

LORENZO INTERNATIONAL LIMITED

(Co. Reg. No.: 200508277C)

Financial Statements and Dividend Announcement For the period ended 31 March 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group				
	15 months ended 31/03/2017 (unaudited)	12 months ended 31/12/2016 (unaudited)	Year ended 31/12/2015 (audited)	Increase/ (Decrease) Mar 17 v Dec 15	Increase/ (Decrease) Dec 16 v Dec 15
	S\$'000	S\$'000	S\$'000	%	%
Revenue	57,184	42,423	53,752	6.38	(21.08)
Cost of sales	(32,619)	(24,806)	(32,237)	1.18	(23.05)
Gross Profit	24,565	17,617	21,515	14.18	(18.12)
Other operating income	6,685	3,497	2,011	232.42	73.89
Administrative expenses	(23,404)	(19,025)	(23,024)	1.65	(17.37)
Distribution and marketing costs	(4,174)	(3,994)	(6,278)	(33.51)	(36.38)
Other operating expenses	(4,199)	(3,472)	(11,370)	(63.07)	(69.46)
Finance costs	(1,176)	(955)	(909)	29.37	5.06
(Loss)/ Profit before taxation	(1,703)	(6,332)	(18,055)	(90.57)	(64.93)
Taxation	(534)	(456)	(711)	(24.89)	(35.86)
(Loss)/ Profit after taxation	(2,237)	(6,788)	(18,766)	(88.08)	(63.83)
(Loss)/ Profit attributable to: Equity holders of the Company	(2,237)	(6,788)	(18,766)	(88.08)	(63.83)

Profit/ (Loss) for the period is arrived after charging / (crediting) the following items:

	15 months ended 31/03/2017 (unaudited)	12 months ended 31/12/ 2016 (unaudited)	Year ended 31/12/2015 (audited)	Increase/ (Decrease) Mar 17 v Dec 15	Increase/ (Decrease) Dec 16 v Dec 15
	S\$'000	S\$'000	S\$'000	%	%
	Interest income	(40)	(40)	(114)	(64.91)
Interest expense	1,093	940	898	21.71	4.68
Depreciation of property, plant & equipment	2,690	2,237	2,941	(8.53)	(23.94)
Amortisation of land use rights	22	14	33	(33.33)	(57.58)
Foreign exchange (gain)/loss net	592	436	(133)	(545.11)	(427.82)
Gain on disposal of property, plant & equipment	(364)	(139)	(10)	3,540.00	1,290.00
Loss on disposal of property, plant & equipment	2	2	-	nm	nm
Property, plant & equipment written off	-	-	213	(100.00)	(100.00)
Impairment loss on trade receivables	2	2	2,579	(99.92)	(99.92)
Impairment loss on trade receivables written back	(1,236)	-	-	nm	nm
Inventories written off	-	-	31	(100.00)	(100.00)
Provision for slow-moving stock	83	84	1,397	(94.06)	(93.99)
Provision for slow-moving stock written back	(1,063)	-	-	nm	nm
Provision for refundable deposit paid	-	-	2,800	(100.00)	(100.00)
Impairment of property, plant and equipment	-	-	430	(100.00)	(100.00)

nm – not meaningful

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1(b) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	15 months ended 31/03/2017 (unaudited)	12 months ended 31/12/2016 (unaudited)	Year ended 31/12/2015 (audited)	Increase/ (Decrease) Mar 17 v Dec 15	Increase/ (Decrease) Dec 16 v Dec 15
	S\$'000	S\$'000	S\$'000	%	%
(Loss) for the year	(2,237)	(6,788)	(18,766)	(88.08)	(63.83)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss, at nil tax	-	-	-	-	-
Foreign currency translation differences – foreign operations, at nil tax	(674)	(366)	(1,274)	(47.10)	(71.27)
Other comprehensive (loss)/ income for the period/ year	(674)	(366)	(1,274)	(47.10)	(71.27)
Total comprehensive (loss)/ income for the year attributable to owners of the Company	(2,911)	(7,154)	(20,040)	(85.47)	(64.30)

1(c)(i) A balance sheet (for the Issuer and Group), together with a comparative statement as at the end of the immediate preceding financial year

	Group			Company		
	As at 31Mar 2017 (unaudited)	As at 31 Dec 2016 (unaudited)	As at 31 Dec 2015 (audited)	As at 31Mar 2017 (unaudited)	As at 31 Dec 2016 (unaudited)	As at 31 Dec 2015 (audited)
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS:						
Non-Current Assets						
Land use rights	1,088	1,125	1,210	-	-	-
Property, plant and equipment	17,716	18,437	21,038	49	48	61
Other receivables	407	446	575	-	-	-
Investment in subsidiaries	-	-	-	25,372	25,372	25,372
Deferred tax assets	12	8	7	-	-	-
	19,223	20,016	22,830	25,421	25,420	25,433
Current Assets:						
Land use rights	31	32	33	-	-	-
Inventories, at cost	11,556	13,621	16,426	-	-	-
Amount due from subsidiaries	-	-	-	4,894	4,921	3,209
Trade and other receivables	15,802	11,214	9,129	220	258	176
Fixed deposits with banks	49	49	361	-	-	-
Cash and cash equivalents	2,982	2,413	2,373	8	4	8
	30,420	27,329	28,322	5,122	5,183	3,393
Total assets	49,643	47,345	51,152	30,543	30,603	28,826
EQUITY AND LIABILITIES:						
Capital and Reserve						
Share capital	39,949	39,949	36,554	39,949	39,949	36,554
Reserves	(23,850)	(28,092)	(20,939)	(12,047)	(11,731)	(10,345)
	16,099	11,857	15,615	27,902	28,218	26,209
Non-current liabilities						
Borrowings	205	252	347	-	-	-
Deferred tax	186	188	191	-	-	-
Deferred income	44	40	40	-	-	-
	435	480	578	-	-	-
Current Liabilities						
Trade and other payables	20,062	19,113	15,952	1,031	721	837
Deferred income	29	30	31	-	-	-
Amount due to a subsidiary	-	-	-	1,610	1,664	1,780
Provision for taxation	98	107	61	-	-	-
Borrowings	12,920	15,758	18,915	-	-	-
	33,109	35,008	34,959	2,641	2,385	2,617
Total equity and liabilities	49,643	47,345	51,152	30,543	30,603	28,826

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1(c)(iii) Aggregate amount of the Group's borrowings and debt securities.

	As at 31 March 2017		As at 31 December 2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	12,920	-	18,915	-
Amount repayable after one year	205	-	347	-

Details of any collateral

All bank facilities are secured and guaranteed by the Company, except those of Malaysia subsidiaries which are secured and guaranteed by one or more of the following:-

- a guarantee given by the Company;
- a guarantee given by a subsidiary;
- first legal mortgage of the Group's leasehold properties;
- debenture over a subsidiary's present and future fixed and floating assets.

1(d) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	15 months ended 31/03/2017 (unaudited) S\$'000	12 months ended 31/12/2016 (unaudited) S\$'000	Year ended 31/12/2015 (audited) S\$'000
Cash Flows from operating activities			
Loss before taxation	(1,703)	(6,332)	(18,055)
Adjustments for:-			
Amortisation of land use rights	22	14	33
Depreciation of property, plant and equipment	2,690	2,237	2,941
Impairment loss on property, plant and equipment	-	-	426
Property, plant & equipment written off	22		213
(Gain)/ loss on disposal of available-for-sale financial assets	(364)	(139)	(10)
Interest expense	1,093	941	898
Interest income	(40)	(40)	(114)
Operating profit/(loss) before working capital changes	1,720	(3,319)	(13,668)
Changes in inventories	4,870	2,805	5,240
Changes in operating receivables	(6,374)	(1,884)	10,529
Changes in operating payables	828	3,009	(1,338)
Net cash generated from operations	1,044	611	763
Interest expense	(1,093)	(941)	(898)
Income tax paid	(882)	(721)	(1,083)
Net cash used in operating activities	(931)	(1,051)	(1,218)
Cash Flows generated from/(used in) investing activities			
Acquisition of property, plant and equipment	(390)	(237)	(1,093)
Proceed from disposal of property, plant and equipment	374	149	17
Proceed from available-for-sales of financial assets		-	-
Interest received	40	40	114
Net cash generated from/(used in) investing activities	24	(48)	(962)
Cash Flows generated from/(used in) financing activities			
Proceeds from Issue of Shares	3,394	3,394	3,772
Repayment of Shares related expenditure	-	-	(200)
Repayment of bank loans	-	-	(288)
Proceeds from bank loan	257	249	-
Repayment/ Net proceeds of trust receipts and bills payable	(3,072)	(2,128)	(6,900)
Loan from directors	3,282	152	-
Repayment of finance lease liabilities	(420)	(318)	(398)
Net cash generated from/(used in) financing activities	3,441	1,349	(4,014)
Net increase/(decrease) in cash & cash equivalents	2,534	250	(6,194)
Cash & cash equivalents at beginning of the period	(3,772)	(3,772)	2,766
Net effect of exchange rate changes on balance of cash and cash equivalents at beginning of the year	664	532	(344)
Cash and cash equivalents at end of the period	(574)	(2,990)	(3,772)

Note 1:

Cash and cash equivalents at end of the period

	Group		
	15 months ended 31/03/2017 (unaudited)	12 months ended 31/12/2016 (unaudited)	Year ended 31/12/2015 (audited)
	S\$'000	S\$'000	S\$'000
Cash and bank balances	2,982	2,413	2,373
Fixed deposit	49	49	361
Bank overdraft	(3,605)	(5,452)	(6,506)
	(574)	(2,990)	(3,772)

1(d)(i) A statement (for the Issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company							Total Equity
	Exchange Translation Reserves	Statutory Common Reserve	Capital Reserve	Merger Reserve	Fair Value Reserve	Retained earnings	Share Capital	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group								
2017								
Balance as at 1 Jan 2016	(4,629)	68	838	(3,282)	(11)	(13,922)	36,554	15,616
Issue of new shares	-	-	-	-	-	-	3,496	3,496
Share expenses	-	-	-	-	-	-	(101)	(101)
Loss for the year	-	-	-	-	-	(6,788)	-	(6,788)
Other comprehensive income/(loss)	(366)	-	-	-	-	-	-	(366)
Balance at 31 Dec 2016	(4,995)	68	838	(3,282)	(11)	(20,710)	39,949	11,857
Profit for the period	-	-	-	-	-	4,551	-	4,551
Other comprehensive income/(loss)	(309)	-	-	-	-	-	-	(309)
Balance at 31 Mar 2017	(5,304)	68	838	(3,282)	(11)	(16,159)	39,949	16,099
2015								
Balance as at 1 Jan 2015	(3,355)	68	838	(3,282)	(11)	4,843	32,982	32,083
Issue of new shares	-	-	-	-	-	-	3,772	3,772
Share expenses	-	-	-	-	-	-	(200)	(200)
Loss for the year	-	-	-	-	-	(18,765)	-	(18,765)
Other comprehensive income/(loss)	(1,274)	-	-	-	-	-	-	(1,274)
Balance at 31 Dec 2015	(4,629)	68	838	(3,282)	(11)	(13,922)	36,554	15,616

	Retained earnings	Share Capital	Total Equity
	S\$'000	S\$'000	S\$'000
Company			
2017			
Balance as at 1 Jan 2016	(10,345)	36,554	26,209
Issue of new shares	-	3,496	3,496
Share expenses	-	(101)	(101)
Loss for the year	(1,386)	-	(1,386)
Balance at 31 Dec 2016	(11,731)	39,949	28,218
Loss for the period	(316)	-	(316)
Balance at 31 Mar 2017	(12,047)	39,949	27,902
2015			
Balance as at 1 Jan 2015	144	32,982	33,126
Issue of new shares	-	3,772	3,772
Share expenses	-	(200)	(200)
Loss for the year	(10,489)	-	(10,489)
Balance at 31 Dec 2015	(10,345)	36,554	26,209

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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issues of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issue and fully paid	Ordinary Shares
Balance as at 1 January 2016	313,800,466
Placement shares on 26 April 2016	60,000,000
Placement shares on 13 December 2016	65,600,000
Balance as at 31 December 2016 and 31 March 2017	439,400,466

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company	At 31/03/2017	At 31/12/2015
Total number of issued shares	313,800,466	259,906,158
Issue of ordinary shares	125,600,000	53,894,308
Total number of issued shares excluding treasury shares	439,400,466	313,800,466

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company has no treasury shares as at 31 March 2017 and 31 December 2015.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualification or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in the paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the Group's financial statements for the financial period ended 31 March 2017 as compared with its audited financial statements for the year ended 31 December 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and effect of, the change.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period compared with the audited annual financial statements for the financial year ended 31 December 2015, except for the adoption of certain new and revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that became effective for the annual period beginning on or after 1 January 2016.

The adoption of these new and revised FRS and INT FRS from the effective date is not expected to result in any material adjustments or substantial impact to the financial statements of the Group for the current financial reporting period reported on.

6. Profit/(Loss) per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

(Loss)/ Profit per ordinary share:

Based on weighted average number of ordinary shares in issue

- On fully diluted basis

Group	
Period ended 31 March 2017	Year ended 31 Dec 2015
(0.60) cents	(6.38) cents
(0.60) cents	(6.38) cents

The loss per share of the Group for the period ended 31 March 2017 was computed based on the weighted average number of shares in issue of 370,920,466 (31 December 2015: 300,326,899)

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7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

Group		Company	
31 03 2017	31 12 2015	31 03 2017	31 12 2015
3.66 cents	4.98 cents	6.35 cents	8.35 cents

Net asset value per share for the period based on the number of shares in issue.

The net assets value per ordinary share is based on the number of shares in issue of 439,400,466 as at 31 March 2017 (31 December 2015: 313,800,466).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review commentary on income statement for period ended 31 March 2017

Revenue

The Group registered a revenue amounting to S\$57.2 million for the fifteen months financial period ended 31 March 2017 (FY2017) compared to S\$53.7 million in the previous corresponding year (FY2015). The increase in revenue of S\$3.5 million was due to higher revenue generated from its Taiwan's unit of its Furniture segment. Group revenue would be lower by S\$11.3 million if the financial year end remained as 31 December 2016.

Cost of Goods Sold and Gross Profit

Cost of sales remained flat at S\$32.7 million despite an increase in revenue. This resulted in our gross profit to improve by 14.2% or S\$3 million in FY2017 compared to FY2015. Cost of sales would be S\$7.4 million lower and gross profit S\$3.9 million lower if there was no change to its financial year.

Other operating income

Other operating income increased by S\$4.7 million from S\$2.0 million in FY2015 to S\$6.7 million in FY2017. The increase was mainly due to higher rental income and sundry income and the write back of allowance for doubtful debts and slow moving inventories of S\$1.2 million and S\$1.0 million respectively.

Administrative expense

Administrative expense increased by S\$0.4 million or 1.65 percent compared to S\$23.0 million in FY2015. This was due to expenses incurred for an additional three (3) months in the period under review. Administrative expense would be S\$4 million lower if there was no change in financial year end. The decrease was mainly due to reduction of salary related expenses.

Distribution and Marketing costs

Distribution and Marketing cost decreased from S\$6.3 million in FY2015 to S\$4.2 million in FY2017. The decrease arose mainly from reduction of advertisement and promotion expense offset by the incurrence of an additional three months expenses. The decrease would amount to S\$2.3 million if there was no change to the financial year end.

Other operating expense

Other operating expense decreased by S\$7.1 million from S\$11.4 million in FY2015 to S\$4.2 million in FY2017. This was mainly attributable to the provision for refundable deposit of S\$2.8 million and provision for doubtful debts of S\$2.6 million and higher provision for slow-moving inventories of S\$1.3 million made in FY2015.

Finance cost

Finance cost increase by S\$0.3 million compared to S\$0.9 million in FY2015. The increase was due to additional interest expense incurred for an additional three months in FY2017. It remained flat if there was no change to the financial year end.

Taxation

Income tax expense of the Group decreased by S\$0.2 million from S\$0.7 million in FY2015 to S\$0.5 million in FY2017. This was attributable mainly to lower taxes provided owing to loss generated.

Loss for the period

The Group reported a lower loss of \$2.2 million in FY2017 compared to S\$18.8 million in FY2015. The improvement was due to lower distribution and marketing costs, other operating expenses and income tax expense. Loss for the period would be S\$6.8 million if the Group did not change its financial year end.

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Balance Sheet

Non-Current Assets

Non-current assets of the Group decreased by S\$3.6 million from S\$22.8 million at 31 December 2015 to S\$19.2 million at 31 March 2017. This was mainly attributable to depreciation charges of property, plant and equipment and amortisation charges of land use rights.

Current Assets

The Group's reported current assets amounting to approximately S\$30.4 million as at 31 March 2017. (31 December 2015: S\$28.3 million). The increase was mainly due to increase in trade and other receivables offset by a reduction of inventories.

The increase in trade and other receivables was due to sales generated during the year end. The lower inventories was due to reduction in raw materials.

Non-Current Liabilities

The Group's non-current liabilities stood at S\$0.4 million at 31 March 2017 (31 December 2015: S\$0.6 million). The decrease was due to repayment of long term borrowings.

Current Liabilities

The Group's current liabilities position decreased by S\$1.8 million from S\$34.9 million as at 31 December 2015 to S\$33.1 million as at 31 March 2017. The decrease was mainly attributable to a reduction in borrowings of S\$6 million offset by an increase of trade and other payables of S\$4.1 million.

Capital and Reserves

As at 31 March 2017, the Group had shareholders' equity of S\$16.1 million compared to S\$15.6 million at 31 December 2015. This was due to increase of share capital via placement shares during the period offset by increase in accumulated loss and exchange translation loss.

Cash flow Statement

Net cash used in operating activities was S\$0.9 million in FY2017 compared to S\$1.2 million in FY2015. This was due to decrease in inventories of S\$4.9 million, increase in trade and other payables of S\$0.8 million offset by increase in trade and other receivables of S\$6.3 million and lower income tax paid.

Net cash flow generated from investing activities as approximately s\$0.02 million, as a result of proceeds from disposal of property, plant and equipment amounting to S\$0.4 million offset by acquisition of property, plant and equipment of S\$0.38 million and interest received of S\$0.04 million.

Net cash flow generated from financing activities was S\$3.4 million compared to net cash flow used in financing activities of S\$4.0 million in FY2015. This arose from proceed from issue of shares amounting to S\$3.4 million, loan from directors of S\$3.3 million offset by repayment of trust receipts and bills payable and finance lease liabilities of S\$3.1 million and S\$0.4 million respectively.

Cash and cash equivalents increased by S\$2.5 million mainly as a results of net cash generated from financing activities.

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9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group will continue to face the challenges of weak demand for furniture in both Malaysia and Singapore as a result of lower consumer demand and weak demand in residential property respectively.

The Group will manage the business challenges by exploring new opportunities to improve its future income stream and reduce its overall cost and expenses.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the financial period reported on.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained general mandate from shareholders for Interested Person Transactions ("IPT"). Save as disclosed in the Group's half year results announcement on 8 August 2016, there was no IPT exceeding S\$100,000 conducted by the Group during the current financial period reported on.

14. Update on the use of placement proceeds.

As at the date of this announcement, the utilisation of the placements proceeds is as follows:-

	Placement on 28/04/2016	Placement on 13/12/2016
	S\$'000	S\$'000
Net proceeds	1,160	2,244
Utilisation:		
Payment of suppliers and trade lines	55	1,965
Repayment of bank facilities	974	-
Payroll expenses	88	239
General operating expenses	43	40
	1,160	2,244

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PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. *Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.*

The Group has decided to change the presentation of its segment information for the current reporting period as it is primarily engaged in two business segments namely:

- (a) Furniture; and
- (b) Building material

In previous years, the Furniture business was organised into Retail, Export and Licensing Retail system ("LRS"). During the financial period, the Group decided to monitor the operating results based on the nature of the businesses. The current segment information provide management with details on revenue, segment results, addition to capital expenditure and segment assets and liabilities of the business segments.

	Furniture business	Building material business	Unallocated	Total
(unaudited)	S\$'000	S\$'000	S\$'000	S\$'000
2017				
Revenue				
Total revenue	61,919	5,722	-	67,641
Inter-company	(10,457)	-	-	(10,457)
External revenue	<u>51,462</u>	<u>5,722</u>	<u>-</u>	<u>57,184</u>
Results				
Segment results	(1,435)	2,584	(1,676)	(527)
Finance cost	(974)	(177)	(25)	(1,176)
Profit/(Loss) before income tax	<u>(2,409)</u>	<u>2,407</u>	<u>(1,701)</u>	<u>(1,703)</u>
Income tax expense				(534)
Profit/(Loss) for the period				<u><u>(2,237)</u></u>
Non-cash Items				
Depreciation of property, plant & equipment	(2,674)	-	(16)	(2,690)
Gain on disposal of PPE	248	116	-	364
Loss on disposal of PPE	(2)	-	-	(2)
Amortisation of intangible assets	(22)	-	-	(22)
PPE written off	(22)	-	-	(22)
Allowance for doubtful debts written back	-	1,236	-	1,236
Allowance for doubtful debts	-	-	-	-
Bad debts written off	(2)	-	-	(2)
Bad debts recovered	-	2	-	2
Inventories written off	-	-	-	-
Allowance for inventory obsolescence	(83)	-	-	(83)
Allowance for inventory obsolescence written back	132	931	-	1,063
Capital Expenditure				
Property, plant & equipment	386	-	4	390
Intangible asset	-	-	-	-
Assets and Liabilities				
Segment assets	41,788	6,839	277	48,904
Tax recoverable	727	-	-	727
Deferred tax assets	<u>12</u>	<u>-</u>	<u>-</u>	<u>12</u>
Segment liabilities	27,418	4,812	1,030	33,260
Provision for taxation	98	-	-	98
Deferred taxation	<u>186</u>	<u>-</u>	<u>-</u>	<u>186</u>

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	Furniture business	Building material business	Unallocated	Total
2015	S\$'000	S\$'000	S\$'000	S\$'000
Revenue				
Total revenue	62,629	6,171	-	68,800
Inter-company	(15,048)	-	-	(15,048)
External revenue	<u>47,581</u>	<u>6,171</u>	<u>-</u>	<u>53,752</u>
Results				
Segment results	(6,927)	(4,619)	(5,600)	(17,146)
Finance cost	(748)	(155)	(6)	(909)
Profit/(Loss) before income tax	<u>(7,675)</u>	<u>(4,774)</u>	<u>(5,606)</u>	<u>(18,055)</u>
Income tax expense				(711)
Profit/(Loss) for the period				<u>(18,766)</u>
Non-cash Items				
Depreciation of property, plant & equipment	(2,759)	(180)	(2)	(2,941)
Gain on disposal of PPE	16	-	-	16
Loss on disposal of PPE	(6)	-	-	(6)
Amortisation of intangible assets	(450)	-	-	(450)
Impairment of Non current assets	-	(430)	-	(430)
PPE written off	(193)	(20)	-	(213)
Allowance for doubtful debts written back	-	-	-	-
Allowance for doubtful debts	-	(2,579)	(2,800)	(5,379)
Bad debts written off	(2)	-	-	(2)
Bad debts recovered	-	7	-	7
Inventories written off	(31)	-	-	(31)
Allowance for inventory obsolescence	(1,306)	(460)	-	(1,766)
Allowance for inventory obsolescence written back	369	-	-	369
Capital Expenditure				
Property, plant & equipment	771	258	64	1,093
Intangible asset	-	-	-	-
Assets and Liabilities				
Segment assets	44,888	5,629	245	50,762
Tax recoverable	383	-	-	383
Deferred tax assets	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
Segment liabilities	28,282	6,166	837	35,285
Provision for taxation	61	-	-	61
Deferred taxation	<u>191</u>	<u>-</u>	<u>-</u>	<u>191</u>

Geographical segment

	Singapore S\$'000	Malaysia S\$'000	Taiwan S\$'000	China S\$'000	Others S\$'000	Total S\$'000
2017						
Revenue from external customers	<u>13,798</u>	<u>18,749</u>	<u>15,900</u>	<u>1,703</u>	<u>7,034</u>	<u>57,184</u>
Non-current assets	<u>2,526</u>	<u>5,595</u>	<u>576</u>	<u>10,557</u>	<u>-</u>	<u>19,254</u>
2015						
Revenue from external customers	<u>16,923</u>	<u>20,055</u>	<u>12,822</u>	<u>1,615</u>	<u>2,337</u>	<u>53,752</u>
Non-current assets	<u>3,172</u>	<u>6,424</u>	<u>676</u>	<u>12,591</u>	<u>-</u>	<u>22,863</u>

LORENZO INTERNATIONAL LIMITED

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16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Refer to Section 8 and 15 for details.

17. A breakdown of sales.

Sales & Net Loss reported for the 1st 6 months, 30 June

Sales

Net Loss

Sales & Net Loss reported for the 2nd 6 months, 31 Dec

Sales

Net Loss

Sales & Net Profit reported for the next 3 months, 31 Mar

Sales

Net Profit

	PY 2017 (unaudited)	FY2015 (audited)
	S\$'000	S\$'000
Sales	22,024	29,982
Net Loss	(4,147)	(3,946)
Sales	20,399	23,770
Net Loss	(2,641)	(14,820)
Sales	14,761	-
Net Profit	4,551	-

18. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company has procured undertakings from a majority of its Directors and Executive Officers. The Company will procure the remaining undertakings on or before 31 August 2017.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive or substantial shareholder of the issuer under Rule 704 (13) of the Listing Manual.

Pursuant to Rule 704 (13) of the Listing Manual, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Teoh Jin Thean

Executive Director/ Chief Executive Officer

29 June 2017