



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 DECEMBER 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 Dec 2012.

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

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2012 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2011 RM'000	Current Period Ended 31 Dec 2012 RM'000	Preceding Period Ended 31 Dec 2011 RM'000
Revenue	31,427	31,929	52,169	50,655
Operating expenses	(29,528)	(28,301)	(49,470)	(45,978)
Other operating income	308	287	623	848
Profit from operations	2,207	3,915	3,322	5,525
Finance costs	(374)	(394)	(699)	(743)
Profit before taxation	1,833	3,521	2,623	4,782
Tax expense	(458)	(964)	(656)	(1,279)
Profit after taxation	1,375	2,557	1,967	3,503
Other Comprehensive Income, Net of Tax				
Foreign currency translation	32	3	50	1
Total Comprehensive Income for the period	1,407	2,560	2,017	3,504

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 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 2012 (CONT'D)**

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2012 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2011 RM'000	Current Period Ended 31 Dec 2012 RM'000	Preceding Period Ended 31 Dec 2011 RM'000
Profit after tax attributable to:-				
- Equity holders of the parent	1,049	2,389	1,671	3,507
- Non-controlling interest	326	168	296	(4)
	<u>1,375</u>	<u>2,557</u>	<u>1,967</u>	<u>3,503</u>
Total Comprehensive Income attributable to: -				
- Equity holders of the parent	1,082	2,392	1,721	3,508
- Non-controlling interest	326	168	296	(4)
	<u>1,407</u>	<u>2,560</u>	<u>2,017</u>	<u>3,504</u>
Earnings per share (sen)				
- Basic	0.9	2.0	1.4	2.9
- 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 June 2012 and the accompanying explanatory notes attached to the interim financial report.

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INTERIM FINANCIAL REPORT 31 DECEMBER 2012**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DEC 2012**

	UNAUDITED As at 31 Dec 2012 RM'000	RESTATED As at 30 June 2012 RM'000	RESTATED As at 1 July 2011 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	47,449	47,214	25,146
Investment properties	15,896	15,445	14,956
Long term receivables	2,093	2,093	3,715
	<u>65,438</u>	<u>64,752</u>	<u>43,817</u>
Current Assets			
Inventories	14,380	11,581	10,258
Amount owing by contract customers	-	4,007	2,803
Receivables - net of deposits received	43,405	44,197	46,566
Tax recoverable	2,021	1,843	2,871
Short-term investments	30,923	27,931	12,493
Fixed deposit with licensed banks	150	150	166
Cash and bank balances	17,126	15,715	21,042
	<u>108,005</u>	<u>105,424</u>	<u>96,199</u>
TOTAL ASSETS	<u>173,443</u>	<u>170,176</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 June 2012 and the accompanying explanatory notes attached to the interim financial report.

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INTERIM FINANCIAL REPORT 31 DECEMBER 2012**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DEC 2012 (CONT'D)**

	UNAUDITED As at 31 Dec 2012 RM'000	RESTATED As at 30 June 2012 RM'000	RESTATED As at 1 July 2011 RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	60,000	60,000	60,000
Reserves	43,049	41,328	32,567
Shareholders' equity	103,049	101,328	92,567
Non-controlling interest	2,200	1,904	1,461
TOTAL EQUITY	105,249	103,232	94,028
Non-Current Liabilities			
Hire purchase payables	956	550	721
Term loans	17,476	18,969	9,166
Deferred taxation	2,430	2,430	456
	20,862	21,949	10,343
Current Liabilities			
Payables	16,286	22,522	18,971
Amount owing to contract customers	27,918	19,969	15,161
Provision for taxation	316	109	269
Hire purchase payables	275	251	309
Term loan	2,537	2,144	935
	47,332	44,995	35,645
TOTAL LIABILITIES	68,194	66,944	45,988
TOTAL EQUITY AND LIABILITIES	173,443	170,176	140,016
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.86	0.84	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 June 2012 and the accompanying explanatory notes attached to the interim financial report.



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INTERIM FINANCIAL REPORT 31 DEC 2012

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

	Attributable to equity holders of the parent									
	Non Distributable Reserves					Distributable				
	Share Capital RM'000	Share Premium RM'000	Share Revaluation Reserve RM'000	Merger Deficit RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-controlling interest RM'000	Total Equity RM'000	
At 1 July 2012	60,000	-	7,196	(28,567)	(339)	63,038	101,328	1,904	103,232	
as previously stated										
- Effect of transition to MFRS	-	-	(7,196)	-	339	6,857	-	-	-	
At 1 July 2012, as restated	60,000	-	-	(28,567)	-	69,895	101,328	1,904	103,232	
Total Comprehensive Income for the year	-	-	-	-	50	1,671	1,721	296	2,017	
At 31 Dec 2012	60,000	-	-	(28,567)	50	71,566	103,049	2,200	105,249	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 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 2012 (CONT'D)**

	←		Attributable to equity holders of the parent				→		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Share Revaluation Reserve RM'000	Merger Deficit RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000	Non- controlling interest RM'000	Total RM'000	
Balance as at 1 Jul 2011	60,000	-	1,309	(28,567)	(281)	60,106	1,461	92,567	94,028
Balance b/f	-	-	-	-	1	3,507	(4)	3,508	3,504
Total Comprehensive Income for the period	-	-	-	-	1	3,507	(4)	3,508	3,504
Balance as at 31 Dec 2011	60,000	-	1,309	(28,567)	(280)	63,613	1,457	96,075	97,532

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial report.



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INTERIM FINANCIAL REPORT 31 DEC 2012

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

	Financial Period Ended 31 Dec 2012 RM'000	Preceding Period Ended 31 Dec 2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,623	4,782
Adjustments:		
Amortisation and depreciation	1,253	1,185
Loss / (Gain) on disposal of property, plant and equipment	(36)	1
Provision for doubtful debts	315	1,000
Loss on foreign exchange - unrealised	44	-
Interest income	(200)	(241)
Interest expense	547	473
Changes in working capital	4,546	7,200
Inventories	(2,799)	643
Receivables	477	5,608
Amount owing by contract customers	14,116	6,527
Payables	(6,236)	1,046
Cash generated from operations	10,104	21,024
Interest received	200	241
Interest paid	(547)	(473)
Income tax paid	(2,484)	(1,086)
Net cash inflow from operating activities	7,273	19,706
CASH FLOWS FROM / (USED) IN INVESTING ACTIVITIES		
Additions of property, plant and equipment and prepaid lease rentals	(1,203)	(1,936)
Additional Purchase / works on investment properties	(450)	(152)
Proceeds from disposal of investment properties	-	370
Proceeds from disposal of property, plant and equipment	113	50
Purchase of short term investments	(2,992)	(10,023)
Net cash from / (used) in investing activities	(4,532)	(11,691)



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 DEC 2012 (CONT'D)**

	Financial Period Ended 31 Dec 2012 RM'000	Preceding Period Ended 31 Dec 2011 RM'000
CASH FLOWS FROM / (USED) IN FINANCING ACTIVITIES		
Hire purchase repayment	(137)	(81)
Borrowings	(1,293)	(2,809)
Net cash from / (used) in financing activities	(1,430)	(2,890)
Effects of exchange rate changes on cash and cash equivalents	50	1
NET DECREASED IN CASH AND CASH EQUIVALENTS	1,361	5,126
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15,865	21,208
CASH AND CASH EQUIVALENTS AT END OF PERIOD	17,276	26,335
Cash and cash equivalents comprise:		
Deposits with licensed banks	150	166
Cash and bank balances	17,126	26,169
	17,276	26,335



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INTERIM FINANCIAL REPORT 31 DEC 2012

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134")

1. First-Time Adoption of Malaysian Financial Reporting Standards (MFRS)

The condensed consolidated interim financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 – "Interim Financial Reporting" issued and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). This condensed consolidated interim financial statements also complies with International Accounting Standard 34: Interim Financial Reporting issued by the International Accounting Standard Board (IASB). For the periods up to and including the year ended 30 June 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRS).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial report.

These condensed consolidated interim financial statements are part of the period covered by the Group's first MFRS annual financial statements for the financial year ended 30 June 2013. MFRS 1: First-Time Adoption of Malaysian Financial reporting Standards ("MFRS 1") has been applied.

The MFRS are effective for the Group from 1 July 2012 and the date of transition to MFRS framework is 1 July 2011. The transition from FRS to MFRS has no material impact on the financial position, financial performance and cash flows of the Group.

2. Changes in Accounting Policies and Application of MFRS 1

Property, plant and equipment

The Group previously recorded its land and building at its fair value at the date of the revaluation less accumulated amortization and any accumulated impairment losses. Upon transition to MFRS, the Group elected to measure all its property, plant and equipment using the cost model under MFRS 116: Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the revalued amounts of leasehold land and building as deemed cost. As a result, the revaluation surplus was transferred to retained earnings on the date of transition.

Foreign currency translation reserve

The foreign currency translation reserves are previously recognized as a separate component of equity. Upon transition to MFRS, it is deemed to be nil and were adjusted to retained earnings.



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INTERIM FINANCIAL REPORT 31 DEC 2012

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

No dividends were paid during the quarter under review.



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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 31 Dec 2012						
REVENUE						
External revenue	23,639	1,266	6,522	-	-	31,427
Inter-segment revenue	7,268	799	244	455	(8,766)	-
Total revenue	30,907	2,065	6,766	455	(8,766)	31,427
RESULTS						
Segment results	1,134	196	950	(73)	-	2,207
Finance costs	(362)	(4)	(8)	-	-	(374)
Profit / (loss) from ordinary activities before taxation	772	192	942	(73)	-	1,833
Income tax expense						(458)
Profit / (loss) from ordinary activities after taxation						1,375
Non-controlling interest						(326)
Net profit / (loss) attributable to equity holders of the Company						1,049



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

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)	-
Total revenue	34,940	2,074	4,198	410	(9,693)	31,929

RESULTS

Segment results	3,778	(60)	355	(158)	-	3,915
Finance costs	(368)	(15)	(11)	-	-	(394)

Profit / (loss) from ordinary activities before taxation	3,410	(75)	344	(158)	-	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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INTERIM FINANCIAL REPORT 31 DEC 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	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 6 months						
Year ended 31 Dec 2012						
REVENUE:						
External revenue	40,263	1,747	10,159	-	-	52,169
Inter-segment revenue	13,954	1,880	497	916	(17,247)	-
Total revenue	54,217	3,627	10,656	916	(17,247)	52,169
RESULTS						
Segment results	2,139	348	998	(163)	-	3,322
Finance costs	(674)	(10)	(15)	-	-	(699)
Profit from ordinary activities before taxation	1,465	338	983	(163)	-	2,623
Income tax expense						(656)
Profit from ordinary activities after taxation						1,967
Non-controlling interest						(296)
Net profit attributable to equity holders of the Company						1,671

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INTERIM FINANCIAL REPORT 31 DEC 2012**8. Segmental Information (Cont'd)**

The Group	Design			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 6 months Year 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)	-
Total revenue	57,726	4,389	5,842	812	(18,114)	50,655
RESULTS						
Segment results	5,411	336	102	(324)	-	5,525
Finance costs	(707)	(19)	(17)			(743)
Profit from ordinary activities before taxation	4,704	317	85	(324)	-	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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INTERIM FINANCIAL REPORT 31 DEC 2012**8. Segmental Information (Cont'd)****Assets and Liabilities
As at 31 Dec 2012**

OTHER INFORMATION

Segment assets	148,944	8,682	17,963	68,053	(72,220)	171,422
Unallocated assets						2,021

173,443

Segment liabilities	89,395	1,503	12,583	7,749	(45,782)	65,448
Unallocated liabilities						2,746

68,194**Assets and Liabilities
As at 30 June 2012**

OTHER INFORMATION

Segment assets	152,710	10,114	13,556	65,812	(73,859)	168,333
Unallocated assets	1,624		158	61		1,843

170,176

Segment liabilities	95,667	3,100	8,949	5,287	(48,599)	64,404
Unallocated liabilities						2,540

66,944



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9. Property, Plant and Equipment Valuation

The valuations of the property, Plant and Equipment have been brought forward without amendments from the previous audited financial statements. Upon transition to MFRS, the Group used the previous revaluation at or before the date of transition as deemed cost for property, plant and equipment.

10. Profit / (Loss) before taxation

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2012 RM'000	Preceding Corresponding Quarter Ended 31 Dec 2011 RM'000	Current Period Ended 31 Dec 2012 RM'000	Preceding Corresponding Period Ended 31 Dec 2011 RM'000
Profit / (Loss) before taxation is arrived at after charging :-				
Interest expense	336	227	547	473
Depreciation and amortisation	597	598	1,253	1,185
Provision for and write off of receivables	315	1,000	315	1,000
Loss on foreign exchange	42	-	44	-

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

Interest Income	85	133	200	241
Other Income including Investment Income	122	N/A	223	N/A
Gain on foreign exchange	35	19	35	387
Gain on disposal of property, plant and equipment	77	41	113	50

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

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

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INTERIM FINANCIAL REPORT 31 DEC 2012**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT****12. Changes in the Composition of the Group**

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

13. Changes in Contingent Assets or Contingent Liabilities

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

	Current Period Ended 31 Dec 2012 RM'000	Preceding Period Ended 31 Dec 2011 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	7,698	12,653

14. 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 2012 RM'000	Preceding Period Ended 31 Dec 2011 RM'000
Approved and contracted for:-		
Investment Properties	811	1,328
Total capital commitments	811	1,328

15. Significant Related Party Transactions

There were no significant related party transactions during the quarter under review.



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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.

16. Review of Performance

- Current Quarter 3 months ended 31 Dec 2012

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

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2012 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2011 RM'000	Current Period Ended 31 Dec 2012 RM'000	Preceding Period Ended 31 Dec 2011 RM'000
Revenue	31,427	31,929	52,169	50,655
Profit before taxation	1,833	3,521	2,623	4,782

In the current quarter, the Group revenue was RM31.4million as compared to the preceding year corresponding quarter of RM31.9million. The revenue dropped slightly by 1.57% or RM 0.5million mainly due to a drop in revenue in Kitchen and Wardrobe products segment of RM3.2million, a decrease of 11.8%. However, Glass and Aluminium segment recorded an increase in revenue of RM2.7million or 70.1%. The White Goods and Appliances segment has recorded a minimal decrease of RM0.03 million or 2.9%.

The profit before tax for the quarter decreased by RM1.7million or 47.9% from RM3.5 million in the preceding corresponding quarter to RM1.8million in the current quarter. The decrease is a result of lower margin recorded for some project recognized in the current quarter compared to the preceding year corresponding quarter.

Kitchen and Wardrobe Systems

The Kitchen and Wardrobe segment recorded a decrease in revenue of RM3.2million or 11.8% from RM26.8million in the preceding corresponding quarter to RM23.6million in the current quarter under review. The decrease mainly arose from the lower sales contribution from the retail and export segments of the business.

The profit before tax for Kitchen and Wardrobe segment was RM0.8million as compared to preceding year corresponding quarter of RM3.4million. In tandem with the drop in revenue and lower gross profit margin from the project segments, the profit before tax was recorded lower by RM2.6million or 77.4% in the current quarter under review.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

16. Review of Performance (Cont'd)

- Current Quarter 3 months ended 31 Dec 2012

White Goods and Built-in Kitchen Appliances

The White Goods and Built-in Kitchen Appliances segment reported a slight drop of RM0.03million or 2.9% in revenue from RM1.30million in the preceding year corresponding quarter to RM1.27million in the current quarter.

Despite the decrease in revenue, profit before tax for this business segment increased by RM0.27million or 355.6% compared to preceding year corresponding quarter due to the cost savings in its advertisement and promotional activities.

Glass and Aluminium Product

The Glass and Aluminium Product segment recorded revenue of RM6.5million for the current quarter as compared to the preceding year corresponding quarter of RM3.8million. The RM2.7million or 70.1% increase in revenue was mainly due to higher revenue contribution from the projects segment in the current quarter.

The increase in sales has correspondingly recorded a profit before tax of RM0.9million as compared with the preceding year corresponding quarter of RM0.3million, an increase of RM 0.6million or 173.8%.

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.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

16. Review of Performance (Cont'd)

- Cumulative period to-date 6 months ended 31 Dec 2012

In the current year to-date, the Group recorded revenue of RM52.2million as compared to the preceding year corresponding period of RM50.7million. The 3.0% or RM1.5million increase in revenue was mainly due to higher contribution from Glass and Aluminum products segment.

The Group profit before tax for current year to-date was RM2.6million as compared to the preceding year corresponding period of RM4.8million. The decreased of 45.1% or RM2.2million in profit before tax was due to the drop in the gross profit margin of project division in the Kitchen and Wardrobe segment. There was also an increase in operation costs incurred for the new operation in China and the increase in the staff costs resulting from the additional headcount being recruited to support the Group's expansionary plan.

Kitchen and Wardrobe Systems

The Kitchen and Wardrobe segment recorded revenue of RM40.3million as compared to the preceding year corresponding period of RM43.4million. The 7.2% or RM3.1million decrease in revenue was mainly due to lower sales generated from the retail and export segment of the business.

The profit before tax for Kitchen and Wardrobe segment was RM1.5million as compared with preceding year corresponding period of RM4.7million. The decreased in profit before tax of RM3.2million or 68.9% was due to lower revenue and gross profit margin generated from the projects segment recognized in the period. There were also additional operating costs incurred for the new operation in China which was newly set up in April 2012. On the local front, there was higher staff cost from the additional headcount being recruited to support the Group's expansionary activities.

White Goods and Built-in Kitchen Appliances

The White Goods and Built-in Kitchen Appliances segment recorded revenue of RM1.7million as compared to the preceding year corresponding period of RM2.3million. The drop of 24.1% or RM0.5million in revenue was mainly due to lower sales contribution from its dealers.

The profit before tax for White Goods and Built-in Kitchen Appliances segment for the current period recorded 0.34million as compared to the preceding year corresponding period of RM0.32million. Despite the drop in sales, the profit before tax is marginally higher due to the savings in its advertisement and promotional costs.



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16. Review of Performance (Cont'd)

- Cumulative period to-date 6 months ended 31 Dec 2012

Glass and Aluminium Product

The Glass and Aluminium Product segment recorded revenue for the year to-date was RM10.2million as compared to the preceding year corresponding period of RM4.9million. The 105.4% or RM5.2million increase in revenue is mainly due to higher contribution from its project division.

The profit before tax for the current period is at RM1.0million compared to RM0.08million, a significant increase by RM0.9million or 1056.5%. In tandem with the increase in sales and higher gross profit margin for projects recognized in the period, the profit before tax has increased accordingly.

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.

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

	Individual Period	
	Current Quarter Ended 31 Dec 2012 RM'000	Preceding Quarter Ended 30 Sep 2012 RM'000
Revenue	31,427	20,742
Profit before taxation	1,833	789

The Group recorded revenue for the current quarter was RM31.4million as compared with preceding quarter of RM20.7million. The RM10.7million or 51.5% increase in revenue was mainly contributed by the 3 main business segment, namely Kitchen and Wardrobe, White Goods and Built In Kitchen Appliances as well as the Glass and Aluminium segment.

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Corresponding to the increase in revenue, the Group recorded higher profit before tax of RM1.8million in the current quarter under review as compared to RM0.8million in the preceding quarter.

18. Current Year Prospects

The project division from the Kitchen and Wardrobe segment is expected to remain to be the driving force for the Group's financial performance underpinned by its strong order book on hand. In view of the encouraging order book replenishment following to the successful award of a few major projects, the Group is optimistic to record more promising results from this division.

Barring any unforeseen circumstance, the Board is optimistic that the Group will continue to achieve satisfactory performance in the current financial year.

19. Variance between Actual Results and Forecast Results

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

20. Taxation

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2012 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2011 RM'000	Current Period Ended 31 Dec 2012 RM'000	Preceding Period Ended 31 Dec 2011 RM'000
Current Tax Expense				
- Current Year	458	964	656	1,279
- Deferred Tax	-	-	-	-
Total Income Tax Expense	458	964	656	1,279

21. Status of Corporate Proposals

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



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22. Borrowings and Debt Securities

The Group's borrowings as follows:

	Cumulative Period	
	Current Period Ended	Preceding Period Ended
Term Loan (Secured) :-	31 Dec 2012	31 Dec 2011
	RM'000	RM'000
Current	2,537	2,063
Non Current	17,476	19,864
Total Bank Borrowing	20,013	21,927

23. Material Litigation

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

24. Dividend

A final single tier tax exempt dividend of 1.5sen per ordinary share in respect of the financial year ended 30 June 2012 will be paid on 18 January 2013.

25. 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 31 Dec 2012.

	Individual Period		Cumulative Period	
	Current Quarter Ended	Preceding Period Corresponding Quarter Ended	Current Period Ended	Preceding Period Ended
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
BASIC EARNINGS PER SHARE				
Profit / (loss) for the year attributable to ordinary equity holders of the Company	1,049	2,389	1,671	3,507
Weighted average number of ordinary shares in issue ('000)	120,000	120,000	120,000	120,000
Basic Earnings per Share (sen)	0.9	2.0	1.4	2.9



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26. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 Dec 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 Dec 2012 RM'000
Total retained profits/ (accumulated losses) of Signature International Berhad and its subsidiaries:	
- Realised	56,079
- Unrealised	2,245
	<hr/>
	58,324
Consolidation adjustments	13,242
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	71,566

27. 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 June 2012 were not subject to any qualification.

28. 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 26 February 2013