proposed Capital Reduction will take effect.
- 5.2 Shareholders should note that the Proposed Capital Reduction and the Proposed Cash Distribution is subject to satisfaction of, *inter alia*, the conditions set out in Section 6.1 and 6.2 below. In addition, in order to be entitled to the Proposed Cash Distribution pursuant to the Proposed Capital Reduction, Shareholders would have to hold the Shares as at the Capital Reduction BCD. The Company will in due course announce the effective date of the Proposed Capital Reduction, Capital Reduction BCD and the payment date for the Proposed Cash Distribution. If any Shareholder is in any doubt as to the action he should take, he should consult his bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

6. CONDITIONS OF THE PROPOSED CAPITAL REDUCTION AND CREDITOR OBJECTIONS

- 6.1 The Proposed Capital Reduction is subject to, *inter alia*, the following:
- (i) the approval of the Shareholders by way of special resolution at a general meeting to be convened (the “**Capital Reduction Resolution**”);
 - (ii) the Board making a solvency statement in relation to the reduction of the share capital of the Company and compliance with other relevant solvency requirements as required by the Companies Act (“**Solvency Statements**”);

LETTER TO SHAREHOLDERS

- (iii) compliance with the relevant publicity requirements as prescribed in the Companies Act;
 - (iv) lodgement with Accounting and Corporate Regulatory Authority (“**ACRA**”) copies of the Solvency Statements and the Capital Reduction Resolution, within fifteen (15) days beginning with the date of the Capital Reduction Resolution;
 - (v) no application having been made for the cancellation of the Capital Reduction Resolution by any creditor of the Company within the timeframe prescribed in the Companies Act, or if such application was made, the dismissal thereof by the judicial authorities; and
 - (vi) the Company must after the end of six (6) weeks (but before the end of eight (8) weeks) beginning with the date of the Capital Reduction Resolution, lodge the following documents with ACRA:
 - (aa) a statement made by the Directors confirming that the requirements under Section 78C(1)(c) of the Companies Act have been complied with, and that no application for cancellation of the Capital Reduction Resolution has been made; and
 - (bb) a notice containing information in relation to the Proposed Capital Reduction specified under the Companies Act.
- 6.2 In the event that during the six (6) weeks beginning with the Capital Reduction Resolution date, one (1) or more applications for the cancellation of the Capital Reduction Resolution has been made under Section 78D(2) of the Companies Act, for the Proposed Capital Reduction to take effect, the following conditions must be satisfied:
- (i) the Company must give ACRA notice of the application(s) for the cancellation of the Capital Reduction Resolution as soon as possible after such application(s) have been served on the Company by the creditor(s);
 - (ii) the proceedings in relation to each application for the cancellation of the Capital Reduction Resolution must be brought to an end by either (aa) the dismissal of the application under Section 78F of the Companies Act; or (bb) without determination (for example, because the application has been withdrawn); and
 - (iii) the Company must, within fifteen (15) days beginning with the date on which the last such proceeding was brought to an end in accordance with paragraph 6.2(ii) above, lodge with ACRA:
 - (aa) a statement made by the Directors confirming that the requirements under Section 78C(1)(c), the solvency requirements under Section 78C(3) and Section 78D(4) of the Companies Act have been complied with, and that the proceedings in relation to each such application have been brought to an end by the dismissal of the application or without determination;
 - (bb) in relation to each such application which has been dismissed by the Court, a copy of the order of the Court dismissing the application; and
 - (cc) a notice containing information in relation to the Proposed Capital Reduction specified under the Companies Act.

LETTER TO SHAREHOLDERS

- 6.3 The Company will make an immediate announcement on SGXNET to update Shareholders if any of the conditions for the Proposed Capital Reduction as set out in this section is not met.

7. ADMINISTRATIVE PROCEDURES FOR THE PROPOSED CAPITAL REDUCTION AND THE PROPOSED CASH DISTRIBUTION

- 7.1 The following paragraphs set out the administrative procedures for the Proposed Capital Reduction and the Proposed Cash Distribution. Shareholders should note that dates stated in this section are tentative, and are subject to the Proposed Capital Reduction becoming effective.

(i) Books Closure Date and Entitlements

Persons registered in the Register of Members and depositors whose Securities Accounts are credited with Shares as at the Capital Reduction BCD will be entitled to receive a Proposed Cash Distribution of S\$0.0456 for each Share held by them or on their behalf as at the Capital Reduction BCD, on the basis of the number of Shares registered in their names or standing to the credit of their Securities Accounts as at the Capital Reduction BCD.

The Capital Reduction BCD for the purpose of determining the Shareholders' entitlements to the Proposed Cash Distribution will be announced by the Company via SGXNet as soon as practicable after the conditions in Section 6.1 and 6.2 above have been satisfied.

(ii) Depositors

In the case of Shareholders who are depositors, entitlements to the Proposed Cash Distribution will be determined on the basis of the number of Shares standing to the credit of their respective Securities Accounts as at the Capital Reduction BCD. Shareholders who are depositors and who have Shares standing to the credit of their Securities Accounts as at the Capital Reduction BCD will have their respective entitlements to the Proposed Cash Distribution under the Proposed Capital Reduction:

- (aa) if such depositor has applied for CDP's Direct Crediting Service, credited directly into their designated bank accounts by CDP; or
- (bb) if such depositor has not applied for CDP's Direct Crediting Service, reflected under the Cash Transaction section in the monthly statements of their Securities Account.

Alternatively, such Shareholders will have payment of their respective entitlements to the Proposed Cash Distribution under the Proposed Capital Reduction made in such other manner as they may have agreed with CDP for the payment of dividends or other distributions.

LETTER TO SHAREHOLDERS

(iii) **CPFIS Investors, SRS Investors and Investors whose Shares are held through a finance company and/or a Depository Agent**

CPFIS Investors, SRS Investors and other investors who hold Shares through finance companies or Depository Agents should receive further information regarding their entitlement to and payment of the Proposed Cash Distribution under the Proposed Capital Reduction from their respective CPF Agent Banks, SRS Agent Banks, finance companies and Depository Agents. Such investors should consult their respective CPF Agent Banks, SRS Agent Banks, finance companies and Depository Agents should they require further information. Such investors should seek independent professional advice if they are in any doubt as to the action they should take.

For CPFIS Investors and SRS Investors who have Shares standing to the credit of their respective CPF investment accounts and SRS investment accounts as at the Capital Reduction BCD, payment of their respective entitlements to the Proposed Cash Distribution under the Proposed Capital Reduction will be credited to their respective investment accounts.

8. TAXATION

Shareholders who are in any doubt as to their respective tax positions or such tax implications or who may be subject to tax in a jurisdiction outside Singapore should consult their own professional advisers.

9. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN THE SHARES

9.1 Based on the Company's register of interests of Directors and register of substantial Shareholders respectively, as at the date of the Circular, the interests of the Directors and substantial Shareholders in the Shares are as follows:

	Direct Interest		Deemed Interest		Total	
	No. of Shares	(%)(¹)	No. of Shares	(%)(¹)	No. of Shares	(%)(¹)
Directors						
Cheung Wai Suen ⁽⁵⁾	—	—	—	—	—	—
Wang Heng ⁽³⁾	625,000	0.15	171,495,264	42.08	172,120,264	42.23
Oh Eng Bin	—	—	—	—	—	—
Zhang Weiguo	—	—	—	—	—	—
Tay Eng Kiat Jackson	—	—	—	—	—	—
Substantial Shareholders (other than Directors)						
Best Feast Limited ⁽²⁾	171,495,264	42.08	—	—	171,495,264	42.08
Chengdu Wu Xing Ke Trading Limited ("Chengdu Wuxingke") ⁽²⁾	—	—	171,495,264	42.08	171,495,264	42.08
Ou Rui Limited ⁽⁴⁾	57,997,667	14.23	—	—	57,997,667	14.23
Li Xiaobo ⁽⁴⁾	—	—	57,997,667	14.23	57,997,667	14.23

LETTER TO SHAREHOLDERS

Notes:

- (1) Based on the existing share capital of the Company comprising 407,589,893 Shares.
- (2) Chengdu Wuxingke holds the entire issued and paid-up share capital of Best Feast Limited and accordingly, is treated as having an interest in the Shares held by Best Feast Limited by virtue of Section 7 of the Companies Act.
- (3) Wang Heng holds direct and indirect (through Chengdu Zhong Qian Zhi Heng Management Limited (“Chengdu Zhongqian”)) interests comprising an aggregate of 99.25% of the total shares of Chengdu Wuxingke. Based on Wang Heng’s indirect interests through Chengdu Zhongqian and direct interests in Chengdu Wuxingke, Wang Heng is deemed interested in the Shares held by Best Feast Limited, a wholly-owned subsidiary of Chengdu Wuxingke by virtue of Section 7 of the Companies Act.
- (4) Li Xiaobo holds the entire issued and paid-up share capital of Ou Rui Limited and accordingly, is treated as having an interest in the Shares held by Ou Rui Limited by virtue of Section 7 of the Companies Act.
- (5) Cheung Wai Suen holds direct interests of 0.04% of the shares of Chengdu Wuxingke and direct interests of 2.40% of the shares of Chengdu Zhongqian.

9.2 INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN THE PROPOSED CAPITAL REDUCTION AND THE PROPOSED CASH DISTRIBUTION

Mr. Cheung, the Executive Chairman of the Board, holds 2.01% of the equity interests in Chengdu KQR.

Save as disclosed herein, none of the Directors nor, to the best of the Directors’ knowledge, any of the controlling Shareholders, has any interest, whether direct or indirect, in the Proposed Capital Reduction and Proposed Cash Distribution other than through their respective shareholdings in the Company (if any).

10. DIRECTORS’ RECOMMENDATIONS

Oh Eng Bin, the Lead Independent Non-Executive Director of the Company is a Senior Partner at the law firm of Dentons Rodyk & Davidson LLP. A legal team led by another Partner from Dentons Rodyk & Davidson LLP is advising the Company as to Singapore law in relation to the Proposed Capital Reduction and Proposed Cash Distribution.

Having considered, *inter alia*, the terms, the rationale, the terms, and the financial effects of the Proposed Capital Reduction and Proposed Cash Distribution, the Directors are of the view that the Proposed Capital Reduction and Proposed Cash Distribution are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the Proposed Capital Reduction and Proposed Cash Distribution at the EGM to be convened.

Shareholders are advised to read this Circular in its entirety, in particular the rationale for the Proposed Capital Reduction and Proposed Cash Distribution and for those who may require advice in the context of his specific investment, to consult his stockbroker, bank manager, solicitor or other professional adviser.

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held by electronic means on 9 December 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Special Resolution set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

12. ACTIONS TO BE TAKEN BY SHAREHOLDERS

12.1 Attendance at the EGM

The EGM will be convened and held by electronic means and arrangements have been made by the Company to allow Shareholders to participate at the EGM through the live audio-visual webcast or the live audio-only stream. Shareholders are advised to read the notes to the Notice of EGM for more information.

12.2 Circular, Notice of EGM and Proxy Form

Printed copies of this Circular, the Notice of EGM and the Proxy Form will not be sent to Shareholders. This Circular together with the Notice of EGM and the Proxy Form may be accessed at the Company's website at the URL www.sapphirecorp.com.sg and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

12.3 Submission of Questions

Shareholders will be able to ask questions at the EGM during the live audio-visual webcast or the live audio-only stream. Shareholders may also submit questions relating to the resolutions tabled for approval at the EGM in the following manner prior to the EGM:

- (a) by post to the Company's registered office at 1 Robinson Road #17-00 AIA Tower Singapore 048542; or
- (b) by email to the Company at ir@sapphirecorp.com.sg,

in either case, by **10.00 a.m. (Singapore Time) on Tuesday, 29 November 2022**. The Company will endeavour to address all substantial and relevant questions received by **10.00 a.m. (Singapore Time) on Friday, 2 December 2022** (that is, at least 72 hours prior to the closing date and time for the lodgement of the Proxy Forms), which will be published on the Company's website at the URL www.sapphirecorp.com.sg and SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

12.4 Appointment of Proxy

A Shareholder who wishes to exercise his/her/its voting rights at the EGM may appoint a proxy or may appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. The Proxy Form must be submitted to the Company in the following manner:

- (a) by post to the Company's Share Registrar's office at 80 Robinson Road, #11-02, Singapore 068898; or
- (b) by email to the Company's Share Registrar's, at sg.is.proxy@sg.tricorglobal.com,

in either case, by **10.00 a.m. (Singapore Time) on Tuesday, 6 December 2022** (that is, not less than 72 hours before the time fixed for holding the EGM). Shareholders are strongly encouraged to submit the completed and signed Proxy Forms to the Company's Share Registrar via email.

LETTER TO SHAREHOLDERS

In appointing a proxy, a Shareholder must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the proxy/proxies will vote or abstain from voting at his/her discretion.

12.5 Participation at the EGM electronically

Arrangements have been made by the Company to allow Shareholders to participate at the EGM electronically. Such alternative arrangements include:

- (a) arrangements by which Shareholders may attend the EGM electronically and observe and/or listen to the live audio-visual webcast or live audio-only stream;
- (b) arrangements by which Shareholders may submit comments, queries and/or questions to the Chairman of the EGM (the “**Chairman of the Meeting**”) in advance of the EGM;
- (c) arrangements by which the Board and the management may address substantial and relevant comments, queries and/or questions before the EGM;
- (d) arrangements by which Shareholders may appoint a proxy or appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM;
- (e) arrangements by which Shareholders may raise comments, queries and/or questions by real-time electronic communication at the EGM; and
- (f) arrangements by which Shareholders may vote on the resolution tabled at the EGM by real-time electronic voting.

Details of the steps for pre-registration for the live audio-visual webcast or live audio-only stream, submission of comments, queries and/or questions in advance of the EGM and submission of Proxy Forms for a proxy to attend, speak and vote at the EGM are set out in the Notice of EGM.

12.6 Depositors

A Depositor’s name must appear on the Depository Register as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to access the live audio-visual webcast or the live audio-only stream, and to vote by appointing a proxy or the Chairman of the EGM as proxy at the EGM.

13. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the Company’s registered office at 1 Robinson Road, #17-00 AIA Tower, Singapore 048542 on any weekday (public holidays excepted) for a period of three (3) months from the date of this Circular:

- (a) the Constitution of the Company; and
- (b) the annual report of the Group for FY2021.

LETTER TO SHAREHOLDERS

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Capital Reduction and Proposed Cash Distribution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully

For and on behalf of the Board of Directors of
Sapphire Corporation Limited

Wang Heng
Executive Director and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

SAPPHIRE CORPORATION LIMITED

(Company Registration Number: 198502465W)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of the members of Sapphire Corporation Limited (the “**Company**”) will be held by electronic means on Friday, 9 December 2022, at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without amendment, the following resolution as set out below.

*All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 17 November 2022 (the “**Circular**”).*

SPECIAL RESOLUTION

Approval for the Proposed Capital Reduction and Proposed Cash Distribution

That, in accordance with Regulation 11(A) of the Constitution of the Company, and Section 78A read with Section 78C of the Companies Act:

- (a) approval be and is hereby given for the issued and paid-up share capital of the Company be reduced from S\$98,458,091 to S\$73,717,285 (“**Proposed Capital Reduction**”) and that such reduction be effected by:
 - (i) the cancellation of the share capital of the Company to the extent of the sum of the accumulated losses of the Company as at 31 December 2021 of approximately S\$6,154,707 (RMB22,571,000¹) (“**Accumulated Losses**”) and applying such amount of approximately S\$6,154,707 (RMB22,571,000¹), being the credit arising from the aforesaid cancellation of share capital, to write off the Accumulated Losses; and
 - (ii) by returning to all Shareholders equally, the aggregate amount of S\$18,586,099 (RMB93,254,912²) which is approximately 36.28% of Net Proceeds, being the surplus capital of the Company in excess of its needs, by way of a cash distribution of S\$0.0456³ per issued Share held by a Shareholder as at the Capital Reduction BCD (“**Proposed Cash Distribution**”);
- (b) the Directors of the Company and each of them be and are hereby authorised to do all acts and things including without limitation, executing all such documents and approving amendments, alterations, modifications to any such documents as may be required or desirable in connection with this Special Resolution, the Proposed Capital Reduction and/or the Proposed Cash Distribution as they or he may consider desirable, expedient or necessary in the interests of the Company to give effect to the Special Resolution, the Proposed Capital Reduction and Proposed Cash Distribution.

BY ORDER OF THE BOARD

Gn Jong Yuh Gwendolyn
Company Secretary
Singapore, 17 November 2022

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) Footnote 1: Approximately equivalent to S\$6,154,707 based on the historical exchange rates across various years in respect of the accumulated losses of the Company totalling RMB31,668,000. In adopting SFRS(I) on 1 January 2018, cumulative currency translation differences for all foreign operations were deemed to be zero on the date of transition, 1 January 2017. The Company's foreign currency translation reserve ("FCTR") also decreased by RMB9,097,000 and retained earnings increased by the same amount as at 31 December 2017. Hence the retained earnings as at 31 December 2021 was RMB(-31,668,000 + 9,097,000) = RMB(-22,571,000) and the Accumulated Losses is RMB22,571,000.
- (2) Footnote 2: Approximately equivalent to RMB 93,254,912 based on the exchange rate of S\$1.00 : RMB5.017 which is the average exchange rate of conversion on the week of 15 August 2022.
- (3) Footnote 3: The cash distribution of S\$0.0456 per issued share is calculated based on S\$18,586,099, being part of the Proposed Capital Reduction/total number of issued shares as at the Latest Practicable Date, i.e. S\$18,586,099/407,589,893 = S\$0.0456.

Important Notes to Shareholders on arrangements for the EGM:

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the EGM will be held by way of electronic means on **Friday, 9 December 2022, 10.00 a.m.** (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Special Resolution set out in this Notice of EGM.
2. **Printed copies of this Notice of EGM, the Proxy Form and the Circular will not be sent to Shareholders of the Company.** This Notice of EGM, the Proxy Form and the Circular may be accessed at the Company's website at the URL www.sapphirecorp.com.sg and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
3. Arrangements relating to attendance at the EGM of the Company via electronic means (including arrangements by which the proceedings of the EGM of the Company may be electronically accessed via live audio-visual webcast or live audio-only stream), submission of comments, queries and/or questions to the Chairman of the Meeting in advance of the EGM of the Company, addressing of substantial and relevant questions at the EGM of the Company and voting by appointing a proxy or the Chairman of the Meeting as proxy at the EGM of the Company, are set out below under the section entitled "*Summary of Key Dates and Times*".
4. **As the EGM will be held electronically, Shareholders of the Company will not be able to attend the EGM in person. A member of the Company who wishes to exercise his/her/its voting rights at the EGM may vote live at the EGM, or appoint a proxy or the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM.** In appointing a proxy or the Chairman of the EGM as proxy, a member of the Company must give specific instructions as to voting, or abstentions from voting, in respect of a resolution, failing which the proxy/proxies will vote or abstain from voting at his/her discretion.
5. Shareholders of the Company who wish to attend the EGM electronically, may do so through the live audio-visual webcast or the live audio-only stream via their mobile phones, tablets or computers must pre-register at the URL <https://conveneagm.sg/SapphireCorporationEGM> by **10.00 a.m. (Singapore Time) on Tuesday, 6 December 2022** (that is, not less than 72 hours before the time fixed for holding the EGM) to enable the Company's Share Registrar, to authenticate their status as Shareholders of the Company.
6. Real-time communications functions will be available to allow Shareholders of the Company to speak and raise questions at the EGM during the live audio-visual webcast or the live audio-only stream. Alternatively, Shareholders of the Company may submit questions relating to the Special Resolution tabled for approval at the EGM, together with their full name (as per CDP/CPF/SRS/Script-based records), identification number (e.g. NRIC/Passport/Company Registration Number), shareholding type (e.g. CDP/CPF/ SRS/Script-based), email address and contact number to enable the Company (or its agents or service providers) to authenticate their status as Shareholders of the Company, in the following manner:
 - (a) by email to the Company at ir@sapphirecorp.com.sg; or
 - (b) by post to the Company's registered office at 1 Robinson Road #17-00 AIA Tower Singapore 048542,in either case, by **10.00 a.m. (Singapore Time) on Tuesday, 29 November 2022**. The Company will endeavour to address all substantial and relevant questions (determined by the Company in its sole discretion) received by **10.00 a.m. (Singapore Time) on Friday, 2 December 2022** (that is, at least 72 hours prior to the closing date and time for the lodgement of the Proxy Forms).

NOTICE OF EXTRAORDINARY GENERAL MEETING

7. CPF/SRS investors who wish to appoint a proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions relating to the Special Resolution tabled for approval at the EGM by **10.00 a.m. (Singapore Time) on Tuesday, 29 November 2022** (that is, at least seven working days before the date of the EGM).
8. The duly appointed proxy, including the Chairman of the EGM acting as proxy, need not be a member of the Company.
9. A member of the Company who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form before submitting it to the Company in the following manner:
 - (a) by email to the Company's Share Registrar, Tricor Barbinder Share Registration Service, at sg.is.proxy@sg.tricorglobal.com; or
 - (b) by post to the Company's Share Registrar, Tricor Barbinder Share Registration Service, at 80 Robinson Road, #11-02, Singapore 068898,

in either case, by **10.00 a.m. (Singapore Time) on Tuesday, 6 December 2022** (that is, not less than 72 hours before the time fixed for holding the EGM). Shareholders of the Company are strongly encouraged to submit the completed and signed Proxy Forms to the Company's Share Registrar via email.
10. A Depositor's name must appear on the Depository Register as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to access the live audio-visual webcast or the live audio-only stream, and to vote by appointing the Chairman of the EGM as proxy at the EGM.
11. The Company will publish the minutes of the EGM on the Company's website at the URL www.sapphirecorp.com.sg and on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> within one month after the date of the EGM.

Summary of Key Dates and Times

Dates and Times	Action to be taken by Shareholders of the Company
By 10.00 a.m. (Singapore Time) on Tuesday, 29 November 2022	Deadline for CPF and SRS investors. CPF/SRS investors who wish to appoint a proxy or the Chairman of the EGM as proxy to approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions relating to the resolutions tabled for approval at the EGM.
By 10.00 a.m. (Singapore Time) on Tuesday, 29 November 2022	Shareholders will be able to speak and raise questions at the EGM during the live audio-visual webcast or live audio-only stream. Deadline for Shareholders to submit questions. Shareholders of the Company may submit questions relating to the Special Resolution tabled for approval at the EGM in the following manner: (a) by email to the Company at ir@sapphirecorp.com.sg ; or (b) by post to the Company's registered office at 1 Robinson Road #17-00 AIA Tower Singapore 048542.
By 10.00 a.m. (Singapore Time) on Friday, 2 December 2022	Addressing questions. The Company will endeavour to address all substantial and relevant questions received from Shareholders relating to the Special Resolution set out in the Notice of EGM by Friday, 2 December 2022, which will be published on the Company's website at the URL www.sapphirecorp.com.sg and SGXNet at the URL https://www.sgx.com/securities/company-announcements .
By 10.00 a.m. (Singapore Time) on Tuesday, 6 December 2022	Deadline for pre-registration and submission of Proxy Forms. Shareholders of the Company must pre-register at the URL https://conveneagm.sg/SapphireCorporationEGM should they wish to attend the EGM by electronic means. Shareholders of the Company to submit the completed and signed Proxy Forms in the following manner: (a) by email to the Company's Share Registrar, Tricor Barbinder Share Registration Service, at sg.is.proxy@sg.tricorglobal.com ; or (b) by post to the Company's Share Registrar, Tricor Barbinder Share Registration Service, at 80 Robinson Road, #11-02, Singapore 068898. Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Dates and Times	Action to be taken by Shareholders of the Company
By 10.00 a.m. (Singapore Time) on Thursday, 8 December 2022	Confirmation of pre-registration. Shareholders of the Company who have been successfully authenticated will receive an email with instructions to access the live audio-visual webcast or the live audio-only stream (the “Confirmation Email”). Shareholders of the Company who have pre-registered but have not received the Confirmation Email by this date and time should contact the Company at ir@sapphirecorp.com.sg as soon as practicable.
By 10.00 a.m. (Singapore Time) on Friday, 9 December 2022	EGM. Shareholders of the Company may access the live audio-visual webcast or the live audio-only stream using the instructions set out in the Confirmation Email. Live voting. Shareholders may vote on the Special Resolution tabled at the EGM by real-time electronic voting.
By 10.00 a.m. (Singapore Time) on Monday, 9 January 2023	Minutes of EGM. The Company will publish the minutes of EGM on the Company’s website at the URL www.sapphirecorp.com.sg and on SGXNet at the URL https://www.sgx.com/securities/company-announcements within one month after the EGM.

PERSONAL DATA PRIVACY:

By submitting the Proxy Form, a member of the Company consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the proxy for the EGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

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

PROXY FORM
Extraordinary General Meeting

IMPORTANT

1. The Extraordinary General Meeting ("EGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. The Notice of EGM may be accessed at (a) the Company's website at <http://sapphirecorp.listedcompany.com/home.html>; and (b) on the SGX website at <https://www.sgx.com/securities/company-announcements>.
3. Arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the EGM, addressing of substantial and relevant questions at the AGM, are set out in the Company's Notice of EGM dated 17 November 2022.
4. As the EGM will be held by way of electronic means, members of the Company will not be able to attend the EGM in person.
5. CPF or SRS investors who wish to appoint a proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. (Singapore Time) on Tuesday, 29 November 2022, being at least seven (7) working days before the date of the AGM.
6. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 17 November 2022.

I/We* _____ (Name) _____ (NRIC/Passport No.)
of _____ (Address)
being a member/members* of SAPPHIRE CORPORATION LIMITED (the "Company") appoint

Name	NRIC/Passport Number	Proportion of Shareholdings	
Address		No. of Shares	%

and/or* (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
Address		No. of Shares	%

as my/our* proxy to vote for me/us* on my/our* behalf at the Extraordinary General Meeting ("EGM") of the Company to be held on **10.00 a.m. (Singapore Time) on Friday, 9 December 2022** and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for/against* the Special Resolution proposed to be passed at the EGM as indicated below by way of a poll. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

Special Resolution	No. of votes for**	No. of votes against**	Abstain**
To approve the Proposed Capital Reduction and Proposed Cash Distribution			

* Delete as appropriate

** If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate. If you tick in the abstain box for the Special Resolution, you are directing your proxy not to vote on the Special Resolution. Alternatively, please indicate the number of shares that your proxy is directed to abstain from voting in the Abstain box in respect of the Special Resolution.

Dated this _____ day of _____ 2022

Total number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF



NOTES:

1. Printed copies of this Notice of EGM, the Proxy Form and the Circular will not be sent to members. Instead, this Notice of EGM, the Proxy Form and the Circular may be accessed at the Company's website at <http://sapphirecorp.listedcompany.com/home.html>. This Notice of EGM, the Proxy Form and the Circular are also available on SGXNET at <https://www.sgx.com/securities/company-announcements>.
2. Arrangements relating to attendance at the EGM of the Company via electronic means (including arrangements by which the proceedings of the EGM of the Company may be electronically accessed via live audio-visual webcast or live audio-only stream), submission of comments, queries and/or questions to the Chairman of the Meeting in advance of the EGM of the Company, addressing of substantial and relevant questions at the EGM of the Company and voting by appointing a proxy or the Chairman of the Meeting as proxy at the EGM of the Company, are set out in the Notice of EGM dated 17 November 2022.
3. Please insert the total number of shares held by you. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If no number is inserted, this Proxy Form shall be deemed to relate to all the shares held by you.
4. As the EGM will be held electronically, Shareholders of the Company will not be able to attend the EGM in person. A member of the Company who wishes to exercise his/her/its voting rights at the EGM may **vote live at the EGM**, or appoint a proxy or the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing a proxy or the Chairman of the EGM as proxy, a member of the Company must give specific instructions as to voting, or abstentions from voting, in respect of a resolution, failing which the proxy/proxies will vote or abstain from voting at his/her discretion.
5. The duly appointed proxy, including the Chairman of the EGM acting as proxy, need not be a member of the Company.
6. The Proxy Form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the Share Registrar's office at 80 Robinson Road, #11-02, Singapore 068898; or
 - (b) if submitted electronically, be submitted via email in Portable Document Format (PDF) format to the Share Registrar at sg.is.proxy@sg.tricorglobal.com.

in either case, by **10.00 a.m. (Singapore Time) on Tuesday, 6 December 2022**. The Company will endeavour to address all substantial and relevant questions (determined by the Company in its sole discretion) received by **10.00 a.m. (Singapore Time) on Friday, 2 December 2022** (that is, at least 72 hours prior to the closing date and time for the lodgement of the Proxy Forms). **Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.**
7. CPF/SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions relating to the Special Resolution tabled for approval at the EGM by **10.00 a.m. (Singapore Time) on Tuesday, 29 November 2022** (that is, at least seven working days before the date of the EGM).
8. Where the Proxy Form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where the proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
9. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
10. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
11. Any amendments or modifications made in a Proxy Form must be initialled by the person who signs the Proxy Form.

GENERAL:

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the EGM.

PERSONAL DATA PRIVACY:

By submitting the Proxy Form, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the proxy for the EGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.