

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

ANNOUNCEMENT IN RELATION TO POTENTIAL NEW SUBSTANTIAL SHAREHOLDER

The Board of Directors (the “**Board**”) of Sapphire Corporation Limited (the “**Company**”) wishes to announce that the Company’s substantial shareholders, Ou Rui Limited (“**Ou Rui**”) and Best Feast Limited (“**Best Feast**”), have entered into conditional sale and purchase agreements (“**SPAs**”) with Hong Kong International Construction Investment Management Group Co., Limited (“**HKICIM**”), a company listed on The Stock Exchange of Hong Kong Limited (Stock Code: 687) and Forestar Assets Limited, a wholly-owned subsidiary of HKICIM (as the “**Purchaser**”).

The Transactions

Pursuant to the SPAs, Best Feast and Ou Rui have conditionally agreed to sell and HKICIM (through the Purchaser) has conditionally agreed to acquire 34,670,893 shares and 56,523,667 shares representing approximately 10.63% and 17.33% of the issued share capital of the Company as at the date of this announcement directly from the Best Feast and Ou Rui respectively via off-market transactions (the “**Transactions**”).

In consideration of the Transactions, HKICIM will issue and allot a maximum of 24,871,074 and 40,547,103 ordinary shares in the issued capital of HKICIM (the “**Consideration Shares**”) to Best Feast and Ou Rui respectively at HK\$4.08 each (the “**Share Price of HKICIM for the Consideration Shares**”). Pursuant to the terms and conditions of the SPA, the number of Consideration Shares to be issued by HKICIM to Best Feast and Ou Rui for the Transactions are subject to adjustments (the “**Adjustments**”) based on audited net profit for the Company and its subsidiaries (the “**Group**”) for the 12-month period ending 30 June 2018 being not less than RMB64,750,000 (the “**Financial Target for the Group**”).

The Company has not conducted any independent review or verification of the assumptions, calculations or any information on the aforementioned Financial Target for the Group.

The sale consideration payable to Best Feast and Ou Rui are HK\$101,473,982 (approximately S\$17,617,011) and HK\$165,432,180 (approximately S\$28,720,865) respectively if all the Consideration Shares are issued without adjustments (the “**Sale Consideration**”). The Sale Consideration represents a share price of approximately S\$0.51 per share (the “**Share Price of the Company for the Transactions**”).

Representations and Warranties

Ms Wang Heng and Mr Cheung Wai Suen, as key management of Ranken, have personally provided certain representations and warranties under the SPA for Ranken as mentioned above in their personal capacities as warrantors in the Transactions.

For the avoidance of doubt, the Company and the Company’s Board of Directors (except for Ms Wang Heng and Mr Cheung Wai Suen) have not provided and shall not provide any representations, warranties, undertakings or guarantees whatsoever to HKICIM or any other party in relation to the Transactions.

Completion

The completion of the Transactions is subject to certain conditions precedent as set out in the SPAs.

On the completion of the Transaction:

- Best Feast's shareholding interests in the Company will be reduced to 56,500,400 shares or 17.33% of the Company's existing share capital comprising 326,071,915 shares as at the date of this announcement. Ms Wang Heng ("**Ms Wang**"), is an Executive Director of the Company and Ranken Railway Construction Group Co., Ltd, ("**Ranken**") a subsidiary of the Company, and based on her indirect interests (through Chengdu Zhong Qian Zhi Heng Management Limited) and direct interests in Cheng Du Wu Xing Ke Trading Limited, Ms Wang Heng is deemed interested in the Shares held by Best Feast Limited, a wholly-owned subsidiary of Cheng Du Wu Xing Ke Trading Limited and thus is deemed to be interested in the shares of the Company that Best Feast has an interest in;
- Ou Rui, a company incorporated in Hong Kong and is wholly owned by Mr Li Xiaobo ("**Mr Li**"), shall cease to be shareholders of the Company; and
- On the completion of the Transactions, HKICIM will emerge as a substantial shareholder holding an aggregate of 91,194,560 or approximately 27.97% of the Company's total current issued share capital base of 326,071,915 shares as at the date of this announcement.

Information on Potential New Substantial Shareholder

HKICIM is principally engaged in the business of property development, foundation piling and site investigation in Hong Kong and property investment and management.

In accordance with HKICIM 2017 Interim report, HKICIM is 74.66% owned by HNA Finance I Co., Ltd.

A copy of the announcement in relation to the Transactions released by HKICIM on the website of the Stock Exchange of Hong Kong Limited has also been attached to this announcement for reference.

By Order of the Board

SAPPHIRE CORPORATION LIMITED

Teh Wing Kwan

Group Chief Executive Officer and Managing Director

18 October 2017

Note: The attachment does not form an integrated part of the Company's announcement. It is attached herein for reference only.