

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

for the period ended 30 June 2014

	Note	Individual quarter ended		Cumulative year ended	
		30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000
<b>Revenue</b>	A7/B1	21,158	33,071	38,696	65,825
Cost of sales		(12,210)	(21,976)	(22,172)	(47,145)
		8,948	11,095	16,524	18,680
Other income		630	530	1,187	1,039
Operating expenses		(6,888)	(1,427)	(15,025)	(12,118)
<b>Operating profit/(loss)</b>		2,690	10,198	2,686	7,601
Finance costs		(33)	(308)	(79)	(667)
<b>Profit/(Loss) before impairment</b>	A7/B1	2,657	9,890	2,607	6,934
Gain/(Loss) on disposal of subsidiary		-	-	(500)	-
Impairment of Goodwill		-	(4,576)	-	(4,576)
<b>Profit/(Loss) before tax</b>		2,657	5,314	2,107	2,358
Taxation	B5	(619)	(963)	(1,151)	(1,541)
Profit/(Loss) for the period from continuing operations		2,038	4,351	956	817
<b>Discontinued Operations</b>					
Profit / (Loss) for the period from discontinued operations, net of tax	A13	-	(371)	441	(792)
<b>Profit/(Loss) for the period</b>		<u>2,038</u>	<u>3,980</u>	<u>1,397</u>	<u>25</u>
<b>Attributable to:</b>					
Equity holders of the Company		1,862	(1,424)	1,064	(922)
Minority interests		176	828	333	947
<b>Profit/(Loss) for the period</b>		<u>2,038</u>	<u>(596)</u>	<u>1,397</u>	<u>25</u>
<b>EBITDA</b>		<u>3,826</u>	<u>2,888</u>	<u>5,596</u>	<u>6,786</u>
<b>Other comprehensive income/(loss), net of tax</b>					
Foreign currency translation differences for foreign operations		(34)	(1,131)	(730)	(904)
<b>Total comprehensive income/(loss) for the period</b>		<u>2,004</u>	<u>(1,727)</u>	<u>667</u>	<u>(879)</u>
<b>Total comprehensive income/(loss) attributable to:</b>					
Equity holders of the Company		1,828	(2,555)	334	(1,826)
Minority Interests		176	828	333	947
		<u>2,004</u>	<u>(1,727)</u>	<u>667</u>	<u>(879)</u>
<b>Earnings/(Loss) per share attributable to equity holders of the Company (sen):</b>					
Basic	B10	<u>0.28</u>	<u>(0.22)</u>	<u>0.16</u>	<u>(0.14)</u>

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

As At 30 June 2014

	Note	Unaudited 30.6.2014 RM'000	Audited 31.12.2013 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A8	21,667	5,679
Intangible assets		44,837	38,913
Deferred taxation		1,759	1,249
		<u>68,263</u>	<u>45,841</u>
<b>Current assets</b>			
Inventories		5	4
Trade receivables		21,134	8,263
Other receivables		19,355	4,199
Tax recoverable		755	1,077
Marketable securities		15	15
Cash and bank balances		33,032	21,503
		<u>74,296</u>	<u>35,061</u>
Assets of disposal group classified as held for sale	A13	-	71,339
		<u>74,296</u>	<u>106,400</u>
<b>TOTAL ASSETS</b>		<u>142,559</u>	<u>152,241</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		66,000	66,000
Reserves		46,292	45,960
Shares held by Employee Share Trust Scheme ("ESTS")		(7,097)	(7,097)
		<u>105,195</u>	<u>104,863</u>
<b>Non Controlling Interest</b>		10,041	9,708
<b>Total equity</b>		<u>115,236</u>	<u>114,571</u>
<b>Non-current liabilities</b>			
Borrowings	B7	-	-
Deferred taxation		57	250
		<u>57</u>	<u>250</u>
<b>Current liabilities</b>			
Trade and other payables		26,367	9,807
Borrowings	B7	-	414
Taxation		899	1,214
		<u>27,266</u>	<u>11,435</u>
Liabilities directly associated with the assets classified as held for sale	A13	-	25,985
		<u>27,266</u>	<u>37,420</u>
<b>Total liabilities</b>		<u>27,323</u>	<u>37,670</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>142,559</u>	<u>152,241</u>
		RM	RM
Net assets per share attributable to ordinary equity holders of the Company		<u>0.16</u>	<u>0.16</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

for the period ended 30 June 2014

Group	Attributable to equity holders of the Company									
	Share capital RM'000	Share premium RM'000	Capital reserves RM'000	Treasury shares RM'000	Translation reserve RM'000	Retained profits RM'000	Shares held by ESTS RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2013	66,000	51,550	3,075	(91)	(1,850)	28,783	(7,097)	140,370	9,280	149,650
Total comprehensive (loss) / income	-	-	-	-	3,432	(38,937)	-	(35,505)	428	(35,077)
Purchase of treasury shares	-	-	-	(2)	-	-	-	(2)	-	(2)
Dividends	-	-	-	-	-	-	-	-	-	-
At 31 December 2013	66,000	51,550	3,075	(93)	1,582	(10,154)	(7,097)	104,863	9,708	114,571
At 1 January 2014	66,000	51,550	3,075	(93)	1,582	(10,154)	(7,097)	104,863	9,708	114,571
Total comprehensive (loss)/income	-	-	-	-	(730)	1,064	-	334	333	667
Purchase of treasury shares	-	-	-	(2)	-	-	-	(2)	-	(2)
At 30 June 2014	66,000	51,550	3,075	(95)	852	(9,090)	(7,097)	105,195	10,041	115,236

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
for the period ended 30 June 2014

	<b>Period ended 30.6.2014 RM'000</b>	<b>Audited 31.12.2013 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	2,107	(39,556)
- Discontinued operation	441	229
Adjustments for:		
Non cash items	3,870	57,761
Non operating items	(29)	1,545
Operating profit before working capital changes	<u>6,389</u>	<u>19,979</u>
Net changes in current assets	(15,412)	5,319
Net changes in current liabilities	<u>4,862</u>	<u>(2,887)</u>
	(4,161)	22,411
Tax (paid)/refund	<u>(1,159)</u>	<u>(4,187)</u>
Net cash (used in)/generated from operating activities	<u>(5,320)</u>	<u>18,224</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(3,688)	(2,471)
Proceeds from disposal of equipment	-	346
Disposal of subsidiary, net of cash disposed	14,983	(954)
Addition of software development expenditure	-	(4,938)
Interest received	147	957
Net cash generated from/(used in) investing activities	<u>11,442</u>	<u>(7,060)</u>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Purchase of treasury shares	(2)	(2)
Release for / (pledge for) borrowings	-	290
Repayment of borrowings	-	(20,000)
Proceeds from banking facilities	-	1,448
Repayment of hire purchase and finance lease	-	(176)
Interest paid	(118)	(2,502)
Net cash used in financing activities	<u>(120)</u>	<u>(20,942)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>6,002</b>	<b>(9,778)</b>
Cash and cash equivalents at beginning of the financial year	<u>27,030</u>	<u>36,808</u>
<b>Cash and cash equivalents at end of the reporting period*</b>	<b><u>33,032</u></b>	<b><u>27,030</u></b>
<b>*Cash and cash equivalents at the end of the reporting period comprise the following:</b>		
Cash and bank balances	33,032	30,808
Bank overdrafts (included in short term borrowings)	-	(414)
	<u>33,032</u>	<u>30,394</u>
Cash and bank balances classified as held for sale	-	(3,364)
Total cash and cash equivalents	<u>33,032</u>	<u>27,030</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 2013 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 2014**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 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 of the Group for the year ended 31 December 2013. 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 2013.

The accounting policies and methods of the computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2013 except for the newly-issued Malaysian Accounting Standards Board approved accounting framework - Malaysian Financial Reporting Standards (MFRS) and IC Interpretations (IC Int.) to be applied by all Entities Other Than Private Entities for the financial period beginning on 1 January 2013:

MFRS and Amendments to MFRSs

MFRS 10	Consolidates Financial Statements
MFRS 12	Disclosure of Interest in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
Amendments to MFRS 7	Disclosure - Offsetting Financial Assets and Financial Liabilities

The adoption of above new FRs, Amendments to FRs and Interpretations did not result in any significant impact on the financial statements of the Company and of the Group.

**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.

As at 30 June 2014, out of the total 660,000,000 issued and fully paid ordinary shares, 335,016 ordinary shares of RM0.10 each were held as treasury shares at an average purchase price of RM0.28 per ordinary share. The share buyback transactions were financed by internally generated funds.

**SYMPHONY HOUSE BERHAD**  
**(Company No : 592563-P)**  
**Notes to the quarterly report - 30 June 2014**

**A6. Dividends paid**

No dividends were paid during the quarter under review.

**A7. Segmental reporting**

The core business of the Symphony Group consists of outsourcing services (being human resource solutions and corporate services).

There are two primary segments which are identified by service offerings as follows:-

(a) Outsourcing services consisting of human resource outsourcing solutions and corporate services which include corporate secretarial, share registration, accounting, administering the process of share issuance and offers for sale in relation to initial public offerings and cheque processing;

(b) Others which include the business of letting properties including to subsidiaries of Symphony, provision of management services and investment holding.

These segments are consistent with the Company's management of business and reflect its internal financial reporting structure and operating focus.

**Primary reporting format**

	Outsourcing Services RM'000	IT Services RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<u>Quarter ended 30 June 2014</u>					
Revenue from external customers	18,658	-	3,119	619	22,396
Inter-segment revenue	(76)	-	(543)	(619)	(1,238)
Total revenue	<u>18,582</u>	<u>-</u>	<u>2,576</u>	<u>-</u>	<u>21,158</u>
Segment results	3,277	-	(780)		2,497
Interest income					193
Interest expense					(33)
Profit before tax					<u>2,657</u>
Taxation					(619)
Profit / (Loss) from continuing operations, after tax					<u>2,038</u>
Profit from discontinued operation, net of tax					-
Profit / (Loss) for the quarter					<u>2,038</u>

	Outsourcing Services RM'000	IT Services RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<u>Quarter ended 30 June 2013</u>					
Revenue from external customers	31,811	-	3,070	1,810	36,691
Inter-segment revenue	(31)	-	(1,779)	(1,810)	(3,620)
Total revenue	<u>31,780</u>	<u>-</u>	<u>1,291</u>	<u>-</u>	<u>33,071</u>
Segment results	6,122	-	(633)		5,489
Interest income					133
Interest expense					(308)
Impairment of Goodwill					(4,576)
Profit before tax					<u>738</u>
Taxation					(963)
Profit / (Loss) from continuing operations, after tax					<u>(225)</u>
Profit / (Loss) from discontinued operations, after tax					<u>(371)</u>
Profit / (Loss) for the quarter					<u>(596)</u>

**SYMPHONY HOUSE BERHAD**  
**(Company No : 592563-P)**  
**Notes to the quarterly report - 30 June 2014**

**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**

Save and except for the Proposed Reverse Take-Over as highlighted in Note B6, there were no changes in the composition of the Group during the quarter under review.

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

There were no changes in the contingent liabilities or contingent assets of the Company for the quarter under review.

**A12. Capital commitments**

The amount of capital commitments contracted but not provided for in respect of purchase of property, plant and equipment in the interim financial statements as at 30 June 2014 is RM1.5 million.

**A13. Discontinued operation and disposal group classified as held for sale**

The Company has disposed its subsidiary, i.e. Symphony BPO Solutions Sdn Bhd on 13 March 2014. Its result up to the date of disposal is presented as "Profit/(Loss) from discontinued operation, net of tax".

**SYMPHONY HOUSE BERHAD**  
**(Company No : 592563-P)**  
**Notes to the quarterly report - 30 June 2014**

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

**B1. Review of group results for the quarter ended 30 June 2014**

The Group recorded revenue from continuing businesses of RM21.1 million during the quarter under review. This is a 36% decrease compared to the RM33.0 million revenue recorded during the same quarter last year. This is due to the reduction in revenue for certain clients under the international payroll outsourcing business.

However, the Group recorded a Profit After Tax (PAT) of RM2.03 million for the quarter under review compared to Loss After Tax of RM0.59 million for the same quarter in preceding year. This is mainly due to the one-off goodwill impairment of RM4.6 million recognised in 2Q FY2013.

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

	Quarter ended	
	30.6.2014	31.3.2014
	RM'000	RM'000
Revenue	21,158	17,538
Profit / (Loss) before impairment	2,657	(50)
Impairment of Goodwill	-	-
Profit / (Loss) from continuing operations, before tax	2,657	(550)
Profit / (Loss) from discontinued operations, net of tax	-	441
Profit / (Loss) after tax and minority interest	1,862	(798)

The current quarter's revenue of RM21.1 million is 20.6 % higher than previous quarter's revenue of RM17.5 million largely due to the improved transactional activities recorded across the corporate secretarial solutions and share issuance and registration solutions during the current quarter under review.

The Group recorded a Profit Before Tax from continuing operations of RM2.7 million during the quarter under review compared to Loss Before Tax from of RM0.6 million in the previous quarter mainly due to improvement in revenue and cost efficiency in the current quarter, as well as the RM0.5 million one-off loss recognition from the disposal of Symphony BPO Solutions Sdn Bhd in the previous quarter.

**B3. Prospects for the Year 2014**

Post completion of the disposal of Symphony BPO Solutions Sdn Bhd in March 2014, the Group still has the remaining international payroll solutions. This business is now focusing on completing the implementation of secured projects in Japan and Europe, which have experienced some delays in the previous year.

On the domestic outsourcing business which remains in the Group's core continuing business, we remain cautiously optimistic on the prospects of the stock market listing and the corporate exercises by listed companies, as the visible pipeline is generally weaker than in the previous year.

**B4. Profit forecast**

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



**SYMPHONY HOUSE BERHAD**  
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**Notes to the quarterly report - 30 June 2014**

**B5. Taxation**

	Individual quarter ended		Cumulative quarter ended	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	RM'000	RM'000	RM'000	RM'000
In respect of				
- current period	(619)	(963)	(1,151)	(1,541)
- prior years	-	-	-	-
	<u>(619)</u>	<u>(963)</u>	<u>(1,151)</u>	<u>(1,541)</u>
Deferred taxation	-	-	-	-
Taxation	<u>(619)</u>	<u>(963)</u>	<u>(1,151)</u>	<u>(1,541)</u>

The year to date effective tax rate 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. Status of corporate proposals as at 30 June 2014**

The Company had announced on 26 March 2014 that it had entered into a Heads of Agreement in relation to the Proposed Reverse Take-Over of the Company by Ranhill Energy and Resources Berhad ("Ranhill Energy"). The Company had also announced on 20 June 2014 that it had entered into relevant definitive agreements in relation to the Proposed Reverse Take-Over.

Save and except for the above, there were no other outstanding corporate proposals announced but not completed as at the date of this report.

**B7. Status of utilisation of proceeds as at 30 June 2014**

The status of the utilisation of proceeds raised from the disposal of SBPO on 13 March 2014 is as follows:

Purpose	Proposed	Actual	Timeline	Deviation	
	Utilisation	Utilisation		RM'000	%
	RM'000	RM'000			
Working capital	10,377	3,977 <sup>(2)</sup>	12 months	-	-
Investments	10,000	0	12 months	-	-
Estimated expenses	800	800	1 month	-	-
Total	<u>21,177 <sup>(1)</sup></u>	<u>4,777</u>			

Note :

(1) Out of RM21.2 million proceeds raised from the disposal of SBPO, RM6.4 million is on deferred payment term and will only be received 12 months from the completion of the disposal i.e 12 March 2015.

(2) The amount allocated for working capital has been used for repayment of working capital facilities and other operating expenses of the Group.

**B8. Group borrowings**

Group borrowings as at 30 June 2014 were as follows:

Short term borrowings	RM'000
	-
Long term borrowings	-
	<u>-</u>

**SYMPHONY HOUSE BERHAD**  
**(Company No : 592563-P)**  
**Notes to the quarterly report - 30 June 2014**

**B9. Material litigation**

As at 30 June 2014, the Group has no outstanding material litigation which might materially and adversely affect the position or business of the Group.

**B10. Dividend**

There were no dividends declared during the quarter under review.

**B11. Earnings per share ("EPS")**

	Individual quarter ended		Cumulative quarter ended	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
Profit/(loss) attributable to equity holders of the Company (RM'000)	1,862	(1,424)	1,064	(922)
Weighted average number of ordinary shares excluding treasury shares	659,665	659,685	659,665	659,685
Basic EPS (sen)	<u>0.28</u>	<u>(0.22)</u>	<u>0.16</u>	<u>(0.14)</u>

**B12. Realised and unrealised profit / (losses) disclosure**

	As at 30.06.2014 RM'000	As at 31.12.2013 RM'000
The retained profits and losses are analysed as follows:-		
Total retained profits of the Company and the subsidiaries:-		
- realised	4,594	3,443
- unrealised	<u>1,912</u>	<u>2,209</u>
	6,506	5,652
Add: consolidation adjustments	<u>(15,596)</u>	<u>(15,806)</u>
Total Group retained profits as per consolidated accounts	<u>(9,090)</u>	<u>(10,154)</u>

By Order of the Board  
Chin Ngeok Mui  
Company Secretary  
18 August 2014