LORENZO INTERNATIONAL LIMITED
(Company Registration No. 200508277C)
(*Incorporated in the Republic of Singapore*)

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1. SGX-ST QUERIES RELATING TO THE TERM SHEET WITH STRAITSWORLD ADVISORY LIMITED; AND
2. TERMINATION OF ADVISORY SERVICES

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1. SGX-ST QUERIES RELATING TO THE TERM SHEET WITH STRAITSWORLD ADVISORY LIMITED

The Board of Directors (the "**Board**") of Lorenzo International Limited (the "**Company**", and the Company together with its subsidiaries shall be referred to as the "**Group**") refers to the Company's announcements dated 8 May 2015, 9 June 2015, 25 June 2015, 6 July 2015, 31 July 2015, 6 August 2015, 14 August 2015 and 4 September 2015 relating to, inter alia, the term sheet with Straitsworld Advisory Limited ("**Straitsworld Advisory**").

Terms used in this announcement shall unless otherwise provided, have the same meaning ascribed to it in the 4 September 2015 announcement entitled "SGX- ST Queries Relating to the Term Sheet with Straitsworld Advisory Limited".

The Board wishes to update the shareholders of the Company that it has received the queries set out below from the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company's response to the SGX-ST's queries are set out in bold italics against the relevant question.

1. In the Company's announcement on 4 September 2015, the Company disclosed that the Company and Straitsworld Advisory were unable to finalise and agree on the terms of the Proposed Transaction and there will be no further extension of the Exclusive Period *(as defined in the announcement on 8 May 2015*). Straitsworld Advisory and Mr Michael Chan Ewe Teik ("**Michael Chan**"), who is the sole legal and beneficial shareholder of Straitsworld Advisory, "have requested for time to refund the Deposit of S$2.8 million to the Company. The Company has agreed to do so on the terms set out in the supplemental deed dated 4 September 2015 with Straitsworld Advisory and Michael Chan (the "**3rd Supplemental Deed**"). The 3rd Supplemental Deed provides, inter alia, that Straitsworld Advisory and Michael Chan jointly and severally undertake to pay the Company the Deposit of S$2.8 million together with the Specified Interest (as defined below (*ie defined in the 4 September announcement)* by 7 December 2015."

   (a) Please disclose why Straitsworld Advisory and Michael Chan required an extension of time to repay the refundable deposit of S$2.8 million to the Company;

Answer: Straitsworld Advisory and Michael Chan had informed the Company that they were unable to repay the refundable deposit of S$2.8 million within seven (7) days after the expiry of the Exclusive Period on 7 September 2015.

When the Board decided not to extend the Exclusive Period and Straitsworld Advisory and Michael Chan requested for an extension of time to repay the Deposit, the Company took into account the following factors in arriving at its decision to grant an extension of time for the repayment of the Deposit:-

- ***(a) the developments on the KLW Matter and the fact that KLW had on 28 August announced that it was taking steps to recover certain deposits from Straitsworld Advisory and Michael Chan;***
- ***(b) Straitsworld Advisory and Michael Chan had informed that they currently are unable to refund the Deposit of S$2.8 million;***
- ***(c) Michael Chan had agreed to personally undertake to repay the Deposit;***
- ***(d) The Board's decision not to extend the Exclusive Period as the Board had decided for the time being to focus on its existing core business; and***
- ***(e) Straitsworld Advisory and Michael Chan had agreed to pay interest on the Deposit.***

The Board decided on a three (3) month extension of time as it believed that three (3) months is a reasonable period to enable Straitsworld Advisory and Michael Chan sufficient time to repay the Deposit.

(b) Please disclose the financial standing of Straitsworld Advisory and Michael Chan and their ability to repay the refundable deposit by 7 December 2015 and whether there are any pending legal actions or writs of summons by any other parties for outstanding debts due from Straitsworld Advisory and Michael Chan;

Answer: The Company is aware as early as around 27 May 2015 that KLW Holdings Limited ("KLW") is seeking to recover certain deposits paid by KLW to Straitsworld Advisory ("KLW Matter") as the matter was published in the newspapers and KLW had released an announcement on the SGXNET in relation to the KLW Matter. Since then, the Company had monitored the newspapers and SGXNET announcements for developments on the KLW Matter. The Company had also around 27 May 2015 after it became aware of the KLW Matter sought clarifications from Straitsworld Advisory and Michael Chan as it was concerned if the KLW Matter would have an impact on the proposed transaction (ie the proposed acquisition of medical facilities) between the Company and Straitsworld Advisory ("Proposed Medical Transaction"). Straitsworld Advisory and Michael Chan had assured the Company that the KLW Matter is not connected with the Proposed Medical Transaction and that there is no impact on the Proposed Medical Transaction. At the relevant time, the Company was already evaluating the Proposed Medical Transaction and conducting management due diligence on the said transaction. In the circumstances, the Company decided to proceed with its evaluation of the Proposed Medical Transaction.

The Company wishes to disclose that since the entry into the term sheet on 8 May 2015, there has been ongoing discussions with Straitsworld Advisory and Michael Chan to finalise the structure and terms of the Proposed Medical Transaction and there was on going due diligence by the Company on the proposed assets to be acquired.

The Company had decided not to proceed with the Proposed Medical Transaction as the parties were unable after several extensions of the Exclusive Period to agree and finalise the structure and terms of the Proposed Medical Transaction, and the Company had decided for the time being to focus on its existing core business.

When the Board decided not to extend the Exclusive Period and Straitsworld Advisory and Michael Chan requested for an extension of time to repay the Deposit, the Company took into account the following factors in arriving at its decision to grant an extension of time for the repayment of the Deposit:-

(a) the developments on the KLW Matter and the fact that KLW had on 28 August announced that it was taking steps to recover certain deposits from Straitsworld Advisory and Michael Chan;
(b) Straitsworld Advisory and Michael Chan had informed that they currently are unable to refund the Deposit of S$2.8 million;
(c) Michael Chan had agreed to personally undertake to repay the Deposit;
(d) The Board's decision not to extend the Exclusive Period as the Board had decided for the time being to focus on its existing core business; and
(e) Straitsworld Advisory and Michael Chan had agreed to pay interest on the Deposit.

The Board decided on a three (3) month extension of time as it believed that three (3) months is a reasonable period to enable Straitsworld Advisory and Michael Chan sufficient time to repay the Deposit.

(c) Whether the Board had assessed the ability and financial standing of Straitsworld and Michael Chan to repay the S$2.8 million by 7 December 2015 and whether any matters that may affect their ability to repay the Company have been brought to the Board's attention;

Answer: Please refer to the answer in query 1(b) above.

(d) As the amount of S$2.8 million is significant when compared to the Company's cash balance of S$1.9 million as at 30 June 2015, please disclose the due diligence undertaken by the Company when agreeing on the extension of time for Straitsworld and Michael Chan to repay the refundable deposit when it entered into the 3rd Supplemental Deed; and

Answer: Please refer to the answer in query 1(b) above.

(e) Please disclose the basis why the Company proceeded to pay an additional S$0.8 million in June 2015 when there was no certainty that the Proposed Transaction would materialize.

Answer: As disclosed by the Company in its announcement on 6 August 2015, the Deposit of S$2.8 million was to be paid as a commitment fee to Straitsworld Advisory to secure the Proposed Medical Transaction. Further, as stated in the announcement on 6 August 2015, as the Company is subject to confidentiality obligations relating to the Proposed Medical Transaction and notwithstanding that the said transaction has since then been aborted, the Company is unable to disclose details relating to the payment of the Deposit.

2. TERMINATION OF ADVISORY SERVICES

The Company refers to the disclosures in the announcements dated 8 May 2015 and 31 July 2015 where the Company informed that Straitsworld Advisory and Michael Chan are providing advisory services to the Company.

The Company also wishes to update its shareholders that it had terminated the services of Straitsworld Advisory and Michael Chan and such termination took effect as of 17 September 2015.

BY ORDER OF THE BOARD
Teoh Jin Thean
Executive Director / CEO
Singapore, 29 September 2015