



## Signature International Berhad

(Company No: 754118-K)

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

### INTERIM FINANCIAL REPORT 30 JUNE 2008

#### ANNOUNCEMENT

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 2008.

#### UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 June 08 RM'000	Preceding Year Corresponding Period ended 30 June 07 RM'000	Current Year Ended 30 June 08 RM'000	Preceding Year Corresponding Year ended 30 June 07 RM'000
Revenue	39,520	N/A	110,193	N/A
Cost of Sales	(30,465)	N/A	(76,136)	N/A
Gross profit from operations	9,055	N/A	34,057	N/A
Other operating expenses	(4,201)	N/A	(15,705)	N/A
Other operating income	1,913	N/A	2,309	N/A
Profit from operations	6,767	N/A	20,661	N/A
Finance Costs	(216)	N/A	(907)	N/A
Profit before taxation	6,551	N/A	19,754	N/A
Tax expense	(1,313)	N/A	(4,291)	N/A
Profit after taxation	5,238	N/A	15,463	N/A
Attributable to:				
- Equity holders of the parent	5,194	N/A	15,119	N/A
- Minority interest	44	N/A	344	N/A
	5,238	N/A	15,463	N/A
Basic Earnings per share (sen)	6.5	N/A	33.1	N/A

Notes:

- (i) The condensed consolidated income statement should be read in conjunction with the audited pro-forma consolidated financial information and the accountants' report for the financial year ended 30 June 2007 as disclosed in the Prospectus dated 28 December 2007 and the accompanying explanatory notes attached to the interim financial report.
- (ii) As this is the third interim financial report being drawn up since the formation of the Group on 20 November 2007, there are no comparative figures for the preceding year's corresponding period.
- (iii) In conjunction with the Initial Public Offering (“IPO”) exercise, the acquisitions of Cabinet Industries Sdn Bhd and its wholly owned subsidiary companies (namely, Signature Manufacturing Sdn Bhd, Signature Kitchen Sdn Bhd, Signature Kitchen Industries Sdn Bhd and Fabriano Sdn Bhd), Signature Aluminium Sdn Bhd and Obicorp Sdn Bhd were completed on 20 November 2007. These acquisitions were accounted for under the merger method whereby 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.



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#### CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED As at 30 June 2008 RM'000	UNAUDITED As at 30 June 2007 RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	13,113	N/A
Prepaid lease rentals	6,526	N/A
Investment properties	4,528	N/A
Other investment	321	N/A
	<u>24,488</u>	<u>N/A</u>
<b>Current Assets</b>		
Inventories	7,626	N/A
Receivables	22,931	N/A
Amount owing by contract customers	8,809	N/A
Deposits, cash and bank balances	27,482	N/A
	<u>66,848</u>	<u>N/A</u>
<b>TOTAL ASSETS</b>	<u>91,336</u>	<u>N/A</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	40,000	N/A
Reserves	27,418	N/A
Shareholders' equity	<u>67,418</u>	<u>N/A</u>
Minority interest	568	N/A
<b>TOTAL EQUITY</b>	<u>67,986</u>	<u>N/A</u>
<b>Non Current Liabilities</b>		
Hire purchase payables	1,333	N/A
Term loans	2,694	N/A
Deferred taxation	800	N/A
	<u>4,827</u>	<u>N/A</u>
<b>Current Liabilities</b>		
Payables	16,438	N/A
Provision for taxation	638	N/A
Other bank borrowings	304	N/A
Hire purchase payables	567	N/A
Term loans	576	N/A
	<u>18,523</u>	<u>N/A</u>
<b>TOTAL LIABILITIES</b>	<u>23,350</u>	<u>N/A</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>91,336</u>	<u>N/A</u>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	<u>0.84</u>	<u>N/A</u>

The condensed consolidated balance sheet should be read in conjunction with the audited pro-forma consolidated financial information and the accountants' report for the financial year ended 30 June 2007 as disclosed in the Prospectus dated 28 December 2007 and the accompanying explanatory notes attached to the interim financial report.



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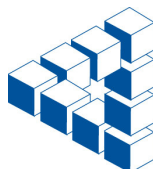
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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the parent →					Total	Minority Interest	Total Equity
	Share Capital	Non Distributable Reserves		Distributable				
	Share Capital	Share Premium	Revaluation Reserve	Merger Deficit	Retained Profits	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 July 2007</b>	#	-	-	-	(8)	(8)	-	(8)
Acquisition during the period under the merger method	29,937	-	1,257	(28,567)	28,035	30,662	224	30,886
Issued as consideration for the debt settlement during the period	1,218	-	-	-	-	1,218	-	1,218
Issued pursuant to the Initial Public Offering	8,845	13,268	-	-	-	22,113	-	22,113
Listing expenses set off against Share Premium Account	-	(1,686)	-	-	-	(1,686)	-	(1,686)
Profit after taxation for the period	-	-	-	-	15,119	15,119	344	15,463
<b>Balance as at 30 June 2008</b>	40,000	11,582	1,257	(28,567)	43,146	67,418	568	67,986

# - RM2

The condensed consolidated statement of changes in equity should be read in conjunction with the audited pro-forma consolidated financial information and the accountants' report for the financial year ended 30 June 2007 as disclosed in the Prospectus dated 28 December 2007 and the accompanying explanatory notes attached to the interim financial report.



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### INTERIM FINANCIAL REPORT 30 JUNE 2008

## UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Financial Year Ended 30 June 08 RM'000	Preceding Corresponding Year Ended 30 June 07 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	19,754	N/A
<b>Adjustments:</b>		
Amortisation and depreciation	1,524	N/A
Gain on disposal of property, plant and equipment	(170)	N/A
Fair value adjustment on investment properties	(1,078)	N/A
Interest income	(323)	N/A
Interest expense	698	N/A
<b>Changes in working capital</b>	20,405	N/A
Inventories	(1,215)	N/A
Receivables	(1,148)	N/A
Amount owing by contract customers	(6,460)	N/A
Payables	1,048	N/A
<b>Cash generated from operations</b>	12,630	N/A
Interest received	323	N/A
Interest paid	(698)	N/A
Tax paid	(4,050)	N/A
<b>Net cash from operating activities</b>	<u>8,205</u>	<u>N/A</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions of property, plant and equipment and prepaid lease rentals	(5,680)	N/A
Additional works on investment properties	(748)	N/A
Proceeds from disposal of property, plant and equipment	337	N/A
<b>Net cash used in investing activities</b>	<u>(6,091)</u>	<u>N/A</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares; net of listing expenses	20,427	N/A
Hire purchase	218	N/A
Term loans and other borrowings	(56)	N/A
<b>Net cash from financing activities</b>	<u>20,589</u>	<u>N/A</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	22,703	N/A
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>4,779</u>	<u>N/A</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>27,482</u>	<u>N/A</u>
<b>Cash and cash equivalents comprise:</b>		
Deposits with licensed banks	20,332	
Cash and bank balances	7,150	
	<u>27,482</u>	

The condensed consolidated cash flow statement should be read in conjunction with the audited pro-forma consolidated financial information and the accountants' report for the financial year ended 30 June 2007 as disclosed in the Prospectus dated 28 December 2007 and the accompanying explanatory notes attached to the interim financial report.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("FRS") 134 – Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements.

The interim financial report should be read in conjunction with the audited pro-forma consolidated financial information and the accountants' report for the financial year ended 30 June 2007 as disclosed in the Prospectus dated 28 December 2007 and the accompanying explanatory notes attached to the interim financial report.

The preparation of an interim financial report in conformity with FRS 134 – Interim Financial Reporting, requires management and the Directors to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group. The interim consolidated financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with FRSs.

#### 2. Summary of significant accounting policies

The significant accounting policies adopted are consistent with the audited pro-forma consolidated financial information and the accountants' report for the financial year ended 30 June 2007 as disclosed in the Prospectus dated 28 December 2007 except for the adoption of new/revised FRSs effective for the financial period beginning 1 July 2007, the details of which are below:

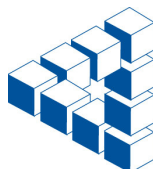
##### Changes in accounting policies

The new accounting standards, amendments to published standards and IC interpretations to existing standards that are effective for accounting periods beginning on or after 1 October 2006 are as follows:

##### a) FRS 117 – Leases

Prior to 1 July 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost or valuation less accumulated amortisation and impairments losses, if any.

The Group revalued its leasehold land and building on 11 May 2007 by an independent firm of professional valuers using the open market basis in conjunction with the IPO exercise.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 2. Summary of significant accounting policies (Cont'd)

##### Changes in accounting policies (Cont'd)

###### a) FRS 117 – Leases (Cont'd)

The adoption of the revised FRS 117 will result in a retrospective change in the classification of leasehold land from property, plant and equipment to prepaid lease payments. The prepaid lease payments will continue to be amortised on a straight line basis over the remaining lease term. There are no financial effects on the income statement as a result of this reclassification.

###### b) FRS 124 – Related Party Disclosures

This standard affects the identification of related parties and other similar related party disclosures. This standard requires the disclosure of related party transactions and outstanding balances with other entities in a group. Intra-group related party transactions and outstanding balances are eliminated in the preparation of the consolidated financial statements of the Group. The adoption of FRS 134 has no financial impact on the Group's consolidated financial statements.

The MASB also issued the following revised Standards, amendments to Standards and IC Interpretations which are effective for annual periods beginning on or after 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employment Benefits
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 126	Accounting and Reporting by Retirement Benefit Plans
FRS 129	Financial Reporting in Hyperinflationary Economies
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investment in Foreign Operation
IC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC 2	Members' Shares in Co-operative Entities and Similar Instruments
IC 5	Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC 7	Applying the Restatement Approach under FRS 129 <sub>2004</sub> – Financial Reporting in Hyperinflationary Economies
IC 8	Scope of FRS 2



## **Signature International Berhad**

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**INTERIM FINANCIAL REPORT 30 JUNE 2008**

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

#### **2. Summary of significant accounting policies (Cont'd)**

##### **Changes in accounting policies (Cont'd)**

The adoption of the above FRSs does not have significant financial impact on the Group for the current period under review.

#### **3. 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 2007 were not subject to any qualification.

#### **4. 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.

#### **5. Unusual Items**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence in this interim financial report.

#### **6. Changes in Estimates**

There were no changes in estimates that had a material effect in the current period and year to date results.

#### **7. Changes in Debt and Equity Securities**

Save as disclosed in Note 11 to the interim financial report, there have been no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current period and year to date.

#### **8. Dividend Paid**

There were no dividends paid in the current period and year to date.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 9. Segment Reporting

	Revenue	Profit
	RM'000	Before Tax RM'000
<b>12 months ended 30 June 2008</b>		
<b>By Product</b>		
Design, manufacture and retail of Kitchen Systems and Wardrobe Systems	98,030	17,658
Marketing and Distribution of White Goods and Built-In Kitchen Appliances	5,213	981
Manufacture of glass and aluminium products	6,950	1,142
Others	-	(27)
	<u>110,193</u>	<u>19,754</u>

#### 10. Valuation of Property, Plant and Equipment and Investment Properties

##### (a) Property, Plant and Equipment

Save for the revaluation of the Group's landed properties carried out in conjunction with the IPO exercise and as disclosed in the Prospectus dated 28 December 2007, there was no valuation of the property, plant and equipment in the current period under review.

##### (b) Investment Properties

The fair value of the investment properties has been updated in the current period under review. The change in the fair value amounted to an upwards adjustment of RM1.08million which has been recognised in the Income Statement in the current period under review.

The carrying amount of the investment properties as at the balance sheet after taking into consideration the fair value adjustment is RM4,528,000.

#### 11. Completion of Initial Public Offering exercise

The Initial Public Offering exercise was completed on 24 January 2008 and the entire issued and paid-up share capital of the Company comprising 80,000,000 ordinary shares of RM0.50 each was listed on the Second Board of Bursa Securities on that date.





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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 11. Completion of Initial Public Offering exercise (Cont'd)

The details of the Initial Public Offering as disclosed in the Prospectus dated 28 December 2007 are as follows:

##### (a) Issuance of shares

###### (i) Public Issue

The Public Issue of 17,690,800 new ordinary shares of RM0.50 each in the Company at an issue price of RM1.25 per ordinary share payable in full upon application.

###### (ii) Offer for Sale

The Promoters undertook an Offer for Sale of 2,119,246 ordinary shares of RM0.50 each in the Company 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.

##### (b) Changes in the Composition of the Group

In conjunction with, and as an integral part of the IPO, the Company acquired the following subsidiaries as follows:

Subsidiary Company	Purchase Consideration RM'000	Basis of arriving at the purchase consideration
Cabinet Industries Sdn Bhd * <i>[100% subsidiary]</i>	27,379	Willing-buyer willing-seller; based on a discount of approximately 2.6% of audited consolidated net assets at 30 June 2007
Obicorp Sdn Bhd <i>[100% subsidiary]</i>	2,222	Willing-buyer willing-seller; based on audited net assets at 30 June 2007
Signature Aluminium Sdn Bhd <i>[60% subsidiary]</i>	336	Willing-buyer willing-seller; based on 60% of the audited net assets at 30 June 2007
	<u>29,937</u>	

\* *Comprising Cabinet Industries Sdn Bhd and its wholly owned subsidiary companies, namely, Signature Manufacturing Sdn Bhd, Signature Kitchen Sdn Bhd, Signature Kitchen Industries Sdn Bhd and Fabriano Sdn Bhd*

The above acquisitions were satisfied by the issuance of 59,873,192 new ordinary shares of RM0.50 each in the Company at par value. The acquisitions were completed on 20 November 2007.



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#### 11. Completion of Initial Public Offering exercise (Cont'd)

These acquisitions were accounted for under the merger method whereby 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.

As the business combination involves entities under common control, it is presumed that these entities had always been a part of the Group and the 12 months financial results from 1 July 2007 to 30 June 2008 of the Company and its subsidiary companies have been reflected as such in the interim condensed consolidated income statement.

For accounting purposes, the acquisitions were deemed completed on 30 November 2007 as the Board is of the view that financial effects from 20 November 2007 to 30 November 2007 is not material. The resulting merger deficit amounts to RM28.57million.

#### (c) Utilisation of IPO Proceeds

The total gross proceeds arising from the Public Issue, proposed utilisation and status of utilisation is as follows:

Details of the proposed utilisation of proceeds	Proposed Utilisation RM'000	Utilised to date RM'000	Balance to be utilised RM'000	Intended Timeframe for Utilisation [From date of listing]
Extension of lease period for the existing leasehold land	5,663	-	5,663	Within 12 months
Leasing of new leasehold land	3,287	(3,287)	-	Within 12 months
Extension of lease period for the new leasehold land	2,710	-	2,710	Within 12 months
Construction of new factory, machinery and equipment	4,300	(713)	3,587	Within 18 months
Working capital	4,353	(4,353)	-	Within 12 months
Estimated listing expenses	1,800	(1,686)	114	Within 2 months
	<u>22,113</u>	<u>(10,039)</u>	<u>12,074</u>	



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 11. Completion of Initial Public Offering exercise (Cont'd)

##### (c) Utilisation of IPO Proceeds (Cont'd)

After due consideration and in the best interest of the Group, the utilisation of proceeds has been revised as follows:

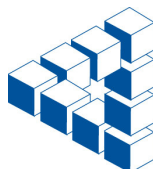
Details of the proposed utilisation of proceeds	Proposed Utilisation RM'000	Change in utilisation RM'000	Revised utilisation RM'000	
Extension of lease period for the existing leasehold land	5,663	(5,663)	-	Note 1
Leasing of new leasehold land	3,287	-	3,287	
Extension of lease period for the new leasehold land	2,710	(2,710)	-	Note 1
Construction of new factory, machinery and equipment	4,300	3,700	8,000	Note 2
Working capital	4,353	4,787	9,140	Note 3
Estimated listing expenses	1,800	(114)	1,686	
	<u>22,113</u>	<u>-</u>	<u>22,113</u>	

##### **Note 1 – Extension of lease period**

The Group's factory and head office is currently situated on a piece of leasehold land, namely Lot 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara and the new factory is being constructed on an adjacent piece of leasehold land, namely Lot 2. Both pieces of leasehold land have lease tenures of 30 years.

The previous intention was to extend the lease for both pieces of leasehold land to 99 years to minimise any future disruptions to the business operations.

The Group is of the opinion that the extension of the lease period is not of immediate priority and the IPO proceeds would be better utilised to further the Group's overseas expansion, factory construction as well as for working capital requirements.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 11. Completion of Initial Public Offering exercise (Cont'd)

##### (c) Utilisation of IPO Proceeds (Cont'd)

###### ***Note 2 – Construction of new factory, machinery and equipment***

The previous estimated cost of construction of the new factory together with the cost of purchase of new machinery and equipment was expected to amount to RM4.3million.

The revised estimated cost amounts to RM8million, mainly due to upgraded specifications of the factory, machinery and equipment and also an increase in construction costs.

###### ***Note 3 – Working capital requirements***

The balance of the IPO proceeds will be utilised to meet part of the Group's working capital requirements as well as its overseas expansion activities.

The overseas expansion is in line with the Group's overall business growth and sustainability strategies of opening new markets.

The Group targets the high growth markets of the Middle East, China and Asia Pacific regions.



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#### 11. Completion of Initial Public Offering exercise (Cont'd)

##### (c) Utilisation of IPO Proceeds (Cont'd)

The proposed timeline for the revised utilisation is as follows:

Details of the proposed utilisation of proceeds	Revised Utilisation RM'000	Utilised to date RM'000	Balance to be utilised RM'000	Intended Timeframe for Utilisation [From date of listing]
Leasing of new leasehold land	3,287	(3,287)	-	Within 12 months
Construction of new factory, machinery and equipment	8,000	(713)	7,287	Within 18 months
Working capital	9,140	(4,353)	4,787	Within 12 months
Estimated listing expenses	1,686	(1,686)	-	Within 2 months
	<u>22,113</u>	<u>(10,039)</u>	<u>12,074</u>	

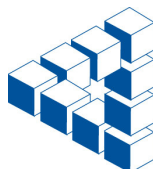
#### 12. Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report other than the bankers guarantees disclosed under Note 14 to the interim financial report.

#### 13. Capital Commitments outstanding not provided for in the interim financial report

	30 June 2008 RM'000
Approved and contracted for	4,982
Approved and not contracted for	<u>2,305</u>
	<u>7,287</u>

The capital commitments relate to capital expenditure on the factory building in progress.



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#### 14. Material Related Party Transactions

Details of the relationship between the Group and its related parties are as described below. The related party 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 the Group.

Name of Company	Principal Activities
Duamas Consolidated Sdn Bhd ("Duamas")	Interior Fit Out Contractor
Heart Base Sdn Bhd	Retail of kitchen and wardrobe systems

	Individual Period		Cumulative Period	
	Current Quarter Ended	Preceding Year Corresponding Period Ended	Current Period Ended	Preceding Year Corresponding Period Ended
	30 June 08	30 June 07	30 June 08	30 June 07
	RM'000	RM'000	RM'000	RM'000
<b>Heart Base Sdn Bhd</b>				
Sale of kitchen and wardrobe systems	194	N/A	406	N/A
<b>Duamas</b>				
Project claims for Kitchen Systems, Wardrobe Systems and Interior Fit-Out Services	6,933	N/A	7,860	N/A

In addition to the above, the Group has issued bankers guarantees on behalf of Duamas for the purpose of performance bonds given to the property developers in respect contracts awarded, of which RM1.5million is outstanding as at 30 June 2008. The commission charged by the Group's bankers for the aforesaid bankers guarantees was fully reimbursed by Duamas to the Group.

Further details are disclosed under Section 11.1.3 of the Prospectus dated 28 December 2007.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 15. Review of Performance – 12 months ended 30 June 2008

A summary of the financial results is set out below:

	3 months Results to 30 June 08 RM'000	12 mths Results to 30 June 08 RM'000
Revenue	39,520	110,193
Gross profit	9,055	34,057
Profit before tax	6,551	19,754
Profit after tax	5,238	15,463
Gross profit (GP) margin	23%	31%
Profit before tax (PBT) margin	17%	18%
Profit after tax (PAT) margin	13%	14%

(i) Current Quarter to date

The Group achieved a gross profit of RM9.055million, profit before tax of RM6.55million and profit after tax of RM5.2million on the back of RM39.5million of revenue.

The kitchen and wardrobe segment continued to be main contributor of revenue and profit before tax at 88% and 94% respectively. The lower GP margin for the quarter was attributed mainly to lower contributions from certain projects for strategic reasons.

However, the PBT margin continued to be maintained at approximately 17%.

(ii) Cumulative period to date

The Group achieved a gross profit of RM34.0million, profit before tax of RM19.8million and profit after tax of RM15.5million on the back of RM110.2million of revenue.

The kitchen and wardrobe segment continued to be main contributor of revenue at 89% of total revenue and profit before tax at 89% as well.

The GP and PBT margins continued to be maintained at approximately 31% and 18% respectively.



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#### 16. Variation of Results against Preceding Year's Corresponding Period

As this is the third interim financial report being drawn up since the formation of the Group on 20 November 2007, there are no comparative figures for the preceding year's corresponding period.

#### 17. Current Year Prospects

Barring any unforeseen circumstances, the Board remains positive with the Group's prospects and that the Group will continue to grow both the local and overseas markets for both the retail and project sectors.

#### 18. Variance between Actual Results and Forecast Results

The summarised comparison between the actual results and the forecast results as disclosed in the Prospectus dated 28 December 2007 is as follows:

	Actual RM'000	Forecast RM'000	Variance RM'000	%
Revenue	<u>110,193</u>	<u>94,728</u>	15,465	16%
Profit before tax	<u>19,754</u>	<u>17,147</u>	2,607	15%
Profit after taxation	<u>15,463</u>	<u>13,408</u>	2,055	15%

Overall, the Group has surpassed its forecast in terms of revenue, profit before tax and profit after tax by approximately 15% to 16%; mainly due to higher revenue from its kitchen and wardrobe segment and the continuous effort in maintaining the margins and operating efficiency.





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#### 19. Taxation

	Current Quarter Ended 30 June 08 RM'000	Current Year Ended 30 June 08 RM'000
Current Tax Expense	1,022	4,000
Deferred Tax Expense	291	291
	<u>1,313</u>	<u>4,291</u>

The effective tax rate of the Group for the current financial period was lower than the statutory tax rate due mainly to the Pioneer Status enjoyed by a subsidiary, Signature Manufacturing Sdn Bhd, whereby its pioneer activities are subject to tax exemption of 70%.

#### 20. Unquoted investments and properties

There was no sale of unquoted investments or properties for the current period under review.

#### 21. Quoted investments

There was no purchase or disposal of quoted securities for the current period under review.

#### 22. Status of Corporate Proposals

The Initial Public Offering exercise was completed on 24 January 2008, the details of which are disclosed in Note 11 to the interim financial report.

#### 23. Borrowings and Debt Securities

The Group's borrowings as at 30 June 2008 are as follows:

	Current RM'000	Non-Current RM'000	Total RM'000
<i>Denominated in Ringgit Malaysia</i>			
Unsecured	-	-	-
Secured	880	2,694	3,574
	<u>880</u>	<u>2,694</u>	<u>3,574</u>



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#### 24. Off Balance Sheet Financial Instruments

At the latest practicable date (not earlier than 7 days from the date of issue of the interim financial report), 18 August 2008, the Group does not have any off balance sheet financial instruments.

#### 25. Material Litigation

At the date of this interim financial report, there are no material litigations against the Group or taken by the Group.

#### 26. Proposed Dividend

In the Prospectus dated 28 December 2007, the Board proposed to declare a gross dividend of 2.5 sen per ordinary share; equivalent to a net dividend of 1.85 sen per ordinary share.

In view of the Group's financial performance for the financial year ended 30 June 2008, the Board now recommends a first and final dividend (net) of 5 sen per ordinary share amounting to RM4mil for the financial year ended 30 June 2008.

The first and final dividend, as recommended by the Board, is subject to shareholders' approval at the forthcoming Annual General Meeting.

#### 27. Earnings per Share

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 June 08 RM'000	Preceding Year Corresponding Period Ended 30 June 07 RM'000	Current Year Ended 30 June 08 RM'000	Preceding Year Corresponding Year Ended 30 June 07 RM'000
<b>BASIC EARNINGS PER SHARE</b>				
Profit for the period attributable to ordinary equity holders of the Company	5,194	N/A	15,119	N/A
Weighted average number of ordinary shares in issue ('000)	80,000	N/A	45,650	N/A
Basic Earnings per Share (sen)	6.5	N/A	33.1	N/A



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#### 27. Earnings per Share (Cont'd)

The weighted average number of shares in issue is calculated as follows:

<b>CURRENT QUARTER</b>	Number of shares '000	Date of issue	Number of days from 1.4.08 to 30.6.08	Weighted average number of shares '000
At 1 July 2007	#		91	#
Acquisition of subs	59,873	20 Nov 2007	91	59,873
Debt Settlement	2,436	20 Nov 2007	91	2,436
Issuance of shares pursuant to the Initial Public Offering	17,691	24 Jan 2008	91	<u>17,691</u>
Weighted average number of shares				<u>80,000</u>

<b>CURRENT CUMULATIVE PERIOD</b>	Number of shares '000	Date of issue	Number of days to 30 June 2008	Weighted average number of shares '000
At 1 July 2007	#		366	#
Acquisition of subs	59,873	20 Nov 2007	223	36,480
Debt Settlement	2,436	20 Nov 2007	223	1,484
Issuance of shares pursuant to the Initial Public Offering	17,691	24 Jan 2008	159	<u>7,685</u>
Weighted average number of shares				<u>45,650</u>

# - 4 ordinary shares of RM0.50 each

#### 28. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board on 25 August 2008.