



## Signature International Berhad

(Company No: 754118-K)

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

### INTERIM FINANCIAL REPORT 30 Jun 2011

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 year ended 30 Jun 2011.

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUN 2011

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Jun 2011 RM'000	Preceding Period Corresponding Quarter Ended 30 Jun 2010 RM'000	Current Year Ended 30 Jun 2011 RM'000	Preceding Year Ended 30 Jun 2010 RM'000
Revenue	25,357	34,808	116,553	138,363
Operating expenses	(31,517)	(32,323)	(110,309)	(118,621)
Other operating income	3,873	646	5,890	1,547
Profit / (loss) from operations	(2,287)	3,131	12,134	21,289
Finance costs	208	(128)	(1,155)	(817)
Profit / (loss) before taxation	(2,079)	3,003	10,979	20,472
Tax expense	(908)	(1,116)	(4,232)	(5,272)
Profit / (loss) after taxation	(2,987)	1,887	6,747	15,200
Attributable to:				
- Equity holders of the parent	(2,811)	2,098	6,271	15,028
- Non-controlling interest	(176)	(211)	476	172
	(2,987)	1,887	6,747	15,200
Earnings per share (sen)				
- Basic	(2.3)	1.7	5.2	12.5
- Diluted	Not applicable	Not applicable	Not applicable	Not applicable

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 Jun 2010 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUN 2011

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Jun 2011 RM'000	Preceding Period Corresponding Quarter Ended 30 Jun 2010 RM'000	Current Year Ended 30 Jun 2011 RM'000	Preceding Year Ended 30 Jun 2010 RM'000
<b>Profit / (loss) after taxation</b>	(2,987)	1,887	6,747	15,200
<b>Other Comprehensive Income</b>				
Exchange differences on translating foreign operations	(183)	85	(244)	53
Other comprehensive income for the period, net of tax	(183)	85	(244)	53
<b>Total Comprehensive Income for the period</b>	<b>(3,170)</b>	<b>1,972</b>	<b>6,503</b>	<b>15,253</b>
Total Comprehensive Income: attributable to:				
- Equity holders of the parent	(2,994)	2,183	6,027	15,081
- Non-controlling interest	(176)	(211)	476	172
	<b>(3,170)</b>	<b>1,972</b>	<b>6,503</b>	<b>15,253</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 Jun 2010 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUN 2011

	Note	UNAUDITED As at 30 Jun 2011 RM'000	AUDITED As at 30 Jun 2010 RM'000 (Restated)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2.3, 2.4	25,556	26,089
Investment properties	2.3, 2.4	14,956	7,838
Other investment	2.2	-	321
Available-for-sale financial asset	2.2	-	-
Long-term receivables	2.2	5,346	-
		<u>45,858</u>	<u>34,248</u>
<b>Current Assets</b>			
Inventories		10,030	8,511
Amount owing by contract customers		-	11,813
Receivables - net of deposits received	2.2	43,546	54,278
Tax recoverable		3,017	1,550
Short-term investments	2.2	-	8,333
Financial assets at fair value through profit or loss	2.2	12,493	-
Fixed deposit with licensed banks		166	162
Cash and bank balances		21,040	17,693
		<u>90,292</u>	<u>102,340</u>
<b>TOTAL ASSETS</b>		<u>136,150</u>	<u>136,588</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 Jun 2010 and the accompanying explanatory notes attached to the interim financial report.



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUN 2011 (CONT'D)**

	Note	UNAUDITED As at 30 Jun 2011 RM'000	AUDITED As at 30 Jun 2010 RM'000 (Restated)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		60,000	40,000
Share premium		-	11,582
Reserves	2.2	<u>32,143</u>	<u>40,370</u>
Shareholders' equity		92,143	91,952
Non-controlling interest		1,668	1,192
<b>TOTAL EQUITY</b>		<u>93,811</u>	<u>93,144</u>
<b>Non-Current Liabilities</b>			
Hire purchase payables		726	866
Term loans		7,236	2,043
Deferred taxation		<u>502</u>	<u>1,090</u>
		<u>8,464</u>	<u>3,999</u>
<b>Current Liabilities</b>			
Payables		18,313	30,788
Amount owing to contract customers		11,876	7,250
Provision for taxation		517	402
Hire purchase payables		304	565
Term loan		<u>2,865</u>	<u>440</u>
		<u>33,875</u>	<u>39,445</u>
<b>TOTAL LIABILITIES</b>		<u>42,339</u>	<u>43,444</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>136,150</u>	<u>136,588</u>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)		<u>0.77</u>	<u>0.77</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 Jun 2010 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUN 2011

	←		Attributable to equity holders of the parent					→	
	Share Capital RM'000	Share Premium RM'000	Share Revaluation Reserve RM'000	Merger Deficit RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-controlling interest RM'000	Total Equity RM'000
<b>Balance as at 1 Jul 2010</b>									
As previously reported	40,000	11,582	1,309	(28,567)	(35)	67,663	91,952	1,192	93,144
Effects of adopting FRS 139 (Note 2.2)	-	-	-	-	-	(1,036)	(1,036)	-	(1,036)
As restated balance	40,000	11,582	1,309	(28,567)	(35)	66,627	90,916	1,192	92,108
Profit after taxation for the financial year	-	-	-	-	-	6,271	6,271	476	6,747
Other Comprehensive income	-	-	-	-	(244)	-	(244)	-	(244)
Total Comprehensive Income for the year	-	-	-	-	(244)	6,271	6,027	476	6,503
Bonus Issue	20,000	(11,582)	-	-	-	(8,418)	-	-	-
Dividend paid	-	-	-	-	-	(4,800)	(4,800)	-	(4,800)
<b>Balance as at 30 Jun 2011</b>	<b>60,000</b>	<b>-</b>	<b>1,309</b>	<b>(28,567)</b>	<b>(279)</b>	<b>59,680</b>	<b>92,143</b>	<b>1,668</b>	<b>93,811</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 Jun 2010 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUN 2011 (CONT'D)

	←		Attributable to equity holders of the parent					→	
	Share Capital RM'000	Share Premium RM'000	Share Revaluation Reserve RM'000	Merger Deficit RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-controlling interest RM'000	Total Equity RM'000
<b>Balance as at 1 Jul 2009</b>	40,000	11,582	1,309	(28,567)	(88)	59,035	83,271	820	84,091
Profit after taxation for the financial year	-	-	-	-	-	15,028	15,028	172	15,200
Other Comprehensive income	-	-	-	-	53	-	53	-	53
<b>Total Comprehensive Income for the year</b>	-	-	-	-	53	15,028	15,081	172	15,253
Issuance of shares to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	200	200
Dividend paid	-	-	-	-	-	(6,400)	(6,400)	-	(6,400)
<b>Balance as at 30 Jun 2010</b>	40,000	11,582	1,309	(28,567)	(35)	67,663	91,952	1,192	93,144

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 Jun 2010 and the accompanying explanatory notes attached to the interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUN 2011

	Financial Year Ended 30 Jun 2011 RM'000	Preceding Year Ended 30 Jun 2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	10,979	20,472
<b>Adjustments:</b>		
Amortisation and depreciation	2,043	1,541
Loss / (Gain) on disposal of property, plant and equipment	(106)	21
Loss / (Gain) on disposal of investment properties	-	49
Fair value adjustment on investment properties	(3,420)	(140)
Fixed assets written off	366	131
Provision for doubtful debts	7,368	2,590
Bad debts written off	103	(184)
Provision for impairment of goodwill	-	370
Provision for impairment of Investment	321	-
Loss on foreign exchange - unrealised	-	541
Interest income	(413)	(328)
Interest expense	609	357
<b>Changes in working capital</b>	17,850	25,420
Inventories	(1,519)	1,096
Receivables	(3,121)	(11,911)
Amount owing by contract customers	16,439	1,524
Payables	(12,475)	8,026
<b>Cash generated from operations</b>	17,174	24,155
Interest received	413	-
Interest paid	(609)	(357)
Tax paid	(6,172)	(7,108)
<b>Net cash inflow from operating activities</b>	10,806	16,690
<b>CASH FLOWS FROM / (USED) IN INVESTING ACTIVITIES</b>		
Additions of property, plant and equipment and prepaid lease rentals	(2,043)	(5,600)
Additional Purchase / works on investment properties	-	(1,168)
Proceeds from disposal of investment properties	2,400	540
Proceeds from disposal of property, plant and equipment	273	159
Purchase of short term investments	-	(5,763)
Purchase of financial assets at fair value through profit and loss	(4,160)	-
Proceed from disposal of short term investments	-	1,627
Interest received	-	191
Dividend received from short term investments	-	85
<b>Net cash from / (used) in investing activities</b>	(3,530)	(9,929)



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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUN 2011 (CONT'D)

	Financial Year Ended 30 Jun 2011 RM'000	Preceding Year Ended 30 Jun 2010 RM'000
<b>CASH FLOWS FROM / (USED) IN FINANCING ACTIVITIES</b>		
Dividend paid	(4,800)	(6,400)
Proceeds from issuance of shares to minority interest	-	200
Hire purchase	(401)	(633)
Borrowings	1,520	(420)
<b>Net cash from / (used) in financing activities</b>	<b>(3,681)</b>	<b>(7,253)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(244)</b>	<b>52</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,351</b>	<b>(440)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>17,855</b>	<b>18,295</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>21,206</b>	<b>17,855</b>
<b>Cash and cash equivalents comprise:</b>		
Deposits with licensed banks	166	162
Cash and bank balances	21,040	17,693
	<b>21,206</b>	<b>17,855</b>





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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

##### 1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134 – Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 Jun 2010 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 Jun 2010, except for the adoption of the following new Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations by the Group with effect from 1 Jul 2010:

FRS 1 (Revised)	First time adoption of Financial Reporting Standards
FRS 3 (Revised)	Business Combination
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101 (Revised)	Presentation of Financial Statements
FRS 123 (Revised)	Borrowing Costs
FRS 127 (Revised)	Consolidated and Separate Financial Statements
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1 and FRS 127	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 2	Vesting Conditions and Cancellations
Amendment to FRS 2	Scope of FRS 2 and FRS 3 (Revised)
Amendment to FRS 5	Plan to Sell the Controlling interest in a Subsidiary



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 101 and FRS 132	Puttable Financial Instruments and Obligations Arising on Liquidation
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 128	Investments in Associates
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	Interest in Joint Ventures
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendment to IC Interpretation 9	Scope of IC Interpretation 9 and FRS 3(Revised)
Annual Improvements to FRSs (2009)	Improvement to FRSs (2009)

The above new FRSs, Amendments to FRSs and Interpretations are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes arising from the adoption of FRSs as follows:



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

##### 2.1 FRS 101 (Revised): Presentation of Financial Statements

The revised FRS 101 introduces changes in the presentation of the financial statements as follows:

Pre-FRS 101	Post-FRS 101
-Balance Sheet	-Statement of Financial Position
-Income Statements	-Statement of Comprehensive Income
-Statement of Changes in Equity	-Statement of Changes in Equity
-Cash Flow Statement	-Statement of Cash Flows

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the statements of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense recognized directly in equity, either in single statement, or in two linked statements. The Group has elected to present this statement as two linked statement and has accounted the changes retrospectively to the comparative period.

	As previously reported	Effect of adopting FRS 101	After effect of adopting FRS 101
	RM'000	RM'000	RM'000
<b>Twelve month period ended 30 Jun 2010</b>			
Profit after taxation	15,200	-	15,200
Other Comprehensive Income			
Exchange differences on translating foreign operations	-	53	53
Other comprehensive income for the period, net of tax	-	53	53
Total Comprehensive Income for the year	15,200	53	15,253
Total Comprehensive Income: attributable to:			
- Equity holders of the parent	15,028	53	15,081
- Non-controlling interest	172	-	172
	15,200	53	15,253



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

##### 2.2 FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. The adoption of FRS 139 has resulted in financial instruments of the Group to be categorized and measured using the accounting policies as summarized below:-

##### (a) Initial Recognition and Measurement

Financial instruments are recognized in the financial statements when, and only when, the Group's become a party to the contractual provisions of the instruments. Financial instruments are recorded initially at fair value. Subsequently measurement of the financial instruments in the statement of the financial position at the reporting date is determined by the designation of the financial instruments.

##### (b) Financial assets

Financial assets are classified as financial assets at fair value through profit and loss, loans and receivables, held to maturity investments, available-for-sale ("AFS") financial assets, or as derivatives designated as hedging instruments in the effective hedge, as appropriate.

##### (c) Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss comprises financial assets that are held for trading including derivatives, unless they are designated as hedges. Financial assets at fair value through profit and loss are measured at fair value at each reporting date with changes in fair values recognized as gains and loss in the statement of comprehensive income. This category of financial assets is classified as current assets. In accordance with the requirement of this standard, foreign exchange contracts of the Group have been measured at fair value and the changes in the fair value has been recognized in profit and loss.

##### (d) AFS financial assets

AFS financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

##### 2.2 FRS 139: Financial Instruments: Recognition and Measurement (Cont'd)

###### (e) Trade and other receivables

Prior to the adoption of FRS 139, trade and other receivables were stated at gross receivables less provision for doubtful debts, Under the FRS 139, these receivables are initially measured at fair value plus transactions costs and subsequently at amortised cost using the effective interest rate ("EIR") method. Gain and losses arising from the derecognition of the receivables, amortization under the EIR method and impairment losses are recognized in the statement of comprehensive income.

###### (f) Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives as hedging instruments in an effective hedge, as appropriate. The Group's financial liabilities included trade and other payables and borrowings. Under the FRS 139, these financial liabilities are measured initially at fair value and subsequently carried at amortised cost using EIR method.

In accordance with the transitional provision of first time adoption of FRS 139, the above changes in accounting policy have been accounted for prospectively and the comparatives are not restated. Instead, the changes have been accounted for by restating the opening balances as at 1 Jul 2010 in the consolidated statement of financial position. The effect of changes in the consolidated statement of financial position is as follows:

	As previously reported RM'000	Effect of adopting FRS 139 RM'000	After effect of adopting FRS 139 RM'000
Balance as at 1 Jul 2010			
Non Current assets			
Other investment	321	(321)	-
Available-for-sale financial asset	-	321	321
Long-term receivables	-	4,835	4,835
Current assets			
Receivables - net of deposit received	54,278	(5,871)	48,407
Short-term investments	8,333	(8,333)	-
Financial assets at fair value through profit or loss	-	8,333	8,333
Equity			
Reserves	40,370	(1,036)	39,334



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

##### 2.3 Amendment to FRS 117 – Lease

With the adoption of the Amendments to FRS 117, the classification of a leasehold land as a finance lease or operating lease is based on the extent to which risks and rewards incident to ownership lie. In making this judgement, the Group has concluded that all the leasehold land are in substance in finance lease. This change in classification of prepaid land lease payments to property, plant and equipment in the current period and retrospectively to the comparative prior year's Statement of Financial Position are disclosed in Note 2.4

##### 2.4 Amendment to FRS 140 – Investment Property

Prior to the adoption of the Amendment to FRS 140, properties that were being constructed or developed for future use as investment properties were treated as construction-in-progress and classified as property, plant and equipment. With the adoption of the Amendment to FRS 140, such properties are treated as investment property in accordance with FRS 140. The comparatives have been restated to conform to current period presentation.

The effects of the reclassification to the comparatives following the adoption of the above Amendments to FRS 117 and FRS 140 are as follows:

	As previously reported RM'000	Effect of Amendment to FRS 117 RM'000	Effect of Amendment to FRS 140 RM'000	As Restated RM'000
Property, plant and equipment	23,718	6,045	(3,674)	26,089
Prepaid land lease payments	6,045	(6,045)	-	-
Investment Properties	4,164	-	3,674	7,838

#### 3. Comments about 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.



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

#### **4. Unusual Items due to their nature, size or incidence**

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 except for the effects arising from the adoption of FRS139 as disclosed in Note 2.2.

#### **5. Changes in Estimates**

There were no estimates announced in regard of the current quarter results.

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

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter except that Company issued a bonus issue of 40,000,000 new shares of RM 0.50 each on the basis of one (1) Bonus Share for every two (2) existing shares held on 13 Jul 2010.

The approval is obtained from the Bursa Securities, the Shareholders of the Company and the other relevant authority and the corporate exercise was completed on 14 Jul 2010.

The enlarged issued and paid up capital of 40,000,000 new shares was granted listing and quotation on the Main Market of Bursa Malaysia Securities Berhad on 14 Jul 2010.

#### **7. Dividend Paid**

The first and final (net) dividend of 4 sen per ordinary share, in respect of financial year ended 30 Jun 2010, amounting to RM4.8million was paid on 28 January 2011.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 8. Segmental Information

The Group	Design	Manufacture	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen Wardrobe Systems	And	Distribution Of White Goods	Of Glass and Aluminium Products			
	RM'000		RM'000	RM'000	RM'000	RM'000	RM'000
<b>Result for 12 months Year ended 30 Jun 2011</b>							
REVENUE:							
External revenue	100,914		3,714	11,925	-	-	116,553
Inter-segment revenue	29,947		5,782	3,099	6,955	(45,783)	-
<b>Total revenue</b>	<b>130,861</b>		<b>9,496</b>	<b>15,024</b>	<b>6,955</b>	<b>(45,783)</b>	<b>116,553</b>
RESULTS							
Segment results	6,351		1,237	1,651	2,103	792	12,134
Finance costs	(1,026)		(73)	(56)	(0)	-	(1,155)
Profit from ordinary activities before taxation	5,325		1,164	1,595	2,103	792	10,979
Income tax expense							(4,232)
Profit from ordinary activities after taxation							6,747
Non-controlling interest							(476)
Net profit attributable to equity holders of the Company							6,271





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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 8. Segmental Information (Cont'd)

The Group	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Result for 12 months</b>						
<b>Year ended 30 Jun 2010</b>						
<b>REVENUE:</b>						
External revenue	127,825	3,058	7,480	-	-	138,363
Inter-segment revenue	32,170	4,395	3,094	19,799	(59,458)	-
<b>Total revenue</b>	<b>159,995</b>	<b>7,453</b>	<b>10,575</b>	<b>19,799</b>	<b>(59,458)</b>	<b>138,363</b>
<b>RESULTS</b>						
Segment results	19,942	815	660	17,584	(17,712)	21,289
Finance costs	(743)	(46)	(27)	(1)	-	(817)
Profit from ordinary activities before taxation	19,199	769	633	17,583	(17,712)	20,472
Income tax expense						(5,272)
Profit from ordinary activities after taxation						15,200
Non-controlling interest						(172)
Net profit attributable to equity holders of the Company						15,028



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#### 8. Segmental Information (Cont'd)

The Group	Design	Manufacture	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen Wardrobe Systems	And	Distribution Of White Goods	Of Glass and Aluminium Products			
	RM'000		RM'000	RM'000	RM'000	RM'000	RM'000
<b>Result for 3 months</b>							
<b>Quarter ended 30 Jun 2011</b>							
<b>REVENUE:</b>							
External revenue	22,494		805	2,058	-	-	25,357
Inter-segment revenue	8,023		584	904	6,955	(16,466)	-
<b>Total revenue</b>	<b>30,517</b>		<b>1,389</b>	<b>2,962</b>	<b>6,955</b>	<b>(16,466)</b>	<b>25,357</b>
<b>RESULTS</b>							
Segment results	(6,077)		166	(167)	2,636	1,155	(2,287)
Finance costs	275		(34)	(33)	(0)	-	208
Profit / (loss) from ordinary activities before taxation	(5,802)		132	(200)	2,636	1,155	(2,079)
Income tax expense							(908)
Profit / (loss) from ordinary activities after taxation							(2,987)
Non-controlling interest							176
Net profit / (loss) attributable to equity holders of the Company							(2,811)



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 8. Segmental Information (Cont'd)

The Group	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	Marketing and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Result for 3 months</b>						
<b>Quarter ended 30 Jun 2010</b>						
<b>REVENUE:</b>						
External revenue	30,619	834	3,355	-	-	34,808
Inter-segment revenue	9,255	890	427	19,799	(30,371)	-
<b>Total revenue</b>	<b>39,874</b>	<b>1,724</b>	<b>3,782</b>	<b>19,799</b>	<b>(30,371)</b>	<b>34,808</b>
<b>RESULTS</b>						
Segment results	3,393	(151)	(623)	18,224	(17,712)	3,131
Finance costs	(108)	(12)	(8)	-	-	(128)
Profit from ordinary activities before taxation	3,285	(163)	(631)	18,224	(17,712)	3,003
Income tax expense						(1,116)
Profit from ordinary activities after taxation						1,887
Non-controlling interest						211
Net profit attributable to equity holders of the Company						2,098



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 8. Segmental Information (Cont'd)

The Group Assets and Liabilities As at 30 Jun 2011	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	and Distribution Of White Goods RM'000	Of Glass and Aluminium Products RM'000			
OTHER INFORMATION						
Segment assets	124,576	6,430	11,676	65,187	(74,736)	133,133
Unallocated assets						3,017
						136,150
Segment liabilities	78,619	1,160	7,497	3,695	(49,651)	41,320
Unallocated liabilities						1,019
						42,339
OTHER INFORMATION						
Segment assets	127,410	5,581	8,467	69,192	(75,612)	135,038
Unallocated assets						1,550
						136,588
Segment liabilities	77,282	1,038	5,553	3,214	(45,135)	41,952
Unallocated liabilities						1,492
						43,444



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

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

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 RM3.4million which has been recognised in the Comprehensive Income Statement in the current quarter under review.

#### 10. Material Events Subsequent to the end of the interim period

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

#### 11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

#### 12. Changes in Contingent Assets or Contingent Liabilities

As at 30 Jun 2011, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows:-

	Current Year Ended 30 Jun 2011 RM'000	Preceding Year Ended 30 Jun 2010 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	17,259	15,377



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 13. Capital Commitments

Capital commitments for the purchase of property, plant and equipment and investment properties not provided for in the interim financial statements as at the balance sheet date were as follows:

	Current Year Ended 30 Jun 2011 RM'000	Preceding Year Ended 30 Jun 2010 RM'000
<b>Approved and contracted for:-</b>		
Property, Plan and Equipment	12,238	6,899
Investment Properties	2,092	-
<b>Total capital commitments</b>	<b>14,330</b>	<b>6,899</b>

#### 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

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

##### Principal Activities

Interior Fit Out Contractor  
Retail of kitchen and wardrobe systems  
Property Development

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Jun 2011 RM'000	Preceding Period Corresponding Quarter Ended 30 Jun 2010 RM'000	Current Year Ended 30 Jun 2011 RM'000	Preceding Year Ended 30 Jun 2010 RM'000
<b>Heart Base Sdn Bhd</b>				
Sale of kitchen and wardrobe systems	70	210	286	813
<b>Duamas</b>				
Project claims for Kitchen Systems, Wardrobe Systems and Interior Fit-Out Services	-	5,142	994	17,007



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 14. Material Related Party Transactions (Cont'd)

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Jun 2011 RM'000	Preceding Period Corresponding Quarter Ended 30 Jun 2010 RM'000	Current Year Ended 30 Jun 2011 RM'000	Preceding Year Ended 30 Jun 2010 RM'000
<b>HSB Development Sdn Bhd</b>				
Project claims for Kitchen Systems, Wardrobe Systems and Interior Fit-Out Services	607	-	6,213	-



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD.

##### 15. Review of Performance – Current Quarter and Year to date ended 30 Jun 2011

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

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Jun 2011 RM'000	Preceding Period Corresponding Quarter Ended 30 Jun 2010 RM'000	Current Year Ended 30 Jun 2011 RM'000	Preceding Year Ended 30 Jun 2010 RM'000
Revenue	25,357	34,808	116,553	138,363
Profit before taxation	(2,079)	3,003	10,979	20,472

##### (i) *Current Quarter*

The Group achieved a revenue of RM25.4 million for the current quarter ended 30 Jun 2011 compared to RM34.8 million for the corresponding period last year. The decline by 27.2% is mainly due to relatively lower work order delivered from the project segment. The Group posted a loss before tax of RM2.1 million for the current quarter under review compared to the profit before tax of RM3.0 million for the corresponding period last year. The Group was able to maintain its operational margins but however the drop in the profit before taxation was mainly due a prudent approach in the provision for doubtful debts.

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

For the year to date, the Group recorded revenue of RM116.6 million against RM138.4 million for the preceding year. The decline in revenue by 15.8% was mainly due to lower work order delivered for the project segment. The year to date profit before tax of RM10.9 million was lower by RM9.6 million against RM20.5 million in the preceding year. The Group was able to sustain its operational margins for the year under review but however the drop in profit before taxation is mainly due to the impact from the provision for doubtful debts.





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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 16. Material change in Profit before tax of Current Quarter compared with Preceding Quarter

	Individual Period	
	Current Quarter Ended 30 Jun 2011 RM'000	Preceding Quarter Ended 31 Mar 2011 RM'000
Revenue	25,357	29,428
Profit before taxation	(2,079)	3,441

The Group revenue for the current quarter of RM25.4 million is RM4.1million lower in comparison with the immediate preceding quarter of RM29.4 million. The lower revenue was due to lower contribution from project segment.

The Group reported loss before tax of RM2.1million in the current quarter as compared to profit before tax of RM3.4million in the preceding correspondence quarter. The significant changes was mainly due to allowance for doubtful debts being provided for.

#### 17. Current Year Prospects

Barring any unforeseen changes in the global economic climate and market conditions, the Board of Directors is optimistic that the Group's future performance will remain positive.

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

The Group did not issue any profit forecast or profit guarantee in respect of the current quarter under review.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 19. Taxation

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Jun 2011 RM'000	Preceding Period Corresponding Quarter Ended 30 Jun 2010 RM'000	Current Year Ended 30 Jun 2011 RM'000	Preceding Year Ended 30 Jun 2010 RM'000
Current Tax Expense				
- Current Year	1,516	1,039	4,840	5,195
- Under / (over) provision in prior year	25	(455)	25	(455)
	<u>1,541</u>	<u>584</u>	<u>4,865</u>	<u>4,740</u>
Deferred Tax Expense				
- Current Year	(46)	119	(46)	119
- Under / (over) provision in prior year	(587)	413	(587)	413
	<u>(633)</u>	<u>532</u>	<u>(633)</u>	<u>532</u>
Total Income Tax Expense	<u>908</u>	<u>1,116</u>	<u>4,232</u>	<u>5,272</u>

The Group's effective tax rate for the current quarter and year to-date is higher than the statutory tax rate and is mainly due to certain expenses which were not deductible for tax purpose.

#### 20. Sale of unquoted investments and properties

There was no sale of unquoted investments during the quarter under review.

Only one of the Investment properties in Penang with carrying amount of RM2.4million was disposed to third party in the previous reporting quarter. The transaction resulted to no gain no loss.

#### 21. Quoted and marketable securities

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

#### 22. Status of Corporate Proposals

There were no corporate proposals announced during the current quarter under review.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 23. Borrowings and Debt Securities

The Group's borrowings as follows:

	Cumulative Period	
	Current Year Ended 30 Jun 2011 RM'000	Preceding Year Ended 30 Jun 2010 RM'000
Term Loan (Secured) :-		
Current	2,865	440
Non Current	7,236	2,043
Total Bank Borrowing	10,101	2,483

#### 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 Aug 2011, 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.

#### 26. Proposed Dividend

The final dividend is subject to the Board recommendation.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 27. Earnings per Share

	Individual Period		Cumulative Period	
	Current Quarter Ended 30 Jun 2011 RM'000	Preceding Year Corresponding Quarter Ended 30 Jun 2010 RM'000	Current Year Ended 30 Jun 2011 RM'000	Preceding Year Ended 30 Jun 2010 RM'000
<b>BASIC EARNINGS PER SHARE</b>				
Profit / (loss) for the year attributable to ordinary equity holders of the Company	(2,811)	2,098	6,271	15,028
Weighted average number of ordinary shares in issue ('000) **	120,000	120,000	120,000	120,000
Basic Earnings per Share (sen)	(2.3)	1.7	5.2	12.5

\*\* The bonus issued was complete in 14 Jul 2010. In capitalising the bonus issue, ordinary shares are issued to existing shareholders for no additional consideration.

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the quarter ended 30 Jun 2011.



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### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

#### 28. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 Jun 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 30 Jun 2011 RM'000
Total retained profits/ (accumulated losses) of Signature International Berhad and its subsidiaries:	
- Realised	49,283
- Unrealised	6,000
	<hr/>
	55,283
Less: Consolidation adjustments	(23,140)
	<hr/> <hr/>
	32,143

#### 29. 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 Jun 2010 were not subject to any qualification.

#### 30. Authorisation for issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board on 25 Aug 2011.