



## Signature International Berhad

(Company No: 754118-K)

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

### INTERIM FINANCIAL REPORT 30 JUNE 2016

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 2016.

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 (UNAUDITED)

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Jun 2016 RM'000	Preceding Year Corresponding Quarter Ended 30 Jun 2015 RM'000	Current Year 30 Jun 2016 RM'000	Preceding Year 30 Jun 2015 RM'000
Revenue	43,527	55,523	198,064	273,490
Operating expenses	(60,452)	(58,128)	(195,330)	(234,974)
Other operating income	58,298	5,236	61,432	10,813
Profit from operations	41,373	2,631	64,166	49,329
Finance costs	(693)	(590)	(2,084)	(2,387)
Profit before taxation	40,680	2,041	62,082	46,942
Tax expense	(6,198)	(972)	(11,509)	(12,197)
Profit after taxation	34,482	1,069	50,573	34,745
<b>Other Comprehensive Income, Net of Tax</b>				
Foreign currency translation	(20)	(118)	(122)	(81)
<b>Total Comprehensive Income for the period</b>	<b>34,462</b>	<b>951</b>	<b>50,451</b>	<b>34,664</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.



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### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 (UNAUDITED) (CONT'D)

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Jun 2016 RM'000	Preceding Year Corresponding Quarter Ended 30 Jun 2015 RM'000	Current Year 30 Jun 2016 RM'000	Preceding Year 30 Jun 2015 RM'000
<b>Profit after tax attributable to:-</b>				
- Equity holders of the parent	32,195	1,351	47,746	33,596
- Non-controlling interest	2,287	(282)	2,827	1,149
	<u>34,482</u>	<u>1,069</u>	<u>50,573</u>	<u>34,745</u>
<b>Total Comprehensive Income attributable to: -</b>				
- Equity holders of the parent	32,175	1,233	47,624	33,515
- Non-controlling interest	2,287	(282)	2,827	1,149
	<u>34,462</u>	<u>951</u>	<u>50,451</u>	<u>34,664</u>
Earnings per share (sen)				
- Basic	<u>13.4</u>	<u>0.6</u>	<u>19.9</u>	<u>14.0</u>
- Diluted	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>

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### INTERIM FINANCIAL REPORT 30 JUNE 2016

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#### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	UNAUDITED As at 30 Jun 2016 RM'000	AUDITED As at 30 Jun 2015 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	36,330	49,312
Goodwill arising from Consolidation	100	-
Investment properties	32,978	35,868
Deferred tax asset	3,503	2,339
	<u>72,911</u>	<u>87,519</u>
<b>Current Assets</b>		
Inventories	16,286	17,588
Amount owing by contract customers	31,679	37,152
Receivables - net of deposits received	54,005	71,615
Tax recoverable	357	1,642
Short-term investments	57,220	24,436
Fixed deposit with licensed banks	155	155
Cash and bank balances	36,034	22,583
	<u>195,736</u>	<u>175,171</u>
Non-current asset held for sale	2,640	-
	<u>271,287</u>	<u>262,690</u>
<b>TOTAL ASSETS</b>		

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.



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### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016 (CONT'D)

	UNAUDITED As at 30 Jun 2016 RM'000	AUDITED As at 30 Jun 2015 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	60,074	60,000
Share premium	1,192	889
Reserves	96,571	83,912
Shareholders' equity	157,837	144,801
Non-controlling interest	7,534	4,263
<b>TOTAL EQUITY</b>	<b>165,371</b>	<b>149,064</b>
<b>Non-Current Liabilities</b>		
Hire purchase payables	1,899	1,849
Term loans	19,195	18,798
Deferred taxation	2,901	2,901
	<b>23,995</b>	<b>23,548</b>
<b>Current Liabilities</b>		
Payables	45,268	49,026
Amount owing to contract customers	9,202	31,259
Provision for taxation	-	1,652
Hire purchase payables	762	654
Term loan	2,985	2,689
Dividend Payable	23,704	4,798
	<b>81,921</b>	<b>90,078</b>
<b>TOTAL LIABILITIES</b>	<b>105,916</b>	<b>113,626</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>271,287</b>	<b>262,690</b>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.66	0.60

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.



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INTERIM FINANCIAL REPORT 30 JUNE 2016

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 (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	Employee Share option Reserve 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 2015</b>	60,000	889	(90)	(28,123)	-	(49)	112,174	144,801	4,263	149,064
Profit after taxation for the financial year	-	-	-	-	-	-	47,746	47,746	2,827	50,573
Other comprehensive income for the financial year, net of tax;										
- foreign exchange translation	-	-	-	-	-	(122)	-	(122)	-	(122)
Total comprehensive income for the financial year	-	-	-	-	-	(122)	47,746	47,624	2,827	50,451
Contribution by and distribution to owners of the Company:										
- Shares option to employees	-	-	-	-	2,407	-	-	2,407	-	2,407
- Employees' shares option exercised	73	222	-	-	-	-	-	295	-	295
- Warrant option exercised	1	1	-	-	-	-	-	2	-	2
- Purchase of treasury shares	-	-	(3,926)	-	-	-	-	(3,926)	-	(3,926)
- Dividend paid										
- By the Company	-	-	-	-	-	-	(30,848)	(30,848)	-	(30,848)
- By subsidiary to non-controlling interests	-	-	-	-	-	-	(1,874)	(1,874)	-	(1,874)
- Changes in ownership interest of subsidiaries	-	-	-	-	-	-	(644)	(644)	444	(200)
	74	223	(3,926)	-	2,407	-	(33,366)	(34,588)	444	(34,144)
Transfer to share premium for employees' share option exercised	-	80	-	-	(80)	-	-	-	-	-
<b>At 30 June 2016</b>	<b>60,074</b>	<b>1,192</b>	<b>(4,016)</b>	<b>(28,123)</b>	<b>2,327</b>	<b>(171)</b>	<b>126,554</b>	<b>157,837</b>	<b>7,534</b>	<b>165,371</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.



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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						→ Distributable		Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Merger Deficit RM'000	Employee Share option Reserve RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000	Attributable To owners of The Company RM'000		Non- controlling interests RM'000
<b>Balance at 1.7.2014</b>	60,000	-	(921)	(28,123)	-	32	89,730	120,718	2,919	123,637
Profit after taxation for the financial year	-	-	-	-	-	-	33,596	33,596	1,149	34,745
Other comprehensive income for the financial year, net of tax; - foreign exchange translation	-	-	-	-	-	(81)	-	(81)	-	(81)
Total comprehensive income for the financial year	-	-	-	-	-	(81)	33,596	33,515	1,149	34,664
Contribution by and distribution to owners of the Company:										
Purchase of treasury shares	-	-	(90)	-	-	-	-	(90)	-	(90)
Treasury shares sold	-	889	921	-	-	-	-	1,810	-	1,810
Issued of share to Non-controlling interest	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(10,796)	(10,796)	-	(10,796)
Changes in ownership interest of subsidiaries that do not result in loss of control	-	-	-	-	-	-	(356)	(356)	195	(161)
	-	889	831	-	-	-	(11,152)	(9,432)	195	(9,237)
<b>At 30 June 2015</b>	<b>60,000</b>	<b>889</b>	<b>(90)</b>	<b>(28,123)</b>	<b>-</b>	<b>(49)</b>	<b>112,174</b>	<b>144,801</b>	<b>4,263</b>	<b>149,064</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 2014 and the accompanying explanatory notes attached to the interim financial report.

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**INTERIM FINANCIAL REPORT 30 JUNE 2016**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 (UNAUDITED)**

	Financial Year Ended 30 Jun 2016 RM'000	Preceding Year Ended 30 Jun 2015 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	62,082	46,942
<b>Adjustments:</b>		
Amortisation and depreciation	2,949	2,828
Fair value adjustment on Investment properties	346	(1,869)
(Gain)/Loss on disposal of land and building	(28,845)	-
(Gain)/Loss on disposal of plant and equipment	(242)	(223)
Interest expense	1,272	1,043
Interest income	(1,178)	(686)
Inventories written off	1,248	-
Plant and equipment written off	178	125
ESOS / Share-based expenses	2,407	-
Unrealised loss/(gain) on foreign exchange	188	(101)
Interest income:		
- accretion of trade receivables	(264)	-
Provision for doubtful debts	6,210	11,205
Reversal of allowance for impairment on receivables	(1,132)	(5,800)
<b>Changes in working capital</b>	45,219	53,464
Inventories	54	(862)
Receivables	12,796	(7,283)
Amount owing by contract customers	(16,584)	(6,908)
Payables	(3,614)	(1,672)
<b>Cash generated from operations</b>	37,871	36,739
Interest received	1,178	686
Interest paid	(1,272)	(1,043)
Income tax paid	(13,350)	(13,819)
<b>Net cash inflow from operating activities</b>	24,427	22,563
<b>CASH FLOWS FROM / (USED) IN INVESTING ACTIVITIES</b>		
Additions of property, plant and equipment and prepaid lease rentals	(4,419)	(4,260)
Additional Purchase / works on investment properties	(1,496)	(3,014)
Proceeds from disposal of investment properties	1,400	-
Proceeds from disposal of property, plant and equipment	43,980	466
Dividend Income from short term investment	-	408
Proceeds from disposal of short term investments	11,596	18,417
Purchase of short term investments	(44,380)	(24,315)
Acquisition of shares from non controlling interest	(301)	(161)
<b>Net cash from / (used in) investing activities</b>	6,380	(12,459)



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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 (UNAUDITED) (CONT'D)

	Financial Year Ended 30 Jun 2016 RM'000	Preceding Year Ended 30 Jun 2015 RM'000
<b>CASH FLOWS FROM / (USED) IN FINANCING ACTIVITIES</b>		
Dividend paid Shareholders	(11,962)	(5,998)
Dividend paid to non-controlling interest	(1,874)	-
Proceed from issuance of shares	297	-
Proceeds from issuance of shares to non-controlling interest	-	(90)
Purchase of treasury shares	(3,926)	-
Resale of treasury shares	-	1,810
Hire purchase repayment	(462)	(565)
Drawdown of Borrowings	3,220	5,078
Borrowings repayment	(2,527)	(2,767)
<b>Net cash (used in) / from financing activities</b>	<u>(17,234)</u>	<u>(2,532)</u>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	(122)	(84)
<b>NET INCREASED IN CASH AND CASH EQUIVALENTS</b>	13,573	7,572
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>22,738</u>	<u>15,250</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>36,189</u>	<u>22,738</u>
<b>Cash and cash equivalents comprise:</b>		
Deposits with licensed banks	155	155
Cash and bank balances	36,034	22,583
	<u>36,189</u>	<u>22,738</u>





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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”)

##### 1. Basis of Preparation

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

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2016 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.



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### 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.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 2. Significant Accounting Policies (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 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 except as follows:-

##### (i) Treasury shares

For the 12 months ended 30 June 2016, the Company had purchased a total of 2,581,300 of its ordinary shares from the open market of Bursa Securities at average price of RM1.52 per share. The total consideration paid for the repurchase including transactions costs was RM3,926,000 of which were held as treasury shares.

Subsequent of Corporate exercise as disclosed in note 20, the proposed share split involving the subdivision of one (1) ordinary share of RM0.50 each into two (2) ordinary shares of RM0.25 each, resulted the number of treasury shares increased by 1,729,300 units and number of cumulative treasury shares as at 30 June 2016 stood at 4,358,600 shares.



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#### 6. Changes in Debt and Equity Securities (Cont'd)

Save as disclosed, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter except as follows:-

- (i) 295,000 new ordinary shares of RM0.25 each pursuant to the exercise of employees' share option scheme; and
- (ii) 2,450 new ordinary shares of RM0.25 each pursuant to the exercise of warrants.

Pursuant to the above, the issued and paid-up capital of the Company had increased from RM60,000,000 comprising 240,000,000 shares (after completed share split exercise as disclosed note 20 in 21 Apr 2016) to RM60,074,363 comprising 240,297,450 shares for the current financial quarter ended 30 Jun 2016 under review.

#### 7. Dividend Paid

The following dividends were declared and paid by the Group:-

Tax exempt dividend under single tier system  
in respect of financial year ended

Financial Year	Type	Per Ordinary share of		Amount	Payment Date
		0.25 Sen	0.50 Sen		
30 June 2016	Special Dividend	10	-	23,683,885	4 Jul 2016
30 June 2015	Final Dividend	-	6	7,163,862	15 Jan 2016
				<u>30,847,747</u>	



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 8. Segmental Information

The Group	Design	Marketing	Manufacture	Interior	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Result for 3 months</b>							
<b>Quarter ended 30 June 2016</b>							
REVENUE:							
External revenue	31,527	798	10,893	309	-	-	43,527
Inter-segment revenue	8,304	2,205	292	1,101	25,824	(37,726)	-
<b>Total revenue</b>	<b>39,831</b>	<b>3,003</b>	<b>11,185</b>	<b>1,410</b>	<b>25,824</b>	<b>(37,726)</b>	<b>43,527</b>
RESULTS							
Segment results	32,896	6,962	7,157	(14)	19,072	(24,700)	41,373
Finance costs	(593)	(3)	(38)	-	(59)	-	(693)
Profit from ordinary activities before taxation	32,303	6,959	7,119	(14)	19,013	(24,700)	40,680
Income tax expense							(6,198)
Profit from ordinary activities after taxation							34,482
Non-controlling interest							(2,287)
Net profit attributable to equity holders of the Company							32,195



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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
<b>Result for 3 months Quarter ended 30 June 2015</b>							
<b>REVENUE:</b>							
External revenue	41,969	390	13,262	17	(115)	-	55,523
Inter-segment revenue	14,415	1,888	(53)	1,558	15,647	(33,455)	-
Total revenue	56,384	2,278	13,210	1,575	15,532	(33,455)	55,523
<b>RESULTS</b>							
Segment results	4,537	649	292	(331)	12,969	(15,485)	2,631
Finance costs	(543)	(7)	(21)	(9)	(10)	-	(590)
Profit from ordinary activities before taxation	3,994	642	271	(341)	(4,454)	1,930	2,042
Income tax expense							(972)
Profit from ordinary activities after taxation							1,069
Non-controlling interest							282
Net profit attributable to equity holders of the Company							1,351



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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
<b>Result for 12 months Year ended 30 June 2016</b>							
<b>REVENUE:</b>							
External revenue	166,408	3,426	27,922	309	0	-	198,064
Inter-segment revenue	38,778	13,779	1,164	1,701	29,248	(84,670)	-
<b>Total revenue</b>	<b>205,186</b>	<b>17,204</b>	<b>29,085</b>	<b>2,010</b>	<b>29,248</b>	<b>(84,670)</b>	<b>198,064</b>
<b>RESULTS</b>							
Segment results	51,761	9,037	9,563	(463)	18,968	(24,700)	64,166
Finance costs	(1,713)	(61)	(73)	-	(237)	-	(2,084)
Profit from ordinary activities before taxation	50,048	8,976	9,490	(463)	18,731	(24,700)	62,082
Income tax expense							(11,509)
Profit from ordinary activities after taxation							50,573
Non-controlling interest							(2,827)
Net profit attributable to equity holders of the Company							47,746



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

The Group	Design					Others RM000	Eliminations RM000	The Group RM000
	Manufacture and Retail Of Kitchen Wardrobe Systems RM000	Marketing and Distribution Of White Goods RM000	Manufacture Of Glass and Aluminium Products RM000	Interior fit-out works RM000				
<b>Result for 12 months Year ended 30 June 2015</b>								
<b>REVENUE:</b>								
External revenue	227,159	2,893	43,421	17	0	-		273,490
Inter-segment revenue	52,026	14,737	1,374	27,176	24,222	(119,535)		-
Total revenue	279,185	17,630	44,795	27,193	24,222	(119,535)		273,490
<b>RESULTS</b>								
Segment results	39,317	3,498	3,128	2,598	18,202	(17,414)		49,329
Finance costs	(2,097)	(34)	(46)	(33)	(177)	-		(2,387)
Profit from ordinary activities before taxation	37,220	3,464	3,082	2,564	612	-		46,942
Income tax expense								(12,197)
Profit from ordinary activities after taxation								34,745
Non-controlling interest								(1,149)
Net profit attributable to equity holders of the Company								33,596



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

	Design							The Group RM000
	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		
<b>The Group Assets and Liabilities As at 30 June 2016</b>								
OTHER INFORMATION								
Segment assets	230,836	13,538	33,243	5,061	100,333	(115,584)	267,427	
Unallocated assets							3,860	
								<u>271,287</u>
Segment liabilities	121,028	833	20,921	2,450	52,264	(94,481)	103,015	
Unallocated liabilities							2,901	
								<u>105,916</u>

	Design							The Group RM000
	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		
<b>The Group Assets and Liabilities As at 30 June 2015</b>								
OTHER INFORMATION								
Segment assets	236,168	15,369	35,766	15,402	91,872	(135,867)	258,710	
Unallocated assets							3,980	
								<u>262,690</u>
Segment liabilities	150,039	4,211	26,587	11,848	31,260	(114,872)	109,073	
Unallocated liabilities							4,553	
								<u>113,626</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**

Profit / (Loss) before taxation is arrived at after charging / (crediting):-

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Jun 2016 RM'000	Preceding Year Corresponding Quarter Ended 30 Jun 2015 RM'000	Current Year 30 Jun 2016 RM'000	Preceding Year 30 Jun 2015 RM'000
Profit before taxation is arrived at after charging :-				
Interest expense	271	264	1,272	1,043
Depreciation and amortisation	659	606	2,949	2,828
Fair value adjustment for Investment Properties	346	-	346	-
Provision for and write off of receivables	6,204	3,465	6,210	11,205
Inventories written off	1,248	-	1,248	-
Property, plant and equipment written off	178	15	178	125
ESOS / Share-based expenses	2,407	-	2,407	-
(Gain) / loss on foreign exchange - realised	41	(325)	41	65
(Gain) / loss on foreign exchange - unrealised	(128)	-	188	(101)

Profit before taxation is arrived at after Crediting :-

Interest Income	(466)	(265)	(1,178)	(686)
Interest Income				
- accretion of trade receivables	(264)	-	(264)	-
Write-back of provision for doubtful debts	(307)	(2,405)	(1,132)	(5,800)
Fair value adjustment for Investment Properties	-	(1,869)	-	(1,869)
Gain on disposal of land and building	(28,845)	-	(28,845)	-
Gain on disposal of plant and equipment	(97)	-	(242)	(223)

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

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



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

- (i) 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%.
  
- (ii) On 22 March 2016, the Company's 60% owned subsidiary, Signature Aluminium Sdn Bhd (Company No. 683263-V) has acquired two (2) ordinary shares of RM1.00 each in the share capital of Flamingo Power Sdn Bhd (Company No. 1173851-P) ("FPSB"), representing the entire issued and paid-up share capital of FPSB for a total consideration of RM2.00 only (hereinafter referred to as "the Acquisition"). Upon the completion of the Acquisition, FPSB will become a sub-subsiary of SIGN.

##### Information on FPSB

FPSB was incorporated in Malaysia on 26 January 2016 under the Companies Act, 1965. The authorised share capital of FPSB is RM400,000.00 comprising 400,000 ordinary shares of RM1.00 each whilst the issued and paid-up capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

FPSB is presently dormant and its proposed nature of business is to carry on the business of property development, investment and dealing by the purchase, lease, exchange or other means of acquisition, solely or by joint venture with others, lands, estates and buildings, or interests therein, by preparing for building purposes, demolishing, altering, constructing, building estates, houses, flats and buildings of all kinds, landscaping and entering into contracts and arrangements of all kinds.

- (iii) Fabriano Sdn Bhd (Company No. 548682 - X), a wholly-owned subsidiary of Signature Cabinet Sdn Bhd which in turn a wholly-owned subsidiary of SIGN, had on 13 May 2016 incorporated a new wholly-owned subsidiary in the United Kingdom under the Companies Act 2006, known as Signature Kitchen (UK) Pte Limited ("Signature UK").

##### Information on Signature UK

Signature UK was incorporated on 13 May 2016 under the Companies Act 2006 with an authorised share capital of GBP50,000.00 divided into 50,000 ordinary shares of GBP1.00 each and issued and paid-up capital of GBP50,000.00 comprising 50,000 ordinary shares of GBP1.00 each.

Its intended principal activities would be marketing, distribution, import and export of kitchen systems, wardrobe systems, built-in kitchen appliances ("Product").



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

As at 30 June 2016, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows:-

	Current Year As At 30 Jun 2016 RM'000	Preceding Year As At 30 Jun 2015 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	<u>16,236</u>	<u>21,488</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 Jun 2016 RM'000	Preceding Year As At 30 Jun 2015 RM'000
<b>Approved but not contracted for:-</b>		
Purchase of property, plant and equipment	2,472	486
<b>Approved and contracted for:-</b>		
Investment Properties	46,038	46,876
Purchase of property, plant and equipment	1,093	-
<b>Total capital commitments</b>	<u>49,603</u>	<u>47,362</u>



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#### 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 2016

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

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Jun 2016 RM'000	Preceding Year Corresponding Quarter Ended 30 Jun 2015 RM'000	Current Year 30 Jun 2016 RM'000	Preceding Year 30 Jun 2015 RM'000
Revenue	43,527	55,523	198,064	273,490
Profit before taxation	40,680	2,041	62,082	46,942

The Group has recorded a decrease in revenue of RM12.0 million or 21.6%, from RM55.5 million in the preceding year corresponding quarter to RM43.5 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 profit before taxation improved by RM38.7 million from RM2.0 million in the preceding year corresponding quarter to RM40.7 million in the current quarter mainly due to one off gain on disposal of land and building of RM28.8million referred to as "Lot 2" and RM29.5million arising mainly from compensation income of the compulsory land acquisition, interest income, rental income and bad debts written back.

The Group occupied 2 lots of land contiguous to each other held under (i) H.S. (D) 241037, PT 9926 with postal address of Lot 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor (hereinafter referred to as "Lot 24"); and (ii) H.S. (D) 241038, PT 9927 bearing postal address of Lot 2, Jalan Teknologi 3/7, Taman Sains Selangor 1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor (hereinafter referred to as "Lot 2").

The main operation is located at Lot 24 which houses the head office of the Group, its kitchen cabinet production plant and its flagship showroom whilst Lot 2, the subject land, is the adjoining lot with warehouse facilities and caters for glass and aluminium fabrication work.

In view that the compulsory land acquisition is on Lot 2, the main operation on Lot 24 remains unaffected.

The Management of the Company has contingencies plans in place such as relocation of the warehouse to mitigate the adverse impact on the business, financial conditions and operation of the Group.



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The higher operational expenses for the current quarter under review were due to the following:-

1. In line with the corporate exercise as disclosed in note 20 (iii), the Group established an employees' share option scheme ("ESOS") and as a result, an approximately RM2.7million ESOS expense was charged out and included in the operating expenses. The RM2.7million includes share-based payment of RM2.4million whereas professional and administration expenses related to warrants and ESOS exercise of RM0.3million.
2. Staff cost of approximately RM4.0million was provided in the form of a special bonus in relation to the one off gain from the compulsory land acquisition.
3. Provision for doubtful debt of RM6.2million in line with the Group's policy on provision of doubtful debts.
4. Plant and equipment and stock approximately RM1.4million were written off.

In addition, the current quarter's result was also impacted by an additional cost of projects at approximately RM2.5million and a lower than expected margin for Quarter 4 projects has also made a shortfall.

### **Kitchen and Wardrobe Systems**

This segment had shown a decline in revenue of RM10.5 million or 25.0% from RM42.0 million in the preceding year corresponding quarter to RM31.5 million in the current quarter under review. The decrease was mainly due to drop in project revenue.

Profit before tax for the current quarter was RM32.3 million as compared to RM4.0 million in the preceding year corresponding quarter. Higher profit before tax was due to one off gain on disposal of land and building of RM28.8million and other income arising mainly from compensation of the compulsory land acquisition, interest, rental and bad debts written back.

The quarter's performance was also affected by ESOS expenses, staff costs, provision for doubtful debts and impairment loss on project as explained above.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

##### - Current Quarter 3 months ended 30 June 2016

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

This segment recorded an increase in revenue of RM0.4 million or 100%, from RM0.4 million in the preceding year corresponding quarter to RM0.8 million in the current quarter.

Profit before tax for the current quarter was RM7.0 million as compared to RM0.6 million in the preceding year corresponding quarter. Higher profit before tax was due to compensation income from the compulsory land acquisition.

The quarter's performance was also affected by ESOS expenses and staff costs as explained above.

##### Glass and Aluminium Product

This segment recorded a decrease in revenue of RM2.4 million or 18.0% from RM13.3 million in the preceding year corresponding quarter to RM10.9 million in the current quarter. The decrease in revenue was mainly due to lower revenue recognition from the project segment in the current quarter.

Profit before tax for the current quarter was RM7.1 million as compared to RM0.3 million in the preceding year corresponding quarter. Higher profit before tax was due to compensation income from the compulsory land acquisition and higher profit margin from completed projects under current quarter.

The quarter's performance was also affected by ESOS expenses, staff costs, and provision for doubtful debts as explained above.

##### Interior Fit-out Segment

This segment recorded an increase in revenue of RM0.3 million or 100%, from RM0.02 million in the preceding year corresponding quarter to RM0.3 million in the current quarter.

This segment recorded a loss before tax of RM0.1 million for the current quarter as compared to loss before tax of RM0.3 million in the preceding corresponding quarter in view of the above.

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

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

##### - Cumulative period 12 months ended 30 June 2016

The Group recorded a decrease in revenue of RM75.4 million or 27.6% from RM273.5 million in the preceding year to RM198.1 million in the current year under review. The decrease was mainly due to lower project revenue contribution from Kitchen and Wardrobe, and Glass and Aluminium segments.

The Group profit before taxation improved by RM15.2 million or 32.4% from RM46.9 million in the preceding year to RM62.1 million in the current year mainly due to the one off gain on disposal of land and building of RM28.8million referred to as "Lot 2" and RM32.6 million arising mainly from compensation income of the compulsory land acquisition, interest income, rental income and bad debts written back.

In the current year under review, the Group reported higher operating expenses as a result of the following:-

1. In line with the corporate exercise as disclosed in note 20 (iii), the Group established an employees' share option scheme ("ESOS") and an approximately RM2.7million ESOS expense was charged out and included in the operating expenses. The RM2.7million includes share-based payment of RM2.4million whereas professional and administration expenses related to warrants and ESOS exercise of RM0.3million.
2. Staff cost of approximately RM4.0million was provided in the form of a special bonus in relation to the one off gain from compulsory land acquisition.
3. Provision for doubtful debt of RM6.2million in line with the Group's policy on provision of doubtful debts
4. Plant and equipment and stock approximately RM1.4million were written off.

In addition, the current year result was also impacted by an additional cost of projects at approximately RM2.5million and a lower than expected margin for projects has also made a shortfall.

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

This segment had shown a decline in revenue of RM60.8 million or 26.8% from RM227.2 million in the preceding year to RM166.4million in the current year. The decrease was mainly due to drop in project revenue.

Profit before tax for the current year was RM50.0 million as compared to RM37.2 million in the preceding year. Higher profit before tax was due to one off gain on disposal of land and building of RM28.8million and other income arising mainly from compensation income of the compulsory land acquisition, interest, rental and bad debts written back.

The higher operating expenses for the year under review were due to ESOS expenses, staff cost and impairment loss of projects as explained above.





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

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

**- Cumulative period 12 months ended 30 June 2016**

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

This segment recorded an increase in revenue of RM0.5 million or 17.2%, from RM2.9 million in the preceding year to RM3.4 million in the current year.

Profit before tax for the current year was RM9.0 million as compared to RM3.5 million in the preceding year as a result of compensation income from the compulsory land acquisition.

The higher operating expenses for the year under review were due to ESOS expenses and staff cost as explained above.

##### **Glass and Aluminium Product**

This segment recorded decrease in revenue of RM15.5 million or 35.7% from RM43.4 million in the preceding year to RM27.9 million in the current year. The decrease in revenue was mainly due to lower revenue recognition from the project segment in the current year.

Profit before tax for the segment was RM9.5 million in current year as compared to RM3.1 million in the preceding year as a result of compensation income from the compulsory land acquisition and higher profit margin from completed projects.

The higher operating expenses for the year under review were due to ESOS expenses and staff cost as explained above.

##### **Interior Fit-out Segment**

This segment recorded an increase in revenue of RM0.3 million or 100%, from RM0.01 million in the preceding year to RM0.3 million in the current year.

This segment recorded a loss before tax of RM0.5 million for the current year as compared to profit before tax of RM2.6 million in the preceding year as a result of higher inter segment projects in previous year.

##### **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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**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 Jun 2016 RM'000	Current Year Quarter Ended 31 Mar 2016 RM'000
Revenue	43,527	54,693
Profit before taxation	40,680	6,769

The Group recorded revenue of RM43.5 million for current quarter compared to RM54.7 million in the preceding quarter. The decrease of RM11.2 million or 20.5% as a result of lesser project revenue being recognized from both Kitchen & Wardrobe segment and Glass and Aluminium segments

However, the Group profit before tax for the current quarter was RM40.7 million as compared to RM6.8 million in the preceding year corresponding quarter. This is due to one off gain on disposal of land and building of RM28.8million and RM29.5million arising mainly from compensation income of the compulsory land acquisition, interest income, rental income and bad debts written back.

**17. Commentary on Prospects and Target**

Moving towards financial year 2017, the Group expected to continue its growth in all business segments locally and internationally. With an unbilled order book of RM 201 million as at end July 2016 and with 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.



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#### 19. Taxation

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Jun 2016 RM'000	Preceding Year Corresponding Quarter Ended 30 Jun 2015 RM'000	Current Year 30 Jun 2016 RM'000	Preceding Year 30 Jun 2015 RM'000
Current Tax Expense				
- Current Year	7,218	972	12,529	12,197
- Deferred Tax	(1,020)	-	(1,020)	-
Total Income Tax Expense	<u>6,198</u>	<u>972</u>	<u>11,509</u>	<u>12,197</u>

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

On 22 February 2016, Company announced to undertake the following corporate proposals:-

- (i) Proposed share split involving the subdivision of every one (1) existing ordinary share of RM0.50 each in SIGNATURE INTERNATIONAL BERHAD ("SIGN" OR THE "COMPANY") ("SIGN Share(s)") into two (2) ordinary shares of RM0.25 each in SIGN ("Subdivided Share(s)" or "Share(s)") held by the entitled shareholders of the Company whose names appear on the Record of Depositors ("Entitled Shareholder(s)") on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Share Split");
- (ii) Proposed bonus issue of up to 60,000,000 warrants ("Warrant(s)") on the basis of one (1) Warrant for every four (4) existing Subdivided Shares held by the Entitled Shareholders on the Entitlement Date after the completion of the Proposed Share Split ("Proposed Bonus Issue of Warrants");
- (iii) Proposed establishment of an employees' share option scheme ("ESOS") of up to 10% of the issued and paid-up share capital of the Company (excluding treasury shares of the Company) at any point in time to be granted to the eligible Directors and employees of SIGN and its subsidiaries ("SIGN Group" or the "Group") which are not dormant ("Proposed ESOS"); and

The details of the above corporate exercises are available for viewing in Company announcements / Bursa Malaysia website and were circulated for approval in the Company's Extraordinary General Meeting ("EGM"). The shareholders of the Company had approved all resolutions as set out in the Notice of the EGM dated 15 March 2016, at the EGM held on 6 April 2016.

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**20. Status of Corporate Proposals/Exercises (Cont'd)**

The status of the above corporate proposals as of the date of this report as follows:-

## (i) ("Proposed Share Split")

The Share Split has been completed following the listing of and quotation for 240,000,000 Subdivided Shares on the Main Market of Bursa Securities with effect from 9.00 a.m. on Thursday, 21 April 2016.

## (ii) ("Proposed Bonus Issue of Warrants")

The Bonus Issue of Warrants has been completed following the listing of and quotation for 59,135,342 Warrants on the Main Market of Bursa Securities with effect from 9.00 a.m. on Thursday, 28 April 2016.

## (iii) ("Proposed ESOS")

The effective date for the implementation of the ESOS has been fixed on 3 May 2016, being the date of full compliance of the ESOS.

No.	Description of ESOS Options offered under the ESOS		
1	Date of offer of the ESOS Options	:	03-May-16
2	Exercise price of the ESOS Options offered	:	RM1.00
3	Number of ESOS Options offered	:	23,355,000
4	Closing market price of SIGN Shares on the date of offer	:	RM1.01
5	Vesting period of the ESOS Options offered	:	3 May 2016 to 2 May 2021

**21. Status of utilization of proceed raised from the exercise of ESOS Options and Warrants**

As disclosed in Note 6 above, the Company had raised an aggregate of approximately RM297,377 via the subscription of the following during the financial quarter ended 30 Jun 2016.

- (i) 295,000 new ordinary shares pursuant to the exercise of employees' share option scheme ("Proposed ESOS") whereby 295,000 ESOS options were exercised at a subscription price of RM1.00 per new share, and
- (ii) 2,450 new ordinary shares pursuant to the exercise of warrants option ("Proposed Bonus Issue of Warrants") at the exercise price of RM0.97 per share.

The Company has since fully utilized the proceed raised as working capital for the Company.

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**22. Borrowings and Debt Securities**

The Group's borrowings as follows:

	Cumulative Period	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter Ended
Term Loan (Secured) :-	30 Jun 2016	30 Jun 2015
	RM'000	RM'000
Current	2,985	2,703
Non Current	19,195	19,521
Total Bank Borrowing	22,180	22,224

**23. Material Litigation**
**(i) (Civil Suit No: 22C-57-09/2014)**

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 a suit 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.

The case was adjourned to 22 June 2015, 22 July 2015 and 2 October 2015 pending settlement. As at 2 October 2015, the Second Defendant had made payments totaling RM1,250,000.00 by way of four cheques dated 26 June 2015, 26 July 2015, 26 August 2015 and 26 September 2015.

As such, 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.



## Signature International Berhad

(Company No: 754118-K)

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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 23. Material Litigation (Cont'd)

##### (ii) Payment Claim by Signature Cabinet Sdn Bhd

On 31 March 2016, Signature Cabinet Sdn Bhd, a wholly-owned subsidiary of the company filed a payment claim against Panflex Sdn Bhd pursuant to Section 5 (1) of the Construction Industry Payment and Adjudication Act, 2012 ("CIPAA 2012") to recover the amounts outstanding in respect of the supply, delivery and installation of kitchen cabinets & appliances for an outstanding sum of RM950,730.31 (inclusive of interests) ("Claims").

No material financial and/or operational impact is expected to arise from the Claims.

The matter is now pending decision of an Adjudicator which is due by 5 Sep 2016.

#### 24. Proposed Dividend

The Board recommends a final single tier dividend (net) of 2 sen per ordinary share amounting to approximately RM4.8million for the financial year ended 30 June 2016.

The final single tier dividend recommended by the Board is subject to shareholders' approval at the forthcoming Annual General Meeting. The payment and entitlement date for the final single tier dividend has yet to be determined.

#### 25. Earnings per Share

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the quarter ended 30 June 2016.

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30 Jun 2016 RM'000	Preceding Year Corresponding Quarter Ended 30 Jun 2015 RM'000	Current Year 30 Jun 2016 RM'000	Preceding Year 30 Jun 2015 RM'000
<b>BASIC EARNINGS PER SHARE</b>				
Profit for the year attributable to ordinary equity holders of the Company	32,195	1,351	47,746	33,596
Weighted average number of ordinary shares in issue ('000)	240,198	239,920	240,049	239,920
Basic Earnings per Share (sen)	13.4	0.6	19.9	14.0



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 26. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 June 2016 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 Jun 2016 RM'000
Total retained profits/ (accumulated losses) of Signature International Berhad and its subsidiaries:	
- Realised	125,010
- Unrealised	824
	<hr/>
	125,834
Consolidation adjustments	721
	<hr/>
	<u>126,554</u>

#### 27. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2015 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 29 Aug 2016.