

**QUARTERLY REPORT**

On consolidated results for the year ended 31 December 2009

The Directors are pleased to announce the following:

**Unaudited Condensed Consolidated Income Statement for the year ended 31 December 2009**

	Note	Individual Quarter ended		Cumulative Quarter ended	
		31.12.2009	31.12.2008	31.12.2009	31.12.2008
		RM'000	RM'000	RM'000	RM'000
Revenue	A8/B1	44,202	36,661	170,522	158,567
Cost of sales		<u>(27,411)</u>	<u>(26,000)</u>	<u>(117,400)</u>	<u>(111,065)</u>
<b>Gross profit</b>		16,791	10,661	53,122	47,502
Other income		114	334	643	2,602
Selling and distribution expenses		(55)	(89)	(263)	(455)
Administrative expenses		(7,716)	(6,422)	(28,248)	(25,780)
Other expenses					
- property plant and equipment written off/moving related costs		(2,725)	-	(2,725)	-
- others		<u>(3,084)</u>	<u>(3,826)</u>	<u>(10,728)</u>	<u>(11,961)</u>
<b>Operating profit</b>		3,325	658	11,801	11,908
Finance costs		<u>(409)</u>	<u>(693)</u>	<u>(2,111)</u>	<u>(2,560)</u>
<b>Profit/(loss) before tax</b>	A8/B1	2,916	(35)	9,690	9,348
Taxation	B5	<u>(4,646)</u>	<u>3,352</u>	<u>(6,540)</u>	<u>2,006</u>
<b>Profit/(loss) for the year</b>		<u><u>(1,730)</u></u>	<u><u>3,317</u></u>	<u><u>3,150</u></u>	<u><u>11,354</u></u>
<b>Attributable to:</b>					
Equity holders of the Company		(1,161)	4,319	3,315	11,087
Minority interests		<u>(569)</u>	<u>(1,002)</u>	<u>(165)</u>	<u>267</u>
<b>Profit/(loss) for the year</b>		<u><u>(1,730)</u></u>	<u><u>3,317</u></u>	<u><u>3,150</u></u>	<u><u>11,354</u></u>
<b>Earnings per share attributable to equity holders of the Company (sen):</b>					
Basic	B13	<u>(0.19)</u>	<u>0.71</u>	<u>0.54</u>	<u>1.79</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</b> <b>31.12.2009</b> <b>RM'000</b>	<b>Audited</b> <b>31.12.2008</b> <b>RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A9	39,965	40,482
Other intangible assets		6,505	5,688
Goodwill		135,016	135,016
Deferred taxation		965	941
		<u>182,451</u>	<u>182,127</u>
<b>Current assets</b>			
Inventories		749	942
Trade receivables		25,102	36,288
Other receivables		7,314	7,977
Tax recoverable		2,967	11,365
Marketable securities		10	7
Cash and bank balances		54,931	36,363
		<u>91,073</u>	<u>92,942</u>
<b>TOTAL ASSETS</b>		<u><u>273,524</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		150,613	150,447
Shares held by Employee Share Trust Scheme ("ESTS")		(7,097)	(6,884)
		<u>209,516</u>	<u>209,563</u>
<b>Minority interests</b>		<u>2,734</u>	<u>2,899</u>
<b>Total equity</b>		<u>212,250</u>	<u>212,462</u>
<b>Non-current liabilities</b>			
Borrowings	B9	26,504	27,142
Deferred taxation		3,852	35
		<u>30,356</u>	<u>27,177</u>
<b>Current liabilities</b>			
Trade and other payables		19,044	21,749
Borrowings	B9	11,211	13,241
Taxation		663	440
		<u>30,918</u>	<u>35,430</u>
<b>Total liabilities</b>		<u>61,274</u>	<u>62,607</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>273,524</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 year ended 31 December 2009**

Group	-----> Attributable to shareholders of the Company <----->											
	-----> Non-Distributable <----->							<-----> Distributable <----->				
	Share capital RM'000	Share premium RM'000	Capital reserves 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 gain recognised directly in equity	-	-	-	-	356	-	-	-	-	356	9	365
Profit for the year	-	-	-	-	-	-	-	11,087	-	11,087	267	11,354
Acquisition of additional equity interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	(11,899)	(11,899)
Share-based payment under ESOS	-	-	-	-	-	-	(495)	-	-	(495)	-	(495)
Transfer on termination of option	-	-	-	-	-	-	(57)	57	-	-	-	-
Dividends	-	-	-	-	-	-	-	(12,625)	-	(12,625)	-	(12,625)
Purchase of treasury shares	-	-	-	(4,066)	-	-	-	-	-	(4,066)	-	(4,066)
Purchase of shares by ESTS	-	-	-	-	-	-	-	-	(6,884)	(6,884)	-	(6,884)
At 31 December 2008	66,000	61,777	-	(10,305)	(506)	560	66	98,855	(6,884)	209,563	2,899	212,462
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	-	-	-	-	(6)	-	-	-	-	(6)	-	(6)
Profit for the year	-	-	-	-	-	-	-	3,315	-	3,315	(165)	3,150
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	-	-	-	-
Transfer on capitalisation of reserves	-	-	3,075	-	-	-	-	(3,075)	-	-	-	-
Transfer on expiry of option	-	-	-	-	-	-	(66)	66	-	-	-	-
At 31 December 2009	66,000	56,726	3,075	(5,257)	(512)	-	-	96,581	(7,097)	209,516	2,734	212,250

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 year ended 31 December 2009**

	<b>Year ended 31.12.2009 RM'000</b>	<b>Year ended 31.12.2008 RM'000</b>
Net cash generated from operating activities	41,603	17,375
Net cash used in investing activities	(14,574)	(51,016)
Net cash used in financing activities	<u>(13,378)</u>	<u>(31,864)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	13,651	(65,505)
<b>Effects of exchange rate changes</b>	9	227
<b>Cash and cash equivalents at beginning of financial year</b>	33,973	99,251
<b>Cash and cash equivalents at end of financial year*</b>	<u><u>47,633</u></u>	<u><u>33,973</u></u>

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

Cash and bank balances	54,931	36,363
Bank overdrafts (included in short term borrowings)	(284)	(1,794)
Deposits pledged for Islamic Medium Term Notes	<u>(7,014)</u>	<u>(596)</u>
Total cash and cash equivalents	<u><u>47,633</u></u>	<u><u>33,973</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 December 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. Comparatives**

Pursuant to the reclassification of certain expenses to conform with the Group presentation, the following comparative amounts have been restated:

	Previously stated RM'000	Increase/ Decrease RM'000	Restated RM'000
<b>12 months ended 31 December 2008</b>			
Administrative expenses	(26,681)	901	(25,780)
Other expenses	(11,060)	(901)	(11,961)
<b>3 months ended 31 December 2008</b>			
Administrative expenses	(6,635)	213	(6,422)
Other expenses	(3,613)	(213)	(3,826)

**A3. Comments about seasonal or cyclical factors**

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

**A4. 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.

**A5. 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.

**A6. 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 issued a 42-month Islamic Medium Term Note of RM10.0 million with a profit of 4.65% per annum on 24 November 2009.

As at 31 December 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.

**SYMPHONY HOUSE BERHAD**  
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**Notes to the quarterly report - 31 December 2009**

**A7. Dividends paid**

No dividends were paid during the quarter under review.

**A8. Segmental reporting**

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

<b>Primary reporting format</b>	Year ended 31.12.2009		Year ended 31.12.2008	
	Revenue RM'000	Profit before tax RM'000	Revenue RM'000	Profit before tax RM'000
Business segments				
Investment holding	6,641	497	13,815	8,227
IT Services	2,966	707	3,844	1,223
	9,607	1,204	17,659	9,450
Inter-segment eliminations	(7,469)	(5,003)	(14,985)	(12,150)
	<u>2,138</u>	<u>(3,799)</u>	<u>2,674</u>	<u>(2,700)</u>
Finance costs	-	(2,111)	-	(2,560)
Interest income	-	428	-	2,495
	<u>2,138</u>	<u>(5,482)</u>	<u>2,674</u>	<u>(2,765)</u>

**A9. Carrying amount of revalued assets**

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

**A10. 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.

**A11. Changes in the composition of the Group**

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

**A12. Changes in contingent liabilities or contingent assets**

As at 31 December 2009, guarantees extended to third parties amounted to approximately RM7.4 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.

**A13. 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 December 2009 is as follows:

Approved but not contracted for	RM'000
	13,720
Approved and contracted for	15,595
	<u>29,315</u>

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

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

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

During the quarter under review, the Group recorded revenue and profit before tax ("PBT") of RM44.20 million and RM2.92 million respectively. Compared to the previous year corresponding quarter, the Group's revenue rose by 20.6% while the PBT of RM2.92 million represented a marked increase over the loss before tax of 35k which was due to the operational challenges and provision for doubtful debts made in respect of its cheque processing business. The operations have since then regularized.

The overall improved sentiment in the Malaysian capital market has led to increased corporate activities during the quarter under review. This resulted in the higher revenue as well as profit contribution from its share issuance business. In addition, the Group also benefited from the higher project based revenue successfully rolled out, particularly in its human resource solution business. This improved results were achieved despite the one-off provisions of RM2.73 million made in the quarter under review in respect of fixed assets and moving related costs pursuant to the Group's move to a single location in Petaling Jaya.

However, the Group ended the quarter with a loss after tax and minority interest of RM1.16 million due to the recognition of deferred tax liability of RM3.85 million made in respect of a subsidiary which is a Multimedia Super Corridor ("MSC") company with its pioneer status coming to an expiry on 20 December 2010. As for the previous year corresponding quarter, the higher profit after tax and minority interest of RM4.32 million was mainly attributable to the utilization of tax incentive granted to the Company for the acquisition of a foreign company .

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

	Quarter Ended	
	31.12.2009	30.9.2009
	RM'000	RM'000
Revenue	44,202	41,173
Profit Before Tax	2,916	2,746
Profit After Tax and Minority Interest	(1,161)	2,237

The current quarter's revenue of RM44.20 million is 7.4% higher than the immediate preceding quarter whereas profit before tax of RM2.92 million also improved by 6.2% due to the reasons disclosed in Note B1 above, and despite the RM2.73 million one-off provisions made in relation to the Group's office move. The loss after tax and minority interest of RM1.16 million in the current quarter was attributable to reasons disclosed in Note B1 above.

**B3. Prospects for the Year 2010**

With the various economic factors continuing to show improvements ahead, the Group anticipates the outsourcing industry to see an encouraging upward trend in terms of business opportunities and growth in size. However, the Group is expecting to further incur one-off moving related costs pursuant to the Group's office move. Subject to the moving related costs as well as the capital and stock market remaining buoyant for the rest of the year, the Directors anticipate the performance of the Group to be satisfactory.

**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 - 31 December 2009**

**B5. Taxation**

	Individual quarter ended		Cumulative quarter ended	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
In respect of				
- current period	(775)	2,276	(2,480)	16
- prior years	(164)	475	(267)	1,597
	<u>(939)</u>	<u>2,751</u>	<u>(2,747)</u>	<u>1,613</u>
Deferred taxation	(3,707)	601	(3,793)	393
Taxation	<u>(4,646)</u>	<u>3,352</u>	<u>(6,540)</u>	<u>2,006</u>

The effective tax rate for the current quarter under review was significantly higher than the statutory tax rate mainly due to the recognition of deferred tax liability of a subsidiary which is a Multimedia Super Corridor ("MSC") company with its pioneer status coming to an expiry on 20 December 2010.

As for the previous year corresponding quarter, the tax credit was in respect of the utilization of tax incentive granted to the Company for the acquisition of a foreign company. The tax incentive expired in 2008.

**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 31 December 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 18 February 2010**

There were no outstanding corporate proposals announced but not completed as at 18 February 2010.

**B9. Group borrowings**

Group borrowings as at 31 December 2009 were as follows:	RM'000
Short term borrowings	11,211
Long term borrowings	<u>26,504</u>
	<u>37,715</u>

As at 31 December 2009, the Group's borrowings were denominated in Ringgit Malaysia and

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



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

**B10. Off balance sheet financial instruments**

As at 18 February 2010, the Group has entered into the following outstanding contracts to hedge its sales from fluctuations in foreign currency:

	Contract amount in USD'000	Equivalent amount in RM'000	Expiry Dates
Foreign Exchange Contracts - Forward	50	172	11 March 2010

**B11. Material litigation**

As at 18 February 2010, the Group has no outstanding material litigation which might materially and adversely affect the position or business of the Group.

**B12. Dividend**

The Board declared the following dividends in respect of the financial year ended 31 December 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; and

(b) A single tier interim cash dividend of RM0.005 (0.50 sen) per ordinary share.

The payment and distribution date is fixed on 2 April 2010 and in respect of deposited securities, entitlement to the dividends will be determined on the basis of the Record of Depositors as at the close of business on 15 March 2010.

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

	Individual quarter ended		Cumulative quarter ended	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Profit attributable to equity holders of the Company (RM'000)	(1,161)	4,319	3,315	11,087
Weighted average number of ordinary shares excluding treasury shares and shares held by ESTS	617,628	605,024	613,159	620,403
Basic EPS (sen)	<u>(0.19)</u>	<u>0.71</u>	<u>0.54</u>	<u>1.79</u>

By Order of the Board  
Chin Ngeok Mui  
Company Secretary  
25 February 2010