



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 30 SEPT 2018

The Board of Directors of Signature International Berhad (“SIB” or “the Company”) is pleased to announce the following unaudited consolidated results of SIB and its subsidiaries (collectively known as “the Group”) for the Year ended 30 Sept 2018.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPT 2018 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Year Quarter Ended 30 Sep 2018 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2017 RM'000	Changes %	Current Year-to-date 30 Sep 2018 RM'000	Preceding Year Corresponding Year-to-date 30 Sep 2017 RM'000	Changes %
Revenue	40,745	52,256	-22.0%	40,745	52,256	-22.0%
Operating expenses	(38,623)	(49,133)	-21.4%	(38,623)	(49,133)	-21.4%
Other operating income	619	412	50.2%	619	412	50.2%
Profit from operations	2,741	3,535	-22.5%	2,741	3,535	-22.5%
Finance costs	(677)	(790)	-14.3%	(677)	(790)	-14.3%
Profit before taxation	2,064	2,745	-24.8%	2,064	2,745	-24.8%
Tax expense	(711)	(1,034)	-31.2%	(711)	(1,034)	-31.2%
Profit after taxation	1,353	1,711	-20.9%	1,353	1,711	-20.9%
<b>Other Comprehensive Income, Net of Tax</b>						
Foreign currency translation	64	(33)	-293.0%	64	(33)	-293.1%
<b>Total Comprehensive Income for the period</b>	<b>1,417</b>	<b>1,678</b>	<b>-15.6%</b>	<b>1,417</b>	<b>1,678</b>	<b>-15.6%</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPT 2018 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Year Quarter Ended 30 Sep 2018 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2017 RM'000	Changes %	Preceding Year Current Year-to-date 30 Sep 2018 RM'000	Preceding Year Corresponding Year-to-date 30 Sep 2017 RM'000	Changes %
<b>Profit after tax attributable to:-</b>						
- Equity holders of the parent	1,296	1,828	-29.1%	1,296	1,828	-29.1%
- Non-controlling interest	57	(117)	-148.7%	57	(117)	-148.7%
	<u>1,353</u>	<u>1,711</u>	<u>-20.9%</u>	<u>1,353</u>	<u>1,711</u>	<u>-20.9%</u>
<b>Total Comprehensive Income attributable to: -</b>						
- Equity holders of the parent	1,360	1,795	-24.2%	1,360	1,795	-24.2%
- Non-controlling interest	57	(117)	-148.7%	57	(117)	-148.7%
	<u>1,417</u>	<u>1,678</u>	<u>-15.6%</u>	<u>1,417</u>	<u>1,678</u>	<u>-15.6%</u>
<b>Earnings per share (sen)</b>						
- Basic	<u>0.6</u>	<u>0.8</u>		<u>0.6</u>	<u>0.8</u>	
- Diluted	<u>0.6</u>	<u>0.8</u>		<u>0.6</u>	<u>0.8</u>	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPT 2018

	UNAUDITED As at 30 Sep 2018 RM'000	AUDITED As at 30 Jun 2018 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	86,805	86,888
Goodwill arising from Consolidation	395	395
Investment properties	59,612	58,185
Deferred tax asset	183	183
	<u>146,995</u>	<u>145,651</u>
<b>Current Assets</b>		
Inventories	9,082	9,625
Amount owing by contract customers	11,413	49,280
Trade receivables	81,941	87,586
Other receivables ,deposits and prepayment	3,167	6,523
Tax recoverable	3,792	4,217
Short-term investments	28,780	19,641
Fixed deposit with licensed banks	180	180
Cash and bank balances	14,307	14,609
	<u>152,662</u>	<u>191,661</u>
<b>TOTAL ASSETS</b>	<u>299,657</u>	<u>337,312</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPT 2018 (CONT'D)

	UNAUDITED As at 30 Sep 2018 RM'000	AUDITED As at 30 Jun 2018 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	60,076	60,076
Share premium	1,196	1,196
Reserves	112,435	110,986
Shareholders' equity	173,707	172,258
Non-controlling interest	7,455	7,398
<b>TOTAL EQUITY</b>	<b>181,162</b>	<b>179,656</b>
<b>Non-Current Liabilities</b>		
Hire purchase payables	864	893
Term loans	47,328	48,723
Deferred taxation	656	656
	<b>48,848</b>	<b>50,272</b>
<b>Current Liabilities</b>		
Payables	47,954	64,441
Amount owing to contract customers	15,337	35,733
Provision for taxation	-	885
Hire purchase payables	617	586
Term loan	5,739	5,739
	<b>69,647</b>	<b>107,384</b>
<b>TOTAL LIABILITIES</b>	<b>118,495</b>	<b>157,656</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>299,657</b>	<b>337,312</b>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.77	0.74

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 SEPT 2018 (UNAUDITED)

	← Attributable to equity holders of the parent →							Attributable To owners of The Company RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Merger Deficit RM'000	Employee Share option Reserve RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000			
<b>Balance at 1 July 2018</b>	60,076	1,196	(11,586)	(28,123)	4,154	47	146,494	172,258	7,398	179,656
Profit after taxation for the financial year	-	-	-	-	-	-	1,296	1,296	57	1,353
Other comprehensive income for the financial year, net of tax; - foreign exchange translation	-	-	-	-	-	64	-	64	-	64
Total comprehensive income for the financial year	-	-	-	-	-	64	1,296	1,360	57	1,417
Contribution by and distribution to owners of the Company:										
Recognition of shares option expenses	-	-	-	-	89	-	-	89	-	89
Transfer to share premium for employees' share option exercised	-	-	-	-	89	-	-	89	-	89
<b>At 30 Sep 2018</b>	<b>60,076</b>	<b>1,196</b>	<b>(11,586)</b>	<b>(28,123)</b>	<b>4,243</b>	<b>111</b>	<b>147,790</b>	<b>173,707</b>	<b>7,455</b>	<b>181,162</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (UNAUDITED) (CONT'D)**

	← Attributable to equity holders of the parent →									
	← Non Distributable Reserves				→ Distributable					
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Merger Deficit RM'000	Employee Share option Reserve RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000	Attributable To owners of The Company RM'000	Non- controlling interests RM'000	Total Equity RM'000
<b>Balance at 1 July 2017</b>	60,076	1,196	(10,034)	(28,123)	3,391	(200)	145,535	171,841	5,370	177,211
Profit after taxation for the financial year	-	-	-	-	-	-	1,828	1,828	(117)	1,711
Other comprehensive income for the financial year, net of tax;										
- foreign exchange translation	-	-	-	-	-	(33)	-	(33)	-	(33)
Total comprehensive income for the financial year	-	-	-	-	-	(33)	1,828	1,795	(117)	1,678
Contribution by and distribution to owners of the Company:										
- Recognition of shares option expenses	-	-	-	-	218	-	-	218	-	218
	-	-	-	-	218	-	-	218	-	218
<b>At 30 Sep 2017</b>	<b>60,076</b>	<b>1,196</b>	<b>(10,034)</b>	<b>(28,123)</b>	<b>3,609</b>	<b>(233)</b>	<b>147,363</b>	<b>173,854</b>	<b>5,253</b>	<b>179,107</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FINANCIAL YEAR ENDED 30 SEPT 2018 (UNAUDITED)**

	Current Period Ended 30 Sep 2018 RM'000	Preceding Period Ended 30 Sep 2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	2,064	2,745
<b>Adjustments:</b>		
Amortisation and depreciation	689	780
Income from short term investments	(238)	(134)
(Gain)/Loss on disposal of plant and equipment	(15)	(69)
Interest expense	646	667
Interest income	(96)	(54)
ESOS / Share-based expenses	89	218
Unrealised loss/(gain) on foreign exchange	(90)	(70)
<b>Changes in working capital</b>	3,049	4,083
Inventories	543	(152)
Receivables	7,574	12,423
Amount due from/(to) contract customers	17,471	(1,238)
Payables	(16,398)	(15,173)
<b>Cash generated from operations</b>	12,239	(57)
Interest received	96	54
Interest paid	(646)	(667)
Income tax paid	(1,171)	(370)
<b>Net cash inflow / (outflow) from operating activities</b>	10,518	(1,040)
<b>CASH FLOWS (USED IN) / FROM INVESTING ACTIVITIES</b>		
Additions of property, plant and equipment and prepaid lease rentals	(463)	(1,220)
Additional Purchase / works on investment properties	-	(96)
Acquisition of subsidiary, net of cash and cash equivalent	-	-
Proceeds from disposal of:		
- property, plant and equipment	25	147
Income from short term investment	238	134
Placement of deposit pledged with a licensed bank	-	(700)
<b>Net cash used in investing activities</b>	(200)	(1,735)



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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL YEAR ENDED 30 SEPT 2018 (UNAUDITED) (CONT'D)

	Current Period Ended 30 Sep 2018 RM'000	Preceding Period Ended 30 Sep 2017 RM'000
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Hire purchase repayment	(150)	(202)
Term loans repayment	(1,395)	(716)
<b>Net cash used in financing activities</b>	<b>(1,545)</b>	<b>(918)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>64</b>	<b>(33)</b>
<b>NET INCREASED / (DECREASED) IN CASH AND CASH EQUIVALENTS</b>	<b>8,773</b>	<b>(3,693)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>34,250</b>	<b>30,299</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>43,087</b>	<b>26,573</b>
<b>Cash and cash equivalents comprise of:</b>		
Short-term investments	28,780	13,623
Fixed deposit with licensed banks	180	870
Cash and bank balances	14,307	12,950
	43,267	27,443
Less: Fixed deposit pledged to a licensed bank	(180)	(870)
	43,087	26,573





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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”)

##### 1. Basis of Preparation

The financial statements of the Group are prepared under the historical cost convention and modified to include other basis of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.

##### 2. Significant Accounting Policies

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2018 except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations that are effective for financial statements effective from 1 July 2018, as disclosed below:-

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

The Group is in the midst of assessing the possible financial impacts that may arise from the adoption of these MFRSs.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**
**2. Significant Accounting Policies (Con'td)**

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:- (Con'td)

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles:	1 January 2019
<ul style="list-style-type: none"> <li>• Amendments to MFRS 3 and MFRS 11: Previously Held in a Joint Operation</li> <li>• Amendments to MFRS 112: Income Tax Consequences of Payments on Financial Instruments Classified as Equity</li> <li>• Amendments to MFRS 123: Borrowing Costs Eligible for Capitalisation</li> </ul>	

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

**3. Comments about Seasonal or Cyclical Factors**

The business operations of the Group are not significantly affected by seasonal or cyclical factors other than the retail / non-project sector which is affected by the festive periods in Malaysia.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 4. Items of an Unusual Nature

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

#### 5. Changes in Estimates

There were no estimates announced in regard of the current quarter results.

#### 6. Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the period ended 30 September 2018.

For period to-date, the details of the treasury shares under share buy-back programme are as follows:-

Total Treasury shares	Price Per Share RM	Number of Shares Units	Total Consideration RM'000
Balance at 1 Jul 2018 / 30 Sep 2018	0.52 - 1.40	14,117,100	11,586

#### 7. Dividend Paid

No dividends were paid during the quarter under review.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 8. Segmental Information

The Group	Design	Marketing	Manufacture	Interior	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products				
Result for 3 months Quarter ended 30 Sept 2018	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE:							
External revenue	34,527	1,700	4,518	-	-	-	40,745
Inter-segment revenue	8,490	1,190	1,081	-	627	(11,388)	-
<b>Total revenue</b>	<b>43,017</b>	<b>2,890</b>	<b>5,598</b>	<b>-</b>	<b>627</b>	<b>(11,388)</b>	<b>40,745</b>
RESULTS							
Segment results	2,664	37	165	-	(125)	0	2,741
Finance costs	(131)	(3)	(10)	-	(533)	-	(677)
Profit from ordinary activities before taxation	2,533	34	155	-	(658)	0	2,064
Income tax expense							(711)
Profit from ordinary activities after taxation							1,353
Non-controlling interest							(57)
Net profit attributable to equity holders of the Company							1,296



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 8. Segmental Information (Cont'd)

The Group	Design	Marketing	Manufacture	Interior	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	and Distribution Of White Goods	Of Glass and Aluminium Products				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Result for 3 months</b>							
<b>Quarter ended 30 Sept 2017</b>							
REVENUE:							
External revenue	48,619	990	2,647	-	-	-	52,256
Inter-segment revenue	6,722	732	523	-	710	(8,687)	-
<b>Total revenue</b>	<b>55,341</b>	<b>1,722</b>	<b>3,170</b>	<b>-</b>	<b>710</b>	<b>(8,687)</b>	<b>52,256</b>
RESULTS							
Segment results	3,953	40	(287)	(2)	(169)	-	3,535
Finance costs	(250)	(2)	(10)	-	(528)	-	(790)
Profit from ordinary activities before taxation	3,703	38	(297)	(2)	(697)	-	2,745
Income tax expense							(1,034)
Profit from ordinary activities after taxation							1,711
Non-controlling interest							117
Net profit attributable to equity holders of the Company							1,828

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**
**8. Segmental Information (Cont'd)**

<b>The Group</b>	Design				Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products	Interior fit-out works			
<b>Assets and Liabilities</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 30 Sept 2018</b>							
OTHER INFORMATION							
Segment assets	242,541	15,313	42,224	-	139,438	(143,834)	295,682
Unallocated assets							3,975
							<u>299,657</u>
Segment liabilities	128,349	1,550	24,361	-	84,190	(120,610)	117,839
Unallocated liabilities							656
							<u>118,495</u>

<b>The Group</b>	Design				Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products	Interior fit-out works			
<b>Assets and Liabilities</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 30 Sept 2017</b>							
OTHER INFORMATION							
Segment assets	233,266	13,956	33,341	3,666	141,553	(144,597)	281,185
Unallocated assets							4,805
							<u>285,990</u>
Segment liabilities	125,115	856	20,105	797	81,202	(121,848)	106,227
Unallocated liabilities							656
							<u>106,883</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**
**9. Property, Plant and Equipment Valuation**

There were no changes in the valuations of the Property, Plant and Equipment since the last audited financial statements. Upon transition to MFRS, the Group used the previous revaluation at or before the date of transition as deemed cost for property, plant and equipment.

**10. Profit before taxation**

Profit / (Loss) before taxation is arrived at after charging / (crediting):-

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Sep 2018 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2017 RM'000	Current Year-to-date 30 Sep 2018 RM'000	Preceding Year Corresponding Year-to-date 30 Sep 2017 RM'000
Profit before taxation is arrived at after charging :-				
Interest expense	646	667	646	667
Depreciation and amortisation	689	780	689	780
ESOS / Share-based expenses	89	218	89	218
<hr/>				
Profit before taxation is arrived at after Crediting :-				
Interest Income	(96)	(54)	(96)	(54)
Income from short term investments	(238)	(134)	(238)	(134)
Rental Income	(105)	(38)	(105)	(38)
Gain on disposal of plant and equipment	(15)	(69)	(15)	(69)
(Gain) / loss on foreign exchange - realised	(17)	(6)	(17)	(6)
(Gain) / loss on foreign exchange - unrealised	(90)	(70)	(90)	(70)
<hr/>				

**11. Material Events Subsequent to the end of the interim period**

There was no material events not reflected in the interim financial results.

**12. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the quarter under review.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 13. Changes in Contingent Assets or Contingent Liabilities

As at 30 September 2018, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows:-

	Current Year As At 30 Sep 2018 RM'000	Preceding Year As At 30 Sep 2017 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	8,282	57,807
	<u>8,282</u>	<u>57,807</u>

#### 14. Capital Commitments

Capital commitments for the purchase of property, plant and equipment and investment properties not provided for in the interim financial statements as at the balance sheet date were as follows:

	Current Year As At 30 Sep 2018 RM'000	Preceding Year As At 30 Sep 2017 RM'000
<b>Contracted but not provided for</b>		
Purchase of property, plant and equipment	-	3,249
Purchase of investment properties	2,800	-
<b>Total capital commitments</b>	<u>2,800</u>	<u>3,249</u>





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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD.**

**15. Review of Performance**

**- Current Quarter 3 months ended 30 September 2018**

A summary of the financial results is set out below:-

	Current Year Quarter Ended 30 Sep 2018 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2017 RM'000	Changes %
<b>Revenue (External revenue)</b>			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	34,527	48,619	-29.0%
Marketing and Distribution of White Goods	1,700	990	71.8%
Manufacture of Glass and Aluminium Products	4,518	2,647	70.7%
Interior fit-out works	-	-	0.0%
Others	-	-	0.0%
	<u>40,745</u>	<u>52,256</u>	-22.0%
<b>Profit Before Tax</b>			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	2,533	3,703	-31.6%
Marketing and Distribution of White Goods	34	38	-11.6%
Manufacture of Glass and Aluminium Products	155	(297)	-152.2%
Interior fit-out works	-	(2)	-100.0%
Others	(658)	(697)	-5.6%
	<u>2,064</u>	<u>2,745</u>	-24.8%

The Group has recorded a decrease in revenue of RM11.5 million or -22.0%, from RM52.2 million in the preceding year corresponding quarter to RM40.7 million in the current quarter under review. The decrease was mainly due to lower project revenue contributed from Kitchen and Wardrobe segments.

The Group reported profit before taxation of RM2.1 million for current quarter as compared to profit before tax of RM2.7 million in the preceding year corresponding quarter. The decreased of RM0.6 million or -24.8% was due to the lower revenue recognized from the project segment.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT****15. Review of Performance (Cont'd)****- Current Quarter 3 months ended 30 June 2018****Kitchen and Wardrobe Systems**

This segment had shown a decrease in revenue of RM14.1 million or -29.0% from RM48.6 million in the preceding year corresponding quarter to RM34.5 million in the current quarter under review. The decrease was mainly due to lower project revenue contributed from Kitchen and Wardrobe segments.

The segment reported profit before taxation RM2.5 million for current quarter as compared to profit before tax of RM3.7 million in the preceding year corresponding quarter. The decreased of RM1.2 million or -31.6% was due to lower revenue recognized from project segment.

**White Goods and Built-in Kitchen Appliances**

This segment recorded an increase in revenue of RM0.7 million or 71.8%, from RM1.0 million in the preceding year corresponding quarter to RM1.7 million in the current quarter.

Profit before tax for the current quarter decreased by RM0.004 million or -11.6%, from a profit of RM0.038 million in preceding year corresponding quarter to a profit of RM0.034 million in the current quarter. The lower profit before tax was mainly due to the lower margin from project segment.

**Glass and Aluminium Product**

This segment recorded an increase in revenue of RM1.9 million or 70.7% from RM2.6 million in the preceding year corresponding quarter to RM4.5 million in the current quarter. The increase in revenue was mainly due to higher project revenue recognized for the current quarter.

Profit before tax for the current quarter increased by RM0.5 million or 152.2%, from a loss RM0.3 million in the preceding year corresponding quarter to a profit RM0.2 million in the current quarter. The higher profit before tax was mainly due to higher projects revenue contributed for the current quarter.

**Interior Fit-out Segment**

There were no revenue being recorded for current quarter under review and preceding year corresponding quarter.

This segment recorded a loss before tax of RM0.002 million in the preceding year corresponding quarter and for current quarter under review, as the segment remained dormant, no revenue was recorded and no expenses were incurred.

**Others Segment**

The Other Segment inclusive of Investment Holding Company, Properties Investment Company, In-House Installers Academy and Dormant Companies. The main source of revenue for the reporting quarter represents Management fee charged by Holding Company.



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**16. Material change in Profit before tax of Current Year Quarter compared with Preceding Quarter**

	Current Year Quarter Ended 30 Sep 2018 RM'000	Immediate Preceding Quarter Ended 30 Jun 2018 RM'000	Changes %
Revenue	40,745	64,079	-36.4%
Profit before taxation	2,064	(1,484)	239.1%

The Group recorded revenue of RM40.8 million for current quarter compared to RM64.1 million in the immediate preceding quarter. The decrease of RM23.3 million or -36.4% as a result of lower progress / project revenue being recognized from Kitchen & Wardrobe segment.

The Group profit before tax improved by RM3.6 million or 239.1% as compared to immediate preceding quarter. The increase in profit before tax for the current quarter was due one-off transactions recorded in immediate preceding quarter which included provision for doubtful debts and fair value loss / adjustment for the investment properties.

**17. Commentary on Prospects and Target**

Moving towards to financial year 2019, the Group expected to sustain its local project segment and develop its overseas business. The Group will strive to continuously replenish its existing order book of RM116million and further strengthen the performance from its project division, which has been the strong pillar of growth for the Group.

While on the retail segment, the Group will continue to set up more outlets to cater for the rising market of new property development as well as the signature display of cabinetry, appliances and finishes that makes up the Signature touch.

The Board acknowledges the current challenges in the industry, and will continue its efforts in maintaining its market dominance in the kitchen cabinet segment. Barring any unforeseen circumstances, the Board is confident to deliver satisfactory performance in the coming financial year.

**18. Variance between Actual Results and Forecast Results**

The Group did not issue any profit forecast or profit guarantee in respect of the current quarter under review.



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#### 19. Taxation

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Sep 2018 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2017 RM'000	Current Year 30 Sep 2018 RM'000	Preceding Year 30 Sep 2017 RM'000
Current Tax Expense				
- Current Year	711	1,034	711	1,034
- Deferred Tax	-	-	-	-
Total Income Tax Expense	<u>711</u>	<u>1,034</u>	<u>711</u>	<u>1,034</u>

The Group's effective tax rate for the quarter and current year is higher than statutory tax rate of 24% as certain expenses are non-deductible for tax purposes.

#### 20. Status of Corporate Proposals/Exercises

There were no corporate proposals announced during the current quarter under review.

#### 21. Status of utilization of proceed raised from the exercise of ESOS Options and Warrants

As disclosed in Note 6 above, the Company has since fully utilized the proceeds raised from ESOS Options and Warrants previously as working capital for the Company.

#### 22. Derivative financial instruments

As at 30 Sep 2018, the Group has not entered into forward foreign exchange contracts and therefore has no outstanding balance under forward foreign exchange contracts.



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#### 23. Trade Receivables

	As at 30 Sep 2018 RM'000	As at 30 Jun 2018 RM'000
Trade Receivables and Retention sum	82,586	88,231
Less: Allowance for Impairment	<u>(19,725)</u>	<u>(19,725)</u>
	62,861	68,506
Accrued billings	<u>19,080</u>	<u>19,080</u>
	<u>81,941</u>	<u>87,586</u>

The ageing analysis of the Group's trade receivables as at 30 September 2018 is as follows:

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
Not past due	40,405	-	-	40,405
Past due:				
- less than 3 months	3,712	-	-	3,712
- 3 to 6 months	12,435	-	-	12,435
- over 6 months	26,034	(19,725)	-	6,309
	<u>82,586</u>	<u>(19,725)</u>	-	<u>62,861</u>

The Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

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**24. Borrowings and Debt Securities**

The Group's borrowings as follows:

	Cumulative Period	
	Current Year Quarter Ended 30 Sep 2018 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2017 RM'000
Term Loan (Secured) :-		
Current	5,739	4,293
Non Current	47,328	53,514
Total Bank Borrowing	<u>53,067</u>	<u>57,807</u>

**25. Material Litigation**

There was no material litigation against the Group as at the reporting date.

**26. Memorandum of Understanding ("MOU")**

The Group had on 22 November 2016 entered into a non-binding MOU with Bank Kerjasama Rakyat Malaysia Berhad to explore the possibility of collaborating with each other with regards to the provision of financing facilities to those who desire to upgrade and/or are interested to buy kitchen equipment and appliances from the Group, as the case may be.

There has been no further development since the previous announcement.

**27. Proposed Dividend**

The board recommends a final single tier dividend (net) of 1.5 sen per ordinary share amounting to approximately RM 3.4 million for the financial year ended 30 June 2018.

The final single tier dividend recommended by the Board is subject to shareholders' approval at the forthcoming Annual General Meeting.

The board has not recommended any interim dividend for the quarter.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**
**28. Earnings per Share**

## (i) Basic EPS

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Sep 2018 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2017 RM'000	Current Year-to-date 30 Sep 2018 RM'000	Preceding Year-to-date 30 Sep 2017 RM'000
<b>BASIC EARNINGS PER SHARE</b>				
Profit for the year attributable to ordinary equity holders of the Company	1,296	1,828	1,296	1,828
Weighted average number of ordinary shares in issue ('000)	226,188	229,097	226,188	229,097
Basic Earnings per Share (sen)	<u>0.6</u>	<u>0.8</u>	<u>0.6</u>	<u>0.8</u>

## (ii) Diluted EPS

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Sep 2018 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2017 RM'000	Current Year-to-date 30 Sep 2018 RM'000	Preceding Year-to-date 30 Sep 2017 RM'000
<b>DILUTED EARNINGS PER SHARE</b>				
Profit for the year attributable to ordinary equity holders of the Company	1,296	1,828	1,296	1,828
Weighted average number of ordinary shares for basic earnings per share ('000)	226,188	229,097	226,188	229,097
Shares deemed to be issued for no consideration: warrants ('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>226,188</u>	<u>229,097</u>	<u>226,188</u>	<u>229,097</u>
Diluted Earnings per Share (sen)	<u>0.6</u>	<u>0.8</u>	<u>0.6</u>	<u>0.8</u>



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

**29. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2018 were not subject to any qualification.

**30. Authorisation for issue**

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board on 26 Nov 2018.