

LAFE CORPORATION LIMITED

(Company Registration Number: 26304)

(Incorporated in Bermuda)

PROPOSED SHARE CONSOLIDATION OF EVERY FIFTY (50) ORDINARY SHARES IN THE AUTHORISED AND ISSUED SHARE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "PROPOSED SHARE CONSOLIDATION")

The Board of Directors (the "**Board**") of Lafe Corporation Limited (the "**Company**"), wishes to announce that the Company will be seeking Shareholders' approval for the Proposed Share Consolidation at a Special General Meeting ("SGM") to be convened.

The Singapore Exchange Securities Trading Limited ("SGX-ST") has introduced a minimum trading price ("MTP") as a continuing listing requirement for all issuers listed on the Mainboard of the SGX-ST. Issuers are required to maintain a minimum share price of S\$0.20. Issuers have been given 12 months from 2 March 2015 to take steps to comply with the MTP requirement. Issuers that fail to fulfil the MTP requirement at the first review date on 1 March 2016 or any of the subsequent quarterly reviews will be placed on the SGX-ST watch-list. Compliance with the MTP requirement is assessed based on the volume weighted average price ("VWAP") of an issuer's shares for the 6-month period prior to the date of each quarterly review. The first quarterly review for compliance with the MTP requirement will commence on 1 March 2016 with a look-back of the 6-month VWAP from 1 September 2015 to 29 February 2016.

In order to facilitate compliance with the MTP requirement, the Company proposes to undertake the Proposed Share Consolidation pursuant to which the Company will consolidate every fifty (50) ordinary shares in its authorised and issued share capital into one (1) ordinary share, as at a books closure date to be determined by the Directors in their absolute discretion, fractional entitlements to be disregarded.

As at the date of this announcement, the Company has an authorised capital of US\$100,000,000 divided into 2,500,000,000 ordinary shares, each with a par value of US\$0.04, and an issued capital of US\$46,666,666.68 divided into 1,166,666,667 ordinary shares, each with a par value of US\$0.04 and fully paid up. As at the date of this announcement, the Company has not issued any warrants, share options or convertible securities and does not hold any treasury shares.

If the Proposed Share Consolidation is approved by Shareholders and implemented, the Company will have an authorised capital of US\$100,000,000 divided into 50,000,000 ordinary shares, each with a par value of US\$2.00 and an issued capital of US\$46,666,66.68 divided into 23,333,333.34 ordinary shares, each with a par value of US\$2.00 and fully paid up. The Company intends to purchase and cancel the fraction of 0.34 of an ordinary share arising from the Proposed Share Consolidation thereby reducing the number of issued ordinary

shares to 23,333,333 ordinary shares. As a result of the purchase and cancellation the issued share capital of the Company will amount to US\$46,666,666.

Shareholders should note that the number of ordinary shares which Shareholders will be entitled to, based on their shareholdings as at the books closure date, will be rounded down to the nearest whole ordinary share and any fractions thereof arising from the Proposed Share Consolidation will be disregarded.

As the proceeds of the sale of fractions of issued ordinary shares arising from the Proposed Share Consolidation are likely to be less than the administrative costs and expenses involved in despatching such proceeds to the Shareholders, fractions of issued ordinary shares arising from the Proposed Share Consolidation will be aggregated and sold and the net proceeds arising therefrom shall be retained for the benefit of the Company and/or purchased by the Company, or otherwise dealt with in such manner and on such terms as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation.

The Proposed Share Consolidation is also subject to approval of the SGX-ST for the listing and quotation of the issued ordinary shares of the Company arising from the Proposed Share Consolidation. An application will be made to the SGX-ST for the listing and quotation of such shares.

A Circular to provide Shareholders with information about the Proposed Share Consolidation and to seek their approval for the Proposed Share Consolidation at the SGM will be despatched in due course.

Shareholders and potential investors in the Company are advised to exercise caution in dealing in the Company's securities. When in doubt, shareholders and potential investors are advised to seek independent advice from their professional advisors before trading or making any investment decision on the Company's securities.

By Order of the Board

Paul Francis Gregory Binney
Company Secretary
11 March 2015