LAFE CORPORATION LIMITED

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

DISPOSAL OF PROPERTY

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1. Introduction

The Board of Directors (the "**Board**" or the "**Directors**") of Lafe Corporation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 29 May 2017 granted an Option to Purchase (the "**Option**") to NHT Management Pte Ltd (UEN 201713361G) (the "**Purchaser**") for the sale of the Group's office premises at 57 Cantonment Road Singapore 089755 (the "**Property**") at a cash sale price of S$7.03 million (equivalent to US$4.88 million) (the "**Proposed Disposal**"). The Option is exercisable four weeks from 29 May 2017 while the completion date shall be twelve weeks after the exercise of the Option.

The exchange rate of conversion is based on US$1=S$1.4423.

2. Information on the Property

The Property, held by the Group's wholly owned subsidiary, Vigers Group Pte. Ltd., comprises a freehold land and a building thereon occupied by the Group as office premises. The total gross floor area and land area of the Property are approximately 292 square metres and 121.9 square metres respectively.

The fair market valuation of the Property as at 31 December 2016 was S$7.5 million (equivalent to US$5.2 million) as appraised by PREMAS Valuers & Property Consultants Pte Ltd, an accredited independent valuer. The fair value was determined by reference to the sale transactions of similar properties in the open market.

3. Consideration

The sale price of S$7.03 million of the Property (the "**Consideration**") was arrived at on a willing-buyer and a willing-seller basis. A recent sale in the market, in March 2017, of a similar property in the same area was completed at a price lower than the sale price of the Proposed Disposal.

Upon granting the Option on 29 May 2017, a deposit of S$70,300, representing 1% of the Consideration was received from the Purchaser. A further deposit of S$281,200, representing 4% of the Consideration, will be received from the Purchaser on the date of exercising the Option. The balance of the Consideration in an amount of S$6,678,500 will be received on the completion date.

There was no material condition attached to the Proposed Disposal.

4. Information on the Purchaser

The Purchaser is independent of the Company and the Proposed Disposal is not an interested person transaction as defined in the listing manual of the Singapore Exchange Securities Trading Limited.

5. Use of Proceeds

The net proceeds arising from the Proposed Disposal shall be used to repay the Property's mortgage loan with the remaining balance as working capital of the Group.

6. Loss on the Proposed Disposal

The Group is expected to record a net loss of approximately US$0.46 million from the Proposed Disposal, after taking into account the book value of the Property at approximately US$5.19 million as at 31 December 2016 and estimated expenses of US$0.12 million on the disposal of the Property.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The proforma financial effects of the Proposed Disposal on the Group have been prepared based on the audited consolidated financial results of the Group for the financial year ended 31 December 2016. These financial effects are purely for illustration purposes and do not reflect the actual position of the Group after completion of the Proposed Disposal:

(a) Loss per Share

Assuming the Proposed Disposal was completed on 1 January 2016, the proforma effect on the loss per share of the Group would be as follows:

	Before the Transaction	After the Transaction
Loss (US$'000)	(9,782)	(10,240)
Loss per share (US cents)	(38.61)	(40.42)

(b) Net Tangible Assets ("NTA") per Share

Assuming that the Proposed Disposal was completed on 31 December 2016, the proforma effect on the NTA per share of the Group would be as follows:

	Before the Transaction	After the Transaction
NTA (US$'000)	50,164	49,706
NTA per share (US cents)	198.02	196.21

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Company's Directors or substantial shareholders has any interest, direct or indirect, in the Proposed Disposal.

9. DOCUMENT FOR INSPECTION

A copy of the Option is available for inspection during normal office hours on Mondays to Fridays at the Company's corporate office in Singapore at 57 Cantonment Road, Singapore 089755.

BY ORDER OF THE BOARD

Paul Francis Gregory Binney
Company Secretary
30 May, 2017