



Signature International Berhad

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

INTERIM FINANCIAL REPORT 31 MARCH 2021

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 2021.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Year Quarter Ended 31 Mar 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2020 RM'000	Changes %	Current Year-to-date 31 Mar 2021 RM'000	Preceding Year Corresponding Year-to-date 31 Mar 2020 RM'000	Changes %
Revenue	38,859	26,468	46.8%	104,342	86,774	20.2%
Operating expenses	(39,683)	(27,565)	44.0%	(101,977)	(88,220)	15.6%
Other operating income	4,056	2,077	95.3%	6,699	5,432	23.3%
Profit from operations	3,232	980	230%	9,064	3,986	127.4%
Finance costs	(362)	(541)	-33.1%	(1,216)	(1,628)	-25.3%
Profit before taxation	2,870	439	553.8%	7,848	2,358	232.8%
Tax expense	(853)	(429)	98.8%	(2,561)	(1,443)	77.5%
Profit after taxation	2,017	10	20070.0%	5,287	915	477.8%
Other Comprehensive Income, Net of Tax						
Foreign currency translation	469	16	2831.7%	219	27	711.3%
Total Comprehensive Income for the period	2,486	26	9461.5%	5,506	942	484.5%

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 MARCH 2021 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Year Quarter Ended 31 Mar 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2020 RM'000	Changes %	Current Year-to-date 31 Mar 2021 RM'000	Preceding Year Corresponding Year-to-date 31 Mar 2020 RM'000	Changes %
Profit after tax attributable to:-						
- Equity holders of the parent	3,456	321	976.6%	7,095	1,056	571.9%
- Non-controlling interest	(1,439)	(311)	362.7%	(1,808)	(141)	1182.3%
	<u>2,017</u>	<u>10</u>	<u>20070.0%</u>	<u>5,287</u>	<u>915</u>	<u>477.8%</u>
Total Comprehensive Income attributable to:-						
- Equity holders of the parent	3,925	337	1064.7%	7,314	1,083	575.4%
- Non-controlling interest	(1,439)	(311)	362.7%	(1,808)	(141)	1182.3%
	<u>2,486</u>	<u>26</u>	<u>9461.5%</u>	<u>5,506</u>	<u>942</u>	<u>484.5%</u>
Earnings per share (sen)						
- Basic	<u>1.3</u>	<u>0.1</u>		<u>2.8</u>	<u>0.5</u>	
- Diluted	<u>1.3</u>	<u>0.1</u>		<u>2.8</u>	<u>0.5</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 MARCH 2021

	UNAUDITED	AUDITED
	As at	As at
	31 Mar 2021	30 Jun 2020
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	68,724	68,979
Right-of -use assets	15,874	17,286
Goodwill arising from Consolidation	395	395
Investment properties	70,332	58,843
Deferred tax asset	572	572
	<u>155,897</u>	<u>146,075</u>
Current Assets		
Inventories	9,735	8,390
Amount owing by contract customers	30,406	35,303
Trade receivables	23,356	28,017
Other receivables ,deposits and prepayment	3,895	4,712
Tax recoverable	1,960	4,091
Short-term investments	38,653	53,030
Fixed deposit with licensed banks	191	191
Cash and bank balances	10,619	12,302
	<u>118,815</u>	<u>146,036</u>
TOTAL ASSETS	<u>274,712</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 MARCH 2021 (CONT'D)

	UNAUDITED	AUDITED
	As at	As at
	31 Mar 2021	30 Jun 2020
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	69,786	69,774
Reserves	106,606	99,228
Shareholders' equity	<u>176,392</u>	<u>169,002</u>
Non-controlling interest	<u>6,273</u>	<u>8,081</u>
TOTAL EQUITY	<u>182,665</u>	<u>177,083</u>
Non-Current Liabilities		
Lease liabilities	559	1,269
Term loans	33,377	36,797
Deferred taxation	<u>1,347</u>	<u>1,347</u>
	<u>35,283</u>	<u>39,413</u>
Current Liabilities		
Payables	45,209	54,133
Amount owing to contract customers	3,493	13,727
Provision for taxation	1,712	686
Lease liabilities	1,543	1,995
Term loan	4,807	4,675
Banker's acceptance	-	399
	<u>56,764</u>	<u>75,615</u>
TOTAL LIABILITIES	<u>92,047</u>	<u>115,028</u>
TOTAL EQUITY AND LIABILITIES	<u>274,712</u>	<u>292,111</u>
Net assets per ordinary share attributable to ordinary equity holders		
of the Company (RM)	<u>0.70</u>	<u>0.75</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (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			
Balance at 1 July 2020	69,774	(12,399)	(28,123)	4,068	8	135,674	169,002	8,081	177,083
Profit after taxation for the financial year	-	-	-	-	-	7,095	7,095	(1,808)	5,287
Other comprehensive income for the financial year, net of tax; - foreign exchange translation	-	-	-	-	219	-	219	-	219
Total comprehensive income for the financial year	-	-	-	-	219	7,095	7,314	(1,808)	5,506
Contribution by and distribution to owners of the Company:									
Recognition of shares option expenses	-	-	-	64	-	-	64	-	64
Warrant option exercised	12	-	-	-	-	-	12	-	12
Share dividends distributed to shareholders	-	7,589	-	-	-	(7,589)	-	-	-
	12	7,589	-	64	-	(7,589)	76	-	76
At 31 Mar 2021	69,786	(4,810)	(28,123)	4,132	227	135,180	176,392	6,273	182,665

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 MARCH 2021 (UNAUDITED) (CONT'D)

	← 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	Treasury Shares RM'000	Merger Deficit RM'000	Employee Share option Reserve RM'000	Exchange Translation Reserve RM'000				
Balance at 1 July 2019	61,272	(11,924)	(28,123)	4,119	11	144,218	169,573	9,160	178,733
Profit after taxation for the financial year	-	-	-	-	-	1,056	1,056	(141)	915
Other comprehensive income for the financial year, net of tax;									
- foreign exchange translation	-	-	-	-	16	-	16	-	16
Total comprehensive income for the financial year	-	-	-	-	16	1,056	1,072	(141)	931
Contribution by and distribution to owners of the Company:									
Recognition of shares option expenses	-	-	-	65	-	-	65	-	65
Purchase of treasury shares	-	(475)	-	-	-	-	(475)	-	(475)
Acquisition of a subsidiary	-	-	-	-	-	-	-	300	300
Dividend - by the Company	-	-	-	-	-	(2,242)	(2,242)	-	(2,242)
	-	(475)	-	65	-	(2,242)	(2,652)	300	(2,352)
At 31 Mar 2020	61,272	(12,399)	(28,123)	4,184	27	143,032	167,993	9,319	177,312

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 MARCH 2021 (UNAUDITED)

	Current Period Ended 31 Mar 2021 RM'000	Preceding Period Ended 31 Mar 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	7,848	2,358
Adjustments:		
Depreciation of property and equipment	1,054	1,366
Depreciation of right-of-use assets	1,675	1,003
(Gain)/Loss on disposal of plant and equipment	(326)	(798)
Interest income	(44)	(173)
Income from short term investments	(563)	(1,192)
Interest expense - Others	1,022	1,322
Interest expense - Lease liabilities	81	144
Loss on deconsolidation of subsidiaries	8	-
Written down of inventories	(304)	-
Plant and equipment written off	6	300
ESOS / Share-based expenses	64	65
Unrealised loss/(gain) on foreign exchange	92	(58)
Reversal of allowance for impairment losses on trade receivables	(4,047)	(1,185)
Allowance for impairment losses on trade receivables	1,000	552
Changes in working capital	7,566	3,704
Inventories	(1,041)	178
Receivables	(312)	(4,340)
Amount due from/(to) contract customers	(5,337)	3,824
Payables	(9,121)	(3,293)
Cash used in operations	(8,245)	73
Interest received	44	173
Interest paid	(1,103)	(1,466)
Income tax paid	596	(2,410)
Net cash used in operating activities	(8,708)	(3,630)
CASH FLOWS (USED IN) / FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment and ROU	(1,140)	(2,008)
Additions of right-of-use assets	-	-
Additional Purchase / works on investment properties	(3,153)	(1,568)
Deconsolidation of subsidiary, net of cash and cash equivalent	(299)	-
Proceeds from disposal of:		
- investment properties	500	-
- property, plant and equipment	397	1,289
- leasehold land and buildings arising from compulsory land acquisition	-	-
Income from short term investment	563	1,192
Acquisition of shares from non controlling interest	-	300
Net cash used in investing activities	(3,132)	(795)



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (UNAUDITED) (CONT'D)**

	Current Period Ended 31 Mar 2021 RM'000	Preceding Period Ended 31 Mar 2020 RM'000
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividend paid to Shareholders	-	(2,242)
Proceeds from exercise of:		
- warrants	12	-
Purchase of treasury shares	-	(475)
Lease / Hire purchase repayment	(1,162)	(774)
Term loans repayment	(3,289)	(4,329)
Net cash used in financing activities	(4,439)	(7,820)
Effects of exchange rate changes on cash and cash equivalents	219	27
NET DECREASED IN CASH AND CASH EQUIVALENTS	(16,279)	(12,245)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	65,332	66,564
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	49,272	54,346
Cash and cash equivalents comprise of:		
Short-term investments	38,653	46,861
Fixed deposit with licensed banks	191	186
Cash and bank balances	10,619	7,485
	49,463	54,532
Less: Fixed deposit pledged to a licensed bank	(191)	(186)
	49,272	54,346



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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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2. Significant Accounting Policies (Cont'd)

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: -

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
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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5. Changes in Estimates

There were no estimates announced in regard to 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 2021 except as follows: -

i) Issuance of shares

As at 31 March 2021, 12,500 shares were issued pursuant to conversion of Warrant in accordance of Deed Poll dated 6 Apr 2016.

ii) Share buy-back programme

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
Total Treasury shares		
Balance at 1 Jul 2020	16,117,100	12,399
Distribute as dividend shares	(9,864,253)	(7,589)
Balance at 31 Mar 2021	<u>6,252,847</u>	<u>4,810</u>

7. Dividend Paid

On 23 December 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 Manufacture and Retail Of Kitchen And Wardrobe Systems RM000	Marketing and Distribution Of White Goods RM000	Manufacture Of Glass and Aluminium Products RM000	Others RM000	Eliminations RM000	The Group RM000
Result for 3 months Quarter ended 31 March 2021						
REVENUE:						
External revenue	23,325	1,168	14,310	56	-	38,859
Inter-segment revenue	5,965	570	4,438	12,834	(23,807)	-
Total revenue	29,290	1,738	18,748	12,890	(23,807)	38,859
RESULTS						
Segment results	6,145	(148)	(2,678)	(87)	-	3,232
Finance costs	654	(7)	(738)	(271)	-	(362)
Profit from ordinary activities before taxation	6,799	(155)	(3,416)	(358)	-	2,870
Income tax expense						(853)
Profit from ordinary activities after taxation						2,017
Non-controlling interest						1,439
Net profit attributable to equity holders of the Company						3,456



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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	Others	Eliminations	The Group
	RM000	RM000	RM000	RM000	RM000	RM000
Result for 3 months						
Quarter ended 31 March 2020						
REVENUE:						
External revenue	17,670	578	8,220	-	-	26,468
Inter-segment revenue	4,992	962	529	1,914	(8,397)	-
Total revenue	22,662	1,540	8,749	1,914	(8,397)	26,468
RESULTS						
Segment results	1,090	26	(95)	(41)	-	980
Finance costs	30	(1)	(166)	(404)	-	(541)
Profit from ordinary activities before taxation	1,120	25	(261)	(445)	-	439
Income tax expense						(429)
Profit from ordinary activities after taxation						10
Non-controlling interest						311
Net profit attributable to equity holders of the Company						321



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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	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Result for 9 months						
Quarter ended 31 March 2021						
REVENUE:						
External revenue	61,395	3,558	39,246	143	-	104,342
Inter-segment revenue	18,253	1,551	9,774	14,145	(43,723)	-
Total revenue	79,648	5,109	49,020	14,288	(43,723)	104,342
RESULTS						
Segment results	11,713	(96)	(2,410)	(143)	-	9,064
Finance costs	528	(20)	(871)	(853)	-	(1,216)
Profit/(loss) from ordinary activities before taxation	12,241	(116)	(3,281)	(996)	-	7,848
Income tax expense						(2,561)
Profit/(loss) from ordinary activities after taxation						5,287
Non-controlling interest						1,808
Net profit attributable to equity holders of the Company						7,095



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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	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products			
	RM000	RM000	RM000	RM000	RM000	RM000
Result for 9 months						
Quarter ended 31 March 2020						
REVENUE:						
External revenue	58,527	3,562	24,685	-	-	86,774
Inter-segment revenue	18,238	4,878	927	6,321	(30,364)	-
Total revenue	76,765	8,440	25,612	6,321	(30,364)	86,774
RESULTS						
Segment results	2,111	1,217	699	(41)	-	3,986
Finance costs	(144)	(20)	(207)	(1,257)	-	(1,628)
Profit from ordinary activities before taxation	1,967	1,197	492	(1,298)	-	2,358
Income tax expense						(1,443)
Profit from ordinary activities after taxation						915
Non-controlling interest						141
Net profit attributable to equity holders of the Company						1,056



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8. Segmental Information (Cont'd)

The Group Assets and Liabilities As at 31 March 2021	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems RM000	and Distribution Of White Goods RM000	Of Glass and Aluminium Products RM000			
OTHER INFORMATION						
Segment assets	264,495	15,363	58,821	164,467	(230,966)	272,180
Unallocated assets						2,532
						274,712
Segment liabilities	141,636	13,432	42,732	94,016	(202,828)	88,988
Unallocated liabilities						3,059
						92,047

The Group Assets and Liabilities As at 31 March 2020	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems RM000	and Distribution Of White Goods RM000	Of Glass and Aluminium Products RM000			
OTHER INFORMATION						
Segment assets	237,125	15,860	57,133	132,332	(164,317)	278,133
Unallocated assets						5,305
						283,438
Segment liabilities	124,432	1,117	34,410	81,563	(136,070)	105,452
Unallocated liabilities						674
						106,126

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

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

10. Profit before taxation

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

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31 Mar 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2020 RM'000	Current Year-to-date 31 Mar 2021 RM'000	Preceding Year Corresponding Year-to-date 31 Mar 2020 RM'000
Profit before taxation is arrived at after charging :-				
Interest expense - Others	354	399	1,022	1,322
Interest expense - Lease liabilities	21	40	81	144
Depreciation and amortisation				
- Property & equipment	348	452	1,054	1,366
- Right-of-use assets	269	316	1,675	1,003
Allowance for impairment losses on trade receivables	1,000	552	1,000	552
Written down of inventories	229	-	304	-
Property, plant and equipment written off	-	-	6	300
Loss on deconsolidation of subsidiaries	118	-	8	-
ESOS / Share-based expenses	22	22	64	65

Profit before taxation is arrived at after Crediting :-

Interest Income	(17)	(47)	(44)	(173)
Income from short term investment	189	(121)	(563)	(1,192)
Rental Income	(233)	(166)	(705)	(532)
Reversal of allowance for impairment losses on trade receivables	(3,653)	(392)	(4,047)	(1,185)
Gain on disposal of plant and equipment	(2)	(96)	(326)	(798)
(Gain) / loss on foreign exchange - realised	(14)	1	81	16
(Gain) / loss on foreign exchange - unrealised	149	(95)	92	(58)

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

There were no material events subsequent to the end of the interim financial results for the quarter ended 31 March 2021.

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 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.

c) Dissolution of an indirect wholly-owned subsidiary – Signature Kitchen (UK) Pte Limited

Signature Kitchen (UK) Pte Limited, an indirect wholly-owned subsidiary of the Company, had received a Final Gazette Notice from the Companies House in United Kingdom, confirming that Signature Kitchen (UK) Pte Limited has been dissolved on 16 March 2021.

13. Changes in Contingent Assets or Contingent Liabilities

As at 31 March 2021, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows: -

	Company	
	Current Year As At 31 Mar 2021 RM'000	Preceding Year As At 31 Mar 2020 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	14,373	11,690
	14,373	11,690



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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 Mar 2021 RM'000	Preceding Year As At 31 Mar 2020 RM'000
Contracted but not provided for		
Purchase of investment properties	1,807	2,662
Total capital commitments	<u>1,807</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 March 2021**

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

	Individual Period		Changes %
	Current Year Quarter Ended 31 Mar 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2020 RM'000	
Revenue (External revenue)			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	23,325	17,670	32.0%
Marketing and Distribution of White Goods	1,168	578	102.0%
Manufacture of Glass and Aluminium Products	14,310	8,220	74.1%
Others	56	-	0.0%
	38,859	26,468	46.8%
Profit / (loss) Before Tax			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	6,799	1,120	507.1%
Marketing and Distribution of White Goods	(155)	25	-720.0%
Manufacture of Glass and Aluminium Products	(3,416)	(261)	1208.8%
Others	(358)	(445)	-19.6%
	2,870	439	553.8%

The Group recorded an increase in revenue of RM12.4 million or 46.8%, from RM26.5 million in the preceding year corresponding quarter to RM38.9 million in the current quarter under review. The increase was mainly due to higher project revenue being recognised from Kitchen and Wardrobe segment and Aluminium segment.

The Group reported profit before taxation of RM2.9 million for current quarter as compared to profit before tax of RM0.4 million in the preceding year corresponding quarter, an increase of RM2.5 million or 553.8%.

The percentage of increase in profit before tax is higher than revenue mainly due to higher profit before tax for completed projects in Kitchen and Wardrobe segment and approximately RM3.6 million was contributed by reversal of allowance for impairment losses on trade receivables. In addition, the Glass and Aluminium segment recorded an operating loss with lower profit margin and higher operating overheads.



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15. Review of Performance (Cont'd)

- Current Quarter 3 months ended 31 March 2021

Kitchen and Wardrobe Systems

This segment had shown an increase in revenue of RM5.6 million or 32% from RM17.7 million in the preceding year corresponding quarter to RM23.3 million in the current quarter under review. The increase was mainly due to higher reported project revenue.

This segment reported profit before taxation of RM6.8 million for current quarter as compared to profit before tax RM1.1 million in the preceding year corresponding quarter, an increase of RM5.7 million or 507.1%. The increase was mainly due to higher profit being recognised from completed projects, and approximately RM3.6 million was contributed by reversal of allowance for impairment losses on trade receivables.

White Goods and Built-in Kitchen Appliances

This segment recorded a marginal increase in revenue of RM0.6 million or 102%, from RM0.6 million in the preceding year corresponding quarter to RM1.2 million in the current quarter mainly due to higher revenue recognised from project segment.

This segment reported loss before taxation of RM0.2 million for current quarter as compared to profit before tax RM0.03 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 an increase in revenue of RM6.1 million or 74.1% from RM8.2 million in the preceding year corresponding quarter to RM14.3 million in the current quarter.

Despite an increase in revenue, this segment reported loss before taxation of RM3.4 million for the current quarter as compared to loss before taxation RM0.3 million in the preceding year corresponding quarter. The increase of RM3.2 million or 1,208.8% was mainly due to lower project margin 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 9 months ended 31 March 2021

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

	Cumulative Period		Changes %
	Current Year-to-date 31 Mar 2021 RM'000	Preceding Year Corresponding Year-to-date 31 Mar 2020 RM'000	
Revenue (External revenue)			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	61,395	58,527	4.9%
Marketing and Distribution of White Goods	3,558	3,562	-0.1%
Manufacture of Glass and Aluminium Products	39,246	24,685	59.0%
Others	143	-	0.0%
	104,342	86,774	20.2%
Profit / (loss) Before Tax			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	12,241	1,967	522.3%
Marketing and Distribution of White Goods	(116)	1,197	-109.7%
Manufacture of Glass and Aluminium Products	(3,281)	492	-766.9%
Others	(996)	(1,298)	-23.3%
	7,848	2,358	232.8%

The Group recorded an increase in revenue of RM17.5 million or 20.2% from RM86.8 million in the preceding year to-date to RM104.3 million in the current year to-date under review. The increase in revenue was mainly due to higher project revenue being recognised from both Kitchen and Wardrobe segment and Glass and Aluminium segment.

The profit before tax increased by RM5.4 million or 232.8% from RM2.4 million in the preceding year to-date to RM7.8 million in the current year to-date. The increase in profit before tax was mainly due to higher project margin of completed projects from Kitchen and Wardrobe Systems and approximately RM4.0 million contributed by reversal of allowance for impairment losses on trade receivables. In addition, the Glass and Aluminium segment recorded an operating loss with lower profit margin and higher operating overheads.



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15. Review of Performance (Cont'd)

- Current Quarter 9 months ended 31 March 2021

Kitchen and Wardrobe Systems

This segment had shown an increase in revenue of RM2.9 million or 4.9% from RM58.5 million in the preceding year to-date to RM61.4 million in the current year to-date under review. The increase was mainly due to higher project revenue.

Profit before tax for the current year to-date was RM12.2 million as compared to RM2.0 million in the preceding year, an increase of RM10.2 million or 522.3%. The increase was mainly due to higher project margin from completed project and approximately RM4.0 million was contributed by reversal of allowance for impairment losses on trade receivables.

White Goods and Built-in Kitchen Appliances

This segment recorded a slightly decrease in revenue of RM0.1 million or -0.1%, from RM3.6 million in the preceding year to-date to RM3.5 million in the current year to-date.

This segment recorded a loss before tax of RM0.1 million for the current year to-date as compared to profit before tax of RM1.2 million in the preceding year to-date, a decrease of RM1.1 million or -109.7%. 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 RM14.5 million or 59% from RM24.7 million in the preceding year to-date to RM39.2 million in the current year to-date. The increase in revenue was mainly due to higher projects revenue.

This segment recorded a loss before tax of RM3.3 million for the current year to-date as compared to profit before tax of RM0.5 million in the preceding year to-date, a decrease of RM3.8 million or -766.9% due to lower profit margin and higher operating overheads.

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

	Current Year Quarter Ended 31 Mar 2021 RM'000	Immediate Preceding Quarter Ended 31-Dec-20 RM'000	Changes %
Revenue	38,859	33,009	17.7%
Profit before taxation	2,870	2,417	18.7%

The Group recorded revenue of RM38.9 million for the current quarter as compared to RM33.0 million in the immediate preceding quarter. The increase of RM5.9 million or 17.7% was due to higher progress / project revenue being recognised from Kitchen and Wardrobe segment and Aluminium segment.

The Group recorded a profit before tax of RM2.9 million for the current quarter compared to a profit before tax of RM2.4 million in the immediate preceding quarter. The increase of RM0.5 million or 18.7% was mainly due to higher profit margin being recognised from project segment and approximately RM3.6 million was contributed by reversal of allowance for impairment losses on trade receivables. In addition, the Glass and Aluminium segment recorded an operating loss with lower profit margin and higher operating overheads.

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. 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 March 2021, the Group's order book stood at RM186.8 million for Kitchen and Wardrobe system and RM221.3 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.

18. Variance between Actual Results and Forecast Results

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

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
19. Taxation

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31 Mar 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2020 RM'000	Current Year 31 Mar 2021 RM'000	Preceding Year 31 Mar 2020 RM'000
Current Tax Expense - Current Year	853	429	2,561	1,443
Total Income Tax Expense	853	429	2,561	1,443

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 utilisation of proceeds raised from the corporate exercise

	Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Explanations if the deviation is 5% or more)
		RM'000	RM'000		
a) Private Placement					
i)	Working Capital (for the purpose of expansion plan and enhancement of manufacturing facilities)	8,501	3,313	Within 12 - 24 months	Unutilised portion - on expansion plan and enhancement of manufacturing facilities.
b) Arising from the conversion of Warrants					
ii)	Working Capital	17	5	-	The proceeds raised will be utilised as working capital of the group.
c) Arising from the exercise of ESOS Options					
iii)	Working Capital	300	300	-	-
	Total	8,818	3,618		

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22. Derivative financial instruments

As at 31 March 2021, 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 Mar 2021 RM'000	As at 30 Jun 2020 RM'000
Trade Receivables	43,810	50,397
Less: Allowance for Impairment	<u>(20,454)</u>	<u>(22,380)</u>
	<u>23,356</u>	<u>28,017</u>

The ageing analysis of the Group's trade receivables as at 31 March 2021 is as follows:

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
Not past due	14,420		14,420
Past due:			
- less than 3 months	4,715		4,715
- 3 to 6 months	2,323		2,323
- over 6 months	<u>22,352</u>	<u>(20,454)</u>	<u>1,899</u>
	<u>43,810</u>	<u>(20,454)</u>	<u>23,356</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.



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24. Borrowings and Debt Securities

The Group's borrowings are as follows:

	Cumulative Period	
	Current Year Quarter Ended 31 Mar 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2020 RM'000
Term Loan (Secured) :-		
Current	4,807	5,442
Non-current	33,377	36,325
Total Bank Borrowings	<u>38,184</u>	<u>41,767</u>

25. Material Litigation

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

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.



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27. Earnings per Share

(i) Basic EPS

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31 Mar 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2020 RM'000	Current Year 31 Mar 2021 RM'000	Preceding Year 31 Mar 2020 RM'000
BASIC EARNINGS PER SHARE				
Profit for the year attributable to ordinary equity holders of the Company	3,456	321	7,095	1,056
Weighted average number of ordinary shares in issue ('000)	265,117	224,188	252,966	224,188
Basic Earnings per Share (sen)	<u>1.3</u>	<u>0.1</u>	<u>2.8</u>	<u>0.5</u>

(ii) Diluted EPS

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31 Mar 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2020 RM'000	Current Year-to-date 31 Mar 2021 RM'000	Preceding Year-to-date 31 Mar 2020 RM'000
DILUTED EARNINGS PER SHARE				
Profit for the year attributable to ordinary equity holders of the Company	3,456	321	7,095	1,056
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>265,793</u>	<u>224,188</u>	<u>253,188</u>	<u>224,188</u>
Diluted Earnings per Share (sen)	<u>1.3</u>	<u>0.1</u>	<u>2.8</u>	<u>0.5</u>

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 authorised for issue by the Board of Directors in accordance with a resolution of the Board on 24 May 2021.