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

APPLICATION FOR WAIVER TO COMPLY WITH RULES 707(1), 711A AND 705(3)(B)(II) OF THE LISTING MANUAL ("LISTING MANUAL") OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")

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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 28 April 2021, the Company has applied to SGX-ST for a waiver of the requirements:

(a) to comply with Rule 707(1) and 711A of the Listing Manual, and an extension of time of six (6) months to (ii) hold the Company's annual general meeting ("**AGM**") for the financial year ended 31 December 2020 ("**FY2020**") and issue its annual report for FY2020 ("**AR2020**"); and (ii) to issue its sustainability report for FY2020 ("**SR2020**"); and

(b) to comply with Rule 705(3)(b)(ii) of the Listing Manual, and an extension of time of two (2) months and seventeen (17) days to announce its financial statements for the half year financial period ending 30 June 2021 ("**1H2021**"),

(collectively, the "**Waiver Application**").

1.2. The Board also refers to the following :

(a) the announcements dated 2 June 2020, 3 July 2020, 9 October 2020, 24 October 2020, 26 October 2020 and 30 October 2020, the press releases made on 2 June 2020 and 9 October 2020, and the circular dated 9 October 2020, in respect of the Company's sale of equity interests in and material dilution of effective equity interests in Ranken Railway Constructions Group Co., Ltd. ("**Ranken Railway**"), which resulted in Ranken Railway ceasing to be a subsidiary of the Company ("**Disposal**"); and

(b) the announcement dated 16 December 2020 in respect of the proposed change of auditors of the Company ("**Proposed Change of Auditors**") from KPMG LLP ("**Outgoing Auditors**") to Moore Stephens LLP ("**Moore Stephens**").

2. INFORMATION ON THE WAIVER APPLICATION

2.1. Although the proposed incoming auditors of the Company was then proposed to be Moore Stephens, further to Company's consultation with the SGX-ST, the Company intends to propose another auditing firm for appointment as the incoming auditor of the Company ("**Incoming Auditors**") and to seek SGX-ST's approval of the circular relating to the Proposed Change of Auditors as revised for the Incoming Auditors, and will, following SGX-ST's approval, proceed to seek shareholders' approval for the Proposed Change of Auditors.

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

(a) completion of the Disposal had only taken place on 27 October 2020;

(b) due to manpower reallocation of, and changes to, the Group's finance team for its subsidiaries and associated companies incorporated in the People's Republic of China

arising from the Disposal, the Company requires more time to prepare its consolidated financial statements for FY2020;

(c) the resignation of the Outgoing Auditors took effect on 3 December 2020, and the audit of the Group's consolidated financial statements for FY2020 will have to be conducted by the Incoming Auditors, which could only happen upon (i) the Company obtaining SGX-ST's approval of the circular relating to the Proposed Change of Auditors as revised for the Incoming Auditors, and (ii) the appointment of the Incoming Auditors at an extraordinary general meeting of the Company to be convened;

(d) given the Incoming Auditors are not appointed at this juncture, the Incoming Auditors will not have sufficient time to conduct an audit of the Company's consolidated financial statements for FY2020 for the Company to convene its AGM relating to FY2020 on or before 30 April 2021; and

(e) the Group's audited financial statements for FY2020, which are still not finalised, will have an impact on the opening figures of the financial results of the Group for the financial periods ended 2021. Therefore, the Company is of the view that it would be more appropriate and accurate for its financial statements for 1H2021 to be released only after the audit of the Group's financial statements for FY2020 is finalised and issued; and

(f) as the SR2020 should be read with the AR2020, it will not be practical for the SR2020 to be issued ahead of the AR2020 given the relativity of the aspects of governance and sustainability target between the two reports.

2.3. The Company had, in the Waiver Application, indicated that the AGM will likely be convened on or around 31 October 2021.

2.4. The Company will concurrently be making the necessary applications to the Accounting and Corporate Regulatory Authority (the "**ACRA Application**") for an extension of time pursuant to the provisions of sections 175(2) and 197(1B) of the Companies Act (Cap. 50) of Singapore.

3. FURTHER ANNOUNCEMENT

The Company will provide updates on the outcome of the Waiver Application and the ACRA Application in due course.

BY ORDER OF THE BOARD

Wang Heng
Executive Director and Chief Executive Officer
28 April 2021