LAFE CORPORATION LIMITED

(Company Registration Number: 26304)
(Incorporated in Bermuda)

UNCONDITIONAL EXIT CASH OFFER IN CONNECTION WITH THE DIRECTED DELISTING OF LAFE CORPORATION LIMITED PURSUANT TO RULES 1315 AND 1306 READ WITH RULE 1309 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

LOSS OF FREE FLOAT

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1. INTRODUCTION

1.1. The Board of directors (the "**Board**" or "**Directors**") of Lafe Corporation Limited (the "**Company**") refers to:

(a) the exit offer letter dated 10 June 2020 ("**Exit Offer Letter**") in relation to the conditional exit cash offer ("**Exit Offer**") in connection with the directed delisting of the Company pursuant to Rules 1315 of the Listing Manual by Sansui Electric (China) Company Limited (the "**Offeror**") to acquire all the issued and paid-up ordinary shares in the capital of the Company ("**Shares**"), 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;

(b) the announcement released on 12 June 2020 by the Offeror in relation to, *inter alia*, the Exit Offer being declared unconditional in all respects on 12 June 2020 and the level of acceptances of the Exit Offer as at 12 June 2020; and

(c) the announcement released on 7 July 2020 by the Offeror in relation to, *inter alia,* the Offeror's right of compulsory acquisition ("**Compulsory Acquisition Announcement**").

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

2. LOSS OF FREE FLOAT

Based on information provided to the Company, as at 5:00 p.m. (Singapore time) on the date of this Announcement, the Offeror has received valid acceptances of the Exit Offer in respect of an aggregate of 23,542,157 Offer Shares, representing approximately 92.93% of the total number of issued Shares[1].

Under Rule 723 of the Listing Manual, the Company must ensure that at least 10% of the total number of issued Shares (excluding treasury shares, preference shares and convertible equity securities) is at all times held in public hands (the "**Free Float Requirement**"). Under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact.

In accordance with Rule 724(1) of the Listing Manual, the Company wishes to announce that:

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[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, preference shares or convertible equity securities.

(a) the Offeror has received valid acceptances of the Exit Offer resulting in the Offeror and its Concert Parties holding such number of Shares representing more than 90% of the total number of issued Shares; and

(b) the percentage of total number of issued Shares (excluding treasury shares, preference shares and convertible equity securities) held in public hands is approximately [•]% and therefore the Free Float Requirement is no longer satisfied.

As stated in Company's Letter to Shareholders set out in Appendix V to 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.

3. COMPULSORY ACQUISITION

Further information on the Offeror's intentions regarding compulsory acquisition is set out in the Exit Offer Letter and the Compulsory Acquisition Announcement.

4. 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**").

As stated in the Exit Offer Letter, 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.

5. RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement (other than those relating to the Offeror or its Concert Parties) 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 Offeror or its Concert Parties, the sole responsibility of the Directors 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 Directors jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD

LAFE CORPORATION LIMITED

Mr. Will, Eduard William Rudolf Helmuth

Chairman

7 July 2020