



## Signature International Berhad

(Company No: 754118-K)

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

### INTERIM FINANCIAL REPORT 31 MARCH 2014

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 31 March 2014

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Mar 2014 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2013 RM'000	Current Period Ended 31 Mar 2014 RM'000	Preceding Period Ended 31 Mar 2013 RM'000
Revenue	41,916	31,989	111,830	84,158
Operating expenses	(36,672)	(26,760)	(99,311)	(76,231)
Other operating income	766	581	1,957	1,204
Profit from operations	6,010	5,810	14,476	9,131
Finance costs	(390)	(378)	(1,537)	(1,077)
Profit before taxation	5,620	5,432	12,939	8,054
Tax expense	(1,305)	(1,358)	(3,135)	(2,014)
Profit after taxation	4,315	4,074	9,804	6,040
<b>Other Comprehensive Income, Net of Tax</b>				
Foreign currency translation	(40)	(41)	(52)	9
<b>Total Comprehensive Income for the period</b>	<b>4,275</b>	<b>4,033</b>	<b>9,752</b>	<b>6,049</b>

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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### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014 (CONT'D)

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Mar 2014 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2013 RM'000	Current Period Ended 31 Mar 2014 RM'000	Preceding Period Ended 31 Mar 2013 RM'000
<b>Profit after tax attributable to:-</b>				
- Equity holders of the parent	4,123	3,954	9,062	5,625
- Non-controlling interest	192	120	742	415
	<u>4,315</u>	<u>4,074</u>	<u>9,804</u>	<u>6,040</u>
<b>Total Comprehensive Income attributable to: -</b>				
- Equity holders of the parent	4,083	3,913	9,010	5,634
- Non-controlling interest	192	120	742	415
	<u>4,275</u>	<u>4,033</u>	<u>9,752</u>	<u>6,049</u>
<b>Earnings per share (sen)</b>				
- Basic	<u>3.5</u>	<u>3.6</u>	<u>7.6</u>	<u>4.8</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.



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### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	UNAUDITED	AUDITED
	As at	As at
	31 Mar 2014	30 June 2013
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	6,547	7,356
Investment properties	24,334	16,400
Long term receivables	4,141	4,141
	<u>35,022</u>	<u>27,897</u>
<b>Current Assets</b>		
Inventories	14,851	14,199
Amount owing by contract customers	-	7,755
Receivables - net of deposits received	50,297	52,476
Tax recoverable	2,230	1,652
Short-term investments	31,958	27,871
Fixed deposit with licensed banks	155	155
Cash and bank balances	16,976	19,623
	<u>116,467</u>	<u>123,731</u>
Non-current assets held for sale	39,355	40,341
	<u>190,844</u>	<u>191,969</u>
<b>TOTAL ASSETS</b>		

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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### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014 (CONT'D)

	UNAUDITED	AUDITED
	As at	As at
	31 Mar 2014	30 June 2013
	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	60,000	60,000
Reserves	52,334	43,324
Shareholders' equity	112,334	103,324
Non-controlling interest	3,118	2,376
<b>TOTAL EQUITY</b>	<b>115,452</b>	<b>105,700</b>
<b>Non-Current Liabilities</b>		
Hire purchase payables	1,026	1,255
Term loans	15,800	17,657
Deferred taxation	2,547	2,548
	<b>19,373</b>	<b>21,460</b>
<b>Current Liabilities</b>		
Payables	16,587	27,448
Amount owing to contract customers	35,030	34,343
Provision for taxation	1,219	430
Hire purchase payables	401	381
Term loan	2,782	2,207
	<b>56,019</b>	<b>64,809</b>
<b>TOTAL LIABILITIES</b>	<b>75,392</b>	<b>86,269</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>190,844</b>	<b>191,969</b>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.94	0.87

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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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

	← Attributable to equity holders of the parent →				← Non Distributable Reserves →		Distributable		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	Attributable To owners of The Company RM'000	Non- controlling interests RM'000	
<b>Balance at 1.7.2013</b>	60,000	(920)	-	(28,123)	79	72,288	103,324	2,376	105,700
Profit after taxation for the financial year	-	-	-	-	-	9,062	9,062	742	9,804
Other comprehensive income for the financial year, net of tax; - foreign exchange translation	-	-	-	-	(52)	-	(52)	-	(52)
Total comprehensive income for the financial year	-	-	-	-	(52)	9,062	9,010	742	9,752
<b>At 31 March 2014</b>	<b>60,000</b>	<b>(920)</b>	<b>-</b>	<b>(28,123)</b>	<b>27</b>	<b>81,350</b>	<b>112,334</b>	<b>3,118</b>	<b>115,452</b>

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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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013 (CONT'D)

	← Attributable to equity holders of the parent →							Total	Non-controlling interest	Total Equity
	Non Distributable Reserves				Distributable					
	Share Capital	Treasury Shares	Share Premium	Revaluation Reserve	Merger Deficit	Exchange Translation Reserve	Retained Profits	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 July 2012</b>										
<b>as previously stated</b>	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	-	-	-
<b>At 1 July 2012, as restated</b>	60,000	-	-	-	(28,567)	-	69,895	101,328	1,904	103,232
Total Comprehensive Income for the year	-	-	-	-	-	9	5,625	5,634	415	6,049
Own shares acquired	-	(920)	-	-	-	-	-	(920)	-	(920)
<b>At 31 Mar 2013</b>	60,000	(920)	-	-	(28,567)	9	75,520	106,042	2,319	108,361

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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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2014

	Financial Year Ended 31 Mar 2014 RM'000	Preceding Year Ended 31 Mar 2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	12,939	8,054
<b>Adjustments:</b>		
Amortisation and depreciation	1,986	1,942
Gain on disposal of property, plant and equipment	(29)	(90)
Provision for doubtful debts	1,700	315
Write-back of provision for doubtful debts	(869)	-
Loss on foreign exchange - unrealised	-	(31)
Fair value (gain)/loss on short term investment	-	-
Interest income	(743)	(266)
Interest expense	721	844
<b>Changes in working capital</b>	15,705	10,768
Inventories	(652)	(5,155)
Receivables	1,346	2,309
Amount owing by contract customers	8,435	14,177
Payables	(10,862)	(8,238)
<b>Cash generated from operations</b>	13,972	13,861
Interest received	743	266
Interest paid	(721)	(844)
Income tax paid	(2,917)	(3,751)
<b>Net cash inflow from operating activities</b>	11,077	9,532
<b>CASH FLOWS FROM / (USED) IN INVESTING ACTIVITIES</b>		
Additions of property, plant and equipment and prepaid lease rentals	(162)	(1,282)
Additional Purchase / works on investment properties	(7,934)	(737)
Proceeds from disposal of property, plant and equipment	-	257
Purchase of short term investments	(4,086)	(5,311)
<b>Net cash from / (used) in investing activities</b>	(12,182)	(7,073)



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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2014 (CONT'D)

	Financial Year Ended 31 Mar 2014 RM'000	Preceding Year Ended 31 Mar 2013 RM'000
<b>CASH FLOWS FROM / (USED) IN FINANCING ACTIVITIES</b>		
Repurchase of treasury shares	-	(920)
Hire purchase repayment	(209)	(163)
Borrowings	(1,282)	(1,956)
<b>Net cash from / (used) in financing activities</b>	<b>(1,491)</b>	<b>(3,039)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(51)</b>	<b>9</b>
<b>NET DECREASED IN CASH AND CASH EQUIVALENTS</b>	<b>(2,596)</b>	<b>(572)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>19,778</b>	<b>15,865</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>17,131</b>	<b>15,302</b>
<b>Cash and cash equivalents comprise:</b>		
Deposits with licensed banks	155	150
Cash and bank balances	16,976	15,152
	<b>17,131</b>	<b>15,302</b>



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**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).

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.

**2. Significant Accounting Policies**

During the current financial period, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

**MFRSs and IC Interpretations (Including The Consequential Amendments)**

1. MFRS 10 Consolidated Financial Statements
2. MFRS 11 Joint Arrangements
3. MFRS 12 Disclosure of Interests in Other Entities
4. MFRS 13 Fair Value Measurement
5. MFRS 119 (2011) Employee Benefits
6. MFRS 127 (2011) Separate Financial Statements
7. MFRS 128 (2011) Investments in Associates and Joint Ventures
8. Amendments to MFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities
9. Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance
10. Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income
11. IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
12. Annual Improvements to MFRSs 2009 - 2011 Cycle



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### **NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

#### **2. Significant Accounting Policies (Con't)**

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group financial statements.

#### **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**

A first and final single tier tax exempt dividend of 1.5 sen per ordinary share in respect of the financial year ended 30 June 2013 was paid on 30 January 2014.



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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 RM000	Marketing and Distribution Of White Goods RM000	Manufacture Of Glass and Aluminium Products RM000	Interior fit-out works RM000	Others RM000	Eliminations RM000	The Group RM000
<b>Result for 3 months Quarter ended 31 Mar 2014</b>							
REVENUE:							
External revenue	36,536	356	3,547	1,477	-	-	41,916
Inter-segment revenue	12,872	3,056	371	-	680	(16,979)	-
<b>Total revenue</b>	<b>49,408</b>	<b>3,412</b>	<b>3,918</b>	<b>1,477</b>	<b>680</b>	<b>(16,979)</b>	<b>41,916</b>
RESULTS							
Segment results	6,155	(431)	740	(8)	(446)	-	6,010
Finance costs	(376)	(4)	(9)	(1)	-	-	(390)
Profit from ordinary activities before taxation	5,779	(435)	731	(9)	(446)	-	5,620
Income tax expense							(1,305)
Profit from ordinary activities after taxation							4,315
Non-controlling interest							(192)
Net profit attributable to equity holders of the Company							4,123



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 8. Segmental Information (Cont'd)

The Group	Design Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	Marketing and Distribution Of White Goods RM'000	Manufacture Of Glass and Aluminium Products RM'000	Others RM'000	Eliminations RM'000	The Group RM'000
<b>Result for 3 months Quarter ended 31 Mar 2013</b>						
REVENUE:						
External revenue	24,184	166	7,639	-	-	31,989
Inter-segment revenue	8,812	2,284	275	472	(11,843)	-
Total revenue	32,996	2,450	7,914	472	(11,843)	31,989
RESULTS						
Segment results	4,978	500	467	(135)	-	5,810
Finance costs	(366)	(4)	(8)	-	-	(378)
Profit from ordinary activities before taxation	4,612	496	459	(135)	-	5,432
Income tax expense						(1,358)
Profit from ordinary activities after taxation						4,074
Non-controlling interest						(120)
Net profit attributable to equity holders of the Company						3,954



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 8. Segmental Information (Cont'd)

The Group	Design	Marketing	Manufacture	Interior	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	And Distribution Of White Goods	Of Glass and Aluminium Products				
	RM000	RM000	RM000	RM000	RM000	RM000	RM000
<b>Result for 9 months Quarter ended 31 Mar 2014</b>							
<b>REVENUE:</b>							
External revenue	93,563	1,985	14,285	1,997	-	-	111,830
Inter-segment revenue	33,702	6,714	1,202	-	3,561	(45,179)	-
<b>Total revenue</b>	<b>127,265</b>	<b>8,699</b>	<b>15,487</b>	<b>1,997</b>	<b>3,561</b>	<b>(45,179)</b>	<b>111,830</b>
<b>RESULTS</b>							
Segment results	10,849	399	2,439	(213)	1,002	-	14,476
Finance costs	(1,470)	(39)	(26)	(2)	-	-	(1,537)
Profit from ordinary activities before taxation	9,379	360	2,413	(215)	1,002	-	12,939
Income tax expense							(3,135)
Profit from ordinary activities after taxation							9,804
Non-controlling interest							(742)
Net profit attributable to equity holders of the Company							9,062



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#### 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				
	RM000	RM000	RM000	RM000	RM000	RM000	RM000
<b>Result for 9 months Year ended 31 Mar 2013</b>							
<b>REVENUE:</b>							
External revenue	64,446	1,913	17,799	-	-	-	84,158
Inter-segment revenue	22,766	4,164	772	1,388	(29,090)	-	-
<b>Total revenue</b>	<b>87,212</b>	<b>6,077</b>	<b>18,571</b>	<b>1,388</b>	<b>(29,090)</b>		<b>84,158</b>
<b>RESULTS</b>							
Segment results	7,117	847	1,465	(298)	-	-	9,131
Finance costs	(1,040)	(14)	(23)	-	-	-	(1,077)
Profit from ordinary activities before taxation	6,077	833	1,442	(298)	-	-	8,054
Income tax expense							(2,014)
Profit from ordinary activities after taxation							6,040
Non-controlling interest							(415)
Net profit attributable to equity holders of the Company							5,625



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#### 8. Segmental Information (Cont'd)

##### Assets and Liabilities

##### As at 31 Mar 2014

##### OTHER INFORMATION

Segment assets	169,290	10,778	25,251	1,792	67,770	(86,267)	188,614
Unallocated assets							2,230
							<u>190,844</u>
Segment liabilities	95,322	3,310	17,043	1,079	10,045	(55,173)	71,626
Unallocated liabilities							3,766
							<u>75,392</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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### 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 31 Mar 2014 RM'000	Preceding Corresponding Quarter Ended 31 Mar 2013 RM'000	Current Year Ended 31 Mar 2014 RM'000	Preceding Corresponding Year Ended 31 Mar 2013 RM'000

Profit before taxation is arrived at after charging :-

Interest expense	228	297	721	844
Depreciation and amortisation	696	689	1,986	1,942
Provision for and write off of receivables	1,200	-	1,700	315
Loss on foreign exchange	227	25	262	69

Profit before taxation is arrived at after Crediting :-

Interest Income	207	66	743	266
Other Income including Investment Income	47	352	141	575
Write-back of provision for doubtful debts	839	-	869	-
Gain on foreign exchange	(153)	62	131	97
Gain on disposal of property, plant and equipment	29	54	29	90

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

There were no material events that occurred subsequent to the current period.

#### 12. Changes in the Composition of the Group

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





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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 13. Changes in Contingent Assets or Contingent Liabilities

As at 31 March 2014, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows:-

	Current Year Ended 31 Mar 2014 RM'000	Preceding Year Ended 31 Mar 2013 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	<u>22,583</u>	<u>12,226</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 31 Mar 2014 RM'000	Preceding Year Ended 31 Mar 2013 RM'000
<b>Approved and contracted for:-</b>		
Investment Properties	3,302	128
<b>Approved but not contracted for:-</b>		
Investment Properties	8,722	-
<b>Total capital commitments</b>	<u>12,024</u>	<u>128</u>



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#### 15. Significant Related Party Transactions

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.

Dr Lim resigned from the Group as Non-Independent and Non-Executive Director on 10<sup>th</sup> January 2014. He is still deemed interested by virtue of 6 months cooling period from the date of his resignation.

#### Name of Company

#### Principal Activities

Putra Perdana Construction Sdn Bhd\*

Property Development

- ( through a development project contract  
with HSB Development Sdn Bhd)

Individual Period		Cumulative Period	
Current Quarter Ended	Preceding Period Corresponding Quarter Ended	Current Period Ended	Preceding Period Ended
31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
RM'000	RM'000	RM'000	RM'000

#### HSB Development Sdn Bhd

Project claims for Kitchen &  
Wardrobe Systems

97	-	2,721	-
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\* HSB Development Sdn Bhd is a wholly-owned subsidiary of HSC Healthcare. Dr. Lim, a director of SIGN, is deemed as an "Interested Director" and "Interested Major Shareholder" by virtue of his interest in HSC Healthcare. HSC Healthcare is a major shareholder of SIGN and is therefore deemed as an "Interested Major Shareholder" of SIGN.

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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 March 2014**

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

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Mar 2014 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2013 RM'000	Current Year Ended 31 Mar 2014 RM'000	Preceding Year Ended 31 Mar 2013 RM'000
Revenue	41,916	31,989	111,830	84,158
Profit before taxation	5,620	5,432	12,939	8,054

The Group recorded a revenue of RM41.9million, an increase of RM9.9million or 31.0%, as compared to the preceding year corresponding quarter of RM31.9million. The increased revenue was mainly due to higher revenue from sales of Kitchen and Wardrobe and Interior fit-out works segment while the Glass and Aluminium segment recorded a drop in sales due to lower revenue contribution from its project division.

The profit before tax for the current quarter improved by RM0.2million or 3.4% from RM5.4million in the preceding corresponding quarter to RM5.6million in the current quarter. The slight improvement in profit before tax was due to higher revenue recognized from the Kitchen and Wardrobe segment but profitability was diluted from the effect of the impairment of doubtful debts being provided and loss in the White Good and Appliances segment in the quarter.

**Kitchen and Wardrobe Systems**

The main segment in the group, Kitchen and Wardrobe recorded an increase of RM12.3million or 51.1% from RM24.2million in the preceding corresponding quarter to RM36.5million in the current quarter under review. The project division has recorded a tremendous improvement in its sales volume.

In tandem with the increase in revenue, the profit before tax for this segment has improved from RM4.6million in the current quarter under review to RM5.8million in the preceding year corresponding quarter. This increase was a result of consistent margins from project division and also the group's ability to maintain a consistent operating expenditure ratio for the 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 March 2014**

##### **White Goods and Built-in Kitchen Appliances**

This segment recorded an increase of RM0.2million or 114.4% in revenue from RM0.1million in the preceding year corresponding quarter to RM0.3million in the current quarter.

However, the profit before tax for this business segment decreased by RM0.9million or 187.7% compared to preceding year corresponding quarter, as a result from lower gross profit margin and higher salary cost during the quarter under review.

##### **Glass and Aluminium Product**

The Glass and Aluminium Product segment recorded a lower revenue of RM3.5million for the current quarter as compared to the preceding year corresponding quarter of RM7.6million. The RM4.1million or 53.5% decrease was mainly due to lower revenue contribution from the project segment in the current quarter.

This segment reported an improvement of RM0.3million for profit before tax, from RM0.4million in preceding year corresponding quarter to RM0.7million in current quarter. Recovery of bad debts of RM0.2million and a marginal increase in the gross profit margin recognized for some projects during the current quarter contributed to the improvement in the profit.

##### **Interior Fit-out Segment**

This segment contributed project revenue to the Group by RM 1.5million. For the current quarter under review, this segment incurred loss before tax of RM0.009million arising from the operating expenses such as salaries and business development costs.

##### **Others Segment**

The Other Segment inclusive of Investment Holding Company, Properties Investment Company and Dormant Companies. The main source of revenue for the reporting quarter represents Management fee charged by Holding Company.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 16. Review of Performance (Cont'd)

##### - Cumulative period to-date 9 months ended 31 March 2014

The Group recorded revenue of RM111.8million as compared to the preceding year corresponding period of RM84.1million as of year to-date. The increase of RM27.7million or 32.9% in revenue was a result of higher sales contribution from Kitchen and Wardrobe and Interior Fit-out works segments.

The Group profit before tax for current year to-date increased significantly by RM4.9million or 60.7% compared to preceding year corresponding period, from RM8.0million to RM12.9million. This was mainly contributed by consistent margin in tandem with the increase in sales from Kitchen and Wardrobe segment and improvement in the gross profit margin from the Glass and Aluminium products despite lower revenue contribution from this division.

##### Kitchen and Wardrobe Systems

Revenue of RM93.6million was recorded by this segment as of year to-date, as compared to the preceding year corresponding period, RM64.4million. The RM29.1million or 45.2% increase in revenue was mainly attributed from higher sales generated from the local retail and project division.

The profit before tax for the segment marked an increase of RM3.3million or 54.3% as compared with preceding year corresponding period, from RM6.1million to RM9.4million, a result of consistent margin in line with the increase in revenue.

##### White Goods and Built-in Kitchen Appliances

This segment consistently reported revenue of RM1.9million for both current and preceding year corresponding period.

However, the profit before tax for White Goods and Built-in Kitchen Appliances segment for the current period dropped marginally by RM0.5million, from RM0.8million to RM0.3million. The decrease of profit before tax resulted from lower gross profit margin and higher operating expenses incurred on salaries and advertising.

##### Glass and Aluminium Product

The Glass and Aluminium Product segment marked a drop of RM3.5million or 19.7% as of year to-date, from RM17.8million to RM14.3million. The decrease in revenue was mainly due to lower revenue being recorded from its project division.

The profit before tax for the current period increased to RM2.4million as compared to RM1.4million in preceding year corresponding period. The improvement in profit by RM1.0million or 67.3% was mainly contributed from higher gross profit, recovering of bad debts and increase of interest income from investment fund during the quarter under review.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 16. Review of Performance (Cont'd)

- Cumulative period to-date 9 months ended 31 March 2014

##### Interior Fit-out Segment

As of year to-date, this segment contributed project revenue of RM2.0million. As this division is newly set up in the year, this segment is still incurring losses before tax of RM0.2 million as a result of operating expenses such as salaries and business development costs.

##### Others Segment

The Other Segment inclusive of Investment Holding Company, Properties Investment 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.

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

	Individual Period	
	Current Quarter Ended 31 Mar 2014 RM'000	Preceding Quarter Ended 31 Dec 2013 RM'000
Revenue	41,916	42,894
Profit before taxation	5,620	4,423

For the current quarter, the Group recorded a revenue of RM41.9million as compared to the immediate preceding quarter of RM42.9million. The decline of RM1.0million or 2.3% was a result of lower revenue being recorded from White Goods and Built-in Kitchen Appliances and Glass and Aluminium segments for current quarter.

Notwithstanding the above, the Group recorded higher profit before tax of RM5.6million in the current quarter under review as compared to RM4.4million in the preceding quarter due to recognition of certain projects in the quarter with higher gross profit margin and recovery of bad debts in both Kitchen and Wardrobe and Glass and Aluminium segment.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 18. Current Year Prospects

The Group expected to continue its growth in all business segments in the next quarter before financial year end. As of year to-date, Kitchen and Wardrobe segment contributed the most significant revenue to the Group, up to 84% while other segments accounted for the rest. Project division with more than RM200million order book on hand, will keep the Group performance in a very healthy and strong position for the coming financial years.

For the year under review, the Group has set up a new business unit providing interior fit-out. This new business unit is complementary and supports the existing business divisions of the Group and is expected to open up more opportunities for the Group to tap on.

Barring any unforeseen circumstances, the Board is optimistic that the Group will continue to achieve its targets and objectives for the financial year under review.

#### 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 Mar 2014 RM'000	Preceding Period Corresponding Quarter Ended 31 Mar 2013 RM'000	Current Period Ended 31 Mar 2014 RM'000	Preceding Period Ended 31 Mar 2013 RM'000
Current Tax Expense				
- Current Year	1,305	1,358	3,135	2,014
- Deferred Tax	-	-	-	-
Total Income Tax Expense	1,305	1,358	3,135	2,014



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 21. Status of Corporate Proposals/Exercises

1. Signature International Berhad ("SIGN") proposed acquisition by Signature Manufacturing Sdn Bhd, a wholly-owned subsidiary of SIGN, of three (3) adjoining parcels of vacant industrial land located at:-
  - (i.) Lot 25, Eastern Gateway Industrial hub @ Bandar Bukit Raja, held under suratan hakmilik sementara no. h.s.(d) 139768, PT no. 69195, Mukim Kapar, Daerah Klang, Selangor measuring approximately 15,962 square metres (or approximately 171,626.4 square feet) ("land i") from Aspen Point Sdn Bhd for a total cash consideration of approximately RM15,961,255.
  - (ii.) Lot 26, Eastern Gateway Industrial hub @ Bandar Bukit Raja, held under suratan hakmilik sementara no. h.s.(d) 139769, PT no. 69196, Mukim Kapar, Daerah Klang, Selangor measuring approximately 16,212 square metres (or approximately 174,675.6 square feet) ("land ii") from Sierra Towers Sdn Bhd for a total cash consideration of approximately RM16,244,830.
  - (iii.) Lot 27, Eastern Gateway Industrial hub @ Bandar Bukit Raja, held under suratan hakmilik sementara no. h.s.(d) 139758, PT no. 69185, Mukim Kapar, Daerah Klang, Selangor measuring approximately 17,057 square metres (or approximately 183,387.6 square feet) ("land iii") from Eight Edition Sdn Bhd for a total cash consideration of approximately RM17,055,047.
2. Disposal by Signature Cabinet Sdn Bhd, a wholly-owned subsidiary of Signature International Berhad, of two parcels of contiguous land held respectively under h.s.(d) 241037, PT 9926 and h.s.(d) 241038, PT 9927 of Pekan Baru Sungai Buloh, district of Petaling, state of Selangor measuring approximately 29,728 square metres (or equivalent to 319,989 square feet) to Purple Heights Sdn Bhd, a wholly-owned subsidiary of Meda Inc. Berhad, for a total consideration of RM75,200,000 to be settled partly in cash and part payment in kind.
3. By the sale and purchase agreement, dated 18 February 2014, between Syamurni Sdn Bhd ("Syamurni") and Signature Realty Sdn Bhd ("SRSB"). Syamurni has agreed to sell and SRSB has agreed to purchase the parcel of a shop office known as Unit No. 23, measuring approximately 5,036 square feet together with accessory parcels Nos. CP-GF-71 and CP-GF-72 in a mixed development known as Eve Suite @ Ara Damansara for a total consideration of RM2.328 million, erected on that piece of freehold land held under Geran 69912, P.T. 71518 Mukim of Damansara, District of Petaling, State of Selangor.





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#### 22. Borrowings and Debt Securities

The Group's borrowings as follows:

	Cumulative Period	
	Current Year Ended	Preceding Year Ended
Term Loan (Secured) :-	31 Mar 2014	31 Mar 2013
	RM'000	RM'000
Current	2,782	2,550
Non Current	15,800	17,161
Total Bank Borrowing	<u>18,582</u>	<u>19,711</u>

#### 23. Material Litigation

ID Industries Sdn Bhd ("ID Industries") and Wong Jee Jong (collectively known as the "Plaintiffs") vs Signature Cabinet Sdn Bhd ("Signature Cabinet"), Tan Kee Choong and Chooi Yoey Sun (collectively known as the "Defendants")

On 29 October 2013, the Plaintiffs had filed a statement of claim against the Defendants at the High Court of Malaya at Shah Alam ("High Court") to seek, among others, a declaration that the termination of the dealership agreement dated 2 July 2007 between Signature Cabinet, a wholly-owned subsidiary of SIGN, and ID Industries ("Dealership Agreement") via a termination notice dated 3 October 2013 issued by Signature Cabinet is wrongful, which is claimed together with general damages ("Statement of Claim"). The termination notice was issued in accordance with clause 17.3 of the Dealership Agreement, wherein each party to the agreement is entitled to terminate the Dealership Agreement by giving 3 months' notice in writing. The Plaintiffs alleged that the termination of the Dealership Agreement between Signature Cabinet and ID Industries was unreasonable, wrong and not bona fide as it allegedly breached a collateral agreement and the fiduciary duties of the defendants to the plaintiffs as "co-venturer". Further, the Plaintiffs are also seeking compensation of RM10,041,815 (being the amount of rent, renovation cost, utilities and insurance for setting up of showrooms) under the alleged terms of a collateral agreement and other costs to be assessed.

On 28 November 2013, a statement of defence had been filed at the High Court by the Plaintiffs and subsequently, the first case management before the judge was fixed for 7 February 2014. The parties have since filed interlocutory applications in the action and the matter is now fixed for hearing on 12 June 2014.

The Board of Directors of SIGN ("Board"), having considered the legal advice from the solicitors handling the matter for them presently, is of the opinion that Signature Cabinet has more than a fair chance against such claims. Accordingly, the Board is of the opinion that no provision is required to be made for such claims.



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#### 24. Proposed Dividend

The board has not recommended any dividend for the current quarter.

#### 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 March 2014.

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Mar 2014 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2013 RM'000	Current Year Ended 31 Mar 2014 RM'000	Preceding Year Ended 31 Mar 2013 RM'000
<b>BASIC EARNINGS PER SHARE</b>				
Profit for the year attributable to ordinary equity holders of the Company	4,123	3,954	9,062	5,625
Weighted average number of ordinary shares in issue ('000)	118,945	120,000	118,945	120,000
Basic Earnings per Share (sen)	<u>3.5</u>	<u>3.3</u>	<u>7.6</u>	<u>4.7</u>



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 26. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 March 2014 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 31 Mar 2014 RM'000
Total retained profits/ (accumulated losses) of Signature International Berhad and its subsidiaries:	
- Realised	84,257
- Unrealised	(6,547)
	<hr/>
	77,710
Consolidation adjustments	3,640
	<hr/> <hr/>
	81,350

#### 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 26 May 2014.