DISPOSAL OF INVESTMENT IN THE SHARES OF AN ASSOCIATE COMPANY

The Board of Directors of Lafe Corporation Limited (the "**Company**") wishes to announce that Vigers Investment Consultants (Shenzhen) Ltd has entered into a sale and purchase agreement (the "**SPA**") with a third party (the "**Purchaser**") on 6th June 2014 for the disposal of the entire investment in the shares of an associate company, Shenzhen LASK Vigers Asset Management Company Ltd ("**LASK"**), a company incorporated in the People's Republic of China (the "**PRC**") for a cash consideration of RMB1 (the "**Consideration**") subject to the terms and conditions of the SPA (the "**Disposal**") and subject to completion of the legal registration of the change of shareholder.

Information on LASK

This associate company was set up by the Group with an independent third party as a joint venture company, in which the Group has a 40% equity interest.

Information on the Purchaser

The Purchaser is an individual, a resident in the PRC.

The Purchaser is an independent party of the Company and the Disposal is not an interested person transaction as defined in the listing manual of the Singapore Exchange Securities Trading Limited.

Consideration

The Consideration is arrived at on a willing buyer and willing seller basis with reference to the Group's cost of investment, less the amount due to the associated company at the date of Disposal. The net carrying value of Group's investment in the associated company was nil as at that date. No valuation was commissioned in respect of the equity interest being disposed of.

Rationale for the Disposal

The Disposal is made with a view to phasing out the inactive joint venture in the PRC.

Financial Effects of the Disposal

The Disposal is not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of the Group for the year ending 31 December 2014.

Interest of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company has an interest, whether direct or indirect, in the Disposal.

By Order of the Board
Paul Francis Gregory Binney
Company Secretary
Dated: 6th June 2014