LAFE CORPORATION LIMITED

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

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

The Board of Directors (the "**Board**") of Lafe Corporation Limited (the "**Company**") refers to the announcement dated 3 June 2016 in relation to the Company being placed on the Watch-List. Pursuant to Rule 1313(2) of the Listing Manual which requires the Company to provide a quarterly update 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, the Board wishes to provide the following update on the Company and its subsidiaries (the "**Group**") to complement the result announcement as released to the SGX for the reporting quarter ended 31 March 2018 on 8 May 2018.

Update on Financial Situation

The Group recorded a net loss of US$0.09 million for the quarter ended 31 March 2018 as compared to a net profit of US$0.63 million for the corresponding quarter ended 31 March 2017. The decrease in net profit for the current quarter was mainly attributable to the decrease in net foreign exchange gain arising from translating the monetary items denominated in foreign currencies based on the transaction rates prevailing at the respective quarter-end dates.

The Group continues to look for suitable development and investment opportunities with a view to improving its financial performance.

Update on Future Direction and Other Material Development

Save as disclosed in the Company's previous announcements, there are no other material developments that may have a significant impact on the financial position. The Company will make further announcements as and when there are any subsequent developments.

BY ORDER OF THE BOARD

Paul Francis Gregory Binney
Company Secretary
8 May 2018