UNCONDITIONAL EXIT CASH OFFER

by

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

to acquire all the Offer Shares of

LAFE CORPORATION LIMITED
(Company Registration No.: 26304)
(Incorporated in Bermuda)

IN CONNECTION WITH THE DIRECTED DELISTING OF LAFE CORPORATION LIMITED

RIGHT OF COMPULSORY ACQUISITION

1. INTRODUCTION

Sansui Electric (China) Company Limited (the "**Offeror**") refers to:

(a) the exit offer letter dated 10 June 2020 ("**Exit Offer Letter**") in relation to the conditional exit cash offer ("**Exit Offer**") by the Offeror for all the issued and paid-up ordinary shares ("**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**") in accordance with the Singapore Code on Take-overs and Mergers (the "**Code**"); and

(b) the announcement dated 12 June 2020 in relation to, *inter alia*, the Exit Offer being declared unconditional in all respects.

Unless otherwise defined, capitalised terms in this Announcement shall bear the same meaning as set out in the Exit Offer Letter.

2. LEVEL OF ACCEPTANCES

2.1 Acceptances of the Exit Offer

Based on information provided to the Offeror, as at 5.00 p.m. (Singapore time) on 7 July 2020, the Offeror has received, pursuant to the Exit Offer, valid acceptances in respect of 23,542,157 Offer Shares, representing approximately 92.93% of the total number of issued Shares[1].

Based on information available to the Offeror, the above-mentioned acceptances include 19,264,561 Offer Shares, representing approximately 76.04% of the total number of issued Shares, tendered by Sino Capital Resources Limited ("**SCRL**"), who is a Concert Party of the Offeror, pursuant to its Irrevocable Undertaking[2].

[1] All references in this Announcement to the total number of issued Shares are based on 25,333,333 Shares in issue as at the date of this Announcement. The Company does not have any treasury shares.
[2] The 19,264,561 Shares owned or controlled by SCRL comprise (1) 14,469,185 Shares held in scrip form by SCRL and (2) 4,795,376 held in the securities account in the name of SCRL's nominee, Phillip Securities Pte Ltd.

2.2 **Shares held before the Offer Period**

As at 27 May 2020, being the Joint Announcement Date, (a) the Offeror did not hold any Shares; and (b) Concert Parties of the Offeror collectively owned or controlled an aggregate of 19,264,561 Shares, representing approximately 76.04% of the total number of issued Shares.

2.3 **Shares acquired or agreed to be acquired during the Offer Period**

From the Joint Announcement Date and up to 5.00 p.m. (Singapore time) on 7 July 2020, save for the acceptances received pursuant to the Exit Offer stated in paragraph 2.1 above, neither the Offeror nor any of its Concert Parties (based on information available to the Offeror as at 5.00 p.m. (Singapore time) on 7 July 2020) has acquired or agreed to acquire any further Shares.

2.4 **Aggregate Holdings**

Accordingly, based on information available to the Offeror, as at 5.00 p.m. (Singapore time) on 7 July 2020, 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 23,542,157 Shares, representing approximately 92.93% of the total number of issued Shares.

3. RIGHT OF COMPULSORY ACQUISITION

3.1 **Compulsory Acquisition by the Offeror under Section 102 of the Companies Act of Bermuda 1981**

Pursuant to Section 102 of the Companies Act of Bermuda 1981 (the "**Bermuda Companies Act**"), if the Exit Offer is accepted by the holders of not less than 90% in value of the Offer Shares within 4 months after the making of the Exit Offer, the Offeror will be entitled to compulsorily acquire the Shares of the dissenting shareholders. Shares already owned by the Offeror or its subsidiaries or their nominees at the date of the Exit Offer do not count in calculating the 90% acceptances. As stated in the Exit Offer Letter, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Exit Offer in the event it is entitled to do so.

As at 5.00 p.m. on 7 July 2020, the Offeror has received valid acceptances pursuant to the Exit Offer representing 92.93% 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). **Accordingly, the Offeror is now entitled to, and will within two (2) months, exercise its right under Section 102(1) of the Bermuda Companies Act to compulsorily acquire all the Shares of Shareholders who have not accepted the Exit Offer by the Closing Date (the "Dissenting Shareholders"), at a price equal to the Exit Offer Price of S$0.60 for each Offer Share and on the same terms and conditions as the Exit Offer.** The Offeror will, in due course, despatch to the Dissenting Shareholders the relevant documentation in relation to the exercise of its right of compulsory acquisition under Section 102(1) of the Bermuda Companies Act.

Dissenting Shareholders should note that the Exit Offer remains open for acceptance until the Closing Date as stated in paragraph 5 below and the Exit Offer therefore remains as an opportunity for Shareholders to realise their Shares at the Exit Offer Price as soon as practicable.

3.2 **Dissenting Shareholders' rights under Section 102(2) of the Bermuda Companies Act**

As the Offeror has received valid acceptances pursuant to the Exit Offer which, together with the Shares held by the Offeror or its subsidiaries or their nominees, comprise or include 90% in value of the total number of issued Shares, the Offeror must notify the Dissenting Shareholders of the same in accordance with Section 102(2) of the Bermuda Companies Act and the Dissenting Shareholders will have the right, under and subject to Section 102(2) of the Bermuda Companies Act, to require the Offeror to acquire their Shares on the terms of the Exit Offer.

As the Offeror will be proceeding to compulsorily acquire the Shares of the Dissenting Shareholders, the Dissenting Shareholders need not take any action in relation to their right under Section 102(2) of the Bermuda Companies Act. The Dissenting Shareholders who wish to exercise such right or who are in any doubt as to their position are advised to seek their own independent legal advice.

4. TRADING SUSPENSION AND LISTING STATUS

Under Rule 1105 of the Listing Manual, as the Offeror has received valid acceptances pursuant to the Exit Offer that bring the holdings owned by it and its Concert Parties to above 90% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Exit Offer.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of 3 months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding any Shares held in treasury) in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

As stated in the Exit Offer Letter, pursuant to the Delisting Notification, trading in the Company's securities has been suspended from 9:00 a.m. on 4 July 2019, and will remain suspended until completion of an exit offer. Subsequent to the close of the Exit Offer, the Company will be mandatorily delisted from the Official List of the SGX-ST pursuant to Rule 1315 of the Listing Manual.

5. REMINDER OF CLOSING DATE

Acceptances of the Exit Offer must be received by the close of the Exit Offer at 5.30 p.m. (Singapore time) on 8 July 2020 (the "Closing Date").

The Offeror will not extend the Exit Offer beyond the Closing Date, save that such notice of the Offeror's intention not to extend the Exit Offer beyond the Closing Date shall not be capable of being enforced in a competitive situation.

6. PROCEDURES FOR ACCEPTANCE

Shareholders who wish to accept the Exit Offer but have not done so should complete, sign and deliver the relevant Acceptance Forms and all other relevant documents as soon as possible so as to reach the Offeror c/o The Central Depository (Pte) Limited or M & C Services Private Limited (as the case may be) by not later than 5.30 p.m. (Singapore time) on the Closing Date. All Acceptance Forms and other relevant documents received after 5.30 p.m. (Singapore time) on the Closing Date will not be accepted. Further details on the procedures for acceptance of the Exit Offer are set out in Appendix II to the Exit Offer Letter.

If Shareholders are in any doubt about the Exit Offer and/or the course of action they should take, they should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Shareholders who have not received or who have misplaced the Hardcopy Notification and/or the relevant Acceptance Forms should contact The Central Depository (Pte) Limited (if they hold Offer Shares deposited with CDP) or M & C Services Private Limited (if they hold Offer Shares in scrip form), as the case may be, immediately at the telephone numbers, email address and/or address set out below:

The Central Depository (Pte) Limited
Tel : +65 6535 7511
Email: asksgx@sgx.com

M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902
Tel : +65 6227 6660

Electronic copies of the Exit Offer Letter and the Acceptance Forms are available on the website of the SGX-ST at www.sgx.com and on the website of the Company at www.lafecorporation.com.

7. RESPONSIBILITY STATEMENT

The sole director of the Offeror (including where he has delegated detailed supervision of this Announcement) has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement (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 Announcement misleading. Where any information in this Announcement 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 Announcement. The sole director of the Offeror accepts responsibility accordingly.

BY ORDER OF THE BOARD

SANSUI ELECTRIC (CHINA) COMPANY LIMITED

Christopher Ho Wing-On
Director

7 July 2020