

**SIGNATURE****Signature International Berhad**

(200601034359) (754118-K)

(Incorporated In Malaysia)

INTERIM FINANCIAL REPORT 31 DECEMBER 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 December 2023.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED)**

	Individual Period		Cumulative Period	
	Current Period Quarter Ended 31 Dec 2023 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2022 RM'000	Current Period 31 Dec 2023 RM'000	Preceding Period 31 Dec 2022 RM'000
Revenue	172,845	-	622,910	-
Operating expenses	(139,315)	-	(537,158)	-
Other operating income	1,846	-	15,429	-
Profit from operations	35,376	-	101,181	-
Finance costs	(4,752)	-	(17,906)	-
Share of profit of equity accounted associates	1,408	-	13,150	-
Profit before taxation	32,032	-	96,425	-
Tax expense	(9,909)	-	(23,405)	-
Profit after taxation	22,123	-	73,020	-
Other Comprehensive Income, net of Tax				
Foreign currency translation	(1,729)	-	1,574	-
Total Comprehensive Income for the Period	20,394	-	74,594	-

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 PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED) (CONT'D)**

	Individual Period		Cumulative Period	
	Current Period	Preceding Period	Current	Preceding
	Quarter	Corresponding	Period	Period
	Ended	Quarter Ended	Period	Period
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to:-				
- Equity holders of the parent	16,152	-	53,083	-
- Non-controlling interest	5,971	-	19,937	-
	<u>22,123</u>	<u>-</u>	<u>73,020</u>	<u>-</u>
Total Comprehensive Income attributable to: -				
- Equity holders of the parent	14,423	-	54,657	-
- Non-controlling interest	5,971	-	19,937	-
	<u>20,394</u>	<u>-</u>	<u>74,594</u>	<u>-</u>
Earnings per share (sen)				
- Basic	2.5	-	9.7	-
- Diluted	2.5	-	9.7	-

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 DECEMBER 2023

	UNAUDITED	AUDITED
	As at	As at
	31 Dec 2023	31 Dec 2022
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	84,074	41,222
Investment in associate	197,003	183,854
Right-of -use assets	40,030	17,125
Goodwill arising from Consolidation	84,743	5,065
Investment properties	53,053	68,754
Deferred tax asset	564	453
Other financial asset	1,680	-
	<u>461,147</u>	<u>316,473</u>
Current Assets		
Inventories	34,762	11,153
Amount owing by contract customers	142,455	136,001
Trade receivables	97,499	53,238
Other receivables ,deposits and prepayment	35,243	51,480
Tax recoverable	1,550	1,759
Short-term investments - quoted shares	38,372	32,885
Short-term investments - unit trust funds	4,588	2,985
Fixed deposit with licensed banks	73,092	5,122
Cash and bank balances	94,988	25,791
	<u>522,549</u>	<u>320,414</u>
TOTAL ASSETS	<u>983,696</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 DECEMBER 2023 (CONT'D)**

	UNAUDITED	AUDITED
	As at	As at
	31 Dec 2023	31 Dec 2022
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	160,723	101,323
Reserves	197,459	142,433
Shareholders' equity	<u>358,182</u>	<u>243,756</u>
Non-controlling interest	<u>58,231</u>	<u>8,120</u>
TOTAL EQUITY	<u>416,413</u>	<u>251,876</u>
Non-Current Liabilities		
Lease liabilities	14,083	1,269
Hire purchase payables	982	-
Term loans	184,888	132,641
Deferred taxation	2,112	71
Deferred Consideration Payable	<u>9,411</u>	<u>-</u>
	<u>211,476</u>	<u>133,981</u>
Current Liabilities		
Payables	146,528	128,862
Amount owing to contract customers	54,377	24,516
Provision for taxation	16,871	3,511
Lease liabilities	10,830	1,400
Term loan	91,108	58,762
Banker's acceptance	28,694	29,291
Bank overdraft	6,248	4,688
Deferred Consideration Payable	<u>1,151</u>	<u>-</u>
	<u>355,807</u>	<u>251,030</u>
TOTAL LIABILITIES	<u>567,283</u>	<u>385,011</u>
TOTAL EQUITY AND LIABILITIES	<u>983,696</u>	<u>636,887</u>
Net assets per ordinary share attributable to ordinary equity holders		
of the Company (RM)	<u>0.65</u>	<u>0.87</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 CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED)

	← Attributable to equity holders of the parent →							Total Equity RM'000
	← 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	
Balance at 1 Jan 2022	101,323	(4,931)	(28,123)	(1,606)	177,093	243,756	8,120	251,876
Profit after taxation for the financial period	-	-	-	-	53,083	53,083	19,937	73,020
Other comprehensive income for the financial period, net of tax; - foreign exchange translation	-	-	-	3,180	(7)	3,173	-	3,173
Total comprehensive income for the financial period	-	-	-	3,180	53,076	56,256	19,937	76,193
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	-	-	-	-	-	-	(1,754)	(1,754)
Acquisition of subsidiaries	-	-	-	-	-	-	32,201	32,201
Incorporation of a new subsidiary	-	-	-	-	-	-	4,720	4,720
Dividend paid	-	-	-	-	(225)	(225)	-	(225)
Dividend by the subsidiaries to non-controlling interests	-	-	-	-	-	-	(4,127)	(4,127)
Changes in ownership interest of subsidiaries that do not result in loss of control	-	-	-	-	(1,005)	(1,005)	(866)	(1,871)
	59,400	-	-	-	(1,230)	58,170	30,174	88,344
At 31 December 2023	160,723	(4,931)	(28,123)	1,574	228,939	358,182	58,231	416,413

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 PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED)

	Cumulative Period 31 Dec 2023 RM'000	Preceding Period 31 Dec 2022 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit before taxation	96,425	-
Adjustments:		
Depreciation of property and equipment	6,997	-
Depreciation of right-of-use assets	6,750	-
Gain on disposal of plant and equipment	245	-
Interest income	(548)	-
Income from short-term investments	(92)	-
Fair value gain on short-term investment	(5,927)	-
Fair value adjustment on Investment properties	(332)	-
Interest expense - Others	14,923	-
Interest expense - Lease liabilities	687	-
Gain on disposal of investment properties	(708)	-
Gain on disposal of subsidiaries	(1,206)	-
Plant and equipment written off	63	-
Allowance for impairment losses on trade receivables	2,340	-
Share of net profits of equity accounted associates	(13,150)	-
Changes in working capital	106,467	-
Inventories	6,132	-
Receivables	72,834	-
Amount due from/(to) contract customers	(53,080)	-
Payables	42,595	-
Cash used in operations	174,948	-
Interest received	548	-
Interest paid	(15,610)	-
Income tax paid	(19,617)	-
Net cash used in operating activities	140,269	-



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

	Cumulative Period Ended 31 Dec 2023 RM'000	Preceding Period Ended 31 Dec 2022 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(28,122)	-
Additional investment in quoted shares	(46,800)	-
Acquisition of subsidiary, net of cash and cash equivalent	(35,418)	-
Acquisition of associate	-	-
Net cash outflow for acquire additional shares in subsidiary	(75)	-
Lease modification	-	-
Proceeds from disposal of:		-
- investment properties	7,922	-
- property, plant and equipment	1,663	-
- short term investment - quoted shares	47,241	-
Income from short term investment	92	-
Disposal of a subsidiary, net of cash and cash equivalents disposed of	19,517	-
Net cash from investing activities	(33,980)	-
CASH FLOWS USED IN FINANCING ACTIVITIES		
Addition in fixed deposit	(70,365)	-
Withdrawal of fixed deposit	2,455	-
Dividend paid to non-controlling interest	(4,127)	-
Dividend paid	(225)	-
Proceed from private placement	59,400	-
Repayment of lease liabilities	(5,917)	-
Repayment of term loans	(132,700)	-
Net drawdown of bills payable	115,932	-
Net cash from financing activities	(35,547)	-
Effects of exchange rate changes on cash and cash equivalents	(2,107)	-
NET INCREASED IN CASH AND CASH EQUIVALENTS	70,742	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	24,693	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	93,328	-



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

	Cumulative Current Period Ended 31 Dec 2023 RM'000	Preceding Period Ended 31 Dec 2022 RM'000
Cash and cash equivalents comprise of:		
Short-term investments	4,588	-
Fixed deposit with licensed banks	73,092	-
Cash and bank balances	94,988	-
Bank overdraft	(6,248)	-
	<u>166,420</u>	<u>-</u>
Less: Fixed deposit pledged to a licensed bank	(73,092)	-
	<u>93,328</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
<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 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 period ended 31 December 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 (SIB 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 31 December 2023						
REVENUE:						
External revenue	48,558	78,979	45,273	35	-	172,845
Inter-segment revenue	10,605	6,710	2,837	1,718	(21,870)	-
Total revenue	59,163	85,689	48,110	1,753	(21,870)	172,845
RESULTS						
Segment results	2,877	26,116	6,131	437	(185)	35,376
Finance costs	(262)	(222)	(414)	(3,857)	3	(4,752)
Share of results in associates	-	-	-	1,408	-	1,408
Profit / (loss) from ordinary activities before taxation	2,615	25,894	5,717	(2,012)	(182)	32,032
Income tax expense						(9,909)
Profit from ordinary activities after taxation						22,123
Non-controlling interest						(5,971)
Net profit attributable to equity holders of the Company						16,152



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9. Segmental Information (Cont'd)

The Group	Design	Design			Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems (SIB Group)	Manufacture and Retail Of Kitchen And Wardrobe Systems (Corten)	Manufacture Of Glass and Aluminium Products	Interior fit-out works			
Result for 12 months							
Year ended 31 December 2023							
REVENUE:							
External revenue	140,724	274,234	32,734	175,060	158	-	622,910
Inter-segment revenue	31,800	23,395	2,839	8,091	20,366	(86,491)	-
Total revenue	172,524	297,629	35,573	183,151	20,524	(86,491)	622,910
RESULTS							
Segment results	5,752	73,809	(2,664)	20,317	15,474	(11,507)	101,181
Finance costs	(649)	(648)	(387)	(1,962)	(14,464)	204	(17,906)
Share of results in associates					13,150		13,150
Profit from ordinary activities before taxation	5,103	73,161	(3,051)	18,355	14,160	(11,303)	96,425
Income tax expense							(23,405)
Profit from ordinary activities after taxation							73,020
Non-controlling interest							(19,937)
Net profit attributable to equity holders of the Company							53,083
Assets and Liabilities							
As at 31 Dec 2023							
OTHER INFORMATION							
Segment assets	262,230	292,651	-	130,118	511,910	(215,327)	981,582
Unallocated assets							2,114
							983,696
Segment liabilities	127,371	116,438	-	87,532	323,638	(106,678)	548,301
Unallocated liabilities							18,982
							567,283

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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): -

	Current Year Quarter Ended 31 Dec 2023 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2022 RM'000	Current Year 31 Dec 2023 RM'000	Preceding Year 31 Dec 2022 RM'000
Profit before taxation is arrived at after charging :-				
Interest expense - Others	3,582	-	14,923	-
Interest expense - Lease liabilities	254	-	687	-
Depreciation and amortisation				
- Property & equipment	2,503	-	6,997	-
- Right-of -use assets	74	-	6,750	-
Allowance for impairment losses on trade receivables	2,340	-	2,340	-
Property, plant and equipment written off	63	-	63	-
Loss on foreign exchange - realised	5,840	-	5,675	-
Loss/(Gain) on disposal of subsidiaries	1,560	-	(1,206)	-
<hr/>				
Interest Income	(151)	-	(548)	-
Income from short term investment	(61)	-	(92)	-
Rental Income	(169)	-	(626)	-
Fair value gain for Investment Properties	(332)	-	(332)	-
Fair value gain on short term investment	(471)	-	(5,927)	-
Gain on disposal of Investment properties	26	-	(708)	-
(Loss)/Gain on foreign exchange - unrealised	(4,337)	-	(1,367)	-

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

The Company had on 5 February 2024 received a notification from Chin Hin Group Berhad ("CHGB"), a substantial shareholder of SIB, informing the Board that CHGB had on even date executed conditional share sale agreements ("SSAs") with Teoh Hai Hin and Por Teong Eng respectively (collectively referred to as the "SIB Vendors") for the proposed acquisition of 30,291,700 ordinary shares in the Company ("SIB Sale Shares"), representing approximately 4.77% equity interest in the Company for a total cash consideration of RM25,445,028 or RM0.84 per SIB Sale Share ("Proposed SIB Acquisition") subject to the terms and conditions of the SSAs.



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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.

SACSB had on 19 February 2024 and 20 February 2024 transferred 1,800 each ordinary shares in SSS to Siah Kim Eng and Tey Kok Lean respectively. Consequently, SSS ceased to be a subsidiary of SACSB.

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.

The Company had then on 31 October 2023 entered into a share sale agreement with Corten for the purpose of disposal of Areal for a total cash consideration of SGD2.8 million, subject to the terms and conditions stated therein.

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 31 December 2023, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries are as follows: -

	Company	
	Current Period As At 31 Dec 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	21,016	41,016
	<u>21,016</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 31 Dec 2023 RM'000	Preceding Period As At 31 Dec 2022 RM'000
Approved and contracted for:-		
Purchase of property and equipment	783	-
	<hr/> 783	<hr/> -
Contracted but not provided for		
Purchase of investment properties	1,354	-
Total capital commitments	<hr/> 2,137	<hr/> -



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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 31 December 2023

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

	Individual Period	
	Current Period Quarter Ended 31 Dec 2023 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2022 RM'000
Revenue (External revenue)		
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - SIB group	48,558	-
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Corten	78,979	-
Manufacture of Glass and Aluminium Products	-	-
Interior fit-out works	45,273	-
Others	35	-
	<hr/>	
	172,845	-
	<hr/>	
Profit Before Taxation		
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - SIB group	2,615	-
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Corten	25,894	-
Manufacture of Glass and Aluminium Products	-	-
Interior fit-out works	5,717	-
Others	(2,012)	-
Eliminations	(182)	-
	<hr/>	
	32,032	-
	<hr/>	

There is no comparative for the quarter ended 31 December 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 quarter ended 31 December 2023 is not comparable with the individual and cumulative quarter previously reported.

The Group recorded a revenue of RM172.9 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 31 December 2023

The Group reported profit before taxation of RM32.0 million for the current quarter under review. Contribution mainly from new business unit i.e. Kitchen and Wardrobe Segment – Corten brand, followed by Interior fit-out works segment and Kitchen and Wardrobe Segment – Signature brand.

Kitchen and Wardrobe Systems – Signature brand

This segment recorded a revenue of RM48.6 million in the current quarter under review. This is mainly derived from project revenue.

This segment reported profit before taxation of RM2.7 million in the current quarter. This is mainly due to higher profit margin from project revenue.

Kitchen and Wardrobe Systems – Corten brand

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

This segment reported profit before taxation of RM25.9 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 RM45.3 million and profit before tax of RM5.7 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 loss before tax in the current quarter is mainly due to the fair value loss on short-term investment.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

16. Review of Performance (Cont'd)

- Current Period 12 months ended 31 December 2023

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

	Cumulative Period	
	Current Period 31 Dec 2023 RM'000	Preceding Period 31 Dec 2022 RM'000
Revenue (External revenue)		
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - SIB group	140,724	-
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Corten	274,234	-
Manufacture of Glass and Aluminium Products	32,734	-
Interior fit-out works	175,060	-
Others	158	-
	<hr/>	
	622,910	-
	<hr/>	
Profit Before Taxation		
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - SIB group	5,103	-
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Corten	73,161	-
Manufacture of Glass and Aluminium Products	(3,051)	-
Interior fit-out works	18,355	-
Others	14,160	-
Eliminations	(11,303)	-
	<hr/>	
	96,425	-
	<hr/>	

The Group recorded a revenue of RM622.9 million in the current period to-date. 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 RM96.4 million in the current period to-date mainly due to higher contribution from new business unit i.e. Kitchen and Wardrobe Systems – Corten, followed by 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 RM140.7 million in the current period to-date. This is mainly derived from project revenue.

This segment reported profit before taxation of RM5.2 million in the current period to-date. This is mainly due to higher profit being recognised from projects.



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16. Review of Performance (Cont'd)

- Current Period 12 months ended 31 December 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 RM274.2 million in the current period to-date.

This segment reported profit before taxation of RM73.2 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.

The segment reported loss before tax of RM3.1 million in the current period to-date. 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 RM175.1 million and profit before taxation of RM18.4 million for the current period to-date.

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

The Group remains steadfast in its commitment to enhancing the efficiency and value of our project deliveries through key focus areas. We view the project segment as pivotal in restructuring our business through vertical integration, empowering our talent pool and partners with greater autonomy to leverage Signature's extensive capabilities and expertise. Our strategy and transformation roadmap necessitate ongoing improvements and adaptations, aligning with the Company's motto. With gratitude to our employees, partners, and customers for their unwavering support, the Group anticipates a year of enhanced performance 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 31 December 2023, the Group order book stood at RM269 million for Kitchen and Wardrobe System (Signature brand), RM953 million for Kitchen and Wardrobe System (Corten brand), and RM423 million for interior fit-out works. We are optimistic that the Group's revenue and profit will improve in next financial year based on the large number of order book on hand.

In pursuit of continuous improvement, the Group remains committed to exploring novel strategies to enhance our performance. We embrace change to align with evolving norms, seizing opportunities for growth, and revitalizing our traditional business practices.

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 31 Dec 2023 RM'000	Corresponding Quarter Ended 31 Dec 2022 RM'000	Period 31 Dec 2023 RM'000	Period 31 Dec 2022 RM'000
Current Tax Expense				
- Current Period	9,896	-	23,392	-
- Under/(Over) provision in prior period	109	-	109	-
Total Income Tax Expense	10,005	-	23,501	-
Deferred Tax Expense				
- Under provision in prior period	(96)	-	(96)	-
	(96)	-	(96)	-
Total Income Tax Expense	9,909	-	23,405	-

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	14,374	within 36 months	-
iv) Estimate expenses for the Proposed Disposal	1,546	1,546	within 3 months	-
	54,567	53,998		



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22. Derivative financial instruments

As at 31 December 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 Dec 2023 RM'000	As at 31 Dec 2022 RM'000
Trade Receivables	116,412	76,501
Less: Allowance for Impairment	<u>(18,913)</u>	<u>(23,263)</u>
	<u>97,499</u>	<u>53,238</u>

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
Not past due	74,921	-	74,921
Past due:			
- less than 3 months	6,189	-	6,189
- 3 to 6 months	15,726	-	15,726
- over 6 months	19,576	(18,913)	663
	<u>116,412</u>	<u>(18,913)</u>	<u>97,499</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 31 Dec 2023	As at 31 Dec 2022
Non-current Secured	RM'000	RM'000
Revolving credit	30,000	30,000
Term loans	154,888	102,641
	<u>184,888</u>	<u>132,641</u>
Current Secured		
Bank overdraft	6,248	4,688
Bankers' acceptance	28,694	29,291
Revolving credit	48,000	47,000
Term loans	43,108	11,762
	<u>126,050</u>	<u>92,741</u>
	<u>310,938</u>	<u>225,382</u>

25. Material Litigation

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

26. Proposed Dividend

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

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27. Earnings per Share

(i) Basic EPS

	Individual Period		Cumulative Period	
	Current Period	Preceding Period	Current	Preceding
	Quarter Ended	Corresponding Quarter Ended	Period	Period
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 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	16,152	-	53,083	-
Weighted average number of ordinary shares in issue ('000)	634,693	-	549,663	-
Basic Earnings per Share (sen)	2.5	-	9.7	-

(ii) Diluted EPS

	Individual Period		Cumulative Period	
	Current Period	Preceding Period	Current	Preceding
	Quarter Ended	Corresponding Quarter Ended	Period	Period
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 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	16,152	-	53,083	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	634,693	-	549,663	-
Diluted Earnings per Share (sen)	2.5	-	9.7	-

28. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial period ended 31 December 2022 were not subject to any qualification.

29. 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 28 February 2024.