

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							
	Q2 Jul to Sept 22	Q2 Jul to Sept 21	Increase/(Decrease)		HY ended 30/09/2022	HY ended 30/09/2021	Increase/(Decrease) Sept 2022 vs Sept 2021	
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	S\$'000	%
Revenue	5,962	4,342	1,620	37.31	11,673	9,058	2,615	28.87
Cost of sales	(3,045)	(2,022)	(1,023)	50.59	(5,917)	(4,489)	(1,428)	31.81
Gross Profit	2,917	2,320	597	25.73	5,756	4,569	1,187	25.98
Other operating income	362	277	85	30.69	488	10,788	(10,300)	(95.48)
Administrative expenses	(1,466)	(1,539)	73	(4.74)	(2,868)	(3,693)	825	(22.34)
Distribution and marketing costs	(447)	(549)	102	(18.58)	(903)	(950)	47	(4.95)
Other operating expenses	(873)	(495)	(378)	76.36	(1,725)	(1,249)	(476)	38.11
Finance costs	(114)	(117)	3	(2.56)	(220)	(247)	27	(10.93)
(Loss)/ Profit before taxation	379	(103)	482	(467.96)	528	9,218	(8,690)	(94.27)
Taxation	(18)	(20)	2	(10.00)	(71)	(48)	(23)	47.92
(Loss)/ Profit after taxation	361	(123)	484	(393.50)	457	9,170	(8,713)	(95.02)
(Loss)/ Profit attributable to:								
Equity holders of the Company	361	(123)	484	(393.50)	457	9,170	(8,713)	(95.02)

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

	Q2 Jul to Sept 22	Q2 Jul to Sept 21	Increase/ (Decrease)		HY ended 30/09/2022	HY ended 30/09/2021	Increase/ (Decrease)	
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	S\$'000	%
Interest income	(10)	(8)	(2)	25.00	(21)	(10)	(11)	nm
Interest expense	110	111	(1)	(0.90)	212	235	(23)	(9.79)
Depreciation of property, plant & equipment	36	24	12	50.00	71	203	(132)	(65.02)
Amortisation of right of use assets	753	483	270	nm	1,444	483	961	nm
Amortisation of land use rights	-	-	-	nm	-	6	(6)	(100.00)
Foreign exchange (gain)/loss net	26	1,300	(1,274)	(98.00)	122	165	(43)	(26.06)
(Gain)/Loss on disposal of subsidiary	-	(31)	31	nm	-	(7,168)	7,168	nm
(Gain)/Loss on disposal of property, plant & equipment	-	14	(14)	(100.00)	-	-	-	nm
Trade receivables written off	-	4	(4)	nm	-	4	(4)	-
Impairment loss on trade receivables	88	143	(55)	(38.46)	88	266	(178)	(66.92)

nm – not meaningful

Note

Lorenzo Furniture (Kunshan) Co., Ltd ("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. The results of the LIK for the period from April to June 2021 included in the half year results of previous reporting period are stipulated below:

	S\$'000
Revenue	-
Cost of sales	-
Gross Profit	-
Other operating income	(77)
Administrative expenses	(79)
Distribution and marketing costs	-
Other operating expenses	(367)
Finance costs	(55)
(Loss) before taxation	(578)
Taxation	-
(Loss) after taxation	(578)
(Loss) attributable to:	
Equity holders of the Company	(578)

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

Interest income	-
Interest expense	55
Depreciation of property, plant & equipment	116
Amortisation of land use rights	6
Foreign exchange (gain)/loss net	(79)
(Gain)/Loss on disposal of subsidiary	414
Impairment loss on trade receivables	123

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.

	Q2 Jul to Sept 22	Q2 Jul to Sept 21	Increase/(Decrease)		HY ended 30/09/2022	HY ended 30/09/2021	Increase/ (Decrease) Sept 2022 vs Sept 2021	
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	S\$'000	%
Profit/(Loss) for the year	361	(123)	484	(393.50)	457	9,170	(8,713)	(95.02)
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	(222)	15	(237)	(1,580.00)	(335)	28	(363)	(1,296.43)
Other comprehensive (loss)/income for the period/ year	(222)	15	(237)	(1,580.00)	(335)	28	(363)	(1,296.43)
Total comprehensive (loss)/income for the year attributable to owners of the Company	139	(108)	247	(228.70)	122	9,198	(9,076)	(98.67)

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

ASSETS:

Non-Current Assets

Property, plant and equipment
Rights of use assets
Deferred tax assets

Current Assets:

Inventories, at cost
Amount due from subsidiaries
Trade receivables
Other receivables
Cash and cash equivalents

Total assets

EQUITY AND LIABILITIES:

Capital and Reserve

Share capital
Reserves

Non-current liabilities

Borrowings
Deferred income
Deferred taxation

Current Liabilities

Trade payables
Other payables
Contract Liabilities
Amount due to a subsidiary
Amount due to directors
Provision for taxation
Borrowings

Total equity and liabilities

Group		Company	
As at 30 Sept 2022	As at 31 Mar 2022	As at 30 Sept 2022	As at 31 Mar 2022
S\$'000	S\$'000	S\$'000	S\$'000
255	238	-	-
5,455	5,038	-	-
7	13	-	-
5,717	5,289	-	-
8,154	7,230	-	-
-	-	421	561
1,853	1,826	-	-
8,312	8,739	14,526	14,527
2,476	3,323	45	2
20,795	21,118	14,992	15,090
26,512	26,407	14,992	15,090
39,949	39,949	39,949	39,949
(36,180)	(36,302)	(30,733)	(30,635)
3,769	3,647	9,216	9,314
894	833	-	-
11	11	-	-
96	96	-	-
1,001	940	-	-
1,079	1,745	-	-
7,836	6,585	3,852	3,836
3,040	4,333	-	-
-	-	1,862	1,878
111	101	62	62
-	194	-	-
9,676	8,862	-	-
21,742	21,820	5,776	5,776
26,512	26,407	14,992	15,090

LORENZO INTERNATIONAL LIMITED

(Co. Reg. No.: 200508277C)

Financial Statements and Dividend Announcement For the Half Year ended 30 September 2022

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

	As at 30 September 2022		As at 31 March 2022	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	9,676	-	8,862	-
Amount repayable after one year	894	-	833	-

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) a guarantee given by the Company;
- (b) a guarantee given by a subsidiary;
- (c) first legal mortgage of the Group's leasehold properties;
- (d) 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	
	HY ended 30/09/2022	HY ended 30/09/2021
	S\$'000	S\$'000
Cash Flows from operating activities		
Profit/(Loss) before taxation	456	9,218
Adjustments for:-		
Amortisation of land use rights	-	-
Amortisation of right of use assets	1,444	483
Depreciation of property, plant and equipment	74	218
Trade receivables written off	-	4
(Gain)/ loss on disposal of investment property	-	-
(Gain)/ loss on disposal of subsidiary	-	(7,168)
Allowance for impairment loss for trade & other receivables	-	266
Interest expense	212	235
Interest income	(21)	(10)
Operating profit/(loss) before working capital changes	2,165	3,246
Changes in inventories	(924)	(181)
Changes in operating receivables	373	(8,123)
Changes in operating payables	584	(2,457)
Changes in contract liabilities	(1,292)	1,719
Net cash generated from/(used in) operations	906	(5,796)
Interest expense	(212)	(235)
Income tax (paid)/refunded	(176)	(122)
Net cash generated from/(used in) operating activities	518	(6,153)
Cash Flows generated from/(used in) investing activities		
Acquisition of property, plant and equipment	(101)	(53)
Acquisition of right of use assets	(2,077)	-
Proceed from disposal of property, plant and equipment	-	-
Proceeds from disposal of investment property	-	-
Proceed from available-for-sales of financial assets	-	-
Interest received	21	10
Net cash generated from/(used in) investing activities	(2,157)	(43)
Cash Flows generated from/(used in) financing activities		
Repayment of bank loans	(65)	-
Proceeds from bank loan	-	21
Loan from/(Repayment to) directors	10	-
Repayment of trust receipts and bills payable	(452)	43
Proceeds from disposal of subsidiary	-	6,587
Advance from/(Repayment to) directors	-	-
Proceeds from finance lease liabilities	2,419	-
Repayment of finance lease liabilities	(1,727)	(350)
Net cash generated from/(used in) financing activities	185	6,301
Net increase/(decrease) in cash & cash equivalents	(1,454)	105
Cash & cash equivalents at beginning of the period	(1,704)	(2,908)
Net effect of exchange rate changes on balance of cash and cash equivalents at beginning of the year	(188)	(30)
Cash and cash equivalents at end of the period	(3,346)	(2,833)

Note 1:

Cash and cash equivalents at end of the period

Cash and bank balances

Fixed deposit

Bank overdraft

Group	
HY ended 30/09/2022	HY ended 30/09/2021
S\$'000	S\$'000
2,476	2,489
-	-
(5,822)	(5,322)
(3,346)	(2,833)

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
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2022/2023							
Balance as at 1 Apr 2022	(5,505)	-	838	(3,282)	-	(28,353)	39,949
Profit/(Loss) for the period	-	-	-	-	-	457	-
Other comprehensive income/(loss)	(335)	-	-	-	-	-	-
Balance at 30 Sept 2022	(5,840)	-	838	(3,282)	-	(27,896)	39,949
2021/2022							
Balance as at 1 Apr 2021	(5,230)	-	838	(3,282)	-	(39,385)	39,949
Profit/(Loss) for the period	-	-	-	-	-	9,170	-
Movement in reserves	154	-	-	-	-	(154)	-
Other comprehensive income/(loss)	28	-	-	-	-	-	-
Balance at 30 Sept 2021	(5,048)	-	838	(3,282)	-	(30,369)	39,949

Company

2022/2023

Balance as at 1 Apr 2022

Loss for the period

Balance at 30 Sept 2022

2021/2022

Balance as at 1 Apr 2021

Loss for the period

Balance at 30 Sept 2021

Retained earnings	Share Capital	Total Equity
S\$'000	S\$'000	S\$'000
(30,635)	39,949	9,314
(98)	-	(98)
(30,733)	39,949	9,216
(44,750)	39,949	(4,801)
14,454	-	14,454
(30,296)	39,949	9,653

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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 2022 and 30 September 2022

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 30/09/2022 At 31/03/2022

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 2022 and 30 September 2022.

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 2022.

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 2022, 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 2022.

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	
Half Year ended 30 Sept 2022	Half Year ended 30 Sept 2021
0.10 cents	2.09 cents
0.10 cents	2.09 cents

The earnings per share of the Group for the period ended 30 September 2022 was computed based on the weighted average number of shares in issue of 439,400,466 (30 September 2021: 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.*

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

Group		Company	
30.09.2022	31.03.2022	30.09.2022	31.03.2022
0.86 cents	0.83 cents	2.10 cents	2.12 cents

The net asset value per ordinary share is based on the number of shares in issue of 439,400,466 as at 30 September 2022 (31 March 2022: 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 September 2022**Revenue**

The Group registered a higher revenue amounting to S\$11.7 million for the six months ended 30 September 2022 ("HY 2023") compared to S\$9.1 million in the previous corresponding period ("HY2022"). The increase in revenue of S\$2.6 million was due to higher revenue generated from its Furniture segment offset by decrease in revenue of its Building material 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 lower sales in Taiwan were due to decreased retail sales made during the period under review which arose from lower demand as a result of rising inflation rate. The increase in sales of its Malaysia unit was mainly due to aggressive promotion exercise during the reporting period.

Cost of Goods Sold and Gross Profit

Cost of sales increased by S\$1.4 million from S\$4.5 million to S\$5.9 million. The higher cost of sales was mainly due to increased sales made and higher material cost during the six months period. Gross profit increased by S\$1.2 million in HY2023 compared to HY2022 because of higher sales volume.

Other operating income

Other operating income decreased by S\$10.3 million to S\$0.5 million in HY2023 compared to S\$10.8 million in HY2022. The decrease 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 recorded in the previous corresponding period.

Administrative expense

Administrative expense decreased by S\$0.8 million compared to S\$3.7 million in HY2022. The decrease was mainly due to reclassification of rental expenses to lease liabilities for ROU assets in its Malaysia and Taiwan business units according to accounting standard SFRS 16 on Leases.

Distribution and Marketing costs

Distribution and Marketing cost was S\$47,000 lower than S\$0.9 million in HY2022. The decrease was the results of lower distribution cost in its Singapore and Taiwan business units offset by higher distribution cost in its Malaysia business unit.

Other operating expense

Other operating expense increased by S\$0.5 million from S\$1.2 million in HY2022 to S\$1.7 million in HY2023. This was mainly attributable to the recognition of amortisation of right of use assets for the period under review according to accounting standard SFRS 16 on Leases.

Finance cost

Finance cost remain relatively flat at S\$0.2 million in HY2023. This was due to the non-consolidation of the financial costs of its disposed China subsidiary.

Taxation

Income tax expense of the Group increased by S\$23,000 for the period under review compared to HY2022. This was attributable mainly to withholding taxes paid for royalty income remitted from one of its foreign subsidiaries.

Profit for the period

The Group reported a profit of \$0.5 million in HY2023 compared to a profit of S\$9.2 million in HY2022. The factors attributing to the profit were explained above.

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Financial Statements and Dividend Announcement For the Half Year ended 30 September 2022**Balance Sheet****Non-Current Assets**

Non-current assets of the Group increased by S\$0.4 million from S\$5.3 million as at 31 March 2022 to S\$5.7 million as at 30 September 2022. This was mainly attributable to acquisition of property, plant and equipment and right of use assets offset by depreciation charges of property, plant and equipment and right of use assets.

Current Assets

<u>Other receivables</u>	30/09/2022	31/03/2022	Variance
	S\$'000	S\$'000	S\$'000
Other debtors	7,063	7,406	(343)
Deposits	923	978	(55)
Advance to suppliers	65	65	-
Prepayments	176	178	(2)
Tax recoverable	85	112	(27)
	<u>8,312</u>	<u>8,739</u>	<u>(427)</u>

The Group's reported current assets amounted to approximately S\$20.8 million as at 30 September 2022. (31 March 2022: S\$21.1 million). This was mainly due to increase in inventories offset by decrease in operating receivables and cash and cash equivalents.

The increase in inventories was due to higher inventory level and lower allowance for stock obsolescence during the six months period.

The decrease of other receivables was due to the lower other debtors, deposits paid and tax recoverable.

Non-Current Liabilities

The Group's non-current liabilities remained flat at S\$1 million.

Current Liabilities

<u>Other payables</u>	30/09/2022	31/03/2022	Variance
	S\$'000	S\$'000	S\$'000
Other creditors	3,579	2,398	1,181
Deposits received	25	25	-
Accruals	4,232	4,162	70
	<u>7,836</u>	<u>6,585</u>	<u>1,251</u>

The Group's current liabilities position remained flat from S\$21.8 million as at 31 March 2022 to S\$21.7 million as at 30 September 2022. This was mainly attributable to a decrease in trade payables, contract liabilities and provision for taxation offset by increase in other payables and bank borrowings.

The decrease in trade payables was attributable to payment of trade payables for the six months period..

The increase in other payables was due to increase in other creditors and accruals owing to slower payment.

Capital and Reserves

As at 30 September 2022, the Group had a shareholders' equity of S\$3.8 million compared to S\$3.6 million at 31 March 2022. This was due to positive results achieved during the six months period.

Cash flow Statement

For the six months period, the Group generated cash from its operating activities amounted to S\$0.5 million compared to cash used in operating activities of S\$6.1 million in HY2022. This was due to the decrease in operating payables of S\$0.4 million, increase in operating payables of S\$0.6 million and inventories of S\$0.9 million and decrease in contract liabilities of S\$1.3 million.

Net cash generated used in investing activities was S\$2.1 million which was mainly attributed to the acquisition of property, plant and equipment and right of use assets. In HY2022, the Group had a net cash used in investing activities of S\$43,000.

Net cash flow generated from financing activities was S\$0.2 million. This arose mainly from net proceeds from finance lease liabilities of S\$0.7 million offset by repayment of bank borrowings.

Cash and cash equivalents decreased by S\$1.4 million mainly as a results of net cash used in investing activities offset by net cash generated from operating and financing activities. Cash and cash equivalents in HY2023 decreased by S\$1.7 million as a result of cash used in investing 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 Group will need to overcome the challenges of weak consumers' demand arising from rising inflation rate in the countries that it operates in the next reporting period and the next twelve months.

It will manage the business challenges by continuing to monitor its overall cost structures and improve its production efficiency.

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/recommendeded, 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 September 2022.

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 September 2022 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

11 November 2022

Jimmy Soh King Bin

Independent and Non Executive Director