

**QUARTERLY REPORT**

On consolidated results for the third quarter ended 30 September 2009

The Directors are pleased to announce the following:

**Unaudited Condensed Consolidated Income Statement for the third quarter ended 30 September 2009**

	Note	Individual Quarter ended		Cumulative Quarter ended	
		30.9.2009	30.9.2008	30.9.2009	30.9.2008
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	A7	<u>41,173</u>	<u>38,436</u>	<u>126,320</u>	<u>121,906</u>
<b>Operating profit</b>		3,172	3,933	8,476	11,250
Finance costs		<u>(426)</u>	<u>(622)</u>	<u>(1,702)</u>	<u>(1,867)</u>
<b>Profit before tax</b>	A7	<u>2,746</u>	<u>3,311</u>	<u>6,774</u>	<u>9,383</u>
Taxation	B5	<u>(461)</u>	<u>(1,029)</u>	<u>(1,894)</u>	<u>(1,346)</u>
<b>Profit for the period</b>		<u><u>2,285</u></u>	<u><u>2,282</u></u>	<u><u>4,880</u></u>	<u><u>8,037</u></u>
<b>Attributable to:</b>					
Equity holders of the Company		2,237	2,243	4,476	6,768
Minority interests		<u>48</u>	<u>39</u>	<u>404</u>	<u>1,269</u>
<b>Profit for the period</b>		<u><u>2,285</u></u>	<u><u>2,282</u></u>	<u><u>4,880</u></u>	<u><u>8,037</u></u>
<b>Earnings per share attributable to equity holders of the Company (sen):</b>					
Basic	B13	<u>0.36</u>	<u>0.37</u>	<u>0.73</u>	<u>1.08</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 30.9.2009 RM'000</b>	<b>Audited 31.12.2008 RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A8	40,736	40,482
Other intangible assets		5,313	5,688
Goodwill		135,016	135,016
Deferred taxation		850	941
		<u>181,915</u>	<u>182,127</u>
<b>Current assets</b>			
Inventories		778	942
Trade receivables		36,155	36,288
Other receivables		7,859	7,977
Tax recoverable		3,192	11,365
Marketable securities		10	7
Cash and bank balances		37,419	36,363
		<u>85,413</u>	<u>92,942</u>
<b>TOTAL ASSETS</b>		<u><u>267,328</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		151,929	150,447
Shares held by Employee Share Trust Scheme ("ESTS")		(7,097)	(6,884)
		<u>210,832</u>	<u>209,563</u>
<b>Minority interests</b>		3,303	2,899
<b>Total equity</b>		<u>214,135</u>	<u>212,462</u>
<b>Non-current liabilities</b>			
Borrowings	B9	16,364	27,142
Deferred taxation		30	35
		<u>16,394</u>	<u>27,177</u>
<b>Current liabilities</b>			
Trade and other payables		23,881	21,749
Borrowings	B9	12,628	13,241
Taxation		290	440
		<u>36,799</u>	<u>35,430</u>
<b>Total liabilities</b>		<u>53,193</u>	<u>62,607</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>267,328</u></u>	<u><u>275,069</u></u>
		RM	RM
Net assets per share attributable to ordinary equity holders of the Company		<u>0.34</u>	<u>0.35</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 September 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	-	-	-	183	-	-	-	-	183	9	192
Profit for the period	-	-	-	-	-	-	6,768	-	6,768	1,269	8,037
Acquisition of additional equity interest in subsidiaries	-	-	-	-	-	-	-	-	-	(11,580)	(11,580)
Share-based payment under ESOS	-	-	-	-	-	(495)	-	-	(495)	-	(495)
Dividends	-	-	-	-	-	-	(12,625)	-	(12,625)	-	(12,625)
Purchase of treasury shares	-	-	(4,066)	-	-	-	-	-	(4,066)	-	(4,066)
Purchase of shares by ESTS	-	-	-	-	-	-	-	(4,800)	(4,800)	-	(4,800)
At 30 September 2008	66,000	61,777	(10,305)	(679)	560	123	94,479	(4,800)	207,155	4,220	211,375
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	-	-	-	149	-	-	-	-	149	-	149
Profit for the period	-	-	-	-	-	-	4,476	-	4,476	404	4,880
Dividends	-	-	-	-	-	-	(3,140)	-	(3,140)	-	(3,140)
Distribution of share dividend	-	(5,051)	5,051	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	(3)	-	-	-	-	-	(3)	-	(3)
Purchase of shares by ESTS	-	-	-	-	-	-	-	(213)	(213)	-	(213)
Expiry of warrants	-	-	-	-	(560)	-	560	-	-	-	-
ESOS transfer to retained profits upon expiry	-	-	-	-	-	(66)	66	-	-	-	-
At 30 September 2009	66,000	56,726	(5,257)	(357)	-	-	100,817	(7,097)	210,832	3,303	214,135

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 September 2009**

	<b>Period ended 30.9.2009 RM'000</b>	<b>Period ended 30.9.2008 RM'000</b>
Net cash generated from operating activities	25,977	9,119
Net cash used in investing activities	(8,291)	(46,807)
Net cash used in financing activities	<u>(15,635)</u>	<u>(27,895)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	2,051	(65,583)
<b>Effects of exchange rate changes</b>	154	216
<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>36,178</u></u>	<u><u>33,884</u></u>

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

Cash and bank balances	37,419	35,852
Bank overdrafts (included in short term borrowings)	<u>(1,241)</u>	<u>(1,968)</u>
Total cash and cash equivalents	<u><u>36,178</u></u>	<u><u>33,884</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 September 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) The Company repurchased 10,000 shares of its issued share capital from the open market at an average purchase price of RM0.26 per share in the third quarter under review. During the financial year to date, the Company distributed 15,695,195 treasury shares as share dividend to the shareholders on the basis of one (1) treasury share for every forty (40) ordinary shares. As at 30 September 2009, out of the total 660,000,000 issued and fully paid ordinary shares, 16,334,805 shares were held as treasury shares at an average purchase price of RM0.32 per share. The share buyback transactions were financed by internally generated funds;
- (b) The Group's Employee Share Option Scheme ("ESOS") expired in July 2009 and there was no issuance of shares arising from the ESOS; and
- (c) The Company's Islamic Medium Term Notes of RM10.0 million with a profit of 7.15% per annum was repaid in July 2009.

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

**A6. Dividends paid**

No dividends were paid during the quarter under review.

**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 30.9.2009		Period ended 30.9.2008	
	Revenue RM'000	Profit before tax RM'000	Revenue RM'000	Profit before tax RM'000
Business segments				
Investment holding	1,157	(2,598)	1,193	(3,267)
IT Services	2,313	603	2,964	502
Outsourcing	124,819	9,995	119,971	11,810
	<u>128,289</u>	<u>8,000</u>	<u>124,128</u>	<u>9,045</u>
Inter-segment eliminations	(1,969)	(6)	(2,222)	34
	<u>126,320</u>	<u>7,994</u>	<u>121,906</u>	<u>9,079</u>
Finance costs	-	(1,702)	-	(1,867)
Interest income	-	482	-	2,171
	<u>126,320</u>	<u>6,774</u>	<u>121,906</u>	<u>9,383</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 September 2009, guarantees extended to third parties amounted to approximately RM8.3 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 September 2009 is as follows:

Approved but not contracted for	RM'000
	9,006
Approved and contracted for	18,360
	<u>27,366</u>

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

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

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

During the quarter under review, the Group recorded revenue and profit before tax ("PBT") of RM41.17 million and RM2.75 million respectively. Compared to the previous year corresponding quarter, PBT decreased by 17.1% despite a 7.1% increase in revenue. The decreased PBT was attributable to lower level of economic activities and lower pricing in its contact management solutions business, lower transaction volume in the cheque processing division and the additional operating costs incurred ahead of revenue to rollout the new projects secured. In addition, the poor sentiment and lackluster capital market activities have also affected the profitability of its share registration business.

The Group's profit after tax and minority interest ("PATAMI") of RM2.24 million was flat against the previous year corresponding quarter due to lower tax during the quarter under review as explained in Note B5.

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

	Quarter Ended	
	30.9.2009	30.6.2009
	RM'000	RM'000
Revenue	41,173	40,483
Profit Before Tax	2,746	2,250
Profit After Tax and Minority Interest	2,237	1,364

The current quarter's revenue of RM41.17 million is slightly higher than the immediate preceding quarter whereas profit before tax of RM2.75 million improved by 22.0% due largely to the 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 operating performance of the Group for the remaining quarter 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 September 2009**

**B5. Taxation**

	Individual quarter ended		Cumulative quarter ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
In respect of				
- current period	(307)	(714)	(1,705)	(2,260)
- prior years	(103)	(236)	(103)	1,122
	<u>(410)</u>	<u>(950)</u>	<u>(1,808)</u>	<u>(1,138)</u>
Deferred taxation	(51)	(79)	(86)	(208)
Taxation	<u>(461)</u>	<u>(1,029)</u>	<u>(1,894)</u>	<u>(1,346)</u>

The effective tax rate for the current quarter under review was lower than the statutory tax rate mainly due to the non provision of income tax by certain subsidiaries which have been granted income tax free period as a result of being awarded the Multimedia Super Corridor ("MSC") status.

As for the previous year corresponding quarter, the effective tax rate was higher due to the underprovision of tax in 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 September 2009 are as follows:

	RM'000
Cost	<u>25</u>
Carrying value	<u>10</u>
Market value	<u>10</u>

**B8. Status of corporate proposals as at 9 November 2009**

There were no outstanding corporate proposals announced but not completed as at 9 November 2009.

**B9. Group borrowings**

Group borrowings as at 30 September 2009 were as follows:	RM'000
Short term borrowings	12,628
Long term borrowings	<u>16,364</u>
	<u>28,992</u>

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

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



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

**B10. Off balance sheet financial instruments**

As at 9 November 2009, there were no outstanding contracts entered to hedge its sales.

**B11. Material litigation**

As at 9 November 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	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
Profit attributable to equity holders of the Company (RM'000)	2,237	2,243	4,476	6,768
Weighted average number of ordinary shares excluding treasury shares and shares held by ESTS	617,633	613,441	611,652	625,567
Basic EPS (sen)	<u>0.36</u>	<u>0.37</u>	<u>0.73</u>	<u>1.08</u>

By Order of the Board  
Chin Ngeok Mui  
Company Secretary  
16 November 2009