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 30 June 2018 on 14th August 2018.

Update on Financial Situation

The Group recorded a net loss of US$2.73 million for the quarter ended 30 June 2018 as compared to also a net loss of US$0.29 million for the quarter ended 30 June 2017. The increase in net loss was mainly attributable to the substantial foreign exchange loss arising from translating the monetary items denominated in foreign currencies in consequence of the growing strength of the US$ against SG$ over the past year.

As more fully disclosed in the Company's Announcement dated 28 March 2018, the Group has 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.

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
14th August 2018