

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

for the period ended 31 December 2014

	Note	Individual quarter ended		Cumulative year ended	
		31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
<b>Revenue</b>	A7/B1	20,454	31,805	79,125	129,243
Cost of sales		<u>(11,224)</u>	<u>(24,384)</u>	<u>(44,906)</u>	<u>(93,755)</u>
		9,230	7,421	34,219	35,488
Other income		889	675	3,433	2,064
Operating expenses		<u>(8,706)</u>	<u>(6,029)</u>	<u>(32,227)</u>	<u>(24,272)</u>
<b>Operating profit/(loss)</b>		1,413	2,067	5,425	13,280
Finance costs		<u>(201)</u>	<u>(953)</u>	<u>(433)</u>	<u>(1,619)</u>
<b>Profit/(Loss) before impairment</b>	A7/B1	1,212	1,114	4,992	11,661
Gain/(Loss) on disposal of subsidiary		-	-	(500)	(637)
Impairment of Goodwill		-	<u>(40,616)</u>	<u>(4,508)</u>	<u>(45,192)</u>
<b>Profit/(Loss) before tax</b>		1,212	(39,502)	(16)	(34,168)
Taxation	B5	<u>(945)</u>	<u>(1,252)</u>	<u>(2,422)</u>	<u>(3,544)</u>
Profit/(Loss) for the period from continuing operations		267	(40,754)	(2,438)	(37,712)
<b>Discontinued Operations</b>					
Profit / (Loss) for the period from discontinued operations, net of tax	A13	-	<u>(779)</u>	441	<u>(624)</u>
<b>Profit/(Loss) for the period</b>		<u>267</u>	<u>(41,533)</u>	<u>(1,997)</u>	<u>(38,336)</u>
<b>Attributable to:</b>					
Equity holders of the Company		124	(40,840)	(1,951)	(38,666)
Minority interests		<u>143</u>	<u>(693)</u>	<u>(46)</u>	<u>330</u>
<b>Profit/(Loss) for the period</b>		<u>267</u>	<u>(41,533)</u>	<u>(1,997)</u>	<u>(38,336)</u>
<b>EBITDA</b>		<u>2,586</u>	<u>4,434</u>	<u>6,155</u>	<u>13,235</u>
<b>Other comprehensive income/(loss), net of tax</b>					
Foreign currency translation differences for foreign operations		<u>2</u>	<u>1,740</u>	<u>(239)</u>	<u>1,569</u>
<b>Total comprehensive income/(loss) for the period</b>		<u>269</u>	<u>(39,793)</u>	<u>(2,236)</u>	<u>(36,767)</u>
<b>Total comprehensive income/(loss) attributable to:</b>					
Equity holders of the Company		126	(39,100)	(2,190)	(37,097)
Minority Interests		<u>143</u>	<u>(693)</u>	<u>(46)</u>	<u>330</u>
		<u>269</u>	<u>(39,793)</u>	<u>(2,236)</u>	<u>(36,767)</u>
<b>Earnings/(Loss) per share attributable to equity holders of the Company (sen):</b>					
Basic	B11	<u>0.02</u>	<u>(6.19)</u>	<u>(0.30)</u>	<u>(5.86)</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.

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

As At 31 December 2014

	Note	Unaudited 31.12.2014 RM'000	Audited 31.12.2013 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A8	19,543	5,679
Intangible assets		31,094	38,913
Deferred taxation		1,759	1,249
		<u>52,396</u>	<u>45,841</u>
<b>Current assets</b>			
Inventories		7	4
Trade receivables		17,974	8,263
Other receivables		17,778	4,199
Tax recoverable		862	1,077
Marketable securities		15	15
Cash and bank balances		39,873	21,503
		<u>76,509</u>	<u>35,061</u>
Assets of disposal group classified as held for sale	A13	-	71,339
		<u>76,509</u>	<u>106,400</u>
<b>TOTAL ASSETS</b>		<u>128,905</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		43,767	45,960
Shares held by Employee Share Trust Scheme ("ESTS")		(7,097)	(7,097)
		<u>102,670</u>	<u>104,863</u>
<b>Non Controlling Interest</b>		<u>5,445</u>	<u>9,708</u>
<b>Total equity</b>		<u>108,115</u>	<u>114,571</u>
<b>Non-current liabilities</b>			
Borrowings	B8	-	-
Deferred taxation		54	250
		<u>54</u>	<u>250</u>
<b>Current liabilities</b>			
Trade and other payables		20,155	9,807
Borrowings	B8	-	414
Taxation		581	1,214
		<u>20,736</u>	<u>11,435</u>
Liabilities directly associated with the assets classified as held for sale	A13	-	25,985
		<u>20,736</u>	<u>37,420</u>
<b>Total liabilities</b>		<u>20,790</u>	<u>37,670</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>128,905</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 31 December 2014

Group	<----- Attributable to equity holders of the Company ----->										
	<----- Non-Distributable ----->					<--Distributable-->			Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	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				
At 1 January 2013	66,000	51,550	3,075	(91)	(1,850)	28,783	(7,097)	140,370			
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	-	-	-	-	(239)	(1,950)	-	(2,189)	(47)	(2,236)	
Purchase of treasury shares	-	-	-	(4)	-	-	-	(4)	(4,216)	(4,220)	
At 31 December 2014	66,000	51,550	3,075	(97)	1,343	(12,104)	(7,097)	102,670	5,445	108,115	

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 31 December 2014

	<b>Period ended 31.12.2014 RM'000</b>	<b>Audited 31.12.2013 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(16)	(39,556)
- Discontinued operation	441	229
Adjustments for:		
Non cash items	10,926	57,761
Non operating items	(790)	1,545
Operating profit before working capital changes	<u>10,561</u>	<u>19,979</u>
Net changes in current assets	(10,319)	5,319
Net changes in current liabilities	<u>6,680</u>	<u>(2,887)</u>
	6,922	22,411
Tax (paid)/refund	<u>(2,858)</u>	<u>(4,187)</u>
Net cash (used in)/generated from operating activities	<u>4,064</u>	<u>18,224</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(1,288)	(2,471)
Proceeds from disposal of equipment	-	346
Proceeds from winding up a related company	-	
Acquisition of a subsidiary/additional equity interest	(4,288)	
Disposal of subsidiary, net of cash disposed	14,983	(954)
Addition of software development expenditure	(1,416)	(4,938)
Interest received	<u>1,295</u>	<u>957</u>
Net cash generated from/(used in) investing activities	<u>9,286</u>	<u>(7,060)</u>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
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	<u>(505)</u>	<u>(2,502)</u>
Net cash used in financing activities	<u>(509)</u>	<u>(20,942)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	12,841	(9,778)
Cash and cash equivalents at beginning of the financial year	27,030	36,808
Foreign exchange differences	2	-
<b>Cash and cash equivalents at end of the reporting period*</b>	<u>39,873</u>	<u>27,030</u>
<b>*Cash and cash equivalents at the end of the reporting period comprise the following:</b>		
Cash and bank balances	39,873	21,503
Bank overdrafts (included in short term borrowings)	-	(414)
Deposits pledged for Islamic Medium Term Notes	-	-
	<u>39,873</u>	<u>21,089</u>
Cash and bank balances classified as held for sale	-	5,941
Total cash and cash equivalents	<u>39,873</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

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

**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 2014:

MFRS and Amendments to MFRSs

Amendments to MFRS 10 Investment Entities  
MFRS 12 and MFRS 127

Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136 Recoverable Amount Disclosures for Non-Financial Assets

Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

The adoption of above new FRSs, Amendments to FRSs 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**

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

As at 31 December 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.

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

**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	Others RM'000	Elimination RM'000	Consolidated RM'000
<u>Quarter ended 31 December 2014</u>				
Revenue from external customers	17,443	3,011	-	20,454
Inter-segment revenue	105	548	(653)	-
Total revenue	<u>17,548</u>	<u>3,559</u>	<u>(653)</u>	<u>20,454</u>
Segment results	3,486	(2,526)		960
Interest income				453
Interest expense				(201)
Impairment of Goodwill				-
Profit before tax				<u>1,212</u>
Taxation				<u>(945)</u>
Profit / (Loss) from continuing operations, after tax				<u>267</u>
Profit from discontinued operation, net of tax				-
Profit / (Loss) for the quarter				<u>267</u>

	Outsourcing Services RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<u>Quarter ended 31 December 2013</u>				
Revenue from external customers	30,597	1,208	-	31,805
Inter-segment revenue	263	1,779	(2,042)	-
Total revenue	<u>30,860</u>	<u>2,987</u>	<u>(2,042)</u>	<u>31,805</u>
Segment results	1,795	(719)		1,076
Interest income				430
Interest expense				(392)
Impairment of Goodwill				<u>(40,616)</u>
Profit before tax				<u>(39,502)</u>
Taxation				<u>(1,252)</u>
Profit / (Loss) from continuing operations, after tax				<u>(40,754)</u>
Profit / (Loss) from discontinued operations, after tax				<u>(779)</u>
Profit / (Loss) for the quarter				<u>(41,533)</u>

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

**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**

On 3 November 2014, Symphony had announced that its 69.99%-owned subsidiary, Symphony HRS Sdn Bhd, had incorporated a 99.99%-owned subsidiary known as Symphony HRS Japan K.K ("SHRS Japan") in Tokyo, Japan and a wholly - owned subsidiary known as Symphony HR Solutions India Private Limited ("SHRS India") in Karnataka, India with a share capital of JPY 1,000,000 and INR 100,000 respectively. The intended activity of these subsidiaries is to provide payroll outsourcing services in Japan and India respectively.

The incorporation of SHRS Japan and SHRS India will not have any material effect on the earnings and net assets of the SHB Group of the financial year ending 31 December 2014.

Further, on 16 December 2014, Symphony entered into a sale and purchase agreement with BCS Information Systems Pte Ltd to acquire the remaining ordinary shares and redeemable preference shares-A it did not own in Symphony Data Processing Sdn Bhd (formerly known as Symphony BCSIS Sdn Bhd) for a total cash consideration of RM4.29 million. Subsequently, the acquisition was completed on 18 December 2014 and Symphony Data Processing Sdn Bhd is now a wholly-owned subsidiary of Symphony House Berhad.

**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 31 December 2014 is RM0.5 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)**

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

**B1. Review of group results for the quarter ended 31 December 2014**

The Group recorded revenue from continuing businesses of RM20.5 million during the quarter under review. This is a 35% decrease compared to the RM31.8 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 IPO in the current period as compared to the same quarter last year.

The Group recorded a profit break-even in the quarter under review with marginal profit after tax of RM0.3 million compared to Loss After Tax of RM41.53 million for the same quarter in preceding year. This is mainly attributed to an impairment of goodwill of RM40.62 million made in 4Q FY2013.

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

	Quarter ended	
	31.12.2014	30.9.2014
	RM'000	RM'000
Revenue	20,454	19,975
Profit / (Loss) before impairment	1,212	1,173
Impairment of Goodwill	-	(4,508)
Profit / (Loss) from continuing operations, before tax	1,212	(3,335)
Profit / (Loss) from discontinued operations, net of tax	-	-
Profit / (Loss) after tax and minority interest	124	(3,139)

The current quarter's revenue of RM20.5 million is 2.4% higher than previous quarter's revenue of RM19.97 million mainly due to the higher 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 marginal Profit After Tax and Minority Interest of RM0.12 million during the quarter under review compared to Loss After Tax and Minority Interest of RM3.1 million in the previous quarter mainly due to goodwill impairment of RM4.5 million made in previous quarter.

**B3. Prospects for the Financial Year ending 31 March 2015**

For Financial Year ending 31 March 2015, the international payroll solutions will continue to focus on the implementation of secured projects in Japan and Asia Pacific whilst the domestic outsourcing business, which remains in the Group's core continuing business, will remain cautiously optimistic with a negative bias on its prospects for the year due to the subdued new stock market listings and the corporate exercises by listed companies.

**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)**

**B5. Taxation**

	Individual quarter ended		Cumulative quarter ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
In respect of				
- current period	(945)	(1,252)	(2,422)	(3,544)
- prior years	-	-	-	-
	<u>(945)</u>	<u>(1,252)</u>	<u>(2,422)</u>	<u>(3,544)</u>
Deferred taxation	-	-	-	-
Taxation	<u>(945)</u>	<u>(1,252)</u>	<u>(2,422)</u>	<u>(3,544)</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 31 December 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") followed by the definitive agreement as announced on 20 June 2014. On 1 December 2014, the Company had announced that it had submitted an application to the Securities Commission ("SC") for the approval of the proposal and to Bursa Securities for its clearance of the contents of the Explanatory Statement/Circular to shareholders of Symphony. Subsequently, on 17 December 2014, Symphony announced that it had submitted an application to Shariah Advisory Council of SC for the classification of Ranhill Holdings Shares as Shariah-compliant securities, an application to the Ministry of International Trade and Industry for the Proposed Offering, and an application to Bursa Securities pursuant to the proposed transfer of listing status of Symphony to Ranhill Holdings, admission of Ranhill Holdings to the Official List of Bursa Securities and the listing of and quotation for Ranhill Holdings Shares on Main Market of Bursa Securities. All the proposed transactions are pending the approvals of the relevant authorities.

The Company had announced on 17 December 2014 the change of its financial year end from 31 December to 31 March. Subsequent to the change in financial year end of the Company, the first set of Audited Financial Statement adopting the new financial year end shall be made up for the financial period from 1 January 2014 to 31 March 2015.

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 31 December 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	12 months	-	-
Investments	10,000	10,000 <sup>(2)</sup>	12 months	-	-
Estimated expenses	800	800	1 month	-	-
Total	<u>21,177 <sup>(1)</sup></u>	<u>14,777</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 investment has been utilised for the acquisition of Symphony Data Processing Sdn Bhd as per note A10 whilst the balance is being placed for money market investments with reputable financial institutions.

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

**B8. Group borrowings**

Group borrowings as at 31 December 2014 were as follows:

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

**B9. Material litigation**

As at 31 December 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	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Profit/(loss) attributable to equity holders of the Company (RM'000)	124	(40,840)	(1,951)	(38,666)
Weighted average number of ordinary shares excluding treasury shares	659,663	659,691	659,663	659,691
Basic EPS (sen)	<u>0.02</u>	<u>(6.19)</u>	<u>(0.30)</u>	<u>(5.86)</u>

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

	As at 31.12.2014 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	5,519	3,443
- unrealised	<u>(1,270)</u>	<u>2,209</u>
	4,249	5,652
Add: consolidation adjustments	<u>(16,353)</u>	<u>(15,806)</u>
Total Group retained profits as per consolidated accounts	<u>(12,104)</u>	<u>(10,154)</u>

By Order of the Board  
Chin Ngeok Mui  
Company Secretary  
16 February 2015