



Signature International Berhad

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

INTERIM FINANCIAL REPORT 31 MARCH 2023

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 March 2023.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

	Individual Period		Cumulative Period	
	Current Period Quarter Ended 31 Mar 2023 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2022 RM'000	Current Period Ended 31 Mar 2023 RM'000	Preceding Period Ended 31 Mar 2022 RM'000
Revenue	88,560	-	88,560	-
Operating expenses	(87,380)	-	(87,380)	-
Other operating income	2,208	-	2,208	-
Profit from operations	3,388	-	3,388	-
Finance costs	(3,606)	-	(3,606)	-
Share of profit of equity accounted associates	4,151	-	4,151	-
Profit before taxation	3,933	-	3,933	-
Tax expense	(1,268)	-	(1,268)	-
Profit after taxation	2,665	-	2,665	-
Other Comprehensive Income, net of Tax				
Foreign currency translation	182	-	182	-
Total Comprehensive Income for the Period	2,847	-	2,847	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the Eighteen-month period ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

The financial year end has been changed from 30 June to 31 December. The previous audited financial statements were for the period of Eighteen (18) months from 1 July 2021 to 31 December 2022 and thereafter, the financial year end shall be 31 December for each subsequent year. As such, there will be no comparative financial information available for the preceding year corresponding periods.



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (UNAUDITED) (CONT'D)**

	Individual Period		Cumulative Period	
	Current Period Quarter Ended 31 Mar 2023 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2022 RM'000	Current Period Ended 31 Mar 2023 RM'000	Preceding Period Ended 31 Mar 2022 RM'000
Profit after taxation attributable to:-				
- Equity holders of the parent	2,164	-	2,164	-
- Non-controlling interest	501	-	501	-
	<u>2,665</u>	<u>-</u>	<u>2,665</u>	<u>-</u>
Total Comprehensive Income attributable to: -				
- Equity holders of the parent	2,346	-	2,346	-
- Non-controlling interest	501	-	501	-
	<u>2,847</u>	<u>-</u>	<u>2,847</u>	<u>-</u>
Earnings per share (sen)				
- Basic	0.7	-	0.7	-
- Diluted	0.7	-	0.7	-

Notes:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the Eighteen-month period ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

The financial year end has been changed from 30 June to 31 December. The previous audited financial statements were for the period of Eighteen (18) months from 1 July 2021 to 31 December 2022 and thereafter, the financial year end shall be 31 December for each subsequent year. As such, there will be no comparative financial information available for the preceding year corresponding periods.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	UNAUDITED	AUDITED
	As at	As at
	31 Mar 2023	31 Dec 2022
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	44,949	41,222
Investment in associate	187,963	183,854
Right-of -use assets	16,520	17,125
Goodwill arising from consolidation	5,065	5,065
Investment properties	69,084	68,754
Deferred tax assets	317	453
	<u>323,898</u>	<u>316,473</u>
Current Assets		
Inventories	11,149	11,153
Contract assets	111,564	136,001
Trade receivables	66,896	53,238
Other receivables ,deposits and prepayment	46,319	51,480
Current tax assets	2,062	1,759
Short-term investments - quoted shares	30,600	32,885
Short-term investments - unit trust funds	1,124	2,985
Fixed deposits with licensed banks	3,796	5,122
Cash and bank balances	19,811	25,791
	<u>293,321</u>	<u>320,414</u>
TOTAL ASSETS	<u>617,219</u>	<u>636,887</u>

Notes:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the Eighteen-month period ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

The financial year end has been changed from 30 June to 31 December. The previous audited financial statements were for the period of Eighteen (18) months from 1 July 2021 to 31 December 2022 and thereafter, the financial year end shall be 31 December for each subsequent year. As such, there will be no comparative financial information available for the preceding year corresponding periods.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023 (CONT'D)**

	UNAUDITED	AUDITED
	As at	As at
	31 Mar 2023	31 Dec 2022
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	101,323	101,323
Reserves	144,779	142,433
Shareholders' equity	246,102	243,756
Non-controlling interest	8,621	8,120
TOTAL EQUITY	254,723	251,876
Non-Current Liabilities		
Lease liabilities	1,345	1,269
Bank borrowings	130,909	132,641
Deferred tax liabilities	-	71
	132,254	133,981
Current Liabilities		
Payables	119,647	128,862
Contract liabilities	4,534	24,516
Current tax liabilities	1,876	3,511
Lease liabilities	711	1,400
Bank borrowings	103,474	92,741
	230,242	251,030
TOTAL LIABILITIES	362,496	385,011
TOTAL EQUITY AND LIABILITIES	617,219	636,887
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.85	0.87

Notes:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the Eighteen-month period ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

The financial year end has been changed from 30 June to 31 December. The previous audited financial statements were for the period of Eighteen (18) months from 1 July 2021 to 31 December 2022 and thereafter, the financial year end shall be 31 December for each subsequent year. As such, there will be no comparative financial information available for the preceding year corresponding periods.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

	← Attributable to equity holders of the parent →							
	← Non Distributable Reserves →			Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Merger Deficit 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 Jan 2023	101,323	(4,931)	(28,123)	(1,606)	177,093	243,756	8,120	251,876
Profit after taxation for the financial period	-	-	-	-	2,164	2,164	501	2,665
Other comprehensive income for the financial period, net of tax; - foreign exchange translation	-	-	-	182	-	182	-	182
Total comprehensive income for the financial period	-	-	-	182	2,164	2,346	501	2,847
At 31 March 2023	101,323	(4,931)	(28,123)	(1,424)	179,257	246,102	8,621	254,723

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the Eighteen-month period ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**

	Cumulative Period Ended 31 Mar 2023 RM'000	Preceding Period Ended 31 Mar 2022 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit before taxation	3,933	-
Adjustments:		
Depreciation of property and equipment	1,041	-
Depreciation of right-of-use assets	611	-
Gain on disposal of plant and equipment	(66)	-
Interest income	(93)	-
Income from short-term investments	4	-
Fair value gain on short-term investment	(1,432)	-
Interest expense - Others	3,060	-
Interest expense - Lease liabilities	250	-
Unrealised gain on foreign exchange	(100)	-
Share of net profits of equity accounted associates	(4,151)	-
Changes in working capital	3,057	-
Inventories	4	-
Receivables	(8,728)	-
Contract assets/(liabilities)	4,455	-
Payables	(9,215)	-
Cash used in operations	(10,427)	-
Interest received	93	-
Interest paid	(3,310)	-
Income tax paid	(3,142)	-
Net cash used in operating activities	(16,786)	-



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (UNAUDITED) (CONT'D)**

	Cumulative Period Ended 31 Mar 2023 RM'000	Preceding Period Ended 31 Mar 2022 RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Additions of property, plant and equipment	(4,783)	-
Additional investment in quoted shares	(13,980)	-
Proceeds from disposal of:		
- property, plant and equipment	94	-
- short term investment - quoted shares	17,698	-
Income from short term investment	(4)	-
Net cash used in investing activities	(975)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Addition in fixed deposits	(181)	-
Withdrawal of fixed deposits	902	-
Repayment of lease liabilities	(618)	-
Repayment of term loans	(28,365)	-
Net drawdown of bills payable	32,178	-
Net cash from financing activities	3,916	-
Effects of exchange rate changes on cash and cash equivalents	211	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,845)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	24,692	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	11,058	-



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (UNAUDITED) (CONT'D)**

	Cumulative Current Period Ended 31 Mar 2023 RM'000	Preceding Period Ended 31 Mar 2022 RM'000
Cash and cash equivalents comprise of:		
Short-term investments	1,124	-
Fixed deposit with licensed banks	3,796	-
Cash and bank balances	19,811	-
Bank overdraft	(9,877)	-
	<hr/> 14,854	<hr/> -
Less: Fixed deposit pledged to a licensed bank	(3,796)	-
	<hr/> 11,058	<hr/> -

Notes:

The Condensed Consolidated Statement of Changes in Cash Flows should be read in conjunction with the audited financial statements for the Eighteen-month period ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

The financial year end has been changed from 30 June to 31 December. The previous audited financial statements were for the period of Eighteen (18) months from 1 July 2021 to 31 December 2022 and thereafter, the financial year end shall be 31 December for each subsequent year. As such, there will be no comparative financial information available for the preceding year corresponding periods.

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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 31 December 2022 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 31 December 2022 except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations that are effective for financial statements effective from 1 January 2023, as disclosed below:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)		Effective Date
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
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
<ul style="list-style-type: none"> • Amendments to MFRS 1 • Amendments to MFRS 9 • Amendments to MFRS 16 • Amendments to MFRS 141 		
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. Significant Accounting Policies (Cont'd)

MFRSs and/or IC Interpretations (Including The Consequential Amendments)		Effective Date
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

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 year: -

MFRSs and/or IC Interpretations (Including The Consequential Amendments)		Effective Date
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

3. Change of financial year end

As announced on 15 November 2021, the Group had in changed its financial year end from 30 June to 31 December. Due to the change, the Unaudited Condensed Consolidated Statement of Comprehensive Income, Unaudited Condensed Consolidated Statement of Changes in Equity and Unaudited Condensed Consolidated Statement of Cash Flows for the financial period ended 31 March 2023 are not comparable with the individual and cumulative quarter previously reported.

4. 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 years in Malaysia.

5. Items of an Unusual Nature

The results of the operations of the Group and of the Company during the financial year-to-date were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

6. Changes in Estimates

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

7. Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter.

8. Dividend Paid

No dividends were paid during the quarter under review.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9. Segmental Information

The Group	Design		Interior fit-out	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Manufacture Of Glass and Aluminium Products				
Result for 3 months Quarter/Year ended 31 Mar 2023						
REVENUE:						
External revenue	25,624	18,341	44,561	34	-	88,560
Inter-segment revenue	6,383	1,499	597	1,484	(9,963)	-
Total revenue	32,007	19,840	45,158	1,518	(9,963)	88,560
RESULTS						
Segment results	1,579	(1,021)	2,687	489	(346)	3,388
Finance costs	(114)	(245)	(476)	(2,910)	139	(3,606)
Share of results in associates				4,151		4,151
Profit from ordinary activities before taxation	1,465	(1,266)	2,211	1,730	(207)	3,933
Income tax expense						(1,268)
Profit from ordinary activities after taxation						2,665
Non-controlling interest						(501)
Net profit attributable to equity holders of the Company						2,164
Assets and Liabilities As at 31 Mar 2023						
OTHER INFORMATION						
Segment assets	242,583	90,736	105,443	358,047	(181,969)	614,840
Unallocated assets						2,379
						617,219
Segment liabilities	106,890	76,600	80,533	232,878	(136,281)	360,620
Unallocated liabilities						1,876
						362,496

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
10. Property and Equipment Valuation

There were no changes in the valuations of the Property 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 and equipment.

11. Profit before taxation

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

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31 Mar 2023 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2022 RM'000	Current Year 31 Mar 2023 RM'000	Preceding Year 31 Mar 2022 RM'000
Interest expense - Others	3,060	-	3,060	-
Interest expense - Lease liabilities	250	-	250	-
Depreciation and amortisation				
- Property & equipment	1,041	-	1,041	-
- Right-of -use assets	611	-	611	-
Loss on foreign exchange - realised	16	-	16	-
<hr/>				
Interest Income	(93)	-	(93)	-
Loss from short term investment	4	-	4	-
Rental Income	(258)	-	(258)	-
Fair value gain on short term investment	(1,432)	-	(1,432)	-
Gain on disposal of plant and equipment	(66)	-	(66)	-
Gain on foreign exchange - unrealised	(100)	-	(100)	-



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

12. Material Events Subsequent to the end of the interim year

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

13. Changes in the Composition of the Group

Saved as disclosed below, there were no changes in the composition of the Group during the quarter under review:-

On 9 February 2023, Space Alliance Contracts Sdn. Bhd. ("SACSB"), a 51% owned subsidiary of the Company had subscribed 60 ordinary shares in Signature Stone Solutions Sdn. Bhd. ("SSS"), representing 60% of the total issued share capital of SSS.

14. Changes in Contingent Assets or Contingent Liabilities

As at 31 March 2023, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows: -

	Company	
	Current Period As At 31 Mar 2023 RM'000	Preceding Period As At 31 Dec 2022 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	44,224	41,016
	<hr/>	<hr/>
	44,224	41,016



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15. 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 Mar 2023 RM'000	Preceding Period As At 31 Dec 2022 RM'000
Approved and contracted for:-		
Purchase of property, plant and equipment	2,301	2,702
Purchase of investment properties	1,455	1,455
Investment in subsidiaries	142,904	140,847
Total capital commitments	146,660	145,004



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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.

16. Review of Performance

- Current Quarter 3 months ended 31 March 2023

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

	Individual/Cumulative Period	
	Current Period Quarter Ended 31 Mar 2023 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2022 RM'000
Revenue (External revenue)		
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	25,624	-
Manufacture of Glass and Aluminium Products	18,341	-
Interior fit-out works	44,561	-
Others	34	-
	88,560	-
Profit/(Loss) Before Taxation		
Design, Manufacture and Retail of Kitchen and Wardrobe Systems	1,465	-
Manufacture of Glass and Aluminium Products	(1,266)	-
Interior fit-out works	2,211	-
Others	1,730	-
Eliminations	(207)	-
	3,933	-

There is no comparative for the financial quarter/ period ended 31 March 2023 due to change in the financial year end from 30 June to 31 December as stated in Note A3 of Explanatory Notes to the Unaudited Interim Financial Report. The Unaudited Condensed Consolidated Statement of Comprehensive Income for the financial quarter/period ended 31 March 2023 is not comparable with the individual and cumulative quarter previously reported.

The Group recorded a revenue of RM88.6 million in the current quarter under review. The revenue for the current quarter is mainly contributed from Interior fit-out works segment, follow by Kitchen and Wardrobe systems segment and Glass and Aluminum segment respectively.



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16. Review of Performance (Cont'd)

- Current Quarter 3 months ended 31 March 2023

The Group reported profit before taxation of RM3.9 million for the current quarter under review due primarily to the higher profit being recognised from completed projects for Interior fit-out works segment, fair value gain on short term investment, and profit from Kitchen and Wardrobe segment. However, certain projects in Glass and Aluminium segment reporting lower project margin due to cost overrun / spike in projects material costs.

Kitchen and Wardrobe Systems

This segment recorded a revenue of RM25.6 million in the current quarter under review. This is mainly derived from project revenue from Kitchen and Wardrobe segment.

This segment reported profit before taxation of RM1.5 million in the current quarter. This is mainly due to higher profit being recognized from projects.

Glass and Aluminium Products

This segment recorded a revenue of RM18.3 million in the current quarter under review.

The segment reported loss before tax of RM1.3 million in the current quarter. This is due to lower project profit margins. Certain projects in Glass and Aluminium segment reporting lower project margin due to cost overrun / spike in projects material costs.

Interior Fit-Out Works Segment

This segment recorded revenue of RM44.6 million and profit before tax of RM2.2 million 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 and gain on investment of quoted shares.

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17. Commentary on Prospects and Target

The Group's financial position remains strong with healthy liquidity and a robust balance sheet. The Management remains committed to improving shareholder value and is exploring various options to achieve this goal. The Company is also investing in further consumer journey improvement, supply chain integration, partnerships with strategic players, and consolidation of internal functions to develop new products while enhancing existing ones to meet changing market demands. Overall, the current trend indicates a positive outlook for the Group's future growth and profitability.

With the consolidation of various functions into our new business unit (Interior Fit-out Works) and in tandem with our established revenue pillars, the Group believes that the residential and commercial property market hold promise for the interior fit-out industry, supported by the recovery of the Malaysian economy and the property sector. This premise is founded by a newfound consumer willingness to invest more on renovation due to the shift to telecommuting (work-from-home) with more time spent indoors. New and existing homeowners are also looking to upgrade their interior home experience with increasing support of companies with a new flexible commuting policy. Thus, the Group anticipates continued growth in the near future, driven by rising demand for whole-house solutions that Signature currently provides and continuously improves upon.

With the Group's renewed focus on strategic partnerships, regional expansion and a whole-house approach to our products and solutions, Signature stands to benefit greatly from the growing industry space with the right fundamentals and business acumen. That said, the Group is well aware of the risk of global economic recession in the 2023 financial year which may combine both weaker economic growth and higher inflation in certain key global markets; these will have a knock-on effect on our local and regional marketplace with macroeconomic factors beyond the Group's control. Thus, we approach FY 2023 with the same caution and additional resilience with the lessons learned during the pandemic with a cautious optimism of continued growth.

The Group continues with key focus areas to increase the efficiency and value of the projects we deliver. The Group continues to see the project segment as fundamentally important in reshaping the business as we vertically integrate while providing greater autonomy for our talent pool and partners to tap on Signature's broader capabilities and expertise. Our strategy and transformation roadmap require continuous improvement and change, which is reflected in the company's motto of "Passion for Better Ways". With the support of our employees, partners and customers, to whom we are indebted for their support, the Group looks forward to an improved year ahead.

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 Mar 2023, the Group order book stood at RM180 million for Kitchen and Wardrobe System, RM241 million for Aluminium and Glass segment and RM219 million for Interior fit-out works. We are optimistic that the Group's revenue and profit will improve in this financial year based on the large number of order books on hand.

The Group 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.



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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 Mar 2023 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2022 RM'000	Current Period 31 Mar 2023 RM'000	Preceding Period 31 Dec 2022 RM'000
Current Tax Expense - Current Period	1,268	-	1,268	-
Total Income Tax Expense	1,268	-	1,268	-

The Group's effective tax rate for the quarter and preceding year quarter were higher than statutory tax rate of 24% as certain expenses is non-deductible for tax purposes.

20. Status of Corporate Proposals/Exercises

Saved as disclosed below, there were no other corporate proposals which had been announced by the Company and are pending for completion as of to date:-

a) *Proposed Acquisitions of Zig Zag Builders (M) Sdn Bhd ("Zig Zag")*

The Company had on 5 April 2023 entered into a conditional share sale agreements with Foo Khai Shin to acquire 450,000 ordinary shares in Zig Zag, representing 45% equity interest in Zig Zag, for a total cash consideration of RM13,050,000 only subject to the terms and conditions stated therein.

There has been no further material development since the date of the announcement.

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21. Status of utilisation of proceeds raised from the corporate exercise: -

	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Explanations if the deviation is 5% or more)
Proposed disposal of 3 pieces of vacant freehold lands located at Bandar Enstek					
i)	Proposed of bank borrowings	10,558	10,558	within 6 months	-
ii)	Working capital top purchase raw materials	27,520	27,520	within 24 months	-
iii)	Purchase plant and machinery	14,943	11,716	within 36 months	-
iv)	Estimate expenses for the Proposed Disposal	1,546	1,546	within 3 months	-
		54,567	51,340		

	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Explanations if the deviation is 5% or more)
Proposed private placement					
i)	Acquisition of subsidiary - Corten Interior Solutions Pte Ltd	59,400	59,400		

22. Derivative financial instruments

As at 31 March 2023, the Group has not entered into forward foreign exchange contracts and therefore has no outstanding balance under forward foreign exchange contracts.

23. Trade Receivables

	As at 31 Mar 2023 RM'000	As at 31 Dec 2022 RM'000
Trade Receivables	90,105	76,501
Less: Allowance for Impairment	<u>(23,209)</u>	<u>(23,263)</u>
	<u>66,896</u>	<u>53,238</u>



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23. Trade Receivables (Cont'd)

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
Not past due	48,033	(722)	47,311
Past due:			
- less than 3 months	10,301	(681)	9,620
- 3 to 6 months	5,637	(987)	4,650
- over 6 months	26,134	(20,819)	5,315
	<u>90,105</u>	<u>(23,209)</u>	<u>66,896</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 are as follows:

	Cumulative Period	
	As at 31 Mar 2023 RM'000	As at 31 Dec 2022 RM'000
Non-current Secured		
Revolving credit	30,000	30,000
Term loans	100,909	102,641
	<u>130,909</u>	<u>132,641</u>
Current Secured		
Bank overdraft	9,877	4,689
Bankers' acceptance	24,307	29,290
Revolving credit	53,000	47,000
Term loans	16,290	11,762
	<u>103,474</u>	<u>92,741</u>
	<u>234,383</u>	<u>225,382</u>



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25. Material Litigation

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

26. Memorandum of Understanding (“MOU”)

a) *MOU between Signature Distribution Sdn. Bhd. (“SDSB”) with 8 Brand Partners*

SDSB, a wholly-owned subsidiary of the Company had on 20 May 2022, signed MOU with the following 8 brand partners to strengthen the strategic collaboration between SDSB and the brand partners by pooling their respective expertise to enhance the marketing and promotional activities for the purpose of providing home and living customised solutions:-

- (i) Samsung Malaysia Electronics (SME) Sdn. Bhd.;
- (ii) Syarikat Yoong Onn Sdn. Bhd.;
- (iii) Feruni Ceramiche Sdn. Bhd.;
- (iv) Rigel Technology (Malaysia) Sdn. Bhd.;
- (v) Intrix Lifestyle Sdn. Bhd.;
- (vi) Fernex Sdn. Bhd.;
- (vii) Crystalace Deco Sdn. Bhd.; and
- (viii) Teka Kuchentechnik (Malaysia) Sdn. Bhd.

To refer the details as per announcement dated 20 May 2022.

On 7 February 2023, SDSB had entered into an Agreement with Teka Kuchentechnik (Malaysia) Sdn. Bhd. (“Teka”) appointing SDSB as Teka Malaysia’s official “Authorised Dealer” to sell Teka kitchen products for the purpose of retail sales at the assigned sales area/ point of sales of SDSB in Malaysia.

Accordingly, the Agreement shall supersede the MOU entered with Teka on 20 May 2022. The Agreement shall come into force on 1 January 2023 and valid until 31 December 2023, unless terminated by the parties in accordance with the terms and conditions stated therein.

There has been no further material development since the announcement dated 22 February 2023.

27. Proposed Dividend

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

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28. Earnings per Share

(i) Basic EPS

	Individual Period		Cumulative Period	
	Current Period	Preceding Period	Current	Preceding
	Quarter Ended	Corresponding Quarter Ended	Period	Period
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
BASIC EARNINGS PER SHARE				
Profit for the year attributable to ordinary equity holders of the Company	2,164	-	2,164	-
Weighted average number of ordinary shares in issue ('000)	289,847	-	289,847	-
Basic Earnings per Share (sen)	0.7	-	0.7	-

(ii) Diluted EPS

	Individual Period		Cumulative Period	
	Current Period	Preceding Period	Current	Preceding
	Quarter Ended	Corresponding Quarter Ended	Period	Period
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
DILUTED EARNINGS PER SHARE				
Profit for the year attributable to ordinary equity holders of the Company	2,164	-	2,164	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	289,847	-	289,847	-
Diluted Earnings per Share (sen)	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 period ended 31 December 2022 were not subject to any qualification.

30. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board on 29 May 2023.