LORENZO INTERNATIONAL LIMITED

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

PROPOSED PLACEMENT OF UP TO 65,600,000 NEW ORDINARY SHARES IN THE CAPITAL OF LORENZO INTERNATIONAL LIMITED (THE "PLACEMENT")

1. Introduction

The Directors of Lorenzo International Holdings Limited (the "**Company**") (the "**Board**") wish to announce that the Company has on 2 December 2016 entered into a subscription agreement (the "**Subscription Agreement**") with an investor, Mr Ding Lei (the "**Subscriber"**) pursuant to which the Subscriber will agree to subscribe for up to 65,600,000 new ordinary shares in the issued and paid up capital of the Company (the "**New Shares**") at an issue price of S$0.035 (the "**Issue Price**"). The Issue Price represents a premium of approximately 67% to the volume weighted average price of S$0.021 for trades done on the Company's Shares on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 1 December 2016 (being the full market day up to the day a trading halt was called prior to the signing of the Subscription Agreement).

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 439,400,466 ordinary shares (the "**Enlarged Share Capital**") and the New Shares will represent approximately 14.92% of the Company's Enlarged Share Capital. The number of New Shares to be issued to the Subscriber and the shareholding of the Subscriber following the completion of the Placement will be as follows:

Name of Subscriber	**Percent of the Enlarged Share Capital (%)[(1)]**
Mr Ding Lei	14.92%

Note:

(1) Based on 439,400,466 Shares after the issuance of the 65,600,000 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 Subscriber 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 Agreement and the transactions contemplated therein as may be necessary;

(c) the allotment, issue and subscription of the New Shares by the Subscriber 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 Agreement 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 the Subscription Agreement is not satisfied on or before 31 December 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 (7th) business day after the satisfaction of the last of the conditions set out in the Subscription Agreement and Paragraph 2.3 above, or such other date as may be agreed between the parties (the "**Completion Date**").

2.5 The New Shares are 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 31 May 2016.

2.6 The Company and the Subscriber have, in the Subscription Agreement, agreed that upon completion of the Placement, the Subscriber (or his nominee) shall be entitled to be appointed to the Board of Directors of the Company.

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	4.98 cents	4.71 cents
Earnings per Share	(5.98) cents	(4.95) cents

Notes:

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

(2) Based on 379,400,466 Shares after the issuance of the 65,600,000 New Shares but not including the 60,000,000 Shares issued by the Company pursuant to the placement exercise undertaken and completed on 26 April 2016 (the "**April Placement**").

3.2 If the April Placement is deemed to have been completed on 31 December 2015, the effects of the Placement on the net asset value and earnings per share of 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	4.49 cents	4.33 cents
Earnings per Share	(5.02) cents	(4.27) cents

Notes:

(1) Based on 373,800,466 Shares (being the aggregate of 313,800,466 Shares and the 60,000,000 Shares issued and allotted pursuant to the April Placement).

(2) Based on 439,400,466 Shares after the issuance of the 65,600,000 New Shares.

3.3 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 professional fees in relation to this Placement) of approximately S$2,243,900 will be utilised by the Company and its subsidiaries (the "**Group**") for capital expenditure and 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. The Company will disclose a breakdown with specific details on the use of proceeds for working capital. 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 Subscriber

5.1 Mr Ding Lei

Mr Ding Lei was introduced to the Company through mutual business associates and will take up the New Shares for investment purposes. Mr Ding Lei has more than twenty years of corporate and management experience in finance, real estate, tourism development, iconic cultural development projects and investment management. He is the founding director of Guangxi Impression Sanjie Liu Cultural Industry Investment Ltd and has also been the Executive Chairman of Bisan Limited (a company listed on the Australian Securities Exchange) since August 2016.

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

5.3 The Subscriber has 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 Subscriber does 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
2 December 2016