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

RECEIPT OF STATUTORY DEMAND

The Board of Directors (the **"Board"**) of Lorenzo International Limited (the "**Company**") wishes to inform shareholders that the Company was on 19 February 2020 served a statutory demand under Section 254(2)(a) of the Companies Act (Cap. 50) ("**Companies Act**") dated 19 February 2020 ("**Statutory Demand**") by Drew & Napier LLC, solicitors acting for RSM Corporate Advisory Pte Ltd ("**RSM**"), the receivers of 23 Neythal Road, Singapore 628588, which belongs to Manufacture Element Prefabricate Pte Ltd ("**MEP**").

The Statutory Demand is for payment of the sum of $1,032,751.83 which is alleged to be outstanding as at **31 October 2019** ("**Outstanding Sum**") in relation to rental arrears arising out of Tenancy agreement dated 4 November 2015.

The Statutory Demand states that if the Company fails to pay or secure or compound the Outstanding Sum to the reasonable satisfaction of RSM within 3 weeks from the date of receipt of the Statutory Demand, RSM shall be entitled to apply to the High Court for a winding up order to be made against the Company.

The Company disputes the Outstanding Sum owing to MEP. It had already paid $252,351.68 to MEP Equipment Pte Ltd in January 2019 as advised by the previous shareholder of MEP pursuant to a letter dated 1 September 2018 issued by MEP to the Company, as rental of the Property for the period from July 2018 to September 2018.

The Company has spoken to RSM Singapore in the first week of March 2020 and has also written to RSM's legal counsel on 9 March 2020 and it was agreed that the outstanding rental amount will be settled after the completion of the disposal of its China subsidiary. The Company's Executive Director, Mr. Lim Pang Hern has also undertaken to be responsible for the whole Outstanding Sum.

The Board of Directors of the Company understands that the Company does not have sufficient funds to repay the amount at this point of time. The Board is of the view that the financial position of the Company will improve significantly after the completion of the corporate exercises (i.e. disposal of its Singapore and Malaysia properties and disposal of its China subsidiary) that it is currently working on.

The Board of Directors had reviewed the following factors before making a decision whether an immediate announcement is required for the Statutory Demand:-

a. The effect of the announcement if made on the conditions imposed by the bank lenders in relation to the disposal of its Singapore and Malaysia properties;
b. Whether the issue can be resolved with RSM Singapore; and
c. The amount in question is being disputed thus an announcement made may be misleading to the public.

The Company would like to clarify that the Board of Directors did not assess whether the Executive Director, Mr. Lim Pang Hern has the capacity to pay for the Outstanding Sum as it is up to the lender to accept this undertaking or not. The Board's view is that there would be sufficient monetary resources after the completion of the disposal of the China subsidiary to settle the balance outstanding payment.

By Order of the Board

Lim Pang Hern
Executive Director
13 April 2020