

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

ADDITIONAL INVESTMENT IN SUBSIDIARY – RANKEN INFRASTRUCTURE LIMITED

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 the Company has increased its investment in the share capital of its wholly-owned subsidiary, Ranken Infrastructure Limited (“**Ranken**”) by subscribing for an additional 1,000 shares in cash (the “**Additional Investment**”) amounting to an aggregate consideration of S\$10,316,000 (the “**Investment Amount**”).

The Additional Investment is funded by the proceeds from the Rights Issue (after deducting certain expenses for the Rights Issue) as announced on 30 December 2018, 12 April 2019, 15 April 2019, 30 April 2019, 6 May 2019, 17 May 2019, 22 May 2019, 31 May 2019 and 4 June 2019 (“**Previous Announcements**”), and as detailed in the Company’s circular dated 15 April 2019 and the instructions booklet dated 17 May 2019 (“**Instructions Booklet**”).

Thereafter, Ranken will immediately lend the full Investment Amount to Ranken Railway Construction Group Co.,Ltd, (effectively 97.6% held by the Group) the operating subsidiary of the Group (“**Intra-Group Loan**”) whereby the Investment Amount will be placed into an escrow account and any disbursements from the escrow account will be approved by the Audit Committee of the Company (“**Audit Committee**”).

The Company will commission an independent verification of any material disbursement (being a disbursement in excess of RMB500k) from the escrow account (the “**Transaction Audit**”).

The Audit Committee will review the findings of the Transaction Audit and the Company will disclose via SGXNET of:

- a confirmation from the Audit Committee as to whether it is satisfied with the results of the Transaction Audit; and
- if applicable, material issues highlighted by the independent reviewer and how these material issues will be / have been addressed.

For the avoidance of doubt, the transfer of the net proceeds from the Rights Issue from the Company to Ranken by way of the Additional Investment and Intra-Group Loan does not constitute utilisation of such net proceeds which continue to be earmarked as follows:

Use of Net Proceeds	Allocation of Net Proceeds (S\$ million)	Net Proceeds Utilised (S\$ million)	Unutilised Net Proceeds (S\$ million)
Making strategic investments into and the development of water and environmental management projects	4.99	NIL	4.99
General corporate purposes including general corporate and/or working capital requirements of the Group	4.99	NIL	4.99
Total Net Proceeds	9.98	NIL	9.98

The Company will continue to make periodic announcements via SGXNET on the utilization of the balance of the Rights Issue Net Proceeds as and when there is a material disbursement.

The Additional Investment 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 2019.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above Additional Investment, 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 Ranken Railway Construction Group Co., Ltd of 2.0% and 0.4% respectively.

BY ORDER OF THE BOARD

Oh Eng Bin Kenneth

Non-Executive Lead Independent Director

25 June 2019