

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the period ended 30 September 2014

	Note	Individual quarter ended		Cumulative year ended	
		30.9.2014 RM'000	30.9.2013 RM'000	30.9.2014 RM'000	30.9.2013 RM'000
Revenue	A7/B1	19,975	31,613	58,671	97,438
Cost of sales		(11,510)	(22,226)	(33,682)	(69,371)
		8,465	9,387	24,989	28,067
Other income		1,357	350	2,544	1,389
Operating expenses		(8,496)	(6,125)	(23,521)	(18,243)
Operating profit/(loss)		1,326	3,612	4,012	11,213
Finance costs		(153)	1	(232)	(666)
Profit/(Loss) before impairment	A7/B1	1,173	3,613	3,780	10,547
Gain/(Loss) on disposal of subsidiary		-	(637)	(500)	(637)
Impairment of Goodwill		(4,508)	-	(4,508)	(4,576)
Profit/(Loss) before tax		(3,335)	2,976	(1,228)	5,334
Taxation	B5	(326)	(751)	(1,477)	(2,292)
Profit/(Loss) for the period from continuing operations		(3,661)	2,225	(2,705)	3,042
Discontinued Operations					
Profit / (Loss) for the period from discontinued operations, net of tax	A13	-	947	441	155
Profit/(Loss) for the period		(3,661)	3,172	(2,264)	3,197
Attributable to:					
Equity holders of the Company		(3,139)	3,096	(2,075)	2,174
Minority interests		(522)	76	(189)	1,023
Profit/(Loss) for the period		(3,661)	3,172	(2,264)	3,197
EBITDA		(2,026)	5,875	3,570	12,661
Other comprehensive income/(loss), net of tax					
Foreign currency translation differences for foreign operations		(356)	733	(241)	(171)
Total comprehensive income/(loss) for the period		(4,017)	3,905	(2,505)	3,026
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		(3,495)	3,829	(2,316)	2,003
Minority Interests		(522)	76	(189)	1,023
		(4,017)	3,905	(2,505)	3,026
Earnings/(Loss) per share attributable to equity holders of the Company (sen):					
Basic	B11	(0.48)	0.47	(0.31)	0.33

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.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As At 30 September 2014

	Note	Unaudited 30.9.2014 RM'000	Audited 31.12.2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A8	21,360	5,679
Intangible assets		30,966	38,913
Deferred taxation		1,759	1,249
		<u>54,085</u>	<u>45,841</u>
Current assets			
Inventories		4	4
Trade receivables		17,178	8,263
Other receivables		20,223	4,199
Tax recoverable		746	1,077
Marketable securities		15	15
Cash and bank balances		43,486	21,503
		<u>81,652</u>	<u>35,061</u>
Assets of disposal group classified as held for sale	A13	-	71,339
		<u>81,652</u>	<u>106,400</u>
TOTAL ASSETS		<u>135,737</u>	<u>152,241</u>
* Includes RM2.825 mil in clients' trust accounts.			
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		66,000	66,000
Reserves		43,641	45,960
Shares held by Employee Share Trust Scheme ("ESTS")		(7,097)	(7,097)
		<u>102,544</u>	<u>104,863</u>
Non Controlling Interest		9,518	9,708
Total equity		<u>112,062</u>	<u>114,571</u>
Non-current liabilities			
Borrowings	B8	-	-
Deferred taxation		54	250
		<u>54</u>	<u>250</u>
Current liabilities			
Trade and other payables		23,498	9,807
Borrowings	B8	-	414
Taxation		123	1,214
		<u>23,621</u>	<u>11,435</u>
Liabilities directly associated with the assets classified as held for sale	A13	-	25,985
		<u>23,621</u>	<u>37,420</u>
Total liabilities		<u>23,675</u>	<u>37,670</u>
TOTAL EQUITY AND LIABILITIES		<u>135,737</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.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the period ended 30 September 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	-	-	-	-	(241)	(2,074)	-	(2,315)	(190)	(2,505)
Purchase of treasury shares	-	-	-	(4)	-	-	-	(4)	-	(4)
At 30 September 2014	66,000	51,550	3,075	(97)	1,341	(12,228)	(7,097)	102,544	9,518	112,062

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.

(Company No : 592563-P)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the period ended 30 September 2014

	Period ended 30.9.2014 RM'000	Audited 31.12.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(1,228)	(39,556)
- Discontinued operation	441	229
Adjustments for:		
Non cash items	9,612	57,761
Non operating items	(538)	1,545
Operating profit before working capital changes	<u>8,287</u>	<u>19,979</u>
Net changes in current assets	(11,846)	5,319
Net changes in current liabilities	<u>10,023</u>	<u>(2,887)</u>
	6,464	22,411
Tax (paid)/refund	<u>(2,255)</u>	<u>(4,187)</u>
Net cash (used in)/generated from operating activities	<u>4,209</u>	<u>18,224</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of plant and equipment	(1,856)	(2,471)
Proceeds from disposal of equipment	-	346
Disposal of subsidiary, net of cash disposed	14,983	(954)
Addition of software development expenditure	(1,416)	(4,938)
Interest received	842	957
Net cash generated from/(used in) investing activities	<u>12,553</u>	<u>(7,060)</u>
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Purchase of treasury shares	(4)	(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	(304)	(2,502)
Net cash used in financing activities	<u>(308)</u>	<u>(20,942)</u>
Net (decrease)/increase in cash and cash equivalents	16,454	(9,778)
Cash and cash equivalents at beginning of the financial year	27,030	36,808
Foreign exchange differences	2	-
Cash and cash equivalents at end of the reporting period*	<u>43,486</u>	<u>27,030</u>
*Cash and cash equivalents at the end of the reporting period comprise the following:		
Cash and bank balances	43,486	30,808
Bank overdrafts (included in short term borrowings)	-	(414)
	<u>43,486</u>	<u>30,394</u>
Cash and bank balances classified as held for sale	-	(3,364)
Total cash and cash equivalents	<u>43,486</u>	<u>27,030</u>

* Includes RM2.825 mil in clients' trust accounts.

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.

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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 September 2014, out of the total 660,000,000 issued and fully paid ordinary shares, 345,016 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.

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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 September 2014</u>					
Revenue from external customers	16,906	-	3,127	567	20,600
Inter-segment revenue	(19)	-	(548)	(567)	(1,134)
Total revenue	<u>16,887</u>	<u>-</u>	<u>2,579</u>	<u>-</u>	<u>19,466</u>
Segment results	814	-	10		824
Interest income					502
Interest expense					(153)
Impairment of Goodwill					(4,508)
Profit before tax					<u>(3,335)</u>
Taxation					<u>(326)</u>
Profit / (Loss) from continuing operations, after tax					<u>(3,661)</u>
Profit from discontinued operation, net of tax					-
Profit / (Loss) for the quarter					<u>(3,661)</u>

	Outsourcing Services RM'000	IT Services RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<u>Quarter ended 30 September 2013</u>					
Revenue from external customers	30,460	-	2,952	1,799	35,211
Inter-segment revenue	(20)	-	(1,779)	(1,799)	(3,598)
Total revenue	<u>30,440</u>	<u>-</u>	<u>1,173</u>	<u>-</u>	<u>31,613</u>
Segment results	3,310	-	(331)		2,979
Interest income					92
Interest expense					(95)
Impairment of Goodwill					-
Profit before tax					<u>2,976</u>
Taxation					<u>(751)</u>
Profit / (Loss) from continuing operations, after tax					<u>2,225</u>
Profit / (Loss) from discontinued operations, after tax					<u>947</u>
Profit / (Loss) for the quarter					<u>3,172</u>

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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 September 2014 is RM0.6 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".

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

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

The Group recorded revenue from continuing businesses of RM19.9 million during the quarter under review. This is a 37% decrease compared to the RM31.6 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 and lesser corporate exercises for share issuance and registration business during the current period as compared to the same quarter last year.

The Group recorded a Loss After Tax of RM3.66 million for the quarter under review compared to Profit After Tax of RM2.23 million for the same quarter in preceding year. This is mainly attributed to an impairment made in respect of HRS business of RM4.50 million.

B2. Variation of results against the preceding quarter

	Quarter ended	
	30.9.2014	30.6.2014
	RM'000	RM'000
Revenue	19,975	21,158
Profit / (Loss) before impairment	1,173	2,657
Impairment of Goodwill	(4,508)	-
Profit / (Loss) from continuing operations, before tax	(3,335)	2,038
Profit / (Loss) from discontinued operations, net of tax	-	-
Profit / (Loss) after tax and minority interest	(3,139)	1,862

The current quarter's revenue of RM19.9 million is 6.1% lower than previous quarter's revenue of RM21.2 million mainly due to the reduction of transactional activities under the international payroll outsourcing business, the corporate secretarial solutions and share issuance and registration solutions during the current quarter under review.

The Group recorded a Loss Before Tax of RM3.3 million during the quarter under review compared to Profit Before Tax of RM2.0 million in the previous quarter mainly due to lower revenue and goodwill impairment of RM4.5 million in the current 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.

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B5. Taxation

	Individual quarter ended		Cumulative quarter ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
In respect of				
- current period	(326)	(751)	(1,477)	(2,292)
- prior years	-	-	-	-
	<u>(326)</u>	<u>(751)</u>	<u>(1,477)</u>	<u>(2,292)</u>
Deferred taxation	-	-	-	-
Taxation	<u>(326)</u>	<u>(751)</u>	<u>(1,477)</u>	<u>(2,292)</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 September 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"). On 20 June 2014, the Company had announced that it had entered into relevant definitive agreements in relation to the Proposed Reverse Take-Over. Subsequently, on 19 September 2014, Symphony announced an extension of up to 30 November 2014 for the submission of the applications to the relevant authorities for 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 September 2014

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

Purpose	Proposed Utilisation	Actual Utilisation	Timeline	Deviation
	RM'000	RM'000		RM'000 %
Working capital	10,377	3,977 ⁽²⁾	12 months	- -
Investments	10,000	0	12 months	- -
Estimated expenses	800	800	1 month	- -
Total	<u>21,177 ⁽¹⁾</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 September 2014 were as follows:

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

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B9. Material litigation

As at 30 September 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	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
Profit/(loss) attributable to equity holders of the Company (RM'000)	(3,139)	3,096	(2,075)	2,174
Weighted average number of ordinary shares excluding treasury shares	659,665	659,691	659,665	659,691
Basic EPS (sen)	<u>(0.48)</u>	<u>0.47</u>	<u>(0.31)</u>	<u>0.33</u>

B12. Realised and unrealised profit / (losses) disclosure

	As at 30.09.2014 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	5,538	3,443
- unrealised	<u>(1,270)</u>	<u>2,209</u>
Add: consolidation adjustments	<u>4,268</u>	<u>5,652</u>
Total Group retained profits as per consolidated accounts	<u>(12,228)</u>	<u>(10,154)</u>

By Order of the Board
Chin Ngeok Mui
Company Secretary
17 November 2014