



## Signature International Berhad

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

### INTERIM FINANCIAL REPORT 30 SEPTEMBER 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 period ended 30 September 2021.

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Period	Preceding Period	Changes	Current	Preceding	Changes
	Quarter Ended 30 Sep 2021 RM'000	Corresponding Quarter Ended 30 Sep 2020 RM'000		Period 30 Sep 2021 RM'000	Period 30 Sep 2020 RM'000	
Revenue	20,574	32,474	-36.6%	20,574	32,474	-36.6%
Operating expenses	(28,145)	(30,471)	-7.6%	(28,145)	(30,471)	-7.6%
Other operating income	9,216	979	841.4%	9,216	979	841.4%
Profit from operations	1,645	2,982	-45%	1,645	2,982	-44.8%
Finance costs	(405)	(421)	-3.8%	(405)	(421)	-3.8%
Profit before taxation	1,240	2,561	-51.6%	1,240	2,561	-51.6%
Tax expense	(47)	(868)	-94.6%	(47)	(868)	-94.6%
Profit after taxation	1,193	1,693	-29.5%	1,193	1,693	-29.5%
<b>Other Comprehensive Income, Net of Tax</b>						
Foreign currency translation	7	(224)	-103.0%	7	(224)	-103.1%
<b>Total Comprehensive Income for the period</b>	<b>1,200</b>	<b>1,469</b>	<b>-18.3%</b>	<b>1,200</b>	<b>1,469</b>	<b>-18.3%</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Period	Preceding Period	Changes	Current Period	Preceding Period	Changes
	Quarter Ended	Quarter Ended		Period	Period	
	30 Sep 2021	30 Sep 2020		30 Sep 2021	30 Sep 2020	
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Profit/(Loss) after tax attributable to:-</b>						
- Equity holders of the parent	1,979	1,653	19.7%	1,979	1,653	19.7%
- Non-controlling interest	(786)	40	-2065.0%	(786)	40	-2065.0%
	<u>1,193</u>	<u>1,693</u>	<u>-29.5%</u>	<u>1,193</u>	<u>1,693</u>	<u>-29.5%</u>
<b>Total Comprehensive Income / (Expenses) attributable to: -</b>						
- Equity holders of the parent	1,986	1,429	39.0%	1,986	1,429	39.0%
- Non-controlling interest	(786)	40	-2065.0%	(786)	40	-2065.0%
	<u>1,200</u>	<u>1,469</u>	<u>-18.3%</u>	<u>1,200</u>	<u>1,469</u>	<u>-18.3%</u>
<b>Earnings per share (sen)</b>						
- Basic	<u>0.7</u>	<u>0.7</u>		<u>0.7</u>	<u>0.7</u>	
- Diluted	<u>0.7</u>	<u>0.7</u>		<u>0.7</u>	<u>0.7</u>	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	UNAUDITED As at 30 Sep 2021 RM'000	AUDITED As at 30 Jun 2021 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	68,674	68,587
Right-of-use assets	17,134	17,311
Investment properties	64,029	67,529
Deferred tax asset	589	589
	<u>150,426</u>	<u>154,016</u>
<b>Current Assets</b>		
Inventories	10,896	10,611
Amount owing by contract customers	19,685	36,054
Trade receivables	30,146	22,712
Other receivables ,deposits and prepayment	7,252	6,518
Tax recoverable	1,724	1,128
Short-term investments - Unit trust funds	36,856	40,489
Short-term investments - Quoted shares	14,341	7,320
Fixed deposit with licensed banks	195	195
Cash and bank balances	23,278	40,991
	<u>144,373</u>	<u>166,018</u>
<b>TOTAL ASSETS</b>	<u>294,799</u>	<u>320,034</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2021 (CONT'D)**

	UNAUDITED	AUDITED
	As at	As at
	30 Sep 2021	30 Jun 2021
	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	101,323	101,323
Reserves	96,262	107,036
Shareholders' equity	197,585	208,359
Non-controlling interest	5,195	5,981
<b>TOTAL EQUITY</b>	<b>202,780</b>	<b>214,340</b>
<b>Non-Current Liabilities</b>		
Lease liabilities	1,673	1,673
Term loans	32,290	32,290
Deferred taxation	255	255
	<b>34,218</b>	<b>34,218</b>
<b>Current Liabilities</b>		
Payables	48,280	54,455
Amount owing to contract customers	2,567	8,286
Amount owing to a related party	814	810
Provision for taxation	1,089	1,549
Lease liabilities	1,876	1,841
Term loan	3,175	4,535
	<b>57,801</b>	<b>71,476</b>
<b>TOTAL LIABILITIES</b>	<b>92,019</b>	<b>105,694</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>294,799</b>	<b>320,034</b>
Net assets per ordinary share attributable to ordinary equity holders		
of the Company (RM)	0.72	0.84

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial report.



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**INTERIM FINANCIAL REPORT 30 SEPTEMBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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			
<b>Balance at 1 July 2021</b>	101,323	(4,810)	(28,123)	-	(548)	140,517	208,359	5,981	214,340
Profit after taxation for the financial period	-	-	-	-	-	1,979	1,979	(786)	1,193
Other comprehensive income for the financial period, net of tax; - foreign exchange translation	-	-	-	-	7	-	7	-	7
Total comprehensive income for the financial period	-	-	-	-	7	1,979	1,986	(786)	1,200
Contribution by and distribution to owners of the Company:									
Purchase of treasury shares	-	(12,760)	-	-	-	-	(12,760)	-	(12,760)
	-	(12,760)	-	-	-	-	(12,760)	-	(12,760)
<b>At 30 Sep 2021</b>	<b>101,323</b>	<b>(17,570)</b>	<b>(28,123)</b>	<b>-</b>	<b>(541)</b>	<b>142,496</b>	<b>197,585</b>	<b>5,195</b>	<b>202,780</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial period ended 30 June 2021 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 PERIOD ENDED 30 SEPTEMBER 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
<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 period	-	-	-	-	-	1,653	1,653	40	1,693
Other comprehensive income for the financial period, net of tax; - foreign exchange translation	-	-	-	-	(224)	-	(224)	-	(224)
Total comprehensive income for the financial period	-	-	-	-	(224)	1,653	1,429	40	1,469
Contribution by and distribution to owners of the Company:									
Recognition of shares option expenses	-	-	-	20	-	-	20	-	20
	-	-	-	20	-	-	20	-	20
<b>At 30 Sep 2020</b>	<b>69,774</b>	<b>(12,399)</b>	<b>(28,123)</b>	<b>4,088</b>	<b>(216)</b>	<b>137,327</b>	<b>170,451</b>	<b>8,121</b>	<b>178,572</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial PERIOD ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)

	Current Period Ended 30 Sep 2021 RM'000	Preceding Period Ended 30 Sep 2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	1,240	2,561
<b>Adjustments:</b>		
Bad debts recovered	(914)	-
Depreciation of property and equipment	360	475
Depreciation of right-of-use assets	605	545
Interest income	(62)	(10)
Income from short term investments	(168)	(551)
Fair value adjustment on Investment properties	3,500	-
Fair value gain on short term investment	(7,250)	-
Gain on deconsolidation of a subsidiary	-	(110)
Interest expense - Others	270	364
Interest expense - Lease liabilities	49	33
Plant and equipment written off	-	75
ESOS / Share-based expenses	-	20
Unrealised gain on foreign exchange	(16)	(90)
Reversal of allowance for impairment losses on trade receivables	(60)	(93)
Allowance for impairment losses on trade receivables	121	-
<b>Changes in working capital</b>	(2,325)	3,219
Inventories	(285)	(459)
Receivables	(7,298)	5,828
Amount due from/(to) contract customers	10,648	(5,457)
Payables	(6,170)	(2,904)
<b>Cash (used in)/from operations</b>	(5,430)	227
Interest received	62	10
Interest paid	(319)	(397)
Income tax paid	(1,103)	1,816
<b>Net cash (used in)/from operating activities</b>	(6,790)	1,656



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED) (CONT'D)**

	Current Period Ended 30 Sep 2021 RM'000	Preceding Period Ended 30 Sep 2020 RM'000
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Additions of property, plant and equipment and ROU	(876)	(275)
Additional purchase / works on investment properties	-	(3,169)
Deconsolidation of subsidiary, net of cash and cash equivalent	-	(299)
Purchase of short term investment	(8,300)	-
Proceeds from disposal of short term investment	8,529	-
Income from short term investment	168	551
<b>Net cash used in investing activities</b>	<u>(479)</u>	<u>(3,192)</u>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Purchase of treasury shares	(12,760)	(619)
Additional lease liabilities	36	-
Repayment of term loans	(1,360)	(578)
<b>Net cash used in financing activities</b>	<u>(14,084)</u>	<u>(1,197)</u>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	7	(224)
<b>NET DECREASED IN CASH AND CASH EQUIVALENTS</b>	(21,353)	(2,733)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>81,480</u>	<u>65,332</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>60,134</u>	<u>62,375</u>
<b>Cash and cash equivalents comprise of:</b>		
Short-term investments - Unit trust funds	36,856	52,040
Fixed deposit with licensed banks	195	191
Cash and bank balances	23,278	10,335
	<u>60,329</u>	<u>62,566</u>
Less: Fixed deposit pledged to a licensed bank	(195)	(191)
	<u>60,134</u>	<u>62,375</u>





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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 period ended 30 June 2021 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 period ended 30 June 2021 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 2021, 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

Amendment to MFRS 16: Covid-19-Related Rent Concessions

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 101 and MFRS 108: Definition of Material

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 period: -

<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
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

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 period-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 period 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 period 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 30 September 2021 except as follows: -

For current period, 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 2021	6,252,847	4,810
Purchases in the month of:		
July 2021	12,995,600	12,760
Balance at 30 Sep 2021	<u>19,248,447</u>	<u>17,570</u>

##### 7. Dividend Paid

No dividends were paid during the quarter under review.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 8. Segmental Information

The Group	Design	Manufacture	Marketing	Manufacture	Others	Eliminations	The Group
	and Retail Of	Kitchen And	and	Of Glass			
	Systems	Wardrobe	Distribution	and			
	RM'000	Of White	Goods	Aluminium	RM'000	RM'000	RM'000
<b>Result for 3 months</b>							
<b>Quarter ended 30 September 2021</b>							
<b>REVENUE:</b>							
External revenue	10,011	1,074	9,455	34	-	20,574	
Inter-segment revenue	2,493	137	1,714	775	(5,119)	-	
<b>Total revenue</b>	<b>12,504</b>	<b>1,211</b>	<b>11,169</b>	<b>809</b>	<b>(5,119)</b>	<b>20,574</b>	
<b>RESULTS</b>							
Segment results	(2,651)	(30)	(1,444)	6,025	(255)	1,645	
Finance costs	(88)	(6)	(171)	(263)	123	(405)	
Profit/(loss) from ordinary activities before taxation	(2,739)	(36)	(1,615)	5,762	(132)	1,240	
Income tax expense						(47)	
Profit/(loss) from ordinary activities after taxation						1,193	
Non-controlling interest						786	
Net profit attributable to equity holders of the Company						1,979	



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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 Wardrobe Systems	And Distribution Of White Goods	and Of Glass and Aluminium Products				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Result for 3 months</b>							
<b>Quarter ended 30 September 2020</b>							
<b>REVENUE:</b>							
External revenue	18,696	984	12,794	-	-	-	32,474
Inter-segment revenue	5,941	440	1,769	661	(8,811)	-	-
<b>Total revenue</b>	<b>24,637</b>	<b>1,424</b>	<b>14,563</b>	<b>661</b>	<b>(8,811)</b>		<b>32,474</b>
<b>RESULTS</b>							
Segment results	2,267	(41)	731	(10)	35		2,982
Finance costs	(292)	(8)	(49)	(302)	230		(421)
Profit from ordinary activities before taxation	1,975	(49)	682	(312)	265		2,561
Income tax expense							(868)
Profit from ordinary activities after taxation							1,693
Non-controlling interest							(40)
Net profit attributable to equity holders of the Company							1,653

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

The Group Assets and Liabilities As at 30 September 2021	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	and Distribution Of White Goods RM'000	Manufacture Of Glass and Aluminium Products RM'000			
OTHER INFORMATION						
Segment assets	263,293	9,324	57,385	186,833	(224,349)	292,486
Unallocated assets						2,313
						<u>294,799</u>
Segment liabilities	140,320	7,829	42,946	95,932	(196,352)	90,675
Unallocated liabilities						1,344
						<u>92,019</u>

  

The Group Assets and Liabilities As at 30 September 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	Manufacture Of Glass and Aluminium Products RM'000			
OTHER INFORMATION						
Segment assets	249,114	15,803	61,322	146,532	(189,698)	283,073
Unallocated assets						2,045
						<u>285,118</u>
Segment liabilities	137,149	1,197	41,122	87,809	(162,830)	104,447
Unallocated liabilities						2,099
						<u>106,546</u>



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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 Period Quarter Ended 30 Sep 2021 RM'000	Preceding Period Corresponding Quarter Ended 30 Sep 2020 RM'000	Current Period 30 Sep 2021 RM'000	Preceding Period 30 Sep 2020 RM'000
Profit before taxation is arrived at after charging :-				
Interest expense - Others	270	364	270	364
Interest expense - Lease liabilities	49	33	49	33
Depreciation and amortisation				
- Property & equipment	360	475	360	475
- Right-of -use assets	605	545	605	545
Fair value loss on investment properties	3,500	-	3,500	-
Allowance for impairment losses on trade receivables	121	-	121	-
Property, plant and equipment written off	-	75	-	75
ESOS / Share-based expenses	-	20	-	20
Profit before taxation is arrived at after Crediting :-				
Fair value gain on short term investment	(7,250)	-	(7,250)	-
Interest Income	(62)	(10)	(62)	(10)
Income from short term investment	(168)	(551)	(168)	(551)
Rental Income	(201)	(160)	(201)	(160)
Reversal of allowance for impairment losses on trade receivables	(60)	(93)	(60)	(93)
Gain on deconsolidation of a subsidiary	-	(110)	-	(110)
(Gain) / Loss on foreign exchange - realised	13	45	13	45
Gain on foreign exchange - unrealised	(16)	(90)	(16)	(90)



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

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

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

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

There were no changes in the composition of the Group during the quarter under review.

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

As at 30 September 2021, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows: -

	Current Period As At 30 Sep 2021 RM'000	Preceding Period As At 30 Sep 2020 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	16,108	11,261
	<u>16,108</u>	<u>11,261</u>

**14. Capital Commitments**

Capital commitments for the purchase investment properties not provided for in the interim financial statements as at the balance sheet date were as follows:

	Current Period As At 30 Sep 2021 RM'000	Preceding Period As At 30 Sep 2020 RM'000
<b>Contracted but not provided for</b>		
Purchase of property, plant and equipment	-	-
Purchase of investment properties	1,364	2,006
<b>Total capital commitments</b>	<u>1,364</u>	<u>2,006</u>



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT****PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD.****15. Review of Performance****- Current Quarter 3 months ended 30 September 2021**

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

	Individual Period		Changes %
	Current Period Quarter Ended 30 Sep 2021 RM'000	Preceding Period Corresponding Quarter Ended 30 Sep 2020 RM'000	
<b>Revenue (External revenue)</b>			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	10,011	18,696	-46.5%
Marketing and Distribution of White Goods	1,074	984	9.2%
Manufacture of Glass and Aluminium Products	9,455	12,794	-26.1%
Others	34	-	0.0%
	<b>20,574</b>	<b>32,474</b>	<b>-36.6%</b>
<b>Profit Before Tax</b>			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	(2,871)	2,240	-228.2%
Marketing and Distribution of White Goods	(36)	(49)	26.5%
Manufacture of Glass and Aluminium Products	(1,615)	682	-336.8%
Others	5,762	(312)	1946.8%
	<b>1,240</b>	<b>2,561</b>	<b>-51.6%</b>

The Group recorded decrease in revenue of RM11.9 million or 36.6%, from RM32.4 million in the preceding period corresponding quarter to RM20.6 million in the current quarter under review. The decrease was mainly due to lower revenue contributed from kitchen and wardrobe segments.

The Group reported profit before taxation of RM1.2 million for current quarter as compared to profit before tax of RM2.5 million in the preceding period corresponding quarter, a decrease of RM1.3 million or 51.6%.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

##### - Current Quarter 3 months ended 30 September 2021

Despite significant other income arises from gain on fair value adjustment for investment in quoted securities, the group reported lower profit before tax as compared preceding period corresponding quarter. This was mainly due to lower project revenue, margin contributed from project segment and kitchen and wardrobe segments, and fair value loss on investment properties.

##### Kitchen and Wardrobe Systems

This segment had shown a decrease in revenue of RM8.7 million or -46.5% from RM18.7 million in the preceding period corresponding quarter to RM10.0 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 loss before taxation of RM2.9 million for current quarter as compared to profit before tax RM2.2 million in the preceding year corresponding quarter, a decrease of RM5.1 million or -228.2%. The decrease was mainly due to lower revenue and fair value loss on investment properties.

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

This segment recorded a marginal increase in revenue of RM0.09 million or 9.2%, from RM1.0 million in the preceding period corresponding quarter to RM1.1 million in the current quarter mainly due to higher revenue recognized from the retail segment.

This segment reported loss before taxation of RM0.04 million for current quarter as compared to RM0.05 million in the preceding period corresponding quarter. The decrease is mainly due to lower revenue recognized.

##### Glass and Aluminium Product

This segment recorded a decrease in revenue of RM3.3 million or -26.1% from RM12.8 million in the preceding period corresponding quarter to RM9.46 million in the current quarter.

Profit before tax for the current quarter decreased by RM2.3 million or -336.8%, from RM0.7 million in the preceding period corresponding quarter to -RM1.6 million in the current quarter.

The segment reported higher loss before tax in current quarter. This is mainly due to higher operating overheads incurred in the current quarter.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

##### 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.

For the current quarter, the segment reported significant other income arises from gain on fair value adjustment for investment in quoted securities.

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

	Current Period Quarter Ended 30 Sep 2021 RM'000	Immediate Preceding Quarter Ended 30-Jun-21 RM'000	Changes %
Revenue	20,574	35,247	-41.6%
Profit before taxation	1,240	2,520	-50.8%

The Group recorded revenue of RM20.6 million for current quarter as compared to RM35.2 million in the immediate preceding quarter. The decrease of RM14.6 million or -41.6% was due to lower progress / project revenue being recognized from Kitchen and Wardrobe segments.

The Group recorded a profit before tax of RM1.2 million for the current quarter compared to RM2.5 million in the immediate preceding quarter.

Despite significant other income arises from gain on fair value adjustment for investment in quoted securities, the Group reported lower profit before tax as compared immediate preceding quarter. This was mainly due to lower project revenue, margin contributed from Project segment and Kitchen and Wardrobe segments, and fair value loss on investment properties in the current quarter.

#### 17. Commentary on Prospects and Target

The Covid-19 pandemic remains the major concern for the health challenges and economic consequences globally. As the global economy remains uncertain, there is a need to revitalise domestic economic and social activities to expedite the recovery. Malaysia 2022 Budget was built upon the concept of 'Keluarga Malaysia' or the Malaysian Family aimed at elevating and



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

**17. Commentary on Prospects and Target (cont'd)**

healing the nation. The introduction of various incentives for individuals and businesses will aim at spurring economic growth and increase domestic spending.

Since June 2021, works at construction sites resumes gradually with the adherence to the Standard Operating Procedure for the Construction Industry. We have been receiving new orders that replenish our existing order book while we continue to recognise revenue from our backlog cases. As at end September 2021, the Group order book stood at RM199 million for Kitchen and Wardrobe System and RM197 million for Aluminium and Glass segment. We are optimistic that the Group revenue and profit will improve in this financial period based on the large number of order book on hand.

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 change to adapt to the new norm and take opportunity to grow and revamp our legacy way of doing business.

**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 Period Quarter Ended 30 Sep 2021 RM'000	Preceding Period Corresponding Quarter Ended 30 Sep 2020 RM'000	Current Period 30 Sep 2021 RM'000	Preceding Period 30 Sep 2020 RM'000
Current Tax Expense				
- Current Period	47	868	47	868
Total Income Tax Expense	47	868	47	868

The Group's effective tax rate for the quarter and preceding period quarter were higher than statutory tax rate of 24% as certain expenses is 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: -**

	Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Explanations if the deviation is 5% or more)
		RM'000	RM'000		
<b>a) Private Placement</b>					
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.

**22. Derivative financial instruments**

As at 30 September 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 Sep 2021 RM'000	As at 30 Jun 2021 RM'000
Trade Receivables	46,928	40,203
Less: Allowance for Impairment	<u>(16,782)</u>	<u>(17,491)</u>
	<u>30,146</u>	<u>22,712</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 30 September 2021 is as follows:

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
Not past due	20,473	-	20,473
Past due:			
- less than 3 months	146	-	146
- 3 to 6 months	4,234	-	4,234
- over 6 months	22,075	(16,782)	5,293
	<u>46,928</u>	<u>(16,782)</u>	<u>30,146</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 Period 30 Sep 2021 RM'000	Preceding Period 30 Sep 2020 RM'000
Term Loan (Secured) :-		
Current	3,175	4,675
Non Current	32,290	36,220
Total Bank Borrowing	<u>35,465</u>	<u>40,895</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. Memorandum of Understanding

Signature Cabinet Sdn. Bhd. (“SCSB”), a wholly-owned subsidiary of the Company, had on 25 August 2021, signed a non-binding Memorandum of Understanding (“MOU”) with TAFI Industries Berhad (“TAFI”) 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 segment to market and distribute kitchen cabinet and wardrobe system. To refer the detail as per announcement dated 25 August 2021.

There has been no further material development since the announcement dated 25 August 2021.

#### 27. Proposed Dividend

The Board has not recommended any dividend for the current financial period.

#### 28. Earnings per Share

##### (i) Basic EPS

	Individual Period		Cumulative Period	
	Current Period Quarter Ended 30 Sep 2021 RM'000	Preceding Period Corresponding Quarter Ended 30 Sep 2020 RM'000	Current Period 30 Sep 2021 RM'000	Preceding Period 30 Sep 2020 RM'000
<b>BASIC EARNINGS PER SHARE</b>				
Profit for the Period attributable to ordinary equity holders of the Company	1,979	1,653	1,979	1,653
Weighted average number of ordinary shares in issue ('000)	276,000	246,607	276,000	246,607
Basic Earnings per Share (sen)	0.7	0.7	0.7	0.7

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT****28. Earnings per Share (Cont'd)**

## (ii) Diluted EPS

	Individual Period		Cumulative Period	
	Current Period Quarter Ended 30 Sep 2021 RM'000	Preceding Period Corresponding Quarter Ended 30 Sep 2020 RM'000	Current Period 30 Sep 2021 RM'000	Preceding Period 30 Sep 2020 RM'000
<b>DILUTED EARNINGS PER SHARE</b>				
Profit for the Period attributable to ordinary equity holders of the Company	1,979	1,653	1,979	1,653
Weighted average number of ordinary shares for diluted earnings per share ('000)	276,000	246,607	276,000	246,607
Diluted Earnings per Share (sen)	0.7	0.7	0.7	0.7

**29. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2021 were not subject to any qualification.

**30. Authorisation for issue**

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board on 25 November 2021.