

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **Twenty-Ninth Annual General Meeting of SAPPHIRE CORPORATION LIMITED** will be held at **55 Market Street, #03-01, Singapore 048941** on Wednesday, 29 April 2015 at 11.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2014 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To re-appoint Directors' Fees of S\$275,405 for the year ended 31 December 2014 (2013: S\$207,883) comprising:
 - (a) S\$197,460 to be paid in cash; and
 - (b) S\$77,945 to be paid in the form of share awards under the Sapphire Shares Award Scheme, with any residual balance to be paid in cash. **(Resolution 2)**
(See Explanatory Note 1)
3. (a) To re-elect Mr Yang Jian who retires pursuant to Article 91 of the Articles of Association of the Company and who, being eligible, offer himself for re-election. **(Resolution 3)**
(See Explanatory Note 2)
- (b) To note the retirement of Mr Wei Ping and Mr Duan Bing, both retiring pursuant to Article 91 of the Articles of Association of the Company and have decided not to seek for re-election.
4. To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without Amendments:-

5. **Authority to Directors to Issue Shares (General)** **(Resolution 5)**
That in accordance with Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited, authority is hereby given to the directors of the Company to issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time to such persons and upon such terms and conditions and for such purposes as the directors may in their absolute discretion deem fit, provided that the aggregate number of shares and convertible securities to be issued pursuant to this resolution does not exceed 50% of the total number of issued shares excluding treasury shares of the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company. For the purposes of this resolution, the total number of issued shares excluding treasury shares shall be based on the total number of issued shares excluding treasury shares of the Company at the time this resolution approving the mandate is passed (after adjusting for any new shares arising from the conversion or exercise of convertible securities; or new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this resolution approving the mandate, provided the option or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and any subsequent bonus issue, consolidation or subdivision of shares in the Company), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.
(See Explanatory Note 3)
6. **Authority to Grant Awards and Issue Shares under the Sapphire Shares Award Scheme** **(Resolution 6)**
That in accordance with the provisions of the Sapphire Shares Award Scheme ("Scheme") and section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be and are hereby authorised to grant awards ("Awards") and allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the vesting of Awards under the Scheme, provided that the aggregate number of new shares to be allotted and issued pursuant to the Scheme and any other awards under schemes of the Company shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.
(See Explanatory Note 4)
7. **Proposed Revocation of the Share Buy-Back Mandate** **(Resolution 7)**
That:

- (a) for the purposes of the Companies Act (Chapter 50) of Singapore (the "Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire Shares from exceeding in aggregate the Prescribed Price (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
 - (i) market purchases ("Market Purchases") on the Singapore Exchange Securities Trading Limited (the "SGX-ST"); and/or
 - (ii) off-market purchases ("Off-Market Purchases") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act, and otherwise in accordance with all other provisions of the Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Mandate");
- (b) unless varied or revoked by the Company in General Meeting, the authority conferred on the Directors of the Company pursuant to the Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:
 - (i) the date on which the next annual general meeting of the Company is held or required by law or the Articles of Association of the Company to be held;
 - (ii) the date on which the share buy-backs are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Mandate is varied or revoked,
(the "Relevant Period");
- (c) in this Resolution:

"Prescribed Limit" means 10% of the issued ordinary share capital of the Company as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price;
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent (120%) of the Highest Last Dealt Price, where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five market day period;

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the SGX-ST on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"market day" means a day on which SGX-ST is open for trading in securities; and

- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.
(See Explanatory Note 5)

8. To transact any other business that may be transacted at an Annual General Meeting of which due notice shall have been given.

By Order of the Board

Lee Wei Hsiung
Company Secretary
14 April 2015

NOTES:-

Notes:-
A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Company's Registered Office, 80 Robinson Road, #02-00 Singapore 068898 not less than 48 hours before the time fixed for holding the Meeting.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

EXPLANATORY NOTES:

- (1) Ordinary Resolution No. 2, the Directors' fees of S\$275,405 for the financial year ended 31 December 2014 comprise a combination of cash and shares. If approved, the aggregate amount of Directors' fees of S\$275,405 will be paid as to S\$197,460 in cash, and S\$77,945 in the form of share awards under the Scheme with any residual balance to be paid in cash. The actual number of shares to be awarded will be rounded down to the nearest share, and any residual balance settled in cash. Such Directors' fees will be paid upon approval by the shareholders at the Annual General Meeting.
- (2) Ordinary Resolution No. 3 is for the re-election of Mr Yang Jian as a Director of the Company who retires by rotation at the Annual General Meeting. Mr Yang shall, upon re-election as a Director of the Company, remain as a member of the Remuneration Committee.
The Director who has offered himself for re-election has confirmed that, he do not has any relationships (including immediate family relationships) with the other Directors, the Company or its 10% shareholders.
- (3) **Ordinary Resolution No. 5**, if passed, will empower the Directors of the Company from the date of the above Meeting until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier, to issue shares and convertible securities in the Company up to 50% of the Company's total number of issued shares excluding treasury shares in the capital of the Company, with an aggregate sub-limit of 20% of the Company's total number of issued shares excluding treasury shares for any issue of shares and convertible securities not made on a pro-rata basis to existing shareholders of the Company, as more particularly set out in the resolution.
- (4) **Ordinary Resolution No. 6**, if passed, will empower the Directors of the Company, to grant Awards pursuant to the Scheme and allot and issue shares pursuant to the vesting of the Awards under the Scheme. The Scheme was approved by the shareholders of the Company in the extraordinary general meeting on 25 April 2008. Please refer to the Circular dated 9 April 2008 for further details.
- (5) **Ordinary Resolution No. 7** relates to the renewal of the Share Buy-back Mandate which was approved by the Shareholders of the Company on 23 April 2014, and if passed, will authorise the Directors of the Company from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is revoked or varied by the Company at a general meeting, whichever is earlier, to purchase up to 10% of the total number of issued ordinary shares in the capital of the Company. Please refer to Appendix accompanying the Annual Report for details.