

LAFE CORPORATION LIMITED

(Company Reg. No.: 26304)

(Incorporated in Bermuda)

ANNOUNCEMENT IN COMPLIANCE WITH RULE 905 OF THE LISTING MANUAL

1. BACKGROUND

Under Rule 905 (1) of the Listing Manual (the “**Listing Manual**”) of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), an issuer is required to make an immediate announcement of any interested person transaction of a value equal to or more than 3% of the group’s latest audited net tangible assets (“**NTA**”). Under Rule 905 (2) of the Listing Manual, if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group’s latest NTA, an issuer is required to make an immediate announcement of the latest transaction and all future transactions entered into with the same interested person during that financial year. Rules 905 (1) and 905 (2) do not apply to any transaction below S\$100,000.

Based on the Audited Financial Statements of Lafe Corporation Limited (the “**Company**”), the NTA of the Company was approximately US\$49.03 million as at 31 December 2017. 3% of the NTA is approximately US\$1.47 million.

The total value of all interested person transactions entered into by the Company under Shareholder review with companies associated with Mr. Christopher Ho Wing-On (“**Associates of Mr Ho**”) in the financial year commencing 1st January 2018 to 11th September 2018 amounts to approximately US\$1.471 million, which exceeds 3% of the Company’s NTA.

Mr Ho is an executive director of the Company and the sole shareholder of Sino Capital Resources Limited (“**SCRL**”) which directly owns approximately 76.04% of the issued shares of the Company.

2. INTRODUCTION TO THE LATEST INTERESTED PERSONS TRANSACTION WITH ASSOCIATES OF MR HO FOR THE PURPOSES OF COMPLIANCE WITH RULES 905 (1) AND 905 (2)

Lafe Corporation Limited (the “**Company**”) refers to its announcement dated 28 March 2018 (the “**28 March Announcement**”) in respect of the collective purchase of all the strata lots and the common property comprised in strata title plan No. 147 in the development known as Fairhaven, Singapore located at Sophia Road (the “**Proposed Acquisition**”). All capitalised terms unless otherwise defined, shall have the same meaning ascribed to them in the 28 March Announcement. The Company had procured an irrevocable undertaking dated 9 July 2018 in favour of the Company that SCRL will, at the request of the Company, extend a Shareholder’s loan to the Company, on such terms and conditions to be mutually agreed by the Company and SCRL in a commercially reasonable manner, for the sole purpose of satisfying any shortfall in the Total Development Cost to be paid by the Company (the “**Shareholder’s Loan Undertaking**”). The Shareholder’s Loan Undertaking was made available to Shareholders for review as part of the documents available for the SGM. In compliance with the above SCRL has granted the Company a temporary loan facility. The maximum principal amount agreed under such facility is S\$20 million. Interest is payable at the commercial rate of 3% per annum on the drawn down amount at each month end. Drawdowns are made as required to meet the conditions of payment on completing the Proposed Acquisition. The loan is repayable by 31 December 2018 or on demand.

3. DISCLOSURE REQUIREMENTS IN RELATION TO CURRENT INTERESTED PERSONS TRANSACTION WITH ASSOCIATES OF MR HO FOR THE PURPOSES OF COMPLIANCE WITH RULES 905 (1) AND 905 (2)

The Company through three of its subsidiaries, Lafe Holdings Ltd, Vigers Asia Pacific Limited and Vigers Building Consultant is provided with management services and support services through management agreements with Sansui Manufacturing Services Limited (“**SMSL**”), a company held by a discretionary trust of which Mr Ho is one of the beneficiaries. The scope of these services provided by SMSL includes property investment and development advisory services, property management services, project evaluation and due diligence, brand maintenance and marketing and project financing arrangement. The service fees are negotiated and concluded on an arm’s length basis. The directors consider it much more cost-efficient to outsource these services than to maintain a team of internal staff to perform such functions.

The aggregate amount of monthly fees payable at each month end to SMSL together with the interest payable on the Shareholder’s Loan up to 11 September 2018 amounts to approximately US\$1.471 million and has exceeded 3% of the Company’s NTA.

4. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company is of the view that the services provided under the interested party transactions of the Associates of Mr Ho are based on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders.

BY ORDER OF THE BOARD

Paul Francis Gregory Binney
Company Secretary
11th September 2018