

SAPPHIRE CORPORATION LIMITED

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

INVESTMENT IN AN ASSOCIATED COMPANY – RESPONSE TO SGX QUERIES

The Board of Directors (the “**Board**”) of Sapphire Corporation Limited (the “**Company**”) together with its subsidiaries (collectively known as the “**Group**”), would like to respond to the queries from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) dated 4 January 2019, regarding the announcement issued by the Company on 30 December 2018 (the “**Announcement**”) entitled “Investment in an associated company”.

Unless otherwise defined herein, capitalised terms have the same meanings ascribed to them in the Announcement.

The queries from the SGX-ST and the Company’s responses are as follows:

Query 1:

Please disclose the remaining shareholders’ equity interests in CDJ Environmental Management Co. and their respective contributions to CDJ Environmental Management Co.’s registered capital and capital reserve.

Answer 1:

Ranken’s and the remaining shareholders’ equity interests in CDJ Environmental Management Co. and their respective contributions to CDJ Environmental Management Co.’s registered capital and capital reserve are as follows:

Name of Company	Registered Capital (RMB’000)	Capital Reserve (RMB’000)	%
Chongqing Derun Environment Co., Ltd. (重庆德润环境有限公司)	29,000	29,000	58
Ranken	12,500	12,500	25
Chengdu Wuhou Industrial Development Investment Management Group Co., Ltd. (成都武侯产业发展投资管理集团有限公司)	5,000	5,000	10
Beijing Enterprises Water (China) Investment Limited (北控水务 (中国) 投资有限公司)	3,500	3,500	7
Total	50,000	50,000	100

Query 2:

What is the nature and amount of the capital reserve in CDJ Environmental Management Co.?

Answer 2:

The capital reserve in CDJ Environmental Management Co. is the portion of capital investment that it receives from the investors' capital contribution in excess of its registered capital. The overall capital reserve in CDJ Environmental Management Co. will be about RMB 223 million. As of the date of the Announcement and as disclosed above, the capital reserve in CDJ Environmental Management Co. amounted to RMB 50 million. Rest of the capital reserves shall be paid by the investors according to the schedule as agreed from time to time.

By Order of the Board
SAPPHIRE CORPORATION LIMITED

Wang Heng
Chief Executive Officer and Executive Director
7 January 2019