

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

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MAR 2012

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 Mar 2012.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MAR 2012**

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Mar 2012 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2011 RM'000	Current Period Ended 31 Mar 2012 RM'000	Preceding Period Ended 31 Mar 2011 RM'000
Revenue	28,259	29,428	78,914	91,196
Operating expenses	(23,645)	(26,941)	(69,623)	(78,792)
Other operating income	1,732	1,466	2,580	2,017
Profit / (loss) from operations	6,346	3,953	11,871	14,421
Finance costs	(377)	(512)	(1,120)	(1,363)
Profit / (loss) before taxation	5,969	3,441	10,751	13,058
Tax expense	(1,699)	(863)	(2,978)	(3,324)
Profit / (loss) after taxation	4,270	2,578	7,773	9,734
Other Comprehensive Income, Net of Tax				
Foreign currency translation	(14)	(26)	13	(61)
Total Comprehensive Income for the period	4,256	2,552	7,786	9,673

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.



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MAR 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MAR 2012 (CONT'D)

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Mar 2012 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2011 RM'000	Current Period Ended 31 Mar 2012 RM'000	Preceding Period Ended 31 Mar 2011 RM'000
Profit after tax attributable to:-				
- Equity holders of the parent	3,802	2,125	7,309	9,082
- Non-controlling interest	468	453	464	652
	<u>4,270</u>	<u>2,578</u>	<u>7,773</u>	<u>9,734</u>
Total Comprehensive Income attributable to: -				
- Equity holders of the parent	3,788	2,099	7,322	9,021
- Non-controlling interest	468	453	464	652
	<u>4,256</u>	<u>2,552</u>	<u>7,786</u>	<u>9,673</u>
Earnings per share (sen)				
- Basic	<u>3.2</u>	<u>1.8</u>	<u>6.1</u>	<u>7.6</u>
- Diluted	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>

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.



Signature International Berhad

(Company No: 754118-K)

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INTERIM FINANCIAL REPORT 31 MAR 2012

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAR 2012

	UNAUDITED As at 31 Mar 2012 RM'000	AUDITED As at 30 Jun 2011 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	39,406	25,146
Investment properties	14,592	14,956
Long term receivables	4,268	3,715
	<u>58,266</u>	<u>43,817</u>
Current Assets		
Inventories	10,545	10,258
Amount owing by contract customers	393	2,803
Receivables - net of deposits received	35,138	46,566
Tax recoverable	2,259	2,871
Short-term investments	27,114	12,493
Fixed deposit with licensed banks	-	166
Cash and bank balances	17,390	21,042
	<u>92,839</u>	<u>96,199</u>
TOTAL ASSETS	<u>151,105</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.



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MAR 2012

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAR 2012 (CONT'D)

	UNAUDITED As at 31 Mar 2012 RM'000	AUDITED As at 30 Jun 2011 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Reserves	37,489	32,567
Shareholders' equity	97,489	92,567
Non-controlling interest	2,121	1,461
TOTAL EQUITY	99,610	94,028
Non-Current Liabilities		
Hire purchase payables	611	721
Term loans	19,186	9,166
Deferred taxation	456	456
	20,253	10,343
Current Liabilities		
Payables	19,904	18,971
Amount owing to contract customers	8,647	15,161
Provision for taxation	307	269
Hire purchase payables	265	309
Term loan	2,119	935
	31,242	35,645
TOTAL LIABILITIES	51,495	45,988
TOTAL EQUITY AND LIABILITIES	151,105	140,016
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.81	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.



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MAR 2012

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MAR 2012**

	← Attributable to equity holders of the parent →							Non-controlling interest	Total Equity
	Non Distributable Reserves				Distributable				
	Share Capital	Share Premium	Revaluation Reserve	Merger Deficit	Exchange Translation Reserve	Retained Profits	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	13	7,309	7,322	464	7,786
Issued of share to Non-controlling interest	-	-	-	-	-	-	-	196	196
Dividend paid	-	-	-	-	-	(2,400)	(2,400)	-	(2,400)
Balance as at 31 Mar 2012	60,000	-	1,309	(28,567)	(268)	65,015	97,489	2,121	99,610

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.



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MAR 2012

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MAR 2012 (CONT'D)

	← 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 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	-	-	-	-	(26)	9,082	9,056	652	9,708
Bonus Issue	20,000	(11,582)	-	-	-	(8,418)	-	-	-
Dividend Paid	-	-	-	-	-	(4,800)	(4,800)	-	(4,800)
Balance as at 31 Mar 2011	60,000	-	1,309	(28,567)	(61)	62,491	95,172	1,844	97,016

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.



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MAR 2012

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MAR 2012

	Financial Period Ended 31 Mar 2012 RM'000	Preceding Period Ended 31 Mar 2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,751	13,058
Adjustments:		
Amortisation and depreciation	1,781	1,749
Loss / (Gain) on disposal of property, plant and equipment	(17)	(78)
Provision for doubtful debts	3,351	488
Write-back of provision for doubtful debts	(1,676)	(1,112)
Interest income	(363)	(339)
Interest expense	757	403
Changes in working capital	14,584	14,169
Inventories	(287)	(1,558)
Receivables	9,200	768
Amount owing by contract customers	(4,104)	14,670
Payables	933	(17,868)
Cash generated from operations	20,326	10,181
Interest received	363	339
Interest paid	(757)	(403)
Tax paid	(2,327)	(4,578)
Net cash inflow from operating activities	17,605	5,539
CASH FLOWS FROM / (USED) IN INVESTING ACTIVITIES		
Additions of property, plant and equipment and prepaid lease rentals	(2,193)	(1,554)
Additional Purchase / works on investment properties	(161)	(3)
Proceeds from disposal of investment properties	1,160	2,400
Proceeds from disposal of property, plant and equipment	168	252
Purchase of short term investments	(14,621)	(4,169)
Net cash from / (used) in investing activities	(15,647)	(3,074)
CASH FLOWS FROM / (USED) IN FINANCING ACTIVITIES		
Dividend paid	(2,400)	(4,800)
Proceeds from issuance of shares to minority interest	196	-
Hire purchase repayment	(154)	(112)
Borrowings	(3,431)	1,891
Net cash from / (used) in financing activities	(5,789)	(3,021)



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(Company No: 754118-K)

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INTERIM FINANCIAL REPORT 31 MAR 2012

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MAR 2012 (CONT'D)

	Financial Period Ended 31 Mar 2012 RM'000	Preceding Period Ended 31 Mar 2011 RM'000
Net cash from / (used) in financing activities - Brought forward	(5,789)	(3,021)
Effects of exchange rate changes on cash and cash equivalents	13	(26)
NET DECREASED IN CASH AND CASH EQUIVALENTS	(3,818)	(582)
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>17,390</u>	<u>17,273</u>
Cash and cash equivalents comprise:		
Deposits with licensed banks	-	166
Cash and bank balances	<u>17,390</u>	<u>17,107</u>
	<u>17,390</u>	<u>17,273</u>



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INTERIM FINANCIAL REPORT 31 MAR 2012

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.



Signature International Berhad

(Company No: 754118-K)

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INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

7. Dividend Paid

The first and final (net) dividend of 2 sen per ordinary share, in respect of financial year ended 30 Jun 2011, amounting to RM2.4million was paid on 9 January 2012.

8. Segmental Information

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			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Result for 3 months							
Quarter ended 31 Mar 2012							
REVENUE:							
External revenue	22,219	755	5,285	-	-	28,259	
Inter-segment revenue	6,164	1,984	111	611	(8,870)	(0)	
Total revenue	28,383	2,739	5,396	611	(8,870)	28,259	
RESULTS							
Segment results	3,947	644	1,809	(54)	(0)	6,346	
Finance costs	(368)	(2)	(7)	(0)	-	(377)	
Profit / (loss) from ordinary activities before taxation	3,579	642	1,802	(54)	(0)	5,969	
Income tax expense						(1,699)	
Profit / (loss) from ordinary activities after taxation						4,270	
Non-controlling interest						(468)	
Net profit / (loss) attributable to equity holders of the Company						3,802	



Signature International Berhad

(Company No: 754118-K)

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INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

The Group	Design	Manufacture	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Result for 3 months							
Quarter ended 31 Mar 2011							
REVENUE:							
External revenue	24,881	765	3,782	-	-	-	29,428
Inter-segment revenue	6,491	330	357	393	(7,571)	-	-
Total revenue	31,372	1,095	4,139	393	(7,571)		29,428
RESULTS							
Segment results	3,889	(579)	1,181	(175)	(363)		3,953
Finance costs	(497)	(8)	(7)	-	-		(512)
Profit from ordinary activities before taxation	3,392	(587)	1,174	(175)	(363)		3,441
Income tax expense							(863)
Profit from ordinary activities after taxation							2,578
Non-controlling interest							(453)
Net profit attributable to equity holders of the Company							2,125



Signature International Berhad

(Company No: 754118-K)

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INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

The Group	Design					The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products	Others	Eliminations	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Result for 9 months						
Quarter ended 31 Mar 2012						
REVENUE:						
External revenue	65,625	3,058	10,231	-	-	78,914
Inter-segment revenue	20,485	4,069	1,008	1,423	(26,985)	-
Total revenue	86,110	7,127	11,239	1,423	(26,985)	78,914
RESULTS						
Segment results	9,358	980	1,911	(378)	-	11,871
Finance costs	(1,076)	(21)	(23)	(0)	-	(1,120)
Profit from ordinary activities before taxation	8,282	959	1,888	(378)	-	10,751
Income tax expense						(2,978)
Profit from ordinary activities after taxation						7,773
Non-controlling interest						(464)
Net profit attributable to equity holders of the Company						7,309



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INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

The Group	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Result for 9 months Quarter ended 31 Mar 2011						
REVENUE:						
External revenue	78,419	2,909	9,868	-	-	91,196
Inter-segment revenue	21,924	5,198	2,195	1,208	(30,525)	-
Total revenue	100,343	8,107	12,063	1,208	(30,525)	91,196
RESULTS						
Segment results	12,428	1,071	1,818	(533)	(363)	14,421
Finance costs	(1,301)	(39)	(23)	-	-	(1,363)
Profit from ordinary activities before taxation	11,127	1,032	1,795	(533)	(363)	13,058
Income tax expense						(3,324)
Profit from ordinary activities after taxation						9,734
Non-controlling interest						(652)
Net profit attributable to equity holders of the Company						9,082



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INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

The Group Assets and Liabilities As at 31 Mar 2012	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	Distribution and Of White Goods RM'000	Of Glass and Aluminium Products RM'000			
OTHER INFORMATION						
Segment assets	129,971	9,587	11,622	63,880	(66,214)	148,846
Unallocated assets						2,259
						151,105
Segment liabilities	78,134	2,662	6,323	5,246	(41,633)	50,732
Unallocated liabilities						763
						51,495
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
						140,016
Segment liabilities	82,063	1,125	7,933	3,697	(49,555)	45,263
Unallocated liabilities						725
						45,988



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INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9. Profit / (Loss) before taxation

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Mar 2012 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2011 RM'000	Current Quarter Ended 31 Mar 2012 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2011 RM'000
Profit / (Loss) before taxation is arrived at after charging :-				
Interest expense	284	154	757	403
Depreciation and amortisation	596	588	1,781	1,748
Impairment of assets	N/A	N/A	N/A	N/A
Provision for and write off of receivables	2,351	488	3,351	488
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	16	18	42	85
Exceptional items	N/A	N/A	N/A	N/A

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

Interest Income	122	125	363	339
Other Income including Investment Income	N/A	N/A	N/A	N/A
Write-back of provision for doubtful debts	1,676	1,112	1,676	1,112
Gain on disposal of quoted or unquoted Investments or properties	N/A	N/A	N/A	N/A
Gain on foreign exchange	(109)	(93)	279	(40)
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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INTERIM FINANCIAL REPORT 31 MAR 2012

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 except for:-

1. Signature Obicorp Sdn Bhd (Company No. 590375-P), a wholly-owned subsidiary of the Company had subscribed for 51 shares in Inspired Business Sdn Bhd (Company No. 961570-M) representing 51% of the issued and paid-up share capital of Inspired Business Sdn Bhd (hereinafter referred to as "the Subscription"). Upon the Subscription, Inspired Business Sdn Bhd ("IPSB") will be a sub-subsidiary of the Company.

The principal activity of Inspired Business Sdn Bhd is in marketing and distribution of built-in kitchen appliances, white goods and bathroom accessories.

The investment and subscription of shares in Inspired Business Sdn Bhd will further expand the distribution networks and enhancing the earnings of the Group.

2. Fabriano Sdn Bhd (Company No. 548682-X), a wholly-owned subsidiary of the Company had incorporated a new wholly-owned subsidiary in the District of Guangdong, the People's Republic of China namely Fabriano Kitchen Cabinet (Foshan) Ptd Ltd. Arising therefrom, Fabriano Kitchen Cabinet (Foshan) Ptd Ltd will become a sub-subsidiary of the Company.

Fabriano Kitchen Cabinet (Foshan) Ptd Ltd had on 6 February 2012 received the business licence to trade from Guangdong Industrial and Commercial Administration Bureau.

The principal activity of Fabriano Kitchen Cabinet (Foshan) Ptd Ltd is in manufacturing, distribution, import and export of kitchen systems, wardrobe systems, built-in kitchen appliances, lighting and bathroom accessories.

The incorporation of Fabriano Kitchen Cabinet (Foshan) Ptd Ltd will further expand the distribution networks and enhancing the earnings of the Group.

The additional details of the investments are available as per the announcement made on Bursa dated 27/2/2012.



Signature International Berhad

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INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

12. Changes in Contingent Assets or Contingent Liabilities

As at 31 Mar 2012, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows:-

	Current Period Ended 31 Mar 2012 RM'000	Preceding Period Ended 31 Mar 2011 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	<u>7,593</u>	<u>7,058</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 Mar 2012 RM'000	Preceding Period Ended 31 Mar 2011 RM'000
Approved and contracted for:-		
Investment Properties	<u>1,329</u>	<u>1,812</u>
Total capital commitments	<u>1,329</u>	<u>1,812</u>



Signature International Berhad

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INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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 Mar 2012 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2011 RM'000	Current Period Ended 31 Mar 2012 RM'000	Preceding Period Ended 31 Mar 2011 RM'000
Heart Base Sdn Bhd				
Sale of kitchen and wardrobe systems	-	107	90	215
Duamas				
Project claims for Kitchen Systems, Wardrobe Systems and Interior Fit-Out Services	-	50	32	994
HSB Development Sdn Bhd				
Project claims for Kitchen Systems, Wardrobe Systems and Interior Fit-Out Services	-	1,183	-	5,605



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INTERIM FINANCIAL REPORT 31 MAR 2012

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 Mar 2012

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

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Mar 2012 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2011 RM'000	Current Period Ended 31 Mar 2012 RM'000	Preceding Period Ended 31 Mar 2011 RM'000
Revenue	28,259	29,428	78,914	91,196
Profit before taxation	5,969	3,441	10,751	13,058

In the current quarter, the Group revenue was RM28.3million as compared to the preceding year corresponding quarter of RM29.4million. The revenue was lower by 4.0% or RM1.2million mainly due to lower contribution from the Kitchen and Wardrobe segment, however, there were corresponding increased contribution from both White Goods and Glass and Aluminium products segments.

The Group profit before tax for current quarter was RM6.0million as compared to the preceding year corresponding quarter of RM3.4million. Despite the overall drop in the revenue, the profit before tax increased by 73.5% or RM2.5million arising from the completed projects from the Glass and Aluminium segment, White Goods segment and write-back of provision for doubtful debts.

Kitchen and Wardrobe Systems

The Kitchen and Wardrobe segment recorded revenue for the current quarter of RM28.4million as compared with preceding year corresponding quarter of RM31.4million. The drop of 9.5% or RM3.0million in revenue was mainly due to lower sales contribution from project segment and export division.

The profit before tax for Kitchen and Wardrobe segment was RM3.6million as compared to preceding year corresponding quarter of RM3.4million. Profit before tax increased by 5.5% or RM0.2million due to recognition of profits from higher margin projects in the quarter under review.



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

15. Review of Performance (Cont'd)

– Current Quarter 3 months ended 31 Mar 2012

White Goods and Built-in Kitchen Appliances

The White Goods and Built-in Kitchen Appliances segment recorded revenue for the current quarter of RM2.7million as compared with preceding year corresponding quarter of RM1.1million. The increase of 150.1% or RM1.6million in revenue was mainly due to higher sales contribution from project segment.

In line with the increased in contribution of White Goods and Built-in Kitchen Appliances to the project segment, the profit before tax has correspondingly improved by RM1.2million as compared to preceding year corresponding quarter.

Glass and Aluminium Product

The Glass and Aluminium Product segment recorded revenue of RM5.4million for the current quarter as compared to the preceding year corresponding quarter of RM4.1million. The 30.4% or RM1.3million increased in revenue was mainly due to higher contribution from projects completed in the current quarter.

Profit before tax for Glass and Aluminum Products recorded an increase of 53.5% from RM1.2million in the preceding year corresponding quarter to RM1.8million in the current quarter as a result of recognition of profit from higher margin projects in the current quarter under review.

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.



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

15. Review of Performance (Cont'd)

– Cumulative period to-date 9 months ended 31 Mar 2012

In the current year to-date, the Group recorded revenue of RM78.9million as compared to the preceding year corresponding period of RM91.2million. The 13.5% or RM12.3million decrease in revenue was mainly due to overall lower contribution from the 3 major segments 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 RM10.8million as compared to the preceding year corresponding period of RM13.1million. The decreased of 17.7% or RM2.3million in profit before tax was mainly due to the provision for doubtful debts of RM3.3million and some additional advertisement and promotional expenses undertaken by the Group in the period under review.

Kitchen and Wardrobe Systems

The Kitchen and Wardrobe segment recorded revenue for the year to-date of RM86.1million as compared to the preceding year corresponding period of RM100.3million. The 14.2% or RM14.2million decrease in revenue was mainly due to lower progressive billing being recognized for the project segment and lower contribution from the export sales.

The profit before tax for Kitchen and Wardrobe segment was RM8.3million as compared with preceding year corresponding period of RM11.1million. The decreased in profit before tax of 25.6% or RM2.8million was due to the provision of doubtful debts being made for long outstanding debtors and some additional costs incurred on the advertisement and promotional activities undertaken by the Group 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 RM7.1million as compared to the preceding year corresponding period of RM8.1million. The drop of 12.1% or RM1.0million 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 marginally lower by RM0.07million as compared to the preceding year corresponding period. The decreased in profit before tax was due to lower sales generated from the Project market as well as the drop in the gross profit margin compared to preceding year.



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

15. Review of Performance (Cont'd)

– Cumulative period to-date 9 months ended 31 Mar 2012

Glass and Aluminium Product

The Glass and Aluminium Product segment recorded revenue for the year to-date was RM11.2million as compared to the preceding year corresponding quarter of RM12.1million. The 6.8% or RM0.8million decreased in revenue is mainly due to slower progressive billing from the project segment.

The profit before tax for the current period increased by 5.2% or RM0.1million despite lower revenue recorded compared to the preceding year corresponding quarter. The increased in the profit before tax is mainly due to the higher contribution from the completed projects recorded in the third Quarter.

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 higher management fee charged 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 Mar 2012 RM'000	Preceding Quarter Ended 31 Dec 2011 RM'000
Revenue	28,259	31,929
Profit before taxation	5,969	3,521



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

The Group recorded revenue for the current quarter was RM28.3million as compared with preceding quarter of RM31.9million. The 11.3% or RM3.6million decreased in revenue was mainly due to lower contribution being recorded from the project segment.

The profit before tax for the Group was RM6.0million as compared with preceding quarter of RM3.5million. The RM2.5million increased in profit before tax was due to higher contribution from the Project segment of the Glass and Aluminium division as compared to preceding quarter.

17. Current Year Prospects

The Group is expected to sustain its strong foothold in the kitchen and wardrobe industry driven by the strong demand from domestic market in both the retail and project segment. The positive sentiment driven by the Government via the implementation of the Economic Transformation Plan and the positive economic outlook with the steady growth of 4% -5% in 2012 as reported by Bank Negara Malaysia would continue to spur the domestic market. This positive prospect will help to enhance the on-going demand from a wide customer base from the domestic market.

The Group has incorporated a new entity in Guangzhou, China in February 2012 and this new venture will open up the windows of opportunities for the Group to market its kitchen and kitchen related products in China. To further enhance its export market, the Group is continuously exploring market opportunities in Indonesia, Vietnam, Cambodia, Philippines, Pakistan and India and market intelligence is progressively carried out to understand the local business climates and the competitiveness of the Group products in these regions.

On the local landscape, the Group will continue to leverage on its strong brand name, attractive and high quality products and its efficient customer service as well as the strong customers' relationship to further consolidate and expand its market share. Besides the retail segment, the Group is aggressively securing projects from the local developer to enhance its order book that constantly contributes recurring income to the Group.

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.



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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 Mar 2012 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2011 RM'000	Current Period Ended 31 Mar 2012 RM'000	Preceding Period Ended 31 Mar 2011 RM'000
Current Tax Expense				
- Current Year	1,699	863	2,978	3,324
- Deferred Tax	-	-	-	-
Total Income Tax Expense	1,699	863	2,978	3,324

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.

21. Borrowings and Debt Securities

The Group's borrowings as follows:

	Cumulative Period	
	Current Period Ended 31 Mar 2012 RM'000	Preceding Period Ended 31 Mar 2011 RM'000
Term Loan (Secured) :-		
Current	2,119	935
Non Current	19,186	9,166
Total Bank Borrowing	21,305	10,101



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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 Mar 2012 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2011 RM'000	Current Period Ended 31 Mar 2012 RM'000	Preceding Period Ended 31 Mar 2011 RM'000
BASIC EARNINGS PER SHARE				
Profit / (loss) for the year attributable to ordinary equity holders of the Company	3,802	2,125	7,309	9,082
Weighted average number of ordinary shares in issue ('000)	120,000	120,000	120,000	120,000
Basic Earnings per Share (sen)	<u>3.2</u>	<u>1.8</u>	<u>6.1</u>	<u>7.6</u>

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the quarter ended 31 Mar 2012.



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MAR 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

25. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 Mar 2012 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 Mar 2012 RM'000
Total retained profits/ (accumulated losses) of Signature International Berhad and its subsidiaries:	
- Realised	55,059
- Unrealised	3,637
	<hr/>
	58,696
Consolidation adjustments	6,319
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	65,015

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 29 May 2012.