

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					
	Continuing 30/06/2021	Discontinued 30/06/2021	Q1 ended 30/06/2021	Q1 ended 30/06/2020	Increase/ (Decrease) June 2021 vs June 2020	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	%
Revenue	4,716	-	4,716	4,414	302	6.84
Cost of sales	(2,467)	-	(2,467)	(2,299)	(168)	7.31
Gross Profit	2,249	-	2,249	2,115	134	6.34
Other operating income	10,589	(77)	10,512	740	9,772	1,320.54
Administrative expenses	(2,076)	(78)	(2,154)	(2,199)	45	(2.05)
Distribution and marketing costs	(400)	-	(400)	(332)	(68)	20.48
Other operating expenses	(389)	(365)	(754)	(545)	(209)	38.35
Finance costs	(75)	(55)	(130)	(205)	75	(36.59)
(Loss)/ Profit before taxation	9,898	(575)	9,323	(426)	9,749	(2,288.50)
Taxation	(28)	-	(28)	(33)	5	(15.15)
(Loss)/ Profit after taxation	9,870	(575)	9,295	(459)	9,754	(2,125.05)
(Loss)/ Profit attributable to: Equity holders of the Company	9,870	(575)	9,295	(459)	9,754	(2,125.05)

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

	Continuing 30/06/2021	Discontinued 30/06/2021	Q1 ended 30/06/2021	Q1 ended 30/06/2020	Increase/ (Decrease)	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	%
	Interest income	(2)	-	(2)	(4)	2
Interest expense	69	55	124	203	(79)	(38.92)
Depreciation of property, plant & equipment	64	115	179	240	(61)	(25.42)
Amortisation of land use rights	-	6	6	6	-	-
Foreign exchange (gain)/loss net	(1,056)	(79)	(1,135)	(103)	(1,032)	1,001.94
(Gain)/Loss on disposal of subsidiary	(7,548)	411	(7,137)	-	(7,137)	nm
(Gain)/Loss on disposal of property, plant & equipment	(14)	-	(14)	-	(14)	nm
(Gain)/Loss on disposal of investment property	-	-	-	-	-	nm
Impairment loss on trade receivables	151	123	274	102	172	168.63

nm – not meaningful

Note

The discontinued operation relates to the financial results of Lorenzo Furniture (Kunshan) Co., Ltd ("LIK") for the period from April to June 2021. LIK ceased to be a subsidiary of the Company upon the transfer of shares to the purchaser, Shanghai Kunhao Wood Industry Co., Ltd, on 18 June 2021 via an order issued by the Chinese Court.

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.

	Continuing 30/06/2021	Discontinued 30/06/2021	Q1 ended 30/06/2021	Q1 ended 30/06/2020	Increase/ (Decrease) June 2021 vs June 2020	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	%
Profit/(Loss) for the year	9,870	(575)	9,295	(459)	9,754	(2,125.05)
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	13	-	13	64	(51)	(79.69)
Other comprehensive (loss)/ income for the period/ year	13	-	13	64	(51)	(79.69)
Total comprehensive (loss)/ income for the year attributable to owners of the Company	9,883	(575)	9,308	(395)	9,703	(2,456.46)

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 30 Jun 2021	As at 31 Mar 2021	As at 30 Jun 2021	As at 31 Mar 2021
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS:				
Non-Current Assets				
Land use rights	-	840	-	-
Property, plant and equipment	3,514	3,580	4	5
Investment properties	-	5,614	-	-
Asset held for sale	436	437	-	-
Investment in subsidiaries	-	-	-	-
Deferred tax assets	14	12	-	-
	3,964	10,483	4	5
Current Assets:				
Land use rights	-	25	-	-
Inventories, at cost	7,408	7,098	-	-
Amount due from subsidiaries	-	-	710	722
Trade receivables	1,671	1,845	-	-
Other receivables	8,366	1,848	14,526	30
Tax recoverable	129	129	-	-
Fixed deposits with banks	-	-	-	-
Cash and cash equivalents	1,460	2,567	5	9
	19,034	13,512	15,241	761
Total assets	22,998	23,995	15,245	766
EQUITY AND LIABILITIES:				
Capital and Reserve				
Share capital	39,949	39,949	39,949	39,949
Reserves	(37,590)	(46,898)	(30,201)	(44,741)
	2,359	(6,949)	9,748	(4,792)
Non-current liabilities				
Borrowings	118	120	-	-
Deferred income	28	28	-	-
Deferred taxation	96	96	-	-
	242	244	-	-
Current Liabilities				
Trade payables	1,745	1,907	-	-
Other payables	6,395	10,600	3,567	3,453
Contract Liabilities	4,060	4,173	-	-
Amount due to a subsidiary	-	-	1,868	2,043
Amount due to directors	63	63	62	62
Provision for taxation	38	38	-	-
Borrowings	8,096	13,919	-	-
	20,397	30,700	5,497	5,558
Total equity and liabilities	22,998	23,995	15,245	766

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

	As at 30 June 2021		As at 31 March 2021	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	8,096	-	13,919	-
Amount repayable after one year	118	-	120	-

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	
	Q1 ended 30/06/2021	Q1 ended 30/06/2020
	S\$'000	S\$'000
Cash Flows from operating activities		
Profit /(Loss) before taxation	9,323	(426)
Adjustments for:-		
Amortisation of land use rights	-	6
Depreciation of property, plant and equipment	189	231
(Gain)/ loss on disposal of property, plant & equipment	(14)	108
(Gain)/ loss on disposal of subsidiary	(7,137)	-
Allowance for impairment loss for trade & other receivables	-	-
Interest expense	124	203
Interest income	(2)	(4)
Operating profit/(loss) before working capital changes	2,483	118
Changes in inventories	(380)	(14)
Changes in operating receivables	(7,327)	(240)
Changes in operating payables	(1,471)	(1,375)
Changes in contract liabilities	(112)	1,603
Net cash generated from/(used in) operations	(6,807)	92
Interest expense	(124)	36
Income tax (paid)/refunded	(27)	(140)
Net cash generated from/(used in) operating activities	(6,958)	(12)
Cash Flows generated from/(used in) investing activities		
Acquisition of property, plant and equipment	(2)	(28)
Proceed from disposal of property, plant and equipment	14	-
Proceed from available-for-sales of financial assets	-	-
Interest received	2	4
Net cash generated from/(used in) investing activities	14	(24)
Cash Flows generated from/(used in) financing activities		
Repayment of bank loans	(183)	-
Proceeds from bank loan	-	538
Repayment of trust receipts and bills payable	(397)	(471)
Proceeds from disposal of subsidiary	6,587	-
Advance from /(Repayment to) directors	-	-
Repayment of finance lease liabilities	(7)	(4)
Net cash generated from/(used in) financing activities	6,000	63
Net increase/(decrease) in cash & cash equivalents	(944)	27
Cash & cash equivalents at beginning of the period	(2,908)	(4,585)
Net effect of exchange rate changes on balance of cash and cash equivalents at beginning of the year	(78)	266
Cash and cash equivalents at end of the period	(3,930)	(4,292)

Group	
Q1 ended 30/06/2021	Q1 ended 30/06/2020
S\$'000	S\$'000
1,460	1,448
-	-
(5,390)	(5,740)
(3,930)	(4,292)

Note 1:

Cash and cash equivalents at end of the period

Cash and bank balances

Fixed deposit

Bank overdraft

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							
	Exchange Translation Reserves	Statutory Common Reserve	Capital Reserve	Merger Reserve	Fair Value Reserve	Retained earnings	Share Capital	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group								
2021/2022								
Balance as at 1 Apr 2021	(5,228)	-	838	(3,282)	-	(39,226)	39,949	(6,949)
Profit/(Loss) for the period	-	-	-	-	-	9,295	-	9,295
Movement in reserves	154	-	-	-	-	(154)	-	-
Other comprehensive income/(loss)	13	-	-	-	-	-	-	13
Balance at 30 Jun 2021	(5,061)	-	838	(3,282)	-	(30,085)	39,949	2,359
2020/2021								
Balance as at 1 Apr 2020	(5,028)	-	838	(3,282)	-	(42,399)	39,949	(9,922)
Loss for the period	-	-	-	-	-	(459)	-	(459)
Other comprehensive income/(loss)	64	-	-	-	-	-	-	64
Balance at 30 Jun 2020	(4,964)	-	838	(3,282)	-	(42,858)	39,949	(10,317)

Company

2021/2022

Balance as at 1 Apr 2021

Loss for the period

Balance at 30 Jun 2021

2020/2021

Balance as at 1 Apr 2020

Loss for the period

Balance at 30 Jun 2020

	Retained earnings	Share Capital	Total Equity
	S\$'000	S\$'000	S\$'000
Balance as at 1 Apr 2021	(44,741)	39,949	(4,792)
Loss for the period	14,540	-	14,540
Balance at 30 Jun 2021	(30,201)	39,949	9,748
Balance as at 1 Apr 2020	(44,013)	39,949	(4,064)
Loss for the period	(144)	-	(144)
Balance at 30 Jun 2020	(44,157)	39,949	(4,208)

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 April 2021 and 30 June 2021	<u>439,400,466</u>

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 30/06/2021	At 31/03/2021
Total number of issued shares	439,400,466	439,400,466
Total number of issued shares excluding treasury shares	<u>439,400,466</u>	<u>439,400,466</u>

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 2021 and 30 June 2021.

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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue

The latest financial statements have not been audited by the auditors

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been fully disclosed.

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 current reporting period as compared with its audited financial statements for the period ended 31 March 2021.

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 unaudited annual financial statements for the financial year ended 31 March 2021, 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 2021.

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.

Profit/(Loss) per ordinary share:

Based on weighted average number of ordinary shares in issue
 - On fully diluted basis

Group	
First Quarter ended 30 June 2021	First Quarter ended 30 June 2020
2.12 cents	(0.10) cents
2.12 cents	(0.10) cents

The earnings per share of the Group for the period ended 30 June 2021 was computed based on the weighted average number of shares in issue of 439,400,466 (30 June 2020: 439,400,466)

LORENZO INTERNATIONAL LIMITED

(Co. Reg. No.: 200508277C)

Financial Statements and Dividend Announcement For the Quarter ended 30 June 2021

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	
30.06.2021	31.03.2021	30.06.2021	31.03.2021
0.54 cents	(1.58) cents	2.22 cents	(1.09) cents

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

The net asset value per ordinary share is based on the number of shares in issue of 439,400,466 as at 30 June 2021 (31 March 2021: 439,400,466).

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 30 June 2021**Revenue**

The Group registered a higher revenue amounting to S\$4.7 million for the three months ended 30 June 2021 ("Q12021") compared to S\$4.4 million in the previous corresponding period ("Q12020"). The increase in revenue of S\$0.3 million was due to higher revenue generated from its Furniture segment. This was attributable to higher sales generated for its business units in Singapore and Malaysia offset by lower sales in its Taiwan business unit. The higher sales in Singapore and Malaysia were higher retail sales made during the quarter under review. No revenue was generated by the Building Material segment for the period under review.

Cost of Goods Sold and Gross Profit

Cost of sales increased by S\$0.2 million from S\$2.3 million to S\$2.5 million. The higher cost of sales was mainly due to higher production costs and purchases made during the three months period. Gross profit increased by 6.3% or S\$0.1 million in Q12021 compared to Q12020 because of higher sales volume.

Other operating income

Other operating income increased by S\$9.8 million to S\$10.5 million in Q12021 compared to S\$0.7 million in Q12020. The increase was mainly attributed to the gain on the disposal of the foreign subsidiary in the People's Republic of China via a order from the Chinese court on 18 June 2021. Gain on differences from foreign exchange of S\$1.3 million and a waiver of non trade payables of S\$1.7 million also contributed to the increase.

Administrative expense

Administrative expense decreased by S\$45,000 or 2.1 percent compared to S\$2.2 million in Q12020. The decrease was mainly due to general reduction in other administrative expenses in all the business units.

Distribution and Marketing costs

Distribution and Marketing cost was S\$68,000 higher than S\$0.3 million in Q12020. The increase was the results of higher sales commission incurred arising from higher sales generated.

Other operating expense

Other operating expense increased by S\$0.2 million from S\$0.5 million in Q12020 to S\$0.7 million in Q12021. This was mainly attributable to higher impairment loss on trade receivables for the three months period under review.

Finance cost

Finance cost reduced by S\$0.1 million from S\$0.2 million for Q12020 to S\$0.1 million in HY2021. This was due to the repayment of bank borrowings.

Taxation

Income tax expense of the Group remained relatively flat for the period under review compared to Q12020. This was attributable mainly to withholding taxes paid for royalty income remitted from one of its foreign subsidiaries and no tax provision for its Taiwan unit.

Profit for the period

The Group reported a profit of \$9.3 million in Q12021 compared to a loss of S\$0.5 million in Q12020. The factors attributing to the profit were explained above. Excluding the gain on disposal of subsidiary, gain on differences in foreign exchange and waiver of non trade payables, the Group would have recorded a loss after tax for the period under review.

LORENZO INTERNATIONAL LIMITED

(Co. Reg. No.: 200508277C)

Financial Statements and Dividend Announcement For the Quarter ended 30 June 2021**Balance Sheet****Non-Current Assets**

Non-current assets of the Group decreased by S\$6.5 million from S\$10.5 million as at 31 March 2021 to S\$4.0 million as at 30 June 2021. This was mainly attributable to depreciation charges of property, plant and equipment, investment properties and the disposal of the foreign subsidiary in the People's Republic of China.

Current Assets

<u>Other receivables</u>	30/6/2021	31/3/2021	Variance
	S\$'000	S\$'000	S\$'000
Other debtors	7,040	1,142	5,898
Deposits	957	232	725
Advance to suppliers	168	265	(97)
Prepayments	202	209	(7)
	<u>8,367</u>	<u>1,848</u>	6,519

The Group's reported current assets amounted to approximately S\$19.0 million as at 30 June 2021. (31 March 2021: S\$13.5 million). This was mainly due to increase in inventories and other receivables offset by decrease in trade receivables and cash and cash equivalents.

The decrease in trade receivables was mainly attributable to non-consolidation of the trade receivables of the disposed foreign subsidiary. The higher inventories was due to lower allowance for stock obsolescence during the three months period.

The increase of other receivables was due to the recording of sales proceed for the disposal of the foreign subsidiary offset against payment made to the payables and bank borrowings of the said subsidiary and higher deposits paid.

Non-Current Liabilities

The Group's non-current liabilities remained flat at S\$0.1 million.

Current Liabilities

<u>Other payables</u>	30/6/2021	31/3/2021	Variance
	S\$'000	S\$'000	S\$'000
Other creditors	2,350	5,405	(3,055)
Deposits received	25	25	-
Accruals	4,019	5,170	(1,151)
	<u>6,394</u>	<u>10,600</u>	(4,206)

The Group's current liabilities position decreased by S\$10.3 million from S\$30.7 million as at 31 March 2021 to S\$20.4 million as at 30 June 2021. The decrease was mainly attributable to a decrease in bank borrowings and other payables amounting to S\$5.8 million and S\$4.2 million respectively. The balance of S\$0.3 million was due to decrease in trade payables and contract liabilities.

The decrease in trade payables was attributable to the non-consolidation of trade payables of the disposed foreign subsidiary.

The decrease in other payables was due to decrease in other creditors and accruals arising from the disposal of the foreign subsidiary.

Capital and Reserves

As at 30 June 2021, the Group had a shareholders' equity of S\$2.4 million compared to a negative shareholders' equity S\$6.9 million at 31 March 2021. This was due to gain on the disposal of the foreign subsidiary during the current quarter ended 30 June 2021.

Cash flow Statement

The Group's net cash used in operating activities amounted to S\$6.9 million in Q12021 compared to S\$12,000 in Q12020. This was due to the decrease in trade and other payables of S\$1.4 million, increase in trade and other payables and inventories of S\$7.3 million and S\$0.4 million respectively and decrease in contract liabilities of S\$0.4 million.

Net cash generated from investing activities was S\$14,000 which was mainly attributed to the proceeds from the sale of property, plant and equipment.

Net cash flow generated from financing activities was S\$6.0 million. This arose mainly from net sales proceeds from the disposal of foreign subsidiary of S\$ 6.6 million offset by the repayment of bank loans and bills payable amounting to S\$0.2 million and S\$0.4 million respectively.

Cash and cash equivalents decreased by S\$1.0 million mainly as a results of net cash used in operating and investing activities offset by net cash generated from financing activities.

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 unpredictability of the current COVID-19 situation has added an additional challenge to the Group's operation on top of the challenges it is facing in terms of weak demand for furniture in the countries it operates in. The movement control imposed in Malaysia has adversely affected its supply chain that might lead to lower revenue in the next few months.

It will manage the business challenges by continuing to monitor its overall cost structures. It will look at the export market again after the recovery of the the current COVID-19 situation.

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 as the Group currently has no sufficient reserves available for distribution.

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.*

There is no IPT for the reporting period ended 30 June 2021.

14. *Confirmation pursuant to Rule 705(5) of the Listing Manual*

The Board of Directors has confirmed that to the best of its knowledge, nothing has come to the attention which may render the Group's unaudited financial statements for the first half ended 30 June 2021 to be false or misleading in any material aspect.

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

The Company has procured undertakings from its Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Lim Pang Hern
Executive Director
13 August 2021

Jimmy Soh King Bin
Independent and Non Executive Director