LORENZO INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200508277C)

PROPOSED PLACEMENT OF UP TO 60,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF LORENZO INTERNATIONAL LIMITED (THE "PLACEMENT")

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1. Introduction

The Directors of Lorenzo International Holdings Limited (the "**Company**") (the "**Board**") wish to announce that the Company has on 12 April 2016 entered into separate subscription agreement (each a "**Subscription Agreement**" and collectively the "**Subscription Agreements**") with two investors, Mr Teo Eng Chong ("**Mr Teo**") and Mr Lee Kim Puay ("**Mr Lee**") (each a "**Subscriber** and collectively the "**Subscribers**") pursuant to which the Subscribers will agree to subscribe for, in aggregate, up to 60,000,000 new ordinary shares in the issued and paid up capital of the Company (the "**New Shares**"), comprising:

(i) 30,000,000 new ordinary shares by Mr Teo; and

(ii) 30,000,000 new ordinary shares to Mr Lee,

at an issue price of S$0.02 (the "**Issue Price**"). The Issue Price represents a premium of approximately 17.65% to the volume weighted average price of S$0.017 for trades done on the Company's Shares on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 8 April 2016 (being the full market day up to the day a trading halt was called prior to the signing of the Subscription Agreements).

2. The Placement

2.1 The New Shares, if and when fully allotted, issued and fully paid, will rank pari passu in all respects with the existing ordinary shares in the capital of the Company (the "**Shares**") save that they shall not rank for any entitlements, distributions, dividends or rights (if any), the record date in respect of which falls prior to the date of issue of the New Shares.

2.2 Upon completion of the Placement, the issued and paid-up share capital of the Company will increase to 373,800,466 ordinary shares (the "**Enlarged Share Capital**") and the New Shares will represent approximately 16.05% of the Company's Enlarged Share Capital. The number of New Shares to be issued to each Subscriber and the shareholding of each of the Subscribers following the completion of the Placement will be as follows:

Names of Subscribers	**Percent of the Enlarged Share Capital (%)[(1)]**
Mr Teo	8.025%
Mr Lee	8.025%

Note:

(1) Based on 373,800,466 Shares after the issuance of the 60,000,000 New Shares.

2.3 Conditions Precedent

The Placement is conditional upon, *inter alia*:

(a) the approval in-principle being granted by the SGX-ST for the listing and quotation of the New Shares on the official list of the SGX-ST (on conditions, if any, acceptable to the Company and the Subscriber) having been obtained from the SGX-ST and remaining in full force and effect and where such approval is given subject to conditions which must be fulfilled on or before the

Completion Date (as defined in Paragraph 2.4 below), such conditions being reasonably acceptable to the Subscribers or fulfilled by the Company, as the case may be;

(b) the Company obtaining such approval(s) from the Board in connection with the Subscription Agreements and the transactions contemplated therein as may be necessary;

(c) the allotment, issue and subscription of the New Shares by the Subscribers not being prohibited by any statute, order, rule or regulation promulgated or issued hereafter by any legislative, executive or regulatory body or authority of Singapore; and

(d) the representations and warranties of the Company in the Subscription Agreements being true, accurate and correct in all material respects as if made on the Completion Date, with reference to the then existing circumstances and the Company having performed in all material respects all of its obligations therein to be performed on or before the Completion Date.

The Company will be submitting an application to the SGX-ST for the listing and quotation of the New Shares shortly. In the event that any of the aforementioned conditions precedent as set out in each Subscription Agreement is not satisfied on or before 30 June 2016 (or such later date as the parties to the respective Subscription Agreement may agree in writing), the Subscription Agreement shall forthwith terminate.

2.4 Completion

Completion of the Placement shall take place on a date no later than the seventh (7^{th}) business day after the satisfaction of the last of the conditions set out the Subscription Agreements and Paragraph 2.3 above, or such other date as may be agreed between the parties (the "**Completion Date**").

2.5 The New Shares is intended to be issued pursuant to the general mandate given by the shareholders of the Company at the annual general meeting of the Company held on 29 April 2015.

2.6 To demonstrate their commitment to the Group, each Subscriber has undertaken not to sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of the Subscription Shares for a period of 6 months from the Completion Date.

3. Financial Effects of the Placement

3.1 The effects of the Placement on the net asset value and earnings per share of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2015 are set out in the table below:

	Before the Placement[(1)]	**After the Placement[(2)]**
Net Asset Value per Share	0.058 cents	0.052 cents
Earnings per Share	(0.051) cents	(0.043) cents

Notes:

(1) Based on 313,800,466 Shares as at 31 December 2015.

(2) Based on 373,800,466 Shares after the issuance of the 60,000,000 New Shares.

3.2 The aforesaid financial effects of the Placement are strictly for illustrative purposes and may not necessarily reflect the actual future financial position and results of the Group following the Placement.

4. Use of Proceeds from the Placement

4.1 The estimated net proceeds from the Placement (after deducting the estimated expenses, including but not limited to the commission payable to the introducer and the professional fees in relation to this Placement) of approximately S$1,160,000 will be utilised by the Company and its subsidiaries (the "**Group**") for general working capital purposes.

4.2 Pending deployment of the net proceeds from the Placement, the net proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money market instruments and/or used for the Group's working capital requirements as the Directors may deem appropriate in the interests of the Group.

4.3 The Company will make periodic announcements on the utilisation of proceeds from the Placement as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

5. Information on the Subscribers

5.1 Mr Teo

Mr Teo was introduced to the Company through mutual business associates and will take up the New Shares for investment purposes. Mr Teo is currently a director and founding shareholder of Multibase Holdings Pte Ltd, a company principally engaged in the construction, trading and manufacturing business.

5.2 Mr Lee

Mr Lee was introduced to the Company through mutual business associates and will take up the New Shares for investment purposes. Mr Lee is currently the managing director and founding shareholder of Alpha Sealing Pte Ltd, a company principally engaged in the manufacture of sealing components for the marine industry.

5.3 The Company has decided to undertake the Placement to strengthen the Group's financial position and flexibility to capitalise on growth opportunities.

5.4 The Subscribers are not related to and are independent of each other. The Subscribers have no existing connection (including business relationships) with the Company, its Directors and substantial shareholders, and is not a person to whom the Company is prohibited from issuing shares to, as provided under Rule 812 of the Listing Manual of the SGX-ST. As at the date of this announcement, the Subscribers do not hold any Shares in the Company.

6. General

6.1 The Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289 of Singapore). As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

6.2 Save as disclosed above, none of the Directors or substantial shareholders of the Company or their respective associates have any interest, direct or indirect in the Placement.

6.3 The Company will make the necessary announcement once the approval for the listing and quotation of the New Shares has been obtained.

BY ORDER OF THE BOARD
Teoh Jin Thean
Executive Director / CEO
12 April 2016