

LAFE CORPORATION LIMITED

(Company Registration No.: 26304)

(Incorporated in Bermuda)

**SANSUI ELECTRIC (CHINA) COMPANY
LIMITED**

(Company Registration No.:1837323)

(Incorporated in British Virgin Islands)

JOINT ANNOUNCEMENT**EXIT 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**

1. INTRODUCTION

- 1.1 On 3 June 2016, Lafe Corporation Limited (the “**Company**”) was placed on the financial watch-list (the “**Watch-List**”) by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) pursuant to Rule 1311 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) as it had recorded pre-tax losses for three consecutive financial years in respect of the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and its average daily market capitalisation was less than S\$40 million over the 6 months preceding 3 June 2016. The Company would have to meet the requirements of Rule 1314 of the Listing Manual within 36 months from 3 June 2016, i.e. by 3 June 2019, to record consolidated pre-tax profit for the most recently completed financial year (i.e. based on the latest full year consolidated audited accounts for the financial year ended 31 December 2018) and have an average daily market capitalisation of S\$40 million or more over the last six (6) months of the financial year ended 31 December 2018, failing which the SGX-ST may either delist the Company or suspend trading of the issued and paid-up ordinary shares in the capital of the Company (the “**Shares**”) with a view to delisting the Company.
- 1.2 Pursuant to Rule 1313(2) of the Listing Manual, the Company has been providing quarterly updates on its efforts and the progress made in meeting the exit criteria of the Watch-List, including where applicable its financial situation, its future direction, or other material development that may have a significant impact on its financial position (“**Quarterly Updates**”).

On 8 August 2016, the Company announced in its first Quarterly Update following its inclusion in the Watch-List on 3 June 2016 that the Company and its subsidiaries (the “**Group**”) put in great efforts in controlling and lowering the cost of sales and various operating expenses with a view to improving its financial performance. The Group had made savings in aggregate of US\$1.1 million in administrative expenses and net operating costs of its investment properties during the first half of 2016 as a consequence of its disposal of Lafe (Emerald Hill) Development Pte. Ltd. (“**LEHD**”).

The Company had announced in subsequent Quarterly Updates that the Group had been continuously looking for suitable development and investment opportunities with a view to improving its financial performance. As announced in the Quarterly Update on 14 August 2018, the Group entered into a sale and purchase agreement for the proposed acquisition of all the strata lots and the common area of Fairhaven at Sophia Road in District 9 on 22 March 2018 with a view to expanding its property development business (“**Proposed Acquisition**”).

However, as announced by the Company on 9 October 2018, this Proposed Acquisition was not completed due to the following factors: (a) interest rates were generally forecasted to increase, which would have resulted in an increase in the cost of borrowings of the Company in connection with the Proposed Acquisition; (b) impact on the global economy caused by the uncertainty during the relevant time, in part due to the trade war between the United States of America and the People's Republic of China; and (c) the property cooling measures announced by the Singapore Government in July 2018. The non-completion of the Proposed Acquisition resulted in the write-off of the non-refundable deposits of S\$5.7 million (comprising 10% of the total consideration for the Proposed Acquisition, which the Group is of the opinion is in line with market practice) and related transaction expenses of S\$1.3 million, leading to a net loss ("**Net Loss**") of approximately US\$5.2 million being recorded for the financial year ended 31 December 2018. Out of the Net Loss, only US\$0.84 million, represented by the qualifying certificate bond amount paid in connection with the planned redevelopment of the Proposed Acquisition, was subsequently recovered in the financial year ended 31 December 2019.

- 1.3 As announced by the Company on 5 June 2019, the Company received a notification of delisting dated 4 June 2019 from the SGX-ST (the "**Delisting Notification**"), informing the Company that the SGX-ST will delist the Company from the Official List of the SGX-ST pursuant to Rule 1315 of the Listing Manual as the Company had not met the requirements under Rule 1314 of the Listing Manual for its removal from the Watch-List, i.e. the Company failed to record consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts for the financial year ended 31 December 2018), and the Company did not have an average daily market capitalisation of S\$40 million or more over the last six (6) months of the financial year ended 31 December 2018. The market capitalisation of the Company as at the close of trading on 8 May 2019, being the last day the Company's shares were traded prior to the date the Delisting Notification was received, was S\$5.8 million. In the Delisting Notification, the SGX-ST also directed, *inter alia*, that:

- (a) pursuant to Rule 1306 of the Listing Manual, the Company or its controlling shareholder(s) must comply with Rule 1309 of the Listing Manual which requires the Company or its controlling shareholder(s) to provide a reasonable exit offer to the Shareholders; and
- (b) trading in the Company's securities will continue until 5.16 p.m. on 3 July 2019 and the trading will remain suspended from 9.00 a.m. on 4 July 2019 until completion of the exit offer.

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.

- 1.4 The Company and Sansui Electric (China) Company Limited (the "**Offeror**") wish to jointly announce that the Offeror has presented to the directors of the Company (the "**Directors**") a formal proposal to make an exit offer to the shareholders of the Company (the "**Shareholders**") pursuant to Rules 1306 and 1309 of the Listing Manual (the "**Delisting Proposal**") in connection with the directed delisting of the Company (the "**Delisting**") by the SGX-ST in accordance with Rule 1315 of the Listing Manual and the Delisting Notification. Under the Delisting Proposal, the Offeror will make a conditional exit cash offer (the "**Exit Offer**") for all the Shares other than those Shares already owned, controlled or agreed to be acquired by the Offeror as at the date of the Exit Offer (the "**Offer Shares**") in accordance with the Singapore Code on Take-overs and Mergers (the "**Code**").

- 1.5 Pursuant to the Securities Industry Council's ("**SIC**") Public Statement on Despatch of Take-Over Documents under the Code issued on 6 May 2020, the Offeror and the Company have, subject to ongoing consultation with the SIC, opted to despatch electronically the exit offer letter (the "**Exit Offer Letter**") containing the terms of the Exit Offer. An electronic copy of the Exit Offer Letter will be published on the website of the SGX-ST at <https://www.sgx.com> and on the website of the Company at www.lafecorporation.com in due course.
- 1.6 In connection with the electronic despatch of the Exit Offer Letter, a hardcopy notification containing instructions on how to access the electronic copy of the Exit Offer Letter ("**Hardcopy Notification**"), together with the appropriate hardcopy form(s) for acceptance of the Exit Offer (the "**Acceptance Forms**"), will be despatched by the Offeror to the Shareholders in due course. Shareholders are advised to read the Exit Offer Letter and the Acceptance Forms, when despatched electronically and by post respectively, carefully.
- 1.7 Shareholders should note that no extraordinary general meeting of the Shareholders will be convened for the purpose of the Delisting and Shareholders' approval is not required for the Delisting.

2. LISTING MANUAL PROVISIONS ON THE DELISTING AND THE EXIT OFFER

- 2.1 Under Rule 1306 of the Listing Manual, if the SGX-ST exercises its power to remove an issuer from the Official List of the SGX-ST, the issuer or its controlling shareholder(s) must comply with the requirements of Rule 1309 of the Listing Manual. As mentioned in paragraph 1.3 above, the Company had on 4 June 2019 received the Delisting Notification from the SGX-ST directing the delisting of the Company from the Official List of the SGX-ST pursuant to Rule 1315 of the Listing Manual.
- 2.2 While Rule 1309 of the Listing Manual was amended following the receipt by the Company of the Delisting Notification to require an exit offer to be fair and reasonable, the SGX-ST has confirmed that the Company will be subject to Rule 1309 of the Listing Manual which was in force at the time of the Delisting Notification instead of Rule 1309 of the Listing Manual currently in force. Under Rule 1309 of the Listing Manual which was in force at the time of the Delisting Notification, if an issuer is seeking to delist from the Official List of the SGX-ST:
- (a) a reasonable exit alternative, which should normally be in cash, should be offered to (i) the issuer's shareholders and (ii) holders of any other classes of listed securities to be delisted; and
 - (b) the issuer should normally appoint an independent financial adviser to advise on the exit offer.

3. INFORMATION ON THE COMPANY

- 3.1 The Company is a company incorporated in Bermuda on 8 April 1999 and was listed on the Main Board of the SGX-ST on 7 April 2000. The Company is an investment holding company. The principal activities of the Group are in property agency, appraisal and consultancy services in Singapore, the Hong Kong Special Administrative Region of the People's Republic of China and the People's Republic of China. The Group also provides property management services, building consultancy services, property appraisal services on the internet, as well as security guard and close protection services.

3.2 As at the date of this Announcement (the "**Joint Announcement Date**"), the Company has an authorised share capital of US\$100,000,000, and an issued and paid-up share capital of US\$50,666,666 comprising 25,333,333 Shares with a par value of US\$2.00 each. The Company does not hold any Shares in treasury and does not have any outstanding instruments convertible into, rights to subscribe for, nor options (whether pursuant to an employee share option scheme or otherwise) in respect of, Shares or securities which carry voting rights affecting shares in the Company.

3.3 As at the Joint Announcement Date, the Directors are:

- (a) Mr. Will, Eduard William Rudolf Helmuth (Chairman and Independent and Non-Executive Director);
- (b) Mr. Christopher Ho Wing-On (Executive Director and Chief Executive Officer);
- (c) Mr. Kenny Suen Wai Cheung (Executive Director, Operations);
- (d) Mr. Paul Law Kwok Fai (Executive Director, Operations);
- (e) Mr. Ricky Sim Eng Huat (Independent and Non-Executive Director);
- (f) Mr. Kin Yuen (Independent and Non-Executive Director); and
- (g) Mr. Paul Francis Gregory Binney (Executive Finance Director).

4. INFORMATION ON THE OFFEROR AND SINO CAPITAL RESOURCES LIMITED

4.1 The Offeror is a company incorporated in the British Virgin Islands on 15 August 2014. The Offeror has been inactive since its incorporation. The Offeror has an issued and paid-up share capital of US\$100 comprising 100 shares with a par value of US\$1.00 per share.

4.2 As at the Joint Announcement Date:

- (a) Mr. Christopher Ho Wing-On is the sole shareholder and sole director of the Offeror; and
- (b) the Offeror does not own or control any Shares.

4.3 As at the Joint Announcement Date, Sino Capital Resources Limited ("**SCRL**"), a controlling shareholder of the Company, owns 19,264,561 Shares, representing approximately 76.04% of the total number of issued Shares. Mr. Christopher Ho Wing-On is deemed to be interested in the Shares owned by SCRL as he is the sole shareholder of SCRL.

5. TERMS OF THE EXIT OFFER

Subject to the terms and conditions of the Exit Offer to be set out in the Exit Offer Letter to be issued by the Offeror on the website of the SGX-ST at <https://www.sgx.com> and on the website of the Company at www.lafecorporation.com in due course, the Offeror will make the Exit Offer in accordance with the Code on the following basis:

- (a) **Offer Price.** The Exit Offer will be made at:

\$S\$0.60 in cash for each Offer Share (the "**Offer Price**").

For the avoidance of doubt, the Offer Price will not be revised except as mentioned in paragraph 5(c) below.

- (b) **Offer Shares.** The Exit Offer will be extended to all Offer Shares and the Offer Price is applicable to all Offer Shares tendered in acceptance of the Exit Offer. Shareholders may accept the Exit Offer in full or in part of their holdings of Offer Shares.
- (c) **No Encumbrances.** The Offer Shares are to be acquired (i) fully paid, (ii) free from all claims, charges, liens, mortgages, encumbrances, hypothecations, retention of title, power of sale, equity, options, rights of pre-emption, rights of first refusal or other third party rights or interests of any nature whatsoever, and (iii) together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date, and hereafter attaching thereto, including the right to receive and retain all dividends, rights, other distributions and return of capital (collectively, the "**Distributions**") (if any), which may be announced, declared, paid or made by the Company, the Record Date for which falls on or after the Joint Announcement Date. For the purpose of this Announcement, "**Record Date**" means, in relation to any Distributions, the date on which Shareholders must be registered with the Company or with The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such Distributions.

If any Distribution is announced, declared, paid or made by the Company on or after the Joint Announcement Date, and the Offeror is not entitled to receive such Distribution in full in respect of any Offer Share tendered in acceptance of the Exit Offer, the Offer Price payable in respect of such Offer Share will be reduced by the amount of such Distribution.

- (d) **Minimum Acceptance Condition.** The Exit Offer will be conditional upon the Offeror having received, by the close of the Exit Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting in concert with it, will result in the Offeror and the parties acting in concert with it holding such number of Shares carrying at least 50% of the voting rights attributable to the issued Shares (excluding any Shares held in treasury) as at the close of the Exit Offer (the "**Minimum Acceptance Condition**"). The Minimum Acceptance Condition is expected to be met when SCRL accepts the Exit Offer in accordance with the Irrevocable Undertaking (as defined below).

Save for the Minimum Acceptance Condition, the Exit Offer is unconditional in all other respects.

- (e) **Warranty.** Acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Offer Share in respect of which the Exit Offer is accepted is sold by him as, or on behalf of, the beneficial owner(s) thereof, fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions, if any, declared, paid or made by the Company on or after the Joint Announcement Date).
- (f) **Duration.** The Exit Offer will remain open for acceptance by Shareholders for a period of 28 days after the day of despatch of the Exit Offer Letter to Shareholders by the Offeror electronically on the website of the SGX-ST at <https://www.sgx.com> and on the website of the Company at www.lafecorporation.com (the "**Closing Date**").

The Offeror does not intend to 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.

- (g) **Further Details.** Further details of the Exit Offer will be set out in the Exit Offer Letter which will be published on the website of the SGX-ST at <https://www.sgx.com> and on the website of the Company at www.lafecorporation.com in due course.

6. RULINGS FROM THE SIC

An application was made to the SIC to seek clarification regarding the extent to which the provisions of the Code applied to the Exit Offer. The SIC has given rulings that:

- (a) the issuance of the Promissory Note (as defined below) to SCRL as settlement of the Exit Offer does not constitute a special deal under Rule 10 of the Code;
- (b) the confirmation to be given by the financial adviser that sufficient resources are available to the Offeror to satisfy full acceptance of the Exit Offer may exclude the amounts under the Promissory Note;
- (c) Mr. Christopher Ho Wing-On is exempted from the requirement to make a recommendation to the Shareholders on the Exit Offer. He must, nonetheless, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by or on behalf of the Company in connection with the Exit Offer; and
- (d) it has no objections to limiting the disclosure of holdings in this Announcement, subject to the following:
 - (i) subsequent to the making of this Announcement, the Offeror promptly making enquiries of all other parties acting or presumed to be acting in concert with the Offeror in connection with the Exit Offer on the number of Company Securities (as defined in paragraph 13.2 of this Announcement) which they own, control or have agreed to acquire as at the Joint Announcement Date and their dealings (if any) in the three (3) months prior to the Joint Announcement Date and making the relevant disclosures in the Exit Offer Letter; and
 - (ii) if the aggregate number of Company Securities (as defined in paragraph 13.2 of this Announcement) owned, controlled or agreed to be acquired by such other parties acting or presumed to be acting in concert with the Offeror referred to in paragraph 6(d)(i) of this Announcement represents 0.5% or more of the total issued capital of the Company, the Offeror promptly announcing such holdings to the public.

7. INDEPENDENT FINANCIAL ADVISER

ZICO Capital Pte. Ltd. has been appointed by the Company as the independent financial adviser ("IFA") to advise Mr. Will, Eduard William Rudolf Helmuth, Mr. Kenny Suen Wai Cheung, Mr. Paul Law Kwok Fai, Mr. Ricky Sim Eng Huat, Mr. Kin Yuen and Mr. Paul Francis Gregory Binney being the Directors (collectively, "**Independent Directors**") who will be considered independent for the purposes of providing a recommendation on the Exit Offer to the

Shareholders in compliance with Rule 1309 of the Listing Manual in force at the time of the Delisting Notification and Rule 24.1 of the Code. The letter from the IFA setting out its advice to the Independent Directors in relation to the financial terms of the Exit Offer will be set out in the letter from the Company to the Shareholders to be appended to the Exit Offer Letter.

8. EXIT OFFER LETTER

No immediate action is required of Shareholders in respect of the Exit Offer. Shareholders will be advised on the procedures for accepting the Exit Offer in the Exit Offer Letter and the Acceptance Forms.

9. THE OFFEROR'S INTENTIONS FOR THE COMPANY

Given the Company's loss-making position and requirement for SCRL to continue providing financial support to the Group as and when deemed necessary to meet its general working requirements, following the close of the Exit Offer, the Offeror intends to conduct a comprehensive review of the operations, management and financial position of the Company, including to evaluate various strategic options. This may include (a) the making of material changes to the existing business, (b) the redeployment of fixed assets and other assets of the Company, and (c) reviewing the employment of the employees of the Company and its subsidiaries having regard to the outcome of the comprehensive review and evaluation of strategic options. The Offeror retains the flexibility at any time to consider options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company.

10. IRREVOCABLE UNDERTAKING

10.1 Irrevocable Undertaking

SCRL owns 19,264,561 Shares (the "**Undertaking Shares**"), representing approximately 76.04% of the total number of issued Shares.

As at the Joint Announcement Date, SCRL has given an irrevocable undertaking to the Offeror (the "**Irrevocable Undertaking**") whereby SCRL has undertaken, *inter alia*, to:

- (a) accept the Exit Offer in respect of all (and not some only) of the Undertaking Shares and all such other Shares which it may acquire between the Joint Announcement Date and the close of the Exit Offer and not withdraw such acceptance once it has been given;
- (b) waive its rights under Rule 30 of the Code to receive payment for all of the Undertaking Shares to be tendered in acceptance of the Exit Offer in cash within the time period prescribed under Rule 30 of the Code;
- (c) exercise all voting rights attached to the Undertaking Shares in such manner as to oppose the taking of any action which may preclude, delay, frustrate, restrict or otherwise prejudice the Exit Offer; and
- (d) not transfer or otherwise dispose of any of the Undertaking Shares during the period commencing from the date of the Irrevocable Undertaking and ending on the closing date of the Exit Offer or the date on which the Irrevocable Undertaking is terminated or cease to be binding, whichever is the earlier.

10.2 Consideration

Further to the waiver of its rights to receive cash consideration within the stipulated timeframe under Rule 30 of the Code, SCRL has agreed that payment for the Undertaking Shares shall be satisfied in full by the issue by the Offeror of interest-free promissory notes with an aggregate principal amount of S\$11,558,737 ("**Promissory Note**").

10.3 Termination of Irrevocable Undertaking

The Irrevocable Undertaking shall lapse if the Exit Offer lapses or is withdrawn or fails to become or be declared unconditional within six (6) months from the date of the Irrevocable Undertaking for any reason other than a breach of SCRL under the Irrevocable Undertaking.

11. COMPULSORY ACQUISITION

Under Section 102 of the Companies Act of Bermuda 1981 (the "**Bermuda Companies Act**"), an offeror who has, within four (4) months after the making of an offer under a scheme or contract:

- (a) obtained acceptances from shareholders holding not less than 90% in value of the shares in a Bermuda company whose transfer is involved (other than shares already held at the date of the offer by the offeror, the offeror's subsidiaries, or nominees of the offeror or its subsidiaries); and
- (b) where at the date of the offer shares in the Bermuda company whose transfer is involved are already held by the offeror, the offeror's subsidiaries, or nominees of the offeror or its subsidiaries to a value greater than 10% of the total issued shares of the Bermuda company, such accepting shareholders also represent not less than 75% in number of the holders of shares in the Bermuda company whose transfer is involved (other than shares already held at the date of the offer by the offeror, the offeror's subsidiaries, or nominees of the offeror or its subsidiaries), and further provided that the offeror must have made the offer on the same terms to all holders of the shares whose transfer is involved (other than those already held as aforesaid),

may, at any time within two (2) months beginning from the date on which such threshold is achieved, give notice under Section 102(1) of the Bermuda Companies Act to any dissenting shareholder that the offeror wishes to acquire his shares (the "**Acquisition Notice**"). When such Acquisition Notice is given, upon the expiry of one (1) month from the date on which the notice was given, the offeror will be entitled and bound to acquire those shares on the same terms as the offer, unless an application is made by the dissenting shareholder(s) to the Supreme Court of Bermuda (the "**Court**") within the aforesaid one (1) month and the Court thinks fit to order otherwise.

Section 102(2) of the Bermuda Companies Act provides that where, pursuant to such a scheme or contract, shares in a Bermuda company are transferred to an offeror or its nominee, and those shares together with any other shares in the Bermuda company held by, or by a nominee for, the offeror or its subsidiary comprise or include 90% in value of the shares in the Bermuda company, the offeror must within one (1) month from the date of the transfer give notice of that fact to the dissenting shareholder(s) and any such shareholder may within three (3) months from the giving of the notice to him give notice requiring the offeror to acquire its shares. Where a dissenting shareholder gives notice as aforesaid, the offeror will be entitled and bound to

acquire the shares on the same terms as the offer, or on such other terms as may be agreed or as the Court (on the application of either the offeror or the dissenting shareholder) thinks fit to order.

Accordingly, if the Exit Offer is accepted by the holders of not less than 90% in value of the Offer Shares within four (4) months of 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.

If entitled, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Exit Offer.

Shareholders who are in doubt of their position under the Bermuda Companies Act are advised to seek their own independent legal advice.

12. CONFIRMATION OF FINANCIAL RESOURCES

Phillip Securities Pte Ltd ("**Phillip Securities**"), as financial adviser to the Offeror in connection with the Exit Offer, has confirmed that the Offeror has sufficient financial resources to satisfy full acceptance of the Exit Offer by the holders of the Offer Shares at the Offer Price (excluding the amounts under the Promissory Note).

13. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

13.1 Shareholdings and Dealings in Company Securities. The Appendix to this Announcement sets out (i) the number of Company Securities (as defined in paragraph 13.2 of this Announcement) owned, controlled or agreed to be acquired by the Offeror and the parties acting in concert with the Offeror as at the Joint Announcement Date, and (ii) the dealings in the Company Securities during the three-month period immediately preceding the Joint Announcement Date ("**Reference Period**") by:

- (a) the Offeror;
- (b) the sole director and shareholder of the Offeror;
- (c) SCRL; and
- (d) Phillip Securities (as financial adviser to the Offeror in connection with the Exit Offer).

13.2 No Other Holdings and Dealings. Save as disclosed in the Appendix to this Announcement, as at the Joint Announcement Date and based on the latest information available to the Offeror, none of the Offeror and the parties acting in concert with the Offeror (collectively, "**Relevant Persons**"):

- (a) owns, controls or has agreed to acquire any (i) Shares, (ii) securities which carry voting rights in the Company, or (iii) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company (collectively, the "**Company Securities**"); or
- (b) has dealt for value in any Company Securities during the Reference Period.

- 13.3 **Other Arrangements.** Save for the Irrevocable Undertaking from SCRL, as at the Joint Announcement Date, none of the Relevant Persons has:
- (a) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company which might be material to the Exit Offer;
 - (b) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;
 - (c) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or
 - (d) lent any Company Securities to another person.
- 13.4 **Irrevocable Undertakings.** Save for the Irrevocable Undertaking from SCRL, neither the Offeror nor any of the Relevant Persons has received any irrevocable commitment or undertaking from any person to accept or reject the Exit Offer.
- 13.5 **Further Enquiries.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Exit Offer. Further enquiries will be made of such persons and the relevant disclosures (if any) will be made in due course and in the Exit Offer Letter.

14. OVERSEAS SHAREHOLDERS

- 14.1 **Overseas Jurisdictions.** This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The Exit Offer will be made solely by the Exit Offer and the Acceptance Forms, which will contain the full terms and conditions of the Exit Offer, including details of how the Exit Offer may be accepted.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Exit Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Exit Offer would violate the laws of that jurisdiction ("**Restricted Jurisdiction**") and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Exit Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Exit Offer will not be capable of acceptance by any such use, means, instrumentality or facilities within any Restricted Jurisdiction.

The availability of the Exit Offer to the Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or in the records of CDP (as the case may be) (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions.

- 14.2 **Copies of the Hardcopy Notification and the Acceptance Forms.** Where there are potential restrictions on sending the Hardcopy Notification and the Acceptance Forms to any overseas jurisdictions, the Offeror reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain a copy of the Hardcopy Notification and the Acceptance Forms from the office of the Company's share registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Company's share registrar at the above-stated address to request for Hardcopy Notification and the Acceptance Forms to be sent to an address in Singapore by ordinary post at his own risk, up to the five (5) market days prior to the close of the Exit Offer.

15. **RESPONSIBILITY STATEMENT**

- 15.1 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.
- 15.2 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, the Relevant Persons, the IFA and Phillip Securities) 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, the Relevant Persons, the IFA or Phillip Securities, 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

27 May 2020

BY ORDER OF THE BOARD

**SANSUI ELECTRIC (CHINA) COMPANY
LIMITED**

Christopher Ho Wing-On
Director

IMPORTANT NOTICE

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "expect", "anticipate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

APPENDIX

DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

1. Interests in Shares of the Relevant Persons

The interests of the Relevant Persons in the Shares as at the Joint Announcement Date are set out below:

Name	Direct Interests		Indirect Interests		Total Interests	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Christopher Ho Wing-On ⁽¹⁾	-	-	19,264,561	76.04	19,264,561	76.04
Sino Capital Resources Limited	19,264,561	76.04	-	-	19,264,561	76.04

Note:

- (1) Mr. Christopher Ho Wing-On is deemed interested in these Shares as he is the sole shareholder of SCRL that has a direct interest in 19,264,561 Shares.

2. Dealings in Shares by the Relevant Persons

The Relevant Persons have not dealt for value in the Shares during the Reference Period.