

LORENZO INTERNATIONAL LIMITED

(Co. Reg. No.: 200508277C)

Financial Statements and Dividend Announcement For the year ended 31 March 2021

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			
	Year ended 31/03/2021 (unaudited)	Year ended 31/03/2020 (unaudited)	Increase/ (Decrease) Mar 21 v Mar 20	
	S\$'000	S\$'000	S\$'000	%
Revenue	24,919	27,720	(2,801)	(10.10)
Cost of sales	(13,138)	(14,868)	1,730	(11.64)
Gross Profit	11,781	12,852	(1,071)	(8.33)
Other operating income	5,718	1,890	3,828	202.54
Administrative expenses	(9,798)	(11,937)	2,139	(17.92)
Distribution and marketing costs	(1,975)	(2,522)	547	(21.69)
Other operating expenses	(1,466)	(1,801)	335	(18.60)
Finance costs	(764)	(1,092)	328	(30.04)
Profit/(Loss) before taxation	3,496	(2,610)	6,106	(233.95)
Taxation	(323)	(115)	(208)	180.87
(Loss)/ Profit after taxation	3,173	(2,725)	5,898	(216.44)
Profit/(Loss) attributable to Equity holders of the Company :	3,173	(2,725)	5,898	(216.44)

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

	Year ended 31/03/2021 (unaudited)	Year ended 31/03/2020 (unaudited)	Increase/ (Decrease) Mar 21 v Mar 20	
	S\$'000	S\$'000	S\$'000	%
	Interest income	(14)	(4)	(10)
Interest expense	746	1,084	(338)	(31.18)
Depreciation of property, plant & equipment	303	537	(234)	(43.58)
Depreciation of investment properties	501	569	(68)	(11.95)
Amortisation of land use rights	21	24	(3)	(12.50)
Foreign exchange (gain)/loss net	(92)	350	(442)	(126.29)
(Gain)/Loss on disposal of property, plant & equipment	(66)	99	(165)	(166.67)
(Gain)/Loss on disposal of investment property	(3,152)	-	(3,152)	nm
Impairment loss on trade receivables	111	131	(20)	(15.27)
Allowance for stock obsolescence	5	242	(237)	(97.93)
Impairment of property, plant and equipment	20	-	20	nm

nm – not meaningful

The comparative numbers have been adjusted to factor in the audited numbers of both Malaysia and Taiwan business units.

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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.

	Year ended 31/03/2021 (unaudited)	Year ended 31/03/2020 (unaudited)	Increase/ (Decrease) Mar 21 v Mar 20	
	S\$'000	S\$'000	S\$'000	%
(Loss) for the year	3,173	(2,725)	5,898	(216.44)
Foreign currency translation differences – foreign operations, at nil tax	(200)	133	(333)	(250.38)
Other comprehensive (loss)/ income for the year	(200)	133	(333)	(250.38)
Total comprehensive (loss)/ income for the year attributable to owners of the Company	2,973	(2,592)	5,565	(214.70)

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 31 Mar 2021 (unaudited)	As at 31 Mar 2020 (unaudited)	As at 31 Mar 2021 (unaudited)	As at 31 Mar 2020 (unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS:				
Non-Current Assets				
Land use rights	840	843	-	-
Property, plant and equipment	3,580	3,887	5	10
Investment properties	5,614	7,515	-	-
Asset held for sale	437	452	-	-
Investment in subsidiaries	-	-	-	-
Deferred tax assets	12	12	-	-
	10,483	12,709	5	10
Current Assets:				
Land use rights	25	24	-	-
Inventories, at cost	7,098	7,635	-	-
Amount due from subsidiaries	-	-	722	815
Trade receivables	1,845	1,491	-	-
Other receivables	1,977	2,086	30	40
Fixed deposits with banks	-	-	-	-
Cash and cash equivalents	2,567	1,295	9	2
	13,512	12,531	761	857
Total assets	23,995	25,240	766	867
EQUITY AND LIABILITIES:				
Capital and Reserve				
Share capital	39,949	39,949	39,949	39,949
Reserves	(46,898)	(49,871)	(44,741)	(44,013)
	(6,949)	(9,922)	(4,792)	(4,064)
Non-current liabilities				
Borrowings	120	182	-	-
Contract liabilities	28	28	-	-
Deferred tax	96	96	-	-
Deferred income	-	-	-	-
	244	306	-	-
Current Liabilities				
Trade payables	1,907	2,790	-	-
Other payables	10,600	10,244	3,453	3,275
Contract liabilities	4,173	3,154	-	-
Amount due to a subsidiary	-	-	2,043	1,588
Amount due to directors	63	68	62	68
Provision for taxation	38	95	-	-
Borrowings	13,919	18,505	-	-
	30,700	34,856	5,558	4,931
Total equity and liabilities	23,995	25,240	766	867

The comparative numbers have been adjusted to factor in the audited numbers of both Malaysia and Taiwan business units.

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

	As at 31 March 2021		As at 31 March 2020	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	13,919	-	18,505	-
Amount repayable after one year	120	-	182	-

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	
	Year ended 31/03/2021 (unaudited) S\$'000	Year ended 31/03/2020 (unaudited) S\$'000
Cash Flows from operating activities		
Profit/(Loss) before taxation	3,496	(2,610)
Adjustments for:-		
Amortisation of land use rights	20	24
Depreciation of property, plant and equipment	329	537
Depreciation of investment properties	501	569
Impairment loss on trade and other receivables	-	14
Impairment loss on property, plant and equipment	20	-
(Gain)/ loss on disposal of property, plant & equipment	(66)	(31)
(Gain)/ loss on disposal of investment property	(3,152)	-
(Reversal of)/Allowance for inventory obsolescence	111	12
Inventories written off	5	-
Interest expense	746	1,084
Interest income	(14)	(4)
Operating profit/(loss) before working capital changes	1,996	(405)
Changes in inventories	533	860
Changes in operating receivables	(401)	14
Changes in operating payables	(874)	2,133
Changes in contract liabilities	1,019	(1,196)
Net cash generated from/(used in) operations	2,273	1,406
Interest expense	(508)	(1,084)
Income tax received	-	543
Income tax paid	(456)	(198)
Net cash generated from/(used in) operating activities	1,309	667
Cash Flows generated from/(used in) investing activities		
Acquisition of property, plant and equipment	(101)	(106)
Proceed from disposal of property, plant and equipment	66	31
Proceed from disposal of investment property	4,898	-
Interest received	14	4
Net cash generated from/(used in) investing activities	4,877	(71)
Cash Flows generated from/(used in) financing activities		
Repayment of bank loans	(3,705)	(418)
(Repayment)/ Net proceeds of trust receipts and bills payable	(516)	(69)
Loan from/(Repayment to) directors	(6)	(4)
Repayment of finance lease liabilities	(21)	(20)
Net cash generated from/(used in) financing activities	(4,248)	(511)
Net increase/(decrease) in cash & cash equivalents	1,938	85
Cash & cash equivalents at beginning of the period	(4,585)	(4,796)
Net effect of exchange rate changes on balance of cash and cash equivalents at beginning of the year	(261)	126
Cash and cash equivalents at end of the year/period	(2,908)	(4,585)

The comparative numbers have been adjusted to factor in the audited numbers of both Malaysia and Taiwan business units.

Group	
Year ended 31/03/2021 (unaudited)	Year ended 31/03/2020 (unaudited)
S\$'000	S\$'000
2,567	1,295
-	-
(5,475)	(5,880)
(2,908)	(4,585)

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	Retained earnings	Share Capital	Total Equity
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2021							
Balance as at 1 Apr 2020	(5,028)	-	838	(3,282)	(42,399)	39,949	(9,922)
Profit for the year	-	-	-	-	3,173	-	3,173
Other comprehensive income/(loss)	(200)	-	-	-	-	-	(200)
Balance at 31 Mar 2021	(5,228)	-	838	(3,282)	(39,226)	39,949	(6,949)
2020							
Balance as at 1 Apr 2019	(5,161)	-	838	(3,282)	(39,674)	39,949	(7,330)
Loss for the year	-	-	-	-	(2,725)	-	(2,725)
Other comprehensive income/(loss)	133	-	-	-	-	-	133
Balance at 31 Mar 2020	(5,028)	-	838	(3,282)	(42,399)	39,949	(9,922)

	Retained earnings	Share Capital	Total Equity
	S\$'000	S\$'000	S\$'000
Company			
2021			
Balance as at 1 Apr 2020	(44,013)	39,949	(4,064)
Loss for the period	(728)	-	(728)
Balance at 31 Mar 2021	(44,741)	39,949	(4,792)
2020			
Balance as at 1 Apr 2019	(42,097)	39,949	(2,148)
Loss for the period	(1,916)	-	(1,916)
Balance at 31 Mar 2020	(44,013)	39,949	(4,064)

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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 April 2020 and 31 March 2021

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 31/03/2021****At 31/03/2020**

Total number of issued shares

439,400,466

439,400,466

Total number of issued shares excluding treasury shares

439,400,466

439,400,466

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 2021 and 31 March 2020.

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 Company's 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 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 year ended 31 March 2021 as compared with its unaudited financial statements for the year ended 31 March 2020.

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 year compared with the unaudited annual financial statements for the financial period ended 31 March 2020, 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 2020.

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	
Year ended 31 March 2021	Year ended 31 March 2021
0.72 cents	(0.62) cents
0.72 cents	(0.62) cents

The earnings per share of the Group for the year ended 31 March 2021 was computed based on the weighted average number of shares in issue of 439,400,466 (31 March 2020: 439,400,466)

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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 2021	31 03 2020	31 03 2021	31 03 2020
(1.58) cents	(2.26) cents	(1.09) cents	(0.92) 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 2021 (31 March 2020: 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 year ended 31 March 2021

Revenue

The Group registered a lower revenue amounting to S\$24.92 million for the financial year ended 31 March 2021 (FY2021) compared to S\$27.72 million in the previous corresponding year (FY2020). The decrease in revenue of S\$2.80 million was mainly due to lower revenue generated from both its Furniture and Building material segment. The decrease in revenue was mainly attributable to lower sales generated in both Malaysia and Taiwan units amounting to S\$0.55 million and S\$1.25 million respectively as well as a decrease in sales in its Singapore unit of S\$1 million. The lower sales in Malaysia was due to lower sales volume arising from the several movement control orders imposed by the Malaysian government during the year under review while the reduction in sales in Taiwan unit was due to a weak furniture retail market which was worsened by the COVID-19 situation. The decrease in Singapore unit's sale was attributed to reduction of building material sale owing to the lesser building maintenance work.

Cost of Goods Sold and Gross Profit

Cost of sales reduced by S\$1.73 million from S\$14.87 million to S\$13.14 million. The lower cost of sales was due to reduction of purchase of finished goods offset by increase in production cost during the financial year. Gross profit was S\$1.07 million lower than FY2020 as a result of lower sales volume despite an decrease in cost of sales.

Other operating income

Other operating income increased by S\$3.83 million from S\$1.89 million in FY2020 to S\$5.72 million in FY2021. The increase was mainly due to the one-off gain on disposal of its Singapore investment property amounted to S\$3.15 million and higher government grant received amounted to S\$0.24 million and higher miscellaneous income of S\$0.24 million.

Administrative expense

Administrative expense decreased by S\$2.14 million or 17.9 percent compared to S\$11.94 million in FY2020. This was mainly due to the overall reduction of administration expenses across the companies in the Group. Reduction of salary related expenses amounted to S\$0.49 million, rental expenses and MIS support expense amounted to S\$1.42 million and S\$0.02 million respectively.

Distribution and Marketing costs

Distribution and Marketing costs decreased from S\$2.52 million in FY2020 to S\$1.98 million in FY2021. The decrease arose mainly from the overall reduction of distribution costs in all its business units in Singapore, Malaysia and Taiwan.

Other operating expense

Other operating expense decreased by S\$0.33 million from S\$1.80 million in FY2020 to S\$1.47 million in FY2021. This was mainly attributable to the reduction in provision for stock obsolescence of S\$0.23 million and lower depreciation charges of S\$0.10 million for the year under review.

Finance cost

Finance cost decreased by S\$0.33 million to S\$0.76 million compared to S\$1.09 million in FY2020. The decrease was due to lower interest expense incurred in FY2021 due to repayment of bank borrowings from the proceeds from the sale of its Singapore investment property.

Taxation

Income tax expense of the Group increased by S\$0.21 million from S\$0.11 million in FY2020 to S\$0.32 million in FY2021. This was attributable mainly to higher foreign withholding taxes paid in FY2021 and higher tax provision in its Taiwan business unit.

Profit for the period

The Group reported a profit of \$3.17 million in FY2021 compared to a loss of S\$2.72 million in FY2020. The factors attributing to the turnaround were explained above.

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Balance Sheet**Non-Current Assets**

Non-current assets of the Group decreased by S\$2.23 million from S\$12.71 million at 31 March 2020 to S\$10.48 million at 31 March 2021. This was mainly attributable to depreciation charges of property, plant and equipment and investment properties, amortisation charges of land use rights and the transfer of the net book value of its Singapore investment property to profit and loss statement when it was disposed during the financial year under review.

Current Assets

<u>Other receivables</u>	31/3/2021	31/3/2020	Variance
	S\$'000	S\$'000	S\$'000
Other debtors	374	29	345
Deposits	999	1,067	(68)
Advance to suppliers	265	553	(288)
Prepayments	210	382	(172)
Tax recoverable	129	55	74
	<u>1,977</u>	<u>2,086</u>	(109)

The Group's reported current assets amounted to approximately S\$13.51 million as at 31 March 2021 (31 March 2020: S\$12.53 million). The increase was mainly due to the increase in trade receivables and cash and cash equivalent amounting to S\$0.35 million and S\$1.27 million respectively offset by the reduction of inventories and other receivables amounting to S\$0.54 million and S\$0.11 million respectively.

The decrease in other receivables were due to lower advance to suppliers and prepayments of S\$0.29 million and S\$0.17 million respectively offset by increase in other debtors of S\$0.35 million. The decrease in inventory was due to decrease in finished goods in its Malaysia unit and the increase in trade debtors was due to its Malaysia unit's slower debts collection due to restriction of movement arising from the several movement control orders imposed during the year under review.

Non-Current Liabilities

The Group's non-current liabilities decreased to S\$0.24 million at 31 March 2021 (31 March 2020: S\$0.31 million). The decrease was due to the recognition of rental income of its factory in China.

Current Liabilities

<u>Other payables</u>	31/3/2021	31/3/2020	Variance
	S\$'000	S\$'000	S\$'000
Other creditors	5,405	5,993	(588)
Deposit received	25	161	(136)
Accruals	5,170	4,090	1,080
	<u>10,600</u>	<u>10,244</u>	356

The Group's current liabilities position decreased by S\$4.16 million from S\$34.86 million as at 31 March 2020 to S\$30.70 million as at 31 March 2021. The decrease was mainly attributable to the repayment of bank borrowings amounted to S\$4.59 million and decrease in trade payables of S\$0.88 million offset by the increase in contract liabilities amounted to S\$1.02 million and other payables of S\$0.36 million.

The increase in other payables were due to lesser repayment made for accruals offset by lower other creditors and deposits received amounting to S\$0.59 million and S\$0.14 million respectively during the financial year reported on.

Capital and Reserves

As at 31 March 2021, the Group had negative shareholders' equity of S\$6.50 million compared to S\$9.92 million at 31 March 2020. This was due to profit for the financial year offset by exchange translation loss recorded in the financial year reported on.

Cash flow Statement

The Group reported an Operating profit before working capital of S\$2.00 million in FY2021 compared to an Operating loss of S\$0.41 million in FY 2020.

Net cash generated from operating activities was S\$1.31 million in FY2021 compared to S\$0.67 million in FY2020. This was due to decrease in inventories of S\$0.53 million and increase in contract liabilities of S\$1.02 million offset by decrease in trade and other payables of S\$0.87 million and an increase in trade and other receivables of S\$0.40 million. Lower interest paid also contributed to the net cash generated from operating activities.

Net cash flow generated from investing activities was approximately S\$4.88 million which was mainly attributed to the sale proceeds from the disposal of investment property amounted to S\$4.90 million.

Net cash flow used in financing activities was S\$4.25 million compared to S\$0.51 million in FY2020. This arose from repayment of bank borrowings of S\$3.71 million and trust receipts and bills payable of S\$0.52 million.

Cash and cash equivalents increased by S\$1.94 million mainly from net cash generated from operating and investing activities offset by cash used in 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 face stiff challenges in the countries it operates in owing to both the weak demand for furniture arising from lower consumer demand and weak demand in residential property. In addition, the unpredictability arising from the COVID-19 pandemic will add another challenge to the Group's operations.

It will manage the business challenges by continuing to reduce its overall cost and expenses and grows its export market to boost its revenue stream.

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.

There was no IPTs for the reporting year ended 31 March 2021.

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PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. *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 informatin for the immediately preceding year.*

	Furniture business	Building material business	Unallocated	Total
(unaudited)	S\$'000	S\$'000	S\$'000	S\$'000
2021				
Revenue				
Total revenue	25,410	200	-	25,610
Inter-company	(691)	-	-	(691)
External revenue	24,719	200	-	24,919
Gross profit	11,769	12	-	11,781
Results				
Segment results	5,171	(183)	(728)	4,260
Finance cost	(632)	(132)	-	(764)
Profit/(Loss) before income tax	4,539	(315)	(728)	3,496
Income tax expense				(323)
Profit/(Loss) for the period				3,173
Non-cash Items				
Depreciation of property, plant & equipment	(298)	-	(5)	(303)
Depreciation of investment properties	(501)	-	-	(501)
Gain/(loss) on disposal of PPE	66	-	-	66
Gain/(loss) on disposal of investment property	3,152	-	-	3,152
Amortisation of intangible assets	(21)	-	-	(21)
Impairment of property, plant & equipment	(20)	-	-	(20)
Reversal of/(Allowance) for stock obsolescence	(5)	-	-	(5)
Write back of allowance for inventory obsolescence	-	-	-	-
Receivables written off	-	-	-	-
Allowance for doubtful debts - operating receivables	(111)	-	-	(111)
Capital Expenditure				
Property, plant & equipment	101	-	-	101
Intangible asset	-	-	-	-
Assets and Liabilities				
Segment assets	23,548	262	44	23,854
Tax recoverable	129	-	-	129
Deferred tax assets	12	-	-	12
Segment liabilities	22,017	5,278	3,515	30,810
Provision for taxation	38	-	-	38
Deferred taxation	96	-	-	96

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Unaudited 2020	Furniture business S\$'000	Building material business S\$'000	Unallocated S\$'000	Total S\$'000
Revenue				
Total revenue	27,439	948	-	28,387
Inter-company	(668)	-	-	(668)
External revenue	<u>26,771</u>	<u>948</u>	<u>-</u>	<u>27,719</u>
Gross profit	12,288	564	-	12,852
Results				
Segment results	122	275	(1,915)	(1,518)
Finance cost	(946)	(146)	-	(1,092)
Profit/(Loss) before income tax	<u>(824)</u>	<u>129</u>	<u>(1,915)</u>	<u>(2,610)</u>
Income tax expense	-	-	-	(115)
Profit/(Loss) for the period	-	-	-	<u>(2,725)</u>
Non-cash Items				
Depreciation of property, plant & equipment	(910)	-	(7)	(917)
Gain on disposal of PPE	31	-	-	31
Amortisation of intangible assets	(24)	-	-	(24)
Impairment of property, plant & equipment	98	-	-	98
Allowance for doubtful debts	(131)	-	-	(131)
Allowance for doubtful debts written back	107	-	-	107
Allowance for inventories obsolescence written back	12	-	-	12
Allowance for inventory obsolescence	(254)	-	-	(254)
Capital Expenditure				
Property, plant & equipment	294	-	2	296
Intangible asset	-	-	-	-
Assets and Liabilities				
Segment assets	24,727	396	52	25,175
Tax recoverable	54	-	-	54
Deferred tax assets	<u>12</u>	<u>-</u>	<u>-</u>	<u>12</u>
Segment liabilities	26,614	5,015	3,343	34,972
Provision for taxation	95	-	-	95
Deferred taxation	<u>96</u>	<u>-</u>	<u>-</u>	<u>96</u>

Geographical segment

2021	Singapore S\$'000	Malaysia S\$'000	Taiwan S\$'000	China S\$'000	Others S\$'000	Total S\$'000
Revenue from external customers	<u>2,431</u>	<u>11,355</u>	<u>11,107</u>	<u>26</u>	<u>-</u>	<u>24,919</u>
Non-current assets	<u>5</u>	<u>3,820</u>	<u>204</u>	<u>6,479</u>	<u>-</u>	<u>10,508</u>
2020						
Revenue from external customers	<u>3,216</u>	<u>11,914</u>	<u>12,371</u>	<u>218</u>	<u>-</u>	<u>27,719</u>
Non-current assets	<u>1,555</u>	<u>4,028</u>	<u>310</u>	<u>6,840</u>	<u>-</u>	<u>12,733</u>

LORENZO INTERNATIONAL LIMITED

(Co. Reg. No.: 200508277C)

Financial Statements and Dividend Announcement For the year ended 31 March 2021

15. *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 14 for details.

16. *A breakdown of sales.*

Sales

For the first six months

For the second six months

Net Loss reported

For the first six months

For the second six months

FY 2021 (unaudited)	FY 2020 (unaudited)
S\$'000	S\$'000
10,853	13,761
14,066	13,958
24,919	27,719
3,127	(1,671)
46	(1,054)
3,173	(2,725)

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

The Company has procured undertakings from all its Directors and Executive Officers.

18. *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

Lim Pang Hern

Executive Director

25 May 2021