

**LAFE CORPORATION LIMITED**  
(Company Registration Number: 26304)  
(Incorporated in Bermuda)

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

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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 year ended 31 December 2017 on 28 February 2018.

**Update on Financial Situation**

The Group recorded a net loss of US\$0.5 million for the year ended 31 December 2017 as compared to a net profit of US\$0.4 million for the nine months ended 30 September 2017. The increase in net loss in the fourth quarter of US\$0.9 million was mainly attributable to the decrease in gross profit margin in consequence of severe price competition in bidding various consultancy and security projects.

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  
28 February 2018