

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, 14 January 2019 and 15 August 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 8.75 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	78,300	107,300	58
Ranken	12,500	33,750	46,250	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	13,500	18,500	10
Beijing Enterprises Water (China) Investment Limited (北控水务 (中国) 投资有限公司)	3,500	9,450	12,950	7
Total	50,000	135,000	185,000	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 135 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.

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
26 December 2019