PhillipCapital

PHILLIP SECURITIES PTE LTD

(Company Registration No.: 197501035Z)
(Incorporated in the Republic of Singapore)

2 October 2017

To: The Shareholders of Lafe Corporation Limited

Dear Sir / Madam

VOLUNTARY CONDITIONAL CASH OFFER BY PHILLIP SECURITIES PTE LTD FOR AND ON BEHALF OF SINO CAPITAL RESOURCES LIMITED FOR THE OFFER SHARES (AS DEFINED BELOW)

1. INTRODUCTION

Phillip Securities Pte Ltd ("**Phillip Securities**") refers to the offer document dated 21 August 2017 (the "**Offer Document**") in relation to the voluntary conditional cash offer (the "**Offer**") by Phillip Securities, for and on behalf of Sino Capital Resources Limited (the "**Offeror**"), to acquire all the issued and paid-up ordinary shares (the "**Shares**") in the capital of Lafe Corporation Limited (the "**Company**") other than those already held by the Offeror as at the date of the Offer (the "**Offer Shares**") in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**").

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

2. REVISION OF THE MINIMUM ACCEPTANCE CONDITION TO 65%

On 2 October 2017, Phillip Securities, for and on behalf of the Offeror, announced that the Offeror had obtained the consent of SIC to lower the Minimum Acceptance Condition to **65%** (the "**Revised Acceptance Level**"), subject to the revised Offer remaining open for another 14 days following the posting of the written notification of such revision and Shareholders who have accepted the initial Offer being permitted to withdraw their acceptances within eight days of the posting of the written notification of the revision. The Offeror is required to take into account any withdrawals that may occur within the eight day period of the posting of the written notification of the revision before declaring the Offer unconditional as to acceptances.

Accordingly, the Offeror is lowering the Minimum Acceptance Condition such that the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time after eight days from the posting of the written notification of the revision and prior to the close of the Offer, the Offeror has received 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 its Concert Parties (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and its Concert Parties holding such number of Shares carrying at least 65% of the voting rights attributable to the issued Shares (excluding any Shares in treasury) as at the close of the Offer.

3. FURTHER EXTENSION OF CLOSING DATE

In accordance with Rule 15.1 of the Code, the Offer must be kept open for at least 14 days from the date of posting of the written notification of the revision to Shareholders. Accordingly, the Closing Date of the Offer will be extended from 5.30 p.m. (Singapore time) on 2 October 2017 to 5.30 p.m. (Singapore time) on 16 October 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror (the "**Extended Closing Date**").

Shareholders who wish to accept the Offer but have not done so may continue to do so by following the procedures for acceptance of the Offer as set out in the Offer Document and the relevant Acceptance Forms.

4. NO PRICE INCREASE

As announced by Phillip Securities for and on behalf of the Offeror on 18 September 2017, **the Offeror does not intend to increase the Offer Price of S$0.90 for each Offer Share.**

5. OTHER TERMS

Save for the Revised Acceptance Level and the Extended Closing Date, all other terms and conditions of the Offer as set out in the Offer Document remain unchanged.

6. PROCEDURES FOR ACCEPTANCE

Shareholders who wish to accept the 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. on the Extended Closing Date. All Acceptance Forms and other relevant documents received after 5.30 p.m. on the Extended Closing Date will not be accepted. Further details on the procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document.

If Shareholders are in any doubt about the 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 Offer Document and/or the relevant Acceptance Forms should contact The Central Depository (Pte) Limited (if they are Depositors) or M & C Services Private Limited (if they hold Offer Shares in scrip form), as the case may be, immediately at the addresses and telephone numbers set out below:

The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588
Tel : +65 6535 7511

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

Electronic copies of the Offer Document, the FAA and the FAT are available on the website of the SGX-ST at www.sgx.com.

7. RESPONSIBILITY STATEMENT

The sole director of the Offeror has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Letter are fair and accurate, and that no material facts have been omitted from this Letter, and he accepts responsibility accordingly.

Where any information in this Letter has been extracted or reproduced from published or otherwise publicly available sources (including without limitation, in relation to the Offeree Group), 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.

Yours faithfully,
PHILLIP SECURITIES PTE LTD

For and on behalf of
SINO CAPITAL RESOURCES LIMITED
2 October 2017

Any inquiries relating to this Letter or the Offer should be directed during office hours to the following:

Sim Yong Nam
Phillip Securities Pte Ltd
Tel: (65) 6533 6001