LAFE CORPORATION LIMITED

(Company Registration Number: 26304)
(Incorporated in Bermuda)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

The Board of Directors (the "**Board**") of Lafe Corporation Limited (the "**Company**") refers to the announcement dated 3 June 2016 in relation to the Company being placed on the Watch-List. Pursuant to Rule 1313(2) of the Listing Manual which requires the Company to provide a quarterly update on its efforts and the progress made in meeting the exit criteria of the watch-list, including where applicable its financial situation, its future direction, or other material development that may have a significant impact on its financial position, the Board wishes to provide the following update on the Company and its subsidiaries (the "**Group**") to complement the result announcement as released to the SGX for the reporting quarter ended 31 December 2018 on 28 February 2019.

Update on Financial Situation

The Group recorded a net loss of US$12.54 million for the year ended 31 December 2018 as compared to also a net loss of US$1.19 million for the year ended 30 September 2017. The increase in net loss was mainly attributable to the write-off of acquisition and other incidental costs of approximately US$6.91 million in consequence of the non-completion of the proposed acquisition of all the strata lots and the common area of Fairhaven at Sophia Road in District 9 as more fully disclosed in the Company's Announcements dated 9 October 2018 and 16 October 2018.

The Company's immediate holding company, Sino Capital Resources Limited, has confirmed its intention to provide continuing financial support to the Group as and when deemed necessary to meet its general working requirements.

Update on Future Direction and Other Material Development

Save as disclosed in the Company's previous announcements, there are no other material developments that may have a significant impact on the financial position. The Company will make further announcements as and when there are any subsequent developments.

BY ORDER OF THE BOARD

Paul Francis Gregory Binney
Company Secretary
28 February 2019