

SAPPHIRE CORPORATION LIMITED

("Company")

(Incorporated in the Republic of Singapore)

(Company Registration No. 198502465W)

UPDATE ON CHANGE IN USE OF PROCEEDS

All capitalised terms used in this Announcement which are not defined herein shall have the meanings ascribed to them in the announcements dated 2 June 2020, 3 July 2020, 9 October 2020, 24 October 2020, 26 October 2020 and 30 October 2020 ("**Previous Announcements**") and the circular to shareholders of the Company dated 9 October 2020 ("**Circular**") in relation to the Proposed Transaction.

The board of directors (the "**Board**" or "**Directors**") of the Company refers to the Previous Announcements and Circular relating to the Proposed Transaction.

The Board wishes to provide an update on the adjustments to the use of, and material disbursements from, the Company Usage Sum representing 28% of the Net Proceeds from the Proposed Transaction. The adjustments are to clarify the scope of each use of proceeds, and to adjust the percentage allocation for each use ("**Change in Use of Proceeds**").

Adjustments to Net Proceeds

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Use of proceeds stated in Circular	Adjusted use of proceeds	Original percentage allocation	Original allocation (RMB'000)	Revised allocation (RMB'000)	Change in allocation (RMB'000)	Revised percentage allocation
(a) investments into, and financing, urbanisation, infrastructure and water and environmental conservation (WEM) projects and transit-oriented development (TOD) projects, as and when opportunities arise	(a) investments into, and financing, <i>and for supply of materials for</i> ⁽¹⁾ urbanisation, infrastructure and water and environmental conservation (WEM) projects and transit-oriented development (TOD) projects, as and when opportunities arise	13.6%	35,000	50,000	15,000	19.5%

(b) purchase of construction equipment by SYE for its business, being the leasing of warehouse and equipment and supply of materials for urbanisation projects,	(b) purchase of construction equipment by SYE for its business, being the leasing of warehouse and equipment and supply of materials for urbanisation projects, <i>and payment to Ranken Railway for site facilities construction and loan incurred⁽²⁾</i>	4.3%	11,000	12,415	1,415	4.8%
(c) expansion of the BEM business of CJPS, including investments into other companies undertaking the BEM business or by increasing the headcount of CJPS	(c) expansion of the BEM business of CJPS, including investments into other companies undertaking the BEM business or by increasing the headcount of CJPS	3.5%	9,000	3,000	(6,000)	1.2%
(d) general corporate purposes including general working capital, financing of new business ventures through acquisitions and/or strategic investments as and when opportunities arise, and share buy-back exercises to Shareholders	(d) general corporate purposes including general working capital, financing of new business ventures through acquisitions and/or strategic investments as and when opportunities arise, and share buy-back exercises to Shareholders	6.6%	17,048	6,633	(10,415)	2.6%
	Total	28.0%	72,048	72,048	-	28.0%

Notes:

- (1) The Company Usage Sum will be further deployed for the purposes of SYE's business activity of supplying of construction materials, as disclosed in Section 2.1 "Information on Ranken Railway – Carved-out Assets" of the Circular.
- (2) The Company Usage Sum will be further deployed towards payment to Ranken Railway for site facilities construction and the payment to Ranken Railway for servicing of loans related to the construction of warehouses, which are necessary for SYE's business.

The Change in Use of Proceeds will not result in any change to the total amount of the Company Usage Sum. The Change in Use of Proceeds has been reviewed and approved by the Board, and in the context of the voluntary undertaking by the Company to the SGX-ST as referred to in Section 5 of the Circular, received the SGX-ST's confirmation of no objection. The Board is of the view that the Change in Use of Proceeds is in the best interests of the Group and its shareholders.

Material disbursements from Company Usage Sum

The Company has made material disbursements from the Company Usage Sum following the Change in Use of Proceeds. Details of the material disbursements from the Company Usage Sum are as follows:

(A)	(B)	(C)	(D)	(E)	(F)
Adjusted use of proceeds	Revised allocation (RMB'00)	Revised percentage allocation	Total amount utilised (RMB'000)	Balance amount unutilised (RMB'000)	Balance amount unutilised as a percentage of total Net Proceeds
(a) investments into, and financing, and for supply of materials for urbanisation, infrastructure and water and environmental conservation (WEM) projects and transit-oriented development (TOD) projects, as and when opportunities arise	50,000	19.5%	24,422	25,578	10.0%
(b) purchase of construction equipment by SYE for its business, being the leasing of warehouse and equipment and supply of materials for urbanisation projects, and payment to Ranken Railway for site facilities construction and loan incurred	12,415	4.8%	12,031	384	0.1%
(c) expansion of the BEM business of CJPS, including investments into other companies undertaking the BEM business or by increasing the headcount of CJPS	3,000	1.2%	0	3,000	1.2%
(d) general corporate purposes including general working capital, financing of new business ventures through acquisitions and/or strategic investments as and when opportunities arise, and share buy-back exercises to Shareholders	6,633	2.6%	1,810	4,823	1.9%
Total	72,048	28.0%	38,262	33,786	13.1%

The Company will continue to make further periodic announcements on the use of the Net Proceeds as and when the Net Proceeds are materially disbursed.

By Order of the Board of
Sapphire Corporation Limited

Wang Heng
Executive Director and Chief Executive Officer
22 January 2021