



Signature International Berhad

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

INTERIM FINANCIAL REPORT 30 JUNE 2024

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 June 2024.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2024 (UNAUDITED)

	Individual Period		Cumulative Period	
	Current Period Quarter Ended 30 June 2024 RM'000	Preceding Period Corresponding Quarter Ended 30 June 2023 RM'000	Current Period 30 June 2024 RM'000	Preceding Period 30 June 2023 RM'000
Revenue	203,372	177,558	353,849	266,117
Operating expenses	(177,222)	(156,942)	(311,110)	(244,321)
Other operating income	2,367	9,736	4,070	11,944
Profit from operations	28,517	30,352	46,809	33,740
Finance costs	(5,641)	(4,227)	(10,895)	(7,833)
Share of profit of equity accounted associates	2,523	5,195	2,764	9,346
Profit before taxation	25,399	31,320	38,678	35,253
Tax expense	(6,915)	(5,274)	(11,060)	(6,542)
Profit after taxation	18,484	26,046	27,618	28,711
Other Comprehensive Income, net of Tax				
Foreign currency translation	(671)	2,745	350	2,927
Total Comprehensive Income for the Period	17,813	28,791	27,968	31,638

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2024 (UNAUDITED) (CONT'D)**

	Individual Period		Cumulative Period	
	Current Period Quarter Ended 30 June 2024 RM'000	Preceding Period Corresponding Quarter Ended 30 June 2023 RM'000	Current Period 30 June 2024 RM'000	Preceding Period 30 June 2023 RM'000
Profit after taxation attributable to:-				
- Equity holders of the parent	10,449	20,657	15,724	22,820
- Non-controlling interest	8,035	5,389	11,894	5,891
	<u>18,484</u>	<u>26,046</u>	<u>27,618</u>	<u>28,711</u>
Total Comprehensive Income attributable to: -				
- Equity holders of the parent	9,778	23,402	16,074	25,747
- Non-controlling interest	8,035	5,389	11,894	5,891
	<u>17,813</u>	<u>28,791</u>	<u>27,968</u>	<u>31,638</u>
Earnings per share (sen)				
- Basic	1.6	3.3	2.5	5.0
- Diluted	1.6	3.3	2.5	5.0

Notes:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.



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INTERIM FINANCIAL REPORT 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	UNAUDITED	AUDITED
	As at	As at
	30 June 2024	31 Dec 2023
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	82,702	81,868
Investment in associate	199,812	196,709
Right-of -use assets	40,008	42,420
Intangible assets	81,275	84,054
Investment properties	53,174	53,053
Deferred tax asset	162	653
Other financial asset	1,670	1,669
	<u>458,803</u>	<u>460,426</u>
Current Assets		
Inventories	35,840	35,004
Amount owing by contract customers	165,954	136,182
Trade receivables	116,509	102,013
Other receivables ,deposits and prepayment	33,831	50,658
Tax recoverable	2,396	3,634
Short-term investments - quoted shares	67,982	39,975
Short-term investments - unit trust funds	31	2,985
Fixed deposit with licensed banks	7,989	73,092
Cash and bank balances	115,684	94,724
	<u>546,216</u>	<u>538,267</u>
TOTAL ASSETS	<u>1,005,019</u>	<u>998,693</u>

Notes:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONT'D)

	UNAUDITED As at 30 June 2024 RM'000	AUDITED As at 31 Dec 2023 RM'000	Variance RM'000 %	
EQUITY AND LIABILITIES				
Equity				
Share capital	160,723	160,723	-	0%
Reserves	184,749	194,388	(9,639)	-5%
Shareholders' equity	345,472	355,111	(9,639)	-3%
Non-controlling interest	55,014	58,708	(3,694)	-6%
TOTAL EQUITY	400,486	413,819	(13,333)	-3%
Non-Current Liabilities				
Lease liabilities	16,720	16,013	707	4%
Term loans	165,363	185,020	(19,657)	-11%
Deferred taxation	1,424	1,974	(550)	-28%
Deferred Consideration Payable	11,137	10,130	1,007	0%
	194,644	213,137	(18,492)	-9%
Current Liabilities				
Payables	171,105	159,532	11,573	7%
Amount owing to contract customers	72,315	57,346	14,969	26%
Provision for taxation	17,812	18,896	(1,084)	-6%
Lease liabilities	7,265	10,061	(2,796)	-28%
Term loan	95,922	91,004	4,918	5%
Banker's acceptance	40,633	28,842	11,791	41%
Bank overdraft	4,837	6,056	(1,219)	-20%
Deferred Consideration Payable	-	-	-	-
	409,889	371,737	38,152	10%
TOTAL LIABILITIES	604,533	584,874	19,659	3%
TOTAL EQUITY AND LIABILITIES	1,005,019	998,693	6,326	1%
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.54	0.87		

Notes:

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024 (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 2024	160,723	(4,931)	(28,123)	840	226,603	355,112	58,708	413,820
Profit after taxation for the financial period	-	-	-	-	15,724	15,724	11,894	27,618
Other comprehensive income for the financial period, net of tax; - foreign exchange translation	-	-	-	350	-	350	-	350
Total comprehensive income for the financial period	-	-	-	350	15,724	16,074	11,894	27,968
Contribution by and distribution to owners of the Company								
Dividend paid					(25,714)	(25,714)		(25,714)
Dividend by the subsidiaries to non-controlling interests					-	-	(15,588)	(15,588)
	-	-	-	-	(25,714)	(25,714)	(15,588)	(41,302)
At 30 June 2024	160,723	(4,931)	(28,123)	1,190	216,613	345,472	55,014	400,486

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2024 (UNAUDITED) (CONT'D)

	← Attributable to equity holders of the parent →							
	← Non Distributable Reserves →				Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Merger Deficit RM'000	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 year	-	-	-	-	22,820	22,820	5,891	28,711
Other comprehensive income for the financial year, net of tax; - foreign exchange translation	-	-	-	2,927	-	2,927	-	2,927
Total comprehensive income for the financial year	-	-	-	2,927	22,820	25,747	5,891	31,638
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	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	4,006	4,006
Incorporation of a new subsidiary	-	-	-	-	-	-	26,745	26,745
Changes in ownership interest of subsidiaries that do not result in loss of control	-	-	-	-	371	371	4,721 (446)	4,721 (75)
	59,400	-	-	-	371	59,771	35,026	94,797
At 30 June 2023	160,723	(4,931)	(28,123)	1,321	200,284	329,274	49,037	378,311

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 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 30 JUNE 2024 (UNAUDITED)**

	Cumulative Period 30 June 2024 RM'000	Preceding Period 30 June 2023 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit before taxation	38,678	35,253
Adjustments:		
Amortisation of intangible assets	2,779	-
Depreciation of property and equipment	5,168	2,763
Depreciation of right-of-use assets	5,483	2,240
Gain on disposal of plant and equipment	(16)	(60)
Interest income	(1,718)	(151)
Income from short-term investments	(19)	(1)
Fair value gain on short-term investment	700	(6,424)
Interest expense - Others	8,735	6,498
Interest expense - Lease liabilities	611	198
Gain on disposal of investment properties	-	(503)
Gain on disposal of subsidiaries	-	(2,766)
Share of net profits of equity accounted associates	(2,764)	(9,346)
Changes in working capital	57,637	27,701
Inventories	(544)	(2,486)
Receivables	2,211	(13,297)
Amount due from/(to) contract customers	(14,803)	(28,993)
Payables	12,607	54,179
Cash used in operations	57,108	37,104
Interest received	1,718	151
Interest paid	(9,346)	(6,696)
Income tax paid	(10,965)	(5,446)
Net cash used in operating activities	38,515	25,113

Notes:

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 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 30 JUNE 2024 (UNAUDITED) (CONT'D)**

	Cumulative Period Ended 30 June 2024 RM'000	Preceding Period Ended 30 June 2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(6,221)	(6,871)
Additional investment in quoted shares	(40,186)	(16,734)
Acquisition of subsidiary, net of cash and cash equivalent	-	(21,568)
Acquisition of associate	(340)	(2,059)
Net cash outflow for acquire additional shares in subsidiary	-	(75)
Lease modification	579	-
Proceeds from disposal of:		
- investment properties	-	4,923
- property, plant and equipment	35	190
- short term investment - quoted shares	9,849	25,469
Income from short term investment	19	1
Disposal of a subsidiary, net of cash and cash equivalents disposed of	-	10,017
Net cash from investing activities	(36,265)	(6,707)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Addition in fixed deposit	(4,471)	(201)
Withdrawal of fixed deposit	-	902
Dividend paid to non-controlling interest	(15,588)	-
Dividend paid	(25,714)	-
Proceed from private placement	-	59,400
Repayment of lease liabilities	(5,466)	(1,948)
Repayment of term loans	(2,948)	(44,541)
Net drawdown of bills payable	-	41,121
Net cash used in financing activities	(54,187)	54,733
Effects of exchange rate changes on cash and cash equivalents	(15)	1,883
NET INCREASED IN CASH AND CASH EQUIVALENTS	(51,937)	73,139
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	158,135	24,693
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	106,183	99,715

Notes:

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 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 30 JUNE 2024 (UNAUDITED) (CONT'D)**

	Cumulative Current Period Ended 30 June 2024 RM'000	Preceding Period Ended 30 June 2023 RM'000
Cash and cash equivalents comprise of:		
Short-term investments	31	26
Fixed deposit with licensed banks	7,989	3,629
Cash and bank balances	115,684	103,782
Bank overdraft	(4,837)	(4,093)
	<u>118,867</u>	<u>103,344</u>
Less: Fixed deposits with maturity more than three months	(4,733)	-
Less: Cash & bank balance pledged to licensed banks	(4,696)	-
Less: Fixed deposits pledged to licensed banks	(3,255)	(3,629)
	<u>106,183</u>	<u>99,715</u>

Notes:

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 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 year ended 31 December 2023 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 year ended 31 December 2023 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 2024, as disclosed below:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)		Effective Date
Amendments to MFRS 16	Lease Liability in a Sale and Lease Back	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
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
Amendments to MFRS 9 and MFRS 7	Amendments to Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18	Presentation and Disclosure of Financial Instruments	1 January 2027
MFRS 19	Subsidiaries without Public Accountability; Disclosure	1 January 2027



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. Significant Accounting Policies (Cont'd)

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.

3. Comments about Seasonal or Cyclical Factors

The business operations of the Group are not significantly affected by seasonal or cyclical factors other than the retail / non-project sector which is affected by the festive years in Malaysia.

4. 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.

5. Changes in Estimates

There were no estimates announced during the current quarter.

6. 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.

7. Dividend Paid

An interim single-tier dividend of RM0.040 per ordinary share totalling RM25,387,735 in respect of the financial year ending 31 December 2024 was paid on 25 June 2024.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information

The Group	Design Manufacture and Retail Of Kitchen And Wardrobe Systems (Signature brand) RM'000	Design Manufacture and Retail Of Kitchen And Wardrobe Systems (Corten brand) RM'000	Interior fit-out works RM'000	Others RM'000	Eliminations RM'000	The Group RM'000
Result for 6 months Year ended 30 June 2024						
REVENUE:						
External revenue	102,910	117,770	133,128	41	-	353,849
Inter-segment revenue	17,015	420	913	50,733	(69,081)	-
Total revenue	119,925	118,190	134,041	50,774	(69,081)	353,849
RESULTS						
Segment results	5,422	27,505	17,790	45,696	(49,605)	46,808
Finance costs	(495)	(518)	(993)	(8,888)	-	(10,894)
Share of results in associates				2,764		2,764
Profit from ordinary activities before taxation	4,927	26,987	16,797	39,572	(49,605)	38,678
Income tax expense						(11,060)
Profit from ordinary activities after taxation						27,618
Non-controlling interest						(11,894)
Net profit attributable to equity holders of the Company						15,724



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8. Segmental Information (Cont'd)

The Group	Design Manufacture and Retail Of Kitchen And Wardrobe Systems (Signature brand) RM'000	Design Manufacture and Retail Of Kitchen And Wardrobe Systems (Corten brand) 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 June 2024						
REVENUE:						
External revenue	51,018	65,557	86,790	7	-	203,372
Inter-segment revenue	7,191	420	499	48,752	(56,862)	-
Total revenue	58,209	65,977	87,289	48,759	(56,862)	203,372
RESULTS						
Segment results	1,473	18,884	11,752	46,012	(49,605)	28,516
Finance costs	(261)	(236)	(520)	(4,623) 2,523	-	(5,640) 2,523
Profit from ordinary activities before taxation	1,212	18,648	11,232	43,912	(49,605)	25,399
Income tax expense						(6,915)
Profit from ordinary activities after taxation						18,484
Non-controlling interest						(8,035)
Net profit attributable to equity holders of the Company						10,449



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

	Design	Design	Interior fit-out works	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems (Signature brand) RM'000	Manufacture and Retail Of Kitchen And Wardrobe Systems (Corten brand) RM'000				
The Group Assets and Liabilities As at 30 June 2024						
OTHER INFORMATION						
Segment assets	288,242	229,061	166,219	538,993	(220,055)	1,002,460
Unallocated assets						2,559
						1,005,019
Segment liabilities	149,698	95,961	110,173	339,480	(110,015)	585,297
Unallocated liabilities						19,236
						604,533
The Group Assets and Liabilities As at 30 June 2023						
OTHER INFORMATION						
Segment assets	246,382	277,344	121,541	517,880	(204,630)	958,517
Unallocated assets						2,966
						961,483
Segment liabilities	109,489	132,478	89,188	332,488	(96,826)	566,817
Unallocated liabilities						16,355
						583,172

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9. 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.

10. Intangible assets

Intangible assets, other than goodwill and licenses, that are acquired by the Group and the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

	Individual Period		Cumulative Period	
	Current Period Quarter Ended 30 June 2024 RM'000	Preceding Period Corresponding Quarter Ended 30 June 2023 RM'000	Current Period 30 June 2024 RM'000	Preceding Period Corresponding 30 June 2023 RM'000
Cost				
- Customer contracts	4,979	-	4,979	-
- Goodwill	45,475	-	45,475	-
- Trade name	33,600	-	33,600	-
	<u>84,054</u>	<u>-</u>	<u>84,054</u>	<u>-</u>
Accumulated amortisation				
- Customer contracts	2,779	-	2,779	-
- Goodwill	-	-	-	-
- Trade name	-	-	-	-
	<u>2,779</u>	<u>-</u>	<u>2,779</u>	<u>-</u>
Carrying amount				
- Customer contracts	2,200	-	2,200	-
- Goodwill	45,475	-	45,475	-
- Trade name	33,600	-	33,600	-
	<u>81,275</u>	<u>-</u>	<u>81,275</u>	<u>-</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

11. Profit before taxation

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

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 June 2024 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2023 RM'000	Current Year 30 June 2024 RM'000	Preceding Year 30 June 2023 RM'000
Profit before taxation is arrived at after charging :-				
Interest expense - Others	4,532	3,437	8,735	6,498
Interest expense - Lease liabilities	290	(167)	611	198
Amortisation of intangible assets	2,779	-	2,779	-
Depreciation and amortisation				
- Property & equipment	2,643	1,721	5,168	2,763
- Right-of -use assets	2,841	1,629	5,483	2,240
Loss/(gain) on disposal of plant and equipment	(16)	(6)	(16)	(60)
(Gain)/Loss on foreign exchange - unrealised	(558)	2,724	(555)	2,624
Loss/(Gain) on foreign exchange - realised	466	(458)	975	(557)
Loss on disposal of subsidiaries	-	(2,766)	-	(2,766)
Interest Income	(827)	(151)	(1,718)	(151)
Income from short term investment	(6)	(5)	(19)	(1)
Rental Income	(452)	(194)	(772)	(452)
Fair value loss/(gain) on short term investment	552	(4,991)	700	(6,424)
Gain on disposal of Investment properties	-	(503)	-	(503)

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

There were no material events subsequent to the end of the interim financial results for the quarter ended 30 June 2024.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

13. Changes in the Composition of the Group

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

14. Changes in Contingent Assets or Contingent Liabilities

As at 30 June 2024, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries are as follows: -

	Company	
	Current Period As At 30 June 2024 RM'000	Preceding Period As At 31 Mar 2024 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	46,313	39,909
	<u>46,313</u>	<u>39,909</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 June 2024 RM'000	Preceding Period As At 31 Mar 2024 RM'000
Approved and contracted for:-		
Purchase of property and equipment	<u>527</u>	<u>527</u>
	<u>527</u>	<u>527</u>
Contracted but not provided for		
Purchase of investment properties	<u>1,234</u>	<u>1,234</u>
Total capital commitments	<u>1,761</u>	<u>1,761</u>

16. Related party transactions

Our Group's transactions with companies in which our directors or substantial shareholders have an interest in for the current quarter ended 30 June 2024 were as follows: -

Transaction with companies in which the Directors or substantial shareholders have financial interest:	Unaudited RM'000
- Sales of goods	240
- Purchase of goods	713
- Construction and interior fit-out work	501
- Rental paid/payables	626
- Dividend declared and paid	<u>325</u>



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

17. Review of Performance

- Current Quarter 3 months ended 30 June 2024

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

	Individual Period	
	Current Period Quarter Ended 30 June 2024 RM'000	Preceding Period Corresponding Quarter Ended 30 June 2023 RM'000
Revenue (External revenue)		
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Signature brand	51,018	32,175
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Corten brand	65,557	79,702
Manufacture of Glass and Aluminium Products	-	14,393
Interior fit-out works	86,790	51,241
Others	7	47
	203,372	177,558
Profit Before Taxation		
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Signature brand	1,212	2,060
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Corten brand	18,648	20,374
Manufacture of Glass and Aluminium Products	-	(1,785)
Interior fit-out works	11,232	2,874
Others	43,912	6,094
Eliminations	(49,605)	1,703
	25,399	31,320

The Group recorded a revenue of RM203.4 million in the current quarter under review. The revenue for the current quarter is mainly contributed from Interior fit-out works segment, followed by Kitchen and Wardrobe systems segment - Corten brand and Kitchen and Wardrobe systems segment – Signature brand.

The Group reported profit before taxation of RM28.2 million for the current quarter under review. Lower profit before taxation is mainly due to lower share of profit of associates in current quarter under review.



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17. Review of Performance (Cont'd)

- Current Quarter 3 months ended 30 June 2024

Kitchen and Wardrobe Systems – Signature brand

This segment recorded a revenue of RM51.0 million in the current quarter under review. This is mainly derived from project revenue.

This segment reported profit before taxation of RM1.2 million in the current quarter. This is mainly due to higher profit margin from project revenue.

Kitchen and Wardrobe Systems – Corten brand

This segment recorded a revenue of RM65.6 million in the current quarter under review. This is mainly derived from project revenue.

This segment reported profit before taxation of RM18.7 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 RM86.8 million and profit before tax of RM11.2 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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17. Review of Performance
- Current Quarter 6 months ended 30 June 2024

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

	Cumulative Period	
	Current Period 30 June 2024 RM'000	Preceding Period 30 June 2023 RM'000
Revenue (External revenue)		
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Signature brand	102,910	57,798
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Corten brand	117,770	79,702
Manufacture of Glass and Aluminium Products	-	32,734
Interior fit-out works	133,128	95,802
Others	41	81
	353,849	266,117
Profit Before Taxation		
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Signature brand	4,927	3,525
Design, Manufacture and Retail of Kitchen and Wardrobe Systems - Corten brand	26,987	20,374
Manufacture of Glass and Aluminium Products	-	(3,051)
Interior fit-out works	16,797	5,085
Others	39,572	7,824
Eliminations	(49,605)	1,496
	38,678	35,253

The Group recorded a revenue of RM353.9 million in the current period to date. The revenue for the current period to date is mainly contributed from Interior fit-out works segment, followed by Kitchen and Wardrobe systems segment - Corten brand and Kitchen and Wardrobe systems segment - Signature brand.

The Group reported profit before taxation of RM41.5 million in the current period to-date mainly due to more projects initiated in the interior fit-out works segment and increased profit margin from projects.



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17. Review of Performance

- Current Quarter 6 months ended 30 June 2024

Kitchen and Wardrobe Systems – Signature brand

This segment recorded a revenue of RM102.9 million in the current period to-date. This is mainly derived from project revenue.

This segment reported profit before taxation of RM4.9 million in the current period to-date. This is mainly due to higher profit margin from project revenue.

Kitchen and Wardrobe Systems – Corten brand

This segment recorded a revenue of RM117.8 million in the current period to-date. This is mainly derived from project revenue.

This segment reported profit before taxation of RM27.0 million in the current period to-date. 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 RM133.1 million and profit before tax of RM16.8 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 loss on investment of quoted shares. There is dividend income received from subsidiaries.



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18. Commentary on Prospects and Target

We acknowledge the critical importance of enhancing profitability to sustain the Group's financial growth. Therefore, we are dedicated to improving our gross profit margin by expanding our revenue streams, reducing production costs, and increasing production efficiency through the adoption of advanced technology.

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 June 2024, the Group order book stood at RM164 million for Kitchen and Wardrobe System (Signature brand), RM569 million for Kitchen and Wardrobe System (Corten brand), and RM422 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.

19. 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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20. Taxation

	Individual Period		Cumulative Period	
	Current Period Quarter Ended 30 June 2024 RM'000	Preceding Period Corresponding Quarter Ended 30 June 2023 RM'000	Current Period 30 June 2024 RM'000	Preceding Period 30 Jun 2023 RM'000
Current Tax Expense - Current Period	6,915	5,274	9,715	6,542
Total Income Tax Expense	6,915	5,274	9,715	6,542

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.

21. Status of Corporate Proposals

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



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22. Derivative financial instruments

As at 30 June 2024, 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 June 2024 RM'000	As at 31 Dec 2023 RM'000
Trade Receivables	130,612	117,032
Less: Allowance for Impairment	<u>(14,103)</u>	<u>(15,019)</u>
	<u>116,509</u>	<u>102,013</u>

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
Not past due	76,513	-	76,513
Past due:			
- less than 3 months	4,164	-	4,164
- 3 to 6 months	10,886	-	10,886
- over 6 months	39,049	(14,103)	24,946
	<u>130,612</u>	<u>(14,103)</u>	<u>116,509</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 June 2024	As at 31 Dec 2023
Non-current Secured	RM'000	RM'000
Revolving credit	30,000	30,000
Term loans	135,363	155,020
	<u>165,363</u>	<u>185,020</u>
Current Secured		
Bank overdraft	4,837	6,056
Bankers' acceptance	40,633	28,842
Revolving credit	53,000	48,000
Term loans	42,922	43,004
	<u>141,392</u>	<u>125,902</u>
	<u>306,755</u>	<u>310,922</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
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
BASIC EARNINGS PER SHARE				
Profit for the year attributable to ordinary equity holders of the Company	10,449	20,657	15,724	22,820
Weighted average number of ordinary shares in issue ('000)	634,693	629,291	634,693	457,821
Basic Earnings per Share (sen)	<u>1.6</u>	<u>3.3</u>	<u>2.5</u>	<u>5.0</u>

(ii) Diluted EPS

	Individual Period		Cumulative Period	
	Current Period	Preceding Period	Current	Preceding
	Quarter Ended	Corresponding Quarter Ended	Period	Period
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
DILUTED EARNINGS PER SHARE				
Profit for the year attributable to ordinary equity holders of the Company	10,449	20,657	15,724	22,820
Weighted average number of ordinary shares for diluted earnings per share ('000)	634,693	629,291	634,693	457,821
Diluted Earnings per Share (sen)	<u>1.6</u>	<u>3.3</u>	<u>2.5</u>	<u>5.0</u>

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 year ended 31 December 2023 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 26 August 2024.