



Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia with limited liability under the Companies Act 1965)

INTERIM FINANCIAL REPORT 31 DEC 2011

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 year ended 31 Dec 2011.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DEC 2011

	Note	Individual Period		Cumulative Period	
		Current Quarter Ended 31 Dec 2011 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2010 RM'000	Current Period Ended 31 Dec 2011 RM'000	Preceding Period Ended 31 Dec 2010 RM'000
Revenue		31,929	31,061	50,655	61,768
Operating expenses		(28,301)	(26,189)	(45,978)	(51,852)
Other operating income		287	280	848	553
Profit / (loss) from operations		3,915	5,152	5,525	10,469
Finance costs		(394)	(535)	(743)	(852)
Profit / (loss) before taxation	9	3,521	4,617	4,782	9,617
Tax expense		(964)	(1,162)	(1,279)	(2,461)
Profit / (loss) after taxation		2,557	3,455	3,503	7,156
Other Comprehensive Income, Net of Tax					
Foreign currency translation		3	(97)	1	(91)
Total Comprehensive Income for the period		2,560	3,358	3,504	7,065

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 Jun 2011 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DEC 2011 (CONT'D)

Note	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2011 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2010 RM'000	Current Period Ended 31 Dec 2011 RM'000	Preceding Period Ended 31 Dec 2010 RM'000
Profit after tax attributable to:-				
- Equity holders of the parent	2,389	3,339	3,507	6,957
- Non-controlling interest	168	116	(4)	199
	<u>2,557</u>	<u>3,455</u>	<u>3,503</u>	<u>7,156</u>
Total Comprehensive Income attributable to: -				
- Equity holders of the parent	2,392	3,242	3,508	6,866
- Non-controlling interest	168	116	(4)	199
	<u>2,560</u>	<u>3,358</u>	<u>3,504</u>	<u>7,065</u>
Earnings per share (sen)				
- Basic	<u>2.0</u>	<u>2.8</u>	<u>2.9</u>	<u>5.8</u>
- Diluted	Not applicable	Not applicable	Not applicable	Not applicable

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 Jun 2011 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DEC 2011

	UNAUDITED As at 31 Dec 2011 RM'000	AUDITED As at 30 Jun 2011 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	39,847	25,146
Investment properties	15,373	14,956
Long term receivables	4,344	3,715
	<u>59,564</u>	<u>43,817</u>
Current Assets		
Inventories	9,615	10,258
Amount owing by contract customers	-	2,803
Receivables - net of deposits received	39,329	46,566
Tax recoverable	2,427	2,871
Short-term investments	22,516	12,493
Fixed deposit with licensed banks	166	166
Cash and bank balances	26,168	21,042
	<u>100,221</u>	<u>96,199</u>
TOTAL ASSETS	<u>159,785</u>	<u>140,016</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 Jun 2011 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DEC 2011 (CONT'D)

	UNAUDITED As at 31 Dec 2011 RM'000	AUDITED As at 30 Jun 2011 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Reserves	36,076	32,567
Shareholders' equity	96,076	92,567
Non-controlling interest	1,457	1,461
TOTAL EQUITY	97,533	94,028
Non-Current Liabilities		
Hire purchase payables	619	721
Term loans	19,864	9,166
Deferred taxation	456	456
	20,939	10,343
Current Liabilities		
Payables	20,017	18,971
Amount owing to contract customers	18,885	15,161
Provision for taxation	18	269
Hire purchase payables	330	309
Term loan	2,063	935
	41,313	35,645
TOTAL LIABILITIES	62,252	45,988
TOTAL EQUITY AND LIABILITIES	159,785	140,016
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.80	0.77

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 Jun 2011 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DEC 2011

	← Attributable to equity holders of the parent →						Total RM'000	Non- controlling interest RM'000	Total Equity RM'000
	Non Distributable Reserves			Distributable					
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000			
Balance as at 1 Jul 2011									
Balance b/f	60,000	-	1,309	(28,567)	(281)	60,106	92,567	1,461	94,028
Total Comprehensive Income for the period	-	-	-	-	1	3,508	3,509	(4)	3,505
Balance as at 31 Dec 2011	60,000	-	1,309	(28,567)	(280)	63,614	96,076	1,457	97,533
Balance as at 1 Jul 2010									
As previously reported	40,000	11,582	1,309	(28,567)	(35)	67,663	91,952	1,192	93,144
Effects of adopting FRS 139	-	-	-	-	-	(1,036)	(1,036)	-	(1,036)
As restated balance	40,000	11,582	1,309	(28,567)	(35)	66,627	90,916	1,192	92,108
Total Comprehensive Income for the period	-	-	-	-	6	3,618	3,624	83	3,707
Bonus Issue	20,000	(11,582)	-	-	-	(8,418)	-	-	-
Balance as at 31 Dec 2010	60,000	-	1,309	(28,567)	(29)	61,827	94,540	1,275	95,815

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 Jun 2011 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DEC 2011

	Financial Period Ended 31 Dec 2011 RM'000	Preceding Period Ended 31 Dec 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,782	9,617
Adjustments:		
Amortisation and depreciation	1,185	1,160
Loss / (Gain) on disposal of property, plant and equipment	1	(42)
Provision for doubtful debts	1,000	-
Interest income	(241)	(214)
Interest expense	473	249
Changes in working capital	7,200	10,770
Inventories	643	(207)
Receivables	5,608	(3,194)
Amount owing by contract customers	6,527	11,142
Payables	1,046	(10,569)
Cash generated from operations	21,024	7,942
Interest received	241	214
Interest paid	(473)	(249)
Tax paid	(1,086)	(3,170)
Net cash inflow from operating activities	19,706	4,737
CASH FLOWS FROM / (USED) IN INVESTING ACTIVITIES		
Additions of property, plant and equipment and prepaid lease rentals	(1,936)	(895)
Additional Purchase / works on investment properties	(152)	(3)
Proceeds from disposal of investment properties	370	2,400
Proceeds from disposal of property, plant and equipment	50	72
Purchase of short term investments	(10,023)	(9,228)
Net cash from / (used) in investing activities	(11,691)	(7,654)
CASH FLOWS FROM / (USED) IN FINANCING ACTIVITIES		
Hire purchase	(81)	(246)
Borrowings	(2,809)	1,876
Net cash from / (used) in financing activities	(2,890)	1,630



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DEC 2011 (CONT'D)

	Financial Period Ended 31 Dec 2011 RM'000	Preceding Period Ended 31 Dec 2010 RM'000
Net cash from / (used) in financing activities - Brought forward	(2,890)	1,630
Effects of exchange rate changes on cash and cash equivalents	1	(91)
NET DECREASED IN CASH AND CASH EQUIVALENTS	5,126	(1,378)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>21,208</u>	<u>17,855</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>26,334</u>	<u>16,477</u>
Cash and cash equivalents comprise:		
Deposits with licensed banks	166	163
Cash and bank balances	<u>26,168</u>	<u>16,314</u>
	<u>26,334</u>	<u>16,477</u>



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134 . Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 Jun 2011 and the accompanying explanatory notes attached to the interim financial report.

The preparation of an interim financial report in conformity with FRS 134 . Interim Financial Reporting, requires management and the Directors to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group. The interim consolidated financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with FRSs.

2. Summary of significant accounting policies

The significant accounting policies adopted are consistent with the audited financial statements for the financial year ended 30 Jun 2011.

3. Comments about Seasonal or Cyclical Factors

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

4. Unusual Items due to their nature, size or incidence

There were no items of a material and unusual nature which would substantially affect the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

5. Changes in Estimates

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

6. Changes in Debt and Equity Securities

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



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7. Dividend Paid

No dividends were paid during the quarter under review.

8. Segmental Information

	Design Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products	Others	Eliminations	The Group
The Group	RM000	RM000	RM000	RM000	RM000	RM000
Result for 3 months Quarter ended 31 Dec 2011						
REVENUE:						
External revenue	26,791	1,304	3,834	-	-	31,929
Inter-segment revenue	8,149	770	364	410	(9,693)	0
Total revenue	34,940	2,074	4,198	410	(9,693)	31,929
RESULTS						
Segment results	3,778	(60)	355	(158)	0	3,915
Finance costs	(368)	(15)	(11)	(0)	-	(394)
Profit / (loss) from ordinary activities before taxation	3,410	(75)	344	(158)	0	3,521
Income tax expense						(964)
Profit / (loss) from ordinary activities after taxation						2,557
Non-controlling interest						(168)
Net profit / (loss) attributable to equity holders of the Company						2,389



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8. Segmental Information (Cont'd)

The Group	Design Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	Marketing and Distribution Of White Goods RM'000	Manufacture Of Glass and Aluminium Products RM'000	Others RM'000	Eliminations RM'000	The Group RM'000
Result for 3 months Quarter ended 31 Dec 2010						
REVENUE:						
External revenue	27,061	1,453	2,547	-	-	31,061
Inter-segment revenue	7,870	2,982	1,413	412	(12,677)	-
Total revenue	34,931	4,435	3,960	412	(12,677)	31,061
RESULTS						
Segment results	3,672	1,326	361	(207)	-	5,152
Finance costs	(502)	(25)	(8)	-	-	(535)
Profit from ordinary activities before taxation	3,171	1,301	352	(207)	-	4,617
Income tax expense						(1,162)
Profit from ordinary activities after taxation						3,455
Non-controlling interest						(116)
Net profit attributable to equity holders of the Company						3,339



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8. Segmental Information (Cont'd)

The Group	Design					Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products	Others			
	RM000	RM000	RM000	RM000	RM000	RM000	RM000
Result for 6 months Quarter ended 31 Dec 2011							
REVENUE:							
External revenue	43,406	2,303	4,946	-	-	-	50,655
Inter-segment revenue	14,320	2,086	896	812	(18,114)		0
Total revenue	57,726	4,389	5,842	812	(18,114)		50,655
RESULTS							
Segment results	5,411	336	102	(324)	0		5,525
Finance costs	(707)	(19)	(17)	(0)	-		(743)
Profit from ordinary activities before taxation	4,704	317	85	(324)	0		4,782
Income tax expense							(1,279)
Profit from ordinary activities after taxation							3,503
Non-controlling interest							4
Net profit attributable to equity holders of the Company							3,507



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8. Segmental Information (Cont'd)

The Group	Design Manufacture and Retail Of Kitchen And Wardrobe Systems RM000	Marketing and Distribution Of White Goods RM000	Manufacture Of Glass and Aluminium Products RM000	Others RM000	Eliminations RM000	The Group RM000
Result for 6 months Quarter ended 31 Dec 2010						
REVENUE:						
External revenue	53,538	2,144	6,086	-	-	61,768
Inter-segment revenue	15,433	4,868	1,838	815	(22,954)	-
Total revenue	68,971	7,012	7,924	815	(22,954)	61,768
RESULTS						
Segment results	8,540	1,650	637	(358)	-	10,469
Finance costs	(805)	(31)	(16)	-	-	(852)
Profit from ordinary activities before taxation	7,735	1,619	621	(358)	-	9,617
Income tax expense						(2,461)
Profit from ordinary activities after taxation						7,156
Non-controlling interest						(199)
Net profit attributable to equity holders of the Company						6,957



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8. Segmental Information (Cont'd)

	Design					Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products	Others			
The Group	RM000	RM000	RM000	RM000	RM000	RM000	RM000
Assets and Liabilities							
As at 31 Dec 2011							
OTHER INFORMATION							
Segment assets	140,063	7,301	12,049	66,469	(68,524)		157,358
Unallocated assets							2,427
							<u>159,785</u>
Segment liabilities	90,727	1,339	8,481	5,357	(44,126)		61,778
Unallocated liabilities							474
							<u>62,252</u>
Assets and Liabilities							
As at 30 Jun 2011							
OTHER INFORMATION							
Segment assets	127,684	6,646	11,676	65,178	(74,039)		137,145
Unallocated assets							2,871
							<u>140,016</u>
Segment liabilities	82,063	1,125	7,933	3,697	(49,555)		45,263
Unallocated liabilities							725
							<u>45,988</u>



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9. Profit / (Loss) before taxation

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

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2011 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2010 RM'000	Current Quarter Ended 31 Dec 2011 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2010 RM'000
Profit / (Loss) before taxation is arrived at after charging :-				
Interest expense	227	(68)	473	249
Depreciation and amortisation	598	589	1,185	1,160
Impairment of assests	N/A	N/A	N/A	N/A
Provision for and write off of receivables	1,000	N/A	1,000	N/A
Provision for and write off of Inventories	N/A	N/A	N/A	N/A
Loss on disposal of quoted or unquoted Investments or properties	N/A	N/A	N/A	N/A
Loss on foreign exchange	26	(11)	26	68
Exceptional items	N/A	N/A	N/A	N/A

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

Interest Income	133	162	241	214
Other Income including Investment Income	N/A	N/A	N/A	N/A
Gain on disposal of quoted or unquoted Investments or properties	N/A	N/A	N/A	N/A
Gain on foreign exchange	19	4	387	53
Gain on derivatives; and	N/A	N/A	N/A	N/A
Exceptional items	N/A	N/A	N/A	N/A

10. Material Events Subsequent to the end of the interim period

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



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

11. Changes in the Composition of the Group

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

12. Changes in Contingent Assets or Contingent Liabilities

As at 31 Dec 2011, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows:-

	Current Period Ended 31 Dec 2011 RM'000	Preceding Period Ended 31 Dec 2010 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	<u>12,653</u>	<u>6,714</u>

13. Capital Commitments

Capital commitments for the purchase of property, plant and equipment and investment properties not provided for in the interim financial statements as at the balance sheet date were as follows:

	Current Period Ended 31 Dec 2011 RM'000	Preceding Period Ended 31 Dec 2010 RM'000
Approved and contracted for:-		
Investment Properties	<u>1,328</u>	<u>2,013</u>
Total capital commitments	<u>1,328</u>	<u>2,013</u>



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14. Material Related Party Transactions

Details of the relationship between the Group and its related parties are as described below. The related party transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to the third parties, dealt at arm's length with the Group.

Name of Company

Principal Activities

Duamas Consolidated Sdn Bhd (Duamas)

Interior Fit Out Contractor

Heart Base Sdn Bhd

Retail of kitchen and wardrobe systems

HSB Development Sdn Bhd

Property Development

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2011 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2010 RM'000	Current Period Ended 31 Dec 2011 RM'000	Preceding Period Ended 31 Dec 2010 RM'000
Heart Base Sdn Bhd				
Sale of kitchen and wardrobe systems	-	15	90	102
Duamas				
Project claims for Kitchen Systems, Wardrobe Systems and Interior Fit-Out Services	-	1,132	32	1,940
HSB Development Sdn Bhd				
Project claims for Kitchen Systems, Wardrobe Systems and Interior Fit-Out Services	-	1,879	-	4,423



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

15. Review of Performance

– Current Quarter 3 months ended 31 Dec 2011

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

	Individual Period		Cumulative Period	
	Current Quarter Ended	Preceding Period Corresponding Quarter Ended	Current Period Ended	Preceding Period Ended
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Revenue	31,929	31,061	50,655	61,768
Profit before taxation	3,521	4,617	4,782	9,617

In the current quarter, the Group revenue was RM31.9million as compared to the preceding year corresponding quarter of RM31.1million. The 2.8% or RM0.9million increased in revenue is mainly due to higher contribution from the Glass and Aluminium sector. 83.9% of the Group revenue was derived from the Kitchen and Wardrobe segment with White Goods segment contributing 4.1% while Glass and Aluminium contributed 12%.

The Group profit before tax for current quarter was RM3.5million as compared to the preceding year corresponding quarter of RM4.6million. The decreased of 23.7% or RM1.1million in profit before tax arises mainly from the White Goods segment where lower sales volume and gross profit margin was recorded in the quarter and provision for doubtful debts taken up.

Kitchen and Wardrobe Systems

The Kitchen and Wardrobe segment recorded similar revenue for the current and preceding quarter at RM34.9million.

The profit before tax for Kitchen and Wardrobe segment was RM3.4million as compared to preceding year corresponding quarter of RM3.2million. Despite the overall increase in the gross profit margin from this segment of the business, the profit before tax has only increased marginally by 7.5% or RM0.2million due to the provision of doubtful debts of RM1million.



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15. Review of Performance (Cont'd)

– Current Quarter 3 months ended 31 Dec 2011

White Goods and Built-in Kitchen Appliances

The White Goods and Built-in Kitchen Appliances segment recorded revenue for the current quarter of RM2.1million as compared with preceding year corresponding quarter of RM4.4million. The drop of RM2.4million in revenue is mainly due to lower sales contribution from project segment.

The profit before tax for White Goods and Built-in Kitchen Appliances was in tandem with the drop in revenue where lower profit is recorded compared to preceding year corresponding quarter.

Glass and Aluminium Product

The Glass and Aluminium Product segment recorded revenue of RM4.2 million for the current quarter as compared to the preceding year corresponding quarter of RM4.0million. The 6.0% or RM0.2million increased in revenue was mainly due to higher contribution from the project segment of this product range.

Despite the increased in revenue, the profit before tax for Glass and Aluminum Products recorded decreased by 2.3% from RM0.35million in the preceding year corresponding quarter to RM0.34million in the current quarter. The marginal drop in profit before tax is due to projects recognized in the quarter has lower gross profit margin as compared to projects from last year.

Others Segment

The Other Segment inclusive of Investment Holding Company and Dormant Companies. The main source of revenue for the reporting quarter represents Management fee charged by the Holding Company which was eliminated at the Group level.

Loss before tax has reduced for the reporting quarter as a result of lower expenditures incurred compared to preceding year correspondence quarter.



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15. Review of Performance (Cont'd)

– Cumulative period to-date 6 months ended 31 Dec 2011

In the current year to-date, the Group recorded revenue of RM50.7million as compared to the preceding year corresponding period of RM61.8million. The 18.0% or RM11.1million decrease in revenue was mainly due to lower contribution from the 3 major segment of the business, namely Kitchen and Wardrobe Systems, White Goods and Glass and Aluminium products.

The Group profit before tax for current year to-date was RM4.8million as compared to the preceding year corresponding period of RM9.6million. The decreased of 50.3% or RM4.8million in profit before tax arose from the overall drop in the sales volume for the 3 major products and a provision of doubtful debts of RM1million was made in the period. There was also an increase in operating expenses for the period where there was a significant increase in the advertisement and promotional costs for the Kitchen and White Goods segment to promote brand awareness and create publicity as part of the Group marketing activities.

Kitchen and Wardrobe Systems

The Kitchen and Wardrobe segment recorded revenue for the year to-date of RM57.7million as compared to the preceding year corresponding period of RM69.0million. The 16.3% or RM11.2million decrease in revenue was mainly due to lower progressive billing being recognized for the project segment.

The profit before tax for Kitchen and Wardrobe segment was RM4.7million as compared with preceding year corresponding period of RM7.7million. The decreased in profit before tax was due to lower sales contribution from the Project as well as the RM1million provision for doubtful debts. In addition, there was higher advertisement and promotional costs incurred due to the aggressive marketing activities undertaken during the period to promote the retail segment of the business.

White Goods and Built-in Kitchen Appliances

The White Goods and Built-in Kitchen Appliances segment recorded revenue for the year to-date was RM4.4million as compared to the preceding year corresponding period of RM7.0million. The drop of 37.1% or RM2.6million in revenue was mainly due to lower sales contribution from the project segment.

The profit before tax for White Goods and Built-in Kitchen Appliances segment was RM0.3million as compared to the preceding year corresponding period of RM1.6million. The decreased in profit before tax was due to lower sales contribution from the Project segment as well as the drop in the gross profit margin compared to preceding year.



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15. Review of Performance (Cont'd)

– Cumulative period to-date 6 months ended 31 Dec 2011

Glass and Aluminium Product

The Glass and Aluminium Product segment recorded revenue for the year to-date was RM5.8million as compared to the preceding year corresponding quarter of RM7.9million. The 26.6% or RM2.1million decreased in revenue is mainly due to slower progressive billing from the project segment.

The profit before tax for the current period is at RM0.08million compared to RM0.6million, a reduction by RM0.5million or 86.3%. The drop in the profit before tax is mainly due to the lower sales contribution from the project segment and the lower gross profit margin for the project sales taken up in the period.

Others Segment

The Other Segment inclusive of Investment Holding Company and Dormant Companies. The main source of revenue for the reporting period represents Management fee charged by the Holding Company which was eliminated at the Group level.

Loss before tax for Other Segment has reduced for the reporting period as a result of lower expenditures incurred compared to preceding year correspondence period.

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

	Individual Period	
	Current Quarter Ended 31 Dec 2011 RM'000	Preceding Quarter Ended 30 Sep 2011 RM'000
Revenue	31,929	18,726
Profit before taxation	3,521	1,261



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16. Material change in Profit before tax of Current Quarter compared with Preceding Quarter (Cont'd)

The Group revenue recorded revenue for the current quarter was RM31.9million as compared with preceding quarter of RM18.7million. The 70.6% or RM13.2million increased in revenue was mainly due to higher contribution from project segment.

The profit before tax for the Group was RM3.5million as compared with preceding quarter of RM1.3million. The RM2.2million increased in profit before tax was due to higher contribution from the Project segment compared to preceding quarter. The significant change was mainly due to higher progressive billing for the project segment as compared to immediate preceding quarter.

17. Current Year Prospects

Barring any unforeseen changes in the global economic climate and market conditions, the Board of Directors is optimistic that the Group's future performance will remain positive. The Board of Directors believe that the Group is well position for further growth as many initiatives for expansion plan are progressively rolled out by the management.

18. Variance between Actual Results and Forecast Results

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

19. Taxation

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2011 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2010 RM'000	Current Period Ended 31 Dec 2011 RM'000	Preceding Period Ended 31 Dec 2010 RM'000
Current Tax Expense				
- Current Year	964	1,162	1,279	2,461
- Deferred Tax	-	-	-	-
Total Income Tax Expense	964	1,162	1,279	2,461

The Group's effective tax rate for the current quarter is consistent with the statutory tax rate.

20. Status of Corporate Proposals

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



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21. Borrowings and Debt Securities

The Group's borrowings as follows:

	Cumulative Period	
	Current Period Ended 31 Dec 2011 RM'000	Preceding Period Ended 31 Dec 2010 RM'000
Term Loan (Secured) :-		
Current	2,063	935
Non Current	19,864	9,166
Total Bank Borrowing	21,927	10,101

22. Material Litigation

At the date of this interim financial report, there are no material litigations against the Group.

23. Proposed Dividend

The Board recommends a final dividend (net) of 2 sen per ordinary share amounting to RM2.4million for the financial year ended 30 June 2011.

The final dividend recommended by the Board is approved by the shareholders at the Fifth Annual General Meeting held on 15 December 2011 and were distributed to the shareholders on 9 January 2012.

24. Earnings per Share

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2011 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2010 RM'000	Current Period Ended 31 Dec 2011 RM'000	Preceding Period Ended 31 Dec 2010 RM'000
BASIC EARNINGS PER SHARE				
Profit / (loss) for the year attributable to ordinary equity holders of the Company	2,389	3,339	3,507	6,957
Weighted average number of ordinary shares in issue ('000)	120,000	120,000	120,000	120,000
Basic Earnings per Share (sen)	2.0	2.8	2.9	5.8



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24. Earnings per Share (Cont'd)

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the quarter ended 31 Dec 2011.

25. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 Dec 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 31 Dec 2011 RM'000
Total retained profits/ (accumulated losses) of Signature International Berhad and its subsidiaries:	
- Realised	53,658
- Unrealised	3,637
	<hr/>
	57,295
Consolidation adjustments	6,319
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	63,614
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26. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 30 Jun 2011 were not subject to any qualification.

27. Authorisation for issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board on 27 Feb 2012.