



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 JUNE 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 30 June 2012.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 June 2012 RM'000	Preceding Period Corresponding Quarter Ended 30 June 2011 RM'000	Current Year Ended 30 June 2012 RM'000	Preceding Year Ended 30 June 2011 RM'000
Revenue	17,813	24,922	96,726	116,117
Operating expenses	(21,138)	(31,670)	(90,759)	(110,461)
Other operating income	2,068	4,474	4,648	6,491
Profit / (loss) from operations	(1,256)	(2,274)	10,615	12,147
Finance costs	(353)	267	(1,472)	(1,097)
Profit / (loss) before taxation	(1,610)	(2,007)	9,143	11,050
Tax expense	(628)	(760)	(3,608)	(4,084)
Profit / (loss) after taxation	(2,237)	(2,767)	5,535	6,966
Other Comprehensive Income, Net of Tax				
Foreign currency translation	(14)	(183)	(74)	(246)
Total Comprehensive Income for the period	(2,251)	(2,950)	5,461	6,720

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 30 JUNE 2012 (CONT'D)

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 June 2012 RM'000	Preceding Period Corresponding Quarter Ended 30 June 2011 RM'000	Current Period Ended 30 June 2012 RM'000	Preceding Period Ended 30 June 2011 RM'000
Profit after tax attributable to:-				
- Equity holders of the parent	(2,016)	(2,384)	5,293	6,697
- Non-controlling interest	(222)	(383)	242	269
	<u>(2,237)</u>	<u>(2,767)</u>	<u>5,535</u>	<u>6,966</u>
Total Comprehensive Income attributable to: -				
- Equity holders of the parent	(2,030)	(2,566)	5,219	6,451
- Non-controlling interest	(222)	(383)	242	269
	<u>(2,251)</u>	<u>(2,950)</u>	<u>5,461</u>	<u>6,720</u>
Earnings per share (sen)				
- Basic	(1.7)	(2.0)	4.4	5.6
- 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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INTERIM FINANCIAL REPORT 30 JUNE 2012

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	UNAUDITED As at 30 June 2012 RM'000	AUDITED As at 30 June 2011 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	39,355	25,146
Investment properties	15,445	14,956
Long term receivables	2,093	3,715
	<u>56,893</u>	<u>43,817</u>
Current Assets		
Inventories	11,581	10,258
Amount owing by contract customers	3,663	2,803
Receivables - net of deposits received	44,461	46,566
Tax recoverable	1,843	2,871
Short-term investments	27,931	12,493
Fixed deposit with licensed banks	150	166
Cash and bank balances	15,403	21,042
	<u>105,032</u>	<u>96,199</u>
TOTAL ASSETS	<u>161,925</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 30 JUNE 2012 (CONT'D)

	UNAUDITED As at 30 June 2012 RM'000	AUDITED As at 30 June 2011 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Reserves	35,386	32,567
Shareholders' equity	95,386	92,567
Non-controlling interest	1,899	1,461
TOTAL EQUITY	97,285	94,028
Non-Current Liabilities		
Hire purchase payables	551	721
Term loans	18,968	9,166
Deferred taxation	468	456
	19,987	10,343
Current Liabilities		
Payables	22,526	18,971
Amount owing to contract customers	19,623	15,161
Provision for taxation	109	269
Hire purchase payables	251	309
Term loan	2,144	935
	44,653	35,645
TOTAL LIABILITIES	64,640	45,988
TOTAL EQUITY AND LIABILITIES	161,925	140,016
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.79	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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INTERIM FINANCIAL REPORT 30 JUNE 2012

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012

	← 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 year	-	-	-	-	(74)	5,293	5,219	242	5,461
Issued of share to Non-controlling interest	-	-	-	-	-	-	-	196	196
Dividend paid	-	-	-	-	-	(2,400)	(2,400)	-	(2,400)
Balance as at 30 June 2012	60,000	-	1,309	(28,567)	(355)	62,999	95,386	1,899	97,285

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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INTERIM FINANCIAL REPORT 30 JUNE 2012

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 year	-	-	-	-	(246)	6,697	6,451	269	6,720
Bonus Issue	20,000	(11,582)	-	-	-	(8,418)	-	-	-
Dividend Paid						(4,800)	(4,800)	-	(4,800)
Balance as at 30 June 2011	60,000	-	1,309	(28,567)	(281)	60,106	92,567	1,461	94,028

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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INTERIM FINANCIAL REPORT 30 JUNE 2012

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2012

	Financial Year Ended 30 June 2012 RM'000	Preceding Year Ended 30 June 2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,143	11,050
Adjustments:		
Amortisation and depreciation	2,385	2,024
Loss / (Gain) on disposal of property, plant and equipment	18	(80)
Fair value adjustment on investment properties	(974)	(3,292)
Fixed assets written off	-	979
Provision for doubtful debts	4,588	8,264
Write-back of provision for doubtful debts	(1,676)	(1,155)
Bad debts written off	-	176
Provision for impairment of Investment	-	321
Loss on foreign exchange - unrealised	42	101
Dividend Income from short term investments		(141)
Interest income	(266)	(179)
Interest expense	1,039	550
Changes in working capital	14,299	18,618
Inventories	(1,323)	(2,221)
Receivables	817	(4,519)
Amount owing by contract customers	3,699	16,921
Payables	3,555	(11,204)
Cash generated from operations	21,047	17,595
Interest received	266	179
Interest paid	(1,039)	(550)
Income tax paid	(3,608)	(6,172)
Net cash inflow from operating activities	16,666	11,052
CASH FLOWS FROM / (USED) IN INVESTING ACTIVITIES		
Additions of property, plant and equipment and prepaid lease rentals	(3,101)	(7,347)
Additional Purchase / works on investment properties	(163)	(3)
Proceeds from disposal of investment properties	1,160	2,400
Proceeds from disposal of property, plant and equipment	168	281
Dividend Income from short term investment	-	141
Purchase of short term investments	(15,438)	(4,032)
Net cash from / (used) in investing activities	(17,374)	(8,560)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2012 (CONT'D)

	Financial Year Ended 30 June 2012 RM'000	Preceding Year Ended 30 June 2011 RM'000
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	(228)	(829)
Borrowings	(2,367)	7,006
Net cash from / (used) in financing activities	(4,799)	1,377
Effects of exchange rate changes on cash and cash equivalents	(74)	(258)
NET DECREASED IN CASH AND CASH EQUIVALENTS	(5,581)	3,611
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	21,208	17,855
CASH AND CASH EQUIVALENTS AT END OF YEAR	15,553	21,208
Cash and cash equivalents comprise:		
Deposits with licensed banks	150	166
Cash and bank balances	15,403	21,042
	15,553	21,208



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INTERIM FINANCIAL REPORT 30 JUNE 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.

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture.

The Group would be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2013. In presenting its first MFRS financial statement, the Group will be required to restate the financial position as at 1 July 2012 to amounts reflecting the application of MFRS Framework.

Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 30 June 2012 could be different if prepared under the new MFRS Framework.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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.

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.



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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 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 30 June 2012						
REVENUE						
External revenue	13,740	388	3,685	-	-	17,813
Inter-segment revenue	7,101	1,690	178	2,274	(11,243)	-
Total revenue	20,841	2,078	3,863	2,274	(11,243)	17,813
RESULTS						
Segment results	(1,461)	654	(683)	1,719	(1,487)	(1,257)
Finance costs	(340)	(3)	(9)	(1)	-	(353)
Profit / (loss) from ordinary activities before taxation	(1,801)	651	(692)	1,718	(1,487)	(1,610)
Income tax expense						(628)
Profit / (loss) from ordinary activities after taxation						(2,238)
Non-controlling interest						222
Net profit / (loss) attributable to equity holders of the Company						(2,016)



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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 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 3 months						
Quarter ended 30 June 2011						
REVENUE:						
External revenue	22,494	806	1,622	-	-	24,922
Inter-segment revenue	8,023	584	904	6,955	(16,466)	-
Total revenue	30,517	1,390	2,526	6,955	(16,466)	24,922
RESULTS						
Segment results	(5,529)	426	(603)	2,628	804	(2,274)
Finance costs	336	(34)	(33)	(3)	-	267
Profit / (loss) from ordinary activities before taxation	(5,192)	392	(636)	2,625	804	(2,007)
Income tax expense						(760)
Profit / (loss) from ordinary activities after taxation						(2,767)
Non-controlling interest						(383)
Net profit / (loss) attributable to equity holders of the Company						(2,384)



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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	and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products			
	RM000	RM000	RM000	RM000	RM000	RM000
Result for 12 months						
Year ended 30 June 2012						
REVENUE:						
External revenue	79,364	3,447	13,916	-	-	96,726
Inter-segment revenue	27,588	5,758	1,186	3,697	(38,228)	-
Total revenue	106,952	9,205	15,102	3,697	(38,228)	96,726
RESULTS						
Segment results	7,898	1,634	1,228	1,342	(1,487)	10,615
Finance costs	(1,415)	(24)	(32)	(1)	-	(1,472)
Profit from ordinary activities before taxation	6,483	1,610	1,196	1,341	(1,487)	9,143
Income tax expense						(3,608)
Profit from ordinary activities after taxation						5,535
Non-controlling interest						(242)
Net profit attributable to equity holders of the Company						5,293



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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 Wardrobe Systems	And	Distribution Of White Goods	Of Glass and Aluminium Products			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Result for 12 months Year ended 30 June 2011							
REVENUE:							
External revenue	100,914	3,714	11,489	-	-	-	116,117
Inter-segment revenue	29,947	5,782	3,099	6,955	(45,783)	-	-
Total revenue	130,861	9,496	14,588	6,955	(45,783)		116,117
RESULTS							
Segment results	6,899	1,497	1,215	2,095	441	-	12,147
Finance costs	(965)	(73)	(56)	(3)	-	-	(1,097)
Profit from ordinary activities before taxation	5,934	1,424	1,159	2,092	441	-	11,050
Income tax expense							(4,084)
Profit from ordinary activities after taxation							6,966
Non-controlling interest							(269)
Net profit attributable to equity holders of the Company							6,697



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

The Group Assets and Liabilities As at 30 June 2012	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	And Distribution Of White Goods RM'000	Of Glass and Aluminium Products RM'000			
OTHER INFORMATION						
Segment assets	144,802	10,114	13,143	65,612	(73,589)	160,082
Unallocated assets						1,842
						<u>161,925</u>
Segment liabilities	95,469	3,100	8,535	5,287	(48,328)	64,063
Unallocated liabilities						576
						<u>64,640</u>
Assets and Liabilities As at 30 June 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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INTERIM FINANCIAL REPORT 30 JUNE 2012**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT****9. Profit / (Loss) before taxation**

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 June 2012 RM'000	Preceding Corresponding Quarter Ended 30 June 2011 RM'000	Current Year Ended 30 June 2012 RM'000	Preceding Year Ended 30 June 2011 RM'000
Profit / (Loss) before taxation is arrived at after charging :-				
Interest expense	282	205	1,039	550
Depreciation and amortisation	604	581	2,385	2,024
Impairment of assets	N/A	N/A	N/A	N/A
Provision for and write off of receivables	1,252	7,776	4,588	8,264
Loss on foreign exchange	N/A	11	42	101

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

Interest Income	203	15	266	179
Other Income including Investment Income	99	416	400	705
Write-back of provision for doubtful debts	N/A	N/A	16	N/A
Gain on disposal of quoted or unquoted Investments or properties	16	N/A	831	217
Gain on foreign exchange	552	257	N/A	N/A
Write-back of provision for doubtful debts	N/A	N/A	1,676	1,155

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 during the quarter under review.

12. Changes in Contingent Assets or Contingent Liabilities

As at 30 June 2012, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows:-

	Current Year Ended 30 June 2012 RM'000	Preceding Year Ended 30 June 2011 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	<u>8,343</u>	<u>5,864</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 Year Ended 30 June 2012 RM'000	Preceding Year Ended 30 June 2011 RM'000
Approved and contracted for:-		
Investment Properties	<u>1,262</u>	<u>2,092</u>
Total capital commitments	<u>1,262</u>	<u>2,092</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 favorable 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
HSB Development Sdn Bhd	Property Development

Individual Period		Cumulative Period	
Current Quarter Ended	Preceding Period Corresponding Quarter Ended	Current Year Ended	Preceding Year Ended
30 June 2012	30 June 2011	30 June 2012	30 June 2011
RM'000	RM'000	RM'000	RM'000

HSB Development Sdn Bhd

Project claims for Kitchen Systems,
Wardrobe Systems and
Interior Fit-Out Services

-	607	-	6,213
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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 30 June 2012

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

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 June 2012 RM'000	Preceding Period Corresponding Quarter Ended 30 June 2011 RM'000	Current Year Ended 30 June 2012 RM'000	Preceding Year Ended 30 June 2011 RM'000
Revenue	17,813	24,922	96,726	116,117
(Loss) / Profit before taxation	(1,610)	(2,007)	9,143	11,050

In the current quarter, the Group revenue was RM17.8 million as compared to the preceding year corresponding quarter of RM24.9 million. The revenue was lower by 28.5% or RM 7.1million mainly due to lower contribution from the Kitchen and Wardrobe segment which decreases by RM9.7 million or 31.7%. However, there were increase in the sales for Glass and Aluminum products segment which recorded additional revenue by RM1.3 million or 52.9% increase.

The Group recorded marginal increase in loss before tax by RM0.4 million where current quarter recorded RM1.6 million as compared to the preceding year corresponding quarter loss before tax of RM2.0million. Despite the significant drop in sales, the loss before tax for the current quarter is fairly consistent with the preceding period corresponding quarter due to lesser provision of doubtful debts were recorded in the current quarter under review as compared to the similar quarter preceding year.

Kitchen and Wardrobe Systems

The Kitchen and Wardrobe segment recorded revenue for the current quarter of RM20.8million as compared with preceding year corresponding quarter of RM30.5 million. The drop of 31.7% or RM9.7 million in revenue was mainly due to lower sales contribution from project segment which reduced by RM8.8million or 38.9%.

The loss before tax for Kitchen and Wardrobe segment was RM1.8million as compared to preceding year corresponding quarter of RM5.2million. Loss before tax was higher by 3.4million or 65.3% in the preceding year corresponding quarter compared to the current quarter under review due to higher provision for doubtful debts.



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INTERIM FINANCIAL REPORT 30 JUNE 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

15. Review of Performance (Cont'd)

Current Quarter 3 months ended 30 June 2012

White Goods and Built-in Kitchen Appliances

The White Goods and Built-in Kitchen Appliances segment recorded revenue for the current quarter of RM2.1million as compared with preceding year corresponding quarter of RM1.4million. The increase of 49.5% or RM0.7million in revenue was mainly due to higher inter-segment sales for the project division.

In line with the increased in revenue of White Goods and Built-in Kitchen Appliances, the profit before tax for this business segment has correspondingly improved by RM0.2million or 66.1% as compared to preceding year corresponding quarter.

Glass and Aluminium Product

The Glass and Aluminium Product segment recorded revenue of RM3.8million for the current quarter as compared to the preceding year corresponding quarter of RM2.5million. The 52.9% or RM1.3million increased in revenue was mainly due to higher contribution from projects completed in the current quarter.

Despite the increase in sales, the segment recorded a loss before tax of RM0.69million as compared with the preceding year corresponding quarter of RM0.64million due to more projects of lower gross profit being recognized in the current quarter.

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 Holding Company and dividend receivable by the Holding Company which was eliminated at the Group level.

The total revenue for the current quarter is lower by RM4.7 million or 67.3% as compared to the preceding year corresponding quarter due to final dividend receivables from subsidiary was lower in the current quarter under review as compared to the preceding year corresponding quarter.



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15. Review of Performance (Cont'd)

Cumulative year to-date 12 months ended 30 June 2012

In the current year to-date, the Group recorded revenue of RM96.7million as compared to the preceding year corresponding period of RM116.1million. The 16.7% or RM19.4million decrease in revenue was mainly due to lower contribution from its local project segment for the Kitchen and Wardrobe Systems.

The Group profit before tax for current year to-date was RM9.1million as compared to the preceding year corresponding period of RM11.1million. Despite the significant decrease in the sales, the Group has merely recorded a drop of profit by RM1.9million or 17.2% as project sales with higher gross profit margin was recognized in the financial year and also lower provision of doubtful debts were being made for the current year.

Kitchen and Wardrobe Systems

The Kitchen and Wardrobe segment recorded revenue for the year to-date of RM106.9million as compared to the preceding year corresponding period of RM130.9million. The RM23.9million or 18.3% decrease in revenue was mainly due to lower contribution from the project segment.

The profit before tax for Kitchen and Wardrobe segment was RM6.5million as compared to the preceding year of RM5.9million. Despite the reduction in sales being recorded in the current period under review compared to the preceding year, the Group recorded a marginal increase of RM0.5million or 9.3% as compared to the preceding year mainly due to provision for doubtful debts in the preceding year.

White Goods and Built-in Kitchen Appliances

The White Goods and Built-in Kitchen Appliances segment recorded revenue for the year to-date was RM9.2million as compared to the preceding corresponding year of RM9.5million. The marginal drop of 3.1% or RM0.3million in revenue was mainly due to lower sales contribution from the retail segment.

The profit before tax for White Goods and Built-in Kitchen Appliances segment increased marginally by RM0.2million or 13.1% as compared to the preceding year due to higher gross profit margin being recorded from the sale of the appliances.



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15. Review of Performance (Cont'd)

Cumulative year to-date 12 months ended 30 June 2012

Glass and Aluminium Product

The Glass and Aluminium Product segment recorded revenue for the year to-date of RM15.1million as compared to the preceding corresponding year of RM14.6million. The increase of RM0.5million or 3.5% in revenue was mainly due to higher revenue being recorded for some projects. However there was marginal drop in the inter segment sales.

The profit before tax for the current year increased by 3.2% despite higher revenue recorded compared to the preceding year corresponding quarter due to projects with lower gross profit being recognized in the financial year under review.

Others Segment

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

The Other Segment recorded lower revenue in the period under review as compared to the preceding year corresponding period due to dividend receivable from subsidiary was lower in the current financial year as compared to the preceding year corresponding period.

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

	Individual Period	
	Current Quarter Ended 30 June 2012 RM'000	Preceding Quarter Ended 31 Mac 2012 RM'000
Revenue	17,813	28,259
(Loss)/Profit before taxation	(1,610)	5,969



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

The Group recorded revenue for the current quarter was RM17.8million as compared with preceding quarter of RM28.3million. The 37.0% or RM10.4million decreased in revenue was mainly due to lower contribution being recorded from the project segment in the current quarter under review as compared to the immediate preceding quarter.

The loss before tax for the Group was RM1.6million in the current quarter as compared with preceding quarter with profit of RM5.9million. The loss before tax was mainly due to drop in sales from the project segment and lower gross profit margin being recorded as well as the set up costs incurred for the subsidiary in Foshan, China.

17. Current Year Prospects

The global economic outlook for the coming months is expected to remain uncertain and challenging. However on the local front, Malaysia economy remain resilient and is largely driven by the domestic demand. 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 expanding its wing into the Southern and Northern Region as well as to the East Malaysia and continue to secure more projects from various developer to enhance its order book that continues to be the core contributor for 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.

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INTERIM FINANCIAL REPORT 30 JUNE 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 30 June 2012 RM'000	Preceding Period Corresponding Quarter Ended 30 June 2011 RM'000	Current Period Ended 30 June 2012 RM'000	Preceding Period Ended 30 June 2011 RM'000
Current Tax Expense				
- Current Year	628	760	3,608	4,084
- Deferred Tax	-	-	-	-
Total Income Tax Expense	<u>628</u>	<u>760</u>	<u>3,608</u>	<u>4,084</u>

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 Year Ended 30 June 2012 RM'000	Preceding Year Ended 30 June 2011 RM'000
Term Loan (Secured) :-		
Current	2,144	935
Non Current	18,968	9,166
Total Bank Borrowing	<u>21,112</u>	<u>10,101</u>



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22. Material Litigation

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

23. Proposed Dividend

The Board of Directors proposes to recommend for shareholders' approval at the forthcoming Annual General Meeting a final single tier tax exempt dividend of 1.5sen per ordinary share in respect of the financial year ended 30 June 2012 to be paid on a date to be determined.

24. Earnings per Share

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the quarter ended 30 June 2012.

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 June 2012 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2011 RM'000	Current Year Ended 30 June 2012 RM'000	Preceding Year Ended 30 June 2011 RM'000
BASIC EARNINGS PER SHARE				
Profit / (loss) for the year attributable to ordinary equity holders of the Company	(2,016)	(2,384)	5,293	6,697
Weighted average number of ordinary shares in issue ('000)	120,000	120,000	120,000	120,000
Basic Earnings per Share (sen)	(1.7)	(2.0)	4.4	5.6



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25. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 June 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 30 June 2012 RM'000
Total retained profits/ (accumulated losses) of Signature International Berhad and its subsidiaries:	
- Realised	51,232
- Unrealised	3,648
	<hr/>
	54,880
Consolidation adjustments	8,119
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	62,999

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 August 2012.