**LAFE CORPORATION LIMITED**

(Company Registration Number: 26304)

(Incorporated in Bermuda)

**MATERIAL VARIANCE BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

The Board of Directors (the "**Board**") of Lafe Corporation Limited (the "**Company**"), and together with its subsidiaries (the **"Group"),** refers to its audited financial statements for the financial year ended 31 December 2018 in the Group's Annual Report 2018 (the **"Audited Financial Statements"**) and the announcement on the unaudited financial statements for the financial year ended 31 December 2018 on 28 February 2019 (the **"Unaudited Financial Statements"**).

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**), the Board wishes to announce and clarify the material variances between the Audited Financial Statements and the Unaudited Financial Statements after the completion of the financial audit by the Company's external auditor.

The reason for the material variances in the Audited Financial Statements is attributable to certain taxes in the amount of US$1.68 million found recoverable from the Government subsequent to the date of the announcement on 28 February 2019."

| | | | |
|---|---|---|---|
| | **GROUP** | | |
| | Audited Financial Statements (US$'000) | Unaudited Financial Statements (US$'000) | Difference (US$'000) |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income: | | | |
| Other net (loss)/gain | (5,691) | (7,373) | 1,682 |
| Loss before taxation | (10,804) | (12,486) | 1,682 |
| Loss for the year | (10,849) | (12,531) | 1,682 |
| Total Comprehensive loss for the year | (10,882) | (12,564) | 1,682 |
| Loss per share Attributable to equity holders of the Company (US cents) | -42.83 | -49.47 | 6.64 |
| | | | |
| Consolidated Statement of Financial Position: | | | |
| Trade and other receivables | 4,503 | 2,833 | 1,670 |
| Current assets | 5,962 | 4,304 | 1,658 |
| Total assets | 55,405 | 53,747 | 1,658 |
| Reserves | (7,364) | (9,022) | 1,658 |
| Total equity | 43,303 | 41,645 | 1,658 |
| Total equity and liabilities | 55,405 | 53,747 | 1,658 |
| | | | |
| | | **COMPANY** | |
| Statement of Financial Position: | | | |
| Non-trade receivables from subsidieries | 49,856 | 48,237 | 1,619 |
| Current assets | 49,883 | 48,264 | 1,619 |
| Total assets | 49,894 | 48,275 | 1,619 |
| Reserves | (9,301) | (10,920) | 1,619 |
| Total equity | 41,366 | 39,747 | 1,619 |
| Total equity and liabilities | 49,894 | 48,275 | 1,619 |

**BY ORDER OF THE BOARD**

Paul Francis Gregory Binney

Company Secretary

2 April 2019