

**QUARTERLY REPORT**

On consolidated results for the second quarter ended 30 June 2009

The Directors are pleased to announce the following:

**Unaudited Condensed Consolidated Income Statement for the second quarter ended 30 June 2009**

	Note	Individual Quarter ended		Cumulative Quarter ended	
		30.6.2009	30.6.2008	30.6.2009	30.6.2008
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	A7	<u>40,483</u>	<u>41,401</u>	<u>85,147</u>	<u>83,470</u>
<b>Operating profit</b>		2,848	4,295	5,304	7,317
Finance costs		<u>(598)</u>	<u>(623)</u>	<u>(1,276)</u>	<u>(1,245)</u>
<b>Profit before tax</b>	A7	<u>2,250</u>	<u>3,672</u>	<u>4,028</u>	<u>6,072</u>
Taxation	B5	<u>(727)</u>	<u>294</u>	<u>(1,433)</u>	<u>(317)</u>
<b>Profit for the period</b>		<u><u>1,523</u></u>	<u><u>3,966</u></u>	<u><u>2,595</u></u>	<u><u>5,755</u></u>
<b>Attributable to:</b>					
Equity holders of the Company		1,364	3,218	2,239	4,525
Minority interests		<u>159</u>	<u>748</u>	<u>356</u>	<u>1,230</u>
<b>Profit for the period</b>		<u><u>1,523</u></u>	<u><u>3,966</u></u>	<u><u>2,595</u></u>	<u><u>5,755</u></u>
<b>Earnings per share attributable to equity holders of the Company (sen):</b>					
Basic/Diluted	B13	<u>0.21</u>	<u>0.51</u>	<u>0.35</u>	<u>0.72</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**

		<b>Unaudited 30.6.2009 RM'000</b>	<b>Audited 31.12.2008 RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A8	40,965	40,482
Other intangible assets		5,354	5,688
Goodwill		135,016	135,016
Deferred taxation		941	941
		<u>182,276</u>	<u>182,127</u>
<b>Current assets</b>			
Inventories		847	942
Trade receivables		35,006	36,288
Other receivables		9,275	7,977
Tax recoverable		3,082	11,365
Marketable securities		9	7
Cash and bank balances		44,221	36,363
		<u>92,440</u>	<u>92,942</u>
<b>TOTAL ASSETS</b>		<u><u>274,716</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		149,562	150,447
Shares held by Employee Share Trust Scheme ("ESTS")		(7,097)	(6,884)
		<u>208,465</u>	<u>209,563</u>
<b>Minority interests</b>		<u>3,255</u>	<u>2,899</u>
<b>Total equity</b>		<u>211,720</u>	<u>212,462</u>
<b>Non-current liabilities</b>			
Borrowings	B9	16,701	27,142
Deferred taxation		70	35
		<u>16,771</u>	<u>27,177</u>
<b>Current liabilities</b>			
Trade and other payables		21,923	21,749
Borrowings	B9	23,779	13,241
Taxation		523	440
		<u>46,225</u>	<u>35,430</u>
<b>Total liabilities</b>		<u>62,996</u>	<u>62,607</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>274,716</u></u>	<u><u>275,069</u></u>
		RM	RM
Net assets per share attributable to ordinary equity holders of the Company		<u>0.32</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 period ended 30 June 2009**

Group	----- Attributable to shareholders of the Company -----										
	----- Non-Distributable -----						----- Distributable -----				
	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	Minority interests RM'000	Total equity RM'000
At 1 January 2008	66,000	61,777	(6,239)	(862)	560	618	100,336	-	222,190	14,522	236,712
Foreign currency translation, representing net expense recognised directly in equity	-	-	-	87	-	-	-	-	87	8	95
Profit for the period	-	-	-	-	-	-	4,525	-	4,525	1,230	5,755
Acquisition of additional equity interest in subsidiaries	-	-	-	-	-	-	-	-	-	(3,781)	(3,781)
Share-based payment under ESOS	-	-	-	-	-	(472)	-	-	(472)	-	(472)
Dividends	-	-	-	-	-	-	(6,345)	-	(6,345)	-	(6,345)
Purchase of treasury shares	-	-	(4,063)	-	-	-	-	-	(4,063)	-	(4,063)
Purchase of shares by ESTS	-	-	-	-	-	-	-	(2,586)	(2,586)	-	(2,586)
At 30 June 2008	66,000	61,777	(10,302)	(775)	560	146	98,516	(2,586)	213,336	11,979	225,315
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	-	-	-	17	-	-	-	-	17	-	17
Profit for the period	-	-	-	-	-	-	2,239	-	2,239	356	2,595
Dividends	-	-	-	-	-	-	(3,140)	-	(3,140)	-	(3,140)
Distribution of share dividend	-	(5,051)	5,051	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	(1)	-	-	-	-	-	(1)	-	(1)
Purchase of shares by ESTS	-	-	-	-	-	-	-	(213)	(213)	-	(213)
Expiry of warrants	-	-	-	-	(560)	-	560	-	-	-	-
At 30 June 2009	66,000	56,726	(5,255)	(489)	-	66	98,514	(7,097)	208,465	3,255	211,720

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 period ended 30 June 2009**

	<b>Period ended 30.6.2009 RM'000</b>	<b>Period ended 30.6.2008 RM'000</b>
Net cash generated from operating activities	18,261	5,435
Net cash used in investing activities	(5,568)	(19,722)
Net cash used in financing activities	<u>(15,386)</u>	<u>(15,522)</u>
<b>Net decrease in cash and cash equivalents</b>	(2,693)	(29,809)
<b>Effects of exchange rate changes</b>	33	83
<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>31,313</u></u>	<u><u>69,525</u></u>

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

Cash and bank balances	44,221	70,367
Bank overdrafts (included in short term borrowings)	(2,381)	(250)
Deposits pledged for Islamic Medium Term Notes	<u>(10,527)</u>	<u>(592)</u>
Total cash and cash equivalents	<u><u>31,313</u></u>	<u><u>69,525</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 - 30 June 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

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 the following:

- (a) On 21 April 2009, the Company distributed 15,695,195 treasury shares as share dividend ("Share Dividend") to the shareholders on the basis of one (1) treasury share for every forty (40) ordinary shares held on 23 March 2009.

As at 30 June 2009, the total number of treasury shares held was 16,324,805 ordinary shares of RM0.10 each; and

- (b) On 28 April 2009, the Company's 84,000,000 unexercised warrants expired and accordingly was removed from the Official List of the Bursa Securities.

**A6. Dividends paid**

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 as disclosed in Note A5 (a) and
- (b) A single tier interim cash dividend of RM0.005 per ordinary share amounting to RM3.14 million.

**SYMPHONY HOUSE BERHAD**  
**(Company No : 592563-P)**  
**Notes to the quarterly report - 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	Period ended 30.6.2009		Period ended 30.6.2008	
	Revenue RM'000	Profit before tax RM'000	Revenue RM'000	Profit before tax RM'000
Business segments				
Investment holding	771	(1,794)	796	(2,229)
IT Services	1,568	461	1,924	242
Outsourcing	83,932	6,295	82,527	7,380
	<u>86,271</u>	<u>4,962</u>	<u>85,247</u>	<u>5,393</u>
Inter-segment eliminations	(1,124)	(6)	(1,777)	28
	<u>85,147</u>	<u>4,956</u>	<u>83,470</u>	<u>5,421</u>
Finance costs	-	(1,276)	-	(1,245)
Interest income	-	348	-	1,896
	<u>85,147</u>	<u>4,028</u>	<u>83,470</u>	<u>6,072</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 30 June 2009, guarantees extended to third parties amounted to approximately RM2.6 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 30 June 2009 is as follows:

Approved but not contracted for	RM'000
	7,770
Approved and contracted for	710
	<u>8,480</u>

**SYMPHONY HOUSE BERHAD**  
**(Company No : 592563-P)**  
**Notes to the quarterly report - 30 June 2009**

**B. ADDITIONAL INFORMATION REQUIRED UNDER BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS**

**B1. Review of group results for the quarter ended 30 June 2009**

During the quarter under review, the Group recorded revenue and profit before tax ("PBT") of RM40.5 million and RM2.3 million respectively. This is a decrease of 2% and 39% as compared to the previous year corresponding quarter. The Group's profit before tax decreased due to the erosion in margins in the contact management business and the poor sentiment and lacklustre capital market activities which have affected the profitability of its share registration business.

The Group recorded a profit after tax and minority interest ("PATAMI") of RM1.4 million compared to a higher PATAMI of RM3.2 million in the previous year corresponding quarter which benefited from the over provision of tax relating to prior years referred to in Note B5.

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

	Quarter Ended	
	30.6.2009	31.3.2009
	RM'000	RM'000
Revenue	40,483	44,664
Profit Before Tax	2,250	1,778
Profit After Tax and Minority Interest	1,364	875

The current quarter's revenue of RM40.5 million is 9% lower mainly due to the higher project based revenue included in the preceding quarter.

However, profit before tax of RM2.25 million is an improvement over the preceding quarter largely due to measures taken to reduce and streamline the operational costs in its core activities of outsourcing.

**B3. Prospects for the Year 2009**

The Group anticipates a continued demanding business environment given the uncertain global economic climate. Nevertheless, barring any unforeseen circumstances, the Directors anticipate the performance of the Group for the remaining quarters to improve.

**B4. Profit forecast**

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

**SYMPHONY HOUSE BERHAD**  
**(Company No : 592563-P)**  
**Notes to the quarterly report - 30 June 2009**

**B5. Taxation**

	Individual quarter ended		Cumulative quarter ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	RM'000	RM'000	RM'000	RM'000
In respect of				
- current period	(692)	(935)	(1,398)	(1,546)
- prior years	-	1,358	-	1,358
	<u>(692)</u>	<u>423</u>	<u>(1,398)</u>	<u>(188)</u>
Deferred taxation	(35)	(129)	(35)	(129)
Taxation	<u>(727)</u>	<u>294</u>	<u>(1,433)</u>	<u>(317)</u>

The effective tax rate for the current 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. As for the previous year corresponding quarter, the effective tax rate was lower due to over provision of tax amounting to RM1.358 million relating to prior years.

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

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

**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 30 June 2009 are as follows:

	RM'000
Cost	<u>25</u>
Carrying value	<u>9</u>
Market value	<u>9</u>

**B8. Status of corporate proposals as at 7 August 2009**

There were no outstanding corporate proposals announced but not completed as at 7 August 2009.

**B9. Group borrowings**

Group borrowings as at 30 June 2009 were as follows:	RM'000
Short term borrowings	23,779
Long term borrowings	<u>16,701</u>
	<u>40,480</u>

As at 30 June 2009, the Group's borrowings were denominated in Ringgit Malaysia and secured by the following:

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

**B10. Off balance sheet financial instruments**

As at 7 August 2009, there were no outstanding contracts entered to hedge its sales.



**SYMPHONY HOUSE BERHAD**  
**(Company No : 592563-P)**  
**Notes to the quarterly report - 30 June 2009**

**B11. Material litigation**

As at 7 August 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.

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

	Individual quarter ended		Cumulative quarter ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
Profit for the period (RM'000)	1,364	3,218	2,239	4,525
Weighted average number of ordinary shares excluding treasury shares ('000)	640,053	628,385	634,053	632,714
Basic/Diluted EPS (sen)	<u>0.21</u>	<u>0.51</u>	<u>0.35</u>	<u>0.72</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  
14 August 2009