



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

### INTERIM FINANCIAL REPORT 31 MARCH 2019

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 31 March 2019.

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Year Quarter Ended 31 Mar 2019 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2018 RM'000	Changes %	Preceding Year Current Year-to-date 31 Mar 2019 RM'000	Preceding Year Corresponding Year-to-date 31 Mar 2018 RM'000	Changes %
Revenue	35,322	54,195	-34.8%	117,041	161,901	-27.7%
Operating expenses	(34,567)	(48,327)	-28.5%	(113,215)	(146,944)	-23.0%
Other operating income	952	499	90.8%	2,785	1,494	86.4%
Profit from operations	1,707	6,367	-73.2%	6,611	16,451	-59.8%
Finance costs	(639)	(892)	-28.4%	(2,037)	(2,389)	-14.7%
Profit before taxation	1,068	5,475	-80.5%	4,574	14,062	-67.5%
Tax expense	(434)	(1,641)	-73.6%	(1,782)	(4,194)	-57.5%
Profit after taxation	634	3,834	-83.5%	2,792	9,868	-71.7%
<b>Other Comprehensive Income, Net of Tax</b>						
Foreign currency translation	(81)	45	-279.3%	(18)	32	-155.4%
<b>Total Comprehensive Income for the period</b>	<b>553</b>	<b>3,879</b>	<b>-85.7%</b>	<b>2,774</b>	<b>9,900</b>	<b>-72.0%</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.



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Year Quarter Ended 31 Mar 2019 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2018 RM'000	Changes %	Preceding Year Current Year-to-date 31 Mar 2019 RM'000	Preceding Year Corresponding Year-to-date 31 Mar 2018 RM'000	Changes %
<b>Profit after tax attributable to:-</b>						
- Equity holders of the parent	349	3,659	-90.5%	2,144	9,476	-77.4%
- Non-controlling interest	285	175	62.9%	648	392	65.3%
	<u>634</u>	<u>3,834</u>	<u>-83.5%</u>	<u>2,792</u>	<u>9,868</u>	<u>-71.7%</u>
<b>Total Comprehensive Income attributable to: -</b>						
- Equity holders of the parent	268	3,704	-92.8%	2,126	9,508	-77.6%
- Non-controlling interest	285	175	62.9%	648	392	65.3%
	<u>553</u>	<u>3,879</u>	<u>-85.7%</u>	<u>2,774</u>	<u>9,900</u>	<u>-72.0%</u>
<b>Earnings per share (sen)</b>						
- Basic	0.2	1.6		0.9	4.1	
- Diluted	0.2	1.6		0.9	4.1	

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.



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	UNAUDITED As at 31 Mar 2019 RM'000	AUDITED As at 30 Jun 2018 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	85,556	86,888
Goodwill arising from Consolidation	395	395
Investment properties	63,282	58,185
Deferred tax asset	183	183
	<u>149,416</u>	<u>145,651</u>
<b>Current Assets</b>		
Inventories	8,455	9,625
Contract assets	6,474	49,280
Trade receivables	56,746	87,586
Other receivables ,deposits and prepayment	2,287	6,523
Tax recoverable	4,052	4,217
Short-term investments	47,179	19,641
Fixed deposit with licensed banks	180	180
Cash and bank balances	11,310	14,609
	<u>136,683</u>	<u>191,661</u>
<b>TOTAL ASSETS</b>	<u>286,099</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.

**SIGNATURE****Signature International Berhad**

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019 (CONT'D)**

	UNAUDITED	AUDITED
	As at	As at
	31 Mar 2019	30 Jun 2018
	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	60,076	60,076
Share premium	1,196	1,196
Reserves	109,691	110,986
Shareholders' equity	170,963	172,258
Non-controlling interest	8,004	7,398
<b>TOTAL EQUITY</b>	<b>178,967</b>	<b>179,656</b>
<b>Non-Current Liabilities</b>		
Hire purchase payables	681	893
Term loans	45,675	48,723
Deferred taxation	656	656
	<b>47,012</b>	<b>50,272</b>
<b>Current Liabilities</b>		
Payables	41,411	64,441
Contract liabilities	12,427	35,733
Provision for taxation	-	885
Hire purchase payables	543	586
Term loan	5,739	5,739
	<b>60,120</b>	<b>107,384</b>
<b>TOTAL LIABILITIES</b>	<b>107,132</b>	<b>157,656</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>286,099</b>	<b>337,312</b>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.76	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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**Signature International Berhad**

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (UNAUDITED)**

	← Attributable to equity holders of the parent →						Retained Profits RM'000	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				
<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	-	-	-	-	-	-	2,144	2,144	648	2,792
Other comprehensive income for the financial year, net of tax; - foreign exchange translation	-	-	-	-	-	(18)	-	(18)	-	(18)
Total comprehensive income for the financial year	-	-	-	-	-	(18)	2,144	2,126	648	2,774
Contribution by and distribution to owners of the Company:										
Recognition of shares option expenses	-	-	-	-	268	-	-	268	-	268
Purchase of treasury shares	-	-	(338)	-	-	-	-	(338)	-	(338)
Dividend - by the Company	-	-	-	-	-	-	(3,393)	(3,393)	-	(3,393)
Changes in ownership interest of subsidiaries that do not result in loss of control	-	-	-	-	-	-	42	42	(42)	-
	-	-	(338)	-	268	-	(3,351)	(3,421)	(42)	(3,463)
<b>At 31 Mar 2019</b>	60,076	1,196	(11,924)	(28,123)	4,422	29	145,287	170,963	8,004	178,967

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.



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (UNAUDITED) (CONT'D)

	← 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 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	-	-	-	-	-	-	9,476	9,476	392	9,868
Other comprehensive income for the financial year, net of tax; - foreign exchange translation	-	-	-	-	-	32	-	32	-	32
Total comprehensive income for the financial year	-	-	-	-	-	32	9,476	9,508	392	9,900
Contribution by and distribution to owners of the Company:										
Recognition of shares option expenses	-	-	-	-	654	-	-	654	-	654
Purchase of treasury shares	-	-	(119)	-	-	-	-	(119)	-	(119)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	307	307
Dividend - by the Company	-	-	-	-	-	-	(5,727)	(5,727)	-	(5,727)
	-	-	(119)	-	654	-	(5,727)	(5,192)	307	(4,885)
<b>At 31 Mar 2018</b>	60,076	1,196	(10,153)	(28,123)	4,045	(168)	149,284	176,157	6,069	182,226

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.



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (UNAUDITED)

	Current Period Ended 31 Mar 2019 RM'000	Preceding Period Ended 31 Mar 2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	4,574	14,062
<b>Adjustments:</b>		
Amortisation and depreciation	1,983	2,143
(Gain)/Loss on disposal of plant and equipment	(172)	(115)
Interest expense	1,924	1,970
Interest income	(1,421)	(734)
Gain on disposal of a subsidiary	(69)	-
Loss on deconsolidation of subsidiary	2	-
Plant and equipment written off	112	5
ESOS / Share-based expenses	268	654
Unrealised loss/(gain) on foreign exchange	(4)	462
Provision for doubtful debts	1,100	1,446
Bad debts written off	-	10
<b>Changes in working capital</b>	8,297	19,903
Inventories	1,170	323
Receivables	30,914	1,169
Amount due from/(to) contract customers	19,500	11,457
Payables	(22,940)	(9,868)
<b>Cash generated from operations</b>	36,941	22,984
Interest received	1,421	734
Interest paid	(1,924)	(1,970)
Income tax paid	(2,512)	(1,681)
<b>Net cash inflow from operating activities</b>	33,926	20,067
<b>CASH FLOWS (USED IN) / FROM INVESTING ACTIVITIES</b>		
Additions of property, plant and equipment and prepaid lease rentals	(932)	(2,924)
Additional Purchase / works on investment properties	(1,575)	(96)
Acquisition of subsidiary, net of cash and cash equivalent	-	(554)
Disposal of a subsidiary, net of cash and cash equivalent of	(5)	-
Deconsolidation of subsidiary	(4)	-
Proceeds from disposal of:		
- investment properties	1,220	2,400
- property, plant and equipment	341	250
<b>Net cash used in investing activities</b>	(955)	(924)



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (UNAUDITED) (CONT'D)

	Current Period Ended 31 Mar 2019 RM'000	Preceding Period Ended 31 Mar 2018 RM'000
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Dividend paid to Shareholders	(3,393)	(5,727)
Purchase of treasury shares	(338)	(119)
Hire purchase repayment	(255)	(409)
Term loans repayment	(4,728)	(2,696)
<b>Net cash used in financing activities</b>	<b>(8,714)</b>	<b>(8,951)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(18)</b>	<b>32</b>
<b>NET INCREASED IN CASH AND CASH EQUIVALENTS</b>	<b>24,257</b>	<b>10,192</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>58,489</b>	<b>40,523</b>
<b>Cash and cash equivalents comprise of:</b>		
Short-term investments	47,179	25,943
Fixed deposit with licensed banks	180	175
Cash and bank balances	11,310	14,580
	58,669	40,698
Less: Fixed deposit pledged to a licensed bank	(180)	(175)
	58,489	40,523





## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

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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 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



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 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.

#### 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.



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 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 31 March 2019.

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	0.52 - 1.40	14,117,100	11,586
Jan-19	0.34	1,000,000	338
Balance at 31 Mar 2019	0.34 - 1.40	15,117,100	11,924

#### 7. Dividend Paid

The final single tier dividend of 1.5 sen per ordinary share amounting of RM 3,392,818 for the financial year ended 30 June 2018 was approved by the shareholders in the Annual General Meeting and was paid on 7 January 2019.



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 8. Segmental Information

The Group	Design Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	Marketing and Distribution Of White Goods RM'000	Manufacture Of Glass and Aluminium Products RM'000	Interior fit-out works RM'000	Others RM'000	Eliminations RM'000	The Group RM'000
<b>Result for 3 months</b>							
<b>Quarter ended 31 March 2019</b>							
REVENUE:							
External revenue	29,045	1,305	4,971	-	-	-	35,322
Inter-segment revenue	6,431	1,162	793	-	737	(9,124)	-
<b>Total revenue</b>	<b>35,476</b>	<b>2,468</b>	<b>5,765</b>	<b>-</b>	<b>737</b>	<b>(9,124)</b>	<b>35,322</b>
RESULTS							
Segment results	900	(26)	950	-	(117)	-	1,707
Finance costs	(133)	3	(11)	-	(498)	-	(639)
Profit from ordinary activities before taxation	767	(23)	939	-	(615)	-	1,068
Income tax expense							(434)
Profit from ordinary activities after taxation							634
Non-controlling interest							(285)
Net profit attributable to equity holders of the Company							349



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

The Group	Design Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products	Interior fit-out works	Others	Eliminations	The Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Result for 3 months</b>							
<b>Quarter ended 31 March 2018</b>							
REVENUE:							
External revenue	45,594	734	7,867	-	-	-	54,195
Inter-segment revenue	8,204	1,940	1,088	-	860	(12,092)	-
<b>Total revenue</b>	<b>53,798</b>	<b>2,674</b>	<b>8,955</b>	<b>-</b>	<b>860</b>	<b>(12,092)</b>	<b>54,195</b>
RESULTS							
Segment results	5,143	159	1,258	(12)	(181)	-	6,367
Finance costs	(323)	(26)	(22)	-	(521)	-	(892)
Profit from ordinary activities before taxation	4,820	133	1,236	(12)	(702)	-	5,475
Income tax expense	-	-	-	-	-	-	(1,641)
Profit from ordinary activities after taxation							3,834
Non-controlling interest							(175)
Net profit attributable to equity holders of the Company							3,659



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

	Design	Marketing	Manufacture	Interior	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products				
	RM000	RM000	RM000	RM000	RM000	RM000	RM000
<b>The Group</b>							
<b>Result for 9 months</b>							
<b>Quarter ended 31 March 2019</b>							
<b>REVENUE:</b>							
External revenue	95,032	4,913	17,095	-	-	-	117,041
Inter-segment revenue	22,109	4,616	2,835	-	2,114	(31,675)	-
<b>Total revenue</b>	<b>117,141</b>	<b>9,530</b>	<b>19,931</b>	<b>-</b>	<b>2,114</b>	<b>(31,675)</b>	<b>117,041</b>
<b>RESULTS</b>							
Segment results	4,932	(39)	2,313	-	(595)	-	6,611
Finance costs	(419)	(27)	(39)	-	(1,552)	-	(2,037)
Profit from ordinary activities before taxation	4,513	(66)	2,274	-	(2,147)	-	4,574
Income tax expense							(1,782)
Profit from ordinary activities after taxation							2,792
Non-controlling interest							(648)
Net profit attributable to equity holders of the Company							2,144



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

The Group	Design	Manufacture	Marketing	Manufacture	Interior	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	and Distribution Of White Goods	and Of Glass Aluminium Products	fit-out works				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Result for 9 months</b>								
<b>Quarter ended 31 March 2018</b>								
<b>REVENUE:</b>								
External revenue	143,739	2,050	16,080	32	-	-	-	161,901
Inter-segment revenue	22,715	4,582	3,458	-	2,236	(32,991)	-	-
<b>Total revenue</b>	<b>166,454</b>	<b>6,632</b>	<b>19,538</b>	<b>32</b>	<b>2,236</b>	<b>(32,991)</b>	<b>-</b>	<b>161,901</b>
<b>RESULTS</b>								
Segment results	15,134	208	1,673	(17)	(547)	-	-	16,451
Finance costs	(745)	(30)	(45)	-	(1,569)	-	-	(2,389)
Profit from ordinary activities before taxation	14,389	178	1,628	(17)	(2,116)	-	-	14,062
Income tax expense	-	-	-	-	-	-	-	(4,194)
Profit from ordinary activities after taxation	-	-	-	-	-	-	-	9,868
Non-controlling interest	-	-	-	-	-	-	-	(392)
Net profit attributable to equity holders of the Company	-	-	-	-	-	-	-	9,476

**Signature International Berhad**

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

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

<b>The Group Assets and Liabilities As at 31 March 2019</b>	Design	Marketing	Manufacture	Interior	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	and Distribution Of White Goods RM'000	Of Glass and Aluminium Products RM'000				
OTHER INFORMATION							
Segment assets	237,628	14,843	44,275	-	135,428	(150,310)	281,864
Unallocated assets							4,235
							<u>286,099</u>
Segment liabilities	122,821	1,284	23,629	-	85,246	(126,504)	106,476
Unallocated liabilities							656
							<u>107,132</u>

<b>The Group Assets and Liabilities As at 31 March 2018</b>	Design	Marketing	Manufacture	Interior	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	and Distribution Of White Goods RM'000	Of Glass and Aluminium Products RM'000				
OTHER INFORMATION							
Segment assets	242,820	14,244	41,656	3,303	133,825	(139,366)	296,482
Unallocated assets							2,956
							<u>299,438</u>
Segment liabilities	124,361	1,248	26,891	467	80,296	(116,707)	116,556
Unallocated liabilities							656
							<u>117,212</u>



**SIGNATURE****Signature International Berhad**

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

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

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31 Mar 2019 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2018 RM'000	Current Year-to-date 31 Mar 2019 RM'000	Preceding Year Corresponding Year-to-date 31 Mar 2018 RM'000
Profit before taxation is arrived at after charging :-				
Interest expense	625	651	1,924	1,970
Depreciation and amortisation	627	747	1,983	2,143
Provision for doubtful debts	850	1,446	1,100	1,446
Bad debts written off	-	10	-	10
Property, plant and equipment written off	4	5	112	5
Loss on disconsolidation of subsidiary	2	-	2	-
ESOS / Share-based expenses	89	218	268	654

Profit before taxation is arrived at after Crediting :-

Interest Income	(718)	(256)	(1,421)	(734)
Rental Income	(82)	(69)	(284)	(162)
Gain on disposal of plant and equipment	(104)	(2)	(172)	(115)
Gain on disposal of subsidiary	(69)	-	(69)	-
(Gain) / loss on foreign exchange - realised	(21)	(10)	(64)	(134)
(Gain) / loss on foreign exchange - unrealised	35	140	(4)	462

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

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



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

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### NOTE TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

##### a) Striking-off of subsidiary

On 18 February 2019, the Company received a Certificate dated 13 February 2019 from the British Virgin Islands ("BVI") Financial Services Commission that Equal Strategy Pte Ltd ("ESPL"), a wholly-owned subsidiary of the Company had been struck off from the register on 1 November 2016 pursuant to Section 213(1)(c) of the BVI Business Companies Act, 2004.

As such, ESPL has been deconsolidated from the Group.

##### b) Disposal of subsidiary

On 19 March 2019, Signature Obicorp Sdn. Bhd, a wholly-owned subsidiary of the Company disposed of the entire 100% equity interest representing 555,000 Ordinary Shares in A Concept Kitchen & Bath Sdn. Bhd. (Company No. 961570-M) ("ACK"), a sub-subsi-dary of the Company, to Mr. Leow Zhi Xiang for a total consideration of RM1.00 only (the "Disposal").

The disposal is in line with the strategic direction of the Company to streamline and restructure its operation as well as Board directive for efficient administrative cost rationalisation exercise.

Upon completion of the Disposal, ACK shall cease to be a sub-subsi-dary of the Company.

##### c) Winding-Up of subsidiary

On 6 May 2019, Signature Academy Sdn Bhd, an indirect wholly-owned subsidiary of the Company had held an Extraordinary General Meeting and its shareholders had resolved that Signature Academy Sdn Bhd be wound up by way of Member's Voluntary Winding-Up, pursuant to Section 439(1) (b) of the Companies Act 2016.

The winding-up of Signature Academy Sdn Bhd is part of the Company's streamline exercise to dissolve company that is dormant / inactive.



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

As at 31 March 2019, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows:-

	Company	
	Current Year As At 31 Mar 2019 RM'000	Preceding Year As At 31 Mar 2018 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	7,173	25,389
	<hr/>	<hr/>
	7,173	25,389

#### 14. Capital Commitments

There were no capital commitments in the current interim financial statements.



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

### 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 31 March 2019

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

	Individual Period		Changes %
	Current Year Quarter Ended 31 Mar 2019 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2018 RM'000	
<b>Revenue (External revenue)</b>			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	29,045	45,594	-36.3%
Marketing and Distribution of White Goods	1,305	734	77.9%
Manufacture of Glass and Aluminium Products	4,971	7,867	-36.8%
Interior fit-out works	-	-	0.0%
Others	-	-	0.0%
	<b>35,322</b>	<b>54,195</b>	<b>-34.8%</b>
<b>Profit Before Tax</b>			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	767	4,820	-84.1%
Marketing and Distribution of White Goods	(23)	133	-117.3%
Manufacture of Glass and Aluminium Products	939	1,236	-24.0%
Interior fit-out works	-	(12)	-100.0%
Others	(615)	(702)	-12.4%
	<b>1,068</b>	<b>5,475</b>	<b>-80.5%</b>

The Group has recorded a decrease in revenue of RM18.9 million or -34.8%, from RM54.2 million in the preceding year corresponding quarter to RM35.3 million in the current quarter under review. The decrease was mainly due to lower project revenue from Kitchen and Wardrobe segments.

The Group reported profit before taxation of RM1.1 million for current quarter as compared to profit before tax of RM5.5 million in the preceding year corresponding quarter. The decreased of RM4.4 million or -80.5% was due to the lower revenue recognized from the project segment and lower project margins.



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 15. Review of Performance (Cont'd)

##### - Current Quarter 3 months ended 31 March 2019

##### Kitchen and Wardrobe Systems

This segment had shown a decrease in revenue of RM16.6 million or -36.3% from RM45.6 million in the preceding year corresponding quarter to RM29.0 million in the current quarter under review. The decrease was mainly due to lower project revenue contributed from Kitchen and Wardrobe segment.

The segment reported profit before taxation of RM0.7 million for current quarter as compared to profit before tax of RM4.8 million in the preceding year corresponding quarter. The decreased of RM4.1 million or -84.1% was due to lower revenue recognized from project segment and lower project margins.

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

This segment recorded an increase in revenue of RM0.6 million or 77.9%, from RM0.7 million in the preceding year corresponding quarter to RM1.3 million in the current quarter mainly due to higher revenue recognized from project segment.

Profit before tax for the current quarter decreased by RM0.15 million or -117.3%, from a profit of RM0.13 million in preceding year corresponding quarter to a loss of -RM0.02 million in the current quarter. The lower profit before tax was mainly due to the lower project margins.

##### Glass and Aluminium Product

This segment recorded a decrease in revenue of RM2.9 million or -36.8% from RM7.9 million in the preceding year corresponding quarter to RM5.0 million in the current quarter. The decrease in revenue was mainly due to lower project revenue recognized for the current quarter.

Profit before tax for the current quarter decreased by RM0.3 million or -24.0%, from a profit RM1.2 million in the preceding year corresponding quarter to a profit RM0.9 million in the current quarter. The lower profit before tax was mainly due to lower project revenue contributed for the current quarter.

##### Interior Fit-out Segment

There was no revenue being recorded for this quarter under review.

This segment recorded a loss before tax of RM0.012 million in the preceding year corresponding quarter and has remained dormant for current quarter under review.

##### 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.



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 15. Review of Performance (Cont'd)

##### - Cumulative periods 9 months ended 31 March 2019

	Cumulative Period		Changes %
	Current Year-to-date 31 Mar 2019 RM'000	Preceding Year Corresponding Year-to-date 31 Mar 2018 RM'000	
<b>Revenue (External revenue)</b>			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	95,032	143,739	-33.9%
Marketing and Distribution of White Goods	4,913	2,050	139.7%
Manufacture of Glass and Aluminium Products	17,095	16,080	6.3%
Interior fit-out works	-	32	-100.0%
Others	-	-	0.0%
	<b>117,041</b>	<b>161,901</b>	<b>-27.7%</b>
<b>Profit Before Tax</b>			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	4,513	14,389	-68.6%
Marketing and Distribution of White Goods	(66)	178	-137.1%
Manufacture of Glass and Aluminium Products	2,274	1,628	39.7%
Interior fit-out works	-	(17)	-100.0%
Others	(2,147)	(2,116)	1.5%
	<b>4,574</b>	<b>14,062</b>	<b>-67.5%</b>

The Group recorded a decrease in revenue of RM44.9 million or -27.7% from RM161.9 million in the preceding year to-date to RM117.0 million in the current year to-date under review. The decrease in revenue was mainly due to lower project revenue being recognized from Kitchen and Wardrobe segment.

The profit before tax reduced by RM9.5 million or -67.5% from RM14.1 million in the preceding year to-date to RM4.6 million in the current year to-date mainly due to the lower revenue recognized from the project segment and lower project margins.



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 15. Review of Performance (Cont'd)

- Cumulative periods 9 months ended 31 March 2019

##### **Kitchen and Wardrobe Systems**

This segment had shown a decrease in revenue of RM48.7 million or -33.9% from RM143.7 million in the preceding year to-date to RM95.0 million in the current year to-date under review. The decrease was mainly due to lower project revenue contribution from Kitchen and Wardrobe segment.

Profit before tax for the current year to-date was RM4.5 million as compared to RM14.4 million in the preceding year, a decrease of RM9.9 million or -68.6%. Lower profit before tax was due to lower margin from the project segment.

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

This segment recorded an increase in revenue of RM2.9 million or 139.7%, from RM2.1 million in the preceding year to-date to RM4.9 million in the current year to-date.

This segment recorded a loss before tax of -RM0.066 million for the current year to-date as compared to RM0.178 million in the preceding year to-date, a decrease of RM0.244 million or -137.1% as a result of the lower project margins.

##### **Glass and Aluminium Product**

This segment recorded an increase in revenue of RM1.0 million or 6.3% from RM16.1 million in the preceding year to-date to RM17.1 million in the current year to-date. The increase in revenue was mainly due to higher projects revenue being recognized for the current year to-date.

Profit before tax increased by RM0.7 million or 39.7% from RM1.6 million in the preceding year to-date to RM2.3 million in the current year to-date due to higher project revenue.

##### **Interior Fit-out Segment**

There was no revenue being recorded for current year-to-date. The revenue for the preceding year was RM0.032 million.

This segment recorded a loss before tax of RM0.017 million in the preceding year as a result of lower reported revenue and has remained dormant for the current year to-date.

##### **Others Segment**

The Other Segment is 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.



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

	Current Year Quarter Ended 31 Mar 2019 RM'000	Immediate Preceding Quarter Ended 31 Dec 2018 RM'000	Changes %
Revenue	35,322	40,974	-13.8%
Profit before taxation	1,068	1,442	-25.9%

The Group recorded revenue of RM35.3 million for current quarter compared to RM40.9 million in the immediate preceding quarter. The decrease of RM5.7 million or -13.8% was a result of lower project revenue being recognized from Kitchen & Wardrobe segment.

The Group profit before tax declined by RM0.3million or -25.9% as compared to immediate preceding quarter. The decrease in profit before tax for the current quarter as compared to immediate preceding quarter was mainly due to the lower revenue recognized from the project segment and lower project margins.

#### 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 RM128million 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.



**SIGNATURE****Signature International Berhad**

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT****19. Taxation**

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31 Mar 2019 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2018 RM'000	Current Year 31 Mar 2019 RM'000	Preceding Year 31 Mar 2018 RM'000
Current Tax Expense				
- Current Year	434	1,641	1,782	4,194
- Deferred Tax	-	-	-	-
Total Income Tax Expense	<u>434</u>	<u>1,641</u>	<u>1,782</u>	<u>4,194</u>

The Group's effective tax rate for the quarter and current year is higher than statutory tax rate 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**

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 31 March 2019, the Group has not entered into forward foreign exchange contracts and therefore has no outstanding balance under forward foreign exchange contracts.



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 23. Trade Receivables

	As at 31 Mar 2019 RM'000	As at 30 Jun 2018 RM'000
Trade Receivables and Retention sum	58,273	88,231
Less: Allowance for Impairment	<u>(20,607)</u>	<u>(19,725)</u>
	37,666	68,506
Accrued billings	<u>19,080</u>	<u>19,080</u>
	<u>56,746</u>	<u>87,586</u>

The ageing analysis of the Group's trade receivables as at 31 March 2019 is as follows:

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
Not past due	7,070	-	-	7,070
Past due:				
- less than 3 months	3,026	-	-	3,026
- 3 to 6 months	9,293	-	-	9,293
- over 6 months	38,884	(20,607)	-	18,277
	<u>58,273</u>	<u>(20,607)</u>	-	<u>37,666</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.



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 24. Borrowings and Debt Securities

The Group's borrowings as follows:

	Cumulative Period	
	Current Year Quarter Ended 31 Mar 2019 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2018 RM'000
Term Loan (Secured) :-		
Current	5,739	4,293
Non Current	45,675	51,534
Total Bank Borrowing	<u>51,414</u>	<u>55,827</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 final single tier dividend of 1.5 sen per ordinary share amounting to RM 3,392,818 for the financial year ended 30 June 2018 was approved by the shareholders in the Annual General Meeting and paid on 2 January 2019.

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



## Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 MARCH 2019

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 28. Earnings per Share

##### (i) Basic EPS

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31 Mar 2019 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2018 RM'000	Current Year-to-date 31 Mar 2019 RM'000	Preceding Year-to-date 31 Mar 2018 RM'000
<b>BASIC EARNINGS PER SHARE</b>				
Profit for the year attributable to ordinary equity holders of the Company	349	3,659	2,144	9,476
Weighted average number of ordinary shares in issue ('000)	225,188	229,028	225,859	229,074
Basic Earnings per Share (sen)	<u>0.2</u>	<u>1.6</u>	<u>0.9</u>	<u>4.1</u>

##### (ii) Diluted EPS

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31 Mar 2019 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2018 RM'000	Current Year-to-date 31 Mar 2019 RM'000	Preceding Year-to-date 31 Mar 2018 RM'000
<b>DILUTED EARNINGS PER SHARE</b>				
Profit for the year attributable to ordinary equity holders of the Company	349	3,659	2,144	9,476
Weighted average number of ordinary shares for basic earnings per share ('000)	225,188	229,028	225,859	229,074
Shares deemed to be issued for no consideration: warrants ('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>225,188</u>	<u>229,028</u>	<u>225,859</u>	<u>229,074</u>
Diluted Earnings per Share (sen)	<u>0.2</u>	<u>1.6</u>	<u>0.9</u>	<u>4.1</u>

#### 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 27 May 2019.