

**QUARTERLY REPORT**

On consolidated results for the first quarter ended 31 March 2009

The Directors are pleased to announce the following:

**Unaudited Condensed Consolidated Income Statement for the first quarter ended 31 March 2009**

	Note	Individual Quarter ended		Cumulative Quarter ended	
		31.3.2009	31.3.2008	31.3.2009	31.3.2008
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	A7	<u>44,664</u>	<u>42,069</u>	<u>44,664</u>	<u>42,069</u>
<b>Operating profit</b>		2,456	3,022	2,456	3,022
Finance costs		<u>(678)</u>	<u>(622)</u>	<u>(678)</u>	<u>(622)</u>
<b>Profit before tax</b>	A7	<u>1,778</u>	<u>2,400</u>	<u>1,778</u>	<u>2,400</u>
Taxation	B5	<u>(706)</u>	<u>(611)</u>	<u>(706)</u>	<u>(611)</u>
<b>Profit for the period</b>		<u><u>1,072</u></u>	<u><u>1,789</u></u>	<u><u>1,072</u></u>	<u><u>1,789</u></u>
<b>Attributable to:</b>					
Equity holders of the Company		875	1,307	875	1,307
Minority interests		<u>197</u>	<u>482</u>	<u>197</u>	<u>482</u>
<b>Profit for the period</b>		<u><u>1,072</u></u>	<u><u>1,789</u></u>	<u><u>1,072</u></u>	<u><u>1,789</u></u>
<b>Earnings per share attributable to equity holders of the Company (sen):</b>					
Basic/Diluted	B13	<u>0.14</u>	<u>0.21</u>	<u>0.14</u>	<u>0.21</u>

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**SYMPHONY HOUSE BERHAD**  
(Company No : 592563-P)

**Unaudited Condensed Consolidated Balance Sheet**

	Note	Unaudited 31.3.2009 RM'000	Audited 31.12.2008 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A8	40,828	40,482
Other intangible assets		5,455	5,688
Goodwill		135,016	135,016
Deferred taxation		941	941
		<u>182,240</u>	<u>182,127</u>
<b>Current assets</b>			
Inventories		918	942
Trade receivables		41,038	36,288
Other receivables		8,530	7,977
Tax recoverable		3,595	11,365
Marketable securities		7	7
Cash and bank balances		42,296	36,363
		<u>96,384</u>	<u>92,942</u>
<b>TOTAL ASSETS</b>		<u><u>278,624</u></u>	<u><u>275,069</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		66,000	66,000
Reserves		151,283	150,447
Shares held by Employee Share Trust Scheme ("ESTS")		(7,097)	(6,884)
		<u>210,186</u>	<u>209,563</u>
<b>Minority interests</b>		<u>3,096</u>	<u>2,899</u>
<b>Total equity</b>		<u>213,282</u>	<u>212,462</u>
<b>Non-current liabilities</b>			
Borrowings	B9	16,993	27,142
Deferred taxation		35	35
		<u>17,028</u>	<u>27,177</u>
<b>Current liabilities</b>			
Trade and other payables		21,545	21,749
Borrowings	B9	26,369	13,241
Taxation		400	440
		<u>48,314</u>	<u>35,430</u>
<b>Total liabilities</b>		<u>65,342</u>	<u>62,607</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>278,624</u></u>	<u><u>275,069</u></u>
		RM	RM
Net assets per share attributable to ordinary equity holders of the Company		<u>0.33</u>	<u>0.33</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**SYMPHONY HOUSE BERHAD**  
**(Company No : 592563-P)**

**Unaudited Condensed Consolidated Statement of Changes in Equity for the first quarter ended 31 March 2009**

Group	<----- Attributable to shareholders of the Company ----->											
	<----- Non-Distributable ----->					<---Distributable--->					Minority interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Translation reserve RM'000	Warrant reserve RM'000	Share option reserve RM'000	Retained profits RM'000	Shares held by ESTS RM'000	Total RM'000			
At 1 January 2008	66,000	61,777	(6,239)	(862)	560	618	100,336	-	222,190	14,522		
Foreign currency translation, representing net expense recognised directly in equity	-	-	-	98	-	-	-	-	98	27	125	
Profit for the period	-	-	-	-	-	-	1,307	-	1,307	482	1,789	
Share-based payment under ESOS	-	-	-	-	-	(399)	-	-	(399)	-	(399)	
Dividends	-	-	-	-	-	-	(6,345)	-	(6,345)	-	(6,345)	
Purchase of treasury shares	-	-	(3,441)	-	-	-	-	-	(3,441)	-	(3,441)	
At 31 March 2008	66,000	61,777	(9,680)	(764)	560	219	95,298	-	213,410	15,031	228,441	
At 1 January 2009	66,000	61,777	(10,305)	(506)	560	66	98,855	(6,884)	209,563	2,899	212,462	
Foreign currency translation, representing net expense recognised directly in equity	-	-	-	(38)	-	-	-	-	(38)	-	(38)	
Profit for the period	-	-	-	-	-	-	875	-	875	197	1,072	
Purchase of treasury shares	-	-	(1)	-	-	-	-	-	(1)	-	(1)	
Purchase of shares by ESTS	-	-	-	-	-	-	-	(213)	(213)	-	(213)	
At 31 March 2009	66,000	61,777	(10,306)	(544)	560	66	99,730	(7,097)	210,186	3,096	213,282	

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**SYMPHONY HOUSE BERHAD**  
**(Company No : 592563-P)**

**Unaudited Condensed Consolidated Cash Flow Statement for the first quarter ended 31 March 2009**

	<b>Quarter ended 31.3.2009 RM'000</b>	<b>Quarter ended 31.3.2008 RM'000</b>
Net cash generated from/(used in) operating activities	7,006	(975)
Net cash used in investing activities	(2,821)	(1,434)
Net cash used in financing activities	<u>(251)</u>	<u>(12,804)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	3,934	(15,213)
<b>Effects of exchange rate changes</b>	(4)	65
<b>Cash and cash equivalents at beginning of financial year</b>	33,973	99,251
<b>Cash and cash equivalents at end of financial period*</b>	<u><u>37,903</u></u>	<u><u>84,103</u></u>

**\*Cash and cash equivalents at the end of the financial period comprise the following:**

Cash and bank balances	42,296	84,882
Bank overdrafts (included in short term borrowings)	<u>(4,393)</u>	<u>(779)</u>
Total cash and cash equivalents	<u><u>37,903</u></u>	<u><u>84,103</u></u>

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**SYMPHONY HOUSE BERHAD**  
**(Company No : 592563-P)**  
**Notes to the quarterly report - 31 March 2009**

**A. EXPLANATORY NOTES PURSUANT TO FRS 134**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

**A2. Comments about seasonal or cyclical factors**

The Group's interim operations were not materially affected by seasonal or cyclical factors.

**A3. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group during the quarter under review.

**A4. Changes in estimates**

There were no changes in estimates that have had a material effect on the results of the Group in the quarter under review.

**A5. Debts and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review except that the Company repurchased 10,000 of its issued ordinary shares from the open market at an average price of RM0.19 per share.

As at 31 March 2009, the total number of shares repurchased amounted to 32,020,000 at an average price of RM0.32 per share. The total consideration paid for the repurchase including transaction costs was RM10.306 million. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

**A6. Dividends paid**

No dividends were paid during the quarter under review. However, subsequent to the end of the quarter, the following dividends in respect of the financial year ended 31 December 2008 were distributed/paid on 21 April 2009:

- a) Distribution of share dividend on the basis of one (1) Symphony House Berhad ("SHB") treasury share listed on the Main Board of Bursa Malaysia Securities Berhad for every forty (40) ordinary shares of RM0.10 each held in SHB, fractions of treasury shares to be disregarded ("Share Dividend"); and
- b) A single tier interim cash dividend of RM0.005 per ordinary share amounting to RM3.14 million ("Cash Dividend").

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**Notes to the quarterly report - 31 March 2009**

**A6. Dividends paid (cont'd)**

The interim financial statements for the current quarter under review do not reflect the above. The Share Dividend and Cash Dividend will be accounted for in equity as a reduction in the share premium account and an appropriation of retained profits respectively in the financial period ending 30 June 2009.

**A7. Segmental reporting**

The core business of the Symphony Group is outsourcing. The Group's only IT services business is in solutions and application development.

Primary reporting format	Quarter ended 31.3.2009		Quarter ended 31.3.2008	
	Revenue RM'000	Profit before tax RM'000	Revenue RM'000	Profit before tax RM'000
Business segments				
Investment holding	386	(866)	386	(660)
IT Services	982	439	785	(89)
Outsourcing	43,962	2,679	41,659	2,905
	<u>45,330</u>	<u>2,252</u>	<u>42,830</u>	<u>2,156</u>
Inter-segment eliminations	(666)	26	(761)	17
	<u>44,664</u>	<u>2,278</u>	<u>42,069</u>	<u>2,173</u>
Finance costs	-	(678)	-	(622)
Interest income	-	178	-	849
	<u>44,664</u>	<u>1,778</u>	<u>42,069</u>	<u>2,400</u>

**A8. Carrying amount of revalued assets**

The Group did not carry out any valuation on its property, plant and equipment.

**A9. Material events subsequent to the balance sheet date**

There were no material events subsequent to the end of the quarter under review that have not been reflected in the financial statements.

**A10. Changes in the composition of the Group**

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

**A11. Changes in contingent liabilities or contingent assets**

As at 31 March 2009, guarantees extended to third parties amounted to approximately RM1.2 million and this excludes a guarantee to a third party on the performance of a disposed subsidiary of which it is not practical to estimate the contingent liability.

**A12. Capital commitments**

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 March 2009 is as follows:

Approved but not contracted for	RM'000
	11,326
Approved and contracted for	814
	<u>12,140</u>

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**Notes to the quarterly report - 31 March 2009**

**B. ADDITIONAL INFORMATION REQUIRED UNDER BURSA MALAYSIA LISTING REQUIREMENTS**

**B1. Review of group results for the quarter ended 31 March 2009**

During the quarter under review, the Group recorded a 6% increase in revenue to RM44.7 million compared to the previous year corresponding quarter mainly due to the higher contribution from its cheque processing business unit which compensated the lower revenue from its share issuance and registration businesses.

However, profit before tax of RM1.8million declined from RM2.4 million due to the weak sentiment and lacklustre capital market activities which has affected the profitability of its share issuance and registration business units coupled with the lower contribution from its contact management business. Consequently, the profit after tax and minority interest ("PATAMI") reduced to RM0.9 million compared to RM1.3 million registered in the previous year corresponding quarter.

**B2. Variation of results against the preceding quarter**

The current quarter's revenue of RM44.7 million and profit before tax of RM1.8 million is an improvement compared to the preceding quarter's revenue of RM36.7 million and loss before tax of RM35k. The decline in profitability in the preceding quarter was attributable to the operational challenges and provision for doubtful debts made in respect of its cheque processing business.

**B3. Prospects for the Year 2009**

The Group anticipates an increasingly demanding business environment given the uncertain global economic climate. Nevertheless, the Directors anticipate the performance of the Group to be satisfactory with the exception of its share issuance and registration businesses which are highly dependent on the performance of the stock market and capital market related corporate exercises.

**B4. Profit forecast**

Not applicable as the Company has not provided a profit forecast for the quarter under review.

**B5. Taxation**

	Individual quarter ended		Cumulative quarter ended	
	31.3.2009	31.3.2008	31.3.2009	31.3.2008
	RM'000	RM'000	RM'000	RM'000
In respect of the current period				
Malaysian income tax	(706)	(611)	(706)	(611)
Taxation	<u>(706)</u>	<u>(611)</u>	<u>(706)</u>	<u>(611)</u>

The effective tax rate for the quarter under review was higher than the statutory tax rate mainly due to the losses of certain subsidiaries which cannot be set-off against taxable profits made by other subsidiaries and certain expenses which are not deductible for tax purpose.

**B6. Sale of unquoted investments and/or properties**

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

**SYMPHONY HOUSE BERHAD**  
**(Company No : 592563-P)**  
**Notes to the quarterly report - 31 March 2009**

**B7. Quoted and marketable securities**

There were no acquisition or disposal of quoted investments during the quarter under review

Details of the investment in quoted and marketable securities held by the Group as at 31 March 2009 are as follows:

	RM'000
Cost	25
Carrying value	<u>7</u>
Market value	<u>7</u>

**B8. Status of corporate proposals as at 15 May 2009**

There were no outstanding corporate proposals announced but not completed as at 15 May 2009.

**B9. Group borrowings**

Group borrowings as at 31 March 2009 were as follows:

	RM'000
Short term borrowings	26,369
Long term borrowings	16,993
	<u>43,362</u>

As at 31 March 2009, the Group's borrowings were denominated in Ringgit Malaysia and secured by the following:

- a) negative pledge;
- b) letter of support by the Company; and
- c) assignment of a Sinking Fund Account and a Finance Service Reserve Account.

**B10. Off balance sheet financial instruments**

As at 15 May 2009, there were no outstanding contracts entered to hedge its sales.

**B11. Material litigation**

As at 15 May 2009, the Group has no outstanding material litigation which might materially and adversely affect the position or business of the Group.

**B12. Dividend**

There were no dividends declared during the quarter under review.



**SYMPHONY HOUSE BERHAD**  
**(Company No : 592563-P)**  
**Notes to the quarterly report - 31 March 2009**

**B13. Earnings per share ("EPS")**

	Individual quarter ended		Cumulative quarter ended	
	31.3.2009	31.3.2008	31.3.2009	31.3.2008
Profit for the period	875	1,307	875	1,307
Weighted average number of ordinary shares excluding treasury shares ('000)	627,986	637,044	627,986	637,044
Basic/Diluted EPS (sen)	<u>0.14</u>	<u>0.21</u>	<u>0.14</u>	<u>0.21</u>

There is no dilutive effect on the EPS of the Group of the assumed conversion of the warrants and the exercise of the ESOS due to the exercise price of the warrants and the ESOS being higher than the average fair value of the ordinary shares.

By Order of the Board  
Chin Ngeok Mui  
Company Secretary  
21 May 2009