



Signature International Berhad

(200601034359) (754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 DECEMBER 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 31 December 2021.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Period Quarter Ended 31 Dec 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2020 RM'000	Changes %	Current Period 31 Dec 2021 RM'000	Preceding Year Corresponding Period 31 Dec 2020 RM'000	Changes %
Revenue	49,662	33,009	50.4%	70,236	65,483	7.3%
Operating expenses	(40,463)	(31,823)	27.2%	(68,608)	(62,294)	10.1%
Other operating income	(1,947)	1,664	-217.0%	7,269	2,643	175.0%
Profit/(Loss) from operations	7,252	2,850	154%	8,897	5,832	52.6%
Finance costs	(577)	(433)	33.3%	(982)	(854)	15.0%
Profit/(Loss) before taxation	6,675	2,417	176.2%	7,915	4,978	59.0%
Tax expense	(2,011)	(840)	139.4%	(2,058)	(1,708)	20.5%
Profit/(Loss) after taxation	4,664	1,577	195.8%	5,857	3,270	79.1%
Other Comprehensive Income, Net of Tax						
Foreign currency translation	(7)	(26)	-73.0%	-	(250)	-100.0%
Total Comprehensive Income/ (Expenses) for the period	4,657	1,551	200.3%	5,857	3,020	93.9%

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 31 DECEMBER 2021 (UNAUDITED)

	Individual Period			Cumulative Period		
	Current Period Quarter Ended 31 Dec 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2020 RM'000	Changes %	Current Period 31 Dec 2021 RM'000	Preceding Period 31 Dec 2020 RM'000	Changes %
Profit/(Loss) after tax attributable to:-						
- Equity holders of the parent	4,348	1,986	118.9%	6,327	3,639	73.9%
- Non-controlling interest	316	(409)	-177.3%	(470)	(369)	27.4%
	<u>4,664</u>	<u>1,577</u>	195.8%	<u>5,857</u>	<u>3,270</u>	79.1%
Total Comprehensive Income / (Expenses) attributable to: -						
- Equity holders of the parent	4,341	1,960	121.5%	6,327	3,389	86.7%
- Non-controlling interest	316	(409)	-177.3%	(470)	(369)	27.4%
	<u>4,657</u>	<u>1,551</u>	200.3%	<u>5,857</u>	<u>3,020</u>	93.9%
Earnings /(Loss) per share (sen)						
- Basic	<u>1.6</u>	<u>0.8</u>		<u>2.3</u>	<u>1.5</u>	
- Diluted	<u>1.6</u>	<u>0.8</u>		<u>2.3</u>	<u>1.5</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 31 DECEMBER 2021

	UNAUDITED	AUDITED
	As at	As at
	31 Dec 2021	30 Jun 2021
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	26,017	68,587
Right-of -use assets	16,343	17,311
Investment properties	69,754	67,529
Deferred tax asset	589	589
	<u>112,703</u>	<u>154,016</u>
Current Assets		
Inventories	11,275	10,611
Amount owing by contract customers	29,718	36,054
Trade receivables	25,192	22,712
Other receivables ,deposits and prepayment	20,850	6,518
Tax recoverable	773	1,128
Short-term investments - Unit trust funds	15,983	40,489
Short-term investments - Quoted shares	9,147	7,320
Fixed deposit with licensed banks	195	195
Cash and bank balances	16,990	40,991
	<u>130,123</u>	<u>166,018</u>
Non-current asset held for sale	40,938	-
	<u>283,764</u>	<u>320,034</u>
TOTAL ASSETS		

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 31 DECEMBER 2021 (CONT'D)**

	UNAUDITED	AUDITED
	As at	As at
	31 Dec 2021	30 Jun 2021
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	101,323	101,323
Reserves	100,603	107,036
Shareholders' equity	201,926	208,359
Non-controlling interest	5,160	5,981
TOTAL EQUITY	207,086	214,340
Non-Current Liabilities		
Lease liabilities	850	1,673
Term loans	9,137	32,290
Deferred taxation	255	255
	10,242	34,218
Current Liabilities		
Payables	57,742	55,265
Amount owing to contract customers	-	8,286
Provision for taxation	1,316	1,549
Lease liabilities	1,749	1,841
Term loan	3,776	4,535
Banker's acceptance	1,853	-
	66,436	71,476
TOTAL LIABILITIES	76,678	105,694
TOTAL EQUITY AND LIABILITIES	283,764	320,034
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.73	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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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 2021	101,323	(4,810)	(28,123)	-	(548)	140,517	208,359	5,981	214,340
Profit after taxation for the financial year	-	-	-	-	-	6,327	6,327	(470)	5,857
Total comprehensive income for the financial year	-	-	-	-	-	6,327	6,327	(470)	5,857
Contribution by and distribution to owners of the Company:									
Purchase of treasury shares	-	(12,760)	-	-	-	-	(12,760)	-	(12,760)
Disposal of a subsidiary	-	-	-	-	-	-	-	(351)	(351)
	-	(12,760)	-	-	-	-	(12,760)	(351)	(13,111)
At 31 December 2021	101,323	(17,570)	(28,123)	-	(548)	146,844	201,926	5,160	207,086

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 31 DECEMBER 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 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	-	-	-	-	-	3,639	3,639	(369)	3,270
Other comprehensive income for the financial year, net of tax; - foreign exchange translation	-	-	-	-	(250)	-	(250)	-	(250)
Total comprehensive income for the financial year	-	-	-	-	(250)	3,639	3,389	(369)	3,020
Contribution by and distribution to owners of the Company:									
Recognition of shares option expenses	-	-	-	42	-	-	42	-	42
Share dividends distributed to shareholders	-	7,589	-	-	-	(7,589)	-	-	-
	-	7,589	-	42	-	(7,589)	42	-	42
At 31 December 2020	69,774	(4,810)	(28,123)	4,110	(242)	131,724	172,433	7,712	180,145

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 31 DECEMBER 2021 (UNAUDITED)

	Current Period Ended 31 Dec 2021 RM'000	Preceding Period Ended 31 Dec 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,915	4,978
Adjustments:		
Depreciation of property and equipment	743	706
Depreciation of right-of-use assets	1,054	1,406
(Gain)/Loss on disposal of plant and equipment	(14)	(324)
Interest income	(104)	(27)
Income from short term investments	(158)	(752)
Fair value gain on short term investment - quoted shares	(3,743)	-
Fair value loss on Investment properties	1,718	-
Interest expense - Others	698	668
Interest expense - Lease liabilities	86	60
(Gain) / Loss on disposal of subsidiaries	311	(110)
Plant and equipment written off	-	6
ESOS / Share-based expenses	-	42
Unrealised loss/(gain) on foreign exchange	5	(57)
Reversal of allowance for impairment losses on trade receivables	(1,081)	(394)
Reversal of allowance for impairment losses on contract assets	(1,073)	-
Allowance for impairment losses on trade receivables	121	-
Changes in working capital	6,478	6,202
Inventories	(1,086)	5
Receivables	(16,397)	6,046
Amount due from/(to) contract customers	(904)	(7,990)
Payables	3,440	(9,990)
Cash used in operations	(8,470)	(5,727)
Interest received	104	27
Interest paid	(784)	(728)
Income tax paid	(1,964)	1,182
Net cash used in operating activities	(11,114)	(5,246)
CASH FLOWS (USED IN) / FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment and ROU	(2,972)	(1,127)
Additional Purchase / works on investment properties	-	(3,153)
Disposal / deconsolidation of subsidiaries, net of cash and cash equivalent	437	(299)
Proceeds from disposal of:		
- property, plant and equipment	610	396
- short term investment - quoted shares	20,528	-
Purchase of short term investment - quoted shares	(18,612)	-
Income from short term investment	158	752
Net cash used in investing activities	149	(3,431)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (UNAUDITED) (CONT'D)

	Current Period Ended 31 Dec 2021 RM'000	Preceding Period Ended 31 Dec 2020 RM'000
CASH FLOWS USED IN FINANCING ACTIVITIES		
Purchase of treasury shares	(12,760)	-
Repayment of lease liabilities	(871)	(681)
Repayment of term loans	(23,912)	(1,717)
Net cash used in financing activities	(37,543)	(2,398)
Effects of exchange rate changes on cash and cash equivalents	-	(250)
NET DECREASED IN CASH AND CASH EQUIVALENTS	(48,508)	(11,075)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	81,480	65,332
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	32,973	54,007
Cash and cash equivalents comprise of:		
Short-term investments	15,983	42,342
Fixed deposit with licensed banks	195	191
Cash and bank balances	16,990	11,665
	33,168	54,198
Less: Fixed deposit pledged to a licensed bank	(195)	(191)
	32,973	54,007



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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)

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

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

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.

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: -

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 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



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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: -

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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.

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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5. Changes in Estimates

There were no estimates announced in regard of the current quarter results.

6. Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the period ended 31 December 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
Total Treasury shares		
Balance at 1 Jul 2021	6,252,847	4,810
Purchases in the month of:		
July 2021	12,995,600	12,760
Balance at 31 Dec 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	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	and Distribution Of White Goods	Of Glass and Aluminium Products			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Result for 3 months						
Quarter ended 31 December 2021						
REVENUE:						
External revenue	28,893	182	20,550	38	-	49,662
Inter-segment revenue	8,112	7,961	3,886	1,256	(21,215)	-
Total revenue	37,004	8,143	24,435	1,294	(21,215)	49,662
RESULTS						
Segment results	10,226	(58)	1,119	(2,877)	(1,158)	7,252
Finance costs	(79)	(8)	(254)	(365)	129	(577)
Profit from ordinary activities before taxation	10,147	(66)	865	(3,242)	(1,029)	6,675
Income tax expense						(2,011)
Profit from ordinary activities after taxation						4,664
Non-controlling interest						(316)
Net profit attributable to equity holders of the Company						4,348



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8. Segmental Information

The Group	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	and Distribution Of White Goods	Of Glass and Aluminium Products			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Result for 3 months						
Quarter ended 31 December 2020						
REVENUE:						
External revenue	19,374	1,406	12,142	87	-	33,009
Inter-segment revenue	6,347	541	3,567	650	(11,105)	-
Total revenue	25,721	1,947	15,709	737	(11,105)	33,009
RESULTS						
Segment results	3,608	93	(463)	(46)	(342)	2,850
Finance costs	101	(5)	(494)	(280)	245	(433)
Profit from ordinary activities before taxation	3,709	88	(957)	(326)	(97)	2,417
Income tax expense						(840)
Profit from ordinary activities after taxation						1,577
Non-controlling interest						409
Net profit attributable to equity holders of the Company						1,986



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

The Group	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	and Distribution Of White Goods	Of Glass and Aluminium Products			
	RM000	RM000	RM000	RM000	RM000	RM000
Result for 6 months						
Quarter ended 31 December 2021						
REVENUE:						
External revenue	38,904	1,256	30,005	72	-	70,236
Inter-segment revenue	10,605	8,098	5,600	2,031	(26,334)	-
Total revenue	49,508	9,354	35,604	2,103	(26,334)	70,236
RESULTS						
Segment results	7,575	(88)	(325)	3,148	(1,413)	8,897
Finance costs	(167)	(14)	(425)	(628)	252	(982)
Profit/(loss) from ordinary activities before taxation	7,408	(102)	(750)	2,520	(1,161)	7,915
Income tax expense						(2,058)
Profit/(loss) from ordinary activities after taxation						5,857
Non-controlling interest						470
Net profit attributable to equity holders of the Company						6,327



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

The Group	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	and Distribution Of White Goods	Of Glass and Aluminium Products			
	RM000	RM000	RM000	RM000	RM000	RM000
Result for 6 months						
Quarter ended 31 December 2020						
REVENUE:						
External revenue	38,070	2,390	24,936	87	-	65,483
Inter-segment revenue	12,288	981	5,336	1,311	(19,916)	-
Total revenue	50,358	3,371	30,272	1,398	(19,916)	65,483
RESULTS						
Segment results	5,875	52	268	(56)	(307)	5,832
Finance costs	(191)	(13)	(543)	(582)	475	(854)
Profit from ordinary activities before taxation	5,684	39	(275)	(638)	168	4,978
Income tax expense						(1,708)
Profit from ordinary activities after taxation						3,270
Non-controlling interest						369
Net profit attributable to equity holders of the Company						3,639



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

The Group Assets and Liabilities As at 31 December 2021	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems RM000	and Distribution Of White Goods RM000	Manufacture Of Glass and Aluminium Products RM000			
OTHER INFORMATION						
Segment assets	279,357	10,574	65,663	185,505	(258,697)	282,402
Unallocated assets						1,362
						<u>283,764</u>
Segment liabilities	146,324	9,856	50,498	97,855	(229,427)	75,106
Unallocated liabilities						1,572
						<u>76,678</u>

The Group Assets and Liabilities As at 31 December 2020	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems RM000	and Distribution Of White Goods RM000	Manufacture Of Glass and Aluminium Products RM000			
OTHER INFORMATION						
Segment assets	249,866	16,166	60,347	148,778	(201,877)	273,280
Unallocated assets						2,047
						<u>275,327</u>
Segment liabilities	134,795	1,518	41,089	89,370	(173,897)	92,875
Unallocated liabilities						2,307
						<u>95,182</u>



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

	Individual Period		Cumulative Period	
	Current Period Quarter Ended 31 Dec 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2020 RM'000	Current Period 31 Dec 2021 RM'000	Preceding Period 31 Dec 2020 RM'000
Profit/(loss) before taxation is arrived at after charging :-				
Interest expense - Others	428	304	698	668
Interest expense - Lease liabilities	37	27	86	60
Depreciation and amortisation				
- Property & equipment	383	231	743	706
- Right-of-use assets	449	861	1,054	1,406
Allowance for impairment losses on				
- trade receivables	121	-	121	-
Fair value (gain) /loss for Investment Properties	(1,782)	-	1,718	-
(Gain) / Loss on disposal of subsidiaries	311	-	311	(110)
Property, plant and equipment written off	-	6	-	6
ESOS / Share-based expenses	-	22	-	42

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

Interest Income	(42)	(17)	(104)	(27)
Fair value (gain) / loss on short term investment				
- quoted shares	3,507	-	(3,743)	-
Income fom short term investment	10	(201)	(158)	(752)
Rental income	(257)	(312)	(458)	(472)
Reversal of allowance for impairment losses on				
- trade receivables	(1,021)	(301)	(1,081)	(394)
Reversal of allowance for impairment losses on				
- contract assets	(1,073)	-	(1,073)	-
(Gain) / Loss on disposal of plant and equipment	(14)	(324)	(14)	(324)
(Gain) / loss on foreign exchange - realised	18	50	31	95
(Gain) / loss on foreign exchange - unrealised	21	(33)	5	(57)



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

	Company	
	Current Year As At 31 Dec 2021 RM'000	Preceding Year As At 31 Dec 2020 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	19,457	13,791
	<u>19,457</u>	<u>13,791</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 31 Dec 2021 RM'000	Preceding Period As At 31 Dec 2020 RM'000
	Contracted but not provided for	
Purchase of investment properties	1,561	1,991
Total capital commitments	<u>1,561</u>	<u>1,991</u>



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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD.

15. Review of Performance

- Current Quarter 3 months ended 31 December 2021

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

	Individual Period		Changes %
	Current Period Quarter Ended 31 Dec 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2020 RM'000	
Revenue (External revenue)			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	28,893	19,374	49.1%
Marketing and Distribution of White Goods	182	1,406	-87.1%
Manufacture of Glass and Aluminium Products	20,550	12,142	69.2%
Others	38	87	-56.3%
	<u>49,662</u>	<u>33,009</u>	50.4%
Profit / (loss) Before Tax			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	10,147	3,709	173.6%
Marketing and Distribution of White Goods	(66)	88	-175.0%
Manufacture of Glass and Aluminium Products	865	(957)	-190.4%
Others	(3,242)	(326)	894.5%
Eliminations	<u>(1,029)</u>	<u>(97)</u>	
	<u>6,675</u>	<u>2,417</u>	176.2%

The Group recorded increase in revenue of RM16.7 million or 50.4%, from RM33.0 million in the preceding period corresponding quarter to RM49.7 million in the current quarter under review. The increase was mainly due to higher revenue contributed from kitchen and wardrobe segments.

The Group reported profit before taxation of RM6.7 million for current quarter as compared to profit before tax of RM2.4 million in the preceding period corresponding quarter, an increase of RM4.3 million or 176.2%.

The percentage of increase in profit before tax is higher than revenue mainly due to higher profit before tax for number of completed projects in Kitchen and Wardrobe segment, reversal of allowance for impairment losses on trade receivables and contract assets, and fair value gain on investment properties.



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15. Review of Performance (Cont'd)

- Current Quarter 3 months ended 31 December 2021

Kitchen and Wardrobe Systems

This segment had shown an increase in revenue of RM9.5 million or 49.1% from RM19.4 million in the preceding period corresponding quarter to RM28.9 million in the current quarter under review. The increase was mainly due to higher reported project revenue from Kitchen and Wardrobe segments.

This segment reported profit before taxation of RM10.1 million for current quarter as compared to profit before tax RM3.7 million in the preceding year corresponding quarter, an increase of RM6.4 million or 173.6%. The increase was mainly due to higher profit before tax for number of completed projects in Kitchen and Wardrobe segment, reversal of allowance for impairment losses on trade receivables, and fair value gain on investment properties.

White Goods and Built-in Kitchen Appliances

This segment had shown a decrease in revenue of -RM1.2 million or -87.1% from RM1.4 million in the preceding year corresponding quarter to RM0.2 million in the current quarter under review. The decrease was mainly due to consolidation of business segment within kitchen & wardrobe segment.

This segment reported loss before taxation of -RM0.1 million for current quarter as compared to profit before taxation of RM0.1 million in the preceding period corresponding quarter. The decrease is mainly due to consolidation of business segment within kitchen & wardrobe segment.

Glass and Aluminium Product

This segment recorded an increase in revenue of RM8.5 million or 69.2% from RM12.1 million in the preceding period corresponding quarter to RM20.6 million in the current quarter.

Profit before tax for the current quarter increased by RM1.8 million or 190.4%, from loss before tax of -RM1.0 million in the preceding period corresponding quarter to profit before tax of RM0.9 million in the current quarter.

The segment reported higher profit before tax in current quarter. This is mainly due to better performance and contribution from projects for the current quarter.

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 loss before tax and is mainly arises from fair value adjustment for quoted investment.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**15. Review of Performance (Cont'd)****- Current Quarter 6 months ended 31 December 2021**

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

	Cumulative Period		Changes %
	Current Period 31 Dec 2021 RM'000	Preceding Period 31 Dec 2020 RM'000	
Revenue (External revenue)			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	38,904	38,070	2.2%
Marketing and Distribution of White Goods	1,256	2,390	-47.5%
Manufacture of Glass and Aluminium Products	30,005	24,936	20.3%
Others	72	87	-17.2%
	<u>70,236</u>	<u>65,483</u>	7.3%
Profit / (loss) Before Tax			
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	7,408	5,684	30.3%
Marketing and Distribution of White Goods	(102)	39	-361.5%
Manufacture of Glass and Aluminium Products	(750)	(275)	172.7%
Others	2,520	(638)	-495.0%
Eliminations	(1,161)	168	
	<u>7,915</u>	<u>4,978</u>	59.0%

The Group recorded an increase in revenue of RM4.8 million or 7.3% from RM65.5 million in the preceding year to-date to RM70.2 million in the current year to-date under review. The increase in revenue was mainly due to higher project revenue being recognized from Aluminium segment.

The profit before tax increased by RM2.9 million or 59.0% from RM5.0 million in the preceding year to-date to RM7.9 million in the current year to-date. The increase in revenue was mainly due to higher profit before tax for number of completed projects in Kitchen and Wardrobe segment, reversal of allowance for impairment losses on trade receivables and contract assets, net fair value gain on quoted investment and net fair value loss on investment properties.



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15. Review of Performance (Cont'd)

- Current Quarter 6 months ended 31 December 2021

Kitchen and Wardrobe Systems

This segment had shown an increase in revenue of RM0.8 million or 2.2% from RM38.1 million in the preceding year to-date to RM38.9 million in the current year to-date under review. The increase was mainly due to higher project revenue contribution from Kitchen and Wardrobe segment.

Profit before tax for the current year to-date was RM7.4 million as compared to RM5.7 million in the preceding year, an increase of RM1.7 million or 30.3%. The increase was mainly due to higher profit before tax for number of completed projects in Kitchen and Wardrobe segment, reversal of allowance for impairment losses on trade receivables, and net fair value loss on investment properties.

White Goods and Built-in Kitchen Appliances

This segment recorded a decrease in revenue of -RM1.1 million or -47.5%, from RM2.4 million in the preceding year to-date to RM1.3 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 RM0.04 million in the preceding year to-date, a decrease of -RM0.14 million or -361.5%. The decrease was mainly due to consolidation of business segment within kitchen & wardrobe segment.

Glass and Aluminium Product

This segment recorded an increase in revenue of RM5.1 million or 20.3% from RM24.9 million in the preceding year to-date to RM30.0 million in the current year to-date.

Loss before tax increased by RM0.5 million or 172.7% from -RM0.3 million in the preceding year to-date to -RM0.75 million in the current year to-date due to lower profit margin and higher operating overheads.

Others Segment

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

For the current year to-date, the segment reported profit before tax and is mainly arises from fair value gain on quoted investment.



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

	Current Period Quarter Ended 31 Dec 2021 RM'000	Immediate Preceding Quarter Ended 30 Sep 2021 RM'000	Changes %
Revenue	49,662	20,574	141.4%
Profit before taxation	6,675	1,240	438.3%

The Group recorded revenue of RM49.7 million for current quarter as compared to RM20.6 million in the immediate preceding quarter. The increase of RM29.1 million or 141.4% was due to higher progress / project revenue being recognized from Kitchen and Wardrobe segments.

The Group recorded a profit before tax of RM6.7 million for the current quarter compared to RM1.2 million in the immediate preceding quarter. The increase of RM5.4 million or 438.3% was mainly due to higher profit before tax for number of completed projects in Kitchen and Wardrobe segment, reversal of allowance for impairment losses on trade receivables and contract assets, and fair value gain on investment properties.

17. Commentary on Prospects and Target

The Group will continue strengthening our Core Product Portfolio & Consumer Experience. To showcase the totality of these offerings, we have embarked on the development of a flagship store at the Group's Kota Damansara headquarters in Petaling Jaya. This approximately 50,000 square foot showroom and concept space is slated to be the biggest in Malaysia and will encompass showcases of our in-house flagship brand Signature and the exclusive brands we collaborate or hold sole distributorship of for kitchen appliances and interior space materials.

Upon completion, customers will have access to a retail space that reimagines home living spaces in a tangible form and feel that will allow them to truly experience and seek inspiration for their own concepts. This flagship store will also offer full consultancy for design, build and installation services including the option of customising solutions for individual and project needs. The flagship store is expected to be completed and open to the public by the third quarter of the 2022 calendar year.



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17. Commentary on Prospects and Target (Cont'd)

The Covid-19 pandemic remains the major concern for the health challenges and economic consequences globally. Works at construction sites resumes 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 December 2021, the Group order book stood at RM199 million for Kitchen and Wardrobe System and RM191 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 31 Dec 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2020 RM'000	Current Period 31 Dec 2021 RM'000	Preceding Period 31 Dec 2020 RM'000
Current Tax Expense - Current Year	2,011	840	2,058	1,708
Total Income Tax Expense	2,011	840	2,058	1,708

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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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.

22. Derivative financial instruments

As at 31 December 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 Dec 2021 RM'000	As at 30 Jun 2021 RM'000
Trade Receivables	41,683	40,203
Less: Allowance for Impairment	<u>(16,491)</u>	<u>(17,491)</u>
	<u>25,192</u>	<u>22,712</u>

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23. Trade Receivables (Cont'd)

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

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
Not past due	17,002	-	17,002
Past due:			
- less than 3 months	5,194	-	5,194
- 3 to 6 months	847	-	847
- over 6 months	18,640	(16,491)	2,149
	<u>41,683</u>	<u>(16,491)</u>	<u>25,192</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 31 Dec 2021 RM'000	Preceding Period 31 Dec 2020 RM'000
Term Loan (Secured) :-		
Current	3,776	5,358
Non Current	9,137	34,398
Total Bank Borrowing	<u>12,913</u>	<u>39,756</u>

25. Material Litigation

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



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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 31 Dec 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2020 RM'000	Current Period 31 Dec 2021 RM'000	Preceding Period 31 Dec 2020 RM'000
BASIC EARNINGS PER SHARE				
Profit for the year attributable to ordinary equity holders of the Company	4,348	1,986	6,327	3,639
Weighted average number of ordinary shares in issue ('000)	276,000	247,572	275,527	247,089
Basic Earnings per Share (sen)	1.6	0.8	2.3	1.5

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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 31 Dec 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2020 RM'000	Current Period 31 Dec 2021 RM'000	Preceding Period 31 Dec 2020 RM'000
DILUTED EARNINGS PER SHARE				
Profit for the year attributable to ordinary equity holders of the Company	4,348	1,986	6,327	3,639
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>276,000</u>	<u>247,572</u>	<u>275,527</u>	<u>247,089</u>
Diluted Earnings per Share (sen)	<u>1.6</u>	<u>0.8</u>	<u>2.3</u>	<u>1.5</u>

29. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 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 21 February 2022.