



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 SEPT 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 Sept 2008.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Sept 08 RM'000	Preceding Year Corresponding Period ended 30 Sept 07 RM'000	Current Period Ended 30 Sept 08 RM'000	Preceding Year Corresponding Period ended 30 Sept 07 RM'000
Revenue	40,600	N/A	40,600	N/A
Operating expenses	(33,999)	N/A	(33,999)	N/A
Other operating income	512	N/A	512	N/A
Profit from operations	7,113	N/A	7,113	N/A
Finance Costs	(300)	N/A	(300)	N/A
Profit before taxation	6,813	N/A	6,813	N/A
Tax expense	(1,416)	N/A	(1,416)	N/A
Profit after taxation	5,397	N/A	5,397	N/A
Attributable to:				
- Equity holders of the parent	4,990	N/A	4,990	N/A
- Minority interest	407	N/A	407	N/A
	5,397	N/A	5,397	N/A
Basic Earnings per share (sen)	6.2	N/A	6.2	N/A

Notes:

- (i) The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial report.
- (ii) As this is the fourth 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.



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INTERIM FINANCIAL REPORT 30 SEPT 2008

CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED As at 30 Sept 2008 RM'000	AUDITED As at 30 June 2008 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	14,188	13,113
Prepaid lease rentals	6,466	6,526
Investment properties	4,528	4,528
Other investment	321	321
	<u>25,503</u>	<u>24,488</u>
Current Assets		
Inventories	7,930	7,626
Receivables - net of deposits received	29,024	23,563
Amount owing by contract customers	14,378	8,809
Deposits, cash and bank balances	23,741	27,482
	<u>75,073</u>	<u>67,480</u>
TOTAL ASSETS	<u>100,576</u>	<u>91,968</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	40,000	40,000
Reserves	32,402	27,412
Shareholders' equity	<u>72,402</u>	<u>67,412</u>
Minority interest	975	568
TOTAL EQUITY	<u>73,377</u>	<u>67,980</u>
Non Current Liabilities		
Hire purchase payables	1,416	1,349
Term loans	2,589	2,623
Deferred taxation	800	800
	<u>4,805</u>	<u>4,772</u>
Current Liabilities		
Payables	16,873	17,392
Provision for taxation	480	625
Other bank borrowings	3,834	-
Hire purchase payables	611	552
Term loans	596	647
	<u>22,394</u>	<u>19,216</u>
TOTAL LIABILITIES	<u>27,199</u>	<u>23,988</u>
TOTAL EQUITY AND LIABILITIES	<u>100,576</u>	<u>91,968</u>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	<u>0.91</u>	<u>0.84</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial report.



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INTERIM FINANCIAL REPORT 30 SEPT 2008

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the parent →					Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Retained Profits RM'000			
Balance as at 1 July 2008	40,000	11,582	1,257	(28,567)	43,140	67,412	568	67,980
Profit after taxation for the period	-	-	-	-	4,990	4,990	407	5,397
Balance as at 30 Sept 2008	40,000	11,582	1,257	(28,567)	48,130	72,402	975	73,377
Balance as at 1 July 2007	#	-	-	-	(8)	(8)	-	(8)
Shares issued pursuant to the listing scheme:-								
- acquisition of subsidiaries	29,937	-	1,257	(28,567)	28,035	30,662	224	30,886
- debt settlement	1,218	-	-	-	-	1,218	-	1,218
- public issue	8,845	13,268	-	-	-	22,113	-	22,113
Listing expenses	-	(1,686)	-	-	-	(1,686)	-	(1,686)
Profit after taxation for the financial year	-	-	-	-	15,113	15,113	344	15,457
Balance as at 30 June 2008	40,000	11,582	1,257	(28,567)	43,140	67,412	568	67,980

- RM2

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial report.



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INTERIM FINANCIAL REPORT 30 SEPT 2008

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Financial Period Ended 30 Sept 08 RM'000	Preceding Corresponding Period Ended 30 Sept 07 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,813	N/A
Adjustments:		
Amortisation and depreciation	455	N/A
Gain on disposal of property, plant and equipment	(10)	N/A
Interest income	(237)	N/A
Interest expense	183	N/A
Changes in working capital	7,204	N/A
Inventories	(304)	N/A
Receivables	(5,461)	N/A
Amount owing by contract customers	(5,569)	N/A
Payables	(519)	N/A
Cash used in operations	(4,649)	N/A
Interest received	237	N/A
Interest paid	(183)	N/A
Tax paid	(1,561)	N/A
Net cash out flow from operating activities	(6,156)	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment and prepaid lease rentals	(1,503)	N/A
Proceeds from disposal of property, plant and equipment	43	N/A
Net cash used in investing activities	(1,460)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Hire purchase	126	N/A
Borrowings	3,749	N/A
Net cash from financing activities	3,875	N/A
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,741)	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	27,482	N/A
CASH AND CASH EQUIVALENTS AT END OF PERIOD	23,741	N/A
Cash and cash equivalents comprise:		
Deposits with licensed banks	17,035	
Cash and bank balances	6,706	
	23,741	

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial report.



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INTERIM FINANCIAL REPORT 30 SEPT 2008

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 financial statements for the financial year ended 30 June 2008 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 financial statements for the financial year ended 30 June 2008.

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 2008 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 estimates announced in regard of the current period and year to date results.



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INTERIM FINANCIAL REPORT 30 SEPT 2008

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

7. Changes in Debt and Equity Securities

There were 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.

9. Segment Reporting

	Revenue RM'000	Profit Before Tax RM'000
3 months ended 30 Sept 2008		
By Product		
Design, manufacture and retail of Kitchen Systems and Wardrobe Systems	34,182	5,235
Marketing and Distribution of White Goods and Built-In Kitchen Appliances	760	376
Manufacture of glass and aluminium products	5,658	1,077
Others	-	125
	<u>40,600</u>	<u>6,813</u>

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

The valuations of the property, plant and equipment and investment properties have been brought forward without amendment from the previous audited financial statements.

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

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

12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current period and year to date except as follows:-

On 10th September 2008, Equal Strategy Pte Limited, a wholly owned subsidiary, acquired the entire equity of Signature Kitchen (NZ) Limited ("SKNZ") for a total consideration of NZ\$100.

SKNZ is incorporated in New Zealand with principal activities in retailing of kitchen and wardrobe systems and with issued and paid up capital of NZ\$100.

13. 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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INTERIM FINANCIAL REPORT 30 SEPT 2008

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

The Group revised the utilization of the IPO proceeds vide an announcement on 25 August 2008. The status of the revised utilization of the proceeds 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	(1,700)	6,300	Within 18 months
Working capital	9,140	(9,140)	-	Within 12 months
Estimated listing expenses	1,686	(1,686)	-	Within 2 months
	<u>22,113</u>	<u>(15,813)</u>	<u>6,300</u>	

14. 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 16 to the interim financial report.

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

	30 Sept 2008 RM'000
Approved and contracted for	4,628
Approved and not contracted for	<u>1,672</u>
	<u>6,300</u>

The capital commitments relate to capital expenditure on the factory building in progress, machinery and equipment.

16. 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.



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INTERIM FINANCIAL REPORT 30 SEPT 2008

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

16. Material Related Party Transactions (Cont'd)

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 30 Sept 08 RM'000	Preceding Year Corresponding Period Ended 30 Sept 07 RM'000	Current Period Ended 30 Sept 08 RM'000	Preceding Year Corresponding Period Ended 30 Sept 07 RM'000
Heart Base Sdn Bhd				
Sale of kitchen and wardrobe systems	253	N/A	253	N/A
Duamas				
Project claims for Kitchen Systems, Wardrobe Systems and Interior Fit-Out Services	1,389	N/A	1,389	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 RM1.27million is outstanding as at 30 Sept 2008. The commission charged by the Group's bankers for the aforesaid bankers guarantees was fully reimbursed by Duamas to the Group.

15. Review of Performance – 3 months ended 30 Sept 2008

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

	3 months Results to 30 Sept 08 RM'000
Revenue	40,600
Profit before tax	6,813
Profit after tax	5,397
Profit before tax (PBT) margin	17%
Profit after tax (PAT) margin	13%



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INTERIM FINANCIAL REPORT 30 SEPT 2008

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

15. Review of Performance – 3 months ended 30 Sept 2008 (Cont'd)

Current Quarter and Cumulative period to date

The Group recorded a Revenue of RM40.6million, a profit before tax of RM6.8million and profit after tax of RM5.4million.

The kitchen and wardrobe segment continued to be main contributor of revenue and profit before tax at 84% and 77% respectively.

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

As this is the fourth interim financial report being drawn up since the formation of the Group on 20 November 2007, therefore 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 Group did not issue any profit forecast or profit guarantee in regard of the current financial year.

19. Taxation

	Current Quarter Ended 30 Sept 08 RM'000	Cummulative Quarter Ended 30 Sept 08 RM'000
Current Tax Expense	1,416	1,416
Deferred Tax Expense	-	-
	<u>1,416</u>	<u>1,416</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 wholly-owned 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 year under review.



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INTERIM FINANCIAL REPORT 30 SEPT 2008

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

21. Quoted investments

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

22. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 10 Nov 2008. (earlier than 7 days from the date of issue of the interim financial report)

23. Borrowings and Debt Securities

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

	Current RM'000	Non-Current RM'000	Total RM'000
Denominated in Ringgit Malaysia			
Unsecured	3,834	-	3,834
Secured	596	2,589	3,185
	<u>4,430</u>	<u>2,589</u>	<u>7,019</u>

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), 10 Nov 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

As mentioned in the interim financial report announced on 25 August 2008, the Board 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.



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INTERIM FINANCIAL REPORT 30 SEPT 2008

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

27. Earnings per Share

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Sept 08 RM'000	Preceding Year Corresponding Period Ended 30 Sept 07 RM'000	Current Period Ended 30 Sept 08 RM'000	Preceding Year Corresponding Period Ended 30 Sept 07 RM'000
BASIC EARNINGS PER SHARE				
Profit for the period attributable to ordinary equity holders of the Company	4,990	N/A	4,990	N/A
Weighted average number of ordinary shares in issue ('000)	80,000	N/A	80,000	N/A
Basic Earnings per Share (sen)	6.2	N/A	6.2	N/A

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 17 Nov 2008.