LORENZO INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200508277C)

RESPONSE TO SGX-ST'S QUERY ON THE ANNUAL REPORT 2015

The Board of Directors of Lorenzo International Limited (the "**Group**" or "**Company**") wishes to announce the following in response to the SGX-ST's query regarding the Company's Annual Report 2015 (the "**Annual Report**"):

SGX-ST's Query

We note on page 34 of the Company's annual report the Company's statement that the Company did not enter into any interested person transactions of a value amounting to S$100,000 or more for the financial year ended 31 December 2015. We also note on page 85 of the Company's annual report that the Group has the following transactions:

(a) Purchases from a firm of which a director of the Company is a member – S$245,304

(b) Sales to a firm of which a director of the Company is a member – S$114,696

(c) Rental expense paid and payable to a firm of which a director of the Company is a member – S$159,253.

Please provide the identity and details of the above transactions (a)-(c) and reconcile with the Company's statement on page 34 that the Company did not enter into any IPTs of a value amounting to S$100,000 or more.

Company's response

The Company wishes to clarify as follows:

(a) *Purchases from a firm of which a director of the Company is a member – S$245,304*

The Company had made purchases amounting to S$245,304 ("**Purchases**") from Manufacturing Element Prefabricate Pte Ltd ("**MEP**") during the financial year ended 31 December 2015 ("**FY2015**"). MEP is an associate (as defined under the SGX-ST Listing Manual) of Mr Lim Pang Hern, a Director of the Company.

Accordingly, the relevant statement in interested person transactions ("**IPT**") section on page 34 of the Annual Report 2015 should instead read as follows:

	Aggregate value of all interested party transactions (excluding transactions less than S$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)	
Name of interested person	**Financial year ended 31 December 2015 (S$)**	**Financial year ended 31 December 2014 (S$)**
Manufacturing Element Prefabricate Pte Ltd [(1)] *(Purchase of Furniture)*	245,304	-

Note:

(1) Manufacturing Element Prefabricate Pte Ltd is an associate of Mr Lim Pang Hern who is a Director of the Company.

(b) *Sales to a firm of which a director of the Company is a member – S$114,696*

The Company had, during FY2015, entered into three separate transactions with BD Krane Engrg Pte. Ltd. ("**BDKE**"), an associate of Mr Lim Pang Hern, relating to (i) the sale of wood for S$98,660, (ii) lorry rental of S$4,830, and (iii) the sale of tiles, marble and other building materials for S$1,824, respectively, and it is noted that the value of each of these separate sale transactions were below S$100,000.

(c) *Rental expense paid and payable to a firm of which a director of the Company is a member – S$159,253.*

During FY2015, the Company made payment of rent and rental-related expenses to MEP, BDKE, CEL Coating Industries Pte Ltd ("**CELC**") and MEP Logistic Pte Ltd ("**MEPL**").

MEP holds 60% of the shareholding interest in CELC and 70% of the shareholding interest in MEPL, respectively. As such, Mr Lim Pang Hern, through his 10% shareholding in MEP, holds an indirect interest of 33.5% in CELC and an indirect interest of 39% in MEPL, respectively. Accordingly, CELC and MEPL are deemed associates of Mr Lim Pang Hern as defined under the SGX-ST Listing Manual.

During FY2015, rent and rental-related payments of:

(i) S$24,400 and S$399 relating to the rental of a warehouse and utility expenses, respectively, were made to MEP;

(ii) S$22,920 relating to utility expenses was made to BDKE;

(iii) S$1,695 relating to administrative expenses was made to CELC;

(iv) S$86,400 relating to the rental of a warehouse and office premises was made to MEPL; and

(v) S$48,453 relating to the rental of another warehouse was made to MEPL,

and it is noted that the value of each of these transactions were below S$100,000.

By Order of the Board

Teoh Jin Thean
Executive Director / Chief Executive Officer
6 June 2016