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**") 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 29 February 2016, the Company stated that, with respect to Michael Chan/Straitsworld, "further legal proceedings have been commenced to inter alia recover a further part (S$2,281,620) of the Refundable Deposit. The MC/SW Solicitors have in this regarded forwarded to the Company a copy of the writ of summons in respect of the claim for inter alia the further S$2,281,620 that was filed in the High Court of Singapore on 29 February 2016." This was in addition to the writ filed by Michael Chan/Straitsworld on 25 February 2016 announced by the Company.

   Please provide an update on the outcomes of both writs filed with the High Court of Singapore.

   Answer:

   The Company have been informed that legal proceedings are ongoing and dates have been scheduled for trial sometime in April 2017.

2. Please provide details of why Michael Chan/Straitsworld are not repaying the Company's refundable deposit of S$2.8 million (the "Refundable Deposit") and the interest(if any) accrued to date. Please explain why the Company does not require the Refundable Deposit and interest (if any) to be repaid in cash.

   Answer:

   The Company has been informed by Michael Chan that he and Straitsworld, are currently trying to resolve the legal dispute with the vendor of the medical facilities ("Medical Vendor") and had requested the Company gives him more time to do so. 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. However, as announced on 8 August 2016, the Company are still in discussions with Michael Chan on a potential alternative option as a means of repaying the Refundable Deposit.

3. Please provide sufficient information to the extent necessary for a reasonable understanding of what due diligence had been undertaken by the group to assess the background and financial

position of Michael Chan/Straitsworld before signing the Term Sheet, paying the deposit, and subsequently increasing the deposit paid from S$2 million to S$2.8million. Please include a discussion of the significant factors that affected the Board's decision in accepting that Michael Chan/Straitsworld would have been able to refund the deposit when such payment was made.

Answer:

It is already disclosed in the Company's announcement on 31 July 2015 that Straitsworld (in which Michael Chan is the sole shareholder and director) was appointed on 1 November 2014 as the advisor to the Company. Please note that the appointment as advisor was terminated on 17 September 2015 as announced by the Company on 29 September 2015.

The announcement on 31 July 2015 had given the reason as to why the Company appointed Straitsworld as the advisor in November 2014. In that announcement, the Company said:

> ***"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.".***

The Company was introduced to Michael Chan/Straitsworld around end 2013/early 2014 as someone who can assist the Group in exploring potential growth and acquisition opportunities with a view of enhancing value of the Group for the shareholders of the Company ("Shareholders"). In fact it was Michael Chan/ Straitsworld who had successfully worked with the Company to raise funds through a placement exercise undertaken by the Company sometime in February 2014. In addition, Michael Chan/Straitsworld also worked with the Company around December 2014 to assist the Company to undertake a non-underwritten renounceable rights issue. The said rights issue completed sometime in April 2015. In the said rights issue, the Company had disclosed that the rationale of the rights issue was a strategic initiative to raise additional funding to strengthen the financial position of the Group by enlarging the Company's working capital and capital base and enhancing the financial flexibility of the Group to capitalise on potential growth and acquisition opportunities.

The Company had worked with Michael Chan/Straitsworld since early February 2014 in the above described corporate exercises which successfully completed and which raised aggregate net proceeds of approximately S$6.2m for the Group. Further, Straitsworld, at the time the Term Sheet was signed, was the advisor to the Company and worked closely with the Company to explore investment opportunities.

It was against the above backdrop that subsequently after the completion of the rights issue, Michael Chan/Straitsworld proposed to the Company the possibility of acquiring a medical business and introduced the Medical Vendor to the Company. The Board took the view that

the proposal was attractive and this eventually led the Company to enter in the Term Sheet and the Company paid to Straitsworld the Refundable Deposit of S$2.8 million. In addition, the Company was aware (as it was informed by Michael Chan/Straitsworld) that Michael Chan/Straitsworld had executed certain binding agreements with the Medical Vendor and had also made certain payments to the Medical Vendor in respect of the proposed acquisition by Michael/ Chan/Straitsworld of the medical facilities owned by the Medical Vendor. The Board at that point took the view that the Group should diversify into the medical business.

The Board wishes to state that it had at the relevant time exercised its judgment having regard to the above facts to decide to pay Michael Chan/Straitsworld the Refundable Deposit of S$2.8 million.

4. Please disclose the steps taken by the Board to assess whether Michael Chan/Straitsworld have, and continue to have, the ability to repay the Refundable Deposit and interest (if any). Please disclose whether any legal action has been taken to recover the Refundable Deposit, and if not, the reasons why.

Answer:

Please refer to Company's response to SGX-ST's Query 2 above as well as to the Company's announcement on 8 August 2016.

BY ORDER OF THE BOARD

Teoh Jin Thean
Executive Director / CEO
Singapore
15 August 2016