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

APPLICATION FOR WAIVER TO COMPLY WITH RULES 707(1) AND 711A 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 14 April 2023, the Company has applied to SGX-ST for a waiver of the requirements 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 2022 ("**FY2022**"), and issue its annual report for FY2022 ("**AR2022**"); and (ii) to issue its sustainability report for FY2022 ("**SR2022**") (the "**Waiver Application**").

1.2. The Board also refers to the following :

(a) the announcement dated 1 March 2023 in respect of the Company's Unaudited Condensed Full Year Financial Statements for FY2022; and

(b) the announcement dated 7 March 2023 in respect of the Company's Corrigendum to the Unaudited Condensed Full Year Financial Statements for FY2022.

2. PROPOSED INDICATIVE TIMELINE

2. The Company is facilitating the completion of the audit on the Company's consolidated financial statements for FY2022 by its auditors, Foo Kon Tan LLP ("**FKT**") as soon as possible. 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 Indicative Timeline	**Milestone**
1.	**On or before 15 May 2023**	Issuance of IFRS GAAP audited financial statements of Ranken Railway (as defined below) by Baker Tilly (as defined below)
2.	**On or before 13 June 2023**	Issuance of audit report by FKT on the Company
3.	**On or before 15 June 2023**	Release of AR2022 and SR2022
4.	**On or before 30 June 2023**	Convening of AGM to approve the Company's consolidated financial statements for FY2022

3. INFORMATION ON THE WAIVER APPLICATION

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

(a) the Group's significant subsidiaries, comprising Chengdu Kai Qi Rui Business Management Co., Ltd, Sichuan Yilong Equipment Co., Ltd and Chengdu Shengshi Jialong City Management Service Co., Ltd (collectively, **Significant Subsidiaries**"), are audited by HLB ThinkBridge Shanghai Certified Public Accountants while its associated company, Ranken Railway Construction Group Co., Ltd ("**Ranken Railway**"), is audited by Baker Tilly Jinan Certified Public Accountants ("**Baker Tilly**"). Baker Tilly had replaced ShineWing Certified Public Accountants, who were the auditors of Ranken Railway in FY 2021 (the audits in relation to the Group's significant subsidiaries and its associated company, Ranken Railway collectively, the "**PRC Audits**" and HLB Thinkbridge Shanghai Certified Public Accountants and Baker Tilly collectively, "**PRC Auditors**");

(b) the delay in the PRC Audits for financial year ended 31 December 2022 was further hampered by the frequent lock downs in different provinces within the PRC during the COVID-19 pandemic as the engagement team from each of the PRC Auditors has to travel to various project sites in different provinces to perform substantive test of details in validating the relevant audit assertions over revenue, cost of sale and other significant P/L items. Secondly, there was a delay in the receipt of audit confirmations from the financial institutions to ascertain the veracity of the cash and cash equivalents and bank borrowings of the Significant Subsidiaries and Ranken Railway, following a change in the bank circularisation protocol. Furthermore, the engagement teams of each PRC Auditors have had to perform additional audit procedures to ascertain relevant assertions over the completeness, existence and accuracy of trade and other receivables, contract assets and trade and other payables as the response rate from the circularised confirmations was low. Upon completion of the outstanding audit procedures by the PRC Auditors, FKT will need to conduct their review on the PRC Auditor's work papers to determine the adequacy of work performed;

(c) Ranken Railway has a 25% equity interest in Chengdu Derun Jinlong Environmental Management Co., Ltd ("**CDJ Environmental**"). CDJ Environmental is the operator of public private partnership ("**PPP**") arrangement which involves investment and financing, design, build, operate and transfer works in respect of the first phase of the Liveable Riverbank Project (the "**Project**") in Wuhou District, Chengdu. The Project meets the definition of a service concession arrangement in accordance with INT FRS 112 – Service Concession Arrangements at inception. As the new auditors of Ranken Railway, Baker Tilly requires more time to review the methodology of the valuation model of the service concession arrangement prepared by CDJ Environmental's management where the service income and finance income derived from the Project are determined based on certain assumptions applied during the construction and operational phase of the Project from FY2019 to FY2022; and

(d) as the SR2022 should be read with the AR2022, it will not be practical for the SR2022 to be issued ahead of the AR2022 given the relativity of the aspects of governance and sustainability target between the two reports.

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
14 April 2023