

10. APPROVALS AND CONDITIONS

10.1 APPROVALS AND CONDITIONS FOR THE FLOTATION SCHEME

The following approvals have been obtained for the Flotation Scheme:

- (i) the approval of the SC on 10 October 2007 and 19 November 2007 under the Policies and Guidelines on Issue/Offer of Securities issued by the SC and the Guidelines on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests issued by FIC as amended or expanded on from time to time.
- (ii) the approval of the MITI on 30 October 2007 and 30 November 2007 for:
 - (a) the Flotation Scheme;
 - (b) the recognition of the Bumiputera shareholders of our Company, namely Dato' Mohd Shafei bin Abdullah, Tan Sri Sabbaruddin Chik, Dato' Anuar bin Othman, Dato' Hamzah bin Mohd Salleh, Nik Mohd Iskandar bin Nik Hassan, Mohd Anwar bin Hj. Abdul Wahab and Dato' Hj. Noordin bin Omar, as approved Bumiputera investors in our Company; and
 - (c) the allocation and recognition of 4,810,046 IPO Shares (comprising 2,690,800 Issue Shares and 2,119,246 Offer Shares) to Bumiputera shareholders nominated by our Company (namely Dato' Hamzah bin Mohd Salleh and Mohd Anwar bin Hj. Abdul Wahab), as approved Bumiputera investors in our Company.
- (iii) the approval-in-principle of Securities Exchange on 7 December 2007 for the admission to the Official List and the listing of and quotation for the entire enlarged issued and paid-up share capital of our Company of RM40,000,000 comprising 80,000,000 Shares on the Second Board of Securities Exchange.

The conditions imposed by MITI and the SC and their respective status of compliance are set out below.

Authority / details of conditions imposed	Status of compliance
<u>Conditions imposed by MITI <i>vide</i> its letter dated 30 October 2007</u>	
(i) To obtain the SC's approval for the Flotation Scheme and to comply with the Guidelines on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests;	Complied. The approvals from the SC were obtained on 10 October 2007 and 19 November 2007.
(ii) Approval of the MITI is required for the sale/ transfer of the recognised Bumiputera shareholdings. Nevertheless, the sale/transfer of up to 30% of the said total recognised Bumiputera shareholdings is allowed without prior approval from the MITI;	Noted. To be observed by the respective recognised Bumiputera shareholders.
(iii) The Listing is to be scheduled after 9 December 2007, after the approved Bumiputera investors comply with the recognition criteria, which requires the Bumiputera shareholders to have held their Shares in our Company for at least 6 months from the date the Shares were acquired (8 June 2007);	Complied. The Listing is scheduled to take place in January 2008.

10. APPROVALS AND CONDITIONS (Cont'd)

Authority / details of conditions imposed	Status of compliance				
(iv) Signature International is required to inform the MITI of the shareholdings of the recognised Bumiputera investors, 6 months after Signature International is listed; and	Noted. Will be complied with.				
(v) Signature International is required to inform the MITI upon completion of the proposal.	Will be complied with.				
<u>Conditions imposed by the SC vide its letters dated 10 October 2007 and 19 November 2007</u>					
(i) Moratorium on the sale of Signature Shares for 1 year from the listing date of Signature International on the Second Board of Securities Exchange is imposed on the following shareholders:	Will be complied with.				
After the Proposed Flotation					
Name	No. of Signature Shares held	% of enlarged share capital	No. of Signature Shares under moratorium	% of enlarged share capital	
Tan Kee Choong	20,500,000	25.63	18,000,000	22.50	
Chooi Yoey Sun	20,500,000	25.63	18,000,000	22.50	
Total	41,000,000	51.25*	36,000,000	45.00	
* Figure does not add-up due to rounding effects					
(ii) The net assets of Cabinet Industries, Obicorp and Signature Aluminium as at the date of acquisition should not be less than the net assets submitted to the SC which formed the basis for the purchase consideration by Signature International;	Condition waived via the SC's letter dated 19 November 2007.				
(iii) The listing prospectus of Signature International should be issued only after the financial statements for Signature International and its subsidiaries for financial year ended 30 June 2007 have been audited;	Complied.				
(iv) The remaining directors of Signature, once appointed, should submit their respective statutory declarations to the SC based on Schedule 16.02(3) of the Policies and Guidelines on Issue/Offer of Securities (Issues Guidelines);	Complied. The declarations were furnished to the SC on 3 December 2007.				
(v) For the purpose of complying with the National Development Policy ("NDP") requirement, at least 30% of the enlarged share capital upon listing of Signature International should be held by Bumiputera shareholders. The existing Bumiputera shareholders in Signature International should be recognised by MITI and the allocation and nomination of new Bumiputera investors should be approved by MITI;	Complied. MITI has vide its letters dated 30 October 2007 and 30 November 2007 recognised the Bumiputera investors in Signature International.				

10. APPROVALS AND CONDITIONS (Cont'd)

Authority / details of conditions imposed	Status of compliance
(vi) Alliance/ Signature International should provide the SC of MITI's decision on the Flotation Scheme;	Complied. The approval letters from the MITI dated 30 October 2007 and 30 November 2007 were furnished to the SC on 3 December 2007.
(vii) Alliance/ Signature International should provide the SC with the status of compliance with the NDP requirement upon completion of the listing exercise;	Will be complied with.
(viii) Signature International and Alliance should comply with the relevant requirements relating to the implementation of the flotation proposal as stipulated in the SC's Policies and Guidelines on Issue/Offer of Securities;	Will be complied with.
(ix) The allocation to Bumiputera investors of 4,810,046 Shares (comprising 2,690,800 Issue Shares and 2,119,246 Offer Shares) should be approved by MITI for the purpose of complying with the NDP requirement; and	Complied. MITI has <i>vide</i> its letter dated 30 November 2007 approved and recognised the allocation of 4,810,046 IPO Shares to identified Bumiputera investors.
(x) Alliance/ Signature International should comply with the equity condition imposed earlier <i>vide</i> SC's approval letter dated 10 October 2007.	Complied. MITI has <i>vide</i> its letters dated 30 October 2007 and 30 November 2007 recognised the Bumiputera investors in Signature International.

10. APPROVALS AND CONDITIONS (Cont'd)

The SC also noted *vide* its letter dated 10 October 2007, the equity structure relating to Bumiputera, non-Bumiputera and foreign shareholdings in our Company would change arising from the implementation of the Flotation Scheme, as follows:

	Before Flotation Scheme⁽¹⁾	After Flotation Scheme
Bumiputera	-	30.00% ⁽²⁾
Non-Bumiputera	100.00%	70.00%
Foreigners	-	0.00%
Total	100.00%	100.00%

Notes:

(1) *As at incorporation.*

(2) *Subject to MITY's approval.*

10.2 MORATORIUM ON SHARES

Pursuant to Section 6.24 of the SC's Policies and Guidelines on Issue/Offer of Securities, a moratorium shall be placed on the sale of 36,000,000 Shares held by our Promoters, representing 45% of the enlarged issued and paid-up capital of Signature International after the IPO:

Shareholders	Shareholdings after the IPO		Shareholdings under moratorium	
	No. of Shares	% of enlarged issued and paid-up share capital	No. of Shares	% of enlarged issued and paid-up share capital
Tan Kee Choong	20,500,000	25.63	18,000,000	22.50
Chooi Yoey Sun	20,500,000	25.63	18,000,000	22.50
	41,000,000	51.25*	36,000,000	45.00

Note:

* *Figure does not add-up due to rounding effects.*

The aforesaid shareholders are not allowed to sell, transfer or assign their shareholdings in Signature International which are placed under moratorium within 1 year from the date of admission of Signature International to the Official List of the Second Board of Securities Exchange.

The restriction, which has been fully accepted by the shareholders, is specifically endorsed on the notices of allotment representing the shareholdings of the aforesaid shareholders which are under moratorium.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS**11.1 RELATED-PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS WITH OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL****11.1.1 Related Party Transactions and Conflict of Interest**

Save as disclosed below, there are no existing or proposed related-party transactions and conflicts of interest between our Company and/or our Group and our Promoters, substantial shareholders, Directors, key management and/or key technical personnel and persons connected with our Promoters, substantial shareholders, Directors, key management and/or key technical personnel during the past 3 financial years up to FYE 30 June 2007:

Name of Company	Principal activities	Interested related party(ies)	Nature of interest	Nature of transaction	Transaction value (RM'000)		
					FYE 30 June 2005	FYE 30 June 2006	FYE 30 June 2007
Current Related Parties as at 30 June 2007							
Duamas	Interior Fit-Out contractor	Nik Mohd Iskandar bin Nik Hassan and Mohd Anwar bin Haji Abdul Wahab	Director and shareholder of Duamas ⁽¹⁾	Sales of Kitchen Systems, Wardrobe Systems and Interior Fit-Out services to Duamas	8,873	11,794	11,259
Erson Aluminium & Glass Works ("EAGW")	Dormant ⁽²⁾	Ang Chek Peow	Partner of EAGW ⁽²⁾	Sales of aluminium products to EAGW Purchase of aluminium material from EAGW	- 131	264 125	- -
				Reimbursement of expenses incurred by EAGW on behalf of Signature Aluminium for the purchase of aluminium material	-	1,064	1,589
				Purchase of property, plant and equipment from EAGW	60	-	-
Not applicable	Not applicable	Tan Kee Choong	Director and shareholder ⁽⁷⁾ of Signature Kitchen	Disposal of 1 ordinary share of RM1.00 each in Signature Kitchen to Cabinet Industries for a cash consideration of RM1.00 ⁽³⁾	-	*	-

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

Name of Company	Principal activities	Interested related party	Nature of interest	Nature of transaction	Transaction value (RM'000)		
					FYE 30 June 2005	FYE 30 June 2006	FYE 30 June 2007
			Director and shareholder ⁽⁷⁾ of Signature Kitchen Industries	Disposal of 250,000 ordinary shares of RM1.00 each in Signature Kitchen Industries to Cabinet Industries for a consideration of RM471,751, satisfied by an amount owing by Cabinet Industries to Tan Kee Choong ⁽³⁾⁽⁴⁾	-	-	472
			Director and shareholder ⁽⁷⁾ of Fabriano	Disposal of 24,500 ordinary shares of RM1.00 each in Fabriano to Cabinet Industries for a consideration of RM24,500, satisfied by an amount owing by Cabinet Industries to Tan Kee Choong ⁽³⁾⁽⁴⁾	-	-	25
Not applicable	Not applicable	Chooi Yoey Sun	Director and shareholder ⁽⁷⁾ of Signature Kitchen	Disposal of 1 ordinary share of RM1.00 each in Signature Kitchen to Cabinet Industries for a cash consideration of RM1.00 ⁽³⁾	-	*	-
			Director and shareholder ⁽⁷⁾ of Signature Kitchen Industries	Disposal of 250,000 ordinary shares of RM1.00 each in Signature Kitchen Industries to Cabinet Industries for a consideration of RM471,751, satisfied by an amount owing by Cabinet Industries to Chooi Yoey Sun ⁽³⁾⁽⁴⁾	-	-	472
			Not applicable	Rental paid to Chooi Yoey Sun for the occupation of a factory owned by him, located at Lot 9, Jalan Gangsa SD 5/3D, Sri Damansara Light Industrial Park as the former head office of Cabinet Industries	17	7	-

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

Name of Company	Principal activities	Interested related party	Nature of interest	Nature of transaction	Transaction value (RM'000)			
					FYE 30 June 2005	FYE 30 June 2006	FYE 30 June 2007	
				Disposal of two cars to Cabinet Industries	-	300	-	
				Purchase of electrical appliances from Obicorp	33	-	-	
Not applicable	Not applicable	Nik Mohd Iskandar bin Nik Hassan	Not applicable	Sales commission paid to Nik Mohd Iskandar bin Nik Hassan	101	238	196	
Not applicable	Not applicable	Mohd Anwar bin Haji Abdul Wahab	Not applicable	Purchase of electrical appliances and home accessories from Obicorp	1	-	-	
				Purchase of home accessories from Signature Aluminium	-	3	-	
Not applicable	Not applicable	Leong Kin San	Former Director and shareholder of Signature Manufacturing	Disposal of 1 ordinary share of RM1.00 each in Signature Manufacturing to Cabinet Industries for a cash consideration of RM1.00 ⁽³⁾	-	-	*	
				Purchase of electrical appliances from Obicorp	-	*	-	
Not applicable	Not applicable	Chang Chee Keong	Former Director and shareholder of Fabriano	Disposal of 25,500 ordinary shares of RM1.00 each in Fabriano to Cabinet Industries for a cash consideration of RM25,500 ⁽³⁾	-	-	26	

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

Name of Company	Principal activities	Interested related party	Nature of interest	Nature of transaction	Transaction value (RM'000)		
					FYE 30 June 2005	FYE 30 June 2006	FYE 30 June 2007
Former Related Parties as at 30 June 2007							
ID Industries Sdn Bhd ("IDSB") (Ceased to be related party on 22 May 2007)	Interior renovation and construction, trading of kitchen appliances and equipment and interior furniture and fittings	Tan Kee Choong and Chooi Yoey Sun	Director and shareholder of IDSB ⁽⁵⁾	Sales of Kitchen Systems and Wardrobe Systems to IDSB Payment for Interior Fit-Out services provided by IDSB Rental fee for showroom and office premise received from IDSB Purchase of property, plant and equipment from IDSB Commission fee received from IDSB	2,098 2,168 - 24 -	2,914 2,102 90 30 2	4,456 1,370 119 - -
Advance Square Sdn Bhd ("ASSB") (Ceased to be related party on 29 September 2006)	Sales, service and distribution of kitchen cabinets and accessories	Tan Kee Choong and Chooi Yoey Sun	Director and shareholder of ASSB ⁽⁵⁾	Sales of Kitchen Systems and Wardrobe Systems to ASSB Management/ administrative fee received from ASSB Installation charges received from ASSB	- -	1,307 25 -	1,527 26 *
Cussini Sdn Bhd ("CSB") (Ceased to be related party on 29 September 2006)	Sales, service and distribution of kitchen cabinets and accessories	Tan Kee Choong and Chooi Yoey Sun	Director and shareholder of CSB ⁽⁵⁾	Sales of Kitchen Systems and Wardrobe Systems to CSB Management/ administrative fee received from CSB	- -	745 3	2,101 6

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

Name of Company	Principal activities	Interested related party	Nature of interest	Nature of transaction	Transaction value (RM'000)		
					FYE 30 June 2005	FYE 30 June 2006	FYE 30 June 2007
Spaceline Focus ("Spaceline") (Ceased to be related party on 3 January 2007)	Kitchen cabinet, wardrobe, kitchen appliances and accessories, trading of kitchen furniture and general trading	Chooi Yoey Sun	Partner of Spaceline ⁽⁵⁾	Sales of Kitchen Systems and Wardrobe Systems to Spaceline Management/ administrative fee received from Spaceline	535 2	718 6	321 5
Star Kitchen Sdn Bhd ("SKSB") (Ceased to be related party on 22 May 2007)	House furnisher, installation of cabinets and provision of after sale services	Tan Kee Choong, Chooi Yoey Sun and Che Kim Weng	Director and shareholder of SKSB ⁽⁶⁾	Sales of Kitchen Systems and Wardrobe Systems to SKSB Installation charges for Kitchen Systems and Wardrobe Systems	436 -	- 880	- 1,366
Great Elegance Sdn Bhd ("GESB") (Ceased to be related party on 1 March 2006)	Retail and installation of kitchen cabinets, wardrobe, household and office furniture	Chooi Yoey Sun Tan Kee Choong	Director and shareholder of GESB ⁽⁵⁾ Shareholder of GESB ⁽⁵⁾	Sales of Kitchen Systems and Wardrobe Systems to GESB Management/ administrative fee received from GESB	- -	475 5	- -
Rimaju Kitchen Sdn Bhd ("RKSB") (Ceased to be related party on 1 March 2006)	Supply and installation of kitchen cabinet and accessories	Chooi Yoey Sun	Director and shareholder of RKSB ⁽⁵⁾	Sales of Kitchen Systems and Wardrobe Systems to RKSB	748	1,079	-
Dreamcast Home Décor ("DHD") (Ceased to be related party on 3 January 2007)	Dormant	Chooi Yoey Sun	Partner of DHD ⁽⁵⁾	Sales of Kitchen Systems and Wardrobe Systems to DHD Management/ administrative fee received from DHD	1,166 3	1,347 6	952 3

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)**Notes:**

* *Less than RM500.*

- (1) *Duamas is 25% owned by Nik Mohd Iskandar bin Nik Hassan, who is the Non-Independent Non-Executive Director and substantial shareholder of Signature International. Nik Mohd Iskandar bin Nik Hassan is also a Director of Duamas. Further, Mohd Anwar bin Haji Abdul Wahab, a key management of our Group, was previously a Director and shareholder of Duamas. Mohd Anwar bin Haji Abdul Wahab resigned as Director of Duamas on 30 January 2007 and ceased to have any interests, whether directly or indirectly, in Duamas effective on 23 February 2007.*
- (2) *Ang Chek Peow, a key management of our Group, is a partner of Erson Aluminium and Glass Works, a partnership which was previously engaged in the fabrication of aluminium and glass products. Our Promoters (namely Tan Kee Choong and Chooi Yoey Sun) together with Ang Chek Peow established Signature Aluminium in March 2005, to support the core business activities of Cabinet Industries in the design, manufacturing and retailing of Kitchen Systems. Since the incorporation of Signature Aluminium, Ang Chek Peow has gradually scaled down the operations of Erson Aluminium and Glass Works and the partnership is currently dormant.*
- (3) *Transactions undertaken as part of the internal reorganisation exercise implemented by Cabinet Industries.*
- (4) *The outstanding amounts owing by Cabinet Industries to Tan Kee Choong and Chooi Yoey Sun were subsequently settled by Signature International on behalf of Cabinet Industries, as part of the Debt Settlement (details of which are disclosed in Section 6.4.2 of this Prospectus).*
- (5) *Prior to the set-up and establishment of a new retail showroom, our Promoters had in the past offered selected employees of our Group to own and manage the said retail showroom as a form of reward to these employees for their contributions to our Group. As a further support to these employees, our Promoters had, either via Signature Kitchen or in their individual capacity, held shares in these dealership companies or partnerships ("Relevant Companies"). Our Promoters had also previously held directorship in these Relevant Companies.*
As and when the employees were prepared to manage and operate the new retail showrooms independently, Signature Kitchen, Tan Kee Choong and/or Chooi Yoey Sun would subsequently disposed off all their shareholdings in the Relevant Companies to the said employees/ appointed dealers. Thereafter, Tan Kee Choong and/or Chooi Yoey Sun would also resigned as Directors of the Relevant Companies. As at 30 June 2007, Tan Kee Choong and Chooi Yoey Sun have ceased to have any interests, whether directly or indirectly, in the Relevant Companies.
- (6) *SKSB was initially incorporated to engage in the trading of Kitchen Systems and Wardrobe Systems and the company used to be an appointed dealer of Cabinet Industries. SKSB changed its principal activities to installation of Kitchen Systems in FYE 30 June 2006. Cabinet Industries had in FYE 30 June 2006 engaged SKSB as one of its sub-contractors to install kitchen cabinets at client's premises. Tan Kee Choong, Chooi Yoey Sun and Che Kim Weng have ceased to have any interests, whether directly or indirectly, in SKSB as at 30 June 2007.*
- (7) *A direct shareholder prior to disposal of shares and an indirect shareholder after disposal of shares via his shareholdings in Cabinet Industries and subsequently Signature International.*

Monitoring and oversights of related party transactions and conflicts of interests

Related party transactions, by their very nature, involve a conflict of interest between us and the related parties with whom our Group has entered into such transactions. Any related party transaction or conflict of interest situation involving our Group (including any future related party transaction and conflict of interest situation) must be reviewed by our Audit Committee which would subsequently report to our Board for their further action. If any related party transaction involves any one of our Director, major shareholder or person connected/ related to them, then the relevant Director, major shareholder or person connected/ related to them are required to abstain from deliberation and/ or voting at the relevant Board meeting and general meeting in deciding on the related party transaction.

Further, our Audit Committee will periodically review the procedures set by us to monitor related party transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to the third parties, dealt at arm's length with our Group and are not to the detriment of our minority shareholders.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)**11.1.2 Transactions that are Unusual in their Nature or Conditions**

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Company or our subsidiary company was a party during the past 3 financial years up to FYE 30 June 2007.

11.1.3 Loans Made by Our Group to or for the Benefit of Related Parties

Cabinet Industries is the sole and exclusive supplier of Duamas (a company in which Nik Mohd Iskandar bin Nik Hassan is a Director and substantial shareholder), to supply Kitchen Systems, Wardrobe Systems and Interior Fit-Out services to all projects and contracts awarded to or secured by Duamas from government institutions, agencies or other corporations. As part of the terms and conditions of the letters of award extended to Cabinet Industries by Duamas, Cabinet Industries is required to, on behalf of Duamas, deposit with the property developer a performance bond in the form of bankers guarantee for the sum equal to 5% of the total contract sum awarded by Duamas to Cabinet Industries. These bankers guarantees are essentially a form of financial security given to the property developer to guarantee the performance and quality of works performed by Cabinet Industries.

For the past 3 financial years up to FYE 30 June 2007, the total amount of bankers guarantees issued by Cabinet Industries on behalf of Duamas as well as the outstanding bankers guarantee as at 20 November 2007 are set out as follows:

	FYE 30 June 2005 (RM'000)	FYE 30 June 2006 (RM'000)	FYE 30 June 2007 (RM'000)	Amount outstanding as at 20 November 2007 (RM'000)
Bankers guarantee issued by Cabinet Industries on behalf of Duamas	565	552	1,387	2,065

The commission charged by our bankers for the aforesaid bankers guarantee (0.1% per month) was fully reimbursed by Duamas to Cabinet Industries.

Save as disclosed above, there are no outstanding loans, including guarantees of any kind, made by our Company or our Group to or for the benefit of related parties during the past 3 financial years up to FYE 30 June 2007.

11.2 INTERESTS IN SIMILAR BUSINESS

Based on the declaration by our substantial shareholders and Directors and save as disclosed below, none of our substantial shareholders and Directors or any persons connected with our substantial shareholders and Directors, has any interest, whether direct or indirect, in any business carrying on a similar trade as our Group:

Substantial shareholder /Director	Name of company	Nature of interest	Date of appointment as Director	<---Direct--->		<---Indirect--->		Principal activities
				No. of shares	%	No. of shares	%	
Nik Mohd Iskandar bin Nik Hassan	Duamas	Director and shareholder	07.12.1999	125,000	25	-	-	Interior Fit-Out contractor

Duamas is a major customer of the Signature Group (which had contributed to more than 10% of the Group's total revenue for each of the last 3 financial years up to 30 June 2007) and has had business dealings with the Signature Group for approximately 7 years.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

In recognition of the contribution of Duamas to the success of the Group, the Promoters have invited Nik Mohd Iskandar bin Nik Hassan (a Director and substantial shareholder of Duamas) to participate in the continuing growth of our Group by way of equity participation in Cabinet Industries on 29 March 2007 to further strengthen the business relationship and alliance. Nik Mohd Iskandar bin Nik Hassan was also appointed as our Non-Independent Non-Executive Director on 20 November 2007.

Meanwhile, Duamas and Cabinet Industries had on 26 April 2007 entered into a product supply agreement ("Product Supply Agreement"), whereby Cabinet Industries has been appointed as the sole and exclusive supplier of Duamas, to supply Kitchen Systems, Wardrobe Systems and Interior Fit-Out services to all projects and contracts awarded to or secured by Duamas from government institutions, agencies or other corporations. Whilst Cabinet Industries is appointed as the sole and exclusive supplier for Duamas, Cabinet Industries is not obliged to accept all or any of the letters of award granted to it by Duamas and Cabinet Industries reserves its right for first refusal for any letter of award granted or to be granted by Duamas. Our Directors (save for Nik Mohd Iskandar bin Nik Hassan who has interest in Duamas) would have an option to consider and assess the terms and conditions of each of the letters of award independently and in the event Cabinet Industries declines or rejects any of the letter of award granted to it by Duamas, Duamas may appoint or engage other third party supplier to supply such products to Duamas provided always that the offer to the said third party supplier must not be based on terms and conditions which are more favourable than those offered to Cabinet Industries.

As such, our Board is of the view that our Group has put in place the necessary arrangements and procedures which would mitigate the potential conflict of interest situation vis-à-vis Nik Mohd Iskandar bin Nik Hassan being a Director and substantial shareholder of both Signature International and Duamas.

11.3 PROMOTION OF MATERIAL ASSETS

Save for the Acquisitions as disclosed in Section 6.4.1 and the related party transactions as disclosed in Section 11.1.1 of this Prospectus, none of our substantial shareholders and Directors or any persons connected with our substantial shareholders and Directors, has any interest, whether direct or indirect, in the promotion of or in any assets which have, within the past 3 financial years up to FYE 30 June 2007, been acquired by or disposed of by or leased to our Company or our subsidiary company, or are proposed to be acquired or disposed of by or leased to our Company or our subsidiary company.

11.4 DECLARATION BY EXPERTS**11.4.1 Alliance**

Alliance Bank Malaysia Berhad ("Alliance Bank"), being Alliance's immediate holding company, has granted or offered an aggregate credit facilities of RM23.00 million to the Signature Group ("Credit Facilities"), of which RM9.44 million (inclusive of bankers guarantees and USD forward contracts) was utilised as at 20 November 2007:

Type and Limit of Facility	Amount utilised as at 20 November 2007 (RM'000)
Cabinet Industries	
Trade facilities of up to RM8,000,000 ^(a)	4,891
Overdraft facility of up to RM2,400,000	-
Temporary overdraft facility of up to RM2,000,000 ^(b)	-
Term loan of up to RM4,400,000	3,483
Foreign exchange forward contract of up to RM5,500,000	1,068
	9,442

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

Type and Limit of Facility	Amount utilised as at 20 November 2007 (RM'000)
Signature Aluminium	
Trade facilities of up to RM400,000 ^(c)	-
Overdraft facility of up to RM300,000 ^(c)	-
	-
	-

Notes:

- (a) *The trade facilities of up to RM8,000,000 is also available for Signature Manufacturing and Obicorp, while bankers guarantee facility of up to RM6,000,000 is also made available for Duamas.*
- (b) *Alliance Bank had extended offer letter to Cabinet Industries in respect of new temporary overdraft facility, the terms of which have been accepted by Cabinet Industries. Pending execution of legal documentations.*
- (c) *Alliance Bank had extended offer letters to Signature Aluminium in respect of new trade facilities and overdraft facility, the terms of which have been accepted by Signature Aluminium. Pending execution of legal documentations.*

Notwithstanding the above, Alliance is of the opinion that there is no material conflict of interest situation in its capacity to act as the Adviser for the Flotation Scheme, based on the following:

- (i) None of the gross proceeds to be raised from the Public Issue will be used to repay the Credit Facilities; and
- (ii) The Credit Facilities with an aggregate limit of up to RM23.00 million represents less than 0.2% of Alliance Bank's audited loans, advances and financing of approximately RM13,019.48 million as at 31 March 2007.

Save as disclosed above, Alliance does not have any equity interest in the Signature Group or has Alliance extended any loan to the Signature Group that could result in conflict of interests in its capacity to act as the Adviser to Signature International.

11.4.2 Other advisers

Horwath confirms that there are no existing or potential interests or conflicts of interests in its capacity to act as Reporting Accountants for the Flotation Scheme.

Wong Beh & Toh confirms that there are no existing or potential interests or conflicts of interests in its capacity to act as Solicitors for the Flotation Scheme.

Vital Factor confirms that there are no existing or potential interests or conflicts of interests in its capacity to act as Independent Business and Market Research Consultants for the Flotation Scheme.

KGV-Lambert Smith Hampton (M) Sdn Bhd confirms that there are no existing or potential interests or conflicts of interests in its capacity to act as Independent Valuer for the Flotation Scheme.

12. PROPERTIES

12.1 INFORMATION ON LAND AND BUILDINGS

The details of the land and buildings owned/leased by our Group as at the date of the Prospectus are set out below:

Registered owner/Lessor	Postal address/ Location	Description / Existing use	Approximate age of building	Tenure/ Date of expiry of lease	Restrictions in interest	Land-use conditions	Major encumbrances	Date of issuance of certificate of fitness	Land/ Built-up area (square feet)	Carrying Value @ 30 June 2007 (RM'000)
PKNS	Lot No. 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan	Industrial (Head office, manufacturing plant and retail showroom)	1.5 years	Leasehold 30 years / 25 May 2034	See Note (a) below	Industrial	See Note (b) below	19 May 2006	174,240 / 98,043	10,503 (See Note (c) below)
Cabinet Industries	Unit No. B10-08, 10th Floor, Block B, Marina Court, Api-Api Centre, Kota Kinabalu, Sabah	Residential apartment	2 years	Leasehold 99 years / 31 December 2086	The land shall not be transferred, subleased and subdivided without the written consent of the government of the State of Sabah #	Building #	The land is charged to Mayban Finance Bhd ^	6 December 2005	Not applicable / 1,223	425
Cabinet Industries	Parcel No. C-18-6, Floor 18, Block C, East Lake Residence, Pekan Serdang, Daerah Petaling, Selangor Darul Ehsan	Service apartment	5 months	Leasehold 99 years / 15 May 2100	The land shall not be transferred, subleased and charged without the consent of the State Authority #	Building #	None ^	21 June 2007	Not applicable / 2,000	445
Cabinet Industries	Unit No. A09-05, 9th Floor, Block A, Marina Court, Api-Api Centre, Kota Kinabalu, Sabah	Residential apartment	2 months	Leasehold 99 years / 31 December 2086	The land shall not be transferred, subleased and subdivided without the written consent of the government of the State of Sabah #	Building #	The land is charged to Mayban Finance Bhd ^	27 September 2007	Not applicable / 1,216	464

12. PROPERTIES (Cont'd)

Registered owner/ Lessor	Postal address/ Location	Description / Existing use	Approximate age of building	Tenure/ Date of expiry of lease	Restrictions in interest	Land-use conditions	Major encumbrances	Date of issuance of certificate of fitness	Land/ Built-up area (square feet)	Carrying Value @ 30 June 2007 (RM'000)
Cabinet Industries	Unit No. D1-07, Level 7, Puteri Damai Condominium, Kota Kinabalu, Sabah @	Condominium apartment	*	Leasehold 999 years/ 31 December 2904	None #	No land use conditions #	The land is charged to HSBC Bank Malaysia Berhad ^	*	Not applicable / 1,285	410
Cabinet Industries	Parcel 1, Floor 38, Building B situated on the freehold land held under Grant ("First Grade") No. 47093 Lot No. 46, Bandar Tanjung Bungah, North East District, Penang	Residential apartment	2 months	Freehold	None #	No land use conditions #	The land is charged to Malaysian Banking Berhad ^	7 September 2007 **	Not applicable / 5,829	958 (See Note (d) below)
Cabinet Industries	Unit D-18-06, 18 th Floor, Block D, Casa Suites @ Damansara Intan, Petaling Jaya, Selangor Darul Ehsan @	Serviced apartment	*	Freehold	None #	Building #	The land is charged to The Bank of Nova Scotia Berhad ^	*	Not applicable / 821.2	- (See Note (e) below)

Notes:

- (a) The issue document of title, which may contain express or implied conditions and restrictions in interest that the relevant authority may at its discretion impose, has yet to be issued. The Lease Agreement dated 4 August 2004 entered into between PKNS and Cabinet Industries includes special conditions imposed on Cabinet Industries which prohibits Cabinet Industries from sub-leasing, transferring, charging or selling the lease without first obtaining PKNS's written consent and approval.
- (b) Pursuant to a letter of offer dated 22 September 2004 from Alliance Bank Malaysia Berhad and a deed of assignment dated 23 November 2004, the Lease Agreement dated 4 August 2004 was assigned by Cabinet Industries to Alliance Bank Malaysia Berhad, pending the creation of a first legal charge over the lease which is in turn pending issuance of the issue document of title in respect of the property namely, Lot No. 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

12. PROPERTIES (Cont'd)

- (c) *Based on the Valuation Report dated 11 May 2007 prepared by KGV-Lambert Smith Hampton (M) Sdn Bhd (“KGV-Lambert”), the market value of the short leasehold land and building (“Market Value”) as at the valuation date on 11 May 2007 amounts to RM1,025,000. The net revaluation surplus totalling RM1,257,121 (after netting-off the deferred taxation arising from the revaluation of RM488,880) has been incorporated in our financial statements for the FYE 30 June 2006. The gross revaluation surplus of RM1,746,001 was obtained by comparing the original cost of the short leasehold land and building of RM9,278,999 against the Market Value of RM11,025,000 (as appraised by KGV-Lambert on 1 July 2006).*
- The valuation certificate for the said short leasehold land and building is enclosed in Section 17 of this Prospectus.*
- (d) *As at 30 June 2007, Cabinet Industries has paid RM958,400 of the total purchase consideration for the residential apartment of RM1,198,000. The amount paid was reflected as “capital work-in-progress” in the consolidated balance sheets of our Company as at 30 June 2007.*
- (e) *The relevant sale and purchase agreement for this apartment was entered into by Cabinet Industries after 30 June 2007 and accordingly, the carrying value of this apartment was not included in the consolidated balance sheets of our Company as at 30 June 2007.*
- # *The information was obtained based on the respective master title. As such, the restriction in interest disclosed may not necessarily be similar to the individual issue document of title of the respective properties, which has yet to be issued.*
- * *As the building is still under construction, no certificate of fitness for occupancy has been issued.*
- ** *Temporary certificate of fitness for occupancy which will expire on 6 March 2008 and is thereafter renewable (if required) until the final certificate of fitness for occupancy is issued.*
- @ *The delivery of the vacant possession of these properties to Cabinet Industries is subject to full settlement of the consideration of the properties in accordance with the relevant sale and purchase agreement and/or any other arrangement (where applicable), the status of payment is set out in Section 12.2 of this Prospectus.*
- ^ *The information was obtained based on the respective master title.*
- To the best of our knowledge and belief, the properties stated above have not breached any of the land-use conditions/ permissible land use and there has not been any material non-compliance with current statutory requirements, land rules or building regulations.
- In a Lease Agreement dated 21 March 2007 entered into between PKNS and Cabinet Industries, Cabinet Industries has accepted the lease of Lot No. 2, Jalan Teknologi 3/7, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, at a lease price of approximately RM3.29 million, free from all encumbrances other than those imposed by the provisions of the Lease Agreement dated 21 March 2007 and the conditions express and/or implied affecting the document of title when it is issued. As at 20 November 2007, Cabinet Industries paid approximately RM1.29 million (being approximately 39% of the total lease price) to PKNS. Our Company is in the process of arranging for bridging finances to fund the balance lease price of RM2.00 million. Upon the receipt of the proceeds from the Public Issue, we intend to use RM2.00 million to fully repay the bridging finances. Accordingly, the leasing of the land is expected to be concluded in the FYE 30 June 2008 and the construction of a new factory thereon is expected to be completed in the FYE 30 June 2009.

12. PROPERTIES (Cont'd)

The details of the land and buildings rented by our Group as at 20 November 2007 are set out below:

Registered owner	Postal address/ Location	Description/ Existing use	Tenure/ Date of expiry of tenancy	Breach of land- use conditions	Date of Issuance of certificate of fitness for occupancy	Monthly rentals (RM'000)
Mid Valley City Sdn. Bhd. (Company No. 102986-K)	Lot S-012, 2nd Floor, North Court, Mid Valley Megamall, Lingkar Syed Putra, 59200 Kuala Lumpur	Retail outlet operated by the Group	3 years / 12 May 2009	No	8 December 2001	10,777.00 (See Note (a) below)
AEON Co. (M) Bhd. (Company No. 126926-H)	Lot S40, 2nd Floor, 1-UTAMA Shopping Centre, 1 Lebuh Bandar Utama, 47800 Petaling Jaya, Selangor	Retail outlet operated by the Group	3 years / 11 December 2008	No	31 January 1996	16,801.50
Gurney Plaza Sdn. Bhd. (Company No. 141240-K)	170-04-43/43A, Plaza Gurney, Persiaran Gurney, 10250 Pulau Pinang	Retail outlet operated by the Group	3 years / 22 May 2008	No	29 March 2006 (See Note (b) below)	5,123.61
Puan Sri Rajamalar Jeyaratnam	No. 29, Jln Sultan Azlan Shah Utara, Taman Ipoh Selatan, 31400 Ipoh, Perak	Retail outlet operated by the Group	1 year* / 30 November 2007*	No	3 November 1995	2,000.00
AEON Co. (M) Bhd. (Company No. 126926-H) (Sub-let by Senheng Electric (KL) Sdn. Bhd. (Company No. 296691-X))	Lot F01, Jusco Shopping Centre, No.1, Jalan Desa Tebrau, Taman Desa Tebrau, 81100 Johor Baru, Johor	Retail outlet operated by the Group	3 years / 3 January 2009	No	13 December 2005	13,062.00
En. M Nawawi bin Abdullah	No. 34, Jalan Wan Kadir 4, Taman Tun Dr. Ismail, 60000 Kuala Lumpur	Retail outlet operated by the Group	2 years/ 31 August 2009	No	2 September 1998	7,200.00
AEON Co. (M) Bhd. (Company No. 126926-H) (See Note (c) below)	F37, 1st. Floor, Jusco Klang, Bukit Raja Shopping Centre, Bandar Baru Klang, 41150 Klang, Selangor	Retail outlet operated by dealers #	2 years / 12 August 2008	No	22 January 1997	9,069.50
Swiss Advanced Technology Institute (M) Sdn Bhd (Company No. 410770-T) (Sub-let by AEON Co. (M) Berhad (Company No. 126926-H))	Lot F36, Jusco Seremban 2 Shopping Centre, No. 112, Persiaran S2B1, Seremban 2, 70300 Seremban, Negeri Sembilan	Retail outlet operated by dealers #	3 years / 28 September 2008	No	10 January 2006	5,175.00

12. PROPERTIES (Cont'd)

Notes:

- # As part of our support to our appointed dealers, Cabinet Industries has entered into tenancy agreements for the rental of commercial shop lots, on behalf of these appointed dealers, for their operations of the "Signature Kitchen" retail showrooms. The monthly rental payments made by our Group on behalf of the appointed dealers for these commercial shop lots are fully reimbursed by our appointed dealers.
- * In a letter dated 29 November 2007, Puan Sri Rajamalar Jeyaratnam, the landlord of No. 29, Jln Sultan Azlan Shah Utara, Taman Ipoh Selatan, 31400 Ipoh, Perak, had agreed to extend the tenancy by a further period of one month to Cabinet Industries from 1 December 2007 expiring on 31 December 2007. A fresh tenancy is to be entered into directly with Signature Kitchen after 31 December 2007.
- (a) In the event that ten per centum (10%) of the monthly gross sales is higher than RM10,777.00, the amount of the ten per centum (10%) of the monthly gross sales shall be the monthly rental.
- (b) Certificate of completion of work was received. We understand from an officer at Majlis Perbandaran Pulau Pinang that this is equivalent to a certificate of fitness for occupation.
- (c) In a novation agreement dated 15 August 2007 entered into between Cabinet Industries, Cussini Sdn Bhd ("the Dealer") and AEON Co. (M) Bhd, Cabinet Industries had novated its rights and obligations under the tenancy agreement dated 3 September 2003 and letter of renewal dated 2 August 2006 ("Tenancy Agreement") to the Dealer and AEON Co. (M) Bhd had agreed to release and discharge Cabinet Industries in consideration of the Dealer undertaking to be bound under the Tenancy Agreement.

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12. PROPERTIES (Cont'd)**12.2 ACQUISITIONS OF PROPERTIES DURING LAST TWO YEARS PRECEDING THE DATE OF THIS PROSPECTUS**

The list of properties acquired during the last two years preceding the date of this Prospectus is listed below:

No.	Beneficial owner/ Location	Date of sale and purchase agreement	Net Consideration (RM)	Price paid as at 20 November 2007 (RM)
Cabinet Industries				
1.	Lot DI-07, Puteri Damai Condominium, Kota Kinabalu, Sabah ^{(1) (a)}	17 April 2007	409,664	409,664
2.	Parcel C-18-6, Floor 18, Block C situated on the leasehold land of 99 years held under Pajakan Negeri No. 9957, Lot No. 64411, Pekan Serdang, Daerah Petaing, Selangor Darul Ehsan ^{(1) (b)}	11 October 2006	445,000	445,000
3.	Unit No. A09-05, 9th Floor, Block A, Marina Court, Api-Api Centre, Kota Kinabalu, Sabah ^{(1) (c)}	16 May 2007	464,000	464,000
4.	Unit D-18-06, 18 th Floor, Block D, Casa Suites @ Damansara Intan, Petaling Jaya, Selangor Darul Ehsan ⁽²⁾	24 October 2007	243,900	-

Notes:

- (1) These properties were acquired by Cabinet Industries pursuant to the contra arrangement entered into between Cabinet Industries and certain property developers, the details of which are set out in Section 20.3 of this Prospectus and as follows:
- (a) Pursuant to the contra arrangement between the developer (namely Wilakaya Sdn Bhd) and Cabinet Industries, the purchase consideration pursuant to the sale and purchase agreement dated 17 April 2007 entered into between Cabinet Industries and Wilakaya Sdn Bhd of RM409,664 will be set-off in full against the amount payable by Wilakaya Sdn Bhd to Cabinet Industries of RM409,664 upon completion of the supply and installation of kitchen cabinets by Cabinet Industries for Wilakaya Sdn Bhd.
- (b) Pursuant to the contra arrangement between the developer (namely HK Land Sdn Bhd) and Cabinet Industries, the purchase consideration pursuant to the sale and purchase agreement dated 11 October 2006 as varied in a letter dated 20 November 2006 entered into between Cabinet Industries and HK Land Sdn Bhd of RM445,000 was set-off against the amount payable by HK Land Sdn Bhd to Cabinet Industries for the supply and installation of kitchen cabinets by Cabinet Industries for HK Land Sdn Bhd of RM445,000.
- (c) Pursuant to the contra arrangement between the developer (namely Tokojaya Sdn Bhd), Masenang Sdn Bhd and Cabinet Industries, the purchase consideration pursuant to the sale and purchase agreement dated 16 May 2007 entered into between Cabinet Industries and Tokojaya Sdn Bhd of RM464,000 will be partly set-off against the amount payable by Masenang Sdn Bhd to Cabinet Industries of RM454,514 upon completion of the supply and installation of kitchen cabinets by Cabinet Industries for Masenang Sdn Bhd. The balance consideration of RM9,486 will be further set-off against for the amount payable by Masenang Sdn Bhd in respect of variation works performed by Cabinet Industries.
- (2) This property was acquired by Cabinet Industries pursuant to a contra arrangement between the developer (namely Dicorp Land Sdn Bhd), the contractor (namely Khidmat Builders Sdn Bhd) and Cabinet Industries whereby the value of the property amounting to RM243,900.00 is to be set-off against the contract price of RM1,200,000.00 payable to Cabinet Industries for work to be performed by Cabinet Industries for Khidmat Builders Sdn Bhd.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION

The following sections set out the summary of our proforma consolidated income statements for each of the FYE 30 June 2005, FYE 30 June 2006 and FYE 30 June 2007, our proforma consolidated balance sheets as at 30 June 2007 and our proforma consolidated cash flows for the FYE 30 June 2007 (collectively referred to as the "Proforma Consolidated Financial Information"), which we have prepared for illustrative purposes only. Our Proforma Consolidated Financial Information has been prepared based on the audited financial statements of Signature International and its subsidiary companies which were prepared in accordance with approved accounting standards in Malaysia and after giving effect to the proforma adjustments considered appropriate. In addition, the Proforma Consolidated Financial Information has been properly compiled on the basis consistent with those previously adopted in the preparation of the audited financial statements of our Group.

You should read the Proforma Consolidated Financial Information in conjunction with the "Management Discussion and Analysis of Past Operating Results and Financial Position" as set out in Section 14 of this Prospectus.

13.1 PROFORMA CONSOLIDATED INCOME STATEMENTS FOR THE PAST 3 FINANCIAL YEARS UP TO FYE 30 JUNE 2007

We have prepared our proforma consolidated income statements for the past 3 financial years up to FYE 30 June 2007 for illustrative purposes and based on the assumption that our current Group structure has been in existence throughout the financial years under review. We advise you read our proforma consolidated income statements together with the accompanying notes and assumptions included in the "Reporting Accountants' Letter on the Proforma Consolidated Financial Information" as set out in Section 13.4 below.

	< ----- Proforma Group ----- >		
	FYE 30.6.2005 RM'000	FYE 30.6.2006 RM'000	FYE 30.6.2007 RM'000
Revenue	51,838	57,839	85,146
Gross profit	17,866	21,020	29,059
Profit from operations	8,019	8,872	14,848
EBITDA	8,427	9,585	16,196
Depreciation	(532)	(928)	(1,458)
Interest expenses	(131)	(271)	(386)
Interest income	77	89	79
PBT	7,841	8,475	14,431
Taxation	(2,301)	(1,928)	(3,319)
PAT	5,540	6,547	11,112
MI	(5)	(14)	(125)
PATMI	5,535	6,533	10,987
Gross profit margin (%)	34.5	36.3	34.1
PBT margin (%)	15.1	14.7	16.9
PATMI margin (%)	10.7	11.3	12.9
Number of Shares assumed in issue ('000) ⁽³⁾	49,435	62,309	62,309
Basic net EPS (sen)	11.2	10.5	17.6

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

Notes:

1. *There is no exceptional item or extraordinary item reported by our Group during the financial years under review.*
2. *There is no share of profits or losses of associated companies and joint ventures during the financial years under review.*
3. *Assumed number of Shares in issue after the Acquisitions and Debt Settlement, but before the Public Issue.*

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13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**13.2 PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2007 AFTER INCORPORATING THE EFFECTS OF THE FLOTATION SCHEME**

The following table sets out the proforma consolidated balance sheets for our Group as at 30 June 2007, assuming that the Flotation Scheme and utilisation of the proceeds had been effected as at that date. We have prepared the proforma consolidated balance sheets for illustrative purposes only and you should read it in conjunction with the notes and assumptions to the proforma consolidated balance sheets included in the "Reporting Accountants' Letter on the Proforma Consolidated Financial Information" as set out in Section 13.4 of this Prospectus.

	(A) Audited as at 30 June 2007 RM'000	(B) After (A) and Acquisitions RM'000	(C) After (B) and Debt Settlement RM'000	(D) After (C) and Public Issue RM'000	After (D) and utilisation of proceeds RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	-	16,608	16,608	16,608	32,568
Investment properties	-	1,744	1,744	1,744	1,744
Other investment	-	321	321	321	321
	-	18,673	18,673	18,673	34,633
CURRENT ASSETS					
Inventories	-	6,411	6,411	6,411	6,411
Trade receivables	-	17,760	17,760	17,760	17,760
Other receivables, deposits and prepayments	4	4,025	4,025	4,025	4,025
Amount owing by contract customers	-	2,349	2,349	2,349	2,349
Tax refundable	-	253	253	253	253
Fixed deposit with licensed bank	-	958	958	958	958
Cash and bank balances	*	3,821	3,821	25,934	8,174
	4	35,577	35,577	57,690	39,930
TOTAL ASSETS	4	54,250	54,250	76,363	74,563

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

	(A) Audited as at 30 June 2007 RM'000	(B) After (A) and Acquisitions RM'000	(C) After (B) and Debt Settlement RM'000	(D) After (C) and Public Issue RM'000	After (D) and utilisation of proceeds RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	#	29,937	31,155	40,000	40,000
Share premium	-	-	-	13,268	11,468
Revaluation reserves	-	1,257	1,257	1,257	1,257
Merger deficit	-	(28,567)	(28,567)	(28,567)	(28,567)
(Accumulated loss)/ Retained profits	(8)	28,028	28,028	28,028	28,028
Shareholders' (deficit)/ equity	(8)	30,655	31,873	53,986	52,186
Minority interests	-	224	224	224	224
TOTAL EQUITY	(8)	30,879	32,097	54,210	52,410
NON-CURRENT LIABILITIES					
Hire purchase payables	-	1,274	1,274	1,274	1,274
Term loans	-	3,056	3,056	3,056	3,056
Deferred taxation	-	688	688	688	688
	-	5,018	5,018	5,018	5,018
CURRENT LIABILITIES					
Trade payables	-	13,861	13,861	13,861	13,861
Other payables and accruals	4	1,518	1,518	1,518	1,518
Amount owing to directors	8	1,230	12	12	12
Provision for taxation	-	762	762	762	762
Hire purchase payables	-	408	408	408	408
Term loans	-	574	574	574	574
	12	18,353	17,135	17,135	17,135
TOTAL LIABILITIES	12	23,371	22,153	22,153	22,153
TOTAL EQUITY AND LIABILITIES	4	54,250	54,250	76,363	74,563

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

	(A) Audited as at 30 June 2007 RM'000	(B) After (A) and Acquisitions RM'000	(C) After (B) and Debt Settlement RM'000	(D) After (C) and Public Issue RM'000	After (D) and utilisation of proceeds RM'000
Number of Shares in issue ('000)	^	59,873	62,309	80,000	80,000
(NET LIABILITIES)/ NA (RM'000)	(8)	30,655	31,873	53,986	52,186
(NET LIABILITIES)/ NA PER SHARE (RM)	(2,000)	0.51	0.51	0.67	0.65

Notes:

RM2.

^ Issued and paid-up share capital of RM2 comprising 4 Shares.

* Less than RM1,000.

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13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

13.3 PROFORMA CONSOLIDATED CASH FLOW SUMMARY FOR FYE 30 JUNE 2007

The following table sets out the summary of the proforma consolidated cash flow statements of our Group for the FYE 30 June 2007, assuming that our current Group structure has been in existence since the beginning of the FYE 30 June 2007. This proforma consolidated cash flows has been extracted from and should be read in conjunction with the "Reporting Accountants' Letter on the Proforma Consolidated Financial Information" as set out in Section 13.4 of this Prospectus.

	Proforma Group FYE 30.06.2007 RM'000
Net cash generated from operating activities	4,966
Net cash used in investing activities	(2,821)
Net cash used in financing activities	(2,501)
Net decrease in cash and cash equivalents	<u>(356)</u>
Cash and cash equivalents at beginning of the year	5,135
Cash and cash equivalents at end of the year	<u>4,779</u>

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13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

13.4 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION



03 DEC 2007

The Board of Directors
Signature International Berhad
Suite 13A.01(A), Level 13A,
Wisma Goldhill,
67, Jalan Raja Chulan,
50200 Kuala Lumpur.

Horwath AF No 1018
Kuala Lumpur Office
Chartered Accountants

Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia

+6 03 2166 0000 Main
+6 03 2166 1000 Fax

www.horwath.com.my
info@horwathkl.com

Dear Sirs

**SIGNATURE INTERNATIONAL BERHAD ("SIB")
PROFORMA CONSOLIDATED FINANCIAL INFORMATION
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2005 TO 2007**

We have reviewed the proforma consolidated financial information of SIB and its subsidiaries ("SIB Group" or "the Group") for the financial years ended 30 June 2005 to 2007, together with the accompanying notes thereto, for which the Directors are solely responsible, as set out in the accompanying statements (initialled by us for the purpose of identification only) prepared for illustrative purposes for inclusion in the Prospectus of SIB to be dated **28 DEC 2007**.

It is our responsibility to form an opinion on the proforma consolidated financial information as required by the Prospectus Guidelines in respect of Public Offerings issued by the Securities Commission and to report our opinion to you.

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the audited financial statements, considering the evidence supporting the adjustments, and discussing the proforma consolidated financial information with the Directors of the Group.

As the proforma consolidated financial information has been prepared for illustrative purposes only, such information may not, because of its nature, reflect the actual financial position, results and cash flows of the Group. Further, such information does not purport to predict the future financial position, results and cash flows of the Group.

In our opinion,

- (a) the proforma consolidated financial information has been properly prepared on the basis set out in the accompanying notes to the proforma consolidated financial information and such basis are consistent with the accounting policies of SIB Group;
- (b) the financial statements used in the preparation of the proforma consolidated financial information were prepared in accordance with applicable MASB approved accounting standards in Malaysia; and
- (c) each material adjustment made to the information used in the preparation of the proforma consolidated financial information is appropriate for the purposes of preparing such proforma consolidated financial information.

Horwath Offices in Malaysia:

Johor Bahru • Klang • Kota Kinabalu • Kuala Lumpur • Kuching • Labuan • Melaka • Penang

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



We understand that this letter will be used solely for the purpose stated above. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

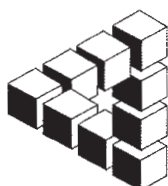
Yours faithfully

A handwritten signature in black ink, appearing to be "H. Wai", written over the Horwath logo.

Horwath
Firm No : AF 1018
Chartered Accountants

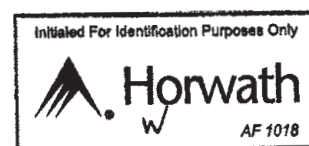
A handwritten signature in black ink, appearing to be "Lee Kok Wai", written in a cursive style.

Lee Kok Wai
Approval No : 2760/06/08 (J)
Partner

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**Signature International Berhad (754118-K)**

Suite 13A.01(A), Level 13A, Wisma Goldhill, 67, Jalan Raja Chulan, 50200 KL.

Tel: +603-20322895 Fax: +603-20322893

**SIGNATURE INTERNATIONAL BERHAD ("SIB") AND ITS SUBSIDIARIES ("SIB GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION****1. PROFORMA GROUP AND BASIS OF PREPARATION****1.1 Proforma Group**

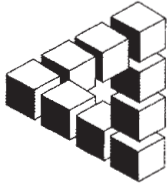
The proforma consolidated financial information of SIB Group is presented for the purpose of illustration only and comprises the financial information of:-

- (i) Cabinet Industries Sdn. Bhd. ("CISB"), Signature Kitchen Industries Sdn. Bhd. ("SKISB"), Signature Manufacturing Sdn. Bhd. ("SMSB"), Fabriano Sdn. Bhd. ("FSB") and Signature Kitchen Sdn. Bhd. ("SKSB"), (collectively referred to as "CISB Group"). CISB acquired SKISB and FSB on 28 February 2007 and 1 September 2006, respectively; and
- (ii) Obicorp Sdn. Bhd. ("OSB") and Signature Aluminium Sdn. Bhd. ("SASB").

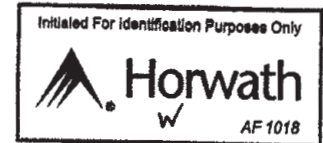
The relevant financial periods for the purpose of this report ("Relevant Financial Periods") are as follows:-

Company	Relevant Financial Periods
SIB	Financial period ("FP") from 23 November 2006 (date of incorporation) to 30 June 2007
CISB	Financial years ended ("FY") 30 June 2005 to 2007
SKISB	FY 30 June 2005 to 2007
SMSB	FP from 8 July 2005 to 30 June 2006 FY 30 June 2007
FSB	FP from 1 January 2004 to 30 June 2005 FY 30 June 2006 to 2007
SKSB	FY 30 June 2005 to 2007
OSB	FY 31 December 2004 FP from 1 January 2005 to 30 June 2006 FY 30 June 2007
SASB	FP from 4 March 2005 to 30 June 2006 FY 30 June 2007

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



Signature International Berhad (754118-K)
Suite 13A.01(A), Level 13A, Wisma Goldhill, 67, Jalan Raja Chulan, 50200 KL.
Tel: +603-20322895 Fax: +603-20322893



SIGNATURE INTERNATIONAL BERHAD (“SIB”) AND ITS SUBSIDIARIES (“SIB GROUP”)

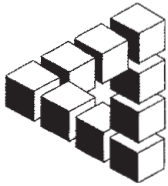
PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

1.1 Proforma Group (Cont'd)

The proforma consolidated financial information comprises the following:-

- Section 2 - Proforma Consolidated Income Statements for the Relevant Financial Periods;
- Section 3 - Proforma Consolidated Balance Sheets as at 30 June 2007;
- Section 4 - Proforma Statement of Assets and Liabilities; and
- Section 5 - Proforma Consolidated Cash Flow Statement for the financial year ended 30 June 2007.

13. **PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**



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SIGNATURE INTERNATIONAL BERHAD (“SIB”) AND ITS SUBSIDIARIES (“SIB GROUP”)

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

1.1 Proforma Group (Cont'd)

The proforma consolidated financial information together with the accompanying notes thereto have been prepared solely for illustrative purposes, to show the effects of the following scheme had the scheme been implemented and completed throughout the Relevant Financial Periods.

The listing scheme comprises the following:-

(a) Acquisitions

(i) Acquisition of CISB

Acquisition of the entire issued and paid-up share capital of CISB comprising 1,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM27,379,019 satisfied by the issuance of 54,758,038 new ordinary shares of RM0.50 each in SIB at an issue price of RM0.50 per share.

(ii) Acquisition of OSB

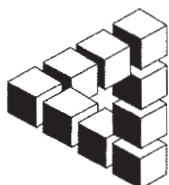
Acquisition of the entire issued and paid-up share capital of OSB comprising 250,000 ordinary shares of RM1.00 each for a purchase consideration of RM2,221,845 satisfied by the issuance of 4,443,690 new ordinary shares of RM0.50 each in SIB at an issue price of RM0.50 per share.

(iii) Acquisition of SASB

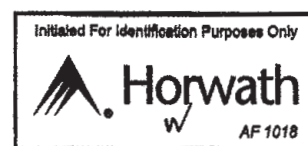
Acquisition of 60% of the issued and paid-up share capital of SASB comprising 120,000 ordinary shares of RM1.00 each for a purchase consideration of RM335,732 satisfied by the issuance of 671,464 new ordinary shares of RM0.50 each in SIB at an issue price of RM0.50 per share.

(hereinafter referred to as the “Acquisitions”)

13. **PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**



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SIGNATURE INTERNATIONAL BERHAD ("SIB") AND ITS SUBSIDIARIES ("SIB GROUP")

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

1.1 Proforma Group (Cont'd)

(b) Debt Settlement

Novation of outstanding amounts owing by CISB and SMSB to Tan Kee Choong and Chooi Yoey Sun totalling RM1,218,002 ("Outstanding Debt") to SIB, whereby Tan Kee Choong and Chooi Yoey Sun have agreed to release and discharge CISB and SMSB from their obligations to repay the Outstanding Debt and SIB, in consideration of such release by Tan Kee Choong and Chooi Yoey Sun, has settled the Outstanding Debt on CISB's and SMSB's behalf by issuing 2,436,004 new ordinary shares of RM0.50 each in SIB to Tan Kee Choong and Chooi Yoey Sun at an issue price of RM0.50 per share.

(hereinafter referred to as the "Debt Settlement")

(c) Initial Public Offer

(i) public issue of 17,690,800 new ordinary shares of RM0.50 each at an issue price of RM1.25 per ordinary share ("Public Issue") payable in full upon application which will be allocated and allotted in the following manner:-

- 6,000,000 new ordinary shares of RM0.50 each available for application by the Malaysian public;
- 1,300,000 new ordinary shares of RM0.50 each reserved for application by the eligible employees of SIB Group and persons who have contributed to the success of the SIB Group;
- 7,700,000 new ordinary shares of RM0.50 each for private placement to identified investors;
- 2,690,800 new ordinary shares of RM0.50 each reserved for Bumiputera investors approved by the Ministry of International Trade and Industry;

(ii) offer for sale of 2,119,246 new ordinary shares of RM0.50 each by way of placement to Bumiputera investors approved by the Ministry of International Trade and Industry at an offer price of RM1.25 per ordinary share payable in full upon application; and

(d) Listing

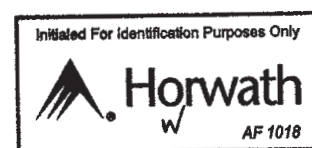
The listing of and quotation for the entire enlarged issued and paid-up share capital of SIB comprising 80,000,0000 ordinary shares of RM0.50 each on the Second Board of Bursa Malaysia Securities Berhad.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



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SIGNATURE INTERNATIONAL BERHAD (“SIB”) AND ITS SUBSIDIARIES (“SIB GROUP”)

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

1.2 Basis of Preparation

The proforma consolidated financial information is prepared using the audited financial statements of SIB, CISB, SKISB, SMSB, FSB, SKSB, OSB and SASB for the Relevant Financial Periods.

The proforma consolidated financial information has been prepared in accordance with applicable MASB approved accounting standards in Malaysia for Entities Other Than Private Entities consistent with those previously adopted in the preparation of the audited financial statements of SIB Group as at 30 June 2007, and after incorporating adjustments that are appropriate for the preparation of the proforma consolidated financial information.

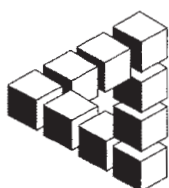
The proforma consolidated financial statements have been prepared using the merger method. Under the merger method, the difference between the acquisition cost and the nominal value of the share capital of the subsidiary is taken to the merger reserve or deficit.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The proforma consolidated financial information has been prepared to illustrate:-

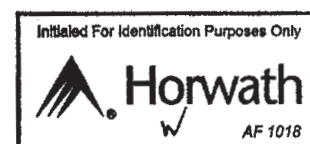
- (i) the financial results of SIB Group for the financial years ended 30 June 2005 to 2007 on the assumption that SIB Group had been in existence throughout the Relevant Financial Periods. As certain subsidiaries have financial period/year ends that differ from the Company's financial year end of 30 June, the individual Subsidiaries' income statements have been pro-rated accordingly for financial years ended 30 June 2005 to 2007 to be consistent with that of the Company to arrive at the proforma consolidated income statements;
- (ii) the proforma consolidated balance sheets of SIB as of 30 June 2007 which incorporates the effects of the listing scheme as described above had the transactions been implemented and completed on 30 June 2007; and
- (iii) the cash flows of SIB Group for the financial year ended 30 June 2007 on the assumption that the group structure had been in place since the beginning of the financial year ended 30 June 2007.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

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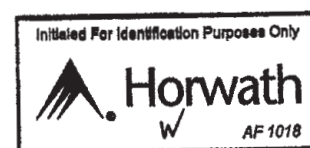
**SIGNATURE INTERNATIONAL BERHAD ("SIB") AND ITS SUBSIDIARIES ("SIB GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****2. PROFORMA CONSOLIDATED INCOME STATEMENTS OF SIB GROUP**

	FY 2005 RM'000	FY 2006 RM'000	FY 2007 RM'000
Revenue	51,838	57,839	85,146
Cost of sales	(33,972)	(36,819)	(56,087)
Gross profit ("GP")	17,866	21,020	29,059
Other income	138	525	561
	18,004	21,545	29,620
Operating expenses	(9,985)	(12,673)	(14,772)
Finance costs	(178)	(397)	(417)
Profit before taxation ("PBT")	7,841	8,475	14,431
Depreciation	532	928	1,458
Interest expense	131	271	386
Interest income	(77)	(89)	(79)
Earnings before interest, depreciation and taxation	8,427	9,585	16,196
Depreciation	(532)	(928)	(1,458)
Interest expense	(131)	(271)	(386)
Interest income	77	89	79
PBT	7,841	8,475	14,431
Income tax expense	(2,301)	(1,928)	(3,319)
Profit after taxation ("PAT")	5,540	6,547	11,112
Attributable to:-			
Equity holders of the Company	5,535	6,533	10,987
Minority interests	5	14	125
	5,540	6,547	11,112

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

**Signature International Berhad** (754118-K)

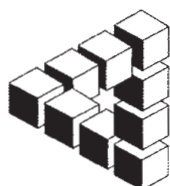
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**SIGNATURE INTERNATIONAL BERHAD ("SIB") AND ITS SUBSIDIARIES ("SIB GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****2. PROFORMA CONSOLIDATED INCOME STATEMENTS OF SIB GROUP (CONT'D)**

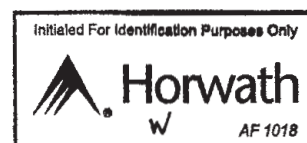
	FY 2005 RM'000	FY 2006 RM'000	FY 2007 RM'000
GP margin (%)	34.5	36.3	34.1
PBT margin (%)	15.1	14.7	16.9
PATMI margin (%)	10.7	11.3	12.9
Effective tax rate (%)	29.3	22.7	23.0
Interest coverage ratio (times)	60.9	32.3	38.4
Inventories turnover period (months)	1.2	1.3	0.9
Trade receivables turnover period (months)	1.9	2.1	2.5
Trade payables turnover period (months)	1.8	2.2	3.0
Total interest bearing borrowings (RM'000)	5,877	6,023	5,312
Gearing ratio (times)	0.5	0.3	0.2
Assumed number of ordinary shares in issue of RM0.50 each # ('000)	49,435	62,309	62,309
Gross earnings per share ("EPS") based on assumed number of shares in issue * (sen)	15.9	13.6	23.0
Net EPS based on assumed number of shares in issue * (sen)	11.2	10.5	17.6
Enlarged number of ordinary shares of RM0.50 each in issue ** ('000)	80,000	80,000	80,000
Gross EPS based on enlarged number of shares ^ (sen)	9.8	10.6	17.9
Net EPS based on enlarged number of shares ^ (sen)	6.9	8.2	13.7

Notes:-

- (i) # - Assumed number of ordinary shares in issue after the Acquisitions and Debt Settlement, but before the Public Issue.
- (ii) * - The Gross EPS and Net EPS were computed by dividing the PBT and PAT after MI respectively by the assumed number of shares in issue during the Relevant Financial Periods.
- (iii) ** - Enlarged number of ordinary shares in issue after the Public Issue.
- (iv) ^ - The Gross EPS and Net EPS were computed by dividing the PBT and PAT after MI respectively by the enlarged number of shares in issue after the Public Issue.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

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**SIGNATURE INTERNATIONAL BERHAD (“SIB”) AND ITS SUBSIDIARIES (“SIB GROUP”)****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED BALANCE SHEETS OF SIB GROUP**

	Note	As at 30 June 2007 RM'000	Proforma I Acquisitions as at 30 June 2007 RM'000	Proforma II Debt Settlement RM'000	Proforma III Public Issue RM'000	Proforma IV Utilisation of Proceeds RM'000
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	3.5	-	16,608	16,608	16,608	32,568
Investment properties	3.6	-	1,744	1,744	1,744	1,744
Other investment	3.7	-	321	321	321	321
		-	18,673	18,673	18,673	34,633
CURRENT ASSETS						
Inventories	3.8	-	6,411	6,411	6,411	6,411
Trade receivables	3.9	-	17,760	17,760	17,760	17,760
Other receivables, deposits and prepayments	3.10	4	4,025	4,025	4,025	4,025
Amount owing by contract customers	3.11	-	2,349	2,349	2,349	2,349
Tax refundable		-	253	253	253	253
Fixed deposits with licensed banks	3.12	-	958	958	958	958
Cash and bank balances	3.13	*	3,821	3,821	25,934	8,174
		4	35,577	35,577	57,690	39,930
TOTAL ASSETS		4	54,250	54,250	76,363	74,563