LORENZO INTERNATIONAL LIMITED

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

RESPONSE TO SGX-ST'S QUERIES

The Board of Directors of Lorenzo International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce the following in response to various queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") to the Company:

SGX-ST's Query 1

We refer to "Change - Announcement of Cessation: Cessation of Mr Goh Ah Lee" by Lorenzo International Limited (the "**Company**") on 3 April 2017 "[f]or personal reasons and to pursue other opportunities". This cessation is the third cessation in three months of key persons of the Company, including an independent director and the Chief Financial Officer. Please:

(i) elaborate on the personal reasons for his resignation; and
(ii) explain developments in the company which may have resulted in the 3 resignations in the recent 3 months to enable investors to have a reasonable understanding of how this will impact their investments in the Company.

Company's response

(i) The Company understands that the personal reasons relating to Mr Goh Ah Lee's ("**Mr Goh**") resignation as a Director of the Company are that, having almost reached retirement age, Mr Goh had wanted to reduce his overall work and other work-related commitments and to retire earlier. In addition, Mr Goh had stepped down so as to facilitate board renewal as well as to pave the way for new leadership of the Company.

(ii) To the best of the Company's knowledge, each of the resignations of Mr Goh as an Executive Director, Mr Choo Yong Fee as an Independent Director and Mr Teo Teck Sing as the Chief Financial Officer, had been due to personal reasons. Accordingly, the Company is not aware of any development in the Company which resulted in these resignations.

SGX-ST's Query 2

We refer to the "General Announcement: Update on Matters Relating to the [S$2.8 million] Refundable Deposit to Straitsworld Advisory Limited" by the Company on 31 March 2017, which disclosed that "Michael Chan and Straitsworld have settled the legal dispute with the Medical Vendor".

Noting that on 15 August 2016, the Company had announced that "Michael Chan believes that if the legal dispute with the Medical Vendor can be resolved, Michael Chan/Straitsworld will be able to then repay the Company. The Company still requires the Refundable Deposit and accrued interest to be repaid in cash." and that:

(i) the Company had to undertake a placement on 13 December 2016 to raise proceeds of approximately S$2.2 million to fund its working capital; and
(ii) the Company's cash balance as at 31 December 2016 was S$1.57 million,

please explain why the Company is not requesting for the full amount of the S$2.8 million refundable deposit in cash.

Company's response

As announced by the Company in its announcement entitled "Update on matters relating to the refundable deposit to Straitsworld Advisory Limited" on 31 March 2017 (the "**31/03 Announcement**"), the settlement between Michael Chan and the Medical Vendor involves the assignment / novation of various rights under the Acquisition Agreements from Michael Chan and Straitsworld to the Company. Although no definitive assignment or novation agreements in

respect of the Acquisition Agreements have been entered into between the Company and the various parties as at the date of this announcement, it is the Company's current intention to continue with the transaction and acquire the medical assets directly from the Medical Vendor. Additionally, as set out in the 31/03 Announcement, the Company had commenced preliminary negotiations with the Medical Vendor with a view to participate in the equity of the Medical Vendor, and if such negotiations are successful, the refundable deposit (less cost and expenses) shall be applied to the acquisition of the equity of the Medical Vendor.

Accordingly, as the Company wishes to proceed with the transaction and the parties' intentions are for the refundable deposit to be applied to the acquisition by the Company of the equity of the Medical Vendor, the Company is, at this juncture, not requesting for the full amount of the S$2.8 million refundable deposit in cash.

SGX-ST's Query 3

The Company disclosed that "The Refundable Deposit (less cost and expenses) paid by the Company to Straitsworld had been applied by Straitsworld towards the Acquisition Agreements". As the deposit is material, pursuant to Listing Rule 703, please provide details of the Acquisition Agreements that Straitsworld has assigned/novated to the Company, since the refundable deposit of S$2.8 million "had been applied by Straitsworld towards the Acquisition Agreements".

Company's response

The Company wishes to note that the statement in the 31/03 Announcement that the "Refundable Deposit (less cost and expenses) paid by the Company to Straitsworld had been applied by Straitsworld towards the Acquisition Agreements" relates to the initial payment by Straitsworld to the Medical Vendor of the refundable deposit pursuant to the Acquisition Agreements (which the Company was not a party to). Accordingly, as the Company is not a party to the Acquisition Agreements, it is not able to announce any of the terms or details of the Acquisition Agreements or other agreements.

SGX-ST's Query 4

Please disclose how the Company is expected to fund the acquisition introduced by Straitsworld and details of the assets the Company has been assigned/novated to acquire. As the deposit alone represents 14% of the company's market capitalization of S$19.77 million, please provide Listing Rule 1010 details of the acquisition.

Company's response

As no definitive assignment or novation agreement to which the Company is a party has been entered into, and the Company is not a party to the Acquisition Agreements, the Company is not able to announce any of the terms of the Acquisition Agreements nor details of the medical assets.

In the event that the preliminary negotiations between the Company and the Medical Vendor are successful, and the parties do enter into definitive assignment or novation agreements in respect of the Acquisition Agreements, the Company intends to fund the acquisition from bank borrowings and/or fund raising exercises, including equity or debt fund raising.

The Company will make the necessary announcement(s) disclosing the details required by the relevant listing rules upon its entry into the definitive assignment or novation agreements in respect of the Acquisition Agreements.

By Order of the Board

Teoh Jin Thean
Executive Director / Chief Executive Officer
18 April 2017