

SAPPHIRE CORPORATION LIMITED

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

AWARD OF TENDER FOR PPP PROJECT

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

(a) Shandong Province Road and Bridge Co., Ltd. (山东省路桥集团有限公司)(“**SD Road and Bridge**”);
(b) Ranken Railway Construction Group Co., Ltd (“**Ranken**”) (a 48.8% indirectly owned associate company of the Company); and
(c) Beijing Enterprises Water (China) Investment Limited (北控水务（中国）投资有限公司) (“**BEWC**”); ((a) and (b) are both direct and indirect subsidiaries of Shandong Hi-Speed Road and Bridge Group Co., Ltd (山东高速路桥集团股份有限公司))
has been awarded a tender for the second phase of the Public-Private-Partnership (“**PPP**”) project of the Xijiang River Basin Water Environment Comprehensive Improvement Project of the Water Affairs Bureau of Longquanyi District, Chengdu (成都市龙泉驿区水务局西江河流域水环境综合整治项目二期PPP项目). The value of the tender awarded by Chengdu Longquanyi District Water Affairs Bureau (成都市龙泉驿区水务局) is RMB 2.562 billion (“**Tender**”).

The second phase of the PPP project consists of 2 parts:

- a) Xi River Sewage Treatment Plant Two (西河污水处理厂二厂)(“**Plant Two**”) of estimated value of RMB 636,682,312. The operating rights awarded for Plant Two is 30 years, with 2 years for construction and 28 years of operations.
- b) Xijiang River Chenganyu Hi-Speed to Chengnan Hi-Speed Section Comprehensive Management Engineering Project (西江河成安渝高速至成南高速段河道综合治理工程两个子项目)(“**XJ River Section Project**”) of estimated value of RMB 1,925,195,272. The operating rights awarded for XJ River Section Project is 17 years, with 2 years for construction and 15 years of operations.

Pursuant to the Tender, the Consortium has set up a project company, Chengdu Lugao Jinlong Environmental Management Co., Ltd (成都鲁高锦隆环境治理有限公司) (the “**CLJ Environmental Management Co., Ltd**”) to carry out investment and financing, design, build, operate and transfer works (“**DBFOT Works**”) for the second phase of Chengdu, Longquanyi District “Xijiang River Basin WEM” project with estimated value of about RMB 2.562 billion (the “**Project**”). The Project revenue will come from user payment and government subsidy.

The registered share capital of CLJ Environmental Management Co., Ltd is RMB 200 million to be injected in cash by:

	Registered Capital (RMB'000)	Percentage shareholding of CLJ Environmental Management Co., Ltd
SD Road and Bridge	160,000	80%
Ranken	22,000	11%
BEWC	18,000	9%
Total	200,000	100%

Subsequently, SD Road and Bridge will be transferring 46% shareholding of CLJ Environmental Management Co., Ltd to Shandong Hi-Speed Sichuan Industrial Development Co., Ltd 山东高速四川产业发展有限公司 (“SDHSSC”) such that the new shareholding of CLJ Environmental Management Co., Ltd and registered capital to be contributed are:

	Registered Capital (RMB'000)	Percentage shareholding of CLJ Environmental Management Co., Ltd
SDHSSC	92,000	46%
SD Road and Bridge	68,000	34%
Ranken	22,000	11%
BEWC	18,000	9%
Total	200,000	100%

The registered capital to be contributed by Ranken will be funded through Ranken’s internal resources.

The above transaction is not expected to have any material impact on the Group’s earnings per share and the net tangible assets per share for the financial year ending 31 December 2020.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction, other than in their respective capacities as a Director and/or substantial shareholder of the Company and Mr Cheung Wai Suen’s direct interest in Chengdu Kai Qi Rui Business Management Co., Ltd and of Ranken Railway Construction Group Co., Ltd of 2.0% and 0.36% respectively and indirect interest in Chengdu Jialong Property Service Co., Ltd of 0.4% (held in trust by Chengdu Kai Qi Rui Business Management Co., Ltd).

Further announcements will be made by the Company in relation to the PPP project as and when appropriate.

By Order of the Board
SAPPHIRE CORPORATION LIMITED

Wang Heng
Chief Executive Officer and Executive Director
30 December 2020