



Signature International Berhad

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 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 30 September 2023.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (UNAUDITED)

	Individual Period		Cumulative Period	
	Current Period Quarter Ended 30 Sep 2023 RM'000	Preceding Period Corresponding Quarter Ended 30 Sep 2022 RM'000	Current Period 30 Sep 2023 RM'000	Preceding Period 30 Sep 2022 RM'000
Revenue	183,948	-	450,066	-
Operating expenses	(153,522)	-	(397,844)	-
Other operating income	1,639	-	13,583	-
Profit from operations	32,065	-	65,805	-
Finance costs	(5,321)	-	(13,154)	-
Share of profit of equity accounted associates	2,396	-	11,742	-
Profit before taxation	29,140	-	64,393	-
Tax expense	(6,954)	-	(13,496)	-
Profit after taxation	22,186	-	50,897	-
Other Comprehensive Income, net of Tax				
Foreign currency translation	376	-	3,303	-
Total Comprehensive Income for the Period	22,562	-	54,200	-

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 30 SEPTEMBER 2023 (UNAUDITED) (CONT'D)**

	Individual Period		Cumulative Period	
	Current Period	Preceding Period	Current	Preceding
	Quarter	Corresponding	Current	Preceding
	Ended	Quarter Ended	Period	Period
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
	RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to:-				
- Equity holders of the parent	14,111	-	36,931	-
- Non-controlling interest	8,075	-	13,966	-
	<u>22,186</u>	<u>-</u>	<u>50,897</u>	<u>-</u>
Total Comprehensive Income attributable to: -				
- Equity holders of the parent	14,487	-	40,234	-
- Non-controlling interest	8,075	-	13,966	-
	<u>22,562</u>	<u>-</u>	<u>54,200</u>	<u>-</u>
Earnings per share (sen)				
- Basic	2.2	-	7.1	-
- Diluted	2.2	-	7.1	-

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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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	UNAUDITED As at 30 Sep 2023 RM'000	AUDITED As at 31 Dec 2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	79,477	41,222
Investment in associate	195,554	183,854
Right-of -use assets	34,893	17,125
Goodwill arising from Consolidation	103,666	5,065
Investment properties	53,521	68,754
Deferred tax asset	385	453
Other financial asset	1,287	-
	<u>468,783</u>	<u>316,473</u>
Current Assets		
Inventories	41,435	11,153
Amount owing by contract customers	143,309	136,001
Trade receivables	96,278	53,238
Other receivables ,deposits and prepayment	46,212	51,480
Tax recoverable	2,564	1,759
Short-term investments - quoted shares	31,146	32,885
Short-term investments - unit trust funds	3,026	2,985
Fixed deposit with licensed banks	37,751	5,122
Cash and bank balances	109,111	25,791
	<u>510,832</u>	<u>320,414</u>
TOTAL ASSETS	<u>979,615</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 30 SEPTEMBER 2023 (CONT'D)**

	UNAUDITED	AUDITED
	As at	As at
	30 Sep 2023	31 Dec 2022
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	160,723	101,323
Reserves	181,848	142,433
Shareholders' equity	342,571	243,756
Non-controlling interest	56,129	8,120
TOTAL EQUITY	398,700	251,876
Non-Current Liabilities		
Lease liabilities	15,692	1,269
Term loans	195,363	132,641
Deferred taxation	1,591	71
Deferred Consideration Payable	9,123	-
	222,470	133,981
Current Liabilities		
Payables	146,000	128,862
Amount owing to contract customers	68,002	24,516
Provision for taxation	14,087	3,511
Lease liabilities	4,379	1,400
Term loan	93,670	58,762
Banker's acceptance	26,028	29,291
Bank overdraft	5,128	4,688
Deferred Consideration Payable	1,151	-
	358,445	251,030
TOTAL LIABILITIES	580,915	385,011
TOTAL EQUITY AND LIABILITIES	979,615	636,887
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.66	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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	Revaluation 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	-	-	-	-	-	36,931	36,931	13,966	50,897
Other comprehensive income for the financial period, net of tax; - foreign exchange translation	-	-	-	3,303	-	-	3,303	-	3,303
Total comprehensive income for the financial period	-	-	-	3,303	-	36,931	40,234	13,966	54,200
Contribution by and distribution to owners of the Company									
Issuance of ordinary shares pursuant to private placement	59,400	-	-	-	-	-	59,400	-	59,400
Disposal of subsidiaries	-	-	-	-	-	-	-	4,006	4,006
Acquisition of subsidiaries	-	-	-	-	432	-	432	29,889	30,321
Incorporation of a new subsidiary	-	-	-	-	-	-	-	4,722	4,722
Dividend by the subsidiaries to non-controlling interests	-	-	-	-	-	-	-	(4,128)	(4,128)
Changes in ownership interest of subsidiaries that do not result in loss of control	-	-	-	-	-	(1,251)	(1,251)	(446)	(1,697)
	59,400	-	-	-	432	(1,251)	58,581	34,043	92,624
At 30 September 2023	160,723	(4,931)	(28,123)	1,697	432	212,773	342,571	56,129	398,700

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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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (UNAUDITED)

	Cumulative Period 30 Sep 2023 RM'000	Preceding Period 30 Sep 2022 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit before taxation	64,393	-
Adjustments:		
Depreciation of property and equipment	4,942	-
Depreciation of right-of-use assets	4,323	-
Gain on disposal of plant and equipment	(26)	-
Interest income	(534)	-
Income from short-term investments	(23)	-
Fair value gain on short-term investment	(5,455)	-
Interest expense - Others	10,982	-
Interest expense - Lease liabilities	433	-
Gain on disposal of investment properties	(708)	-
Gain on disposal of subsidiaries	(2,766)	-
Unrealised loss on foreign exchange	1,874	-
Share of net profits of equity accounted associates	(11,742)	-
Changes in working capital	65,693	-
Inventories	(352)	-
Receivables	50,083	-
Amount due from/(to) contract customers	(32,389)	-
Payables	28,809	-
Cash used in operations	111,844	-
Interest received	534	-
Interest paid	(11,415)	-
Income tax paid	(15,271)	-
Net cash used in operating activities	85,692	-



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (UNAUDITED) (CONT'D)

	Cumulative Period Ended 30 Sep 2023 RM'000	Preceding Period Ended 30 Sep 2022 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(18,926)	-
Additional investment in quoted shares	(39,481)	-
Acquisition of subsidiary, net of cash and cash equivalent	(23,652)	-
Acquisition of associate	-	-
Net cash outflow for acquire additional shares in subsidiary	(75)	-
Lease modification	-	-
Proceeds from disposal of:		
- investment properties	7,123	-
- property, plant and equipment	785	-
- short term investment - quoted shares	46,675	-
Income from short term investment	23	-
Disposal of a subsidiary, net of cash and cash equivalents disposed of	10,017	-
Net cash from investing activities	(19,436)	-
CASH FLOWS USED IN FINANCING ACTIVITIES		
Addition in fixed deposit	(34,684)	-
Withdrawal of fixed deposit	1,857	-
Dividend paid to non-controlling interest	(4,128)	-
Proceed from private placement	59,400	-
Repayment of lease liabilities	(2,439)	-
Repayment of term loans	(76,004)	-
Net drawdown of bills payable	69,445	-
Net cash used in financing activities	13,447	-
Effects of exchange rate changes on cash and cash equivalents	2,613	-
NET INCREASED IN CASH AND CASH EQUIVALENTS	79,703	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	24,693	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	107,009	-



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (UNAUDITED) (CONT'D)

	Cumulative Current Period Ended 30 Sep 2023 RM'000	Preceding Period Ended 30 Sep 2022 RM'000
Cash and cash equivalents comprise of:		
Short-term investments	3,026	-
Fixed deposit with licensed banks	37,751	-
Cash and bank balances	109,111	-
Bank overdraft	(5,128)	-
	<u>144,760</u>	<u>-</u>
Less: Fixed deposit pledged to a licensed bank	(37,751)	-
	<u>107,009</u>	<u>-</u>

Notes:

The Condensed Consolidated Statement of 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.

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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
• 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 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 30 September 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 during the current quarter.

7. Changes in Debt and Equity Securities

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



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Dividend Paid

No dividends were paid during the quarter under review.

9. Segmental Information

	Design Manufacture and Retail Of Kitchen And Wardrobe Systems (Sign Group) RM'000	Design Manufacture and Retail Of Kitchen And Wardrobe Systems (Corten) RM'000	Interior fit-out works RM'000	Others RM'000	Eliminations RM'000	The Group RM'000
Result for 3 months Quarter ended 30 September 2023						
REVENUE:						
External revenue	34,367	115,554	33,985	42	-	183,948
Inter-segment revenue	8,183	9,516	4,155	14,318	(36,172)	-
Total revenue	42,550	125,070	38,140	14,360	(36,172)	183,948
RESULTS						
Segment results	(883)	27,145	8,051	10,374	(12,622)	32,065
Finance costs	(154)	(252)	(498)	(4,422)	5	(5,321)
Share of results in associates	-	-	-	2,396	-	2,396
Profit / (loss) from ordinary activities before taxation	(1,037)	26,893	7,553	8,348	(12,617)	29,140
Income tax expense						(6,954)
Profit from ordinary activities after taxation						22,186
Non-controlling interest						(8,075)
Net profit attributable to equity holders of the Company						14,111



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9. Segmental Information (Cont'd)

	Design	Design			Others	Eliminations	The Group
	Manufacture	Manufacture	Manufacture	Manufacture			
	and Retail Of	and Retail Of	Of Glass	Interior			
	Kitchen And	Kitchen And	and	fit-out			
	Wardrobe	Wardrobe	Aluminium	works			
	Systems	Systems	Products				
	(Sign Group)	(Corten)					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Group							
Result for 9 months							
Year ended 30 September 2023							
REVENUE:							
External revenue	92,166	195,256	32,734	129,787	123	-	450,066
Inter-segment revenue	21,195	16,685	2,839	5,254	18,648	(64,621)	-
Total revenue	113,361	211,941	35,573	135,041	18,771	(64,621)	450,066
RESULTS							
Segment results	2,875	47,693	(2,664)	14,186	15,037	(11,322)	65,805
Finance costs	(387)	(426)	(387)	(1,548)	(10,607)	201	(13,154)
Share of results in associates					11,742		11,742
Profit from ordinary							
activities before taxation	2,488	47,267	(3,051)	12,638	16,172	(11,121)	64,393
Income tax expense							(13,496)
Profit from ordinary							50,897
activities after taxation							(13,966)
Non-controlling interest							
Net profit attributable to							36,931
equity holders of the							
Company							
Assets and Liabilities							
As at 30 Sep 2023							
OTHER INFORMATION							
Segment assets	249,594	284,928	-	140,777	517,500	(216,133)	976,666
Unallocated assets							2,949
							979,615
Segment liabilities	116,586	134,742	-	95,315	325,788	(107,193)	565,238
Unallocated liabilities							15,677
							580,915

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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 30 Sep 2023 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2022 RM'000	Current Year 30 Sep 2023 RM'000	Preceding Year 30 Sep 2022 RM'000
Profit before taxation is arrived at after charging :-				
Interest expense - Others	4,005	-	10,982	-
Interest expense - Lease liabilities	216	-	433	-
Depreciation and amortisation				
- Property & equipment	2,179	-	4,942	-
- Right-of -use assets	2,083	-	4,323	-
Loss/(gain) on disposal of plant and equipment	34	-	(26)	-
Loss on foreign exchange - unrealised	346	-	2,970	-
<hr/>				
Interest Income	(151)	-	(534)	-
Income from short term investment	(22)	-	(23)	-
Rental Income	(174)	-	(626)	-
Fair value loss/(gain) on short term investment	968	-	(5,455)	-
Gain on disposal of Investment properties	(205)	-	(708)	-
Gain on foreign exchange - realised	(722)	-	(164)	-
Gain on disposal of subsidiaries	-	-	(2,766)	-

12. Material Events Subsequent to the end of the Current Quarter

There was no material event subsequent to the end of the reporting period and up to the date of issuance of this report.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

13. Changes in the Composition of the Group

a. Incorporation of a new subsidiary in Signature Stone Solutions Sdn Bhd

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

On 10 July 2023, SACSB had subscribed for an additional 3,540 ordinary shares in SSS, representing 60% of the total issued share capital of SSS.

Consequently, SSS remained as a direct 60%-owned subsidiary of SACSB and indirect 30.6%-owned of the Company.

b. New subsidiaries - Corten Interior Solutions Pte Ltd and Areal Interior Solutions Pte Ltd

The Company had on 3 November 2022 entered into a conditional share sale agreement ("SSA") with Lim Leng Foo for the acquisition of 1,500,001 ordinary shares in Corten Interior Solutions Pte Ltd ("Corten"), representing 75.0% equity interest in Corten, for a total cash consideration of SGD45.00 million (equivalent to RM151.08 million) ("Proposed Acquisition of Corten").

The Company had also on 3 November 2022 entered into a conditional share sale agreement ("SSA") with Lim Leng Foo and Chua Wei Ping for the acquisition of 1,000,001 ordinary shares in Areal Interior Solutions Pte Ltd ("Areal"), representing the entire equity interest in Areal, for a total cash consideration of SGD2.80 million (equivalent to RM9.40 million) ("Proposed Acquisition of Areal").

The Company had on 17 May 2023 completed the Proposed Acquisition of Corten and Proposed Acquisition of Areal.

c. Acquisition of 45% equity interest and additional of 5.1% equity interest in Zig Zag Builders (M) Sdn Bhd

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

The Company had on 19 June 2023 completed the Proposed Acquisition of ZZBSB.

The Company had then on 18 September 2023 entered into a conditional share sale agreement with Foo Kai Shin to acquire additional 51,000 ordinary shares in ZZBSB, representing 5.1% equity interest in ZZBSB, for a total cash consideration of RM1,479,000.

Consequently, ZZBSB became a 50.1%-owned subsidiary of the Company.



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13. Changes in the Composition of the Group (Cont'd)

d. Disposal of entire equity in Signature Aluminium Sdn Bhd and 51% equity interest in Signature Façade Treatment Sdn Bhd

The Company had on 19 September 2023 entered into a share sale agreement with Fortune Greenbest Sdn. Bhd. for the purpose of disposing of its aluminium and façade segments. The disposals entail the disposal of Signature Aluminium Sdn Bhd and Signature Façade Treatment Sdn Bhd for a total cash consideration of RM17,531,763.38 only (collectively referred to as the "Proposed Disposals"), subject to the terms and conditions stated therein.

The Company had on 21 September 2023 completed the Proposed Disposals.

14. Changes in Contingent Assets or Contingent Liabilities

As at 30 September 2023, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries are as follows: -

	Company	
	Current Period	Preceding Period
	As At	As At
	30 Sep 2023	31 Dec 2022
	RM'000	RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	34,946	41,016
	<u>34,946</u>	<u>41,016</u>



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15. Capital Commitments

Capital commitments for the purchase of investment properties not provided for in the interim financial statements are as follows:

	Company	
	Current Period As At 30 Sep 2023 RM'000	Preceding Period As At 30 Sep 2022 RM'000
Approved and contracted for:-		
Purchase of property and equipment	783	-
	<u>783</u>	<u>-</u>
Contracted but not provided for		
Purchase of investment properties	1,354	-
Total capital commitments	<u>2,138</u>	<u>-</u>



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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 30 September 2023

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

	Individual Period	
	Current Period Quarter Ended 30 Sep 2023 RM'000	Preceding Period Corresponding Quarter Ended 30 Sep 2022 RM'000
Revenue (External revenue)		
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Sign group	34,367	-
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Corten	115,554	-
Interior fit-out works	33,985	-
Others	42	-
	<hr/>	
	183,948	-
	<hr/>	
Profit Before Taxation		
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Sign group	(1,037)	-
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Corten	26,893	-
Interior fit-out works	7,553	-
Others	8,348	-
Eliminations	(12,617)	-
	<hr/>	
	29,140	-
	<hr/>	

There is no comparative for the financial quarter/ period ended 30 September 2023 due to the 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 30 September 2023 is not comparable with the individual and cumulative quarter previously reported.

The Group recorded a revenue of RM184.0 million in the current quarter under review. The revenue for the current quarter is mainly contributed from Kitchen and Wardrobe systems segment - Corten brand.



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16. Review of Performance (Cont'd)

- Current Quarter 3 months ended 30 September 2023

The Group reported profit before taxation of RM29.1 million for the current quarter under review. Contribution mainly from new business unit - Kitchen and Wardrobe Segment - Corten, fair value gain on short-term investment, and profit from interior fit-out works segment.

Kitchen and Wardrobe Systems – Signature brand

This segment recorded a revenue of RM34.4 million in the current quarter under review. This is mainly derived from project revenue.

This segment reported loss before taxation of RM1.0 million in the current quarter. This is mainly due to higher operating costs incurred for setting up new factory.

Kitchen and Wardrobe Systems – Corten brand

Kitchen and Wardrobe Systems - Corten is the new business segment for the group since completion of acquisition.

This segment reported profit before taxation of RM26.9 million in the current quarter. This is mainly due to niche market and thus higher profit margin from project revenue.

Interior Fit-Out Works Segment

This segment recorded revenue of RM34.0 million and profit before tax of RM7.6 million for the current quarter.

Others Segment

The Others 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. The higher profit before tax arises from dividend received from subsidiaries.



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16. Review of Performance (Cont'd)

- Current Period 9 months ended 30 September 2023

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

	Cumulative Period	
	Current Period 30 Sep 2023 RM'000	Preceding Period 30 Sep 2022 RM'000
Revenue (External revenue)		
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Sign group	92,166	-
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Corten	195,256	-
Manufacture of Glass and Aluminium Products	32,734	-
Interior fit-out works	129,787	-
Others	123	-
	<hr/>	
	450,066	-
	<hr/>	
Profit Before Taxation		
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Sign group	2,488	-
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Corten	47,267	-
Manufacture of Glass and Aluminium Products	(3,051)	-
Interior fit-out works	12,638	-
Others	16,172	-
Eliminations	(11,121)	-
	<hr/>	
	64,393	-
	<hr/>	

The Group recorded a revenue of RM450.1 million in the current period to-date under review. The increase in revenue was mainly due to higher project revenue being recognised from Kitchen and Wardrobe segment - Corten brand, interior fit-out works segment and followed by Kitchen and Wardrobe segment - Signature brand.

The Group reported profit before taxation of RM64.4 million in the current period to-date under review mainly due to higher contribution from new business unit i.e. Kitchen and Wardrobe Systems – Corten, Interior fit-out work segment, fair value gain on short-term investment, and gain on disposal of properties.

Kitchen and Wardrobe Systems – Signature brand

This segment recorded a revenue of RM92.2 million in the current period to-date under review. This is mainly derived from project revenue.

This segment reported profit before taxation of RM2.5 million in the period to-date under review. This is mainly due to higher profit being recognised from projects.



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16. Review of Performance (Cont'd)

- Current Period 9 months ended 30 September 2023

Kitchen and Wardrobe Systems – Corten brand

Kitchen and Wardrobe Systems – Corten is the new business segment for the group since completion of acquisition.

This segment recorded a revenue of RM195.3 million in the current period to-date under review.

This segment reported profit before taxation of RM47.3 million in the current period to-date. This is mainly due to higher profit being recognised from projects.

Glass and Aluminium Products

This segment recorded a revenue of RM32.7 million in the current period to date under review.

The segment reported loss before tax of RM3.1 million in the current quarter. This is due to 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 a revenue of RM129.8 million and profit before taxation of RM12.7 million for the current period to-date under review.

Others Segment

The Others Segment inclusive of investment holding company, properties investment company, and dormant companies. The main source of revenue for the reporting period represents management fee charged by holding company and gain on investment of quoted shares. There is dividend income received from subsidiaries.



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17. Commentary on Prospects and Target

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. Such acquisition enables the Group to strengthen its scale of operations and derive synergetic benefits. This is expected to increase the profitability and strengthen the financial position of Signature in which it synergises with Signature's kitchen cabinet and whole house customisation business. Signature will then become a formidable player in the home and living solutions space both locally and internationally.

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 30 September 2023, the Group order book stood at RM241 million for Kitchen and Wardrobe System (Signature brand), RM569 million for Kitchen and Wardrobe System (Corten brand), and RM399 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 book 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.

18. Variance between Actual Results and Forecast Results

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

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19. Taxation

	Individual Period		Cumulative Period	
	Current Period	Preceding Period	Current	Preceding
	Quarter Ended 30 Sep 2023 RM'000	Corresponding Quarter Ended 30 Sep 2022 RM'000	Period 30 Sep 2023 RM'000	Period 31 Dec 2022 RM'000
Current Tax Expense				
- Current Period	6,954	-	13,496	-
Total Income Tax Expense	6,954	-	13,496	-

The Group's effective tax rate for the quarter and year to-date was lower than the statutory tax rate of 24% as contributions from foreign subsidiaries subject lower charge income tax rate.

20. Status of Corporate Proposals/Exercises

There were no corporate proposals announced during the current quarter under review.

21. Status of utilisation of proceeds raised from 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	14,230	within 36 months	-
iv)	Estimate expenses for the Proposed Disposal	1,546	1,546	within 3 months	-
		54,567	53,854		



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22. Derivative financial instruments

As at 30 September 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 30 Sep 2023 RM'000	As at 31 Dec 2022 RM'000
Trade Receivables	110,809	76,501
Less: Allowance for Impairment	<u>(14,531)</u>	<u>(23,263)</u>
	<u>96,278</u>	<u>53,238</u>

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
Not past due	63,007	-	63,007
Past due:			
- less than 3 months	11,281	-	11,281
- 3 to 6 months	15,183	-	15,183
- over 6 months	21,337	(14,531)	6,806
	<u>110,809</u>	<u>(14,531)</u>	<u>96,278</u>

The Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired because these are companies with good collection track record and no recent history of default.



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24. Borrowings and Debt Securities

The Group's borrowings are as follows:

	Cumulative Period	
	As at 30 Sep 2023	As at 31 Dec 2022
Non-current Secured	RM'000	RM'000
Revolving credit	30,000	30,000
Term loans	165,363	102,641
	<u>195,363</u>	<u>132,641</u>
Current Secured		
Bank overdraft	5,128	4,689
Bankers' acceptance	26,028	29,291
Revolving credit	53,000	47,000
Term loans	40,670	11,761
	<u>124,826</u>	<u>92,741</u>
	<u>320,189</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.

For further details, to refer the 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 28 August 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
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 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	14,111	-	36,931	-
Weighted average number of ordinary shares in issue ('000)	634,693	-	521,008	-
Basic Earnings per Share (sen)	2.2	-	7.1	-

(ii) Diluted EPS

	Individual Period		Cumulative Period	
	Current Period	Preceding Period	Current	Preceding
	Quarter Ended	Corresponding Quarter Ended	Period	Period
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 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	14,111	-	36,931	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	634,693	-	521,008	-
Diluted Earnings per Share (sen)	2.2	-	7.1	-

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 27 November 2023.