APPENDIX I

LAFE CORPORATION LIMITED

Un-audited Q3 2019 Financial Statement And Dividend Announcement
(All in US Dollars)

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of profit or loss and other comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Quarter ended 30 Sept,			9 months ended 30 Sept,		
	2019	**2018**	Increase/ (decrease)	**2019**	**2018**	Increase/ (decrease)
	US$'000	US$'000	%	US$'000	US$'000	%
Revenue	**3,670**	**3,623**	**1**	**11,222**	**11,014**	**2**
Cost of sales	(2,929)	(2,959)	(1)	(8,433)	(8,509)	(1)
Gross profit	**741**	**664**	**12**	**2,789**	**2,505**	**11**
Other net (loss) / gain	(435)	235	n/m	1,427	197	624
Administrative costs	(2,087)	(2,518)	(17)	(6,736)	(7,064)	(5)
Finance costs	(103)	(55)	87	(312)	(123)	154
Loss before taxation	**(1,884)**	**(1,674)**	13	**(2,832)**	**(4,485)**	(37)
Taxation	(6)	(6)	-	(15)	(17)	(12)
Net loss for the period	**(1,890)**	**(1,680)**	13	**(2,847)**	**(4,502)**	(37)
Other Comprehensive Income						
Items that are or may be reclassified subsequently to profit or loss:						
Fair value changes on available-for-sale investments	-	-	n/m	-	(10)	n/m
Currency translation differences arising on consolidation	(52)	202	n/m	2	(5)	n/m
Items that will not be reclassified subsequently to profit or loss:						
Financial assets at fair value through other comprehensive income						
- Fair value gain – equity instruments	2	-	n/m	6	-	n/m
Other comprehensive (loss) / income for the period	**(50)**	**202**	n/m	*8*	**(15)**	*n/m*
Total comprehensive loss for the period	**(1,940)**	**(1,478)**	**31**	**(2,839)**	**(4,517)**	**(37)**

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the statement of profit or loss and other comprehensive income or in the notes to the statement of profit or loss and other comprehensive income for the current financial period reported on and the corresponding period of the immediately preceding financial year:

	Quarter ended 30 Sept,			9 months ended 30 Sept,		
	2019	**2018**	Increase/ (decrease)	**2019**	**2018**	Increase/ (decrease)
	US$'000	US$'000	%	US$'000	US$'000	%
Depreciation of property, plant and equipment	(46)	(37)	24	(131)	(101)	30
Depreciation of right-of-use assets	(178)	-	n/m	(532)	-	n/m
Gain on disposal of property, plant and equipment	-	1	n/m	18	1	1,700
Net foreign currency exchange loss	(768)	(189)	306	(422)	(1,000)	(58)
Recovery of / (allowance for) impairment on assets	2	(8)	n/m	842	8	10425
Interest income	332	329	1	982	1,020	(4)
Interest on other borrowings	(46)	(22)	109	(139)	(22)	532
Lease interest expense	(15)	-	n/m	(49)	-	n/m
Discount on provision unwound	(41)	(30)	37	(118)	(91)	30

n/m – not meaningful

1(b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	As at 30/09/2019	As at 31/12/2018	As at 30/09/2019	As at 31/12/2018
	US$'000	US$'000	US$'000	US$'000
Non-current assets				
Property, plant and equipment	312	364	-	-
Trademark	5,163	5,169	-	-
Investments in subsidiaries	-	-	-	-
Financial assets at fair value through other comprehensive income	21	15	15	11
Non-trade receivable from a related party	-	43,509	-	-
Right-of-use assets	1,299	-	-	-
Other non-current assets	731	386	-	-
	7,526	**49,443**	**15**	**11**
Current assets				
Trade and other receivables	2,816	4,503	-	-
Other current assets	469	451	17	24
Non-trade receivables from subsidiaries	-	-	49,362	49,856
Non-trade receivable from a related party	42,997	-	-	-
Cash and cash equivalents	710	1,008	2	3
	46,992	**5,962**	**49,381**	**49,883**
Current liabilities				
Trade and other payables	2,348	2,601	396	308
Provisions	1,787	1,679	1,787	1,679
Loans from holding company	7,138	5,096	7,138	5,096
Lease liabilities	774	-	-	-
Tax payable	32	21	-	-
	12,079	**9,397**	**9,321**	**7,083**
Net current assets / (liabilities)	**34,913**	**(3,435)**	**40,060**	**42,800**
Total assets less current liabilities	**42,439**	**46,008**	**40,075**	**42,811**
Non-current liabilities				
Other payables	-	108	-	-
Provisions	347	1,796	-	1,445
Lease liabilities	828	-	-	-
Deferred tax liabilities	800	801	-	-
	1,975	**2,705**	**-**	**1,445**
NET ASSETS	**40,464**	**43,303**	**40,075**	**41,366**

1(b) (i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.** – *continued*

	Group		Company	
	As at 30/09/2019	**As at 31/12/2018**	**As at 30/09/2019**	**As at 31/12/2018**
	US$'000	US$'000	US$'000	US$'000
CAPITAL AND RESERVES				
Share capital	50,667	50,667	50,667	50,667
Reserves	(10,203)	(7,364)	(10,592)	(9,301)
	40,464	**43,303**	**40,075**	**41,366**

1(b)(ii) **In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-**

Amount repayable in one year or less, or on demand

As at 30 September 2019	
Secured	Unsecured
US$'000	US$'000
NIL	7,138

As at 31 December 2018	
Secured	Unsecured
US$'000	US$'000
NIL	5,096

Amount repayable after one year

As at 30 September 2019	
Secured	Unsecured
US$'000	US$'000
NIL	NIL

As at 31 December 2018	
Secured	Unsecured
US$'000	US$'000
NIL	NIL

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Quarter ended 30 Sept,		9 months ended 30 Sept,	
	2019	**2018**	**2019**	**2018**
	US$'000	US$'000	US$'000	US$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	**(1,884)**	**(1,674)**	**(2,832)**	**(4,485)**
Adjustments for :				
Depreciation of property, plant and equipment	46	37	131	101
Depreciation of right-of-use assets	178	-	532	-
(Reversal of)/Allowance for impaired assets	(2)	8	(842)	(8)
Provision for staff welfare	(4)	(14)	(4)	(15)
Gain on disposal of property, plant and equipment	-	(1)	(18)	(1)
Discount on provision unwound	41	30	118	91
Interest expenses	61	22	188	22
Interest income	(332)	(329)	(982)	(1,020)
Unrealised currency translation loss	(289)	(41)	(109)	(131)
Operating cash flow before working capital changes	**(2,185)**	**(1,962)**	**(3,818)**	**(5,446)**
Changes in working capital				
Trade and other receivables and other current assets	(502)	(3,626)	2,166	(7,960)
Trade and other payables	(20)	298	(157)	124
Provisions	(484)	(555)	(1,441)	(1,687)
Currency translation adjustments	897	185	522	1,005
Cash used in operations	**(2,294)**	**(5,660)**	**(2,728)**	**(13,964)**
Taxation refund/(paid)	3	-	(5)	-
Interest received	332	329	982	1,020
Net cash used in operating activities	**(1,959)**	**(5,331)**	**(1,751)**	**(12,944)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	-	(48)	(87)	(89)
Proceeds from disposal of property, plant and equipment	-	-	18	-
Net cash used in investing activities	**-**	**(48)**	**(69)**	**(89)**

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.** – *continued*

	Quarter ended 30 Sept,		9 months ended 30 Sept,	
	2019	**2018**	**2019**	**2018**
	US$'000	US$'000	US$'000	US$'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of lease liabilities	(189)	-	(567)	-
Interest on leases	(15)	-	(49)	-
Loans from holding company	1,956	4,433	4,399	4,433
Repayment of loans from holding company	(5)	-	(2,260)	-
Net cash generated from financing activities	**1,747**	**4,433**	**1,523**	**4,433**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(212)**	**(946)**	**(297)**	**(8,600)**
Cash and cash equivalents at beginning of period	923	1,964	1,008	9,621
Effects of exchange rate changes on cash and cash equivalents	(1)	(4)	(1)	(7)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**710**	**1,014**	**710**	**1,014**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP

	Share capital	Share premium	Capital reserve	Fair value reserve	Exchange reserve	Accumulated losses	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2018	50,667	27,171	24	22	216	(23,891)	54,209
Effect of adoption of new accounting standards	-	-	-	(2,295)	-	2,295	-
Balance at 1 January 2018, restated	50,667	27,171	24	(2,273)	216	(21,596)	54,209
Total comprehensive loss	-	-	-	(10)	(5)	(4,502)	(4,517)
Balance at 30 September 2018	**50,667**	**27,171**	**24**	**(2,283)**	**211**	**(26,098)**	**49,692**
Balance at 1 January 2019	50,667	27,171	24	(2,294)	180	(32,445)	43,303
Total comprehensive income / (loss)	-	-	-	6	2	(2,847)	(2,839)
Balance at 30 September 2019	**50,667**	**27,171**	**24**	**(2,288)**	**182**	**(35,292)**	**40,464**

COMPANY

	Share capital	Share premium	Fair value reserve	Accumulated losses	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2018	50,667	27,171	16	(29,388)	48,466
Total comprehensive loss	-	-	(8)	(1,676)	(1,684)
Balance at 30 September 2018	**50,667**	**27,171**	**8**	**(31,064)**	**46,782**
Balance at 1 January 2019	50,667	27,171	1	(36,473)	41,366
Total comprehensive income / (loss)	-	-	4	(1,295)	(1,291)
Balance at 30 September 2019	**50,667**	**27,171**	**5**	**(37,768)**	**40,075**

(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of share for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Not applicable.

1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at both 30 September 2019 and 31 December 2018 was 25,333,333.

The Company did not have any treasury shares as at 30 September 2019 and 31 December 2018.

1(d)(iv) **A statement showing all sales, transfers, disposal, cancellation, and/or use of treasury shares at the end of the current financial period reported on.**

Not applicable.

2 **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

3 **Where the figure have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).**

Not applicable.

4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted all the new and revised International Financial Reporting Standards ("IFRS") that are effective for annual periods beginning on or after 1 January 2019 and are relevant to its operations.

The adoption of these new/revised IFRS does not result in any material changes to the Group's accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recently audited financial statements as at 31 December 2018, except as described below:

IFRS 16 – Leases

IFRS 16 – Leases introduces a single lessee accounting model. A lessee is required to recognise all leases on its statements of financial position to reflect its rights to use the leased assets and a corresponding lease liability except for certain short-term leases (less than 12 months) and leases of low-value assets.

The Group has applied IFRS 16 using the modified retrospective approach.

The Group recognises a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit and loss over the lease period at a constant periodic rate of interest on the remaining balance of the liability for each period.

The adoption of IFRS 16 does not have any material impact on the financial position and results of the Group. It also does not have a material impact on other comprehensive income or the Group's operating, investing and financing cash flows.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Save as disclosed in Paragraph 4 above, there are no other changes in accounting policies and methods of computation.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

	9 months ended 30 September,	
	2019	**2018**
Loss per ordinary share for the period based on net profit attributable to shareholders: -		
(i) Based on the weighted average number of ordinary shares in issue	(US 11.24 cents)	(US 17.77 cents)
(ii) On a fully diluted basis	(US 11.24 cents)	(US 17.77 cents)

7 **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year:-**

	Group		Company	
	30/09/2019	**31/12/2018**	**30/09/2019**	**31/12/2018**
Net asset value per ordinary share	US 159.7 cents	US 170.9 cents	US 158.2 cents	US 163.3 cents

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

a. any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

b. any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of Profit or Loss and Other Comprehensive Income

The Group's revenue increased by US$0.05 million from US$3.62 million for Q3 2018 to US$3.67 million for Q3 2019. The increase was mainly attributable to the increase in revenue generated from the Vigers Group.

Cost of sales decreased by US$0.03 million from US$2.96 million for Q3 2018 to US$2.93 million for Q3 2019. The decrease was mainly attributable to the lower manpower costs incurred by the Vigers Group during the current financial period.

The Group recorded a gross profit of US$0.74 million for Q3 2019 as compared to US$0.66 million for Q3 2018, an increase of US$0.08 million as explained in the preceding paragraphs.

The Group had other net loss of US$0.44 million for Q3 2019 as compared to a net gain of US$0.24 million for Q3 2018. In Q3 2019, the other net loss comprised mainly the net foreign currency exchange loss of US$0.77 million arising from translating the monetary items denominated in foreign currencies and interest income of US$0.33 million. In Q3 2018, the other net gain comprised mainly the net foreign currency exchange loss of US$0.19 million arising from translating the monetary items denominated in foreign currencies and interest income of US$0.33 million.

Administrative costs decreased by US$0.43 million from US$2.52 million for Q3 2018 to US$2.09 million for Q3 2019. The higher administrative costs for Q3 2018 was mainly attributable to the payment of an outside-the-court settlement of US$0.30 million in respect of a legal proceedings involving the Company and its former subsidiary, Lafe Technology (Hong Kong), as more fully disclosed in the Company's announcement dated 21 September 2018.

Finance costs increased by US$0.04 million from US$0.06 million for Q3 2018 to US$0.1 million for Q3 2019. The increase was mainly attributable to the increase in interest on the advances from holding company of US$0.02 million and increase in interest on lease liabilities of US$0.02 million.

As a result of the above, the Group's net loss for Q3 2019 was US$1.89 million as compared to net loss of US$1.68 million for Q3 2018, an increase in net loss of US$0.21 million, as explained in the preceding paragraphs.

Other comprehensive loss of US$0.05 million in Q3 2019 comprised mainly the currency translation differences arising on consolidation of foreign subsidiaries, as compared to an income of US$0.2 million in Q3 2018.

As a result of the above, the Group's total comprehensive loss for Q3 2019 was US$1.94 million as compared to total comprehensive loss of US$1.48 million for Q3 2018, an increase of US$0.46 million as explained in the preceding paragraphs.

Statement of Financial Position

Property, plant and equipment slightly decreased by US$0.05 million from US$0.36 million as at 31 December 2018 to US$0.31 million as at 30 September 2019.

Right-of-use assets of US$1.30 million as at 30 September 2019 resulted from the Group's initial adoption of IFRS16 on 1 January 2019 in respect of its operating leases for office premises as disclosed in Paragraph 4 above and after accounting for accumulated depreciation of USD0.83 million up to 30 September 2019.

Non-trade receivable from a related party under "Non-current assets" and "Current assets" decreased by US$0.51 million from US$43.51 million as at 31 December 2018 to US$43.00 million as at 30 September 2019. The decrease was attributable to the translation adjustment arising from translating the receivable denominated in foreign currency. The outstanding balance comprises a fixed long-term term loan extended to a former subsidiary, Lafe (Emerald Hill) Development Pte. Ltd. ("LEHD"). It bears interest at 3% per annum and is repayable by 27 September 2020. It is secured by a corporate guarantee given by The Ho Family Trust Limited, a related party, and a second-ranking pledge of the entire shares in LEHD.

Trade and other receivables decreased by US$1.68 million from US$4.50 million as at 31 December 2018 to US$2.82 million as at 30 September 2019. The decrease was mainly attributable to the settlement of certain outstanding receivables during the current financial period.

Other assets under "Current assets" and "Non-current assets" increased in total by US$0.36 million from US$0.84 million as at 31 December 2018 to US$1.20 million as at 30 September 2019. The increase was mainly attributable to the additional security deposits placed in favour of certain new contracts gained by the Vigers Operations.

Provisions under "Current liabilities" and "Non-current liabilities" decreased in total by US$1.35 million from US$3.48 million as at 31 December 2018 to US$2.13 million as at 30 September 2019. The decrease was mainly attributable to the payments made during the current financial period, the translation adjustment arising from translating the provisions denominated in foreign currency and the discount unwound adjustment charged to profit or loss during the current financial period.

Lease liabilities under "Current liabilities" and "Non-current liabilities" of US$1.60 million as at 30 September 2019 was the outstanding lease payments, discounted at the Group's incremental borrowing rate of 3% per annum, over the respective terms of the Group's operating leases for its office premises following the Group's initial adoption of IFRS 16 on 1 January 2019 as disclosed in Paragraph 4 above.

Loans from holding company represented the aggregate amounts of advances extended to the Company by the Company's holding company, Sino Capital Resources Limited ("SCRL"). The balance increased by US$2.04 million from US$5.10 million as at 31 December 2019 to US$7.14 million as at 30 September 2019 as a result of further working capital loans of US$2.04 million being extended to the Company during the current financial period. The loans are unsecured, repayable on demand and bear interest at 3% per annum except for working capital loans of US$4.22 million which are repayable by 31 December 2019. SCRL has confirmed that it will not call for repayment of the outstanding loans unless the Group has alternative sources of funds for repayment or have generated sufficient funds to continue the Group's operations after repayment of the loans.

The movement in cash and cash equivalents from US$1.01 million as at 31 December 2018 to US$0.71 million as at 30 September 2019, a decrease of US$0.30 million, is explained in the statement of cash flows below.

Statement of Cash Flows

During Q3 2019, the Group's net cash used in operating activities was US$1.96 million as compared to net cash used in operating activities of US$5.33 million in Q3 2018. The cash movement in Q3 2019 was mainly attributable to the payments made for rental guarantee of US$0.48 million.

The Group's net cash generated from financing activities in Q3 2019 comprised mainly the net increase in loans from holding company of US$1.95 million and payments of lease liabilities of US$0.19 million.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group will continue to look for suitable opportunities for future development and investment.

The Vigers Group, which provides property agency, appraisal and consultancy services, continues to make a positive contribution to the Group's operating results. In face of the severe competition in Hong Kong, the Vigers Group has been putting great efforts in expanding its business in the PRC and Macau with a view to increasing its revenue and hence profitability.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date Payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared / recommended, a statement to that effect

No dividend declared / recommended.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15 A breakdown of sales:-

Not applicable.

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year:-

Not applicable.

17 Aggregate value of interested persons transactions conducted pursuant to a shareholders' general mandate

The Group has not obtained a general mandate from the shareholders for the interested person transactions as the value of the transactions falls below the required 5% of the Group's latest audited net tangible assets. The aggregate value of all interested person transactions during Q3 2019, which fall under the listing manual, were as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	US$'000	
Associates of Mr. Christopher Ho Wing-On	4,112	-

18. Negative assurance on interim financial statements

The directors have confirmed, in a written statement, that to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial results to be false or misleading in any material effect.

19 Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.