SANSUI ELECTRIC (CHINA) COMPANY LIMITED
(Incorporated in British Virgin Islands)
(Company Registration No. 1837323)

22 July 2020

To: The Shareholders of Lafe Corporation Limited

Dear Shareholder,

COMPULSORY ACQUISITION OF ISSUED AND PAID-UP ORDINARY SHARES WITH A PAR VALUE OF US$2.00 EACH IN THE CAPITAL OF LAFE CORPORATION LIMITED PURSUANT TO SECTION 102 OF THE COMPANIES ACT OF BERMUDA 1981 BY SANSUI ELECTRIC (CHINA) COMPANY LIMITED

1. INTRODUCTION

1.1 **Exit Offer Letter.** We refer to the exit offer letter dated 10 June 2020 (the "**Exit Offer Letter**") in relation to the conditional exit cash offer ("**Exit Offer**") by Sansui Electric (China) Company Limited (the "**Offeror**") for all the issued and paid-up ordinary shares with a par value of US$2.00 each ("**Shares**") in the capital of Lafe Corporation Limited (the "**Company**") other than those already owned, controlled or agreed to be acquired by the Offeror as at the date of the Exit Offer ("**Offer Shares**").

Unless otherwise defined herein, capitalised terms used in this letter (the "**Letter**") shall have the same meanings as defined in the Exit Offer Letter.

If you have already (a) accepted the Exit Offer in respect of all your Shares by completing and returning a valid FAA and/or FAT; or (b) sold all your Shares on the SGX-ST prior to the date of this Letter, please disregard this Letter and the accompanying Notice (as defined below).

1.2 **Acceptances as at 7 July 2020.** On 7 July 2020, the Offeror announced that as at 5.00 p.m. (Singapore time) on 7 July 2020, the Offeror had received valid acceptances in respect of an aggregate of 23,542,157 Offer Shares, representing approximately 92.93% of the total number of issued Shares[1].

1.3 **Close of Exit Offer.** On 8 July 2020, the Offeror announced that the Exit Offer had closed at 5.30 p.m. (Singapore time) on 8 July 2020. Accordingly, the Exit Offer is no longer open for acceptance and any acceptances received thereafter will be rejected.

As at the close of the Exit Offer, the Offeror and its Concert Parties owned, controlled or have agreed to acquire (including by way of valid acceptances of the Exit Offer) an aggregate of 23,597,007 Shares, representing approximately 93.15% of the total number of issued Shares.

1.4 **Compulsory Acquisition.** As the Offeror has received valid acceptances pursuant to the Exit Offer representing not less than 90% in value of the Offer Shares (other than those already owned by the Offeror or its subsidiaries or their nominees at the date of the Exit Offer), the Offeror is entitled to, and will within two (2) months, exercise its right under Section 102(1) of the Companies Act 1981 of Bermuda (the "**Bermuda Companies Act**") to compulsorily acquire all the remaining Shares which have not been tendered towards the Exit Offer on the same terms as those under the Exit Offer.

1 All references in this Letter to the total number of issued Shares are based on 25,333,333 Shares in issue as at the date of this Letter. The Company does not have any treasury shares.

2. COMPULSORY ACQUISITION UNDER THE BERMUDA COMPANIES ACT

2.1 **Dissenting Shareholders.** According to the Register of Members of the Company, you are a member of the Company. Accordingly, we are writing to inform you that the Offeror is exercising its right of compulsory acquisition to acquire all the Shares which are currently registered in your name at the Offer Price of S$0.60 in cash for each Share (the "**Consideration**") (the "**Compulsory Acquisition**") and on the same terms and conditions as those offered under the Exit Offer.

We enclose, for this purpose, a Notice of Compulsory Acquisition (the "**Notice**") to you.

2.2 **Compulsory Acquisition.** The Offeror will exercise its right of compulsory acquisition under Section 102(1) of the Bermuda Companies Act to acquire all the Shares registered in your name and it is expected that the Compulsory Acquisition will be completed on or around 28 August 2020 (the "**Completion Date**"), subject to and on the terms set out in the enclosed Notice and the provisions of Section 102 of the Bermuda Companies Act.

2.3 **Registration of Transfer and Settlement.** Please refer to paragraph 4 of the Notice for the procedure for transfer and settlement for the Compulsory Acquisition.

2.4 **No Action.** No action needs to be taken by you in relation to the Notice to effect the transfer of the Shares and payment of the Consideration for the Shares, which payment will be made in accordance with paragraph 4 of the Notice.

3. DELISTING OF THE COMPANY

Following completion of the Compulsory Acquisition, the Company will become a wholly-owned subsidiary of the Offeror and will be delisted from the Official List of the SGX-ST. The date and time of such delisting is expected to be announced by the Company in due course.

4. GENERAL

4.1 If you are in any doubt about any of the matters referred to in this Letter, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

4.2 If you have sold or otherwise transferred any or all of your Shares, please forward this Letter and the accompanying Notice immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser or transferee.

5. RESPONSIBILITY STATEMENT

The sole director of the Offeror (including where he has delegated detailed supervision of this Letter) has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Letter (other than those relating to the Group) are fair and accurate and that no material facts have been omitted therefrom, the omission of which would make any statement in this Letter misleading. Where any information in this Letter has been extracted or reproduced from published or publicly available sources or obtained from the Company, the sole responsibility of the sole director of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Letter. The sole director of the Offeror accepts responsibility accordingly.

Yours faithfully

For and on behalf of
SANSUI ELECTRIC (CHINA) COMPANY LIMITED

Christopher Ho Wing-On
Director