



## Signature International Berhad

(Company No: 754118-K)

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

### INTERIM FINANCIAL REPORT 30 SEPTEMBER 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 September 2015

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

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Sep 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2014 RM'000	Year-to-date 30 Sep 2015 RM'000	Preceding Year-to-date 30 Sep 2014 RM'000
Revenue	44,876	59,349	44,876	59,349
Operating expenses	(38,957)	(50,996)	(38,957)	(50,996)
Other operating income	1,342	1,478	1,342	1,478
Profit from operations	7,261	9,831	7,261	9,831
Finance costs	(411)	(545)	(411)	(545)
Profit before taxation	6,850	9,286	6,850	9,286
Tax expense	(1,818)	(2,321)	(1,818)	(2,321)
Profit after taxation	5,032	6,965	5,032	6,965
<b>Other Comprehensive Income, Net of Tax</b>				
Foreign currency translation	(243)	(3)	(243)	(3)
<b>Total Comprehensive Income for the period</b>	<b>4,789</b>	<b>6,962</b>	<b>4,789</b>	<b>6,962</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial report.



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015 (UNAUDITED) (CONT'D)

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Sep 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2014 RM'000	Current Year-to-date 30 Sep 2015 RM'000	Preceding Year-to-date 30 Sep 2014 RM'000
<b>Profit after tax attributable to:-</b>				
- Equity holders of the parent	4,892	6,670	4,892	6,670
- Non-controlling interest	140	295	140	295
	<u>5,032</u>	<u>6,965</u>	<u>5,032</u>	<u>6,965</u>
<b>Total Comprehensive Income attributable to: -</b>				
- Equity holders of the parent	4,649	6,667	4,649	6,667
- Non-controlling interest	140	295	140	295
	<u>4,789</u>	<u>6,962</u>	<u>4,789</u>	<u>6,962</u>
<b>Earnings per share (sen)</b>				
- Basic	4.1	5.6	4.1	5.6
- Diluted	Not applicable	Not applicable	Not applicable	Not applicable

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial report.



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

---

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	UNAUDITED As at 30 Sep 2015 RM'000	AUDITED As at 30 Jun 2015 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	49,238	49,312
Goodwill arising from Consolidation	100	-
Investment properties	36,608	35,868
Deferred tax asset	2,339	2,339
	<u>88,285</u>	<u>87,519</u>
<b>Current Assets</b>		
Inventories	19,154	17,588
Amount owing by contract customers	36,428	37,152
Receivables - net of deposits received	59,097	71,615
Tax recoverable	2,690	1,642
Short-term investments	20,675	24,436
Fixed deposit with licensed banks	155	155
Cash and bank balances	8,879	22,583
	<u>147,078</u>	<u>175,171</u>
<b>TOTAL ASSETS</b>	<u>235,363</u>	<u>262,690</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 2015 and the accompanying explanatory notes attached to the interim financial report.



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015 (CONT'D)

	UNAUDITED	AUDITED
	As at	As at
	30 Sep 2015	30 Jun 2015
	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	60,000	60,000
Share premium	889	889
Reserves	86,957	83,912
Shareholders' equity	147,846	144,801
Non-controlling interest	4,847	4,263
<b>TOTAL EQUITY</b>	<b>152,693</b>	<b>149,064</b>
<b>Non-Current Liabilities</b>		
Hire purchase payables	1,782	1,849
Term loans	18,112	18,798
Deferred taxation	2,901	2,901
	<b>22,795</b>	<b>23,548</b>
<b>Current Liabilities</b>		
Payables	38,646	49,026
Amount owing to contract customers	16,692	31,259
Provision for taxation	1,194	1,652
Hire purchase payables	654	654
Term loan	2,689	2,689
Dividend Payable	-	4,798
	<b>59,875</b>	<b>90,078</b>
<b>TOTAL LIABILITIES</b>	<b>82,670</b>	<b>113,626</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>235,363</b>	<b>262,690</b>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	1.23	1.24

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial report.



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015 (UNAUDITED)

	← Attributable to equity holders of the parent →								
	← Non Distributable Reserves →					Distributable			
	Share Capital RM'000	Share Premium 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
<b>Balance at 1.7.2015</b>	60,000	889	(90)	(28,123)	(49)	112,174	144,801	4,263	149,064
Profit after taxation for the financial year	-	-	-	-	-	4,892	4,892	140	5,032
Other comprehensive income for the financial year, net of tax; - foreign exchange translation	-	-	-	-	(243)	-	(243)	-	(243)
Total comprehensive income for the financial year	-	-	-	-	(243)	4,892	4,649	140	4,789
Contribution by and distribution to owners of the Company:									
- Purchase of treasury shares	-	-	(960)	-	-	-	(960)	-	(960)
Changes in ownership interest of subsidiaries	-	-	-	-	-	(644)	(644)	444	(200)
	-	-	(960)	-	-	(644)	(1,604)	444	(1,160)
<b>At 30 Sep 2015</b>	<b>60,000</b>	<b>889</b>	<b>(1,050)</b>	<b>(28,123)</b>	<b>(292)</b>	<b>116,422</b>	<b>147,846</b>	<b>4,847</b>	<b>152,693</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial report.



**Signature International Berhad**

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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
<b>Balance at 1 July 2014</b>	60,000	(921)	(28,123)	32	89,730	120,718	2,919	123,637
Profit after taxation for the financial year	-	-	-	-	6,670	6,670	295	6,965
Other comprehensive income for the financial year, net of tax;								
- foreign exchange translation	-	-	-	(3)	-	(3)	-	(3)
- dividend paid					-	-		-
- resale of treasury shares		921	-	-	-	921	-	921
<b>Total comprehensive income for the financial year</b>	-	921	-	(3)	6,670	7,588	295	7,883
<b>At 30 Sept 2014</b>	60,000	-	(28,123)	29	96,400	128,306	3,214	131,520

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



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015 (UNAUDITED)

	Financial Year Ended 30 Sep 2015 RM'000	Preceding Year Ended 30 Sep 2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	6,850	9,286
<b>Adjustments:</b>		
Amortisation and depreciation	652	709
Gain on disposal of treasury shares	-	(889)
(Gain)/Loss on disposal of property, plant and equipment	(143)	(239)
Interest expense	292	523
Interest income	(295)	(449)
Inventories (write-back)/ written down	-	300
Unrealised loss/(gain) on foreign exchange	624	(19)
Write-back of provision for doubtful debts	(810)	(30)
<b>Changes in working capital</b>	7,170	9,192
Inventories	(1,566)	(3,726)
Receivables	13,331	(32,444)
Amount owing by contract customers	(13,843)	9,345
Payables	(11,006)	(498)
<b>Cash generated used in operations</b>	(5,914)	(18,131)
Interest received	295	449
Interest paid	(292)	(523)
Income tax paid	(3,325)	(1,699)
<b>Net cash outflow from operating activities</b>	(9,236)	(19,904)
<b>CASH FLOWS FROM / (USED) IN INVESTING ACTIVITIES</b>		
Additions of property, plant and equipment and prepaid lease rentals	(498)	(3,295)
Additional Purchase / works on investment properties	(740)	(119)
Proceeds from disposal of property, plant and equipment	223	985
Proceeds from disposal of short term investments	3,761	7,958
Purchase of short term investments	-	(90)
Acquisition of shares from non controlling interest	(300)	-
<b>Net cash (used in) / from investing activities</b>	2,446	5,439



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

---

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

	Financial Year Ended 30 Sep 2015 RM'000	Preceding Year Ended 30 Sep 2014 RM'000
<b>CASH FLOWS FROM / (USED) IN FINANCING ACTIVITIES</b>		
Dividend paid	(4,798)	-
Drawdown of Borrowings	-	6,613
Purchase of treasury shares	(960)	-
Resale of treasury shares	-	1,800
Hire purchase repayment	(227)	(38)
Borrowings	(686)	(1,847)
<b>Net cash (used in) / from financing activities</b>	<b>(6,671)</b>	<b>6,528</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(243)</b>	<b>(3)</b>
<b>NET DECREASED IN CASH AND CASH EQUIVALENTS</b>	<b>(13,461)</b>	<b>(7,937)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>22,738</b>	<b>15,095</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>9,034</b>	<b>7,155</b>
<b>Cash and cash equivalents comprise:</b>		
Deposits with licensed banks	155	155
Cash and bank balances	8,879	7,000
	<b>9,034</b>	<b>7,155</b>





## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 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 2015 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/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

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



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

---

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 2. Significant Accounting Policies (Cont'd)

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

- (a) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. Therefore, it is expected that the Group's investments in unquoted shares that are currently stated at cost less accumulated impairment losses will be measured at fair value through other comprehensive income upon the adoption of MFRS 9. The Group is currently assessing the financial impact of adopting MFRS 9.



## **Signature International Berhad**

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

---

### **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, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:- (Cont'd)

(b) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers. In addition, extensive disclosures are required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

#### **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.



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 8. Segmental Information

The Group	Design	Marketing	Manufacture	Interior	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products				
	RM000	RM000	RM000	RM000	RM000	RM000	RM000
<b>Result for 3 months</b>							
<b>Quarter ended 30 September 2015</b>							
<b>REVENUE:</b>							
External revenue	39,947	999	3,916	14	-	-	44,876
Inter-segment revenue	11,255	3,980	88	381	1,001	(16,707)	-
Total revenue	51,202	4,979	4,004	395	1,001	(16,707)	44,876
<b>RESULTS</b>							
Segment results	7,117	123	619	(185)	(32)	(381)	7,261
Finance costs	(320)	(22)	(8)	(1)	(60)	-	(411)
Profit from ordinary activities before taxation	6,797	101	611	(186)	(92)	(381)	6,850
Income tax expense							(1,818)
Profit from ordinary activities after taxation							5,032
Non-controlling interest							(140)
Net profit attributable to equity holders of the Company							4,892



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

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



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

The Group Assets and Liabilities As at 30 September 2015	Design	Marketing	Manufacture	Interior fit-out works	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	and Distribution Of White Goods RM'000	Manufacture Of Glass and Aluminium Products RM'000				
OTHER INFORMATION							
Segment assets	218,167	17,838	31,660	14,084	85,056	(136,471)	230,334
Unallocated assets							5,029
							<u>235,363</u>
Segment liabilities	128,481	6,785	21,983	10,811	24,969	(114,454)	78,575
Unallocated liabilities							4,095
							<u>82,670</u>

Assets and Liabilities As at 30 September 2014	Design	Marketing	Manufacture	Interior fit-out works	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	and Distribution Of White Goods RM'000	Manufacture Of Glass and Aluminium Products RM'000				
OTHER INFORMATION							
Segment assets	194,884	14,725	26,455	19,565	77,678	(106,118)	227,189
Unallocated assets							2,118
							<u>229,307</u>
Segment liabilities	105,857	5,307	19,168	16,903	24,862	(81,713)	90,384
Unallocated liabilities							7,403
							<u>97,787</u>

**Signature International Berhad**

(Company No: 754118-K)

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

**INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015**
**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 Sep 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2014 RM'000	Current Year-to-date 30 Sep 2015 RM'000	Preceding Year-to-date 30 Sep 2014 RM'000
Profit before taxation is arrived at after charging :-				
Interest expense	292	523	292	523
Depreciation and amortisation	652	709	652	709
Inventories written down	-	300	-	300
Loss on foreign exchange	624	-	624	-
Profit before taxation is arrived at after Crediting :-				
Interest Income	(295)	(449)	(295)	(449)
Write-back of provision for doubtful debts	(810)	(30)	(810)	(30)
Gain on foreign exchange	-	(19)	-	(19)
Gain on disposal of property, plant and equipment	(143)	(239)	(143)	(239)
Gain on disposal of treasury shares	-	(889)	-	(889)

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

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

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

On 18 August 2015, the Company further acquired 200,000 ordinary shares of RM1 each in Signature Interiors Sdn. Bhd. ("SISB") representing a 20% equity interest in SISB for a total cash considerations of RM300,000, resulting in an increase in the Group's equity interest held in SISB from 80% to 100%.



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

---

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

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

	Current Year As At 30 Sep 2015 RM'000	Preceding Year As At 30 Sep 2014 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	<u>22,785</u>	<u>14,036</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 Sep 2015 RM'000	Preceding Year As At 30 Sep 2014 RM'000
<b>Approved and contracted for:-</b>		
Investment Properties	46,158	49,149
<b>Total capital commitments</b>	<u>46,158</u>	<u>49,149</u>





## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

### 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 Sep 2015

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

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Sep 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2014 RM'000	Current Year-to-date 30 Sep 2015 RM'000	Preceding Year-to-date 30 Sep 2014 RM'000
Revenue	44,876	59,349	44,876	59,349
Profit before taxation	6,850	9,286	6,850	9,286

The Group has recorded a decrease in revenue of RM14.4 million or 24.3%, from RM59.3 million in the preceding year corresponding quarter to RM44.9 million in the current quarter under review. The decrease was mainly due to lower project revenue contribution from Kitchen and Wardrobe, and Glass and Aluminium segments.

The decreased in revenue resulted in the profit before taxation reducing by RM2.4 million or 25.8% from RM9.3 million in the preceding year corresponding quarter to RM6.9 million in the current quarter.

In addition, the decreased in profit before tax was also due to the impact of weakening Ringgit Malaysia against the US dollar currency, hence resulting in higher import cost.

#### **Kitchen and Wardrobe Systems**

This segment had shown a decline in revenue to RM39.9m or 25.8% from RM53.8 million. The decrease was mainly due to drop in project revenue.

Profit before tax for the current quarter was RM6.8 million as compared to RM6.5 million in the preceding year corresponding quarter. It is due to recognition of profits from higher margin projects in the quarter under review.



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

---

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

##### - Current Quarter 3 months ended 30 Sep 2015

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

There is a marginal increase in the revenue of RM0.1 million or 11.1%, from RM0.9 million in the preceding year corresponding quarter to RM1.0 million in the current quarter.

However, profit before tax for the segment decreased by RM0.9 million or 90%, from RM1.0 million in last preceding corresponding period to RM0.1 million in the current quarter. The decrease in profit before tax was mainly due to the impact of weakening Ringgit Malaysia against the US dollar currency, hence higher import cost for the white goods and kitchen appliances.

##### Glass and Aluminium Product

This segment recorded decrease in revenue of RM0.7 million or 15.2% from RM4.6 million in the preceding year corresponding quarter to RM3.9 million in the current quarter. The decrease in revenue was mainly due to timing difference in revenue recognition from the project segment in the current quarter.

Profit before tax for the segment was RM0.6 million in current quarter as compared to RM0.2mil in the preceding corresponding period as a results of average higher margin for the project segment.

##### Interior Fit-out Segment

This segment's revenue contribution of RM0.014 million is from external projects and no comparative figure for the proceeding correspondence period.

This segment recorded a loss before tax of RM0.2 million for the current period as compared to profit before tax of RM1.4 million in the preceding corresponding period as a result of lower internal 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.



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

	Individual Period	
	Current Year Quarter Ended 30 Sep 2015 RM'000	Preceding Quarter Ended 30 Jun 2015 RM'000
Revenue	44,876	54,961
Profit before taxation	6,850	4,297

The Group recorded revenue of RM44.9 million for current quarter compared to RM55.0 million in the preceding quarter. The decrease of RM10.1 million or 18.4% was a result of lower project revenue being recognized from both Kitchen & Wardrobe and Glass & Aluminium segments.

Profit before tax for the Group recorded an increase by RM2.6 million between the two quarters. The profit before tax for the immediate preceding quarter was lower mainly due to provision for doubtful debts made.

#### 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 RM150 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.

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 this 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.



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 19. Taxation

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Sep 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2014 RM'000	Current Year-to-date 30 Sep 2015 RM'000	Preceding Year-to-date 30 Sep 2014 RM'000
Current Tax Expense - Current Year	1,818	2,321	1,818	2,321
Total Income Tax Expense	1,818	2,321	1,818	2,321

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

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

#### 21. Borrowings and Debt Securities

The Group's borrowings as follows:

	Cumulative Period	
	Current Year Quarter Ended 30 Sep 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2014 RM'000
Term Loan (Secured) :-		
Current	2,689	2,565
Non Current	18,112	16,611
Total Bank Borrowing	20,801	19,176



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

---

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 22. Material Litigation

During the last financial year, 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.

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 September 2014) (“Judgement Sum”) together with interests at the rate of 5% per annum from 30 September 2014 until full realization with costs.

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. All the cheques have cleared for payment.

On 22 July 2015, the court adjourned the matter for a final time to 2 October 2015.

During this quarter, the Board of Directors updated on 2 October 2015 that the matter has been settled and the suit in relation to Companies Winding-up no 28NCC-309-04/2015 was withdrawn with no order as to costs upon SMSB’s application as all the settlement cheques have cleared.

#### 23. Proposed Dividend

The Board recommends a final single tier dividend of 6 sen per ordinary share amounting to RM7.2million in respect of the financial year ended 30 June 2015.

The final single tier dividend recommended by the Board will be subjected to shareholders’ approval at the forthcoming Annual General Meeting to be held on 7 December 2015. The Board has not recommended any interim dividend for the current quarter.



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 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 Sep 2015.

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Sep 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2014 RM'000	Current Year-to-date 30 Sep 2015 RM'000	Preceding Year-to-date 30 Sep 2014 RM'000
<b>BASIC EARNINGS PER SHARE</b>				
Profit for the year attributable to ordinary equity holders of the Company	4,892	6,670	4,892	6,670
Weighted average number of ordinary shares in issue ('000)	119,918	118,944	119,918	118,944
Basic Earnings per Share (sen)	<u>4.1</u>	<u>5.6</u>	<u>4.1</u>	<u>5.6</u>

#### 25. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 Sep 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 Sep 2015 RM'000
Total retained profits/ (accumulated losses) of Signature International Berhad and its subsidiaries:	
- Realised	106,918
- Unrealised	(225)
	<u>106,693</u>
Consolidation adjustments	9,729
	<u><u>116,422</u></u>



## **Signature International Berhad**

(Company No: 754118-K)

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

**INTERIM FINANCIAL REPORT 30 SEPTEMBER 2015**

---

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

#### **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 2015 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 23 Nov 2015.