



## Signature International Berhad

(200601034359) (754118-K)

(Incorporated In Malaysia)

### INTERIM FINANCIAL REPORT 30 SEPTEMBER 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 30 September 2019.

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Year Quarter Ended 30 Sep 2019 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2018 RM'000	Changes %	Current Year-to-date 30 Sep 2019 RM'000	Preceding Year Corresponding Year-to-date 30 Sep 2018 RM'000	Changes %
Revenue	24,391	40,745	-40.1%	24,391	40,745	-40.1%
Operating expenses	(25,796)	(38,623)	-33.2%	(25,796)	(38,623)	-33.2%
Other operating income	1,360	619	119.8%	1,360	619	119.7%
Profit/(loss) from operations	(45)	2,741	-102%	(45)	2,741	-101.6%
Finance costs	(578)	(677)	-14.6%	(578)	(677)	-14.6%
Profit/(loss) before taxation	(623)	2,064	-130.2%	(623)	2,064	-130.2%
Tax expense	(327)	(711)	-54.0%	(327)	(711)	-54.0%
Profit/(loss) after taxation	(950)	1,353	-170.2%	(950)	1,353	-170.2%
<b>Other Comprehensive Income, Net of Tax</b>						
Foreign currency translation	10	64	-83.8%	10	64	-83.9%
<b>Total Comprehensive Income/ (Expense) for the period</b>	<b>(940)</b>	<b>1,417</b>	<b>-166.3%</b>	<b>(940)</b>	<b>1,417</b>	<b>-166.3%</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 2019 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 SEPTEMBER 2019 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Year Quarter Ended 30 Sep 2019 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2018 RM'000	Changes %	Current Year-to-date 30 Sep 2019 RM'000	Preceding Year Corresponding Year-to-date 30 Sep 2018 RM'000	Changes %
<b>Profit/(loss) after tax attributable to:-</b>						
- Equity holders of the parent	(1,201)	1,296	-192.7%	(1,201)	1,296	-192.7%
- Non-controlling interest	251	57	340.4%	251	57	340.4%
	<u>(950)</u>	<u>1,353</u>	<u>-170.2%</u>	<u>(950)</u>	<u>1,353</u>	<u>-170.2%</u>
<b>Total Comprehensive Income/ (Expense) attributable to: -</b>						
- Equity holders of the parent	(1,191)	1,360	-187.6%	(1,191)	1,360	-187.6%
- Non-controlling interest	251	57	340.4%	251	57	340.4%
	<u>(940)</u>	<u>1,417</u>	<u>-166.3%</u>	<u>(940)</u>	<u>1,417</u>	<u>-166.3%</u>
Earnings per share (sen)						
- Basic	<u>(0.5)</u>	<u>0.6</u>		<u>(0.5)</u>	<u>0.6</u>	
- Diluted	<u>(0.5)</u>	<u>0.6</u>		<u>(0.5)</u>	<u>0.6</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 2019 and the accompanying explanatory notes attached to the interim financial report.



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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2019

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	UNAUDITED As at 30 Sep 2019 RM'000	AUDITED As at 30 Jun 2019 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	84,439	85,284
Goodwill arising from Consolidation	395	395
Investment properties	56,502	55,794
Deferred tax asset	33	33
	<u>141,369</u>	<u>141,506</u>
<b>Current Assets</b>		
Inventories	9,262	9,050
Contract assets	20,721	36,060
Trade receivables	30,579	30,639
Other receivables ,deposits and prepayment	4,195	7,218
Tax recoverable	5,805	5,341
Short-term investments	57,800	45,873
Fixed deposit with licensed banks	186	186
Cash and bank balances	12,266	20,691
	<u>140,814</u>	<u>155,058</u>
<b>TOTAL ASSETS</b>	<u>282,183</u>	<u>296,564</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 2019 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019 (CONT'D)

	UNAUDITED As at 30 Sep 2019 RM'000	AUDITED As at 30 Jun 2019 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	61,272	61,272
Reserves	106,646	108,301
Shareholders' equity	<u>167,918</u>	<u>169,573</u>
Non-controlling interest	<u>9,411</u>	<u>9,160</u>
<b>TOTAL EQUITY</b>	<u>177,329</u>	<u>178,733</u>
<b>Non-Current Liabilities</b>		
Hire purchase payables	353	612
Term loans	39,091	40,522
Deferred taxation	674	674
	<u>40,118</u>	<u>41,808</u>
<b>Current Liabilities</b>		
Payables	50,952	53,672
Contract liabilities	7,202	15,267
Provision for taxation	534	1,036
Hire purchase payables	474	474
Term loan	5,574	5,574
	<u>64,736</u>	<u>76,023</u>
<b>TOTAL LIABILITIES</b>	<u>104,854</u>	<u>117,831</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>282,183</u>	<u>296,564</u>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	<u>0.75</u>	<u>0.75</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 2019 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 SEP 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 2019</b>	61,272	-	(11,924)	(28,123)	4,119	11	144,218	169,573	9,160	178,733
Profit/(loss) after taxation for the financial year	-	-	-	-	-	-	(1,201)	(1,201)	251	(950)
Other comprehensive income for the financial year, net of tax; - foreign exchange translation	-	-	-	-	-	(1)	-	(1)	-	(1)
Total comprehensive income/(expense) for the financial year	-	-	-	-	-	(1)	(1,201)	(1,202)	251	(951)
Contribution by and distribution to owners of the Company:										
Recognition of shares option expenses	-	-	-	-	22	-	-	22	-	22
Purchase of treasury shares	-	-	(475)	-	-	-	-	(475)	-	(475)
	-	-	(475)	-	22	-	-	(453)	-	(453)
<b>At 30 Sep 2019</b>	<b>61,272</b>	<b>-</b>	<b>(12,399)</b>	<b>(28,123)</b>	<b>4,141</b>	<b>10</b>	<b>143,017</b>	<b>167,918</b>	<b>9,411</b>	<b>177,329</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 2019 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 SEP 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 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
	-	-	-	-	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 2019 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 SEPTEMBER 2019 (UNAUDITED)**

	Current Period Ended 30 Sep 2019 RM'000	Preceding Period Ended 30 Sep 2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit/(loss) before taxation</b>	(623)	2,064
<b>Adjustments:</b>		
Amortisation and depreciation	611	689
Income from short term investments	(696)	(238)
Gain on disposal of plant and equipment	(454)	(15)
Interest expense	339	646
Interest income	(80)	(96)
Plant and equipment written off	79	-
ESOS / Share-based expenses	22	89
Unrealised loss/(gain) on foreign exchange	(4)	(90)
<b>Changes in working capital</b>	(806)	3,049
Inventories	(212)	543
Receivables	3,082	7,574
Contract assets/ liabilities	7,274	17,471
Payables	(2,714)	(16,398)
<b>Cash generated from operations</b>	6,624	12,239
Interest received	80	96
Interest paid	(339)	(646)
Income tax paid	(1,293)	(1,171)
<b>Net cash inflow from operating activities</b>	5,072	10,518
<b>CASH FLOWS FROM / (USED) IN INVESTING ACTIVITIES</b>		
Additions of property, plant and equipment and prepaid lease rentals	(134)	(463)
Additional Purchase / works on investment properties	(708)	-
Proceeds from disposal of:		
- investment properties	-	25
- property, plant and equipment	742	-
Income from short term investment	696	238
<b>Net cash from / (used) in investing activities</b>	596	(200)



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019 (UNAUDITED) (CONT'D)**

	Current Period Ended 30 Sep 2019 RM'000	Preceding Period Ended 30 Sep 2018 RM'000
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Purchase of treasury shares	(475)	-
Hire purchase repayment	(259)	(150)
Term loans repayment	(1,431)	(1,395)
<b>Net cash used in financing activities</b>	<b>(2,165)</b>	<b>(1,545)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(1)</b>	<b>64</b>
<b>NET INCREASED IN CASH AND CASH EQUIVALENTS</b>	<b>3,503</b>	<b>8,773</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>66,564</b>	<b>34,250</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>70,066</b>	<b>43,087</b>
<b>Cash and cash equivalents comprise of:</b>		
Short-term investments	57,800	28,780
Fixed deposit with licensed banks	186	180
Cash and bank balances	12,266	14,307
	70,252	43,267
Less: Fixed deposit pledged to a licensed bank	(186)	(180)
	70,066	43,087





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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 2019 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 2019 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 2019, as disclosed below:-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

MFRS 16 Leases

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 – 2017 Cycles

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.



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### 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:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
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 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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 2019 except as follows:-

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 2019	0.32 - 1.40	15,117,100	11,924
Purchases in the month of:			
Sep 2019	0.45 - 0.50	1,000,000	475
Balance at 30 Sep 2019	0.32 - 1.40	16,117,100	12,399

#### 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	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Result for 3 months</b>						
<b>Quarter ended 30 September 2019</b>						
REVENUE						
External revenue	18,701	1,642	4,048	-	-	24,391
Inter-segment revenue	5,916	535	106	1,479	(8,036)	-
<b>Total revenue</b>	<b>24,617</b>	<b>2,177</b>	<b>4,154</b>	<b>1,479</b>	<b>(8,036)</b>	<b>24,391</b>
RESULTS						
Segment results	(868)	152	735	(64)	-	(45)
Finance costs	(106)	(12)	(14)	(446)	-	(578)
Profit/(loss) from ordinary activities before taxation	(974)	140	721	(510)	-	(623)
Income tax expense						(327)
Loss from ordinary activities after taxation						(950)
Non-controlling interest						(251)
Net loss attributable to equity holders of the Company						(1,201)



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

The Group	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	and Distribution Of White Goods	Of Glass and Aluminium Products			
	RM000	RM000	RM000	RM000	RM000	RM000
<b>Result for 3 months</b>						
<b>Quarter ended 30 September 2018</b>						
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>5,599</b>	<b>627</b>	<b>(11,388)</b>	<b>40,745</b>
RESULTS						
Segment results	2,664	37	165	(125)	-	2,741
Finance costs	(131)	(3)	(10)	(533)	-	(677)
Profit/(loss) from ordinary activities before taxation	2,533	34	155	(658)	-	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 Assets and Liabilities As at 30 September 2019	Design	Marketing	Manufacture	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	232,004	15,670	42,477	133,901	(147,707)	276,345
Unallocated assets						5,838
						<u>282,183</u>
Segment liabilities	124,896	1,917	19,492	80,065	(122,724)	103,646
Unallocated liabilities						1,208
						<u>104,854</u>

The Group Assets and Liabilities As at 30 September 2018	Design	Marketing	Manufacture	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	242,541	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>



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#### 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/ (Loss) before taxation

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

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Sep 2019 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2018 RM'000	Current Year-to-date 30 Sep 2019 RM'000	Preceding Year Corresponding Year-to-date 30 Sep 2018 RM'000
Profit/(loss) before taxation is arrived at after charging :-				
Interest expense	339	646	339	646
Depreciation and amortisation	611	689	611	689
Property, plant and equipment written off	79	-	79	-
ESOS / Share-based expenses	22	89	22	89
<hr/>				
Profit/(loss) before taxation is arrived at after Crediting :-				
Interest Income	(80)	(96)	(80)	(96)
Income from short term investment	(696)	(238)	(696)	(238)
Rental Income	(139)	(105)	(139)	(105)
Gain on disposal of plant and equipment	(454)	(15)	(454)	(15)
(Gain) / loss on foreign exchange - realised	22	(17)	22	(17)
(Gain) / loss on foreign exchange - unrealised	(4)	(90)	(4)	(90)

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

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



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

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

**a) Incorporation of new a subsidiary**

The Company and its subsidiary, Signature Aluminium Sdn Bhd had on 26 July 2019 subscribed 36 and 24 ordinary shares respectively in Signature Façade Treatment Sdn Bhd ("SFT"), representing 60% of the total issued share capital of SFT.

The intended principal activities of SFT is to design, supply, fabrication, project management, install and fix glass and wall paneling, curtain walls, cladding, glazing and other aluminum and glass architectural works for building projects.

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

As at 30 September 2019, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows:-

	Current Year As At 30 Sep 2019 RM'000	Preceding Year As At 30 Sep 2018 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	7,903	8,282
	<u>7,903</u>	<u>8,282</u>

**14. Capital Commitments**

Capital commitments for the purchase 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 2019 RM'000	Preceding Year As At 30 Sep 2018 RM'000
<b>Contracted but not provided for</b>		
Purchase of investment properties	2,662	2,800
<b>Total capital commitments</b>	<u>2,662</u>	<u>2,800</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 2019**

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

	Current Year Quarter Ended 30 Sep 2019 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2018 RM'000	Changes %
<b>Revenue (External revenue)</b>			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	18,701	34,527	-45.8%
Marketing and Distribution of White Goods	1,642	1,700	-3.4%
Manufacture of Glass and Aluminium Products	4,048	4,518	-10.4%
Others	-	-	0.0%
	<b>24,391</b>	<b>40,745</b>	<b>-40.1%</b>
<b>Profit / (loss) Before Tax</b>			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	(974)	2,533	-138.5%
Marketing and Distribution of White Goods	140	34	311.8%
Manufacture of Glass and Aluminium Products	721	155	365.2%
Others	(510)	(658)	-22.5%
	<b>(623)</b>	<b>2,064</b>	<b>-130.2%</b>

The Group has recorded a decrease in revenue of RM16.4 million or -40.1%, from RM40.7 million in the preceding year corresponding quarter to RM24.4 million in the current quarter under review. The decrease was mainly due to lower project revenue contributed from all segments.

The Group reported loss before taxation of RM0.6 million for current quarter as compared to profit before tax of RM2.1 million in the preceding year corresponding quarter. The decreased of RM2.7 million or -130.2% was due to lower revenue recognized from the project segment.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

- Current Quarter 3 months ended 30 September 2019

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

This segment had shown a decrease in revenue of RM15.8 million or -45.8% from RM34.5 million in the preceding year corresponding quarter to RM18.7 million in the current quarter under review. The decrease was mainly due to lower reported project revenue from Kitchen and Wardrobe segments.

The segment reported loss before taxation of RM1.0 million for current quarter as compared to profit before tax of RM2.5 million in the preceding year corresponding quarter. The decreased of RM3.5 million or -138.5% was due to lower project revenue recognized from the project segment.

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

This segment recorded a decrease in revenue of RM0.1 million or -3.4%, from RM1.7 million in the preceding year corresponding quarter to RM1.6 million in the current quarter mainly due to lower revenue recognized from the segment.

Profit before tax for the current quarter increased by RM0.11 million or 311.8%, from RM0.03 million in preceding year corresponding quarter to RM0.14 million in the current quarter. The higher profit before tax was mainly due to the higher project margins.

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

This segment recorded a decrease in revenue of RM0.5 million or -10.4% from RM4.5 million in the preceding year corresponding quarter to RM4.0 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 increased by RM0.56 million or 365.2%, from RM0.16 million in the preceding year corresponding quarter to RM0.72 million in the current quarter. The higher profit before tax was mainly due to higher project margins.

##### **Others Segment**

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



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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 30 Sep 2019 RM'000	Immediate Preceding Quarter Ended 30 Jun 2019 RM'000	Changes %
Revenue	24,391	43,834	-44.4%
Profit/(loss) before taxation	(623)	793	-178.5%

The Group recorded revenue of RM24.4 million for current quarter compared to RM43.8 million in the immediate preceding quarter. The decreased of RM19.4 million or -44.4% as a result of lower progress / project revenue being recognized from Kitchen & Wardrobe segment.

The Group recorded a loss before tax of RM0.62 million for the current quarter compared to a profit before tax of RM0.79 million in the immediate preceding quarter. The decrease of RM1.4 million or -178.5% was mainly due to lower revenue being recognized from the project segment.

#### 17. Commentary on Prospects and Target

Moving towards to financial year 2020, 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 RM184million 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.



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

**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.

**19. Taxation**

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Sep 2019 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2018 RM'000	Current Year 30 Sep 2019 RM'000	Preceding Year 30 Sep 2018 RM'000
Current Tax Expense				
- Current Year	327	711	327	711
- Deferred Tax	-	-	-	-
Total Income Tax Expense	<u>327</u>	<u>711</u>	<u>327</u>	<u>711</u>

The Group's effective tax rate for the quarter and preceding year quarter were 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**

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 September 2019, 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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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 23. Trade Receivables

	As at 30 Sep 2019 RM'000	As at 30 Jun 2018 RM'000
Trade Receivables	48,432	48,492
Less: Allowance for Impairment	<u>(17,853)</u>	<u>(17,853)</u>
	<u>30,579</u>	<u>30,639</u>

The ageing analysis of the Group's trade receivables as at 30 September 2019 is as follows:

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
Not past due	9,886	-	9,886
Past due:			
- less than 3 months	1,585	-	1,585
- 3 to 6 months	2,691	-	2,691
- over 6 months	<u>34,270</u>	<u>(17,853)</u>	<u>16,416</u>
	<u>48,432</u>	<u>(17,853)</u>	<u>30,579</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 2019 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2018 RM'000
Term Loan (Secured) :-		
Current	5,574	5,739
Non Current	39,091	48,723
Total Bank Borrowing	<u>44,665</u>	<u>54,462</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 1.0 sen per ordinary share amounting to approximately RM 2.25 million for the financial year ended 30 June 2019.

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 2019 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2018 RM'000	Current Year-to-date 30 Sep 2019 RM'000	Preceding Year-to-date 30 Sep 2018 RM'000
<b>BASIC EARNINGS PER SHARE</b>				
Profit / (loss) for the year attributable to ordinary equity holders of the Company	(1,201)	1,296	(1,201)	1,296
Weighted average number of ordinary shares in issue ('000)	224,188	226,188	224,188	226,188
Basic Earnings per Share (sen)	<u>(0.5)</u>	<u>0.6</u>	<u>(0.5)</u>	<u>0.6</u>

## (ii) Diluted EPS

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Sep 2019 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2018 RM'000	Current Year-to-date 30 Sep 2019 RM'000	Preceding Year-to-date 30 Sep 2018 RM'000
<b>DILUTED EARNINGS PER SHARE</b>				
Profit / (loss) for the year attributable to ordinary equity holders of the Company	(1,201)	1,296	(1,201)	1,296
Weighted average number of ordinary shares for basic earnings per share ('000)	224,188	226,188	224,188	226,188
Shares deemed to be issued for no consideration: warrants ('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>224,188</u>	<u>226,188</u>	<u>224,188</u>	<u>226,188</u>
Diluted Earnings per Share (sen)	<u>(0.5)</u>	<u>0.6</u>	<u>(0.5)</u>	<u>0.6</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 2019 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 21 November 2019.