



## Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 31 MARCH 2009

### 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 31 March 2009.

### CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 31 MARCH 2009

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Mar 09 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 08 RM'000	Current Period Ended 31 Mar 09 RM'000	Preceding Year Corresponding Period ended 31 Mar 08 RM'000
Revenue	42,340	25,067	124,370	70,677
Operating expenses	(36,060)	(20,443)	(105,256)	(57,185)
Other operating income	400	118	1,111	385
Profit from operations	6,680	4,742	20,225	13,877
Finance Costs	(185)	(231)	(782)	(676)
Profit before taxation	6,495	4,511	19,443	13,201
Tax expense	(1,488)	(1,120)	(4,320)	(2,978)
Profit after taxation	5,007	3,391	15,123	10,223
Attributable to:				
- Equity holders of the parent	4,968	3,404	14,478	9,923
- Minority interest	39	(13)	645	300
	5,007	3,391	15,123	10,223
Basic Earnings per share (sen)	6.2	4.5	18.1	15.2

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.



## Signature International Berhad

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### CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

	UNAUDITED As at 31 Mar 2009 RM'000	AUDITED As at 30 June 2008 RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	18,720	13,113
Prepaid lease rentals	6,345	6,526
Goodwill arising from Consolidation	370	-
Investment properties	3,773	4,528
Other investment	321	321
	<u>29,529</u>	<u>24,488</u>
<b>Current Assets</b>		
Inventories	9,600	7,626
Receivables - net of deposits received	51,242	23,563
Amount owing by contract customers	4,246	8,809
Deposits, cash and bank balances	11,856	27,482
	<u>76,944</u>	<u>67,480</u>
<b>TOTAL ASSETS</b>	<u>106,473</u>	<u>91,968</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	40,000	40,000
Reserves	37,950	27,412
Shareholders' equity	<u>77,950</u>	<u>67,412</u>
Minority interest	1,213	568
<b>TOTAL EQUITY</b>	<u>79,163</u>	<u>67,980</u>
<b>Non Current Liabilities</b>		
Hire purchase payables	1,192	1,349
Term loans	2,406	2,623
Deferred taxation	800	800
	<u>4,398</u>	<u>4,772</u>
<b>Current Liabilities</b>		
Payables	21,094	17,392
Provision for taxation	605	625
Hire purchase payables	617	552
Term loans	596	647
	<u>22,912</u>	<u>19,216</u>
<b>TOTAL LIABILITIES</b>	<u>27,310</u>	<u>23,988</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>106,473</u>	<u>91,968</u>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	<u>0.97</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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#### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 MARCH 2009

	← 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	Distributable Retained Profits RM'000			
<b>Balance as at 1 July 2008</b>	40,000	11,582	1,257	(28,567)	43,140	67,412	568	67,980
Profit after taxation for the period	-	-	-	-	14,478	14,478	645	15,123
Dividend paid	-	-	-	-	(4,000)	(4,000)	-	(4,000)
Exchange reserve	-	-	-	-	60	60	-	60
<b>Balance as at 31 Mar 2009</b>	<b>40,000</b>	<b>11,582</b>	<b>1,257</b>	<b>(28,567)</b>	<b>53,678</b>	<b>77,950</b>	<b>1,213</b>	<b>79,163</b>
<b>Balance as at 1 July 2007</b>	#	-	-	-	(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
<b>Balance as at 30 June 2008</b>	<b>40,000</b>	<b>11,582</b>	<b>1,257</b>	<b>(28,567)</b>	<b>43,140</b>	<b>67,412</b>	<b>568</b>	<b>67,980</b>

# - 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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### CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED 31 MARCH 2009

	Financial Period Ended 31 Mar 09 RM'000	Preceding Corresponding Period Ended 31 Mar 08 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	19,443	13,201
<b>Adjustments:</b>		
Amortisation and depreciation	1,380	1,264
Gain on disposal of property, plant and equipment	(13)	(19)
Loss on disposal of investment properties	10	-
Interest income	(504)	(185)
Interest expense	247	515
<b>Changes in working capital</b>	20,563	14,776
Inventories	(1,947)	(2,163)
Receivables	(27,661)	2,867
Amount owing by contract customers	4,561	(749)
Payables	3,161	(6,430)
<b>Cash used in operations</b>	(1,323)	8,301
Interest received	504	185
Interest paid	(247)	(515)
Tax paid	(4,340)	(2,314)
<b>Net cash out flow from operating activities</b>	<u>(5,406)</u>	<u>5,657</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions of property, plant and equipment and prepaid lease rentals	(6,756)	(4,953)
Net Cash flow from acquisition of subsidiary	52	-
Additional works on investment properties	(45)	(729)
Proceeds from disposal of investment properties	790	-
Proceeds from disposal of property, plant and equipment	120	47
<b>Net cash used in investing activities</b>	<u>(5,839)</u>	<u>(5,635)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares; net of listing expenses	-	20,427
Dividend paid	(4,000)	-
Hire purchase	(113)	24
Borrowings	(268)	504
<b>Net cash from financing activities</b>	<u>(4,381)</u>	<u>20,955</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(15,626)	20,977
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>27,482</u>	<u>4,779</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>11,856</u>	<u>25,756</u>
<b>Cash and cash equivalents comprise:</b>		
Deposits with licensed banks	7,075	20,484
Cash and bank balances	4,781	5,272
	<u>11,856</u>	<u>25,756</u>

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.



## **Signature International Berhad**

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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 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 of a material and unusual nature which would substantially affect the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review and financial period to-date.

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

There were no estimates announced in regard of the current period and year to date results.



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### 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

The Company paid its first and final net dividend of 5 sen per ordinary share amounting to RM4.0 million on 13<sup>th</sup> February 2009.

#### 9. Segment Reporting

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Mar 09 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 08 RM'000	Current Period Ended 31 Mar 09 RM'000	Preceding Year Corresponding Period ended 31 Mar 08 RM'000
<b>Revenue</b>				
Design, manufacture and retail of Kitchen Systems and Wardrobe Systems	40,030	22,110	111,411	63,192
Marketing and Distribution of White Goods and Built-In Kitchen Appliances	705	1,337	3,179	3,927
Manufacture of glass and aluminium products	1,605	1,616	9,780	3,558
Others	-	4	-	-
	<b>42,340</b>	<b>25,067</b>	<b>124,370</b>	<b>70,677</b>
<b>Profit Before Tax</b>				
Design, manufacture and retail of Kitchen Systems and Wardrobe Systems	6,055	4,251	16,339	11,515
Marketing and Distribution of White Goods and Built-In Kitchen Appliances	319	225	1,343	719
Manufacture of glass and aluminium products	181	(24)	1,817	958
Others	(60)	59	(56)	9
	<b>6,495</b>	<b>4,511</b>	<b>19,443</b>	<b>13,201</b>

#### 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

On 16<sup>th</sup> April 2009, Signature Global Marketing Pte Ltd ("SGM") was incorporated in Singapore with an issued and paid up capital of SGD\$100,000/- comprising 100,000 ordinary shares of SGD\$1.00 each. Fabriano Sdn Bhd, a wholly owned subsidiary, holds 90,000 ordinary shares of SGD\$1.00 each, representing 90% of the issued and paid up share capital of SGM. The principal activity of SGM is in marketing and distribution of kitchen and wardrobe systems.



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#### 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 10<sup>th</sup> 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, with an 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.

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	(6,329)	1,671	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>(20,442)</u>	<u>1,671</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.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

	31 Mar 2009 RM'000
Approved and contracted for	398
Approved but not contracted for	<u>1,273</u>
	<u>1,671</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.

##### Name of Company

Duamas Consolidated Sdn Bhd ("Duamas")  
Heart Base Sdn Bhd

##### Principal Activities

Interior Fit Out Contractor  
Retail of kitchen and wardrobe systems

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Mar 09 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 08 RM'000	Current Period Ended 31 Mar 09 RM'000	Preceding Year Corresponding Period Ended 31 Mar 08 RM'000
<b>Heart Base Sdn Bhd</b>				
Sale of kitchen and wardrobe systems	166	213	575	213
<b>Duamas</b>				
Project claims for Kitchen Systems, Wardrobe Systems and Interior Fit-Out Services	3,701	-	9,850	927

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 of contracts awarded, of which RM0.5million is outstanding as at 31 March 2009. The commission charged by the Group's bankers for the aforesaid bankers guarantees was fully reimbursed by Duamas to the Group.





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#### 17. Review of Performance – 9 months ended 31 March 2009

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

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Mar 09 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 08 RM'000	Current Period Ended 31 Mar 09 RM'000	Preceding Year Corresponding Period ended 31 Mar 08 RM'000
Revenue	42,340	25,067	124,370	70,677
Profit before taxation	6,495	4,511	19,443	13,201

##### (i) Current Quarter

The Group recorded 69% increase in revenue, from RM25.1million in the preceding year corresponding quarter to RM42.3million in current quarter; and

The Group registered profit before tax increased by 44%, from RM4.5million for the preceding year corresponding quarter to RM6.5million in current quarter.

The kitchen and wardrobe segment continued to be the main contributor of revenue and profit before tax at 95% and 93% respectively.

##### (ii) Cumulative period to date

For the nine (9) months ended 31 March 2009, the Group recorded 76% increase in revenue, from RM70.7million in the preceding year corresponding period to RM124.4million in the current period.

In tandem to the increase in revenue, the Group has registered a higher profit before tax by 47%, from RM13.2million for the previous corresponding financial period to RM19.4million in the current financial period ended 31 March 2009.

The kitchen and wardrobe segment has steadfastly remain as the main contributor of revenue and profit before tax at 90% and 84% respectively.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 18. Current Year Prospects

Barring any unforeseen circumstances, the outlook of the Group remains positive with the Group actively securing contracts from the project segment as well as the overseas market.

#### 19. 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.

#### 20. Taxation

	Current Quarter Ended 31 Mar 09 RM'000	Cummulative Quarter Ended 31 Mar 09 RM'000
Current Tax Expense	1,488	4,320
Deferred Tax Expense	-	-
	<u>1,488</u>	<u>4,320</u>

The effective tax rate of the Group for the current financial period was lower than the statutory tax rate mainly due 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%.

#### 21. Unquoted investments and properties

During the third quarter ended 31 March 2009, 2 units of the investment properties were disposed off by a subsidiary of the Company.

Properties	Fair Value (RM)	Disposal Price (RM)	Gain/(Loss) on Disposal (RM)
Puteri Damai Condominium, Kota Kinabalu, Sabah	530,000	520,000	(10,000)
Casa Suite Service Apartment, Damansara Intan	270,000	270,000	(0)

Other than the above, there were no other sales of unquoted investments and/or properties for the current quarter and financial year ended 31 March 2009.

#### 22. Quoted investments

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



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 23. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 18 May 2009. (earlier than 7 days from the date of issue of the interim financial report)

#### 24. Borrowings and Debt Securities

The Group's borrowings as at 31 March 2009 are as follows:

	Current RM'000	Non-Current RM'000	Total RM'000
Denominated in Ringgit Malaysia			
Unsecured	-	-	-
Secured	596	2,406	3,002
	<u>596</u>	<u>2,406</u>	<u>3,002</u>

#### 25. 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 May 2009, the Group does not have any off balance sheet financial instruments.

#### 26. Material Litigation

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

#### 27. Proposed Dividend

As disclosed 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 RM4.0mil for the financial year ended 30 June 2008.

The first and final dividend, as recommended by the Board, was approved by shareholders at the Annual General Meeting and distributed to shareholders on 13 February 2009.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 28. Earnings per Share

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Mar 09 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 08 RM'000	Current Period Ended 31 Mar 09 RM'000	Preceding Year Corresponding Period Ended 31 Mar 08 RM'000
<b>BASIC EARNINGS PER SHARE</b>				
Profit for the period attributable to ordinary equity holders of the Company	4,968	3,404	14,478	9,923
Weighted average number of ordinary shares in issue ('000)	80,000	75,529	80,000	65,417
Basic Earnings per Share (sen)	6.2	4.5	18.1	15.2

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period ended 31 March 2009.

#### 29. 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 27 May 2009.