



Regulatory Action

27 March 2025

SGX-ST Listings Disciplinary Committee reprimands Lorenzo International Limited, Executive Director and former Deputy Chairman Lim Pang Hern and former CFO Teo Kok Meng

Public Reprimand: Breaches of Listing Rules

1. The SGX-ST Listings Disciplinary Committee (“**LDC**”) reprimands Lorenzo International Limited (the “**Company**”) for breaching Mainboard Rules in relation to its disposal of its wholly-owned subsidiary, Lorenzo Furniture (Kunshan) Co Ltd, (the “**Disposal**”) without first obtaining shareholder approval. The Disposal was pursuant to an order by the People’s Court of Qingpu District, Shanghai, People’s Republic of China on the terms of an agreement that the Company had entered into. The terms of the agreement had not stated that the disposal of the subsidiary must be conditional upon shareholder approval even though such approval would have been required under the Listing Rules. The Company also failed to immediately announce the Disposal, the commencement of legal proceedings in respect of the Disposal (the “**Legal Proceedings**”), and the subsequent unsuccessful appeal against the court order. The Company breached the following Mainboard Rules:
 - (a) Mainboard Rule 1014(1) by failing to immediately announce the Disposal, which was classified as a major transaction;
 - (b) Mainboard Rule 1014(2) by failing to make the Disposal, which was classified as a major transaction, conditional upon approval by shareholders in a general meeting;
 - (c) Mainboard Rule 703(1)(a) by failing to announce that the Company had entered into an agreement which removed the condition precedent that the Disposal was conditional upon the Company obtaining the approval of its shareholders at a general meeting, which was information known to the Company concerning it which was necessary to avoid the establishment of a false market in its securities;
 - (d) Mainboard Rule 703(1)(a) read with paragraph 8(m) of Appendix 7.1 (Corporate Disclosure Policy of the Listing Manual) (“**Appendix 7.1**”) by failing to disclose the Legal Proceedings;

- (e) Mainboard Rule 703(1)(a) by failing to announce the outcome of the Legal Proceedings, which was information known to the Company concerning it which was necessary to avoid the establishment of a false market in its securities;
 - (f) Mainboard Rule 703(1)(a) by failing to announce the commencement and dismissal of the Company's appeal against the outcome of the Legal Proceedings, which was information known to the Company concerning it which was necessary to avoid the establishment of a false market in its securities;
 - (g) Mainboard Rule 703(4)(a) read with paragraph 25(a) of Appendix 7.1 by making announcements in relation to the Legal Proceedings which were inaccurate and misleading; and
 - (h) Mainboard Rule 719(1) by failing to have in place adequate and effective systems of internal controls (including financial, operational, compliance and information technology controls) and risk management systems.
2. The LDC also reprimands the Executive Director and former Deputy Chairman of the Company, Lim Pang Hern ("**Lim**") for:
- (a) having regard to Mainboard Rules 1402(5) and 1402(6), causing the Company to breach Mainboard Rules 1014(1), 1014(2), 703(1)(a), 703(1)(a) read with paragraph 8(m) of Appendix 7.1, 703(4)(a) read with paragraph 25(a) of Appendix 7.1 and 719(1); and
 - (b) breaching Mainboard Rule 720(1) read with Mainboard Rule 210(5)(b) by failing to demonstrate the character and integrity expected of a director of a listed issuer.
3. The LDC also reprimands the former Chief Financial Officer of the Company, Teo Kok Meng ("**Teo**") for, having regard to Mainboard Rules 1402(5) and 1402(6), causing the Company to breach Mainboard Rules 1014(1), 703(1)(a), 703(1)(a) read with paragraph 8(m) of Appendix 7.1 and 703(4)(a) read with paragraph 25(a) of Appendix 7.1.
4. In addition, the LDC has required:
- (a) Lim to provide a signed written undertaking not to seek or be appointed to any directorship on the board of directors, or role as a key executive officer (as defined in the Listing Rules), of issuers whose securities are listed on the SGX Mainboard or Catalist for a period of two and a half years starting from 26 February 2025; and
 - (b) Teo to provide a signed written undertaking not to seek or be appointed to any directorship on the board of directors, or role as a key executive officer (as defined in the Listing Rules), of issuers whose securities are listed on the SGX Mainboard or Catalist for a period of one year starting from 26 February 2025.

5. In imposing the sanctions, the LDC took into consideration the delays and misleading announcements regarding the Legal Proceedings, which in the LDC's view pointed strongly to deliberate conduct amounting to dishonesty on Lim's part. The LDC also viewed seriously the failure to make the Disposal conditional upon approval by shareholders in a general meeting, which deprived shareholders of their rights.
6. The LDC's Grounds of Decision is attached.

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