



Signature International Berhad

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

INTERIM FINANCIAL REPORT 30 JUNE 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 30 June 2021.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Year Quarter Ended 30 Jun 2021 RM'000	Preceding Year Corresponding Quarter Ended 30 Jun 2020 RM'000	Changes %	Current Year 30 Jun 2021 RM'000	Preceding Year 30 Jun 2020 RM'000	Changes %
Revenue	35,247	20,578	71.3%	139,589	107,352	30.0%
Operating expenses	(36,505)	(27,736)	31.6%	(138,482)	(115,956)	19.4%
Other operating income	4,265	1,162	267.0%	10,964	6,594	66.3%
Profit/(Loss) from operations	3,007	(5,996)	150%	12,071	(2,010)	700.5%
Finance costs	(487)	(993)	-51.0%	(1,703)	(2,621)	-35.0%
Profit/(Loss) before taxation	2,520	(6,989)	136.1%	10,368	(4,631)	323.9%
Tax expense	(1,173)	(1,618)	-27.5%	(3,734)	(3,061)	22.0%
Profit/(Loss) after taxation	1,347	(8,607)	115.7%	6,634	(7,692)	186.2%
Other Comprehensive Income, Net of Tax						
Foreign currency translation	(272)	(30)	806.5%	(53)	(3)	1663.6%
Total Comprehensive Income/ (Expenses) for the period/ Year	1,075	(8,637)	112.4%	6,581	(7,695)	185.5%

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 30 JUNE 2021 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Year Quarter Ended 30 Jun 2021 RM'000	Preceding Year Corresponding Quarter Ended 30 Jun 2020 RM'000	Changes %	Current Year 30 Jun 2021 RM'000	Preceding Year 30 Jun 2020 RM'000	Changes %
Profit/(Loss) after tax attributable to:-						
- Equity holders of the parent	1,913	(7,636)	125.1%	9,008	(6,580)	236.9%
- Non-controlling interest	(566)	(971)	-41.7%	(2,374)	(1,112)	113.5%
	<u>1,347</u>	<u>(8,607)</u>	115.7%	<u>6,634</u>	<u>(7,692)</u>	186.2%
Total Comprehensive Income / (Expenses) attributable to: -						
- Equity holders of the parent	1,641	(7,666)	121.4%	8,955	(6,583)	236.0%
- Non-controlling interest	(566)	(971)	-41.7%	(2,374)	(1,112)	113.5%
	<u>1,075</u>	<u>(8,637)</u>	112.4%	<u>6,581</u>	<u>(7,695)</u>	185.5%
Earnings /(Loss) per share (sen)						
- Basic	<u>0.7</u>	<u>(3.4)</u>		<u>3.5</u>	<u>(2.9)</u>	
- Diluted	<u>0.7</u>	<u>(3.4)</u>		<u>3.5</u>	<u>(2.9)</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 30 JUNE 2021

	UNAUDITED	AUDITED
	As at	As at
	30 Jun 2021	30 Jun 2020
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	68,587	68,979
Right-of-use assets	17,258	17,286
Goodwill arising from Consolidation	395	395
Investment properties	70,121	58,843
Deferred tax asset	572	572
Other investment	7,320	-
	<u>164,253</u>	<u>146,075</u>
Current Assets		
Inventories	11,351	8,390
Amount owing by contract customers	32,203	35,303
Trade receivables	19,095	28,017
Other receivables, deposits and prepayment	3,882	4,712
Tax recoverable	1,085	4,091
Short-term investments	40,489	53,030
Fixed deposit with licensed banks	191	191
Cash and bank balances	40,517	12,302
	<u>148,813</u>	<u>146,036</u>
TOTAL ASSETS	<u>313,066</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 30 JUNE 2021 (CONT'D)**

	UNAUDITED As at 30 Jun 2021 RM'000	AUDITED As at 30 Jun 2020 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	101,323	69,774
Reserves	108,019	99,228
Shareholders' equity	209,342	169,002
Non-controlling interest	5,707	8,081
TOTAL EQUITY	215,049	177,083
Non-Current Liabilities		
Lease liabilities	2,309	1,269
Term loans	32,350	36,797
Deferred taxation	795	1,347
	35,454	39,413
Current Liabilities		
Payables	52,535	54,133
Amount owing to contract customers	3,417	13,727
Provision for taxation	977	686
Lease liabilities	1,167	1,995
Term loan	4,467	4,675
Banker's acceptance	-	399
	62,563	75,615
TOTAL LIABILITIES	98,017	115,028
TOTAL EQUITY AND LIABILITIES	313,066	292,111
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.81	0.74

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 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 30 JUNE 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	-	-	-	-	-	9,008	9,008	(2,374)	6,634
Other comprehensive income for the financial year net of tax; - foreign exchange translation	-	-	-	-	(53)	-	(53)	-	(53)
Total comprehensive income for the financial year	-	-	-	-	(53)	9,008	8,955	(2,374)	6,581
Contribution by and distribution to owners of the Company:									
Reversal of shares option expenses	-	-	-	(164)	-	-	(164)	-	(164)
Transfer to Retained Earning	-	-	-	(3,904)	-	3,904	-	-	-
Warrant option exercised	31,549	-	-	-	-	-	31,549	-	31,549
Share dividends distributed to shareholders	-	7,589	-	-	-	(7,589)	-	-	-
	31,549	7,589	-	(4,068)	-	(3,685)	31,385	-	31,385
At 30 Jun 2021	101,323	(4,810)	(28,123)	-	(45)	140,997	209,342	5,707	215,049

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 30 JUNE 2021 (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
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	-	-	-	-	-	(6,580)	(6,580)	(1,112)	(7,692)
Other comprehensive income for the financial year, net of tax; - foreign exchange translation	-	-	-	-	(3)	-	(3)	-	(3)
Total comprehensive income for the financial year	-	-	-	-	(3)	(6,580)	(6,583)	(1,112)	(7,695)
Contribution by and distribution to owners of the Company:									
Recognition of shares option expenses	-	-	-	(51)	-	-	(51)	-	(51)
Issuance of shares through private placement	8,502	-	-	-	-	-	8,502	-	8,502
Purchase of treasury shares	-	(475)	-	-	-	-	(475)	-	(475)
Issuance of shares to non-controlling interest	-	-	-	-	-	-	-	311	311
Dividend - by the Company	-	-	-	-	-	(2,242)	(2,242)	-	(2,242)
Changes in ownership interest of subsidiaries	-	-	-	-	-	278	278	(278)	-
	8,502	(475)	-	(51)	-	(1,964)	6,012	33	6,045
At 30 Jun 2020	69,774	(12,399)	(28,123)	4,068	8	135,674	169,002	8,081	177,083

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 30 JUNE 2021 (UNAUDITED)**

	Current Year Ended 30 Jun 2021 RM'000	Preceding Year Ended 30 Jun 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	10,368	(4,631)
Adjustments:		
Depreciation of property and equipment	1,416	1,581
Depreciation of right-of-use assets	2,899	1,961
(Gain)/Loss on disposal of plant and equipment	(326)	(290)
(Gain)/Loss on disposal of right-of-use assets	-	(384)
(Gain)/Loss on disposal of investment properties	-	(171)
Interest income	(141)	(216)
Income from short term investments	(845)	(2,056)
Fair value loss on Investment properties	1,338	927
Interest expense - Others	1,302	1,995
Interest expense - Lease liabilities	146	187
Loss on deconsolidation of subsidiaries	8	-
Inventories written down	392	155
Plant and equipment written off	11	749
ESOS / Share-based expenses	(164)	(51)
Unrealised loss/(gain) on foreign exchange	(28)	(93)
Reversal of allowance for impairment losses on trade receivables	(7,271)	(1,410)
Allowance for impairment losses on trade receivables	3,525	7,391
Bad debts written off	11	376
Changes in working capital	12,641	6,020
Inventories	(2,961)	505
Receivables	4,218	(3,553)
Amount due from/(to) contract customers	(7,210)	(2,193)
Payables	(1,901)	119
Cash from operations	4,787	898
Interest paid	(1,448)	(1,971)
Income tax paid	(1,166)	(2,027)
Net cash from / (used) in operating activities	2,173	(3,100)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (UNAUDITED) (CONT'D)

	Current Year Ended 30 Jun 2021 RM'000	Preceding Year Ended 30 Jun 2020 RM'000
CASH FLOWS (USED IN) / FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(1,107)	(1,981)
Additions of right-of-use assets	(2,871)	(61)
Additional purchase for investment properties	(3,837)	(991)
Additional investment in quoted shares	(7,320)	-
Deconsolidation of subsidiary, net of cash and cash equivalent	(299)	-
Proceeds from disposal of:		
- investment properties	500	1,264
- property, plant and equipment	397	868
- right-of-use assets	-	568
Income from short term investment	845	2,056
Interest income received	141	-
Net cash (used in) / from investing activities	(13,551)	1,723
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividend paid to Shareholders	-	(2,242)
Proceed from issuance of shares	-	8,502
Proceeds from issuance of shares in a subsidiary	-	311
Proceeds from exercise of:		
- warrants	31,549	-
Purchase of treasury shares	-	(475)
Repayment of lease liabilities	-	(1,814)
Repayment of term loans	(4,444)	(4,624)
Net drawdown of bills payable	-	399
Net cash from financing activities	27,105	57
Effects of exchange rate changes on cash and cash equivalents	(53)	88
NET INCREASED / (DECREASED) IN CASH AND CASH EQUIVALENTS	15,727	(1,320)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	65,332	66,564
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	81,006	65,332
Cash and cash equivalents comprise of:		
Short-term investments	40,489	53,030
Fixed deposit with licensed banks	191	191
Cash and bank balances	40,517	12,302
	81,197	65,523
Less: Fixed deposit pledged to a licensed bank	(191)	(191)
	81,006	65,332



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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)

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

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 References to the Conceptual Framework in MFRS Standards

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
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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.



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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 June 2021 except as follows: -

i) Issuance of shares

As at 30 June 2021, 32,524,950 shares were issued at RM0.97 per shares arising from the exercise of the Warrants (2016/2021) in accordance with the Deed Pool 21 April 2021.

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 share dividend	(9,864,253)	(7,589)
Balance at 30 Jun 2021	<u>6,252,847</u>	<u>4,810</u>



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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 ended 30 June 2021.

8. Segmental Information

The Group	Design Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	Marketing and Distribution Of White Goods RM'000	Manufacture Of Glass and Aluminium Products RM'000	Others RM'000	Eliminations RM'000	The Group RM'000
Result for 3 months Quarter ended 30 June 2021						
REVENUE:						
External revenue	19,740	552	14,904	52	-	35,247
Inter-segment revenue	4,114	266	2,429	3,565	(10,374)	-
Total revenue	23,853	818	17,333	3,617	(10,374)	35,247
RESULTS						
Segment results	4,638	(255)	5	(1,381)	-	3,007
Finance costs	(721)	(4)	508	(270)	-	(487)
Profit from ordinary activities before taxation	3,917	(259)	513	(1,651)	-	2,520
Income tax expense						(1,173)
Profit from ordinary activities after taxation						1,347
Non-controlling interest						566
Net profit attributable to equity holders of the Company						1,913



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

The Group	Design Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products	Others	Eliminations	The Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Result for 3 months						
Quarter ended 30 June 2020						
REVENUE:						
External revenue	15,036	256	5,205	81	-	20,578
Inter-segment revenue	4,117	254	5,619	(3,674)	(6,316)	-
Total revenue	19,153	510	10,824	(3,593)	(6,316)	20,578
RESULTS						
Segment results	(3,024)	(147)	(2,379)	(446)	-	(5,996)
Finance costs	(221)	(15)	(390)	(367)	-	(993)
Profit from ordinary activities before taxation	(3,245)	(162)	(2,769)	(813)	-	(6,989)
Income tax expense						(1,618)
Profit from ordinary activities after taxation						(8,607)
Non-controlling interest						971
Net profit attributable to equity holders of the Company						(7,636)



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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			
	RM000	RM000	RM000	RM000	RM000	RM000	RM000
Result for 12 months Year ended 30 June 2021							
REVENUE:							
External revenue	81,135	4,110	54,150	195	-		139,589
Inter-segment revenue	22,367	1,817	12,203	17,710	(54,097)		-
Total revenue	103,501	5,927	66,353	17,905	(54,097)		139,589
RESULTS							
Segment results	16,351	(351)	(2,405)	(1,524)	-		12,071
Finance costs	(193)	(24)	(363)	(1,123)	-		(1,703)
Profit/(loss) from ordinary activities before taxation	16,158	(375)	(2,768)	(2,647)	-		10,368
Income tax expense							(3,734)
Profit/(loss) from ordinary activities after taxation							6,634
Non-controlling interest							2,374
Net profit attributable to equity holders of the Company							9,008



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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 12 months						
Year ended 30 June 2020						
REVENUE:						
External revenue	73,563	3,818	29,890	81	-	107,352
Inter-segment revenue	22,355	5,132	6,546	2,647	(36,680)	-
Total revenue	95,918	8,950	36,436	2,728	(36,680)	107,352
RESULTS						
Segment results	(913)	1,070	(1,680)	(487)	-	(2,010)
Finance costs	(313)	(35)	(649)	(1,624)	-	(2,621)
Profit from ordinary activities before taxation	(1,226)	1,035	(2,329)	(2,111)	-	(4,631)
Income tax expense						(3,061)
Profit from ordinary activities after taxation						(7,692)
Non-controlling interest						1,112
Net profit attributable to equity holders of the Company						(6,580)

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

The Group	Design						The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products	Others	Eliminations		
Assets and Liabilities	RM000	RM000	RM000	RM000	RM000	RM000	RM000
As at 30 June 2021							
OTHER INFORMATION							
Segment assets	263,850	8,324	58,910	197,572	(217,247)		311,409
Unallocated assets							1,657
							<u>313,066</u>
Segment liabilities	140,416	6,659	43,458	94,489	(188,777)		96,245
Unallocated liabilities							1,772
							<u>98,017</u>

The Group	Design						The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products	Others	Eliminations		
Assets and Liabilities	RM000	RM000	RM000	RM000	RM000	RM000	RM000
As at 30 June 2020							
OTHER INFORMATION							
Segment assets	249,475	15,513	62,171	141,330	(181,041)		287,448
Unallocated assets							4,663
							<u>292,111</u>
Segment liabilities	141,818	797	42,311	82,313	(154,244)		112,995
Unallocated liabilities							2,033
							<u>115,028</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 Jun 2021 RM'000	Preceding Year Corresponding Quarter Ended 30 Jun 2020 RM'000	Current Year 30 Jun 2021 RM'000	Preceding Year 30 Jun 2020 RM'000
Profit/(loss) before taxation is arrived at after charging :-				
Interest expense - Others	280	673	1,302	1,995
Interest expense - Lease liabilities	65	43	146	187
Depreciation and amortisation				
- Property & equipment	362	215	1,416	1,581
- Right-of -use assets	1,224	958	2,899	1,961
Fair value adjustment loss for Investment Properties	1,338	927	1,338	927
Allowance for impairment losses on trade receivables	2,525	6,839	3,525	7,391
Bad debts written off	11	376	11	376
Written down of inventories	88	155	392	155
Property, plant and equipment written off	5	449	11	749
Loss on deconsolidation of subsidiaries	-	-	8	-
ESOS / Share-based expenses	(228)	(116)	(164)	(51)

Profit/(loss) before taxation is arrived at after Crediting :-

Interest Income	(97)	(43)	(141)	(216)
Income from short term investment	(282)	(864)	(845)	(2,056)
Rental Income	(344)	(156)	(1,049)	(688)
Reversal of allowance for impairment losses on trade receivables	(3,224)	(225)	(7,271)	(1,410)
Gain on disposal of plant and equipment	-	508	(326)	(290)
Gain on disposal of right-of-use assets	-	(384)	-	(384)
(Gain) / loss on foreign exchange - realised	71	57	152	73
(Gain) / loss on foreign exchange - unrealised	(120)	(35)	(28)	(93)

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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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.

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, has 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 30 June 2021, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows: -

	Company	
	Current Year As At 30 Jun 2021 RM'000	Preceding Year As At 30 Jun 2020 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	17,038	10,417
	<u>17,038</u>	<u>10,417</u>



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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 30 Jun 2021 RM'000	Preceding Year As At 30 Jun 2020 RM'000
Contracted but not provided for		
Purchase of property, plant and equipment	-	1,216
Purchase of investment properties	1,364	2,233
Total capital commitments	1,364	3,449

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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 June 2021**

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

	Individual Period		Changes %
	Current Year Quarter Ended 30 Jun 2021 RM'000	Preceding Year Corresponding Quarter Ended 30 Jun 2020 RM'000	
Revenue (External revenue)			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	19,740	15,036	31.3%
Marketing and Distribution of White Goods	552	256	115.6%
Manufacture of Glass and Aluminium Products	14,904	5,205	186.3%
Others	52	81	-35.8%
	<u>35,247</u>	<u>20,578</u>	71.3%
Profit / (loss) Before Tax			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	3,917	(3,245)	220.7%
Marketing and Distribution of White Goods	(259)	(162)	-59.9%
Manufacture of Glass and Aluminium Products	513	(2,769)	118.5%
Others	(1,651)	(813)	-103.1%
	<u>2,520</u>	<u>(6,989)</u>	136.1%

The Group recorded an increase in revenue of RM14.6 million or 71.3%, from RM20.6 million in the preceding year corresponding quarter to RM35.2 million in the current quarter under review. The increase was mainly due to higher project revenue being recognized from Kitchen and Wardrobe segment and Aluminium segment.

The Group reported profit before taxation of RM2.5 million for current quarter as compared to loss before tax of RM7.0 million in the preceding year corresponding quarter, an increase of RM9.5 million.

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, net lower allowance for impairment losses on trade receivables and lower staff costs as compared to preceding year corresponding quarter.



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15. Review of Performance (Cont'd)

- Current Quarter 3 months ended 30 June 2021

Kitchen and Wardrobe Systems

This segment had shown an increase in revenue of RM4.7 million or 31.3% from RM15.0 million in the preceding year corresponding quarter to RM19.7 million in the current quarter under review. The increase was mainly due to higher reported project revenue.

This segment reported profit before taxation of RM3.9 million for current quarter as compared to loss before tax RM3.2 million in the preceding year corresponding quarter, an increase of RM7.1 million. The increase was mainly due to higher profit being recognised from completed projects and net lower allowance for impairment losses on trade receivables.

White Goods and Built-in Kitchen Appliances

This segment recorded an increase in revenue of RM0.3 million or 115.6%, from RM0.3 million in the preceding year corresponding quarter to RM0.6 million in the current quarter mainly due to higher revenue recognized from project segment.

This segment reported loss before taxation of RM0.3 million for current quarter as compared to loss before tax RM0.2 million in the preceding year corresponding quarter. The increase in loss was mainly due to higher provision for slow moving & obsolete inventory.

Glass and Aluminium Product

This segment recorded an increase in revenue of RM9.7 million or 186.3% from RM5.2 million in the preceding year corresponding quarter to RM14.9 million in the current quarter.

This segment reported profit before taxation of RM0.5 million for current quarter as compared to loss before tax RM2.8 million in the preceding year corresponding quarter. The increase of RM3.3million was mainly due to higher completed project and margin.

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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15. Review of Performance (Cont'd)

- Current Quarter 12 months ended 30 June 2021

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

	Cumulative Period		Changes %
	Current Year 30 Jun 2021 RM'000	Preceding Year 30 Jun 2020 RM'000	
Revenue (External revenue)			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	81,135	73,563	10.3%
Marketing and Distribution of White Goods	4,110	3,818	7.6%
Manufacture of Glass and Aluminium Products	54,150	29,890	81.2%
Others	195	81	140.7%
	139,589	107,352	30.0%
Profit / (loss) Before Tax			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	16,158	(1,226)	1417.9%
Marketing and Distribution of White Goods	(375)	1,035	136.2%
Manufacture of Glass and Aluminium Products	(2,768)	(2,329)	-18.8%
Others	(2,647)	(2,111)	-25.4%
	10,368	(4,631)	323.9%

The Group recorded an increase in revenue of RM32.2 million or 30.0% from RM107.4 million in the preceding year to RM139.6 million in the current year under review. The increase in revenue was mainly due to higher project revenue being recognized from both Kitchen and Wardrobe and Glass and Aluminium segment.

The profit before tax increased by RM15.0 million from loss before tax of RM4.6 million in the preceding year to RM10.4 million in the current year. The increase in profit before tax was mainly due to higher project margin of completed projects from Kitchen and Wardrobe Systems, net lower allowance for impairment losses on trade receivables, lower staff costs, business expenses and finance costs.



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15. Review of Performance (Cont'd)

- Current Quarter 12 months ended 30 June 2021

Kitchen and Wardrobe Systems

This segment had shown an increase in revenue of RM7.6 million or 10.3% from RM73.6 million in the preceding year to RM81.1 million in the current year under review. The increase was mainly due to higher project revenue.

Profit before tax for the current year was RM16.2 million as compared to loss before tax of RM1.2 million in the preceding year, an increase of RM17.4 million. The increase was mainly due to higher project margin from completed project and net lower allowance for impairment losses on trade receivables, lower staff costs, and business expenses.

White Goods and Built-in Kitchen Appliances

This segment recorded a slightly increase in revenue of RM0.3 million or 7.6%, from RM3.8 million in the preceding year to RM4.1 million in the current year.

This segment recorded a loss before tax of RM0.4 million for the current year as compared to profit before tax of RM1.0 million in the preceding year, a decrease by RM1.4 million. The loss was mainly due to lower inter-segment project revenue and margin.

Glass and Aluminium Product

This segment recorded an increase in revenue of RM24.3 million or 81.2% from RM29.9 million in the preceding year to RM54.2 million in the current year. The increase in revenue was mainly due to higher projects revenue.

Loss before tax decreased by RM0.5 million or 18.8% from RM2.3 million in the preceding year to RM2.8 million in the current year 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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16. Material change in Profit before tax of Current Year Quarter compared with Preceding Quarter

	Current Year Quarter Ended 30 Jun 2021 RM'000	Immediate Preceding Quarter Ended 31 Mar 2021 RM'000	Changes %
Revenue	<u>35,247</u>	<u>38,859</u>	-9.3%
Profit before taxation	<u>2,520</u>	<u>2,870</u>	-12.2%

The Group recorded revenue of RM35.2 million for current quarter as compared to RM38.9 million in the immediate preceding quarter. The decrease of RM3.6 million or 9.3% was due to lower progress / project revenue being recognized from Kitchen and Wardrobe segment and Aluminium segment.

The Group recorded a profit before tax of RM2.5 million for the current quarter compared to a profit before tax of RM2.9 million in the immediate preceding quarter. The slightly decrease of RM0.4 million or 12.2% was mainly due to lower profit margin being recognized from project segment.

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. Government of Malaysia has implemented varying degrees of movement restrictions since 18 March 2020. 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 adopt technology for digital transformation and automation. We will continue to grow organically and/or strategic partnership/acquisition to deliver long term value to stakeholders.

As at end June 2021, the Group's order book stood at RM190 million for kitchen and wardrobe system and RM205 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 the new financial year.

18. Variance between Actual Results and Forecast Results

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

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19. Taxation

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Jun 2021 RM'000	Preceding Year Corresponding Quarter Ended 30 Jun 2020 RM'000	Current Year 30 Jun 2021 RM'000	Preceding Year 30 Jun 2020 RM'000
Current Tax Expense				
- Current Year	1,902	1,280	4,463	2,723
- Previous year	(177)	204	(177)	204
Deferred Tax Expense	(553)	134	(553)	134
Total Income Tax Expense	1,173	1,618	3,734	3,061

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 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.



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22. Derivative financial instruments

As at 30 June 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 30 Jun 2021 RM'000	As at 30 Jun 2020 RM'000
Trade Receivables	36,151	50,397
Less: Allowance for Impairment	<u>(17,056)</u>	<u>(22,380)</u>
	<u>19,095</u>	<u>28,017</u>

The ageing analysis of the Group's trade receivables as at 30 June 2021 is as follows:

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
Not past due	11,486	-	11,486
Past due:			
- less than 3 months	990	-	990
- 3 to 6 months	2,864	-	2,864
- over 6 months	20,811	(17,056)	3,755
	<u>36,151</u>	<u>(17,056)</u>	<u>19,095</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 as follows:

	Cumulative Period	
	Current Year 30 Jun 2021 RM'000	Preceding Year 30 Jun 2020 RM'000
Term Loan (Secured) :-		
Current	4,467	4,675
Non Current	32,350	36,797
Total Bank Borrowing	<u>36,817</u>	<u>41,472</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 ended 30 June 2021.

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27. Earnings per Share

(i) Basic EPS

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Jun 2021 RM'000	Preceding Year Corresponding Quarter Ended 30 Jun 2020 RM'000	Current Year 30 Jun 2021 RM'000	Preceding Year 30 Jun 2020 RM'000
BASIC EARNINGS PER SHARE				
Profit/ (Loss) for the year attributable to ordinary equity holders of the Company	1,913	(7,636)	9,008	(6,580)
Weighted average number of ordinary shares in issue ('000)	276,451	224,188	258,223	229,931
Basic Earnings per Share (sen)	0.7	(3.4)	3.5	(2.9)

(ii) Diluted EPS

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Jun 2021 RM'000	Preceding Year Corresponding Quarter Ended 30 Jun 2020 RM'000	Current Year 30 Jun 2021 RM'000	Preceding Year 30 Jun 2020 RM'000
DILUTED EARNINGS PER SHARE				
Profit/ (Loss) for the year attributable to ordinary equity holders of the Company	1,913	(7,636)	9,008	(6,580)
Weighted average number of ordinary shares for diluted earnings per share ('000)	276,890	224,188	258,719	229,931
Diluted Earnings per Share (sen)	0.7	(3.4)	3.5	(2.9)



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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. Memorandum of Understanding ("MOU")

Signature Cabinet Sdn. Bhd. ("SCSB"), a wholly-owned subsidiary of the Company, had on 25 August 2021, signed a Memorandum of Understanding ("MOU") with TAFI Industries Berhad to jointly undertake a collaboration, business venture or joint venture to pool their respective expertise with the view of joining forces to penetrate into the project market to market and distribute kitchen cabinet and wardrobe system.

Please refer to the announcement dated 25 August 2021 for further details on the MOU.

30. Authorisation for issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board on 27 August 2021.