



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

The Board of Directors of Signature International Berhad (“SIB” or “the Company”) is pleased to announce the following unaudited consolidated results of SIB and its subsidiaries (collectively known as “the Group”) for the period ended 30 September 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Sept 2013 RM'000	Preceding Period Corresponding Quarter Ended 30 Sept 2012 RM'000	Current Period Ended 30 Sept 2013 RM'000	Preceding Period Ended 30 Sept 2012 RM'000
Revenue	27,020	20,742	27,020	20,742
Operating expenses	(24,569)	(19,943)	(24,569)	(19,943)
Other operating income	868	315	868	315
Profit from operations	3,319	1,114	3,319	1,114
Finance costs	(422)	(325)	(422)	(325)
Profit before taxation	2,897	789	2,897	789
Tax expense	(724)	(197)	(724)	(197)
Profit/(Loss) after taxation	2,173	592	2,173	592
Other Comprehensive Income, Net of Tax				
Foreign currency translation	(274)	18	(274)	18
Total Comprehensive Income for the period	1,899	610	1,899	610

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial report.



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(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013 (CONT'D)

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Sept 2013 RM'000	Preceding Period Corresponding Quarter Ended 30 Sept 2012 RM'000	Current Period Ended 30 Sept 2013 RM'000	Preceding Period Ended 30 Sept 2012 RM'000
Profit after tax attributable to:-				
- Equity holders of the parent	2,029	621	2,029	621
- Non-controlling interest	144	(29)	144	(29)
	<u>2,173</u>	<u>592</u>	<u>2,173</u>	<u>592</u>
Total Comprehensive Income attributable to: -				
- Equity holders of the parent	1,755	639	1,755	639
- Non-controlling interest	144	(29)	144	(29)
	<u>1,899</u>	<u>610</u>	<u>1,899</u>	<u>610</u>
Earnings per share (sen)				
- Basic	<u>1.7</u>	<u>0.5</u>	<u>1.7</u>	<u>0.5</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 June 2013 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 30 SEPTEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	UNAUDITED	AUDITED
	As at	As at
	30 Sept 2013	30 June 2013
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	7,128	7,356
Investment properties	17,211	16,400
Long term receivables	4,141	4,141
	<u>28,480</u>	<u>27,897</u>
Current Assets		
Inventories	15,919	14,199
Amount owing by contract customers	359	7,755
Receivables - net of deposits received	38,016	52,476
Tax recoverable	2,529	1,652
Short-term investments	38,416	27,871
Fixed deposit with licensed banks	155	155
Cash and bank balances	17,130	19,623
	<u>112,524</u>	<u>123,731</u>
Non-current assets held for sale	39,693	40,341
	<u>180,697</u>	<u>191,969</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 2013 and the accompanying explanatory notes attached to the interim financial report.



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(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013 (CONT'D)

	UNAUDITED As at 30 Sept 2013 RM'000	AUDITED As at 30 June 2013 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Reserves	45,079	43,324
Shareholders' equity	105,079	103,324
Non-controlling interest	2,520	2,376
TOTAL EQUITY	107,599	105,700
Non-Current Liabilities		
Hire purchase payables	1,181	1,255
Term loans	17,185	17,657
Deferred taxation	2,548	2,548
	20,914	21,460
Current Liabilities		
Payables	18,026	27,448
Amount owing to contract customers	31,157	34,343
Provision for taxation	474	430
Hire purchase payables	357	381
Term loan	2,170	2,207
	52,184	64,809
TOTAL LIABILITIES	73,098	86,269
TOTAL EQUITY AND LIABILITIES	180,697	191,969
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.88	0.86

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 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 30 SEPTEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	← Attributable to equity holders of the parent →		← Non Distributable Reserves →		← Distributable →		Attributable To owners of The Company RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Merger Deficit RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000			
Balance at 1.7.2013	60,000	(920)	-	(28,123)	79	72,288	103,324	2,376	105,700
Profit after taxation for the financial year	-	-	-	-	-	2,029	2,029	144	2,173
Other comprehensive income for the financial year, net of tax;									
- foreign exchange translation	-	-	-	-	(274)	-	(274)	-	(274)
Total comprehensive income for the financial year	-	-	-	-	(274)	2,029	1,755	144	1,899
Contribution by and distribution to owners of the Company:	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
At 30 Sept 2013	60,000	(920)	-	(28,123)	(195)	74,317	105,079	2,520	107,599

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 2013 and the accompanying explanatory notes attached to the interim financial report.



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(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013 (CONT'D)

	← Attributable to equity holders of the parent →								Total Equity RM'000
	Non Distributable Reserves					Distributable		Non- controlling interest RM'000	
	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	Total RM'000		
At 1 July 2012									
as previously stated	60,000	-	7,196	(28,567)	(339)	63,038	101,328	1,904	103,232
- 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	-	-	-	-	18	621	639	(29)	610
At 30 September 2012	60,000	-	-	(28,567)	18	70,516	101,967	1,875	103,842

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 2013 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 30 SEPTEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	Financial Year Ended 30 Sept 2013 RM'000	Preceding Year Ended 30 Sept 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,897	789
Adjustments:		
Amortisation and depreciation	700	656
Loss / (Gain) on disposal of property, plant and equipment	-	(36)
Write-back of provision for doubtful debts	(30)	-
Gain on foreign exchange - unrealised	(210)	(2)
Fair value (gain)/loss on short term investment	(245)	-
Interest income	(261)	(115)
Interest expense	151	211
	<hr/>	<hr/>
Changes in working capital	3,002	1,503
Inventories	(1,720)	(1,111)
Receivables	14,700	6,405
Amount owing by contract customers	4,226	2,942
Payables	(9,422)	(7,809)
	<hr/>	<hr/>
Cash generated from operations	10,786	1,930
Interest received	261	115
Interest paid	(151)	(211)
Income tax paid	(1,572)	(1,165)
	<hr/>	<hr/>
Net cash inflow from operating activities	9,324	669
	<hr/>	<hr/>
CASH FLOWS FROM / (USED) IN INVESTING ACTIVITIES		
Additions of property, plant and equipment and prepaid lease rentals	(45)	(335)
Additional Purchase / works on investment properties	(591)	(175)
Proceeds from disposal of property, plant and equipment	-	36
Proceeds from disposal of short term investments	-	-
Purchase of short term investments	(10,300)	(2,477)
	<hr/>	<hr/>
Net cash from / (used) in investing activities	(10,936)	(2,951)
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Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 SEPTEMBER 2013 (CONT'D)

	Financial Year Ended 30 Sept 2013 RM'000	Preceding Year Ended 30 Sept 2012 RM'000
CASH FLOWS FROM / (USED) IN FINANCING ACTIVITIES		
Hire purchase repayment	(98)	(66)
Borrowings	(509)	(777)
Net cash from / (used) in financing activities	(607)	(843)
Effects of exchange rate changes on cash and cash equivalents	(274)	18
NET DECREASED IN CASH AND CASH EQUIVALENTS	(2,219)	(3,125)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	19,778	15,865
CASH AND CASH EQUIVALENTS AT END OF PERIOD	17,285	12,758
Cash and cash equivalents comprise:		
Deposits with licensed banks	155	150
Cash and bank balances	17,130	12,608
	17,285	12,758



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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

1. Basis Of Preparation

The 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 2013, 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 2013 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.

2. Significant Accounting Policies

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial year:

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015



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(Company No: 754118-K)

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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

2. Significant Accounting Policies (Con't)

MFRSs and IC Interpretations (Including The Consequential Amendments) (Cont'd)	Effective Date
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2009 - 2011 Cycle	1 January 2013

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

- a) MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments.
- b) MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements
- c) The amendments to MFRS 7 (Disclosures - Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.
- d) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities.
- e) The Annual Improvements to MFRSs 2009 - 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134.



Signature International Berhad

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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

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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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information

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 3 months Quarter ended 30 Sept 2013						
REVENUE:						
External revenue	23,212	634	3,174	-	-	27,020
Inter-segment revenue	9,207	1,614	350	463	(11,634)	-
Total revenue	32,419	2,248	3,524	463	(11,634)	27,020
RESULTS						
Segment results	3,006	148	478	(313)	-	3,319
Finance costs	(397)	(16)	(9)	-	-	(422)
Profit from ordinary activities before taxation	2,609	132	469	(313)	-	2,897
Income tax expense						(724)
Profit from ordinary activities after taxation						2,173
Non-controlling interest						(144)
Net profit attributable to equity holders of the Company						2,029

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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

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	and Distribution Of White Goods	and 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 30 Sept 2012							
REVENUE:							
External revenue	16,624	481	3,637	-	-	-	20,742
Inter-segment revenue	6,686	1,080	253	461	(8,480)	-	-
Total revenue	23,310	1,561	3,890	461	(8,480)	-	20,742
RESULTS							
Segment results	1,004	152	48	(90)	-	-	1,114
Finance costs	(312)	(6)	(7)	-	-	-	(325)
Profit from ordinary activities before taxation	692	146	41	(90)	-	-	789
Income tax expense							(197)
Profit from ordinary activities after taxation							592
Non-controlling interest							29
Net profit attributable to equity holders of the Company							621



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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

Assets and Liabilities

As at 30 Sept 2013

OTHER INFORMATION

Segment assets	152,624	11,183	26,317	63,742	(75,698)	178,168
Unallocated assets						2,529
						<u>180,697</u>
Segment liabilities	83,898	3,797	19,897	7,379	(44,894)	70,077
Unallocated liabilities						3,021
						<u>73,098</u>

Assets and Liabilities

As at 30 June 2013

OTHER INFORMATION

Segment assets	169,707	10,184	22,443	64,060	(76,077)	190,317
Unallocated assets						1,652
						<u>191,969</u>
Segment liabilities	102,902	2,851	16,367	7,360	(46,189)	83,291
Unallocated liabilities						2,978
						<u>86,269</u>



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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9. Property, Plant and Equipment Valuation

There were no changes in the valuations of the Property, Plant and Equipment since the last audited financial statements. Upon transition to MFRS, the Group used the previous revaluation at or before the date of transition as deemed cost for property, plant and equipment.

10. Profit / (Loss) before taxation

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Sept 2013 RM'000	Preceding Corresponding Quarter Ended 30 Sept 2012 RM'000	Current Year Ended 30 Sept 2013 RM'000	Preceding Corresponding Year Ended 30 Sept 2012 RM'000

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

Interest expense	151	211	151	211
Depreciation and amortisation	700	656	700	656
Loss on foreign exchange	10	2	10	2

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

Interest Income	261	115	261	115
Other Income including Investment Income	47	101	47	101
Write-back of provision for doubtful debts	30	-	30	-
Fair value (gain)/loss on short term investment	245	-	245	-
Gain on foreign exchange	220	-	220	-
Gain on disposal of property, plant and equipment	-	36	-	36

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 30 SEPTEMBER 2013

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

12. Changes in the Composition of the Group

There was no change in the composition of the Group for the current quarter under review.

13. Changes in Contingent Assets or Contingent Liabilities

As at 30 September 2013, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows:-

	Current Year Ended 30 Sept 2013 RM'000	Preceding Year Ended 30 Sept 2012 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	<u>16,222</u>	<u>7,781</u>

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 Year Ended 30 Sept 2013 RM'000	Preceding Year Ended 30 Sept 2012 RM'000
Approved and contracted for:-		
Investment Properties	5,999	1,262
Total capital commitments	<u>5,999</u>	<u>1,262</u>

15. Significant Related Party Transactions

During this quarter, a wholly-owned subsidiary, namely Signature Cabinet Sdn Bhd acquired two (2) units of serviced apartments to be erected on a piece of freehold land under H.S.(D) 283190, P.T. 35472 in the Mukim Damansara, Daerah Petaling, from HSB Development Sdn Bhd, for a total cash consideration of RM3,699,900. HSB Development Sdn Bhd is the wholly-owned subsidiary of HSC Healthcare Sdn Bhd. HSC Healthcare Sdn Bhd is the substantial shareholder of SIGN. In addition, Dr Lim Yin Chow is deemed a substantial shareholder in SIGN by virtue of his interest in HSC Healthcare Sdn Bhd.



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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

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 30 September 2013

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

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Sept 2013 RM'000	Preceding Period Corresponding Quarter Ended 30 Sept 2012 RM'000	Current Year Ended 30 Sept 2013 RM'000	Preceding Year Ended 30 Sept 2012 RM'000
Revenue	27,020	20,742	27,020	20,742
Profit before taxation	2,897	789	2,897	789

For the first quarter of the year, the Group recorded a revenue of RM27.0million, an increase of RM6.3million or 30.3%, as compared to the preceding year corresponding quarter of RM20.7million. The increased revenue was mainly due to higher revenue from both project and retail sales of the Kitchen and Wardrobe segment and also a marginal increase in dealers and warehouse sales for the White Goods and Appliances segment. However, the Glass and Aluminium segment recorded a slight drop in sales due to lower revenue recognition of its project segment.

The profit before tax for the current quarter improved by RM2.1million or 267.2% from RM0.8million in the preceding corresponding quarter to RM2.9million in the current quarter. The significant improvement was due to higher revenue recognised from both its project and retail division of the Kitchen and Wardrobe segment.

Kitchen and Wardrobe Systems

The overall improvement was contributed by Kitchen and Wardrobe segment where the revenue recorded an increase of RM9.1million or 39.1% from RM23.3million in the preceding corresponding quarter to RM32.4million in the current quarter under review. Both the project and retail division has recorded significant improvement in its sales volume.

The profit before tax for this segment was RM2.6million as compared to preceding year corresponding quarter, RM0.7million. The improved performance from this segment was due to higher sales being recorded for the quarter under review.



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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

16. Review of Performance (Cont'd)

- Current Quarter 3 months ended 30 September 2013

White Goods and Built-in Kitchen Appliances

This segment recorded an increase of RM0.7million or 44.0% in revenue from RM1.6million in the preceding year corresponding quarter to RM2.2million in the current quarter. The improvement was from higher sales volume generated from the exhibition and warehouse sales organized during the quarter.

However, the profit before tax for this business segment was marginally lower by RM0.014million or 9.6% compared to preceding year corresponding quarter, as a result from higher promotional and marketing cost incurred for the exhibition and warehouse sales activities.

Glass and Aluminium Product

The Glass and Aluminium Product segment recorded a marginally lower revenue of RM3.5million for the current quarter as compared to the preceding year corresponding quarter of RM3.9million. The RM0.3million or 9.4% drop in revenue was mainly due to lower revenue contribution from the project segment in the current quarter due to timing of sales recognition for some projects.

The profit before tax has on the other hand recorded an improvement from RM0.04million in preceding year corresponding quarter to RM0.5million in current quarter. The improvement was from recognition of profits from higher gross profit margin projects as well as some bad debts recovered and higher dividend income received from short term investment 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.



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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

	Individual Period	
	Current Quarter Ended 30 Sept 2013 RM'000	Preceding Quarter Ended 30 June 2013 RM'000
Revenue	27,020	36,691
Profit before taxation	2,897	736

The Group recorded a revenue of RM27.0million for the current quarter as compared to the preceding quarter of RM36.6million. The RM9.7million or 26.4% drop in revenue was generally due to lower revenue being recorded for the 3 business segment, namely Kitchen and Wardrobe, White Goods and Appliances and Glass and Aluminium segment.

However, the Group recorded a profit before tax of RM2.9million in the current quarter under review as compared to RM0.7million in the preceding quarter. This lower profit before tax in last quarter was mainly due to the year end adjustments on impairment on doubtful debts and inventories.

18. Current Year Prospects

Backed by our strong unbilled order book of more than RM200 million as of to-date and our continuous efforts in securing future projects within the vicinity of Klang Valley and other development regions, the Group is optimistic of recording promising results from the Kitchen Cabinet and Wardrobe segment. As for retail segment, the Group continues to increase its marketing activities to promote its sales volume and to further consolidate its market positioning with the support of dealers and franchisees.

For the current year under review, White Goods and Built-in Kitchen Appliances and Glass and Aluminium Products segments will continue to contribute significantly to the Group. We expect our new business segment of interior out-fit to complement our existing business segments and leveraging on the growing portfolio of clients and projects, to further consolidate this business segment as an industry leader.

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



Signature International Berhad

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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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 30 Sept 2013 RM'000	Preceding Period Corresponding Quarter Ended 30 Sept 2012 RM'000	Current Period Ended 30 Sept 2013 RM'000	Preceding Period Ended 30 Sept 2012 RM'000
Current Tax Expense				
- Current Year	724	197	724	197
- Deferred Tax	-	-	-	-
Total Income Tax Expense	724	197	724	197

21. Status of Corporate Proposals

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

22. Borrowings and Debt Securities

The Group's borrowings as follows:

	Cumulative Period	
	Current Year Ended 30 Sept 2013 RM'000	Preceding Year Ended 30 Sept 2012 RM'000
Term Loan (Secured) :-		
Current	2,170	1,868
Non Current	17,185	18,661
Total Bank Borrowing	19,355	20,529



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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

23. Material Litigation

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

24. Proposed Dividend

The Board recommends a final single tier dividend (net) of 1.5 sen per ordinary share amounting to RM1.8million for the financial year ended 30 June 2013.

The final single tier dividend recommended by the Board is subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 12 December 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 30 September 2013.

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Sept 2013 RM'000	Preceding Year Corresponding Quarter Ended 30 Sept 2012 RM'000	Current Year Ended 30 Sept 2013 RM'000	Preceding Year Ended 30 Sept 2012 RM'000
BASIC EARNINGS PER SHARE				
Profit for the year attributable to ordinary equity holders of the Company	2,029	621	2,029	621
Weighted average number of ordinary shares in issue ('000)	119,503	120,000	119,503	120,000
Basic Earnings per Share (sen)	1.7	0.5	1.7	0.5



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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2013

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

26. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 September 2013 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 Sept 2013 RM'000
Total retained profits/ (accumulated losses) of Signature International Berhad and its subsidiaries:	
- Realised	76,667
- Unrealised	(5,908)
	<hr/>
	70,759
Consolidation adjustments	3,558
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	<u>74,317</u>

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 2013 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 28 November 2013.