

SAPPHIRE CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198502465W)

APPLICATION FOR WAIVER TO COMPLY WITH RULES 707(1), 711A, 705(3)(b)(ii) AND 705(1) OF THE LISTING MANUAL ("LISTING MANUAL") OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")

1. INTRODUCTION

1.1. The board of directors (the "**Board**" or "**Directors**") of Sapphire Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that, on 2 March 2022, the Company has applied to SGX-ST for a waiver of the requirements:

- (a) to comply with Rules 707(1) and 711A of the Listing Manual, and an extension of time based on the Proposed Indicative Timeline to (i) hold the Company's annual general meeting ("**AGM**") for the financial year ended 31 December 2020 ("**FY2020**") and for the financial year ended 31 December 2021 ("**FY2021**"), and issue its annual report for FY2020 ("**AR2020**") and for FY2021 ("**AR2021**"); and (ii) to issue its sustainability report for FY2020 ("**SR2020**") and for FY2021 ("**SR2021**"); and
- (b) to comply with Rule 705(3)(b)(ii) and 705(1) of the Listing Manual, and an extension of time based on the Proposed Indicative Timeline to announce its financial statements for the half year financial period ending 30 June 2021 ("**1H2021**") and 30 June 2022 ("**1H2022**"), and for the full year financial period ending 31 December 2021,

(collectively, the "**Waiver Application**").

1.2. The Board also refers to the following :

- (a) the announcements dated 2 June 2020, 3 July 2020, 9 October 2020, 24 October 2020, 26 October 2020 and 30 October 2020, the press releases made on 2 June 2020 and 9 October 2020, and the circular dated 9 October 2020, in respect of the Company's sale of equity interests in and material dilution of effective equity interests in Ranken Railway Constructions Group Co., Ltd. ("**Ranken Railway**"), which resulted in Ranken Railway ceasing to be a subsidiary of the Company ("**Disposal**");
- (b) the announcement dated 16 December 2020 in respect of the proposed change of auditors of the Company from KPMG LLP ("**Outgoing Auditors**") to Moore Stephens LLP ("**Moore Stephens**");
- (c) the announcement dated 1 March 2021 in respect of the Company's financial statements for FY2020;
- (d) the announcement dated 28 April 2021 in respect of the application for waiver ("**Prior Application**") to comply with Rules 707(1), 711A and 705(3)(b)(ii) of the Listing Manual and extension of time to hold the FY2020 AGM, issues its AR202, SR202 and announce its 1H2021 financial statements and the Company's intention to propose another auditing firm for appointment as auditors of the Company instead of Moore Stephens;
- (e) the announcement dated 20 August 2021 in respect of the proposed change of auditors of the Company from the Outgoing Auditors to Foo Kon Tan LLP ("**FKT**");
- (f) the withdrawal of the Prior Application on 7 September 2021 due to the Company having to re-submit inputs from the proposed incoming auditors as to the timeline;

- (g) the ordinary resolution passed by the shareholders at an extraordinary general meeting held on 9 November 2021 (“**EGM**”) approving the change of auditors from the Outgoing Auditors to FKT.

2. PROPOSED INDICATIVE TIMELINE

The Company is facilitating the completion of the audit on the Company’s consolidated financial statements for FY2020 by FKT as soon as possible. FKT may only commence the audit of the Company’s consolidated financial statements for FY2021 after the shareholders of the Company have approved the adoption of the Company’s consolidated financial statements for FY2020 and the re-appointment of FKT at the next AGM. Subject to SGX-ST’s grant of waiver and extension of time, the Company intends to hold the AGM based on the following proposed indicative timeline (“**Proposed Indicative Timeline**”):

	Proposed Timeline	Indicative	Milestone
1.	On or before 14 April 2022		Completion of the audit of the Company’s consolidated financial statements for FY2020 Release of AR2020 and SR2020 Announcement of the Company’s financial statements for 1H2021
2.	On or before 29 April 2022		Convening of AGM to approve the Company’s consolidated financial statements for FY2020.
3.	On or before 15 September 2022		Completion of the audit of the Company’s consolidated financial statements for FY2021 Release of AR2021 and SR2021 Announcement of the Company’s financial statements for FY2021 and 1H2022
4.	On or before 30 September 2022		Convening of AGM to approve the Company’s consolidated financial statements for FY2021.

3. INFORMATION ON THE WAIVER APPLICATION

3.1. The reasons for the Waiver Application are, amongst others, as follows :

- (a) completion of the Disposal had only taken place on 27 October 2020 such that, in relation to FY2020, the Company had to make arrangements to account for Ranken Railway as a subsidiary of the Company prior to Disposal and as an associated company of the Company post-Disposal. In connection with the Disposal, additional audit work was also required due to the need for valuation of the sales consideration and valuation of the purchase price allocation for the remaining 49.8% stake in Ranken Railway held by the Group. There was also time taken for integration of Ranken Railway with its new shareholders post-Disposal;

- (b) due to manpower reallocation of, and changes to, the Group's finance team for its subsidiaries and associated companies incorporated in the People's Republic of China arising from the Disposal such that certain of the Group's finance team had been reallocated to Ranken Railway, the Company required more time to prepare its consolidated financial statements for FY2020 and had to recruit additional finance professionals to its finance team;
- (c) the resignation of the Outgoing Auditors took effect on 3 December 2020, and the audit of the Group's consolidated financial statements for FY2020 could only be conducted by FKT following the approval of the appointment of FKT at the recent EGM held on 9 November 2021;
- (d) the time taken for discussions with SGX-ST on the initial waiver applications dated 5 February 2021 and 28 April 2021, relating to the proposed appointment of incoming auditors in compliance with Rule 712 of the Listing Manual and additional time needed to seek candidates for the appointment as incoming auditors;
- (e) delays encountered by the auditors of the Company in fieldwork required in the PRC due to COVID-travel restrictions and quarantine layovers in compliance with PRC requirements such that the auditors were not able to attend expediently at the Company's premises in PRC;
- (f) the Group's audited financial statements for FY2020, which are still not finalised, will have an impact on the opening figures of the financial results of the Group for the financial periods ended 2021 such that it would be more appropriate and accurate for its financial statements post FY2020 - namely for 1H2021, FY2021 and 1H2022 - to be released only after the audit of the Group's financial statements for FY2020 is finalised and post FY2020 opening figures are determined; and
- (g) as the SR2020 should be read with the AR2020, it will not be practical for the SR2020 to be issued ahead of the AR2020 given the relativity of the aspects of governance and sustainability target between the two reports, and that similarly rationale applies in relation to the SR2021.

4. FURTHER ANNOUNCEMENT

The Company will provide updates on the outcome of the Waiver Application in due course.

BY ORDER OF THE BOARD

Wang Heng
Executive Director and Chief Executive Officer
3 March 2022