

SAPPHIRE CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198502465W)

INVESTMENT IN AN ASSOCIATED COMPANY – ADDITIONAL INVESTMENT

The Board of Directors (the “**Board**”) of Sapphire Corporation Limited (the “**Company**”) together with its subsidiaries (collectively known as the “**Group**”), refers to the Company’s announcements dated 19 November 2018, 30 December 2018 and 14 January 2019 (the “**Announcements**”).

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

Ranken Railway Construction Group Co., Ltd (“**Ranken**”) has injected additional RMB 12.5 million in cash into the share capital of Chengdu Derun Jinlong Environmental Management Co., Ltd. (“**CDJ Environmental Management Co.**”) representing 25% of the additional capital reserves of CDJ Environmental Management Co.. (“**Additional Investment**”). Chongqing Derun Environment Co., Ltd., Chengdu Wuhou Industrial Development Investment Management Group Co., Ltd. and Beijing Enterprises Water (China) Investment Limited have injected additional capital reserves in CDJ Environmental Management Co. in accordance with their respective proportion of shareholdings in CDJ Environment Management Co.. The equity interests of the Shareholders in CDJ Environmental Management Co. and their respective contributions as at the date of this announcement are set out below:

Shareholders	Registered Capital (RMB’000)	Capital Reserves (RMB’000)	Total Equity Interests (RMB’000)	%
Chongqing Derun Environment Co., Ltd. (重庆德润环境有限公司)	29,000	58,000	87,000	58
Ranken	12,500	25,000	37,500	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	10,000	15,000	10
Beijing Enterprises Water (China) Investment Limited (北控水务 (中国) 投资有限公司)	3,500	7,000	10,500	7
Total	50,000	100,000	150,000	100

The Shareholders will be injecting additional capital reserves from time to time and the total capital reserves in CDJ Environmental Management Co. is expected to be about RMB 223 million. As at the date of this announcement, the capital reserves in CDJ Environmental Management Co. is RMB 100 million.

The Additional Investment is funded through Ranken's internal resources and 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.

For avoidance of doubt, the Additional Investment is **NOT** funded by the proceeds from the Rights Issue 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, as detailed in the Company's circular dated 15 April 2019 and the instructions booklet dated 17 May 2019 and updated on the use of proceeds in the Group's 1H2019 results announcement dated 7 August 2019. For clarity, the S\$4.99 million utilised for "General corporate purposes including general corporate and/or working capital requirements of the Group" was mainly for working capital of on-going projects of the Group.

Following the injection of funds, CDJ Environmental Management Co. remains as an associated company of the Group.

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 Ranken Railway Construction Group Co., Ltd of 2.0% and 0.4% respectively.

By Order of the Board
SAPPHIRE CORPORATION LIMITED

Wang Heng
Chief Executive Officer and Executive Director
15 August 2019