



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 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 30 September 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Sept 2014 RM'000	Preceding Period Corresponding Quarter Ended 30 Sept 2013 RM'000	Current Period Ended 30 Sept 2014 RM'000	Preceding Period Ended 30 Sept 2013 RM'000
Revenue	59,349	27,020	59,349	27,020
Operating expenses	(50,996)	(24,569)	(50,996)	(24,569)
Other operating income	1,478	868	1,478	868
Profit from operations	9,831	3,319	9,831	3,319
Finance costs	(545)	(422)	(545)	(422)
Profit before taxation	9,286	2,897	9,286	2,897
Tax expense	(2,321)	(724)	(2,321)	(724)
Profit after taxation	6,965	2,173	6,965	2,173
Other Comprehensive Income, Net of Tax				
Foreign currency translation	(3)	(274)	(3)	(274)
Total Comprehensive Income for the period	6,962	1,899	6,962	1,899

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014 (CONT'D)

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Sept 2014 RM'000	Preceding Period Corresponding Quarter Ended 30 Sept 2013 RM'000	Current Period Ended 30 Sept 2014 RM'000	Preceding Period Ended 30 Sept 2013 RM'000
Profit after tax attributable to:-				
- Equity holders of the parent	6,670	2,029	6,670	2,029
- Non-controlling interest	295	144	295	144
	<u>6,965</u>	<u>2,173</u>	<u>6,965</u>	<u>2,173</u>
Total Comprehensive Income attributable to: -				
- Equity holders of the parent	6,667	1,755	6,667	1,755
- Non-controlling interest	295	144	295	144
	<u>6,962</u>	<u>1,899</u>	<u>6,962</u>	<u>1,899</u>
Earnings per share (sen)				
- Basic	<u>5.6</u>	<u>1.7</u>	<u>5.6</u>	<u>1.7</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 2014 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	UNAUDITED	AUDITED
	As at	As at
	30 Sept 2014	30 June 2014
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	53,661	46,496
Investment properties	26,064	30,985
Deferred Tax Assets	-	2,339
	<u>79,725</u>	<u>79,820</u>
Current Assets		
Inventories	20,152	16,726
Amount owing by contract customers	6,558	22,383
Receivables	103,043	70,560
Tax recoverable	2,118	1,887
Short-term investments	10,556	18,424
Fixed deposit with licensed banks	155	155
Cash and bank balances	7,000	15,095
	<u>149,582</u>	<u>145,230</u>
TOTAL ASSETS	<u>229,307</u>	<u>225,050</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 2014 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014 (CONT'D)

	UNAUDITED	AUDITED
	As at	As at
	30 Sept 2014	30 June 2014
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Reserves	68,306	60,718
Shareholders' equity	128,306	120,718
Non-controlling interest	3,214	2,919
TOTAL EQUITY	131,520	123,637
Non-Current Liabilities		
Hire purchase payables	1,174	972
Term loans	21,010	16,611
Deferred taxation	2,132	2,480
	24,316	20,063
Current Liabilities		
Payables	48,199	51,071
Amount owing to contract customers	16,935	23,398
Provision for taxation	5,271	3,939
Hire purchase payables	467	377
Term loan	2,599	2,565
	73,471	81,350
TOTAL LIABILITIES	97,787	101,413
TOTAL EQUITY AND LIABILITIES	229,307	225,050
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	1.07	1.01

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 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 30 SEPTEMBER 2014

	← Attributable to equity holders of the parent →							Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Merger Deficit RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000	← Non Distributable Reserves → Distributable		
Attributable To owners of The Company RM'000						Non- controlling interests RM'000		
Balance at 1 July 2014	60,000	(921)	(28,123)	32	89,730	120,718	2,919	123,637
Profit after taxation for the financial year	-	-	-	-	6,670	6,670	295	6,965
Other comprehensive income for the financial year, net of tax;								
- foreign exchange translation	-	-	-	(3)	-	(3)	-	(3)
- dividend paid					-	-		-
- resale of treasury shares		921	-	-	-	921	-	921
Total comprehensive income for the financial year	-	921	-	(3)	6,670	7,588	295	7,883
At 30 Sept 2014	60,000	-	(28,123)	29	96,400	128,306	3,214	131,520

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 2014 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 30 SEPTEMBER 2014 (CONT'D)**

	← Attributable to equity holders of the parent →							Total Equity RM'000
	← Non Distributable Reserves →			Distributable				
	Share Capital RM'000	Treasury Shares 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	
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
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 2014 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 30 SEPTEMBER 2014

	Financial Year Ended 30 Sept 2014 RM'000	Preceding Year Ended 30 Sept 2013 RM'000
CASH FLOWS (USED) IN /FROM OPERATING ACTIVITIES		
Profit before taxation	9,286	2,897
Adjustments:		
Amortisation and depreciation	709	700
Fair value gain on short term investment	-	(245)
Gain on disposal of property, plant and equipment	(239)	-
Interest expense	523	151
Interest income	(189)	(261)
Inventories written down	300	-
Gain on disposal of treasury shares	(889)	-
Unrealised gain on foreign exchange	(80)	(210)
Write-back of provision for doubtful debts	(30)	(30)
Changes in working capital	9,391	3,002
Inventories	(3,726)	(1,720)
Receivables	(32,444)	14,700
Amount owing by contract customers	9,345	4,226
Payables	(437)	(9,422)
Cash generated from operations	(17,871)	10,786
Interest received	189	261
Interest paid	(523)	(151)
Income tax paid	(1,699)	(1,572)
Net cash (outflow) / inflow from operating activities	(19,904)	9,324
CASH FLOWS FROM / (USED) IN INVESTING ACTIVITIES		
Additions of property, plant and equipment and prepaid lease rentals	(3,295)	(45)
Additional Purchase / works on investment properties	(119)	(591)
Proceeds from disposal of property, plant and equipment	985	-
Proceeds from disposal of short term investments	7,958	-
Purchase of short term investments	(90)	(10,300)
Net cash from/(used) in investing activities	5,439	(10,936)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 SEPTEMBER 2014 (CONT'D)

	Financial Year Ended 30 Sept 2014 RM'000	Preceding Year Ended 30 Sept 2013 RM'000
CASH FLOWS FROM / (USED) IN FINANCING ACTIVITIES		
Drawdown of Borrowings	6,613	-
Resale of treasury shares	1,800	-
Hire purchase repayment	(38)	(98)
Borrowings	(1,847)	(509)
Net cash from /(used) in financing activities	6,528	(607)
Effects of exchange rate changes on cash and cash equivalents	(3)	(274)
NET DECREASED IN CASH AND CASH EQUIVALENTS	(7,937)	(2,219)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15,095	19,778
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,155	17,285
Cash and cash equivalents comprise:		
Deposits with licensed banks	155	155
Cash and bank balances	7,000	17,130
	7,155	17,285



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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 financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2014 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. IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
11. Annual Improvements to MFRSs 2009 - 2011 Cycle



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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 except as follows:

- (a) MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and requires extensive disclosures of which the additional disclosures are disclosed in Note 5 to the 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

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	Marketing	Manufacture	Interior	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products				
	RM000	RM000	RM000	RM000	RM000	RM000	RM000
Result for 3 months							
Quarter ended 30 September 2014							
REVENUE:							
External revenue	53,841	922	4,575	-	11	-	59,349
Inter-segment revenue	10,752	3,648	144	11,334	498	(26,376)	-
Total revenue	64,593	4,570	4,719	11,334	509	(26,376)	59,349
RESULTS							
Segment results	7,000	975	191	1,396	269	-	9,831
Finance costs	(510)	(15)	(9)	-	(11)	-	(545)
Profit from ordinary activities before taxation	6,490	960	182	1,396	258	-	9,286
Income tax expense							(2,321)
Profit from ordinary activities after taxation							6,965
Non-controlling interest							(295)
Net profit attributable to equity holders of the Company							6,670



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

The Group	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	and Distribution Of White Goods	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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8. Segmental Information (Cont'd)

	Design	Marketing	Manufacture	Interior	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products				
Assets and Liabilities As at 30 September 2014	RM000	RM000	RM000	RM000	RM000	RM000	RM000
OTHER INFORMATION							
Segment assets	194,884	14,725	26,455	19,565	77,678	(106,118)	227,189
Unallocated assets							2,118
							<u>229,307</u>
Segment liabilities	105,857	5,307	19,168	16,903	24,862	(81,713)	90,384
Unallocated liabilities							7,403
							<u>97,787</u>
Assets and Liabilities As at 30 June 2014							
OTHER INFORMATION							
Segment assets	202,915	11,053	25,764	7,574	70,839	(97,321)	220,824
Unallocated assets							4,226
							<u>225,050</u>
Segment liabilities	120,898	2,575	18,694	6,200	19,157	(72,530)	94,994
Unallocated liabilities							6,419
							<u>101,413</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 before taxation

	Current Quarter Ended 30 Sept 2014 RM'000	Preceding Corresponding Quarter Ended 30 Sept 2013 RM'000	Current Year Ended 30 Sept 2014 RM'000	Preceding Corresponding Year Ended 30 Sept 2013 RM'000
Profit before taxation is arrived at after charging :-				
Interest expense	523	151	523	151
Depreciation and amortisation	709	700	709	700
Loss on foreign exchange	1	10	1	10

Profit before taxation is arrived at after Crediting :-

Interest Income	189	261	189	261
Other Income including Investment Income	260	47	260	47
Write-back of provision for doubtful debts	30	30	30	30
Fair value (gain)/loss on short term investment	-	245	-	245
Gain on foreign exchange	81	220	81	220
Gain on disposal of property, plant and equipment	239	-	239	-
Gain on disposal of treasury shares	889	-	889	-

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

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

12. Changes in the Composition of the Group

- (a) On 1 July 2014, Signature Cabinet Sdn. Bhd., a wholly-owned subsidiary of the Group acquired 2 ordinary shares of RM1 each in Signature Academy Sdn. Bhd. ("SASB") (formerly known as Signature Kitchen Academy Sdn. Bhd.) representing a 100% equity interest in SASB for a total cash consideration of RM2.



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12. Changes in the Composition of the Group (Cont'd)

- (b) On 24 September 2014, Signature Obicorp Sdn. Bhd., a wholly-owned subsidiary of the Group further acquired 161,394 ordinary shares of RM1 each in A Concept Kitchen & Bath Sdn. Bhd. ("ACKBSB") (formerly known as Inspired Business Sdn. Bhd.) representing a 40.34% equity interest in ACKBSB for a total cash consideration of RM161,394, resulting in an increase in the Group's equity interest held in ACKBSB from 51% to 91.34%.

13. Changes in Contingent Assets or Contingent Liabilities

As at 30 September 2014, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows:-

	Current Year Ended 30 Sept 2014 RM'000	Preceding Year Ended 30 Sept 2013 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	<u>14,036</u>	<u>16,222</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 2014 RM'000	Preceding Year Ended 30 Sept 2013 RM'000
Approved and contracted for:-		
Investment Properties	49,149	5,999
Total capital commitments	<u>49,149</u>	<u>5,999</u>



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15. Significant Related Party Transactions

- (a) A wholly-owned subsidiary, namely Signature Cabinet Sdn Bhd ("SCSB") 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.

(b) Name of Company	Principal Activities
Putra Perdana Construction Sdn Bhd* ("PPCSB") -(through a development project contract with HSB Development Sdn Bhd)	Property Development

Individual Period		Cumulative Period	
Current Quarter Ended	Preceding Period Corresponding Quarter Ended	Current Period Ended	Preceding Period Ended
30 Sept 2014	30 Sept 2013	30 Sept 2014	30 Sept 2013
RM'000	RM'000	RM'000	RM'000

HSB Development Sdn Bhd ("HSB")

Project revenue for Kitchen & Wardrobe Systems	3,252	-	3,252	-
Deposit received for a project	-	5,160	-	5,160

SCSB has been awarded by PPCSB through a development project contract with HSB Development with a sub-contract works which comprises the supply, delivery to site and installation of built-in kitchen cabinets & appliances, wardrobe, toilet cabinetry and vanity top. HSB Development is a wholly-owned subsidiary of HSC Healthcare, which in turn is a 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 30 September 2014

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

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Sept 2014 RM'000	Preceding Period Corresponding Quarter Ended 30 Sept 2013 RM'000	Current Year Ended 30 Sept 2014 RM'000	Preceding Year Ended 30 Sept 2013 RM'000
Revenue	59,349	27,020	59,349	27,020
Profit before taxation	9,286	2,897	9,286	2,897

During the first quarter of the new financial year, the Group has recorded a significant increase in revenue by RM32.3 million or 119.6%, from RM27.0 million in the preceding year corresponding quarter to RM59.3 million in the current quarter under review. The main contributor to this increase is from the project division of Kitchen and Wardrobe segment.

The increase in revenue resulted to a higher profit before tax for the current quarter by RM6.4 million or 220.5%, from RM2.9 million in the preceding corresponding quarter to RM9.3 million in the current quarter.

Kitchen and Wardrobe Systems

This segment recorded revenue of RM53.8 million for the current quarter, which is higher by RM30.6 million or 131.9%, from the preceding corresponding quarter of RM23.2 million. Sales volume from project division has increased tremendously arises from the higher order book from the projects secured, leading to more revenue being recognized from jobs delivered.

As a result of the significant increase in revenue, the profit before tax has correspondingly increased to RM6.5 million in current quarter from RM2.6 million in the preceding year corresponding quarter.

White Goods and Built-in Kitchen Appliances

The revenue generated from this segment shown a marginal increase by RM0.3million or 45.4%, from RM0.6 million in the last preceding corresponding quarter, to RM0.9 million in the current quarter under review.

Profit before tax for the segment rises by RM0.8 million or 627.3%, from RM0.1 million in last preceding year corresponding quarter to RM1.0 million in the current quarter.

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16. Review of Performance (Cont'd)

- Current Quarter 3 months ended 30 September 2014

Glass and Aluminium Product

Revenue recorded for this segment increase to RM4.6 million from RM3.2 million in last preceding year corresponding quarter. The increase of RM1.4 million or 44.1% was mainly due to revenue contribution from the project segment in the current quarter.

However, the profit before tax for the segment declined from RM0.4 million to RM0.2 million in current year quarter due to the higher administrative expenditure incurred from the salary and worker's hostel rental.

Interior Fit-out Segment

This segment's revenue contribution of RM11.3 million is from intercompany project work done which was eliminated on Group level. Profit before tax recorded an amount of RM1.4 million for current quarter and no comparative figure for last preceding corresponding quarter.

Others Segment

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

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

	Individual Period	
	Current Quarter Ended 30 Sept 2014 RM'000	Preceding Quarter Ended 30 June 2014 RM'000
Revenue	59,349	66,913
Profit before taxation	9,286	12,547

Revenue generated for the Group for current quarter is RM59.3 million as compared to the immediate preceding quarter of RM66.9 million. The revenue was lower by RM7.5 million or 11.3% in the current quarter as compared to the immediate preceding quarter as during the immediate preceding quarter, there were more projects completed, resulting in more revenue being recorded.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
17. Material change in Profit before tax of Current Quarter compared with Preceding Quarter (Cont'd)

Profit before tax for the Group recorded a drop by RM3.3 million between the two quarters. The profit before tax for the immediate preceding quarter is higher due to the higher revenue recorded from the completed projects.

18. Current Year Prospects

The Group remains its focus on local project business which has been the strong pillar throughout these years, with Kitchen and Wardrobe segment remain to be the driving force for the Group's financial performance. The order book remain strong with the unbilled amount hovering around RM200 million from the constant replenishment of projects secured, moving along with the higher revenue being recognized from the job rapidly delivered to the sites. The strong order book of more than RM200 million from the project would continue to be the main thrust for the Group top line.

Moving towards a more exciting direction for its retail segment, the Group is progressing its five-year business plan with the opening of SignatureKitchen Lifestyle Galleries with 2 galleries being opened in 2014, one in Puchong Selangor and another at Danga Utama, Johor.

Barring any unforeseen circumstances, the Group is confident it will continue to deliver satisfactory performance in this coming financial year and is ready to maintain its dominance in the kitchen cabinet industry.

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	Preceding Period Corresponding Quarter Ended	Current Period Ended	Preceding Period Ended
	30 Sept 2014	30 Sept 2013	30 Sept 2014	30 Sept 2013
	RM'000	RM'000	RM'000	RM'000
Current Tax Expense				
- Current Year	2,321	724	2,321	724
- Deferred Tax	-	-	-	-
Total Income Tax Expense	2,321	724	2,321	724



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21. Status of Corporate Proposals/Exercises

On 2 September 2014, Signature Realty Sdn. Bhd. ("SRSB"), a wholly-owned subsidiary of the Group entered into a conditional Sale and Purchase Agreement with Lembaga Tabung Haji and THP Enstek Developmet Sdn. Bhd. (formerly known as TH-NSTC Sdn. Bhd.) for the proposed acquisition of five parcels of land measuring approximately 38.86 acres in aggregate for an aggregate cash consideration of approximately RM50.78 million.

The proposed acquisition is pending approval from the Company's shareholders and the transactions have not been completed at the date of this report.

22. Borrowings and Debt Securities

The Group's borrowings as follows:

	Cumulative Period	
	Current Year Ended 30 Sept 2014 RM'000	Preceding Year Ended 30 Sept 2013 RM'000
Term Loan (Secured) :-		
Current	2,599	2,170
Non Current	21,010	17,185
Total Bank Borrowing	<u>23,609</u>	<u>19,355</u>

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 first and final single tier dividend (net) of 5 sen per ordinary share amounting to RM5.9million for the financial year ended 30 June 2014.

The first and final single tier dividend recommended by the Board is subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 9 December 2014.



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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 2014.

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Sept 2014 RM'000	Preceding Year Corresponding Quarter Ended 30 Sept 2013 RM'000	Current Year Ended 30 Sept 2014 RM'000	Preceding Year Ended 30 Sept 2013 RM'000
BASIC EARNINGS PER SHARE				
Profit for the year attributable to ordinary equity holders of the Company	6,670	2,029	6,670	2,029
Weighted average number of ordinary shares in issue ('000)	120,000	119,503	120,000	119,503
Basic Earnings per Share (sen)	5.6	1.7	5.6	1.7

26. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 September 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 30 Sept 2014 RM'000
Total retained profits/ (accumulated losses) of Signature International Berhad and its subsidiaries:	
- Realised	87,620
- Unrealised	762
	<hr/>
	88,382
Consolidation adjustments	8,018
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	96,400



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INTERIM FINANCIAL REPORT 30 SEPTEMBER 2014

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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 2014 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 24 November 2014.