LAFE CORPORATION LIMITED

(Company Registration Number: 26304)

(Incorporated in Bermuda)

PROFIT GUIDANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Board of Directors of Lafe Corporation Limited (the "**Company**", and together with its subsidiaries. The "**Group**") deems it appropriate to issue a profit guidance following a preliminary review of the unaudited financial results of the Group for the financial year ended 31 December 2016.

The Group is expected to report a substantial loss for the entire financial year ended 31 December 2016 as compared to the reported results for the nine months ended 30 September 2016 mainly due to the requirement for:

1) Impairment provision for the trademark based on its fair value valuation at the year-end date; and

2) Additional provision for rental guarantee obligations based on management's assessment at the year-end date.

Further details of the Group's performance and the valuation of the trademark will be disclosed when the Group announces its unaudited financial results for the year ended 31 December 2016 on or before 28 February 2017.

By Order of the Board
Paul Francis Gregory Binney
Company Secretary

10 February 2017