



## Signature International Berhad

(200601034359) (754118-K)  
(Incorporated In Malaysia)

### INTERIM FINANCIAL REPORT 31 DECEMBER 2020

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 December 2020.

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Year Quarter Ended 31 Dec 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2019 RM'000	Changes %	Current Year-to-date 31 Dec 2020 RM'000	Preceding Year Corresponding Year-to-date 31 Dec 2019 RM'000	Changes %
Revenue	33,009	35,915	-8.1%	65,483	60,306	8.6%
Operating expenses	(31,823)	(34,859)	-8.7%	(62,294)	(60,655)	2.7%
Other operating income	1,664	1,995	-16.6%	2,643	3,355	-21.2%
Profit from operations	2,850	3,051	-7%	5,832	3,006	94.0%
Finance costs	(433)	(509)	-14.9%	(854)	(1,087)	-21.4%
Profit before taxation	2,417	2,542	-4.9%	4,978	1,919	159.4%
Tax expense	(840)	(687)	22.3%	(1,708)	(1,014)	68.4%
Profit after taxation	1,577	1,855	-15.0%	3,270	905	261.3%
<b>Other Comprehensive Income, Net of Tax</b>						
Foreign currency translation	(26)	1	-2723.2%	(250)	11	-2374.8%
<b>Total Comprehensive Income for the period</b>	<b>1,551</b>	<b>1,856</b>	<b>-16.4%</b>	<b>3,020</b>	<b>916</b>	<b>229.7%</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 2020 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 31 DECEMBER 2020 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Year Quarter Ended 31 Dec 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2019 RM'000	Changes  %	Current Year-to-date 31 Dec 2020 RM'000	Preceding Year Corresponding Year-to-date 31 Dec 2019 RM'000	Changes  %
<b>Profit after tax attributable to:-</b>						
- Equity holders of the parent	1,986	1,936	2.6%	3,639	735	395.1%
- Non-controlling interest	(409)	(81)	404.9%	(369)	170	-317.1%
	<u>1,577</u>	<u>1,855</u>	-15.0%	<u>3,270</u>	<u>905</u>	261.3%
<b>Total Comprehensive Income attributable to: -</b>						
- Equity holders of the parent	1,960	1,937	1.2%	3,389	746	354.3%
- Non-controlling interest	(409)	(81)	404.9%	(369)	170	-317.1%
	<u>1,551</u>	<u>1,856</u>	-16.4%	<u>3,020</u>	<u>916</u>	229.7%
<b>Earnings per share (sen)</b>						
- Basic	<u>0.8</u>	<u>0.9</u>		<u>1.5</u>	<u>0.3</u>	
- Diluted	<u>0.8</u>	<u>0.9</u>		<u>1.5</u>	<u>0.3</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 2020 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	UNAUDITED	AUDITED
	As at	As at
	31 Dec 2020	30 Jun 2020
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	68,770	68,979
Right-of-use assets	16,432	17,286
Goodwill arising from Consolidation	395	395
Investment properties	66,446	58,843
Deferred tax asset	572	572
	<u>152,615</u>	<u>146,075</u>
<b>Current Assets</b>		
Inventories	8,385	8,390
Amount owing by contract customers	36,028	35,303
Trade receivables	19,111	28,017
Other receivables, deposits and prepayment	3,515	4,712
Tax recoverable	1,475	4,091
Short-term investments	42,342	53,030
Fixed deposit with licensed banks	191	191
Cash and bank balances	11,665	12,302
	<u>122,712</u>	<u>146,036</u>
<b>TOTAL ASSETS</b>	<u>275,327</u>	<u>292,111</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 2020 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 (CONT'D)

	UNAUDITED	AUDITED
	As at	As at
	31 Dec 2020	30 Jun 2020
	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	69,774	69,774
Reserves	102,659	99,228
Shareholders' equity	172,433	169,002
Non-controlling interest	7,712	8,081
<b>TOTAL EQUITY</b>	<b>180,145</b>	<b>177,083</b>
<b>Non-Current Liabilities</b>		
Lease liabilities	628	1,269
Term loans	34,398	36,797
Deferred taxation	1,347	1,347
	<b>36,373</b>	<b>39,413</b>
<b>Current Liabilities</b>		
Payables	44,074	54,133
Amount owing to contract customers	6,462	13,727
Provision for taxation	960	686
Lease liabilities	1,955	1,995
Term loan	5,358	4,675
Banker's acceptance	-	399
	<b>58,809</b>	<b>75,615</b>
<b>TOTAL LIABILITIES</b>	<b>95,182</b>	<b>115,028</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>275,327</b>	<b>292,111</b>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	<b>0.70</b>	<b>0.75</b>

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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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	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 2020</b>	69,774	(12,399)	(28,123)	4,068	8	135,674	169,002	8,081	177,083
Profit after taxation for the financial year	-	-	-	-	-	3,639	3,639	(369)	3,270
Other comprehensive income for the financial year, net of tax; - foreign exchange translation	-	-	-	-	(250)	-	(250)	-	(250)
Total comprehensive income for the financial year	-	-	-	-	(250)	3,639	3,389	(369)	3,020
Contribution by and distribution to owners of the Company:									
Recognition of shares option expenses	-	-	-	42	-	-	42	-	42
Share dividends distributed to shareholders	-	7,589	-	-	-	(7,589)	-	-	-
	-	7,589	-	42	-	(7,589)	42	-	42
<b>At 31 Dec 2020</b>	<b>69,774</b>	<b>(4,810)</b>	<b>(28,123)</b>	<b>4,110</b>	<b>(242)</b>	<b>131,724</b>	<b>172,433</b>	<b>7,712</b>	<b>180,145</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 2020 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 31 DECEMBER 2020 (UNAUDITED) (CONT'D)

	← Attributable to equity holders of the parent →								
	← Non Distributable Reserves			→ Distributable					
	Share Capital 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 2019</b>	61,272	(11,924)	(28,123)	4,119	11	144,218	169,573	9,160	178,733
Profit after taxation for the financial year	-	-	-	-	-	735	735	170	905
Other comprehensive income for the financial year, net of tax; - foreign exchange translation	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	-	735	735	170	905
Contribution by and distribution to owners of the Company:									
Recognition of shares option expenses	-	-	-	43	-	-	43	-	43
Purchase of treasury shares	-	(475)	-	-	-	-	(475)	-	(475)
Acquisition of a subsidiary	-	-	-	-	-	-	-	300	300
	-	(475)	-	43	-	-	(432)	300	(132)
<b>At 31 Dec 2019</b>	<b>61,272</b>	<b>(12,399)</b>	<b>(28,123)</b>	<b>4,162</b>	<b>11</b>	<b>144,953</b>	<b>169,876</b>	<b>9,630</b>	<b>179,506</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 2020 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 31 DECEMBER 2020 (UNAUDITED)

	Current Period Ended 31 Dec 2020 RM'000	Preceding Period Ended 31 Dec 2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit/(Loss) before taxation</b>	4,978	1,919
<b>Adjustments:</b>		
Depreciation of property and equipment	706	914
Depreciation of right-of-use assets	1,406	687
(Gain)/Loss on disposal of plant and equipment	(324)	(702)
Interest income	(27)	(126)
Income from short term investments	(752)	(1,071)
Interest expense - Others	668	898
Interest expense - Lease liabilities	60	104
Gain on deconsolidation of subsidiary	(110)	-
Plant and equipment written off	6	300
ESOS / Share-based expenses	42	43
Unrealised loss/(gain) on foreign exchange	(57)	37
Reversal of allowance for impairment losses on trade receivables	(394)	(793)
<b>Changes in working capital</b>	6,202	2,210
Inventories	5	(550)
Receivables	6,046	67
Amount due from/(to) contract customers	(7,990)	(3,586)
Payables	(9,990)	598
<b>Cash used in operations</b>	(5,727)	(1,261)
Interest received	27	126
Interest paid	(728)	(1,002)
Income tax paid	1,182	(2,116)
<b>Net cash used in operating activities</b>	(5,246)	(4,253)
<b>CASH FLOWS (USED IN) / FROM INVESTING ACTIVITIES</b>		
Additions of property, plant and equipment and ROU	(1,127)	(1,646)
Additional Purchase / works on investment properties	(3,153)	(725)
Deconsolidation of subsidiary, net of cash and cash equivalent	(299)	-
Proceeds from disposal of:		
- property, plant and equipment	396	1,122
Income from short term investment	752	1,071
Acquisition of shares from non controlling interest	-	300
<b>Net cash (used in) / from investing activities</b>	(3,431)	122



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (UNAUDITED) (CONT'D)**

	Current Period Ended 31 Dec 2020 RM'000	Preceding Period Ended 31 Dec 2019 RM'000
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Purchase of treasury shares	-	(475)
Lease / Hire purchase repayment	(681)	(707)
Term loans repayment	(1,717)	(2,888)
<b>Net cash used in financing activities</b>	<b>(2,398)</b>	<b>(4,070)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(250)</b>	<b>1</b>
<b>NET DECREASED IN CASH AND CASH EQUIVALENTS</b>	<b>(11,075)</b>	<b>(8,201)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>65,332</b>	<b>66,564</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>54,007</b>	<b>58,364</b>
<b>Cash and cash equivalents comprise of:</b>		
Short-term investments	42,342	46,433
Fixed deposit with licensed banks	191	186
Cash and bank balances	11,665	11,931
	54,198	58,550
Less: Fixed deposit pledged to a licensed bank	(191)	(186)
	54,007	58,364





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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 2020 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 2020 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 2020, 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 3: Definition of a Business

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

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to MFRS 16: COVID-19-Related Rent Concessions

Amendments to References to the Conceptual Framework in MFRS Standards

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 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
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 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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-to-date 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.



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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 December 2020 except as follows: -

For current year, the details of the treasury shares under share buy-back programme are as follows: -

	Number of Shares Units	Total Consideration RM'000
<b>Total Treasury shares</b>		
Balance at 1 Jul 2020	16,117,100	12,399
Distribute as dividend shares	(9,864,253)	(7,589)
Balance at 31 Dec 2020	<u>6,252,847</u>	<u>4,810</u>

#### 7. Dividend Paid

On 23 Dec 2020, the Company distributed treasury shares as share dividend to shareholders on the basis of forty (40) treasury shares for every one thousand (1,000) existing ordinary shares held in the Company in respect of the financial year ending 30 June 2021.



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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 Wardrobe Systems	Marketing 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 31 December 2020</b>						
REVENUE:						
External revenue	19,374	1,406	12,142	87	-	33,009
Inter-segment revenue	6,347	541	3,567	650	(11,105)	-
<b>Total revenue</b>	<b>25,721</b>	<b>1,947</b>	<b>15,709</b>	<b>737</b>	<b>(11,105)</b>	<b>33,009</b>
RESULTS						
Segment results	3,266	93	(463)	(46)	-	2,850
Finance costs	(64)	(5)	(84)	(280)	-	(433)
Profit from ordinary activities before taxation	3,202	88	(547)	(326)	-	2,417
Income tax expense						(840)
Profit from ordinary activities after taxation						1,577
Non-controlling interest						409
Net profit attributable to equity holders of the Company						1,986



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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			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Result for 3 months</b>						
<b>Quarter ended 31 December 2019</b>						
REVENUE:						
External revenue	22,156	1,342	12,417	-	-	35,915
Inter-segment revenue	7,330	3,381	292	2,928	(13,931)	-
<b>Total revenue</b>	<b>29,486</b>	<b>4,723</b>	<b>12,709</b>	<b>2,928</b>	<b>(13,931)</b>	<b>35,915</b>
RESULTS						
Segment results	1,889	1,039	59	64	-	3,051
Finance costs	(68)	(7)	(27)	(407)	-	(509)
Profit from ordinary activities before taxation	1,821	1,032	32	(343)	-	2,542
Income tax expense						(687)
Profit from ordinary activities after taxation						1,855
Non-controlling interest						81
Net profit attributable to equity holders of the Company						1,936



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

The Group	Design	Manufacture	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Of	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 6 months</b>							
<b>Quarter ended 31 December 2020</b>							
<b>REVENUE:</b>							
External revenue	38,070	2,390	24,936	87	-	-	65,483
Inter-segment revenue	12,288	981	5,336	1,311	(19,916)	-	-
<b>Total revenue</b>	<b>50,358</b>	<b>3,371</b>	<b>30,272</b>	<b>1,398</b>	<b>(19,916)</b>	<b>-</b>	<b>65,483</b>
<b>RESULTS</b>							
Segment results	5,568	52	268	(56)	-	-	5,832
Finance costs	(126)	(13)	(133)	(582)	-	-	(854)
Profit/(loss) from ordinary activities before taxation	5,442	39	135	(638)	-	-	4,978
Income tax expense							(1,708)
Profit/(loss) from ordinary activities after taxation							3,270
Non-controlling interest							369
Net profit attributable to equity holders of the Company							3,639



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#### 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			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Result for 6 months</b>						
<b>Quarter ended 31 December 2019</b>						
<b>REVENUE:</b>						
External revenue	40,857	2,984	16,465	-	-	60,306
Inter-segment revenue	13,246	3,916	398	4,407	(21,967)	-
Total revenue	54,103	6,900	16,863	4,407	(21,967)	60,306
<b>RESULTS</b>						
Segment results	1,021	1,191	794	-	-	3,006
Finance costs	(122)	(19)	(93)	(853)	-	(1,087)
Profit from ordinary activities before taxation	899	1,172	701	(853)	-	1,919
Income tax expense						(1,014)
Profit from ordinary activities after taxation						905
Non-controlling interest						(170)
Net profit attributable to equity holders of the Company						735

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

The Group Assets and Liabilities As at 31 December 2020	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	249,866	16,166	60,347	148,778	(201,877)	273,280
Unallocated assets						2,047
						<u>275,327</u>
Segment liabilities	134,795	1,518	41,089	89,370	(173,897)	92,875
Unallocated liabilities						2,307
						<u>95,182</u>

  

The Group Assets and Liabilities As at 31 December 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	236,553	17,191	57,518	133,907	(159,854)	285,315
Unallocated assets						5,440
						<u>290,755</u>
Segment liabilities	125,281	2,480	34,043	80,472	(131,701)	110,575
Unallocated liabilities						674
						<u>111,249</u>



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**INTERIM FINANCIAL REPORT 31 DECEMBER 2020****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 Dec 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2019 RM'000	Current Year-to-date 31 Dec 2020 RM'000	Preceding Year Corresponding Year-to-date 31 Dec 2019 RM'000
Profit before taxation is arrived at after charging :-				
Interest expense - Others	304	589	668	898
Interest expense - Lease liabilities	27	74	60	104
Depreciation and amortisation				
- Property & equipment	231	500	706	914
- Right-of-use assets	861	490	1,406	687
Property, plant and equipment written off	6	221	6	300
ESOS / Share-based expenses	22	21	42	43

Profit before taxation is arrived at after Crediting :-

Interest Income	(17)	(46)	(27)	(126)
Income from short term investment	(201)	(375)	(752)	(1,071)
Rental Income	(312)	(227)	(472)	(366)
Reversal of allowance for impairment losses on trade receivables	(301)	(793)	(394)	(793)
Gain on disposal of plant and equipment	(324)	(248)	(324)	(702)
Gain on deconsolidation of a subsidiary	-	-	(110)	-
(Gain) / loss on foreign exchange - realised	50	(7)	95	15
(Gain) / loss on foreign exchange - unrealised	33	41	(57)	37

**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) New subsidiary – Signature Kitchen Lanka (Pvt) Ltd

Signature Manufacturing Sdn. Bhd. (“SMSB”), a wholly-owned subsidiary of Signature Cabinet Sdn Bhd which in turn a wholly-owned subsidiary of the Signature International Berhad, had on 25 August 2020 incorporated a new subsidiary in Sri Lanka, known as Signature Kitchen Lanka (Pvt) Ltd (“SKLPL”). SMSB has subscribed 100 shares, representing 100% of the total issued share capital of SKLPL.

The principal activities of SKLPL is marketing, distribution, import and export of kitchen systems, wardrobe systems and built-in kitchen appliances.

##### b) Deregistration of indirect wholly-owned subsidiary – Fabriano Kitchen Cabinet (Foshan) Pte Ltd

Fabriano Kitchen Cabinet (Foshan) Pte. Ltd., an indirect wholly-owned subsidiary of the Company had received a notification dated 21 July 2020 pertaining to the approval on deregistration from the Foshan City Administration of Industry and Commerce.

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

As at 31 December 2020, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows: -

	Company	
	Current Year As At 31 Dec 2020 RM'000	Preceding Year As At 31 Dec 2019 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	13,791	10,974
	<u>13,791</u>	<u>10,974</u>



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

**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 31 Dec 2020 RM'000	Preceding Year As At 31 Dec 2019 RM'000
<b>Contracted but not provided for</b>		
Purchase of investment properties	1,991	2,662
<b>Total capital commitments</b>	<u>1,991</u>	<u>2,662</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 31 December 2020**

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

	Individual Period		Changes %
	Current Year Quarter Ended 31 Dec 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2019 RM'000	
<b>Revenue (External revenue)</b>			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	19,374	22,156	-12.6%
Marketing and Distribution of White Goods	1,406	1,342	4.8%
Manufacture of Glass and Aluminium Products	12,142	12,417	-2.2%
Others	87	-	0.0%
	<b>33,009</b>	<b>35,915</b>	<b>-8.1%</b>
<b>Profit / (loss) Before Tax</b>			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	3,202	1,821	75.8%
Marketing and Distribution of White Goods	88	1,032	-91.5%
Manufacture of Glass and Aluminium Products	(547)	32	-1809.4%
Others	(326)	(343)	-5.0%
	<b>2,417</b>	<b>2,542</b>	<b>-4.9%</b>

The Group recorded a decrease in revenue of -RM2.9 million or -8.1%, from RM35.9 million in the preceding year corresponding quarter to RM33.0 million in the current quarter under review. The decrease was mainly due to lower project revenue being recognized from Kitchen and Wardrobe segment and Aluminium segment.

The Group reported profit before taxation of RM2.4 million for current quarter as compared to profit before tax of RM2.5 million in the preceding year corresponding quarter, a decrease of RM0.1 million or -4.9%. The percentage of decrease in profit before tax is lower than revenue mainly due to higher profit before tax for completed projects in Kitchen and Wardrobe segment and lower staff costs and business expenses.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

- Current Quarter 3 months ended 31 December 2020

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

This segment had shown a decrease in revenue of -RM2.8 million or -12.6% from RM22.2 million in the preceding year corresponding quarter to RM19.4 million in the current quarter under review. The decrease was mainly due to lower reported project revenue from Kitchen and Wardrobe segments.

This segment reported profit before taxation of RM3.2 million for current quarter as compared to profit before tax RM1.8 million in the preceding year corresponding quarter, increase of RM1.4 million or 75.8%. The increase was mainly due to higher profit from completed projects, lower staff cost and business expense.

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

This segment recorded a marginal increase in revenue of RM0.1 million or 4.8%, from RM1.3 million in the preceding year corresponding quarter to RM1.4 million in the current quarter mainly due to higher revenue recognized from project segment.

This segment reported profit before taxation of RM0.1 million for current quarter as compared to profit before tax RM1.0 million in the preceding year corresponding quarter. The decrease was mainly due to lower inter-segment - project margin.

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

This segment recorded a marginal decrease in revenue of -RM0.3 million or -2.2% from RM12.4 million in the preceding year corresponding quarter to RM12.1 million in the current quarter.

Despite reported marginal decrease in revenue, this segment reported loss before taxation of RM0.6 million for current quarter as compared to profit before tax RM0.03 million in the preceding year corresponding quarter. The decrease of RM0.6 million or -1809.4%. was mainly due to lower project margin recognized for current quarter and higher operating overheads..

##### **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**

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

**- Current Quarter 6 months ended 31 December 2020**

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

	Cumulative Period		Changes %
	Current Year-to-date 31 Dec 2020 RM'000	Preceding Year Corresponding Year-to-date 31 Dec 2019 RM'000	
<b>Revenue (External revenue)</b>			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	38,070	40,857	-6.8%
Marketing and Distribution of White Goods	2,390	2,984	-19.9%
Manufacture of Glass and Aluminium Products	24,936	16,465	51.4%
Others	87	-	0.0%
	<b>65,483</b>	<b>60,306</b>	<b>8.6%</b>
<b>Profit / (loss) Before Tax</b>			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	5,442	899	505.3%
Marketing and Distribution of White Goods	39	1,172	-96.7%
Manufacture of Glass and Aluminium Products	135	701	-80.7%
Others	(638)	(853)	-25.2%
	<b>4,978</b>	<b>1,919</b>	<b>159.4%</b>

The Group recorded an increase in revenue of RM5.2 million or 8.6% from RM60.3 million in the preceding year to-date to RM65.5 million in the current year to-date under review. The increase in revenue was mainly due to higher project revenue being recognized from Aluminium segment.

The profit before tax increased by RM3.1 million or 159.4% from RM1.92 million in the preceding year to-date to RM4.98 million in the current year to-date. The increase in profit before tax was mainly due to higher project margin from Kitchen and Wardrobe Systems, lower staff cost and business expenses.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

##### - Current Quarter 6 months ended 31 December 2020

##### Kitchen and Wardrobe Systems

This segment had shown a decrease in revenue of -RM2.8 million or -6.8% from RM40.9 million in the preceding year to-date to RM38.1 million in the current year to-date under review. The decrease was mainly due to lower project revenue..

Profit before tax for the current year to-date was RM5.4 million as compared to RM0.9 million in the preceding year, an increase of RM4.5 million or 505.3%. The increase was mainly due to higher project margin for completed project, lower staff cost and business expenses.

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

This segment recorded a decrease in revenue of -RM0.6 million or -19.9%, from RM3.0 million in the preceding year to-date to RM2.4 million in the current year to-date.

This segment recorded a profit before tax of RM0.04 million for the current year to-date as compared to RM1.2 million in the preceding year to-date, a decrease of RM1.13 million or -96.7%. The decrease was mainly due to lower inter-segment - project revenue and margin.

##### Glass and Aluminium Product

This segment recorded an increase in revenue of RM8.5 million or 51.4% from RM16.5 million in the preceding year to-date to RM24.9 million in the current year to-date. The increase in revenue was mainly due to higher projects revenue from new subsidiary.

Profit before tax decreased by -RM0.6 million or -80.7% from RM0.7 million in the preceding year to-date to RM0.1 million in the current year to-date due to lower profit margin and higher operating overheads.

##### 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.



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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 Dec 2020 RM'000	Immediate Preceding Quarter Ended 30-Sep-20 RM'000	Changes %
Revenue	33,009	32,474	1.6%
Profit before taxation	2,417	2,561	-5.6%

The Group recorded revenue of RM33.0 million for current quarter as compared to RM32.5 million in the immediate preceding quarter. The increase of RM0.5 million or 1.6% was due to higher progress / project revenue being recognized from Kitchen and Wardrobe segment and Aluminium segment.

The Group recorded a profit before tax of RM2.4 million for the current quarter compared to a profit before tax of RM2.6 million in the immediate preceding quarter. The decrease of RM0.1 million or -5.6% was mainly due to lower profit margin being recognized from project segment and higher operating cost as compared to immediate preceding quarter.

**17. Commentary on Prospects and Target**

The Covid-19 pandemic still remains the major challenge be it from the health perspective or its impact on global economy. In Malaysia, due to the rapid increase of Covid-19 cases, the Government has imposed Movement Control Order (MCO) to contain the further spread of the virus. Although MCO has been enforced, the Government has allowed economic activities to continue with strict adherence to Standard Operating Procedures (SOP).

We have continuously used social media platforms to engage with customers. The Group will continue to be agile in responding to the unpredictable condition and will always be seeking new ways to improve our performance.

We have been receiving new orders that replenishes our existing order book. As at end Dec 2020, the Group's order book stood at RM195 million for kitchen and wardrobe system and RM234 million for Glass and Aluminium segment. Barring any unforeseen circumstances, with the order book in hand, we are optimistic of the Group's performance for this 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 31 Dec 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2019 RM'000	Current Year 31 Dec 2020 RM'000	Preceding Year 31 Dec 2019 RM'000
Current Tax Expense - Current Year	840	687	1,708	1,014
Total Income Tax Expense	840	687	1,708	1,014

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.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 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 corporate exercise: -

##### i) 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.

##### ii) Private Placement

The Company has increased its share capital by 22,418,785 new ordinary shares at an issue price of RM0.3792 each, amounting to RM8,501,203 from the Private Placement.

As at the reporting date, the Company has yet to utilise the proceeds raised from the Private Placement.

#### 22. Derivative financial instruments

As at 31 December 2020, the Group has not entered into forward foreign exchange contracts and therefore has no outstanding balance under forward foreign exchange contracts.

#### 23. Trade Receivables

	As at 31 Dec 2020 RM000	As at 30 Jun 2020 RM000
Trade Receivables	40,695	50,397
Less: Allowance for Impairment	<u>(21,584)</u>	<u>(22,380)</u>
	<u>19,111</u>	<u>28,017</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT****23. Trade Receivables (Cont'd)**

The ageing analysis of the Group's trade receivables as at 31 December 2020 is as follows:

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
Not past due	12,376	-	12,376
Past due:			
- less than 3 months	695	-	695
- 3 to 6 months	1,578	-	1,578
- over 6 months	26,046	(21,584)	4,462
	<u>40,695</u>	<u>(21,584)</u>	<u>19,111</u>

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

**24. Borrowings and Debt Securities**

The Group's borrowings as follows:

	Cumulative Period	
	Current Year Quarter Ended 31 Dec 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2019 RM'000
Term Loan (Secured) :-		
Current	5,358	5,574
Non Current	34,398	37,634
Total Bank Borrowing	<u>39,756</u>	<u>43,208</u>

**25. Material Litigation**

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



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 26. Proposed Dividend

The Company had on 23 December 2020 distributed 9,864,253 units of treasury shares as share dividend to shareholders on the basis of forty (40) treasury shares for every one thousand (1,000) existing ordinary shares held in the Company in respect of the financial year ending 30 June 2021.

#### 27. Earnings per Share

##### (i) Basic EPS

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31 Dec 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2019 RM'000	Current Year 31 Dec 2020 RM'000	Preceding Year 31 Dec 2019 RM'000
<b>BASIC EARNINGS PER SHARE</b>				
Profit for the year attributable to ordinary equity holders of the Company	1,986	1,936	3,639	735
Weighted average number of ordinary shares in issue ('000)	247,572	224,188	247,089	224,188
Basic Earnings per Share (sen)	<u>0.8</u>	<u>0.9</u>	<u>1.5</u>	<u>0.3</u>

##### (ii) Diluted EPS

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31 Dec 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2019 RM'000	Current Year-to-date 31 Dec 2020 RM'000	Preceding Year-to-date 31 Dec 2019 RM'000
<b>DILUTED EARNINGS PER SHARE</b>				
Profit for the year attributable to ordinary equity holders of the Company	1,986	1,936	3,639	735
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>247,572</u>	<u>224,188</u>	<u>247,089</u>	<u>224,188</u>
Diluted Earnings per Share (sen)	<u>0.8</u>	<u>0.9</u>	<u>1.5</u>	<u>0.3</u>



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

**28. 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 2020 were not subject to any qualification.

**29. 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 22 February 2021.