



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MARCH 2015

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 2015

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015 (UNAUDITED)

	Individual Period		Cumulative Period	
	Current year Quarter Ended 31 Mar 2015 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2014 RM'000	Current Year-to-date 31 Mar 2015 RM'000	Preceding Year-to-date 31 Mar 2014 RM'000
Revenue	87,547	41,916	217,967	111,830
Operating expenses	(69,085)	(36,672)	(176,847)	(99,311)
Other operating income	853	766	5,577	1,957
Profit from operations	19,315	6,010	46,697	14,476
Finance Costs	(695)	(390)	(1,797)	(1,537)
Profit before taxation	18,620	5,620	44,900	12,939
Tax expense	(4,652)	(1,305)	(11,225)	(3,135)
Profit after taxation	13,968	4,315	33,675	9,804
Other Comprehensive Income, Net of Tax				
Foreign currency translation	109	(40)	37	(52)
Total Comprehensive Income for the period	14,077	4,275	33,712	9,752

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 MARCH 2015 (UNAUDITED) (CONT'D)

	Individual Period		Cumulative Period	
	Current year Quarter Ended 31 Mar 2015 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2014 RM'000	Current Year-to-date 31 Mar 2015 RM'000	Preceding Year-to-date 31 Mar 2014 RM'000
Profit after tax attributable to:				
- Equity holders of the parent	13,393	4,123	32,245	9,062
- Non-controlling interest	575	192	1,430	742
	<u>13,968</u>	<u>4,315</u>	<u>33,675</u>	<u>9,804</u>
Total Comprehensive Income attributable to:-				
- Equity holders of the parent	13,502	4,083	32,282	9,010
- Non-controlling interest	575	192	1,430	742
	<u>14,077</u>	<u>4,275</u>	<u>33,712</u>	<u>9,752</u>
Earnings per share (sen)				
- Basic	<u>11.2</u>	<u>3.5</u>	<u>26.9</u>	<u>7.6</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 31 MARCH 2015

	UNAUDITED As at 31 Mar 2015 RM'000	AUDITED As at 30 Jun 2014 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	48,217	46,496
Investment properties	38,370	30,985
Deferred Tax Assets	2,339	2,339
	<u>88,926</u>	<u>79,820</u>
Current Assets		
Inventories	18,199	16,726
Receivables	119,454	70,560
Amount owing by contract customers	5,918	22,383
Tax recoverable	1,637	1,887
Short-term investments	17,096	18,424
Fixed deposit with licensed banks	155	155
Cash and bank balances	29,723	15,095
	<u>192,182</u>	<u>145,230</u>
TOTAL ASSETS	<u>281,108</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 MARCH 2015 (CONT'D)

	UNAUDITED	AUDITED
	As at	As at
	31 Mar 2015	30 Jun 2014
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Reserves	93,845	60,718
Shareholders' equity	153,845	120,718
Non-controlling interest	4,188	2,919
TOTAL EQUITY	158,033	123,637
Non Current Liabilities		
Hire purchase payables	1,352	972
Term loans	19,521	16,611
Deferred taxation	2,480	2,480
	23,353	20,063
Current Liabilities		
Payables	54,235	51,071
Amount owing to contract customers	33,011	23,398
Provision for taxation	9,196	3,939
Hire purchase payables	577	377
Term loan	2,703	2,565
	99,722	81,350
TOTAL LIABILITIES	123,075	101,413
TOTAL EQUITY AND LIABILITIES	281,108	225,050
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	1.28	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 31 MARCH 2015 (UNAUDITED)

	← Attributable to equity holders of the parent →						Non- controlling Interest RM'000	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 owner of the Company RM'000		
Balance as at 1 July 2014	60,000	(921)	(28,123)	32	89,730	120,718	2,919	123,637
Profit after taxation for the year ended	-	-	-	-	32,245	32,245	1,430	33,675
Other comprehensive income for the financial year net of tax;					-	-		-
-foreign exchange translation				37	-	37		37
-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	-	37	32,245	33,127	1,269	34,396
Balance as at 31 March 2015	60,000	(76)	(28,123)	69	121,975	153,845	4,188	158,033

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 MARCH 2015 (UNAUDITED) (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	Share Premium RM'000	Merger Deficit RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000	Attributable To owner of The Company RM'000	Non- controlling Interest RM'000	
Balance as at 1 July 2013	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
Balance as at 31 March 2014	60,000	(920)	-	(28,123)	27	81,350	112,334	3,118	115,452

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 FINANCIAL PERIOD ENDED 31 MARCH 2015 (UNAUDITED)

	9 Months Ended 31 Mar 2015 RM'000	9 Months Ended 31 Mar 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	44,900	12,939
Adjustments:		
Amortisation and depreciation	2,222	1,986
Gain on disposal of property, plant and equipment	(287)	(29)
Inventories written down	300	-
Property, plant and equipment written off	110	-
Gain on disposal of treasury shares	(889)	-
Provision for doubtful debts	7,740	1,700
Write-back of provision for doubtful debts	(3,395)	(869)
Interest income	(421)	(743)
Interest expense	779	721
Changes in working capital	51,059	15,705
Inventories	(1,473)	(652)
Receivables	(48,894)	1,346
Amount owing by contract customers	26,078	8,435
Payables	3,164	(10,862)
Cash generated from operations	29,934	13,972
Interest received	421	743
Interest paid	(779)	(721)
Tax paid	(5,623)	(2,917)
Net cash inflow from operating activities	23,953	11,077
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment and prepaid lease rentals	(4,194)	(162)
Additional Purchase / works on investment properties	(7,233)	(7,934)
Proceeds from disposal of property, plant and equipment	316	-
Proceeds from disposal of short term investments	9,060	-
Purchase of short term investments	(11,200)	(4,086)
Net cash used in investing activities	(13,251)	(12,182)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015 (UNAUDITED) (CONT'D)

	9 Months Ended 31 Mar 2015 RM'000	9 Months Ended 31 Mar 2014 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of Borrowings	5,036	-
Purchase of treasury shares	(76)	-
Resale of treasury shares	1,800	-
Hire purchase repayment	(377)	(209)
Borrowings	(2,296)	(1,282)
Net cash inflow from/(used in) financing activities	4,087	(1,491)
Effects of exchange rate changes on cash and cash equivalents	(161)	(51)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	14,628	(2,647)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15,250	19,778
CASH AND CASH EQUIVALENTS AT END OF YEAR	29,878	17,131
Cash and cash equivalents comprise:		
Deposits with licensed banks	155	155
Cash and bank balances	29,723	16,976
	29,878	17,131



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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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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

The first and final single tier dividend (net) of 5 sen per ordinary share amounting to RM5.9mil for the financial year ended 30 June 2014 was paid on 16 January 2015.



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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
Result for 3 months							
Current year quarter ended 31 Mar 2015							
REVENUE:							
External revenue	67,868	1,163	18,417	-	99	-	87,547
Inter-segment revenue	13,593	3,416	1,048	4,132	1,569	(23,758)	-
Total revenue	81,461	4,579	19,465	4,132	1,668	(23,758)	87,547
RESULTS							
Segment results	17,227	2,405	1,635	332	(354)	(1,930)	19,315
Finance costs	(547)	(3)	(8)	(24)	(113)	-	(695)
Profit/(Loss) from ordinary activities before taxation	16,680	2,402	1,627	308	(467)	(1,930)	18,620
Income tax expense							(4,652)
Profit/(Loss) from ordinary activities after taxation							13,968
Non-controlling interest							(575)
Net profit/(Loss) attributable to equity holders of the Company							13,393



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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 Preceding year corresponding quarter ended 31 March 2014							
REVENUE:							
External revenue	36,536	356	3,547	1,477	-	-	41,916
Inter-segment revenue	12,872	3,056	371	-	680	(16,979)	-
Total revenue	49,408	3,412	3,918	1,477	680	(16,979)	41,916
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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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	Interior fit-out works RM'000	Others RM'000	Eliminations RM'000	The Group RM'000
Result for 9 months							
Current year-to-date ended 31 March 2015							
REVENUE:							
External revenue	185,190	2,503	30,159	-	115	-	217,967
Inter-segment revenue	37,611	12,849	1,427	25,618	8,575	(86,080)	-
Total revenue	222,801	15,352	31,586	25,618	8,690	(86,080)	217,967
RESULTS							
Segment results	34,780	2,849	2,836	2,929	5,233	(1,930)	46,697
Finance costs	(1,554)	(27)	(25)	(24)	(167)	-	(1,797)
Profit from ordinary activities before taxation	33,226	2,822	2,811	2,905	5,066	(1,930)	44,900
Income tax expense							(11,225)
Profit from ordinary activities after taxation							33,675
Non-controlling interest							(1,430)
Net profit attributable to equity holders of the Company							32,245



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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 9 months							
Preceding year-to-date ended 31 March 2014							
REVENUE:							
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)	-
Total revenue	127,265	8,699	15,487	1,997	3,561	(45,179)	111,830
RESULTS							
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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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
8. Segmental Information (Cont'd)

Assets and Liabilities As at 31 March 2015	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	224,974	12,605	42,784	17,057	83,524	(103,812)	277,132
Unallocated assets							3,976
							<u>281,108</u>
Segment liabilities	121,095	1,826	33,445	13,098	26,014	(84,079)	111,399
Unallocated liabilities							11,676
							<u>123,075</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 Year Quarter Ended 31 Mar 2015 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2014 RM'000	Current Year-to-date 31 Mar 2015 RM'000	Preceding Year-to-date 31 Mar 2014 RM'000
Profit before taxation is arrived at after charging:-				
Interest expense	250	228	779	721
Depreciation and amortisation	747	696	2,222	1,986
Provision for and write off of receivables	5,747	1,200	7,740	1,700
Property, plant and equipment written off	110	-	110	-
Loss on foreign exchange	288	227	390	262
Profit before taxation is arrived at after crediting:-				
Interest income	133	207	421	743
Other income including Investment Income	655	47	766	141
Write-back of provision for doubtful debts	243	839	3,395	869
Gain on foreign exchange	16	(153)	46	131
Gain on disposal of property, plant and equipment	-	29	287	29
Gain on disposal of treasury shares	-	-	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

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 March 2015, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows:-

	Current Year As At 31 Mar 2015 RM'000	Preceding Year As At 31 Mar 2014 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	<u>18,305</u>	<u>22,583</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 As At 31 Mar 2015 RM'000	Preceding Year As At 31 Mar 2014 RM'000
Approved and contracted for:-		
Investment Properties	48,218	3,302
Approved but not contracted for:-		
Investment Properties	<u>-</u>	<u>8,722</u>
Total capital commitments	<u>48,218</u>	<u>12,024</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 Year Quarter Ended 31 Mar 2015 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2014 RM'000	Current Year-to-date 31 Mar 2015 RM'000	Preceding Year-to-date 31 Mar 2014 RM'000

HSB Development Sdn Bhd

Project revenue for Kitchen & Wardrobe Systems	<u>10,306</u>	<u>97</u>	<u>27,736</u>	<u>2,721</u>
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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 March 2015

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

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31 Mar 2015 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2014 RM'000	Current Year-to-date 31 Mar 2015 RM'000	Preceding Year-to-date 31 Mar 2014 RM'000
Revenue	87,547	41,916	217,967	111,830
Profit before taxation	18,620	5,620	44,900	12,939
PBT Margin	21.3%	13.4%	20.6%	11.6%

The Group has recorded a significant increase in revenue of RM45.6 million or 108.8%, from RM41.9 million in the preceding year corresponding quarter to RM87.5 million in the current quarter under review. The increased in the Group's revenue was due to higher revenue from project division of Kitchen and Wardrobe segment and manufacturing of glass and aluminium products.

The profit before tax for the current quarter has improved by RM13.0 million or 232.1% from RM5.6million in the preceding corresponding quarter to RM18.6 million in the current quarter. The improved performance in the Group's profit was due to higher revenue recorded from project and retail division of the kitchen and wardrobe segment and white goods as well as an overall improvement in margins due to economies of scale.

Kitchen and Wardrobe Systems

A revenue of RM67.9m was recorded for the current quarter, an increase of RM31.3 million or 85.8% as compared to the preceding year corresponding quarter of RM36.5 million. The increase was mainly contributed by the project segment.

In line with the increase in revenue, the profit before tax for the current quarter was RM16.7 million as compared to RM5.8 million in the preceding year corresponding quarter mainly due to the higher margins from the project segment due to economies of scale.



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16. Review of Performance (Cont'd)

- Current Quarter 3 months ended 31 March 2015

White Goods and Built-in Kitchen Appliances

This segment recorded an increase in revenue of RM0.8 million or 226.7% from RM0.3 million in the preceding year corresponding quarter to RM1.2 million in the current quarter. The increase in revenue was due to increase in dealers and retail sales volume during the quarter.

In tandem with the increase in revenue, profit before tax for this segment improved by RM2.8 million or 652.2%, from loss of RM0.4 million in last preceding year corresponding quarter to profit of RM2.4 million in the current quarter. This increase in profit before tax was in tandem with the increase in revenue.

Glass and Aluminium Product

The revenue for this segment, increased from RM3.5 million in last preceding quarter to RM18.4 million in current quarter. The increase of RM14.9 million or 419.2% was mainly due to higher revenue recognition from the project segment in the current quarter.

In line with the higher revenue being recognized, the profit before tax for the segment increased from RM0.7 million to RM1.6 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, RM1.5 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 9 months ended 31 March 2015

The Group has registered a significant increased in revenue of RM106.1 million or 94.9%. For current period to-date, the Group has recorded a revenue of RM218.0 million as compared to RM111.8 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 and margins due to economies of scale, the Group recorded a higher profit before tax for the current period of RM44.9 million as compared to RM12.9 million in the preceding corresponding period, an increase of RM32.0 million or 248.1%.

Kitchen and Wardrobe Systems

Revenue of RM185.2 million was recorded from this segment in current period as compared to RM93.6 million in the last preceding period, an increase of RM91.6 million or 97.9%. This significant increase was mainly contributed from the Project division.

The profit before tax for the current period has correspondingly increased to RM33.2 million as compared to RM9.4 million in the preceding year corresponding period, an increase of RM23.8 million or 253.2% as a result of higher revenue being recognized as well as improvement in margins due to economies of scale.

White Goods and Built-in Kitchen Appliances

There is a marginal increase in the revenue of RM0.5 million or 26.1%, from this segment during the current period, from RM2.0 million in the last preceding corresponding period, to RM2.5 million in the current period under review.

However the profit before tax for the segment increased by RM2.5 million or 683.9%, from RM0.3 million in last preceding year corresponding period to RM2.8 million in the current period due to improvement in margins.

Glass and Aluminium Product

Revenue registered for this segment increased to RM30.1 million in current period as compared to RM14.3 million in last preceding year corresponding period. The higher increase of RM15.9 million or 111.1 % was mainly contributed from the project segment.

Despite the increase in revenue, the profit before tax for this segment increased marginally from RM2.4 million to RM2.8 million in current year period due to provision of doubtful debts and higher operational expenses.



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16. Review of Performance (Cont'd)

- Cumulative period to-date 9 months ended 31 March 2015

Interior Fit-out Segment

For current period under review, this segment recorded an internal revenue of RM25.6 million as compared to RM2million of external revenue in the preceding corresponding period.

This segment also recorded a profit of RM2.9 million for the current period as compared to a loss of RM0.2 million in the preceding corresponding period due to increase in revenue.

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 Year Quarter Ended 31 March 2015 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2014 RM'000
Revenue	87,547	71,070
Profit before taxation	18,620	16,991

The Group recorded revenue of RM87.5 million for current quarter compared to RM71.1 million in last preceding quarter. The increase of RM16.4 million or 23.1% 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 RM18.6 million in current quarter from RM 17.0 million in last preceding quarter, an increase of RM1.6 million or 9.4%.



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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 RM160 million from the constant replenishment of projects secured, moving along with the higher revenue being recognized from the job rapidly delivered to the sites.

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 Year Quarter Ended 31 March 2015 RM'000	Preceding Year Corresponding Quarter Ended 31 March 2014 RM'000	Current Year-to-date 31 March 2015 RM'000	Preceding Year-to-date 31 March 2014 RM'000
Current Tax Expense	4,652	1,305	11,225	3,135
Deferred Tax Expense	-	-	-	-
Total Income Tax Expense	4,652	1,305	11,225	3,135

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 Quarter Ended 31 March 2015	Preceding Year Corresponding Quarter Ended 31 March 2014
Term Loan (Secured):-	RM'000	RM'000
Current	2,703	2,782
Non Current	19,521	15,800
Total Bank Borrowing	22,224	18,582

23. Material Litigation

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 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.

During this quarter, the Board of Directors of SIGN announced on 16 January 2015 that the High Court had ordered the Second and Third Defendants to pay SMSB a sum of Emirati Dirham AED1,966,486.13 (or its equivalent to RM1,766,302.68 as at 24.09.2014) ("Judgement Sum") together with interests at the rate of 5% per annum from 30.9.2014 until full realization with costs.

Subsequently on 21 April 2015, SMSB filed at the Commercial Division of the High Court (Suit No: 28NCC-309-04/2015) proceedings to recover the balance of the Judgement sum of RM1,531,677.88 or any part of the balance thereof still due and owing to SMSB together with costs and interests.

24. Proposed Dividend

The Board declared a first interim single tier dividend of 4 sen per ordinary share for the financial year ending 30 June 2015 and will be paid to shareholders on 2 July 2015. The entitlement date for the said dividend shall be 18 June 2015.

A Depositor shall qualify for entitlement to the Dividend only in respect of:-

- Shares transferred to the Depositor's securities account before 4.00 p.m. on 18 June 2015 in respect of transfers.
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to Rules of Bursa Malaysia Securities Berhad.



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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 31 March 2015.

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31 Mar 2015 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2014 RM'000	Current Year-to-date 31 Mar 2015 RM'000	Preceding Year-to-date 31 Mar 2014 RM'000
BASIC EARNINGS PER SHARE				
Profit for the period attributable to ordinary equity holders of the Company	13,393	4,123	32,245	9,062
Weighted average number of ordinary shares in issue ('000)	119,969	118,945	119,969	118,945
Basic Earnings per Share (sen)	11.2	3.5	26.9	7.6

26. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 March 2015 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 March 2015 RM'000
Total retained profits of Signature International Berhad and its subsidiaries:	
-Realised	108,960
-Unrealised	2,856
	<u>111,816</u>
Consolidation adjustments	10,159
	<u>121,975</u>



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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 25 May 2015.