



SAPPHIRE CORPORATION LIMITED

Incorporated in the Republic of Singapore
Company Registration Number: 198502465W

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

Contents

A.	Condensed interim consolidated statement of profit or loss and other comprehensive income	1
B.	Condensed interim statements of financial position	2
C.	Condensed interim statements of changes in equity	3
D.	Condensed interim consolidated statement of cash flows	6
E.	Notes to the condensed interim consolidated financial statements	7
F.	Other information required by Listing Rule Appendix 7.2.	25

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Notes	Group		Change %
		1H2025 RMB'000	1H2024 RMB'000	
Revenue	4.2	202,035	215,943	(6.4)
Cost of sales		(198,336)	(211,978)	(6.4)
Gross profit		3,699	3,965	(6.7)
Other income	5	1,794	819	119.0
Administrative expenses		(8,399)	(9,505)	(11.6)
Impairment losses on other receivables	13	(2,365)	-	100.0
Reversal of provision for contingent liabilities	16	946	-	100.0
Reversal of provision for covered guarantee	16	853	-	100.0
Other expenses		(350)	(672)	(47.9)
Loss from operating activities		(3,822)	(5,393)	(29.1)
Finance costs	6	(1,107)	(1,478)	(25.1)
Share of profits from equity-accounted associates, net of tax		6,635	9,532	(30.4)
Profit before tax	7	1,706	2,661	(35.9)
Tax expense	8	(234)	(658)	(64.4)
Profit for the period		1,472	2,003	(26.5)
Other comprehensive income/(loss) after tax:				
<i>Items that may be reclassified to profit or loss:</i>				
Foreign currency translation differences arising from foreign operations		5	87	(94.3)
Share of other comprehensive income/(loss) of associates		199	(862)	123.1
Total other comprehensive income/(loss) for the period		204	(775)	126.3
Total comprehensive income/(loss) for the period		1,676	1,228	36.5
Profit attributable to:				
Owners of the Company		1,420	1,897	(25.1)
Non-controlling interests		52	106	(50.9)
Profit for the period		1,472	2,003	(26.5)
Total comprehensive income attributable to:				
Owners of the Company		1,624	1,122	44.7
Non-controlling interests		52	106	(50.9)
Total comprehensive income for the period		1,676	1,228	36.5
Earnings per share				
Basic and diluted (RMB cents)		0.35	0.47	(25.5)

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

B. Condensed interim statements of financial position

		Group		Company	
	Notes	30.06.2025 RMB'000	31.12.2024 RMB'000	30.06.2025 RMB'000	31.12.2024 RMB'000
ASSETS					
Property, plant and equipment	9	77,375	82,563	477	553
Intangible assets		404	448	-	-
Investment in subsidiaries		-	-	386,538	369,327
Investment in associates	10	465,743	458,909	-	-
Total non-current assets		543,522	541,920	387,015	369,880
Other investments	11	1,152	957	1,152	957
Inventories	12	1,928	590	-	-
Trade receivables	13	61,247	53,162	-	-
Other receivables	13	58,617	63,691	265	452
Cash and cash equivalents	14	49,051	61,802	18	242
Total current assets		171,995	180,202	1,435	1,651
Total assets		715,517	722,122	388,450	371,531
EQUITY					
Share capital	15	350,874	350,874	350,874	350,874
Reserves		230,004	228,380	14,507	107
Equity attributable to owners of the Company		580,878	579,254	365,381	350,981
Non-controlling interests		12,132	11,982	-	-
Total equity		593,010	591,236	365,381	350,981
LIABILITIES					
Provisions	16	10,827	12,627	-	-
Lease liabilities	17	31,733	34,354	286	363
Other payables	18	-	-	21,609	17,382
Total non-current liabilities		42,560	46,981	21,895	17,745
Lease liabilities	17	5,981	5,550	185	173
Trade payables	18	27,930	34,347	-	-
Other payables	18	46,036	44,008	989	2,632
Total current liabilities		79,947	83,905	1,174	2,805
Total liabilities		122,507	130,886	23,069	20,550
Total equity and liabilities		715,517	722,122	388,450	371,531

C. Condensed interim statements of changes in equity

Group	<-----Attributable to owners of the Company----->							Non-controlling	Total equity
	Share capital	Capital reserve	Fair value reserve	Other reserves	Translation reserve	Accumulated profits	Total	interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	350,874	(7,585)	(14,205)	(8,968)	1,673	256,818	578,607	11,541	590,148
Profit for the period	-	-	-	-	-	1,897	1,897	106	2,003
<i>Other comprehensive (loss)/income:</i>									
Foreign currency translation differences	-	-	-	-	87	-	87	-	87
Share of other comprehensive loss of an associate	-	-	-	-	(862)	-	(862)	-	(862)
Total other comprehensive loss	-	-	-	-	(775)	-	(775)	-	(775)
Total comprehensive (loss)/income for the financial period	-	-	-	-	(775)	1,897	1,122	106	1,228
At 30 June 2024	350,874	(7,585)	(14,205)	(8,968)	898	258,715	579,729	11,647	591,376

<u>Group</u>	<-----Attributable to owners of the Company----->							Non-	Total equity
	Share capital	Capital reserve	Fair value reserve	Other reserves	Translation reserve	Accumulated profits	Total	controlling interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	350,874	(7,585)	(14,205)	(8,968)	944	258,194	579,254	11,982	591,236
Profit for the period	-	-	-	-	-	1,420	1,420	52	1,472
<u>Other comprehensive (loss)/income:</u>									
Foreign currency translation differences	-	-	-	-	5	-	5	-	5
Share of other comprehensive income of associates	-	-	-	-	199	-	199	-	199
Total other comprehensive income	-	-	-	-	204	-	204	-	204
Total comprehensive income for the financial period	-	-	-	-	204	1,420	1,624	52	1,676
Transactions with owners recognised directly in equity									
Non-controlling interests arising from incorporation of a new subsidiary	-	-	-	-	-	-	-	98	98
At 30 June 2025	350,874	(7,585)	(14,205)	(8,968)	1,148	259,614	580,878	12,132	593,010

<u>Company</u>	Share capital RMB'000	Capital reserve RMB'000	Fair value reserve RMB'000	Other reserves RMB'000	Translation reserve RMB'000	Accumulated profits RMB'000	Total equity RMB'000
At 1 January 2024	350,874	(8,294)	(14,205)	(8,968)	41,951	(5,251)	356,107
Loss for the period	-	-	-	-	-	(2,069)	(2,069)
<u>Other comprehensive loss:</u>							
Foreign currency translation differences	-	-	-	-	(2,093)	-	(2,093)
Total comprehensive loss for the financial period	-	-	-	-	(2,093)	(2,069)	(4,162)
At 30 June 2024	350,874	(8,294)	(14,205)	(8,968)	39,858	(7,320)	351,945
At 1 January 2025	350,874	(8,294)	(14,205)	(8,968)	40,821	(9,247)	350,981
Loss for the period	-	-	-	-	-	(1,908)	(1,908)
<u>Other comprehensive income:</u>							
Foreign currency translation differences	-	-	-	-	16,308	-	16,308
Total comprehensive income for the financial period	-	-	-	-	16,308	(1,908)	14,400
At 30 June 2025	350,874	(8,294)	(14,205)	(8,968)	57,129	(11,155)	365,381

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

D. Condensed interim consolidated statement of cash flows

	Note	Group	
		1H2025 RMB'000	1H2024 RMB'000
Operating activities			
Profit before tax		1,706	2,661
Adjustments for:			
Amortisation of intangible assets		44	44
Depreciation of property, plant and equipment		5,649	5,001
Change in fair value of financial asset designated as fair value through profit or loss		(195)	(213)
Gain on disposal of property, plant and equipment		(101)	-
Impairment loss on other receivables		2,365	-
Reversal of provision for contingent liabilities		(946)	-
Reversal of provision for covered guarantee		(853)	-
Interest income		(1,023)	(737)
Interest expense		1,107	1,478
Share of profit of associates, net of tax		(6,635)	(9,532)
Operating income/(loss) before working capital changes		1,118	(1,298)
Changes in working capital:			
Inventories		(1,338)	-
Trade and other payables		(1,967)	(10,936)
Trade and other receivables		(5,376)	(6,501)
Cash used in operations		(7,563)	(18,735)
Income tax paid		(234)	(658)
Net cash used in operating activities		(7,797)	(19,393)
Investing activities			
Interest received		1,023	737
Purchase of plant and equipment	(a)	(26)	(1,511)
Purchase of intangible assets		-	(219)
Proceeds from disposal of plant and equipment		229	-
Net cash generated from/(used in) investing activities		1,226	(993)
Financing activities			
Payment of lease liabilities		(3,961)	(3,615)
Interest/factoring expenses paid		(1,107)	(1,478)
Payment for amount owing to shareholders		-	(1,070)
Payments to a related party		(1,132)	(1,968)
Net cash used in financing activities		(6,200)	(8,131)
Net decrease in cash and cash equivalents		(12,771)	(28,517)
Cash and cash equivalents at beginning of the period		61,802	87,389
Effect of exchange rate changes on the balances held in foreign currencies		20	2
Cash and cash equivalents at end of the period (Note 14)		49,051	58,874

Note:

- (a) During the financial period, the property, plant and equipment of the Group (including rights-of-use assets) increased by RMB 542,000 (1H2024: RMB 16,606,000) of which (i) RMB 26,000 were paid (1H2024: RMB 1,511,000); (ii) RMB 516,000 (1H2024: RMB 13,985,000) were added under operating lease arrangement; and (iii) RMB Nil (1H2024: RMB 1,110,000) were acquired by means of suppliers' credit.

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Sapphire Corporation Limited (the “**Company**”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the mainboard of the Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements for the six months ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activities of the Company are those of investment management, provision of management services and holding company. The principal activities of the subsidiaries and the associates are set out in notes 11 and 12 to the financial statements, respectively, in the annual report for the year ended 31 December (“**FY**”) 2024 (the “**Annual Report 2024**”).

During the year 2025, the Group incorporated subsidiaries, Shengshi Fanmu (Sichuan) Cultural and Creative Development Co., Ltd. and Chengdu Fanmu Technology Co., Ltd. whose principal activities have been disclosed in the announcement released separately on 12 August 2025.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Section E Note 2.1.

The functional currency of the Company is in Singapore dollar. The condensed interim financial statements are presented in Chinese Renminbi (“**RMB**”) as the Group considers RMB to be the most appropriate presentation currency. All financial information is presented in RMB have been rounded to the nearest thousand, unless otherwise stated.

2.1. New and amended standards adopted by the Group

The Group has adopted all the amendments to SFRS(I)s that are effective for annual financial periods beginning on or after 1 January 2025. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards. In addition, the adoption of these amendments did not have any material effect on the financial performance or position of the Group and the Company.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The critical accounting estimates and assumptions used in applying accounting policies and areas involving a high degree of judgement are described below.

(a) Judgements made in applying accounting policies

(i) Identification of functional currency

The functional currency of each entity in the Group is the currency of the primary economic environment in which it operates. Determination of the functional currency involves significant judgement and other companies may make different judgements based on similar facts. Management reconsiders the functional currency if there is a change in the underlying transactions, events and conditions which determines its primary economic environment.

The determination of functional currency affects the carrying amount of the non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the statement of comprehensive income. It also impacts the exchange gains and losses included in the statement of comprehensive income.

(ii) Income tax

The Group is primarily exposed to income taxes in Singapore and the People's Republic of China. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable as at 30 June 2025 is Nil (30 June 2024: Nil).

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based on its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual values. The Group reviews the estimated useful lives of the assets regularly based on the factors that include asset utilisation, technological changes,

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

environmental and anticipated use of the assets in order to determine the amount of depreciation expense to be recorded during any reporting period. Changes in the expected level of use of these assets and the Group's historical experience with similar assets after taking into account anticipated technological changes could impact the economic useful lives and the residual values of the assets. Any changes in the economic useful lives and residual values could impact the depreciation charge and consequently impact the Group's results.

(ii) Allowance for expected credit losses ("ECL") on trade and other receivables and contract assets

Allowance for ECL of trade and other receivables and contract assets are based on assumptions about risk of default and expected loss rates. Management uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past collection history, existing market conditions as well as forward looking estimates at each reporting date. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The Group and the Company apply the 3-stage general approach to determine ECL for third parties and related parties. ECL is measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL for Stage 2 or Stage 3 assets. An asset moves from Stage 1 to Stage 2 when its credit risk increases significant and subsequently to Stage 3 as it becomes credit impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within twelve months after the reporting date.

The carrying amount of the Group's and the Company's trade and other receivables are disclosed in Section E Note 13.

(iii) Accounting for investment in an associate

In applying the equity method on the Group's interest in an associate, Ranken Railway Construction Group Co., Ltd ("**Ranken Railway**", together with its subsidiaries, "**Ranken Group**"), for the six months ended 30 June 2025, management has made certain adjustments to the financial results of Ranken Group to align the accounting policies of Ranken Group with those of the Group.

These adjustments included (a) impairment losses recognised on Ranken Group's trade and other receivables and contract assets in accordance with SFRS(I) 9 - *Financial Instruments*, (b) the accounting of Ranken Group's share of associates' profits for the operators of a public private partnership ("**PPP**") arrangement to build, operate and transfer (i) the first phase of Chengdu Wuhou District Liveable Riverbank Project, Xi River Sewage Treatment Plant 2 Project and (ii) Xijiang River Chenganyu Hi-Speed to Chengan Hi-Speed Section Comprehensive Management Engineering Project, (c) the effects on depreciation and amortisation on Ranken Group's non-financial assets arising from the purchase price allocation exercise carried out in FY2020.

These adjustments involve the use of significant accounting estimates such as (a) the assumptions used in the ECL model in determining the adequacy of the provision for impairment loss recognised, (b) the estimation of the fair value of the construction service contracts during the construction and maintenance phases of the service concession arrangement projects and the service concession receivables which take into account budgeted construction costs, project value (including service

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

concession rights) and profit margin applied on the service concession arrangements undertaken by the associates of Ranken Group and (c) changes in the useful lives of Ranken Group's non-financial assets which affect the amount of depreciation and amortisation expenses recorded.

(iv) Provision for contingent liabilities

Pursuant to the share transfer and capital increase agreement dated 28 May 2020 (the "**Ranken Disposal Agreement**") and as set out in the circular in respect of the Group's disposal of Ranken Group to Shandong Hi-Speed Road & Bridge Group Co., Ltd (the "**Investor**") dated 9 October 2020 (the "**Ranken Disposal Circular**"), the Group, through its 98%-owned subsidiary Chengdu Kai Qi Rui Business Management Co., Ltd. ("**Chengdu KQR**"), effectively guaranteed the collection of receivables owing to Ranken Group as at 31 August 2019 (the "**Guaranteed Receivables**"). In the event that Ranken Group fails to collect any of the Guaranteed Receivables within 5 years from the date on which such receivables become due (the "**Overdue Guaranteed Receivables**"), the Investor shall have the right to offset the Overdue Guaranteed Receivables against the dividends payables to Chengdu KQR (the "**Offset**"), if any, and the Group shall reimburse the remaining balance of the Overdue Guaranteed Receivables after the Offset. After which, the uncollected Overdue Guaranteed Receivables will then be assigned to the Group.

As at 30 June 2025, the management performed an assessment and reversed provision during 1H2025 of RMB 946,000 (FY2024: provision recognised RMB 1,291,000) based on the ECL model in accordance with SFRS(I) 9 - Financial Instruments. Please refer to Section E Notes 10, 13 and 16 for further details.

3. Seasonal operations

As the Group's operations are primarily in China, the Group and Ranken Railway's business operations are generally slower in the first half of each year affected by cold weather and the Chinese New Year Break. Other than the aforesaid, the Group's businesses are not affected significantly by seasonal or cyclical factors for the current financial period.

4. Segment and revenue information

4.1. Reportable Segment

The Group is principally engaged in (i) providing services for urban renewal and redevelopment; and urban infrastructure; (ii) investment holding and management; and (iii) providing cultural and artistic exchange services.

For the six months ended 30 June 2025 and 30 June 2024, the Group has only one reportable segment, the infrastructure segment.

Under the infrastructure segment, the main operating units for the Group comprise:

- (a) property and facilities management services for urban renewal and redevelopment; urban infrastructure, undertaken by Chengdu Shengshi Jialong City Management Service Co., Ltd ("**Jialong**");
- (b) leasing of warehouse and equipment; and procurement and supply of materials (including trading) for urbanisation and infrastructure related projects, undertaken by Sichuan Yilong Equipment Co., Ltd. ("**Yilong**"); and

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

- (c) investment holding and management, that the Group invests and jointly manages the engineering, procurement and construction (“EPC”) projects for land transport infrastructure and environmental conservation in China; undertaken by its associate, Ranken Railway, in which the Group owns a 48.82% effective interest.

The wholesale operation, which comprises wholesale, rental and leasing of industrial machinery and other equipment, was not significant in FY 2025; and was thus included as “Other” under the Infrastructure Segment.

These operating segments are reported in a manner consistent with internal reporting provided to the CEO who is responsible for allocating resources and assessing performance of the operating segments.

The unallocated items comprise both the Company’s and Ranken Holding Co., Limited’s performance and assets.

Group	Infrastructure Segment				
	Jialong RMB'000	Yilong RMB'000	Chengdu KQR RMB'000	Other RMB'000	Total RMB'000
1H2025					
Revenue and expenses					
External revenues	9,496	191,866	-	673	202,035
Interest income	2	5	1,015	-	1,022
Factoring/interest expenses	(957)	(50)	(78)	(11)	(1,096)
Depreciation and amortisation	(3,553)	(1,856)	(26)	(160)	(5,595)
Share of profit of associates, net of tax	-	-	6,635	-	6,635
Reportable segment (loss)/profit before tax	(1,361)	399	6,607	(553)	5,092
As at 30 June 2025					
Other segment information					
Reportable segment assets	43,720	123,183	541,937	3,050	711,890
Capital expenditures:					
– Property, plant and equipment	(527)	(9)	-	(6)	(542)
Reportable segment liabilities	(52,735)	(28,432)	(37,771)	(2,058)	(120,996)

Group	Infrastructure Segment			
	Jialong RMB'000	Yilong RMB'000	Chengdu KQR RMB'000	Total RMB'000
1H2024				
Revenue and expenses				
External revenues	10,109	205,834	-	215,943
Interest income	3	78	648	729
Factoring/interest expenses	(1,161)	(190)	(121)	(1,472)
Depreciation and amortisation	(3,625)	(1,315)	(2)	(4,942)
Share of profit of an associate, net of tax	-	-	9,532	9,532

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

Reportable segment (loss)/profit before tax	(3,393)	1,869	7,899	6,375
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As at 30 June 2024

Other segment information

Reportable segment assets	44,475	124,465	546,612	715,552
Capital expenditures:				
– Property, plant and equipment	(14,421)	(2,166)	(4)	(16,591)
– Intangible assets	(219)	-	-	(219)
Reportable segment liabilities	(53,266)	(36,781)	(44,534)	(134,581)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items:

	Group	
	1H2025	1H2024
	RMB'000	RMB'000
Revenue		
Total revenue for reportable segments	202,035	215,943
Profit or loss		
Total profit before tax for reportable segments	5,092	6,375
Unallocated amounts:		
– Other income	6	8
– Other expense (head office expenses)	(3,392)	(3,722)
– Tax expense	(234)	(658)
Consolidated profit for the year/period	1,472	2,003
Assets		
Total assets for reportable segments	711,890	715,552
Other unallocated amounts	3,627	6,437
Consolidated total assets	715,517	721,989
Liabilities		
Total liabilities for reportable segments	120,996	134,581
Elimination of inter-segment liabilities	(7,660)	(14,071)
Other unallocated amounts	9,171	10,103
Consolidated total liabilities	122,507	130,613

	Reportable segment total	Unallocated amounts	Consolidated total
	RMB'000	RMB'000	RMB'000
1H2025			
Other material items			
Interest income	1,022	1	1,023
Factoring/interest expenses	(1,096)	(11)	(1,107)
Depreciation and amortisation	(5,595)	(98)	(5,693)
Capital expenditures:			
– Property, plant and equipment	(542)	-	(542)

1H2024

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

Other material items

Interest income	729	8	737
Factoring/interest expenses	(1,472)	(6)	(1,478)
Depreciation and amortisation	(4,942)	(103)	(5,045)
Capital expenditures:			
– Property, plant and equipment	(16,591)	(15)	(16,606)
– Intangible assets	(219)	-	(219)

Geographical information

	Revenue		Non-current assets	
	1H2025 RMB'000	1H2024 RMB'000	1H2025 RMB'000	FY2024 RMB'000
Singapore and Malaysia	673	-	1,142	1,348
China	201,362	215,943	542,380	540,572
Total	202,035	215,943	543,522	541,920

4.2. Revenue

	Group	
	1H2025 RMB'000	1H2024 RMB'000
Revenue from contracts with customers	200,208	213,015
Warehouse, equipment and premise leasing	1,827	2,928
	202,035	215,943

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major products and service lines, geographical markets and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segment.

	Notes	Group	
		1H2025 RMB'000	1H2024 RMB'000
Major products/service lines			
Infrastructure:			
– Sale of goods, including trading	(a)	190,947	202,992
– Rendering of services		9,261	10,023
		200,208	213,015
Primary geographical markets			
Malaysia		673	-
China		199,535	213,015
		200,208	213,015
Timing of revenue recognition			
Products transferred at a point in time		190,947	202,992
Products and services transferred over time		9,261	10,023
		200,208	213,015

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

Notes:

- (a) The top 10 customers account for 99.8% of total sale of goods revenue during 1H2025.
(b) The above excludes revenue from warehouse, equipment and premise leasing.

5. Other income

	Group	
	1H2025	1H2024
	RMB'000	RMB'000
Interest income:		
– Banks	312	147
– Loan to an associate	711	590
Covered guarantee fee from an associated company	640	-
Gain on disposal of property, plant and equipment	101	-
Others	30	82
	1,794	819

6. Finance costs

	Group	
	1H2025	1H2024
	RMB'000	RMB'000
Interest expense:		
– Lease liabilities	972	1,090
– Loan from a related party	72	118
– Factoring expenses	46	254
Bank charges	17	16
	1,107	1,478

7. Profit before tax

Profit before tax is arrived at after charging/(crediting) the following:

	Group	
	1H2025	1H2024
	RMB'000	RMB'000
Change in fair value of financial asset designated as fair value through profit or loss	(195)	(213)
Amortisation of intangible assets	44	44
Depreciation of property, plant and equipment	5,649	5,001
Gain on disposal of property, plant and equipment	(101)	-

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

8. Tax expense

	Group	
	1H2025 RMB'000	1H2024 RMB'000
Current year	234	658

9. Property, plant and equipment

The property, plant and equipment inclusive that of right-of-use assets amounting to RMB 77,375,000 as at 30 June 2025 (FY2024: RMB 82,563,000), During the six months ended 30 June 2025, the Group acquired assets for an aggregate cost of RMB 542,000 (FY2024: RMB 25,242,000) of which (i) RMB 516,000 (FY2024: RMB 15,166,000) relate to addition of right-of-use assets through tenancy agreements; and (ii) RMB 26,000 (FY2024: RMB 10,076,000) relate to acquisition of plant and equipment. There is disposal of net assets, RMB 129,000 during the period (FY2024: RMB 164,000).

10. Investment in associates

The Group invests and manages EPC projects for land transport infrastructure and environmental conservation in China; undertaken by its associate, Ranken Railway, in which the Group owns a 48.82% effective interest. During FY2024, Yilong invested in an associate company in China, Beijing Aide Zhengze Education Technology Co., Ltd. ("BAZET") for a 19.5% ownership and its principal activities include educational equipment certification and trading platform.

	Group	
	30.06.2025 RMB'000	31.12.2024 RMB'000
Interests in associates	465,743	458,909
Group's interest in the net assets of associates:		
At beginning of the period/year	458,909	448,444
Dividends declared during the period/year	-	(13,654)
Group's contribution during the period/year	-	13,003
Group's share of profit	6,635	11,597
Group's share of other comprehensive income/(loss)	199	(761)
	465,743	458,629
Group's investment in BAZET	-	280
At end of the period/year	465,743	458,909

Based on the unaudited financial statements of Ranken Railway, the working capital position for Ranken Railway was RMB 0.7 billion as at 30 June 2025 (FY2024: RMB 0.7 billion).

Pursuant to the Ranken Disposal Agreement dated 28 May 2020 and as set out in the Ranken Disposal Circular dated 9 October 2020, the followings are certain pertinent conditions to the Ranken Disposal Agreement such as the Guaranteed Receivables (as defined below) and provisions of loans to meet continuous operating requirements, including the Covered Guaranteed (as defined below); and the financial effects of which have been included and reported in the financial statements of the Group since the completion of the Ranken Disposal Agreement. Specifically:

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. the Group, through Chengdu KQR, effectively guaranteed the collection of receivables owing to Ranken Group as at 31 August 2019 (the **“Guaranteed Receivables”**). In the event that Ranken Group fails to collect any of the Guaranteed Receivables within 5 years from the date on which such receivables become due (the **“Overdue Guaranteed Receivables”**), the Investor shall have the right to offset the Overdue Guaranteed Receivables against the dividends payables to Chengdu KQR (the **“Offset”**), if any and the Group shall reimburse the remaining balance of the Overdue Guaranteed Receivables after the Offset. After which, the uncollected Overdue Guaranteed Receivables will then be assigned to the Group;
2. Chengdu KQR will remain a 49.82% shareholder of Ranken Railway after completion of the Ranken Disposal Agreement. Accordingly, Ranken Railway may, from time to time, require capital support from Chengdu KQR – whether in the form of equity or loan – given the scale of its operations, as required under PRC laws and the requirements of the Shenzhen Stock Exchange (as informed by the Investor to the Company), as disclosed in the Ranken Disposal Circular. As such, given that the equity shareholding of the Investor and Chengdu KQR are equal in Ranken Railway,
 - a. any working capital loans as may be extended by the Investor to Ranken Railway after completion of the Ranken Disposal Agreement would have to be extended and/or matched by Chengdu KQR in accordance with its 49.82% shareholding in Ranken Railway and shall be on the same terms with that of the Investor; and
 - b. any full guarantee(s) provided by the Investor to the lender(s) for banking facilities granted to Ranken Railway (**“Principal Guarantee”**) would have to be secured by a covered guarantee from Chengdu KQR in respect of the Principal Guarantee based on its 49.82% shareholding in Ranken Railway (the **“Covered Guarantee”**). In the event of default by Ranken Railway, the Investor shall fulfil its payment obligations in full under the Principal Guarantee and seek recourse from Chengdu KQR under the Covered Guarantee.
3. It was further disclosed in the Ranken Disposal Circular that *“Ranken Railway would be placed in a more favourable position to secure project contracts in the PRC, and may be able to enjoy lower interest rates on external borrowings from financial institutions, given its status as an indirect SOE following the Proposed Transaction”* (the **“Guarantee Rationale”**). As such, management understands from the Investor that the provision of Principal Guarantee would allow Ranken Railway to borrow at lower interest rates compare to other non-secured financing facilities.

11. Other investments

Equity investments – mandatorily at FVTPL

Financial assets mandatorily at fair value to profit and loss comprise the following:

	Group		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RMB'000	RMB'000	RMB'000	RMB'000
Hong Kong listed equity securities				
China Vanadium Titano-Magnetite Mining Company Limited (“CVT”)	1,152	957	1,152	957

During the interim period, the Group had not disposed any of its quoted investments. The quoted investment represents 0.91% in the capital of CVT. A director of the Company holds a non-executive director position in CVT.

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3).

The following table presented the assets measured at fair value:

	Group and Company			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30.06.2025				
Equity investments – mandatorily at FVTPL	1,152	-	-	1,152
As at 31.12.2024				
Equity investments – mandatorily at FVTPL	957	-	-	957

12. Inventories

	Group	
	30.06.2025 RMB'000	31.12.2024 RMB'000
Finished goods	1,928	590

The cost of inventories recognised as an expense and included in profit or loss amounted to RMB 187,980,000 (FY2024: RMB 400,265,000)

13. Trade and other receivables

	Notes	Group	
		30.06.2025 RMB'000	31.12.2024 RMB'000
Trade receivables			
Third parties	(a)	47,431	39,935
Associate	(b)	11,393	12,772
Bills receivables from third parties	(c)	3,349	-
Bills receivables from an associate	(c)	-	1,381
		62,173	54,088
Less: Impairment loss		(926)	(926)
Net		61,247	53,162

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

Notes:

- (a) Trade receivables owing by third parties are non-interest bearing and the credit terms are 7 to 90 days (FY2024: 7 to 90 days). Approximately RMB 40.4 million or 85.2% has been collected as at the date of this announcement.
- (b) Trade receivables owing by an associate are non-interest bearing and the credit terms are 30 to 90 days (FY2024: 30 to 90 days). Approximately RMB 1.0 million or 8.8% has been collected as at the date of this announcement.
- (c) Bills receivables from third parties are non-interest bearing and credit terms are up to 6 months. Bills receivables from an associate in FY2024 are non-interest bearing and credit terms are up to 12 months.

		Group		Company	
	Notes	30.06.2025 RMB'000	31.12.2024 RMB'000	30.06.2025 RMB'000	31.12.2024 RMB'000
Other receivables					
Other receivables due from third parties	(a)	20,980	22,686	248	277
Amount due from a former subsidiary		14,859	14,859	14,859	14,859
Less: Impairment loss		(22,661)	(20,296)	(14,859)	(14,859)
		13,178	17,249	248	277
Amount due from an associate		1,358	3,195	-	-
Loan to an associate	(b)	30,000	30,000	-	-
Impairment loss		(653)	(653)	-	-
Financial assets at amortised costs		43,883	49,791	248	277
Prepayments		14,734	13,900	17	175
Net		58,617	63,691	265	452

Notes:

- (a) Other receivables are unsecured and non-interest bearing. Of which, RMB 20.6 million relates to Overdue Guaranteed Receivables assigned by Ranken Railway to Chengdu KQR. An impairment loss of RMB 2,365,000 was recognised during 1H2025 (2024: Nil). Please refer to Section E Note 10 for further details.
- (b) Loan to an associate, Ranken Railway, is unsecured, bearing an interest rate at 3.95% per annum with a maturity period of 12 months. Management has discussed with the Investor and considered the working capital position, and project pipeline of Ranken Railway prior to providing such loans. Please refer to Note 10 for further details.

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The movements in allowance for impairment in respect of trade and other receivables, and contract assets were as follow:

	Group		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the period/year	21,875	21,807	14,859	14,859
Impairment losses recognised	2,365	68	-	-
At the end of the period/year	24,240	21,875	14,859	14,859

At each reporting date, the Group identifies trade receivables and contract assets that are credit-impaired and measures loss allowance at an amount equal to lifetime ECL using a provision matrix. There have been no changes to the movement in the allowance for impairment loss in respect of trade receivables, and contract assets during the period.

The Guaranteed Receivables

As disclosed in Section E Note 10, pursuant to the Ranken Disposal Agreement and as set out in the Ranken Disposal Circular, the Group, through Chengdu KQR, effectively guaranteed the collection of receivables owing to Ranken Group before completion of the Ranken Disposal Agreement. In the event that Ranken Group fails to collect any of the Guaranteed Receivables within 5 years from the date on which such receivables become due, the Investor shall have the right to offset the Overdue Guaranteed Receivables against the dividends payables to Chengdu KQR, if any, and the Group shall reimburse the remaining balance of the Overdue Guaranteed Receivables after the Offset. After which, the reimbursed balance of the Overdue Guaranteed Receivables will then be assigned to the Group.

The Overdue Guaranteed Receivables, once assigned to the Chengdu KQR, will be recorded as Other Receivables.

The aging of the Guaranteed Receivables is as follow:

	Ranken Group	
	30.06.2025	31.12.2024
	RMB'000	RMB'000
<u>Not past due</u>		
Current	209,693	217,114
<u>Past due</u>		
< 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
3 to 4 years	-	-
4 to 5 years	163	163
> 5 years (" Overdue Guaranteed Receivables ")	38,464	42,811
	38,627	42,974
Total Guaranteed Receivables	248,320	260,088

As at 30 June 2025:

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

- the total amount of the Guaranteed Receivables was RMB 248.3 million (FY2024: RMB 260.1 million);
- the total amount of the Overdue Guaranteed Receivables was RMB 38.5 million (FY2024: RMB 42.8 million) (as detailed in the above table);
- the total Overdue Guaranteed Receivables which had been assigned to Chengdu KQR and recorded as other receivables was RMB 20.6 million in aggregate;
- management has performed an internal assessment on the status of the Guaranteed Receivables and the Overdue Guaranteed Receivables. Based on the currently available information, management has represented to the Board that the accounting provisions of the above receivables, including impairment loss, is adequate as at the date of this announcement. As a result, a reversal of provision, RMB 0.9 million was recognised in 1H2025 (FY2024: RMB 1.3 million of provision recognised), as disclosed in Section E Note 2.2(b)(iv); and
- the Group will conduct ECL assessment and engage its component auditors to perform audit procedures on the status of the Guaranteed Receivables and the Overdue Guaranteed Receivables in its annual audit for the financial year ending 31 December 2025 ("FY2025"). The Group will then update and disclose the related financial effects in its consolidated financial statements for FY2025.

14. Cash and cash equivalents

	Group		Company	
	30.06.2025 RMB'000	31.12.2024 RMB'000	30.06.2025 RMB'000	31.12.2024 RMB'000
Cash and bank balances	49,051	61,802	18	242

15. Share capital

	Group and Company			
	30.06.2025 No. of ordinary shares ('000)	31.12.2024	30.06.2025 RMB'000	31.12.2024 RMB'000
Issued and paid up:				
At the beginning and end of the period/year	407,590	407,590	350,874	350,874

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

16. Provisions

	Notes	Group	
		30.06.2025 RMB'000	31.12.2024 RMB'000
Provision for contingent liabilities	(a)	8,529	9,475
Provision for covered guarantee	(b)	2,298	3,152
		10,827	12,627

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

Notes:

- (a) This relates to the provision for a guarantee provided by the Group to the Investor for the recoverability of outstanding receivable balances in Ranken Railway as at 31 August 2019. Please refer to Section E Notes 2.2(b)(iv), 10 and 13 for further details.

The Group reversed RMB 0.9 million of provision for contingent liabilities during 1H2025 (During FY2024, a provision of RMB 1.3 million was recognized). The estimate has been made by identifying receivables that are credit-impaired and the ECL model was applied to determine the amount of provision required in accordance with judgements and estimates made in applying the related accounting policies. The overdue guaranteed receivables were RMB 38.5 million as at 30 June 2025 (FY2024: RMB 42.8 million).

- (b) The Group reversed RMB 0.9 million of provision relating to the Covered Guarantee for the banking facilities of Ranken Railway during 1H2025 (During FY2024, a provision of RMB 0.6 million was recognised). The Group's 49.82% share of the covered guarantee provided for banking facilities of Ranken Railway amounts to RMB 108.4 million (FY2024: RMB 180.1 million).
- (c) Please refer to Section E Note 10 for further details in relation to the Principal Guarantee, the Covered Guarantee, and the Guarantee Rationale.

In providing such guarantee, management has considered (i) the requirements for the Covered Guarantee and the Guarantee Rationale (as set out in Section E Note 10, including pertinent conditions to the Ranken Disposal Agreement and relevant disclosure in the Ranken Disposal Circular); and (ii) the financial position, profitability and credit standing of Ranken Railway.

17. Lease liabilities

	Group		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RMB'000	RMB'000	RMB'000	RMB'000
Undiscounted lease payments due:				
– Later than five years	9,161	11,475	-	-
– Later than one year and not later than five years	27,210	28,321	296	379
– No later than one year	7,727	7,411	201	192
	44,098	47,207	497	571
Less: Future interest costs	(6,384)	(7,303)	(26)	(35)
	37,714	39,904	471	536
Represented by:				
– Non-current	31,733	34,354	286	363
– Current	5,981	5,550	185	173
	37,714	39,904	471	536

The lease liabilities relate to right-of-use assets – shop spaces and premises with carrying value of RMB 30,954,000 as at 30 June 2025 (FY2024: RMB 33,720,000)

Other than the above, the Group has no borrowings and debts securities as at 30 June 2025 and FY2024.

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

18. Trade and other payables

	Notes	Group	
		30.06.2025 RMB'000	31.12.2024 RMB'000
Trade payables			
Third parties	(a)	27,165	28,332
Associated company	(b)	765	6,015
		<u>27,930</u>	<u>34,347</u>

Notes:

- (a) Trade payables owing to the third parties was related to project costs such as labour, materials and other incidental costs. The amount is non-interest bearing and credit terms are between 90 to 180 days (FY2024: 90 to 180 days).
- (b) Trade payables owing to an associate was related to project costs such as labour, materials and other incidental costs. The amount is non-interest bearing and the credit terms are between 30 to 90 days (FY2024: 30 to 90 days).

	Notes	Group		Company	
		30.06.2025 RMB'000	31.12.2024 RMB'000	30.06.2025 RMB'000	31.12.2024 RMB'000
Other payables					
Amounts due to a subsidiary		-	-	21,609	17,382
Amounts due to shareholders	(a)	8,311	8,311	-	-
Amounts due to an associate	(b)	20,588	20,588	-	-
Advances received from an associate	(c)	295	295	-	-
Amounts due to a related company	(d)	4,072	5,132	-	-
Accrued expenses		1,501	2,204	989	2,632
Security deposits		2,499	2,473	-	-
Other payables		7,958	4,043	-	-
Financial liabilities at amortised costs		45,224	43,046	22,598	20,014
Other tax payables		812	962	-	-
		<u>46,036</u>	<u>44,008</u>	<u>22,598</u>	<u>20,014</u>

Notes:

- (a) The amount due to shareholders comprises advances, which are non-trade, unsecured, non-interest bearing and repayable on demand.
- (b) The amounts due to an associate relate to the total amount of the Overdue Guaranteed Receivables which had been assigned by Ranken Railway to Chengdu KQR. Refer to Section E Notes 10 and 13 for further details on Guaranteed Receivables and Overdue Guaranteed Receivables.

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

- (c) Advances received from an associate are mainly for purchase of materials and supplies, are unsecured, non-interest bearing and repayable on demand.
- (d) Amount due to a related company relate to short-term loan from Chengdu Yunlong Technology Pte Ltd, is unsecured, bears fixed an interest rate at 3.6% (FY2024: 3.6%) per annum and is repayable on demand.

	Group		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RMB'000	RMB'000	RMB'000	RMB'000
Represented by:				
Current	46,036	44,008	989	2,632
Non-current	-	-	21,609	17,382
	46,036	44,008	22,598	20,014

19. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2025 and 31 December 2024:

	Group		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RMB'000	RMB'000	RMB'000	RMB'000
Financial Assets				
Equity investments – mandatorily at FVTPL	1,152	957	1,152	957
Trade and other receivables (Amortised cost)	105,130	102,953	248	277
Cash and bank balances	49,051	61,802	18	242
	155,333	165,712	1,418	1,476
Financial Liabilities				
Provisions	10,827	12,627	-	-
Trade and other payables and lease liabilities (Amortised cost)	110,868	117,297	23,069	20,550
	121,695	129,924	23,069	20,550

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

20. Related party transactions

		Group	
	Note	1H2025 RMB'000	1H2024 RMB'000
<i>Transaction with key management personnel:</i>			
Directors' remunerations		(713)	(690)
<i>Transactions with an associate:</i>			
– Leasing income		262	1,721
– Sale of goods		16,971	19,445
– Rendering of services		1,179	2,353
– Covered guarantee fee income		640	-
– Interest income		711	590
<i>Transaction with other related parties:</i>			
Interest expenses		(72)	(118)
Legal services rendered by a firm of which a director is a partner of the firm		-	(161)
		Group	
		30.06.2025 RMB'000	31.12.2024 RMB'000
<i>Balances with an associate:</i>			
Covered guarantee provided for banking facilities	(a)	108,418	180,053

Note:

- (a) Based on Chengdu KQR's 49.82% share of covered guarantees provided on banking facilities utilised by the associate amounting to RMB 217.6 million as at 30 June 2025 (FY2024: RMB 361.4 million). Please refer to Section E Notes 10 and 16 for further details.

There are no material related party transactions apart from those disclosed elsewhere in the condensed interim financial statements.

21. Subsequent events

There are no material events subsequent to the six months ended 30 June 2025.

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

F. Other information required by Listing Rule Appendix 7.2.

1. Review

The condensed consolidated statement of financial position of the Company and the Group as at 30 June 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Review of Condensed interim consolidated statement of profit or loss and other comprehensive income (1H2025 vs 1H2024)

Revenue decreased by RMB 13.9 million to RMB 202.0 million in 1H2025, mainly due to lower revenues from Yilong's trading business, which supplies infrastructure construction materials for urban renewal and redevelopment services under its existing supply chain networks. In addition, there was also a decrease in revenue for (i) services rendered for urban infrastructure construction and renewal projects, and (ii) leasing of warehouses.

Correspondingly, gross profit decreased by RMB 0.3 million to RMB 3.7 million in 1H2025 while the profit margin remained unchanged at 1.8% year-on-year. Management further noted that the Group's operating environment in China remain highly competitive while operating costs are increasingly higher.

Other income increased by RMB 1.0 million to RMB 1.8 million in 1H2025 mainly due to covered guarantee fee income of RMB 0.6 million from Ranken Railway, higher interest income from bank deposits and a gain on disposal of plant and equipment.

Administrative expenses comprise mainly directors' remuneration, staff cost, professional fees (including corporate compliance related), travelling and other general office expenses, which decreased by RMB 1.1 million to RMB 8.4 million in 1H2025 mainly due to operating cost rationalisation exercise.

Impairment losses on other receivables of RMB 2.4 million was recognized in 1H 2025, in relation to the overdue guaranteed receivables assigned by Ranken Railway to Chengdu KQR.

Provision for contingent liabilities was reversed by RMB 0.9 million as the overdue guaranteed receivables decreased to RMB 38.6 million (FY2024: RMB 42.8 million)

Provision for covered guarantees was reversed by RMB 0.9 million as the guaranteed banking facilities for Ranken Railway decreased to RMB 108.4 million (FY2024: RMB 180.1 million)

Other expenses decreased by RMB 0.3 million to RMB 0.4 million in 1H2025 mainly due to cost control measures.

Finance costs decreased by RMB 0.4 million to RMB 1.1 million mainly due to lower factoring expenses by RMB 0.2 million for trade receivables financing and lower interest expense on loan from a related party as the loan was partially repaid during 1H 2025.

Share of profits of an associate, net of tax, decreased by RMB 2.9 million to RMB 6.6 million, mainly due to lower profits derived from Ranken Railway. During 1H2025, Ranken Railway completed fewer projects while it is still in the midst of evaluating new projects in the pipeline as infrastructure projects in China remain very competitive.

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

Tax expenses decreased by RMB 0.4 million to RMB 0.2 million mainly due to lower taxable profits for the subsidiaries during the period.

Given the above, net profit decreased by RMB 0.5 million to RMB 1.4 million in 1H2025, net of non-controlling interests.

Review of Financial Position (30 June 2025 vs 31 December 2024)

Total assets

Total non-current assets increased by RMB 1.6 million. Significant changes are as follows:

- Property, plant and equipment (including right-of-use assets) decreased by RMB 5.2 million mainly due to (i) depreciation of RMB 5.6 million during the period and (ii) disposal of plant and machinery amounting to RMB 0.1 million, partially offset by addition of right-of-use assets in relation to the new office space amounting to RMB 0.5 million; and
- Investment in an associate rose by RMB 6.8 million due to the Group's share of profit of Ranken Railway.

Total current assets decreased by RMB 8.2 million. Significant changes are as follows:

- Other investment increased by RMB 0.2 million due to higher fair value recorded for quoted investment;
- Inventories increased by RMB 1.3 million due to the newly-commenced wholesale business operation.
- Trade receivables increased by RMB 8.1 million, as arose from Yilong's trading business for urban renewal and redevelopment services recorded in June 2025. Approximately RMB 40.4 million or 85.2% of the trade receivables has since been collected as at the date of this announcement;
- Other receivables decreased by RMB 5.1 million mainly due to impairment losses recognized of RMB 2.4 million, other receivables which includes the RMB 20.6 million receivables assigned by Ranken Railway to Chengdu KQR and deposits paid for rental, utilities and tender deposits decreased by RMB 1.7 million, amount due from an associate decreased by RMB 1.8 million, partially offset by higher prepayments to suppliers of RMB 0.8 million; and
- Cash and cash equivalents decreased by RMB 12.8 million mainly due to net cash used in operating activities, investing activities and financing activities. Please refer to review of cash flows below for further details.

Total liabilities

Total non-current liabilities decreased by RMB 4.4 million mainly due to the reversal of provisions for contingent liabilities and covered guarantee of aggregate RMB 1.8 million and the repayment of lease liabilities.

Total current liabilities decreased by RMB 4.0 million. Significant changes are as follows:

- Trade payables decreased by RMB 6.4 million mainly due to lower third party trade payables of RMB 1.2 million and lower amount due to Ranken Railway of RMB 5.3 million as a result of lower purchases of materials on the back of lower sales volume;
- Other payables increased by RMB 2.0 million mainly due to increase in (i) other payables of RMB 3.9 million due to advances received from customers, and partially offset by (ii) repayment of amount due to a related company of RMB 1.1 million, (iii) net decrease in accrued expenses, security deposits from tenants and other tax payables of RMB 0.8 million in aggregate; and
- Lease liabilities increased by RMB 0.4 million due to additional finance lease for office premises.

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

Total equity

Total equity attributable to owners of the Company or shareholders' equity increased by RMB 1.6 million to RMB 580.9 million in 1H2025 due to profit for the period of RMB 1.4 million, and foreign currency translation gain of RMB 0.2 million in 1H2025.

Review of Cash Flows (1H2025 vs 1H2024)

The net operating cash outflow for 1H2025 was RMB 7.8 million after accounting for (i) operating income before working capital changes of RMB 1.1 million, after adjusting mainly for total non-cash adjustments arose from depreciation, fair value change in financial asset, reversal of provisions for contingent liabilities and covered guarantee and share of profit of an associate during the period; (ii) net working capital outflows of RMB 8.7 million as a result of increase in inventories of RMB 1.3 million, decrease of trade and other payables of RMB 2.0 million; and increase in trade and other receivables of RMB 5.4 million (as explained in the above review of financial position); and (iii) tax payment of RMB 0.2 million.

Cash inflow from investing activities was RMB 1.2 million after accounting for interest income received of RMB 1.0 million and proceeds from disposal of plant and equipment of RMB 0.2 million.

Cash outflow from financing activities was RMB 6.2 million after accounting for (i) payments of lease liabilities of RMB 4.0 million, (ii) payments of interest and factoring expenses of RMB 1.1 million, and (iii) repayments for short-term loan due to a related party, Chengdu Yunlong Technology Pte Ltd, of RMB 1.1 million.

Given the above, cash and cash equivalents as at 30 June 2025 fell by RMB 12.8 million to RMB 49.1 million.

- 3.1. Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

Share Capital

There was no change in the Company's issued capital since the previous period reported on.

Treasury Shares

The Company does not have any treasury shares and does not have any subsidiary that holds shares issued by the Company as at the end of the current financial period and as at the end of the corresponding period of the immediately preceding financial year.

Convertible Securities

The Company has no outstanding convertible securities as at end of the current financial period and as at the end of the corresponding period of the immediately preceding financial year.

- 3.2. To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at end of the immediately preceding year**

	30.06.2025	31.12.2024
Total number of issued shares excluding treasury shares	407,589,893	407,589,893

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

3.3. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on

There were no treasury shares as at end of the current financial period.

4. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures are based on management accounts and have not been audited or reviewed by our auditors and may be subject of adjustments and/or reclassification.

5. Where the figures have been audited, or reviewed, the auditors' report (including any qualification or emphasis of a matter)

Not applicable.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	30.06.2025 RMB cents	30.06.2024 RMB cents
Basic and fully diluted basis	0.35	0.47

Basic earnings per share for the six months ended 30 June 2025 and 30 June 2024 was computed based on profit attributable to owners of the Company divided by the weighted average number of shares of 407,589,893.

The weighted average number of shares during the year is the number of shares outstanding at the beginning of the year, adjusted by the number of shares issued during the year multiplied by a time-weighting factor.

7. Net asset value (for the issuer and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and the immediately preceding financial year

	Group		Company	
	30.06.2025 RMB cents	31.12.2024 RMB cents	30.06.2025 RMB cents	31.12.2024 RMB cents
Net asset value per ordinary share	142.5	142.1	89.6	86.1

Net asset value per share at the end of the current financial period reported on and the immediately preceding financial year was calculated based on total issued shares of 407,589,893.

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

8. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

9. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

Our financial performance depends on implementation of our focused strategies and significant investments in the infrastructure sector, which we:

- (i) provide services for urban renewal and redevelopment; urban infrastructure and projects related (including leasing);
- (ii) procure and supply infrastructure construction materials (including the recently commenced trading business) for urbanisation related projects; and
- (iii) invest and jointly manage investment in EPC projects for land transport infrastructure and environmental conservation in China via our significant equity interest in Ranken Railway (which we effectively owns 48.82%).

The Chinese government has since stepped up efforts to support local economy while navigating the country's economic risk that part of such initiatives would continue to stimulate the business dynamism and boosting the operating scales of China's private sector. In this regard, we continue to believe that more policies could be rolled out to sustain such economic activities, boost local consumption, navigate the economic risks ahead and in response to the trade tensions with the U.S. which continues to weigh on exports and industrial output.

As previously disclosed in our commentary notes, we strongly believe that the lingering issues of spiraling real estate crisis in China and its spillover effects are not ignored as the government pledges to preserve economic stability. Since then, we have seen new set-up of task force committee and have also read about several potential bailout talks in a bid to stabilise the sector and boost confidence while managing the risks of the prolonged downturn.

Against this backdrop, our strategies remain largely consistent with what we had previously guided that:

- urbanisation appears to be one of the key economic drivers in China as the government has been proactively supporting and promoting urban infrastructure development, urban renewal and city redevelopment in several key clusters under its economic policies and innovation ecosystem;
- the cluster of Chengdu-Chongqing Economic Circle in the western region of China, in particular, may see significant government spending as the cluster aims to further improve integration and infrastructure connectivity under its strategic plans to establish itself as a world-class advanced manufacturing base over a longer term. This region remains as our focal point while we evaluate and implement our growth initiatives; and
- the eco-friendly development, sustainable urban renewal plans and environmental conservation solutions will hold an increasingly important and integral role in the China's urban infrastructure development sector; and that if such related projects could successfully be procured, managed, and executed, will help to diversify and expand our recurring revenue streams.

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

As disclosed, we have significant investments in EPC projects for land transport infrastructure and environmental conservation in China which we jointly manage via our associate, Ranken Railway. The net asset position of Ranken Railway remains robust and our share of this investment was close to RMB 465 million as at 30 June 2025.

In the meantime, we are well aware that many industries in China are still dealing with the increasingly higher operating costs and excess capacity concerns amidst the existing challenging external environment. In view of this, while strengthening our execution capabilities and leveraging on market opportunities, we will adopt a more progressive and less aggressive expansion strategy ahead, as we have invariably been.

10. Dividend

(a) Current Financial Period Reported on – any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year – any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

11. If no dividend has been declared/recommended, a statement to that effect and the reasons for the decision

No dividend has been declared or recommended for 1H2025 as the Company seeks to conserve its cash for its existing working capital requirements and projected capital investments for business growth.

12. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate for interested person transactions.

13. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

SAPPHIRE CORPORATION LIMITED

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

14. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months ended 30 June 2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Wang Heng
Group Chief Executive Officer
12 August 2025

Cheung Wai Suen
Executive Chairman
12 August 2025