LORENZO INTERNATIONAL LIMITED
(Company Registration No. 200508277C)
(*Incorporated in the Republic of Singapore*)

SGX-ST QUERIES RELATING TO THE TERM SHEET WITH STRAITSWORLD ADVISORY LIMITED

The Board of Directors (the "**Board**") of Lorenzo International Limited (the "**Company**", and the Company together with its subsidiaries shall be referred to as the "**Group**") refers to the Company's announcements dated 8 May 2015, 9 June 2015, 25 June 2015, 6 July 2015 and 31 July 2015 relating to, *inter alia*, the term sheet with Straitsworld Advisory Limited.

The Board wishes to update the shareholders of the Company that it has received the queries set out below from the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company's responses to the SGX- ST queries are set out in bold italics below each question.

1. In the Company's announcement on 8 May 2015 on the Non-Binding Term Sheet with Straitsworld Advisory Ltd, the Company paid a non-refundable deposit of S$2 million for a proposed acquisition of "medical facilities comprising premises and equipment at a prime location in Singapore". Please:

   (a) Provide details of the medical facilities and equipment to be acquired, including but not limited to the size, occupancy rate, historical Return on Equity, age and remaining tenure, profitability etc;

   Answer: The Company cannot disclose details as the Company is bound by confidentiality obligations relating to acquisition of the medical facilities ("Proposed Transaction"). Further, as the Proposed Transaction is still being negotiated, it is premature at this stage to disclose details of the Proposed Transaction.

   As clarified in the Company's announcement on 31 July 2015, the deposit is $2.8 million ("Refundable Deposit") and that the terms in the term sheet ("Term Sheet") relating to the Deposit is binding on Straitsworld Advisory Limited ("Straitsworld Advisory") and the Company.

   (b) The reason for the company acquiring such medical facilities;

   Answer: The Company had disclosed as early as 30 December 2014 when it announced its intention to undertake, inter alia, a renounceable non underwritten rights issue (which was completed on 27 April 2015) that it intends to utilise the net proceeds of the rights issue to capitalise on potential growth and acquisition opportunities. The Board proposes to diversify into the medical business. As such, it is in negotiations to acquire the medical facilities so that it can enter into the medical business. The Board envisages that the medical business comprises the provision of a comprehensive range of healthcare services, which includes but are not limited to, inter alia, specialist medical care, general practice medicine, dentistry, health screening, wellness services, as well as the development, investment and management of medical imaging diagnostics and day surgery facilities.

The reason the Company wishes to diversify into the medical business is that the Company believes that the proposed diversification will reduce the Group's reliance on its existing core business, offer new business opportunities, provide the Group with new revenue streams and improve its prospects. Given the uncertainties in the current global economic outlook as well as the property market, the Board believes it is more prudent to not rely solely on its existing core business.

(c) Material terms of the termsheet;

Answer: The material terms of the term sheet have been disclosed in the earlier announcements. However, the Company cannot disclose details of the Proposed Transaction as the Company is bound by confidentiality obligations. Further, as the Proposed Transaction is still being negotiated, it is premature at this stage to disclose details of the Proposed Transaction.

(d) The size of the medical facilities and the tenure of the facilities;

Answer: The Company cannot disclose details as the Company is bound by confidentiality obligations relating to the Proposed Transaction. Further, as the Proposed Transaction is still being negotiated, it is premature at this stage to disclose details of the Proposed Transaction.

(e) Whether the Company requires any licenses to operate the facility should this be acquired;

Answer: Yes.

(f) It was disclosed that the "relative figure of the Deposit compared with the Company's market capitalization" is 10.4%. Please disclose this relative figure based on the estimated valuation of the facilities and the estimated size of the transaction;

Answer: The Company cannot disclose computation of the relative figures with reference to the estimated valuation of the facilities and the estimated size of the transaction as the Company is bound by confidentiality obligations of the Proposed Transaction. Further, as the transaction is still being negotiated, it is premature at this stage to disclose details of the Proposed Transaction.

(g) Reason why a S$2 million Deposit had to be paid under a non-binding term sheet; and

Answer: As clarified in the Company's announcement dated 31 July 2015, the terms relating to the Deposit are binding on the parties. The S$2.8 million Deposit was a commitment fee paid to secure the Proposed Transaction and will if a definitive agreement is entered into be utilised as part payment of the purchase price. If however a binding definitive agreement on the Proposed Transaction is not entered into by the relevant date (which has currently been extended from 31 July 2015

to 14 August 2015), the S$2.8 million Deposit will be refunded to the Company by Straitsworld Advisory.

(h) How the acquisition is expected to be funded.

Answer: The Company intends to undertake fund raising exercises to fund the acquisition and is currently exploring its funding options.

2. It was disclosed that the sole legal and beneficial shareholder of the Vendor, Mr. Michael Chan Ewe Teck holds 4.58% of the shares in the Company and is currently appointed as an advisor to the Company. Please disclose the scope of his advisory role, the terms of the appointment, the fees paid for the advisory services, the date of his appointment and the reason why he has to be appointed as the advisor for this transaction.

Answer:

Scope of advisory role – Straitsworld Advisory was appointed on 14 November 2014 as Advisor to assist the Company in the management of strategic investments and growth opportunities within core and new markets.

Straitsworld Advisory agreed, inter alia, that it shall use its best endeavours and shall perform the following duties and responsibilities with diligence and efficiency:

- ***Sourcing for business opportunities for joint-ventures, acquisition or other methods.***
- ***Sourcing for funds for business expansions and investments.***
- ***Advising on the Company's business strategies and operations efficiency.***
- ***Carry out the deliverables to comply with the Company's business policies.***

Fees paid for advisory services –a fixed monthly advisory fee of S$50,000 to Straitsworld Advisory.

Duration of appointment – 1 November 2014 to 30 October 2016 (subject to review and renewal 3 months before expiry). Either the Company or Straitsworld Advisory can terminate the agreement at any time giving not less than 1 months' notice in writing without having to assign any reason whatsoever.

Reason for appointment – As explained above, the Company had on 30 December 2014 already disclosed that it intends to capitalise on potential growth and acquisition opportunities. The Board believes that the sole shareholder and director of Straitsworld Advisory, Mr Michael ET Chan ("Mr Chan") has the necessary expertise and contacts to assist the Board in achieving its objectives.

Mr Chan specializes in sophisticated and innovative corporate restructuring and turnaround of multi-division organizations. He has over 25 years of practical experience in public reporting, investor relations, strategic negotiations and international business. Mr Chan is presently a director of Santa Fei Investment Pte. Ltd., where he undertakes work on, inter alia, equity financing, strategic planning and negotiations, acquisitions and

strategic alliances, treasury and risk management, international operations, operations management and turnaround management.

3. Please provide the Board's view as to whether there is any conflict of interest in the dual role of appointing Mr. Michael Chan as the advisor to the Company as well as the Vendor of the medical facility and equipment and provide the basis for the Board's view. Please disclose the safeguards put in place to ensure that any possible conflicts of interests have been properly mitigated by this dual role of Mr. Chan in the transaction.

   Answer: The Board does not consider that there is any significant conflict of interest that will prejudice the interest of the Company and the shareholders for the following reasons:-

   (a) the proposed transaction is being negotiated on arms length commercial basis;

   (b) Mr Chan is only an advisor and has no decision making powers in the Group;

   (c) Mr Chan has to work with the senior management of the Company to formulate and finalise the terms of the Proposed Transaction. The senior management has to first accept his proposal before the proposal is tabled to the Board for its deliberation and approval;

   (d) Mr Chan is also not a director on the Board and the decision as to whether the terms of the Proposed Transaction will be approved rests solely on the Board. The Board comprises four executive directors and three independent directors.

4. Disclose whether any directors or key management or their respective associates have any interest, directly or indirectly, in the proposed acquisition.

   Answer: None of the Directors or key management or their respective associates have any interest, directly or indirectly in the Proposed Transaction.

BY ORDER OF THE BOARD

Teoh Jin Thean
Executive Director / CEO
Singapore, 31 July 2015