



Signature International Berhad

(Company No: 754118-K)

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

INTERIM FINANCIAL REPORT 30 JUNE 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 30 June 2009.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED 30 JUNE 2009

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 June 09 RM'000	Preceding Year Corresponding Quarter Ended 30 June 08 RM'000	Current Year Ended 30 June 09 RM'000	Preceding Year Ended 30 June 08 RM'000
Revenue	34,052	39,516	158,422	110,193
Operating expenses	(27,064)	(34,672)	(132,320)	(91,857)
Other operating income	481	1,923	1,592	2,308
Profit from operations	7,469	6,767	27,694	20,644
Finance Costs	(194)	(233)	(976)	(909)
Profit before taxation	7,275	6,534	26,718	19,735
Tax expense	(2,072)	(1,300)	(6,392)	(4,278)
Profit after taxation	5,203	5,234	20,326	15,457
Attributable to:				
- Equity holders of the parent	5,442	5,190	19,920	15,113
- Minority interest	(239)	44	406	344
	5,203	5,234	20,326	15,457
Basic Earnings per share (sen)	6.8	6.5	24.9	21.9

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.



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INTERIM FINANCIAL REPORT 30 JUNE 2009

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2009

	UNAUDITED As at 30 June 09 RM'000	AUDITED As at 30 June 08 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	19,366	13,113
Prepaid lease rentals	6,285	6,526
Goodwill arising from Consolidation	370	-
Investment properties	3,445	4,528
Other investment	321	321
	<u>29,787</u>	<u>24,488</u>
Current Assets		
Inventories	9,602	7,626
Receivables - net of deposits received	38,126	23,563
Amount owing by contract customers	6,730	8,809
Deposits, cash and bank balances	22,466	27,482
	<u>76,924</u>	<u>67,480</u>
TOTAL ASSETS	<u>106,711</u>	<u>91,968</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	40,000	40,000
Reserves	43,243	27,412
Shareholders' equity	83,243	67,412
Minority interest	998	568
TOTAL EQUITY	<u>84,241</u>	<u>67,980</u>
Non Current Liabilities		
Hire purchase payables	1,085	1,349
Term loans	2,306	2,623
Deferred taxation	585	800
	<u>3,976</u>	<u>4,772</u>
Current Liabilities		
Payables	15,841	17,392
Provision for taxation	1,221	625
Other bank borrowings	223	-
Hire purchase payables	613	552
Term loan	596	647
	<u>18,494</u>	<u>19,216</u>
TOTAL LIABILITIES	<u>22,470</u>	<u>23,988</u>
TOTAL EQUITY AND LIABILITIES	<u>106,711</u>	<u>91,968</u>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	<u>1.04</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 FOURTH QUARTER ENDED 30 JUNE 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	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
Dividend paid	-	-	-	-	(4,000)	(4,000)	-	(4,000)
Subscription of shares by Minority interest	-	-	-	-	-	-	24	24
Profit after taxation for the financial year	-	-	-	-	19,920	19,920	406	20,326
Exchange reserve	-	-	-	-	(89)	(89)	-	(89)
Balance as at 30 June 2009	40,000	11,582	1,257	(28,567)	58,971	83,243	998	84,241
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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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FOURTH QUARTER ENDED 30 JUNE 2009

	Financial Year Ended 30 June 09 RM'000	Preceding Year Ended 30 June 08 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	26,718	19,735
Adjustments:		
Amortisation and depreciation	1,311	1,524
Loss / (Gain) on disposal of property, plant and equipment	3	(170)
Loss on disposal of investment properties	(64)	-
Fair value adjustment on investment properties	(246)	(1,078)
Interest income	(556)	(323)
Interest expense	554	355
Changes in working capital	27,720	20,043
Inventories	(1,949)	(1,215)
Receivables	(14,545)	(1,148)
Amount owing by contract customers	2,079	(6,460)
Payables	(2,192)	1,067
Cash generated from operations	11,113	12,287
Interest received	556	323
Interest paid	(554)	(355)
Tax paid	(6,011)	(4,050)
Net cash inflow from operating activities	<u>5,104</u>	<u>8,205</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment and prepaid lease rentals	(7,411)	(5,680)
Additional works on investment properties	(45)	(748)
Proceeds from disposal of investment properties	1,438	-
Proceeds from disposal of property, plant and equipment	280	337
Net cash flow from acquisition of subsidiary	52	-
Subscription of shares by Minority interest	24	-
Net cash used in investing activities	<u>(5,662)</u>	<u>(6,091)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares; net of listing expenses	-	20,427
Dividend paid	(4,000)	-
Hire purchase	(224)	218
Borrowings	(145)	(56)
Net cash (used in) / generated from financing activities	<u>(4,369)</u>	<u>20,589</u>
Effects of exchange rate changes on cash and cash equivalents	(89)	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(5,016)	22,703
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>27,482</u>	<u>4,779</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>22,466</u>	<u>27,482</u>



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FOURTH QUARTER ENDED 30 JUNE 2009 (CONT)

	Financial Year Ended 30 June 09 RM'000	Preceding Year Ended 30 June 08 RM'000
Cash and cash equivalents comprise:		
Deposits with licensed banks	11,806	20,332
Cash and bank balances	10,660	7,150
	<u>22,466</u>	<u>27,482</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.



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INTERIM FINANCIAL REPORT 30 JUNE 2009

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 year to-date.

6. Changes in Estimates

There were no estimates announced in regard of the current quarter 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 quarter 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 13th February 2009.

9. Segmental Reporting

	Individual Period	
	Current Quarter Ended 30 June 09 RM'000	Preceding Year Corresponding Quarter Ended 30 June 08 RM'000
Revenue		
Design, manufacture and retail of Kitchen Systems and Wardrobe Systems	31,996	34,838
Marketing and Distribution of White Goods and Built-In Kitchen Appliances	1,274	1,286
Manufacture of glass and aluminium products	782	3,392
Others	-	-
	34,052	39,516
Profit Before Tax		
Design, manufacture and retail of Kitchen Systems and Wardrobe Systems	7,394	6,125
Marketing and Distribution of White Goods and Built-In Kitchen Appliances	229	262
Manufacture of glass and aluminium products	(407)	184
Others	59	(37)
	7,275	6,534



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9. Segmental Reporting (Cont)

	Cumulative Period	
	Current Year Ended 30 June 09 RM'000	Preceding Year Ended 30 June 08 RM'000
Revenue		
Design, manufacture and retail of Kitchen Systems and Wardrobe Systems	143,406	98,030
Marketing and Distribution of White Goods and Built-In Kitchen Appliances	4,453	5,213
Manufacture of glass and aluminium products	10,563	6,950
Others	-	-
	158,422	110,193
Profit Before Tax		
Design, manufacture and retail of Kitchen Systems and Wardrobe Systems	23,735	17,639
Marketing and Distribution of White Goods and Built-In Kitchen Appliances	1,572	981
Manufacture of glass and aluminium products	1,409	1,142
Others	2	(27)
	26,718	19,735

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

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

The fair value of the investment properties have been updated in the current quarter under review. The change in fair value amounted to an upward adjustments of RM0.246million which has been recognized in the Income Statement in the current quarter and year under review.

The carrying amount of the investment properties as at the balance sheet after taking into consideration of the fair value adjustment is RM3.4million.

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

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



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter 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, with an issued and paid up capital of NZ\$100.

On 16th 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.

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	(8,000)	-	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>(22,113)</u>	-	



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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 June 2009 RM'000
Approved and contracted for	652
	<hr/>
	652
	<hr/>

The capital commitments relate to investment property.

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 30 June 09 RM'000	Preceding Year Corresponding Quarter Ended 30 June 08 RM'000	Current Year Ended 30 June 09 RM'000	Preceding Year Ended 30 June 08 RM'000
Heart Base Sdn Bhd				
Sale of kitchen and wardrobe systems	192	194	767	407
Duamas				
Project claims for Kitchen Systems, Wardrobe Systems and Interior Fit-Out Services	4,772	6,933	7,451	7,860



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16. Material Related Party Transactions (Cont)

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 RM0.4million is outstanding as at 30 June 2009. The commission charged by the Group's bankers for the aforesaid bankers guarantees was fully reimbursed by Duamas to the Group.

17. Review of Performance – 12 months ended 30 June 2009

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

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 June 09 RM'000	Preceding Year Corresponding Quarter Ended 30 June 08 RM'000	Current Year Ended 30 June 09 RM'000	Preceding Year Ended 30 June 08 RM'000
Revenue	34,052	39,516	158,422	110,193
Profit before taxation	7,275	6,534	26,718	19,735

(i) Current Quarter

The Group recorded a lower revenue of RM34.1 million in comparison with preceding year corresponding quarter of RM39.5million. The drop in revenue is mainly due to the timing of the recognition of revenue from projects in progress.

The profit before tax for the quarter increased by 11% from RM6.5million in the preceding year corresponding quarter to RM7.3million in the current quarter. The increase in the profit before tax is due to higher margin from certain projects.



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17. Review of Performance – 12 months ended 30 June 2009 (Cont)

(i) *Cumulative period to date*

The Group's revenue increased significantly by 44% to RM158.4 million in the current year to date as compared to RM110.2million in the preceding year.

The profit before tax posted was higher by 35% from RM19.7million in the preceding year to RM26.7million in the current year to date.

The kitchen and wardrobe segment continued to be the main contributor of revenue and profit before tax at 90% and 89% respectively. The project segment has been the driving force of the growth for the current year.

18. Current Year Prospects

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

19. Variance between Actual Results and Forecast Results

The Group did not issue any profit forecast or profit guarantee in respect of the current financial year.

20. Taxation

	Current Year Ended 30 June09 RM'000	Preceding Year Ended 30 June 08 RM'000
Current Tax Expense	6,607	4,166
Deferred Tax Expense	(215)	112
	<u>6,392</u>	<u>4,278</u>

The effective tax rate of the Group for the current financial year 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%.



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21. Unquoted investments and properties

During the forth quarter ended 30 June 2009, 1 unit of investment property were acquired by a subsidiary of the Company.

Properties	Acquisition Price (RM)
Setia Sky Residences	662,000

Other than the above, there were no other acquisition or sales of unquoted investments and/or properties for the current quarter and financial year ended 30 June 2009.

22. Quoted investments

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

23. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 19 August 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 30 June 2009 are as follows:

	Current RM'000	Non-Current RM'000	Total RM'000
Denominated in Ringgit Malaysia			
Unsecured	223	-	223
Secured	596	2,306	2,902
	<u>819</u>	<u>2,306</u>	<u>3,125</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), 19 August 2009, the Group does not have any off balance sheet financial instruments.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

In view of the Group's financial performance for the financial year ended 30 June 2009, the Board recommends a final dividend (net) of 8 sen per ordinary share amounting to RM6.4million for the financial year ended 30 June 2009.

The final dividend recommended by the Board is subject to shareholder's approval at the forthcoming Annual General Meeting.

28. Earnings per Share

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 June 09 RM'000	Preceding Year Corresponding Quarter Ended 30 June 08 RM'000	Current Year Ended 30 June 09 RM'000	Preceding Year Ended 30 June 08 RM'000
BASIC EARNINGS PER SHARE				
Profit for the period attributable to ordinary equity holders of the Company	5,442	5,190	19,920	15,113
Weighted average number of ordinary shares in issue ('000)	80,000	80,000	80,000	69,043
Basic Earnings per Share (sen)	6.8	6.5	24.9	21.9

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial year ended 30 June 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 26 August 2009.