



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 JUNE 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 30 June 2015

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015 (UNAUDITED)

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 June 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2014 RM'000	Year-to-date 30 June 2015 RM'000	Preceding Year-to-date 30 June 2014 RM'000
Revenue	54,961	66,913	272,928	178,743
Operating expenses	(56,462)	(55,568)	(233,309)	(154,879)
Other operating income	6,408	1,552	11,985	3,509
Profit from operations	4,907	12,897	51,604	27,373
Finance costs	(610)	(349)	(2,407)	(1,886)
Profit before taxation	4,297	12,548	49,197	25,487
Tax expense	(781)	(2,783)	(12,006)	(5,918)
Profit after taxation	3,516	9,765	37,191	19,569
Other Comprehensive Income, Net of Tax				
Foreign currency translation	(102)	5	(65)	(47)
Total Comprehensive Income for the period	3,414	9,770	37,126	19,522

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 JUNE 2015 (UNAUDITED) (CONT'D)

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 June 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2014 RM'000	Current Year-to-date 30 June 2015 RM'000	Preceding Year-to-date 30 June 2014 RM'000
Profit after tax attributable to:-				
- Equity holders of the parent	3,865	10,164	36,110	19,226
- Non-controlling interest	(349)	(399)	1,081	343
	<u>3,516</u>	<u>9,765</u>	<u>37,191</u>	<u>19,569</u>
Total Comprehensive Income attributable to: -				
- Equity holders of the parent	3,763	10,169	36,045	19,179
- Non-controlling interest	(349)	(399)	1,081	343
	<u>3,414</u>	<u>9,770</u>	<u>37,126</u>	<u>19,522</u>
Earnings per share (sen)				
- Basic	<u>3.2</u>	<u>8.5</u>	<u>30.1</u>	<u>16.2</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 JUNE 2015

	UNAUDITED As at 30 June 2015 RM'000	AUDITED As at 30 June 2014 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	49,312	46,496
Investment properties	35,868	30,985
Deferred tax asset	2,339	2,339
Long term receivables	-	-
	<u>87,519</u>	<u>79,820</u>
Current Assets		
Inventories	17,648	16,726
Amount owing by contract customers	38,570	22,383
Receivables - net of deposits received	67,033	70,560
Tax recoverable	1,644	1,887
Short-term investments	24,436	18,424
Fixed deposit with licensed banks	155	155
Cash and bank balances	22,578	15,095
	<u>172,064</u>	<u>145,230</u>
Non-current assets held for sale	-	-
	<u>259,583</u>	<u>225,050</u>
TOTAL ASSETS		

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 JUNE 2015 (CONT'D)

	UNAUDITED	AUDITED
	As at	As at
	30 June 2015	30 June 2014
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Share premium	-	-
Reserves	86,798	60,718
Shareholders' equity	146,798	120,718
Non-controlling interest	3,840	2,919
TOTAL EQUITY	150,638	123,637
Non-Current Liabilities		
Hire purchase payables	1,866	972
Term loans	18,768	16,611
Deferred taxation	2,917	2,480
Trade payables-non current liabilities	-	-
	23,551	20,063
Current Liabilities		
Payables	47,653	51,071
Amount owing to contract customers	32,938	23,398
Provision for taxation	1,447	3,939
Hire purchase payables	637	377
Term loan	2,719	2,565
	85,394	81,350
TOTAL LIABILITIES	108,945	101,413
TOTAL EQUITY AND LIABILITIES	259,583	225,050
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	1.23	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 JUNE 2015 (UNAUDITED)

	← 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 1.7.2014	60,000	(921)	(28,123)	32	89,730	120,718	2,919	123,637
Profit after taxation for the financial year	-	-	-	-	36,110	36,110	1,081	37,191
Other comprehensive income for the financial year, net of tax;								
- foreign exchange translation	-	-	-	(65)	-	(65)	-	(65)
- resale of treasury shares	-	921	-	-	-	921	-	921
- purchase of treasury shares	-	(90)	-	-	-	(90)	-	(90)
- sale of shares to subsidiary by non controlling interest	-	-	-	-	-	-	(160)	(160)
- dividend paid	-	-	-	-	(10,796)	(10,796)	-	(10,796)
						-		-
Total comprehensive income for the financial year	-	831	-	(65)	25,314	26,080	921	27,001
At 30 June 2015	60,000	(90)	(28,123)	(33)	115,044	146,798	3,840	150,638

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 JUNE 2015 (UNAUDITED) (CONT'D)

	← 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 2013	60,000	(920)	(28,123)	79	72,288	103,324	2,376	105,700
Profit after taxation for the financial year					19,226	19,226	343	19,569
Other comprehensive income for the financial year, net of tax;								-
- foreign exchange translation	-	-	-	(47)	-	(47)	-	(47)
- Purchase of treasury shares	-	(1)	-	-	-	(1)	-	(1)
-issuance of shares by subsidiary to non controlling interest	-	-	-	-	-	-	200	200
- dividend paid	-	-	-	-	(1,784)	(1,784)	-	(1,784)
Total comprehensive income for the financial year	-	(1)	-	(47)	17,442	17,394	543	17,937
At 30 June 2014	60,000	(921)	(28,123)	32	89,730	120,718	2,919	123,637

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 30 JUNE 2015 (UNAUDITED)

	Financial Year Ended 30 June 2015 RM'000	Preceding Year Ended 30 June 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	49,197	25,487
Adjustments:		
Amortisation and depreciation	2,562	2,605
Bad debts written off	-	69
Dividend Income from short term investments	(568)	(323)
Fair value gain on short term investment	-	(560)
Fair value adjustment on trade receivables	-	749
Fair value adjustment for Investment Properties	(1,869)	1,553
Gain on disposal of treasury shares	(879)	-
(Gain)/Loss on disposal of property, plant and equipment	(364)	63
Interest expense	1,007	961
Interest income	(682)	(107)
Inventories (write-back)/ written down	(725)	19
Plant and equipment written off	109	122
Provision for doubtful debts	11,359	4,511
Unrealised loss/(gain) on foreign exchange	18	(90)
Write-back of provision for doubtful debts	(5,801)	(1,901)
Changes in working capital	53,364	33,158
Inventories	(197)	(2,546)
Receivables	(2,030)	(17,371)
Amount owing by contract customers	(6,647)	(25,573)
Payables	(3,147)	23,684
Cash generated from operations	41,343	11,352
Interest received	682	107
Interest paid	(1,007)	(961)
Income tax paid	(14,094)	(5,051)
Net cash inflow from operating activities	26,924	5,447
CASH FLOWS FROM / (USED) IN INVESTING ACTIVITIES		
Additions of property, plant and equipment and prepaid lease rentals	(5,544)	(1,579)
Additional Purchase / works on investment properties	(3,014)	(16,138)
Proceeds from disposal of property, plant and equipment	421	83
Dividend Income from short term investment	568	323
Proceeds from disposal of short term investments	9,242	21,736
Purchase of short term investments	(15,254)	(11,729)
Net cash used in investing activities	(13,581)	(7,304)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015 (UNAUDITED) (CONT'D)

	Financial Year Ended 30 June 2015 RM'000	Preceding Year Ended 30 June 2014 RM'000
CASH FLOWS FROM / (USED) IN FINANCING ACTIVITIES		
Dividend paid	(10,796)	(1,784)
Drawdown of Borrowings	6,129	1,591
Sale of shares to subsidiary by non controlling interest	(160)	-
Proceeds from issuance of shares capital of a subsidiary to non-controll	-	200
Purchase of treasury shares	(90)	(1)
Resale of treasury shares	1,800	-
Hire purchase repayment	(513)	(377)
Borrowings	(2,165)	(2,280)
Net cash used in financing activities	(5,795)	(2,651)
Effects of exchange rate changes on cash and cash equivalents	(65)	(20)
NET DECREASED IN CASH AND CASH EQUIVALENTS	7,548	(4,508)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15,250	19,778
CASH AND CASH EQUIVALENTS AT END OF PERIOD	22,733	15,250
Cash and cash equivalents comprise:		
Deposits with licensed banks	155	155
Cash and bank balances	22,578	15,095
	22,733	15,250



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INTERIM FINANCIAL REPORT 30 JUNE 2015

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

The first single tier interim dividend (net) of 4 sen per ordinary share amounting to RM4.8mil for the financial year ended 30 June 2015 was paid on 2 July 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 Quarter ended 30 June 2015							
REVENUE:							
External revenue	41,114	574	13,216	17	40	-	54,961
Inter-segment revenue	15,200	1,704	84	(50)	6,647	(23,585)	-
Total revenue	56,314	2,278	13,300	(33)	6,687	(23,585)	54,961
RESULTS							
Segment results	4,863	1,143	292	(777)	6,311	(6,925)	4,907
Finance costs	(544)	(7)	(21)	(9)	(29)	-	(610)
Profit from ordinary activities before taxation	4,319	1,136	271	(786)	6,282	(6,925)	4,297
Income tax expense							(781)
Profit from ordinary activities after taxation							3,516
Non-controlling interest							349
Net profit attributable to equity holders of the Company							3,865



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

The Group	Design Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	Marketing and Distribution Of White Goods RM'000	Manufacture Of Glass and Aluminium Products RM'000	Interior fit-out works RM'000	Others RM'000	Eliminations RM'000	The Group RM'000
Result for 3 months							
Preceding year corresponding							
quarter ended 30 June 2014							
REVENUE:							
External revenue	64,606	422	2,999	(1,114)	-	-	66,913
Inter-segment revenue	11,777	3,767	486	8,129	503	(24,662)	-
Total revenue	76,383	4,189	3,485	7,015	503	(24,662)	66,913
RESULTS							
Segment results	12,136	1,116	(781)	662	(4,246)	4,010	12,897
Finance costs	(332)	(8)	(9)	-	-	-	(349)
Profit from ordinary activities before taxation	11,804	1,108	(790)	662	(4,246)	4,010	12,548
Income tax expense							(2,783)
Profit from ordinary activities after taxation							9,765
Non-controlling interest							399
Net profit attributable to equity holders of the Company							10,164



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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				
	RM000	RM000	RM000	RM000	RM000	RM000	RM000
Result for 12 months							
Year ended 30 June 2015							
REVENUE:							
External revenue	226,304	3,077	43,375	17	155	-	272,928
Inter-segment revenue	52,811	14,553	1,511	25,568	15,222	(109,665)	-
Total revenue	279,115	17,630	44,886	25,585	15,377	(109,665)	272,928
RESULTS							
Segment results	39,643	3,992	3,128	2,152	11,544	(8,855)	51,604
Finance costs	(2,098)	(34)	(46)	(33)	(196)	-	(2,407)
Profit from ordinary activities before taxation	37,545	3,958	3,082	2,119	11,348	(8,855)	49,197
Income tax expense							(12,006)
Profit from ordinary activities after taxation							37,191
Non-controlling interest							(1,081)
Net profit attributable to equity holders of the Company							36,110



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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 12 months							
Preceding year-to-date 30 Jun 2014							
REVENUE:							
External revenue	158,169	2,407	17,284	883	-	-	178,743
Inter-segment revenue	45,479	10,481	1,688	8,129	4,064	(69,841)	-
Total revenue	203,648	12,888	18,972	9,012	4,064	(69,841)	178,743
RESULTS							
Segment results	22,985	1,515	1,658	449	(3,244)	4,010	27,373
Finance costs	(1,802)	(47)	(35)	(2)	-	-	(1,886)
Profit from ordinary activities before taxation	21,183	1,468	1,623	447	(3,244)	4,010	25,487
Income tax expense							(5,918)
Profit from ordinary activities after taxation							19,569
Non-controlling interest							(343)
Net profit attributable to equity holders of the Company							19,226



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8. Segmental Information (Cont'd)

Assets and Liabilities As at 30 June 2015

OTHER INFORMATION

Segment assets	231,471	15,973	35,373	15,093	84,127	(126,437)	255,600
Unallocated assets							3,983
							<u>259,583</u>
Segment liabilities	135,559	4,320	26,194	12,057	31,081	(104,630)	104,581
Unallocated liabilities							4,364
							<u>108,945</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							6,420
							<u>101,414</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

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 June 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2014 RM'000	Current Year-to-date 30 June 2015 RM'000	Preceding Year-to-date 30 June 2014 RM'000
Profit before taxation is arrived at after charging :-				
Interest expense	228	240	1,007	961
Depreciation and amortisation	340	619	2,562	2,605
Fair value adjustment on trade receivables	-	749	-	749
Provision for and write off of receivables	3,619	2,811	11,359	4,511
Property, plant and equipment written off	(1)	-	109	122
Loss on foreign exchange	(181)	(154)	209	108
Loss on disposal of property, plant equipment	-	-	-	63

Profit before taxation is arrived at after Crediting :-

Interest Income	261	(636)	682	107
Other Income including Investment Income	320	182	1,086	323
Write-back of provision for doubtful debts	2,406	1,032	5,801	1,901
Fair value adjustment for Investment Properties	1,869	(1,553)	1,869	(1,553)
Fair value gain on short term investment	-	560	-	560
Gain on foreign exchange	199	133	245	264
Gain on disposal of property, plant and equipment	77	-	364	29
Gain on disposal of treasury shares	-	-	879	-
Inventories write back/ (written down)	725	(19)	725	(19)

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

	Current Year As At 30 June 2015 RM'000	Preceding Year As At 30 June 2014 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	<u>28,842</u>	<u>16,623</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 30 June 2015 RM'000	Preceding Year As At 30 June 2014 RM'000
Approved and contracted for:-		
Investment Properties	47,946	4,068
Property, plant and equipment	-	166
Approved but not contracted for:-		
Purchase of property, plant and equipment	507	842
Total capital commitments	<u>48,453</u>	<u>5,076</u>

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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.**
15. Review of Performance
- Current Quarter 3 months ended 30 June 2015

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

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 June 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2014 RM'000	Current Year-to-date 30 June 2015 RM'000	Preceding Year-to-date 30 June 2014 RM'000
Revenue	54,961	66,913	272,928	178,743
Profit before taxation	4,297	12,548	49,197	25,487

The Group has recorded a decrease in revenue of RM12.0 million or 17.9%, from RM66.9 million in the preceding year corresponding quarter to RM54.9 million in the current quarter under review. The decrease was mainly due to lower revenue contribution from Kitchen and Wardrobe, and distribution of White Goods segments.

The impact of decrease in revenue led to the profit before taxation dropped by RM8.2 million or 6.6% from RM12.5 million in the preceding year corresponding quarter to RM4.3 million in the current quarter. In this quarter, consistent with Group Policy, a provision for doubtful debts of RM3.6 million was made.

Whereas other operating income includes fair value adjustment for investment properties amounting RM1.9 million, write-back of provision for doubtful debts and stocks of RM2.4 million and RM0.7million respectively.

Kitchen and Wardrobe Systems

This segment had shown a decline in revenue to RM41.1m or 36.4% from RM64.6 million. The decrease was mainly due to drop in project revenue.

Corresponding to the lower revenue, the profit before tax for the current quarter was RM4.3 million as compared to RM11.8 million in the preceding year corresponding quarter.



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15. Review of Performance (Cont'd)

- Current Quarter 3 months ended 30 June 2015

White Goods and Built-in Kitchen Appliances

This segment recorded an increase in revenue of RM0.2 million or 36.0% from RM0.4 million in the preceding year corresponding quarter to RM0.6 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 RM0.03 million or 2.7%, from profit of RM1.11 million in previous preceding year corresponding quarter to profit of RM1.14 million in the current quarter.

Glass and Aluminium Product

The revenue for this segment, increased from RM3.0 million in preceding year corresponding quarter to RM13.2 million in current quarter. The increase of RM10.2 million or 340.0% 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 was RM0.3 million in current quarter as compared to a loss of RM0.8mil in the corresponding quarter of previous year.

Interior Fit-out Segment

No external revenue recognized in current quarter under review as the segment only generated intercompany 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.



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15. Review of Performance (Cont'd)

- Cumulative period to-date 12 months ended 30 June 2015

The Group has registered a significant increase in revenue of RM94.2 million or 52.7%. For the financial year under review, the Group has recorded revenue of RM272.9 million as compared to RM178.7 million in previous financial year. The main revenue contributions are from Kitchen and Wardrobe, Glass and Aluminium segments. Project division remains to be the main contributor to the Group's revenue where more than 60% of the increase is from the job delivered and billed in the current financial year.

With the increase in revenue and margins due to economies of scale, the Group recorded a higher profit before tax for the current financial year of RM49.2 million as compared to RM25.5 million in the previous financial year, an increase of RM24.0 million or 94.1%. In addition, the other contributing factors to the increase in profit before tax was fair value gain in the investment properties of RM1.9 million, bad debts written back of RM5.8 million and gain on disposal of treasury shares of RM0.9 million. Consistent with the Group's policy on provision for doubtful debts, a provision of RM11.4 million was made accordingly.

Kitchen and Wardrobe Systems

Revenue of RM226.3 million was recorded from this segment in current financial year as compared to RM158.2 million in the previous financial year, an increase of RM68.1 million or 43.0%. This significant increase was mainly contributed from the Project division.

The profit before tax for the current financial year has correspondingly increased to RM37.5 million as compared to RM21.2 million in the previous financial year, an increase of RM16.3 million or 76.9% 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 RM0.7 million or 29.2%, from this segment during the current financial year, from RM2.4 million in the last preceding corresponding year, to RM3.1 million in the current financial year under review.

Nevertheless, the profit before tax for the segment increased by RM2.5 million or 166.7%, from RM1.5 million in last preceding corresponding period to RM4.0 million in the current financial year. The increase in profit before tax resulted from impact of lower operating expenditure during the year.

Glass and Aluminium Product

Revenue registered for this segment increased to RM43.3 million in current financial year as compared to RM17.3 million in preceding year corresponding period. The higher increase of RM26.0 million or 150.3 % was contributed from the project segment.

In tandem with the higher revenue recognized, the profit before tax for this segment increased from RM1.6 million to RM3.0 million in current financial year, an increase of 87.5%.



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15. Review of Performance (Cont'd)

- Cumulative period to-date 12 months ended 30 June 2015

Interior Fit-out Segment

For current period under review, this segment recorded an internal revenue of RM25.6 million as compared to RM9 million of total revenue in the preceding corresponding year of which, RM8.1 million was from internal revenue.

This segment also recorded a profit of RM2.1 million for the current period as compared to RM0.4 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.

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

	Individual Period	
	Current Year Quarter Ended 30 June 2015 RM'000	Current Year Quarter Ended 31 Mar 2015 RM'000
Revenue	54,961	87,547
Profit before taxation	4,297	18,620

The Group recorded revenue of RM54.9 million for current quarter compared to RM87.5 million in the preceding quarter. The decrease of RM32.6 million or 37.3% was a result of lesser in project revenue being recognized from both Kitchen & Wardrobe and Glass & Aluminium segments.

The impact of decrease in revenue led to a decrease of profit before tax amounting RM14.3 million or 76.8 % which the Group recorded a profit before tax of RM4.3 million in current quarter as compared RM 18.6 million in the preceding quarter.



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17. Future Year Prospects

Moving towards a new financial year 2016, the Group expected to continue its growth in all business segments locally and internationally. With an unbilled order book of RM160 million and the continuous effort to replenish existing order book the Group is expected to achieve satisfactory performance from its project division, which has been the strong pillar of growth for the Group which currently contributes about 75% of total revenue.

While on the retail segment, the Group will continue to set up Signature Lifestyle Gallery to cater to the rising market of new property development as well as the signature display of cabinetry, appliances and finishes that makes up the Signature touch.

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

18. 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.

19. Taxation

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 June 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2014 RM'000	Current Year-to-date 30 June 2015 RM'000	Preceding Year-to-date 30 June 2014 RM'000
Current Tax Expense				
- Current Year	781	2,783	12,006	5,918
- Deferred Tax		-		-
Total Income Tax Expense	<u>781</u>	<u>2,783</u>	<u>12,006</u>	<u>5,918</u>

20. Status of Corporate Proposals/Exercises

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

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21. Borrowings and Debt Securities

The Group's borrowings as follows:

	Cumulative Period	
	Current Year Quarter Ended 30 June 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2014 RM'000
Term Loan (Secured) :-		
Current	2,719	2,565
Non Current	18,768	16,611
Total Bank Borrowing	21,487	19,176

22. 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 the third 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 in 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.

During this quarter, the Third Defendant made a payment of RM540,000.00 by way of three cheques dated 9 April 2015, 9 May 2015 and 9 June 2015, all of which have been cleared for payment.

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 still due and owing to SMSB together with costs and interests.

On 22 June 2015, the case was adjourned to 22 July 2015 pending a settlement by the Second Defendant making a payment totaling RM1,250,000.00 by way of four cheques dated 26 June 2015, 26 July 2015, 26 August 2015 and 26 September 2015. The first cheque in the sum of RM500,000.00 has been cleared for payment.

On 22 July 2015, the court adjourned the matter for a final time to 2 October 2015 to enable the rest of the cheques to be cleared.



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23. Proposed Dividend

The Board has not recommended any interim dividend for the current quarter.

24. 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 June 2015.

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 June 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2014 RM'000	Current Year-to-date 30 June 2015 RM'000	Preceding Year-to-date 30 June 2014 RM'000
BASIC EARNINGS PER SHARE				
Profit for the year attributable to ordinary equity holders of the Company	3,865	10,164	36,110	19,226
Weighted average number of ordinary shares in issue ('000)	119,978	118,944	119,978	118,944
Basic Earnings per Share (sen)	<u>3.2</u>	<u>8.5</u>	<u>30.1</u>	<u>16.2</u>



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25. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 June 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 30 June 2015 RM'000
Total retained profits/ (accumulated losses) of Signature International Berhad and its subsidiaries:	
- Realised	101,920
- Unrealised	2,316
	<hr/>
	104,236
Consolidation adjustments	10,808
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	115,044

26. 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.

27. 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 August 2015.