



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 DECEMBER 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 December 2014

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

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2014 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2013 RM'000	Current Period Ended 31 Dec 2014 RM'000	Preceding Period Ended 31 Dec 2013 RM'000
Revenue	71,070	42,894	130,420	69,914
Operating expenses	(56,768)	(38,070)	(107,763)	(62,638)
Other operating income	3,246	323	4,724	1,191
Profit from operations	17,548	5,147	27,381	8,467
Finance costs	(557)	(724)	(1,102)	(1,147)
Profit before taxation	16,991	4,423	26,279	7,320
Tax expense	(4,252)	(1,106)	(6,573)	(1,830)
Profit after taxation	12,739	3,317	19,706	5,490
Other Comprehensive Income, Net of Tax				
Foreign currency translation	(69)	341	(72)	(12)
Total Comprehensive Income for the period	12,670	3,658	19,634	5,478

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 31 DECEMBER 2014 (CONT'D)

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2014 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2013 RM'000	Current Period Ended 31 Dec 2014 RM'000	Preceding Period Ended 31 Dec 2013 RM'000
Profit after tax attributable to:-				
- Equity holders of the parent	12,178	2,910	18,851	4,939
- Non-controlling interest	561	407	855	551
	<u>12,739</u>	<u>3,317</u>	<u>19,706</u>	<u>5,490</u>
Total Comprehensive Income attributable to: -				
- Equity holders of the parent	12,109	3,251	18,779	4,927
- Non-controlling interest	561	407	855	551
	<u>12,670</u>	<u>3,658</u>	<u>19,634</u>	<u>5,478</u>
Earnings per share (sen)				
- Basic	<u>10.2</u>	<u>2.4</u>	<u>15.7</u>	<u>4.1</u>
- Diluted	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	UNAUDITED	AUDITED
	As at	As at
	31 Dec 2014	30 June 2014
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	48,360	46,496
Investment properties	37,995	30,985
Deferred Tax Assets	2,339	2,339
	<u>88,694</u>	<u>79,820</u>
Current Assets		
Inventories	15,557	16,726
Amount owing by contract customers	1,359	22,383
Receivables	89,362	70,560
Tax recoverable	2,073	1,887
Short-term investments	16,140	18,424
Fixed deposit with licensed banks	155	155
Cash and bank balances	9,141	15,095
	<u>133,787</u>	<u>145,230</u>
TOTAL ASSETS	<u>222,481</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 31 DECEMBER 2014 (CONT'D)

	UNAUDITED	AUDITED
	As at	As at
	31 Dec 2014	30 June 2014
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Reserves	80,342	60,718
Shareholders' equity	<u>140,342</u>	<u>120,718</u>
Non-controlling interest	<u>3,613</u>	<u>2,919</u>
TOTAL EQUITY	<u>143,955</u>	<u>123,637</u>
Non-Current Liabilities		
Hire purchase payables	1,291	972
Term loans	19,826	16,611
Deferred taxation	2,480	2,480
	<u>23,597</u>	<u>20,063</u>
Current Liabilities		
Payables	20,023	51,071
Amount owing to contract customers	23,316	23,398
Provision for taxation	7,985	3,939
Hire purchase payables	529	377
Term loan	3,076	2,565
	<u>54,929</u>	<u>81,350</u>
TOTAL LIABILITIES	<u>78,526</u>	<u>101,413</u>
TOTAL EQUITY AND LIABILITIES	<u>222,481</u>	<u>225,050</u>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	<u>1.17</u>	<u>1.01</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 CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

	← Attributable to equity holders of the parent →							
	← 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	Total Equity 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	-	-	-	-	18,851	18,851	855	19,706
Other comprehensive income for the financial year, net of tax;								
- foreign exchange translation	-	-	-	(72)	-	(72)	-	(72)
- resale of treasury shares	-	921	-	-	-	921	-	921
- purchase of treasury shares	-	(76)	-	-	-	(76)	-	(76)
- sale of shares to subsidiary by non controlling interest	-	-	-	-	-	-	(161)	(161)
Total comprehensive income for the financial year	-	845	-	(72)	18,851	19,624	694	20,318
At 31 December 2014	60,000	(76)	(28,123)	(40)	108,581	140,342	3,613	143,955

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 31 DECEMBER 2014 (CONT'D)

	← Attributable to equity holders of the parent →		← Non Distributable Reserves →		← Distributable →				
	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	Total Equity 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	-	-	-	-	-	4,939	4,939	551	5,490
Other comprehensive income for the financial year, net of tax; - foreign exchange translation	-	-	-	-	(12)	-	(12)	-	(12)
Total comprehensive income for the financial year	-	-	-	-	(12)	4,939	4,927	551	5,478
At 31 December 2013	60,000	(920)	-	(28,123)	67	77,227	108,251	2,927	111,178

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 31 DECEMBER 2014

	Financial Year Ended 31 Dec 2014 RM'000	Preceding Year Ended 31 Dec 2013 RM'000
CASH FLOWS (USED) IN /FROM OPERATING ACTIVITIES		
Profit before taxation	26,279	7,320
Adjustments:		
Amortisation and depreciation	1,475	1,290
Gain on disposal of property, plant and equipment	(287)	-
Interest expense	529	493
Interest income	(288)	(536)
Inventories written down	300	-
Gain on disposal of treasury shares	(889)	-
Loss/(Gain) on foreign exchange - unrealised	72	(249)
Provision for doubtful debts	1,993	(500)
Write-back of provision for doubtful debts	(3,152)	(30)
Changes in working capital	26,032	7,788
Inventories	869	(881)
Receivables	(17,715)	6,717
Amount owing by contract customers	20,944	5,385
Payables	(31,047)	(10,306)
Cash (used) in/ generated from operations	(917)	8,703
Interest received	288	536
Interest paid	(529)	(493)
Income tax paid	(2,868)	(2,304)
Net cash (outflow)/ inflow from operating activities	(4,026)	6,442
CASH FLOWS USED IN INVESTING ACTIVITIES		
Additions of property, plant and equipment and prepaid lease rentals	(3,368)	(138)
Additional Purchase / works on investment properties	(7,010)	(3,415)
Proceeds from disposal of property, plant and equipment	316	-
Proceeds from disposal of short term investments	4,776	-
Purchase of short term investments	(2,500)	(3,100)
Net cash used in investing activities	(7,786)	(6,653)



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

	Financial Year Ended 31 Dec 2014 RM'000	Preceding Year Ended 31 Dec 2013 RM'000
CASH FLOWS FROM / (USED) IN FINANCING ACTIVITIES		
Drawdown of Borrowings	5,036	-
Purchase of treasury shares	(76)	-
Resale of treasury shares	1,800	-
Hire purchase repayment	(88)	(197)
Borrowings	<u>(742)</u>	<u>(962)</u>
Net cash from /(used) in financing activities	<u>5,930</u>	<u>(1,159)</u>
Effects of exchange rate changes on cash and cash equivalents	(72)	(12)
NET DECREASED IN CASH AND CASH EQUIVALENTS	(5,882)	(1,370)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>15,250</u>	<u>19,778</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>9,296</u>	<u>18,396</u>
Cash and cash equivalents comprise:		
Deposits with licensed banks	155	155
Cash and bank balances	<u>9,141</u>	<u>18,241</u>
	<u>9,296</u>	<u>18,396</u>



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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 basis 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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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. Significant Accounting Policies (Cont'd)

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 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	Interior fit-out works RM'000	Others RM'000	Eliminations RM'000	The Group RM'000
Result for 3 months Quarter ended 31 Dec 2014							
REVENUE:							
External revenue	63,480	418	7,167	-	5	-	71,070
Inter-segment revenue	13,266	5,785	235	10,152	6,508	(35,946)	-
Total revenue	76,746	6,203	7,402	10,152	6,513	(35,946)	71,070
RESULTS							
Segment results	10,550	(531)	1,010	1,201	5,318	-	17,548
Finance costs	(497)	(9)	(8)	-	(43)	-	(557)
Profit/(Loss) from ordinary activities before taxation	10,053	(540)	1,002	1,201	5,275	-	16,991
Income tax expense							(4,252)
Profit/(Loss) from ordinary activities after taxation							12,739
Non-controlling interest							(561)
Net profit/(Loss) attributable to equity holders of the Company							12,178



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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 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
Result for 3 months Quarter ended 31 Dec 2013							
REVENUE:							
External revenue	33,815	996	7,563	520	-	-	42,894
Inter-segment revenue	11,622	2,043	481	-	2,418	(16,564)	-
Total revenue	45,437	3,039	8,044	520	2,418	(16,564)	42,894
RESULTS							
Segment results	1,688	682	1,221	(205)	1,761	-	5,147
Finance costs	(696)	(18)	(9)	(1)	-	-	(724)
Profit / (loss) from ordinary activities before taxation	992	664	1,212	(206)	1,761	-	4,423
Income tax expense							(1,106)
Profit / (loss) from ordinary activities after taxation							3,317
Non-controlling interest							(407)
Net profit / (loss) attributable to equity holders of the Company							2,910



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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	Manufacture Of Glass and Aluminium Products				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Result for 6 months							
Quarter ended 31 December 2014							
REVENUE:							
External revenue	117,322	1,340	11,742	-	16	-	130,420
Inter-segment revenue	24,018	9,433	379	21,486	7,006	(62,322)	-
Total revenue	141,340	10,773	12,121	21,486	7,022	(62,322)	130,420
RESULTS							
Segment results	17,552	444	1,201	2,597	5,587	-	27,381
Finance costs	(1,007)	(24)	(17)	-	(54)	-	(1,102)
Profit from ordinary activities before taxation	16,545	420	1,184	2,597	5,533	-	26,279
Income tax expense							(6,573)
Profit from ordinary activities after taxation							19,706
Non-controlling interest							(855)
Net profit attributable to equity holders of the Company							18,851



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8. Segmental Information (Cont'd)

The Group	Design	Marketing	Manufacture	Interior	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Distribution Of White Goods	Manufacture Of Glass and Aluminium Products				
	RM000	RM000	RM000	RM000	RM000	RM000	RM000
Result for 6 months							
Quarter ended 31 Dec 2013							
REVENUE:							
External revenue	57,026	1,630	10,738	520	-	-	69,914
Inter-segment revenue	20,830	3,658	831	-	2,881	(28,200)	-
Total revenue	<u>77,856</u>	<u>5,288</u>	<u>11,569</u>	<u>520</u>	<u>2,881</u>	<u>(28,200)</u>	<u>69,914</u>
RESULTS							
Segment results	4,695	830	1,699	(205)	1,448	-	8,467
Finance costs	(1,094)	(35)	(17)	(1)	-	-	(1,147)
Profit from ordinary activities before taxation	3,601	795	1,682	(206)	1,448	-	7,320
Income tax expense							(1,830)
Profit from ordinary activities after taxation							5,490
Non-controlling interest							(551)
Net profit attributable to equity holders of the Company							<u>4,939</u>



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8. Segmental Information (Cont'd)

Assets and Liabilities As at 31 December 2014	Design	Marketing	Manufacture	Interior	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems RM000	and Distribution Of White Goods RM000	Of Glass and Aluminium Products RM000				
OTHER INFORMATION							
Segment assets	192,634	11,533	33,896	10,999	82,800	(113,793)	218,069
Unallocated assets							4,412
							<u>222,481</u>
Segment liabilities	100,351	2,785	26,027	7,138	24,788	(93,028)	68,061
Unallocated liabilities							10,465
							<u>78,526</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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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

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2014 RM'000	Preceding Corresponding Quarter Ended 31 Dec 2013 RM'000	Current Year Ended 31 Dec 2014 RM'000	Preceding Year Ended 31 Dec 2013 RM'000
Profit before taxation is arrived at after charging :-				
Interest expense	6	342	529	493
Depreciation and amortisation	766	590	1,475	1,290
Provision for and write off of receivables	1,993	500	1,993	500
Loss on foreign exchange	101	25	102	35
<hr/>				
Profit before taxation is arrived at after Crediting :-				
Interest Income	99	275	288	536
Other Income including Investment Income	(149)	47	111	94
Write-back of provision for doubtful debts	3,122	-	3,152	30
Gain on foreign exchange	(51)	64	30	284
Gain on disposal of property, plant and equipment	48	-	287	-
Gain on disposal of treasury shares	-	-	889	-
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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

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



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13. Changes in Contingent Assets or Contingent Liabilities

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

	Current Year Ended 31 Dec 2014 RM'000	Preceding Year Ended 31 Dec 2013 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	<u>17,814</u>	<u>19,768</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 Dec 2014 RM'000	Preceding Year Ended 31 Dec 2013 RM'000
Approved and contracted for:-		
Investment Properties	48,593	3,327
Total capital commitments	<u>48,593</u>	<u>3,327</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
31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
RM'000	RM'000	RM'000	RM'000

HSB Development Sdn Bhd

Project revenue for Kitchen & Wardrobe Systems	14,178	2,624	17,430	2,624
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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 31 December 2014

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

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2014 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2013 RM'000	Current Year Ended 31 Dec 2014 RM'000	Preceding Year Ended 31 Dec 2013 RM'000
Revenue	71,070	42,894	130,420	69,914
Profit before taxation	16,991	4,423	26,279	7,320

The Group has recorded a tremendous increase in revenue by RM28.2 million or 65.7%, from RM42.9 million in the preceding year corresponding quarter to RM71.1 million in the current quarter under review. The project division of Kitchen and Wardrobe segment has contributed significantly to the increase of the Group's revenue, an increase of RM26 million or 109.6% as compared to the similar quarter last year.

Resulting from the significant increase of revenue as well as the net write back of doubtful debts of RM1.2 million, a higher profit before tax was recorded for the current quarter by RM12.6 million or 284.1%, from RM4.4 million in the preceding corresponding quarter to RM17.0 million in the current quarter.

Kitchen and Wardrobe Systems

A revenue of RM63.5 million was recorded for the current quarter, higher by RM29.7 million or 87.7%, from the preceding corresponding quarter of RM33.8 million, the positive effect from the main revenue contributor, which is the project division.

The higher revenue has correspondingly resulted to a higher profit before tax where the current quarter recorded RM10.0 million compared to RM1.0 million in the preceding year corresponding quarter.



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16. Review of Performance (Cont'd)

- Current Quarter 3 months ended 31 December 2014

White Goods and Built-in Kitchen Appliances

The revenue from this segment was lower by RM0.6million or 58.0%, from RM1.0 million in the last preceding corresponding quarter to RM0.4 million in the current quarter under review.

However, profit before tax for this segment declined by RM1.2 million or 181.3%, from profit of RM0.7 million in last preceding year corresponding quarter to loss of RM0.5 million in the current quarter. This drop in profit before tax was mainly due to the lower revenue recorded and sales of slow moving and obsolete stocks during the warehouse sales.

Glass and Aluminium Product

A slight decrease in revenue was recorded for this segment, from RM7.6 million in last preceding quarter to RM7.2 million in current quarter. The drop of RM0.4 million or 5.2% was mainly due to lower revenue recognition from the project segment in the current quarter.

Corresponding to the lower revenue, the profit before tax for the segment declined from RM1.2 million to RM1.0 million in current year quarter.

Interior Fit-out Segment

No external revenue recognized in current quarter under review as the segment only generated intercompany revenue but as comparative, RM0.5 million of external revenue was reported in last preceding 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.



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16. Review of Performance (Cont'd)

- Cumulative period to-date 6 months ended 31 December 2014

The Group has registered an outstanding increase in revenue by of RM60.5 million or 86.5%. For current period to-date, the Group has recorded a revenue of RM130.4 million as compared to RM69.9 million in last preceding period. Project division of Kitchen and Wardrobe segment has been the main contributor to this increase.

With the increased in revenue, the Group recorded a higher profit before tax for the current period of RM26.3 million as compared to RM7.3 million in the preceding corresponding period, an increase of RM18.9 million or 259%.

Kitchen and Wardrobe Systems

Revenue of RM117.3 million was recorded from this segment in current period as compared to RM57.0 million in the last preceding period, an increase of RM60.3 million or 105.7%. This significant increase was mainly contributed from the Project division, derived from an all-time high order book of RM200 million which is progressively delivered and recognized as sales.

The profit before tax for the current period has correspondingly increased to RM16.5 million as compared to RM3.6 million in the preceding year corresponding period, an increase of RM12.9 million or 358% as a result of higher revenue being recognized.

White Goods and Built-in Kitchen Appliances

Marginal decrease recorded in the revenue by RM0.3 million or 17.8%, from this segment during the current period, from RM1.6 million in the last preceding corresponding period, to RM1.3 million in the current period under review.

In tandem with the lower revenue, profit before tax for the segment dropped by RM0.4 million or 47.1%, from RM0.8 million in last preceding year corresponding period to RM0.4 million in the current period,

Glass and Aluminium Product

Revenue registered for this segment increased marginally to RM11.7 million in current period, from RM10.7 million in last preceding year corresponding period. The marginal increase of RM1.0 million or 9.3% was mainly contributed from the project segment.

Despite the marginal increase in revenue, the profit before tax for this segment declined marginally from RM1.7 million to RM1.2 million in current year period due to lower gross profit from the projects delivered in the period and higher staff salary and sundry wages incurred.



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16. Review of Performance (Cont'd)

- Cumulative period to-date 6 months ended 31 December 2014

Interior Fit-out Segment

No external revenue recognized in current quarter under review as this segment only recorded intercompany revenue of RM21.5 million but as comparative, RM0.5 million of external revenue was reported in last preceding 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 31 Dec 2014 RM'000	Preceding Quarter Ended 30 Sept 2014 RM'000
Revenue	71,070	59,349
Profit before taxation	16,991	9,286

The Group recorded revenue of RM71.1 million for current quarter compared to RM59.3 million in last preceding quarter. The increase of RM11.7 million or 19.7% was a result of increment in project revenue from both Kitchen & Wardrobe segment and Glass & Aluminium segment respectively.

In tandem with the increased in revenue, the Group recorded a profit before tax of RM17.0 million in current quarter from RM 9.3 million in last preceding quarter, an increase of RM7.7 million or 82.9%.



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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 31 Dec 2014 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2013 RM'000	Current Period Ended 31 Dec 2014 RM'000	Preceding Period Ended 31 Dec 2013 RM'000
Current Tax Expense				
- Current Year	4,252	1,106	6,573	1,830
- Deferred Tax	-	-	-	-
Total Income Tax Expense	4,252	1,106	6,573	1,830

21. Status of Corporate Proposals/Exercises

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

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22. Borrowings and Debt Securities

The Group's borrowings as follows:

	Cumulative Period	
	Current Year Ended	Preceding Year Ended
Term Loan (Secured) :-	31 Dec 2014	31 Dec 2013
	RM'000	RM'000
Current	3,076	2,181
Non Current	19,826	16,721
Total Bank Borrowing	22,902	18,902

23. Material Litigation

During the quarter, Signature Manufacturing Sdn Bhd ("SMSB"), a wholly-owned subsidiary of Signature Cabinet Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company ("Plaintiff"), had filed a suit on 30 September 2014 at the Kuala Lumpur High Court (Civil Suit No:22C-57-09/2014) against an unincorporated joint venture trading under the name and style of SPK-BINA PURI JV ("First Defendant"), Pembinaan SPK Sdn Bhd ("Second Defendant") and Bina Puri Holdings Bhd ("Third Defendant") respectively (collectively known as the "Defendants").

The suit had been filed by SMSB for monies due and owing from the Defendants in the sum of Emirati Dirham (AED) 1,996,486.13 (or equivalent to RM1,766,302.68 as at 24 September 2014) with interest thereon at the rate of 5% per annum, and including cost for the supply, fabrication, delivery, installation and completion of kitchen cabinets, wardrobes, vanity counters, breakfast table tops and lockers ("Claims") in respect of Phase 1 Plot 1 Zone B Residential, Commercial and Recreational Development on Al Reem Island, United Arab Emirates.

The Second and Third Defendants have appointed Solicitors. The Third Defendant had filed an application for a stay of proceedings with the intention to contest the proceedings. The unsealed notice of application was duly served on the Plaintiff's Solicitors, Messrs Kadir, Andri & Partners on 30 October 2014. The court has fixed the matter for case management on 1 December 2014.

The Solicitor for the Plaintiff is of the opinion that the Plaintiff has an arguable case on its merits. No material financial and/or operational impact is expected to arise from the Claims.



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23. Material Litigation (Cont'd)

Second Defendant has just filed an application for a stay of proceedings against the Plaintiff with the intention to contest the proceedings together with a separate application to strike-out the First Defendant from being made a party to the above suit. The unsealed notices for both applications were duly served on the Plaintiff's Solicitors, Messrs Kadir, Andri & Partners on 3 November 2014.

The Court has on 1 December 2014 dismissed with costs the Second and Third Defendants' Applications for a Stay of Proceedings on grounds of forum non convenience. The Second Defendant's Application to strike-out the First Defendant from being made a party to the above suit was withdrawn and struck out with no order as to costs. The Court has fixed 15 January 2015 for hearing of SIGN's Application for Summary Judgment against the Defendants, and for Case Management.

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 has been approved in the Eighth Annual General Meeting held on 9 December 2014.

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 December 2014.

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2014 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2013 RM'000	Current Year Ended 31 Dec 2014 RM'000	Preceding Year Ended 31 Dec 2013 RM'000
BASIC EARNINGS PER SHARE				
Profit for the year attributable to ordinary equity holders of the Company	12,178	2,910	18,851	4,939
Weighted average number of ordinary shares in issue ('000)	119,959	119,503	119,959	119,503
Basic Earnings per Share (sen)	10.2	2.4	15.7	4.1



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26. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 December 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 Dec 2014 RM'000
Total retained profits of Signature International Berhad and its subsidiaries:	
- Realised	97,709
- Unrealised	2,590
	<hr/>
	100,299
Consolidation adjustments	8,282
	<hr/>
	<u>108,581</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 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 13 February 2015.