LAFE CORPORATION LIMITED
(Company Registration No. 26304)
(Incorporated in Bermuda)

NON-COMPLETION OF PROPOSED ACQUISITION

1. INTRODUCTION

The Board of Directors of Lafe Corporation Limited ("**Company**") refers to the Company's announcements dated 28 March 2018, 6 June 2018, 7 June 2018, 13 August 2018 and 5 September 2018 in relation to the proposed acquisition of Fairhaven, Singapore, a freehold 15-unit development located at Sophia Road. Unless otherwise defined, all capitalised terms used herein shall have the meanings ascribed in the aforesaid announcements.

2. NON-COMPLETION OF PROPOSED ACQUISITION

The Company wishes to update Shareholders that its wholly-owned subsidiary, Gioia Fund Pte. Ltd. (being the Purchaser) has on 9 October 2018 notified the Vendors that it will not complete the Proposed Acquisition.

3. RULE 1014(4) OF THE LISTING MANUAL

The Proposed Acquisition was classified as a "major transaction" under Rule 1014 of the Listing Manual.

In deciding not to complete the Proposed Acquisition, the Board of Directors had considered various factors, including but not limited to the following:

(a) interest rates are generally forecasted to increase, which will result in an increase in the cost of borrowings of the Purchaser in connection with the Proposed Acquisition;

(b) impact on the global economy caused by the ongoing uncertainty, in part due to trade war between the United States and China; and

(c) recent property cooling measures announced by the Singapore Government in July 2018.

In accordance with the terms and conditions of the Contract, non-completion of the Proposed Acquisition will result in the Deposit and the Further Deposit of an aggregate amount of S$5.7 million being forfeited to the Vendors.

The Group is expected to recognise a loss of approximately S$8.5 million arising solely from the non-completion of the Proposed Acquisition and related transaction expenses and taxes (including stamp duties already paid on the Contract of S$2.3 million) in the quarter ending 31 December 2018.

The Company will be seeking further legal advice at the appropriate juncture should there be any material developments arising from non-completion of the Proposed Acquisition, with a view to protecting the interests of its Shareholders.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company. The Company will make the necessary announcements when there are material developments on this matter. Shareholders of the Company and potential investors are advised to read all further announcements by the Company carefully and to consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD
Paul Francis Gregory Binney
Company Secretary
9 October 2018