

SAPPHIRE CORPORATION LIMITED

Company Registration No. 198502465W

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty Second Annual General Meeting of **SAPPHIRE CORPORATION LIMITED** (the "Company") will be held at 55 Market Street, #03-01, Singapore 048941 on Thursday, 26 April 2018 at 11.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the year ended 31 December 2017 together with the Reports of the Auditors thereon. **(Resolution 1)**
2. To declare a tax-exempt (one-tier) final dividend of Singapore 0.1 cents per share for the year ended 31 December 2017. **(Resolution 2)**
3. To approve the payment of Directors' fees of:
 - (a) S\$260,915 for the year ended 31 December 2017 (2016: S\$256,820) to be paid in cash. **(Resolution 3)**
 - (b) up to S\$200,000 for the year ending 31 December 2018 to be paid in cash and/or shares. **(Resolution 4)**

[See Explanatory Note (i)]
4. (a) To re-elect Ms Wang Heng who retires pursuant to Regulation 89 of the Company's Constitution and who, being eligible, offer herself for re-election. **(Resolution 5)**
[See Explanatory Note (ii)]
- (b) To note the retirement of Mr Teh Wing Kwan, retiring pursuant to Regulation 89 of the Company's Constitution and who has decided not to stand for re-election. **(Resolution 6)**
- (c) To re-elect Mr Oh Eng Bin who retires pursuant to Regulation 88 of the Company's Constitution and who, being eligible, offer himself for re-election. **(Resolution 6)**
[See Explanatory Note (iii)]
- (d) To re-elect Mr Zhai Guiwu who retires pursuant to Regulation 88 of the Company's Constitution and who, being eligible, offer himself for re-election. **(Resolution 7)**
[See Explanatory Note (iv)]
5. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as a Special Resolution, with or without any modifications:

7. Proposed Amendment of the Constitution of the Company

"(A) That the Constitution of the Company be hereby amended by:

- a. making the following amendment to Regulation 96(C):

"96. (C) An alternate Director shall ~~(except when absent from Singapore)~~ be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which his principal is not personally present and generally at such meeting to perform all functions of his principal as a Director, and for the purposes of the proceedings at such meeting the provisions of these Regulations shall apply as if he (instead of his principal) were a Director. If his principal is for the time being absent from Singapore or temporarily unable to act through ill health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his principal. To such extent as the Directors may from time to time determine in relation to any committees of the Directors, the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee of which his principal is a member. An alternate Director shall not (save as aforesaid) have any power to act as a Director nor shall he be deemed to be a Director for any other purposes of these Regulations."

- b. making the following amendment to Regulation 97:

"97. Subject to the provisions of these Regulations, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time, any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Singapore. Any Director may waive notice of any meeting and any such waiver may be retroactive. Directors may participate in a meeting of the Directors by means of a conference telephone, video conferencing, audio visual, or other similar communications equipment by means of which all persons participating in the meeting can hear each other, without a Director being in the physical presence of another Director or Directors, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Such a meeting shall be deemed to take place where the largest group of Directors physically present for the purpose of the meeting is assembled or, if there is no such group, where the Chairman of the meeting is physically present. The minutes of the proceedings at such meeting by telephone or other means of communication shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as the correct minutes by the Chairman of the meeting."

- c. making the following amendment to Regulation 98:

"98. The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number, shall be ~~two three~~ (except where the Company has **less than three Directors, then the quorum so fixed shall be two (in the case that the Company has only two directors), and one (in the case that the Company has only one director), only one Director**). A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors."

- (B) That the Directors of the Company and/or any of them be and is/are hereby authorised to complete and do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution." **(Resolution 9)**

[See Explanatory Note (v)]

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

8. Authority to allot and issue shares in the capital of the Company – Share Issue Mandate

"That, pursuant to Section 161 of the Companies Act, Chapter 50 (the "Act") and Rule 806 of the Listing Manual (the "Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

- (A) (i) allot and issue shares in the capital of the Company (the "Shares") (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require the Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company shall in their absolute discretion deem fit; and

- (B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and convertible securities to be issued pursuant to this Resolution shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to the shareholders of the Company shall not exceed twenty percent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as at the time of passing of this Resolution);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and convertible securities that may be issued under sub-paragraph (1) above on a pro-rata basis, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the rules of the Listing Manual of the SGX-ST; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares.
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST as amended from time to time (unless such compliance has been waived by the SGX-ST) and the Constitution; and
- (4) unless revoked or varied by the Company in a 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 is required by law to be held, whichever is the earlier." **(Resolution 10)**

[See Explanatory Note (vi)]

9. The proposed adoption of the Sapphire Shares Award Scheme 2018

- (A) a share plan to be known as the Sapphire Shares Award Scheme 2018 (the "Scheme"), the rules of which have been submitted to the meeting and, for the purpose of identification, under which awards ("Awards") of fully paid-up ordinary shares in the capital of the Company (the "Shares") will be granted, free of payment, to selected employees of the Group including the Group Executive Directors and Non-Executive Directors, details of which are set out in the Appendix to the Annual Report 2017 dated 4 April 2018, be and is hereby approved.

- (B) The Directors of the Company be and are hereby authorised:

- a. to establish and administer the Scheme;
- b. to modify and/or alter Scheme from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the Scheme and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Scheme; and
- c. subject to the same being allowed by law, to apply any shares purchased under any share buyback mandate towards the satisfaction of Awards granted under the Scheme.

- (C) in accordance with the provisions of the Scheme and pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be and are hereby authorised to grant Awards in accordance with the provisions of the Scheme and to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of Awards under the Scheme, provided that the aggregate number of Shares available under the Scheme, when added to all Shares, options or awards granted under any other share option scheme, share award scheme or share incentive scheme of the Company then in force, shall not exceed 15% of the total issued share capital (excluding treasury shares and subsidiary holdings) of the Company from time to time." **(Resolution 11)**

[See Explanatory Note (vii)]

10. 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

Gwendolyn Gn Jong Yuh
Company Secretary
Singapore, 4 April 2018

NOTES:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.
2. A member who is a Relevant Intermediary as defined in Section 181(1c) of the Act, is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM. A proxy need not be a member of the Company.
3. The form of proxy in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
4. If the form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
5. If no name is inserted in the space for the name of your proxy on the form of proxy, the Chairman of the Annual General Meeting will act as your proxy.
6. The form of proxy or other instruments of appointment shall not be treated as valid unless deposited at the Share Registrar's office at **80 Robinson Road, #11-02, Singapore 068898** not less than **72 hours** before the time appointed for holding the meeting and at any adjournment thereof.
7. For depositors holding their shares through The Central Depository (Pte) Limited in Singapore, the depositor proxy form, duly completed, must be deposited by the depositor(s) at the Share Registrar's office at **80 Robinson Road, #11-02, Singapore 068898** not less than **72 hours** before the commencement of the Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting 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, 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:-

- (i) The Ordinary Resolution 4 proposed in item 3 above, if passed, will empower the Directors to pay the Directors' fees of up to S\$200,000 for the year ending 31 December 2018 to be paid in cash and/or shares. Any payment of any portion of the Directors' fees in shares will be in the form of share awards under the proposed Sapphire Shares Award Scheme 2018, subject to the passing of the Ordinary Resolution 11 proposed in item 9 above.
- (ii) Further to the re-election of Ms Wang Heng pursuant to Ordinary Resolution 5, she will continue to serve as a member of the Nominating Committee.
- (iii) Further to the re-election of Mr Oh Eng Bin pursuant to Ordinary Resolution 6, he will continue to serve as Lead Independent Director, Chairman of the Remuneration Committee, a member of the Audit and Risk Committee and a member of the Nominating Committee of the Company and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST").
- (iv) Further to the re-election of Mr Zhai Guiwu pursuant to Ordinary Resolution 7, he will continue to serve as a Chairman of the Nominating Committee, a member of the Audit and Risk Committee and a member of the Remuneration Committee of the Company and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.
- (v) The Special Resolution 9 proposed in item 7 above relates to the proposed amendment of the Company's Constitution. Please refer to the Appendix accompanying the Annual Report for further details.
- (vi) The Ordinary Resolution 10 proposed in item 8 above, if passed, will empower the Directors of the Company to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.
For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution 10 is passed and any subsequent bonus issue, consolidation or subdivision of Shares.
- (vii) The Ordinary Resolution 11 proposed in item 9 above, relates to the proposed adoption of the Sapphire Shares Award Scheme 2018 (the "Scheme"). This resolution, if passed, will empower the Directors of the Company to adopt the Scheme, grant Awards pursuant to the Scheme and to allot and issue shares pursuant to the vesting of the Awards under the Scheme. Please refer to the Appendix accompanying the Annual Report for further details.