

LORENZO INTERNATIONAL LIMITED

(Co. Reg. No.: 200508277C)

Financial Statements and Dividend Announcement For the year ended 31 March 2019

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 31/03/2019 (unaudited)	Year ended 31/03/2018 (audited)	Increase/ (Decrease) Mar 19 v Mar 18	
	S\$'000	S\$'000	S\$'000	%
Revenue	29,150	31,817	(2,697)	(8.47)
Cost of sales	(15,695)	(17,432)	1,737	(9.96)
Gross Profit	13,455	14,415	(960)	(6.66)
Other operating income	2,672	6,925	(4,253)	(61.42)
Administrative expenses	(13,939)	(18,869)	4,930	(26.13)
Distribution and marketing costs	(2,993)	(3,409)	416	(12.20)
Other operating expenses	(776)	(8,552)	7,776	(90.93)
Finance costs	(1,309)	(898)	(411)	45.77
(Loss)/ Profit before taxation	(2,890)	(10,388)	7,498	(72.18)
Taxation	(343)	(424)	81	(19.10)
(Loss)/ Profit after taxation	(3,233)	(10,812)	7,579	(70.10)
(Loss)/ Profit attributable to Equity holders of the Company :	(3,233)	(10,812)	7,579	(70.10)

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

	Year ended 31/03/2019 (unaudited)	Year ended 31/03/2018 (audited)	Increase/ (Decrease) Mar 19 v Mar 18	
	S\$'000	S\$'000	S\$'000	%
Interest income	(4)	(4)	-	-
Interest expense	1,296	845	451	53.37
Depreciation of property, plant & equipment	1,126	1,357	(231)	(17.02)
Amortisation of land use rights	24	31	(7)	(22.58)
Foreign exchange (gain)/loss net	(78)	(290)	212	(73.10)
(Gain)/Loss on disposal of property, plant & equipment	24	(995)	1,019	(102.41)
Property, plant & equipment written off	-	240	(240)	(100.00)
Trade receivables written off	5	35	(30)	(85.71)
Impairment loss on trade receivables	20	1,760	(1,740)	(98.86)
Impairment loss on other receivables	-	917	(917)	(100.00)
Gain on disposal of subsidiary company	-	(3,143)	3,143	(100.00)
Inventories written off	-	346	(346)	(100.00)
Allowance for stock obsolescence	310	3,011	(2,701)	(89.70)
Impairment of property, plant and equipment	-	307	(307)	(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.

	Year ended 31/03/2019 (unaudited)	Year ended 31/03/2018 (audited)	Increase/ (Decrease) Mar 19 v Mar 18	
	S\$'000	S\$'000	S\$'000	%
(Loss) for the year	(3,233)	(10,812)	7,579	(70.10)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss, at nil tax	-	-	-	n/m
Foreign currency translation differences – foreign operations, at nil tax	39	(62)	101	(162.90)
Other comprehensive (loss)/ income for the period/ year	39	(62)	101	(162.90)
Total comprehensive (loss)/ income for the year attributable to owners of the Company	(3,194)	(10,874)	7,680	(70.63)

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 2019 (unaudited)	As at 31Mar 2018 (audited)	As at 31Mar 2019 (unaudited)	As at 31Mar 2018 (audited)
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS:				
Non-Current Assets				
Land use rights	869	922	-	-
Property, plant and equipment	5,117	5,234	16	5
Investment properties	7,952	8,720	-	-
Other receivables	121	121	-	-
Investment in subsidiaries	-	-	-	-
Deferred tax assets	14	44	-	-
	14,073	15,041	16	5
Current Assets:				
Land use rights	24	25	-	-
Inventories, at cost	8,389	7,166	-	-
Amount due from subsidiaries	-	-	1,667	3,852
Trade receivables	4,128	2,703	-	-
Other receivables	2,125	4,446	38	49
Fixed deposits with banks	49	49	-	-
Cash and cash equivalents	851	1,537	5	3
	15,566	15,926	1,710	3,904
Total assets	29,639	30,967	1,726	3,909
EQUITY AND LIABILITIES:				
Capital and Reserve				
Share capital	39,949	39,949	39,949	39,949
Reserves	(44,693)	(41,498)	(42,300)	(39,939)
	(4,744)	(1,549)	(2,351)	10
Non-current liabilities				
Borrowings	274	286	-	-
Deferred tax	165	165	-	-
Deferred income	502	1,765	-	-
	941	2,216	-	-
Current Liabilities				
Trade payables	3,257	3,225	-	-
Other payables	9,677	13,457	2,272	1,709
Deferred income	1,326	1,119	-	-
Amount due to a subsidiary	-	-	1,805	2,190
Provision for taxation	204	129	-	-
Borrowings	18,978	12,370	-	-
	33,442	30,300	4,077	3,899
Total equity and liabilities	29,639	30,967	1,726	3,909

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

	As at 31 March 2019		As at 31 March 2018	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	18,978	-	12,370	-
Amount repayable after one year	274	-	286	-

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 31/03/2019 (unaudited) S\$'000	Year ended 31/03/2018 (audited) S\$'000
Cash Flows from operating activities		
Loss before taxation	(2,890)	(10,388)
Adjustments for:-		
Amortisation of land use rights	23	31
Depreciation of property, plant and equipment	1,126	1,357
Impairment loss on trade and other receivables	-	2,677
Impairment loss on amount due from disposed subsidiary	-	-
Impairment loss on property, plant and equipment	-	307
Property, plant & equipment written off	-	240
(Gain)/ loss on disposal of property, plant & equipment	23	(995)
(Gain)/loss on disposal of subsidiary	-	(3,143)
Negative goodwill	-	(296)
Interest expense	616	846
Interest income	-	(3)
Operating profit/(loss) before working capital changes	(1,102)	(9,367)
Changes in inventories	(1,222)	5,377
Changes in operating receivables	792	639
Changes in operating payables	(4,805)	4,055
Net cash generated from/(used in) operations	(6,337)	704
Interest expense	(616)	(846)
Income tax paid	(110)	(453)
Net cash used in operating activities	(7,063)	(595)
Cash Flows generated from/(used in) investing activities		
Acquisition of property, plant and equipment	(705)	(558)
Proceed from disposal of property, plant and equipment	141	408
Proceed from disposal of subsidiary company	-	3,278
Interest received	-	3
Net cash generated from/(used in) investing activities	(564)	3,131
Cash Flows generated from/(used in) financing activities		
Proceeds from Issue of Shares	-	-
Repayment of Shares related expenditure	-	-
Repayment of bank loans	-	(676)
Proceeds from bank loan	6,167	-
Repayment/ Net proceeds of trust receipts and bills payable	699	(1,299)
Loan from directors	-	(282)
Repayment of finance lease liabilities	(51)	(111)
Net cash generated from/(used in) financing activities	6,815	(2,368)
Net increase/(decrease) in cash & cash equivalents	(812)	168
Cash & cash equivalents at beginning of the period	(4,331)	(4,410)
Net effect of exchange rate changes on balance of cash and cash equivalents at beginning of the year	345	(89)
Cash and cash equivalents at end of the year/period	(4,798)	(4,331)

Note 1:

Cash and cash equivalents at end of the period

Cash and bank balances

Fixed deposit

Bank overdraft

Group	
Year ended 31/03/2019 (unaudited)	Yearended 31/03/2018 (audited)
S\$'000	S\$'000
851	1,537
49	49
(5,698)	(5,917)
(4,798)	(4,331)

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
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2019						
Balance as at 1 Apr 2018	(5,207)	-	838	(3,282)	(33,847)	39,949
Loss for the year	-	-	-	-	(3,233)	-
Other comprehensive income/(loss)	38	-	-	-	-	-
Balance at 31 Mar 2019	(5,169)	-	838	(3,282)	(37,080)	39,949
2018						
Balance as at 1 Apr 2017	(5,145)	68	838	(3,282)	(23,103)	39,949
Loss for the year	-	-	-	-	(10,812)	-
Other comprehensive income/(loss)	99	-	-	-	-	-
Recycling of reserve upon disposal of subsidiary	-	(68)	-	-	68	-
Disposal of subsidiary	(161)	-	-	-	-	-
Balance at 31 Mar 2018	(5,207)	-	838	(3,282)	(33,847)	39,949

Company

2019

Balance as at 1 Apr 2018

Loss for the period

Balance at 31 Mar 2019

2018

Balance as at 1 Apr 2017

Loss for the period

Balance at 31 Mar 2018

Retained earnings	Share Capital	Total Equity
S\$'000	S\$'000	S\$'000
(39,939)	39,949	10
(2,361)	-	(2,361)
(42,300)	39,949	(2,351)
(12,113)	39,949	27,836
(27,826)	-	(27,826)
(39,939)	39,949	10

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1(d)(iii) 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 2018 and 31 March 2019 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 31/03/2019	At 31/03/2018
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 2019 and 31 March 2018.

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 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 2019 as compared with its audited financial statements for the year ended 31 March 2018.

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 audited annual financial statements for the financial period ended 31 March 2018, 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 2018.

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	
Year ended 31 March 2019	Year ended 31 March 2018
(0.74) cents	(2.46) cents
(0.74) cents	(2.46) cents

The loss per share of the Group for the year ended 31 March 2019 was computed based on the weighted average number of shares in issue of 439,400,466 (31 March 2018: 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 2019	31 03 2018	31 03 2019	31 03 2018
(1.08) cents	(0.35) cents	(0.54) cents	0.02 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 2019 (31 March 2018: 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 2019

Revenue

The Group registered a lower revenue amounting to S\$29.2 million for the financial year ended 31 March 2019 (FY2019) compared to S\$31.8 million in the previous corresponding year (FY2018). The decrease in revenue of S\$2.7 million was due to lower revenue generated from its Furniture segment. The decrease in revenue was mainly attributable to lower sales generated in both Singapore and Taiwan units amounting to S\$2.8 million and S\$1.7 million respectively offset by an increase in sales in its Malaysia unit of S\$2.2 million. The lower sales in Singapore was due to the consolidation of the unit retail outlets to one location while the reduction in sales in Taiwan unit was due to a downturn in the furniture retail market. The increase in Malaysia unit's sale was attributed to sales to export customers and improved sales volume.

Cost of Goods Sold and Gross Profit

Cost of sales reduced by S\$1.7 million from S\$17.4 million to S\$15.7 million. The lower cost of sales was due to reduction of production cost during the financial year. Gross profit was S\$1 million lower than FY2018 as a result of lower sales despite an decrease in cost of production.

Other operating income

Other operating income decreased by S\$4.2 million from S\$6.9 million in FY2018 to S\$2.7 million in FY2019. The decrease was mainly due to the gain arising from disposal of a subsidiary company amounting to S\$3.1 million and gain on disposal of property, plant and equipment of S\$0.9 million recognised in FY2018 and lower rental income of S\$0.2 million

Administrative expense

Administrative expense decreased by S\$4.9 million or 26.1 percent compared to S\$18.9 million in FY2018. This was mainly due to reduction of salary related expenses and rental expenses of S\$4.4 million and S\$0.5 million respectively.

Distribution and Marketing costs

Distribution and Marketing costs decreased from S\$3.4 million in FY2018 to S\$3 million in FY2019. The decrease arose mainly from the reduction of sales commission and transportation charges.

Other operating expense

Other operating expense decreased by S\$7.8 million from S\$8.6 million in FY2018 to S\$0.8 million in FY2019. This was mainly attributable to the provision for doubtful debts of S\$2.8 million, provision for slow-moving inventories of S\$3.4 million recognised in FY2018 and a reduction in depreciation charges of S\$0.6 million. There was no provision for impairment loss on property, plant and equipment and fixed assets written off in FY2019 compared to S\$0.3 million and S\$0.2 million provided in FY2018.

Finance cost

Finance cost increased by S\$0.4 million to S\$1.3 million compared to S\$0.9 million in FY2018. The increase was due to higher interest expense incurred in FY2019 due to an increase in bank borrowings.

Taxation

Income tax expense of the Group decreased by S\$0.1 million from S\$0.4 million in FY2018 to S\$0.3 million in FY2019. This was attributable mainly to lower foreign withholding taxes paid in FY2019.

Loss for the period

The Group reported an reduction in loss of \$3.2 million in FY2019 compared to S\$10.8 million in FY2018. The factors attributing to the lower losses were explained above.

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Non-current assets of the Group decreased by S\$1.6 million from S\$15.7 million at 31 March 2018 to S\$14.1 million at 31 March 2019. This was mainly attributable to depreciation charges of property, plant and equipment, amortisation charges of land use rights and the reduction of non-current retention sum receivable.

Current AssetsOther receivables

	31/03/2019	31/03/2018	Variance
	S\$'000	S\$'000	S\$'000
Other debtors	(737)	1,677	(2,414)
Deposits	972	1,049	(77)
Advance to suppliers	216	752	(536)
Prepayments	1,137	326	811
Tax recoverable	537	642	(105)
	<u>2,125</u>	<u>4,446</u>	<u>(2,321)</u>

The Group's reported current assets amounted to approximately S\$15.6 million as at 31 March 2019. (31 March 2018: S\$15.9 million). The decrease was mainly due to the reduction of other receivables and cash and cash equivalents amounting to S\$2.3 million and S\$0.7 million respectively offset by increase in inventories and trade receivables amounting to S\$1.2 million and S\$1.5 million respectively.

The decrease in other receivables were due to over provision for doubtful debts made in the previous financial year. The increase in inventory was due to increase in finished goods in its Malaysia unit and the increase in trade debtors were the results of a reclassification of account from trade creditors amounting to S\$0.7 million and sales occurring in March 2019 amounting to S\$0.8 million.

Non-Current Liabilities

The Group's non-current liabilities decreased to S\$0.9 million at 31 March 2019 (31 March 2018: S\$2.2 million). The decrease was due to the recognition of rental income of its factory in China.

Current LiabilitiesOther payables

	31/03/2019	31/03/2018	Variance
	S\$'000	S\$'000	S\$'000
Other creditors	3,007	7,696	(4,689)
Deposit received	3,826	2,480	1,346
Accruals	2,839	3,281	(442)
Amount due to directors	5	-	5
	<u>9,677</u>	<u>13,457</u>	<u>(3,780)</u>

The Group's current liabilities position increased by S\$3.1 million from S\$30.3 million as at 31 March 2018 to S\$33.4 million as at 31 March 2019. The increase was mainly attributable to an increase in borrowings of S\$6.6 million offset by a decrease in other payables of S\$3.8 million.

The decrease in other creditors were due to repayment made during the financial year reported on.

Capital and Reserves

As at 31 March 2019, the Group had negative shareholders' equity of S\$4.7 million compared to S\$1.5 million at 31 March 2018. This was due to accumulated losses and exchange translation loss recorded in the financial year reported on.

Cash flow Statement

Operating loss before working capital was S\$1.1 million in FY2019 compared to S\$9.4 million in FY 2018.

Net cash used in operating activities was S\$7.1 million in FY2019 compared to S\$0.6 million in FY2018. This was due to decrease in inventories of S\$1.2 million and trade and other payables of S\$4.8 million which was partially offset by increase in trade and other receivables of S\$0.8 million and lower interest expenses and income tax paid.

Net cash flow used in investing activities was approximately S\$0.6 million, as a result of acquisition of property, plant and equipment of S\$0.7 million offset by proceed from disposal of property, plant and equipment of S\$0.1 million.

Net cash flow generated from financing activities was S\$6.8 million compared to net cash flow used in financing activities of S\$2.4 million in FY2018. This arose from proceeds from trust receipts and bills payable amounting to S\$0.7 million and bank borrowings of S\$6.2 million.

Cash and cash equivalents decreased by S\$0.8 million mainly as a results of net cash used in investing activities and working capital purposes.

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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 challenges in the countries it operates in owing to weak demand for furniture as a result of lower consumer demand and weak demand in residential property respectively.

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.

The Company's management is looking into realising the Group's real estate assets in Singapore and China to resolve the going concern issues as well as improve the Group's cash flow.

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 a general mandate from shareholders for interested person transactions.

Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions under shareholders' mandate pursuant to Rule 920 of the Listing Manual)

	31/03/2019 S\$'000	31/03/2018 S\$'000
Sales to a firm of which a director of the Company is a member	-	-
Purchases from a firm of which a director of the Company is a member	-	-
Expenses charged by a firm of which a director of the Company is a member	-	-
<i>In addition, the Group had entered into the following transactions which come under the exception under</i>		
Rental expenses paid and payable to a firm of which a director of the Company is a member	-	1,233
Rental expenses in relation to prior years paid and payable to a firm of which a director of the Company is a member	-	655

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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 information for the immediately preceding year.

	Furniture business	Building material business	Unallocated	Total
(unaudited)	S\$'000	S\$'000	S\$'000	S\$'000
2019				
Revenue				
Total revenue	29,062	799	-	29,861
Inter-company	(711)	-	-	(711)
External revenue	28,351	799	-	29,150
Gross profit	13,217	238	-	13,455
Results				
Segment results	1,139	(372)	(2,348)	(1,581)
Finance cost	(1,104)	(192)	(13)	(1,309)
Profit/(Loss) before income tax	35	(564)	(2,361)	(2,890)
Income tax expense				(343)
Profit/(Loss) for the period				(3,233)
Non-cash Items				
Depreciation of property, plant & equipment	(619)	-	(3)	(622)
Gain/(loss) on disposal of PPE	(23)	-	-	(23)
Amortisation of intangible assets	(24)	-	-	(24)
PPE written off	-	-	-	-
Allowance for stock obsolescence	(11)	-	-	(11)
Write back of allowance for inventory obsolescence	130	191	-	321
Receivables written off	-	-	-	-
Allowance for doubtful debts - operating receivables	-	(20)	-	(20)
Capital Expenditure				
Property, plant & equipment	691	-	14	705
Intangible asset	-	-	-	-
Assets and Liabilities				
Segment assets	24,971	2,391	1,726	29,088
Tax recoverable	537	-	-	537
Deferred tax assets	14	-	-	14
Segment liabilities	25,536	4,605	4,077	34,218
Provision for taxation	-	-	-	-
Deferred taxation	164	-	-	164

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	Furniture business	Building material business	Unallocated	Total
	S\$'000	S\$'000	S\$'000	S\$'000
2018				
Revenue				
Total revenue	34,714	761	-	35,475
Inter-company	(3,629)	-	-	(3,629)
External revenue	31,085	761	-	31,846
Gross profit	14,036	379	-	14,415
Results				
Segment results	(5,262)	(1,794)	(2,434)	(9,490)
Finance cost	(700)	(177)	(21)	(898)
Profit/(Loss) before income tax	(5,962)	(1,971)	(2,455)	(10,388)
Income tax expense	-	-	-	(424)
Profit/(Loss) for the period	-	-	-	(10,812)
Non-cash Items				
Depreciation of property, plant & equipment	(1,356)	-	(2)	(1,358)
Gain on disposal of PPE	995	-	-	995
Amortisation of intangible assets	(31)	-	-	(31)
Impairment of Non current assets	(307)	-	-	(307)
PPE written off	(240)	-	-	(240)
Allowance for doubtful debts	(2,612)	(65)	-	(2,677)
Inventories written off	(346)	-	-	(346)
Allowance for inventory obsolescence	(2,171)	(840)	-	(3,011)
Capital Expenditure				
Property, plant & equipment	555	-	3	558
Intangible asset	-	-	-	-
Assets and Liabilities				
Segment assets	27,897	4,507	3,908	36,312
Tax recoverable	642	-	-	642
Deferred tax assets	-	-	-	-
Segment liabilities	25,162	6,157	3,899	35,218
Provision for taxation	129	-	-	129
Deferred taxation	164	-	-	164

Geographical segment

	Singapore S\$'000	Malaysia S\$'000	Taiwan S\$'000	China S\$'000	Others S\$'000	Total S\$'000
2019						
Revenue from external customers	2,329	13,267	13,403	151	-	29,150
Non-current assets	1,997	4,043	412	6,752	-	13,204
2018						
Revenue from external customers	4,144	11,067	15,147	589	899	31,846
Non-current assets	1,657	4,225	560	8,599	-	15,041

LORENZO INTERNATIONAL LIMITED

(Co. Reg. No.: 200508277C)

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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 2019 (unaudited)	FY 2018 (audited)
S\$'000	S\$'000
12,820	15,610
16,330	16,237
29,150	31,847
(2,533)	(5,726)
(700)	(5,086)
(3,233)	(10,812)

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

Ding Lei

Executive Director/ Chairman

30 May 2019