symphony

INTERNATIONAL HOLDINGS LIMITED

ANNUAL REPORT 2007

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Chairman's **Statement**

I am pleased to report that Symphony International Holdings Limited ("SIHL" or the "Company) performed well during fiscal 2007. SIHL's net asset value ("NAV") taking into account the fair value of unrealised investments increased from US$121.9 million in 2006 to US$360.3 million in 2007, representing an increase of 195.6%. Proceeds from the initial public offering ("IPO") on 3 August 2007 and growth in unrealised gains from portfolio investments contributed to the increase in NAV. Unrealised gains on investments increased by 211.9% from US$18.4 million to US$57.4 million.

NAV per share at 31 December 2007, after taking into account IPO related expenses, was US$1.07 representing absolute and annualised growth of 6.5% and 15.8% respectively, since the IPO date and relative to the offer price of US$1.00. The gross internal rate of return on our investments (excluding temporary investments) from our first investment in October 2005 through 31 December 2007 is 83.6%.

During 2007, SIHL invested US$83.5 million, of which US$54.9 million was invested following the IPO on 3 August 2007. At 31 December 2007, investments in healthcare, hospitality and lifestyle ("HH&L") sectors constituted 43% of NAV with the remaining balance predominantly in temporary investments.

Chairman's **Statement**

SIHL continues to operate with negligible leverage and liquidity and capital resources remain strong. At 31 December 2007, SIHL had US$206.7 million in cash and cash equivalents.

As we begin fiscal 2008, we expect the investment environment in Asia to favour those with liquid resources to deploy. While the effects, in Asia, of an expected overall global economic slowdown and tightening credit markets remain ambiguous, we believe that the Asian economies in which we invest, will remain buoyant in the long term due to growing domestic consumer demand and relatively strong economic growth. Indeed, it is likely that the current malaise in the financial markets will throw up investment opportunities at more attractive valuations than in the recent past. Over the longer term, SIHL's focus of investing in businesses with attractive risk adjusted returns in the HH&L sectors is expected to lead to sustained NAV growth.

The investment pipeline remains fairly robust and we anticipate that SIHL will continue to invest capital in a timely manner. There continues to be increasing competition in the space in which we operate and 2007 saw record capital raisings by Asian-focused investment funds. However, by leveraging the relationships of the Management Team and investing in transactions that are less competitive and more specialised, SIHL will continue to create value for shareholders.

Your company is well positioned to pursue its investment program in an attractive part of the world and I am confident that investors who are patient will be well rewarded. I want to express my gratitude to our stakeholders for their faith and support, to our business partners who are amongst the finest entrepreneurs in Asia and, of course, to the staff and employees of our Investment Manager, who are responsible for sourcing and managing our investment portfolio.

Pierangelo Bottinelli
Chairman, Symphony International Holdings Limited
4 April 2008

Financial **Highlights**

Key financial highlights

	Group		
As at 31 December (All figures in US$)	2005	2006	2007[2]
Revenue	0	521,921	831,741
Other operating income	88,548	2,544,254	7,509,118
Loss after tax	(48,568)	(3,310,695)	(13,991,782)[3]
Total assets	60,661,988	123,059,049	357,830,333
Total liabilities	2,844,536	1,170,294	510,010
Total shareholders' equity	57,817,452	121,888,755	357,320,323
NAV[1]	57,817,452	121,888,755	360,312,310
Number of share outstanding	57,010,911	94,673,775	338,259,976
NAV per share	1.01	1.29	1.07[4]

Notes:

(1) *Net asset value is based on the sum of our cash and cash equivalents, temporary investments, the fair value of unrealised investments (including investments in subsidiaries and associates) and any other assets, less all liabilities (other than liabilities relating to unrealised investments in subsidiaries and associates).*

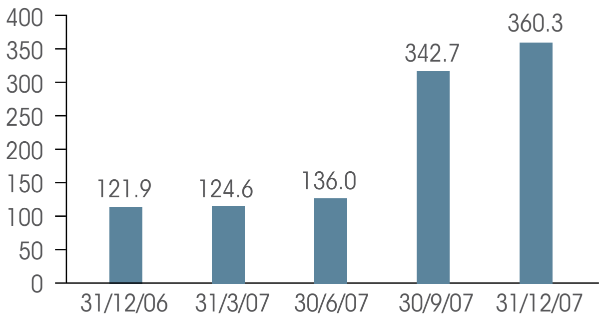
(2) *The proceeds from the IPO amounted to US$190 million before issue expenses pursuant to which 190.0 million new ordinary shares were issued. In addition to new shares issued at IPO, an additional 53.4 million shares were subscribed to and issued by way of bonus shares and Management Shares on the same day. Pre-IPO shareholders were issued bonus shares in proportion to shares held at 31 March 2007.*

(3) *Loss after tax in 2007 includes expenses for Management Shares not yet issued and share options not yet granted of US$1.6 million and US$12.2 million, respectively. Share options have an exercise price of US$1.00.*

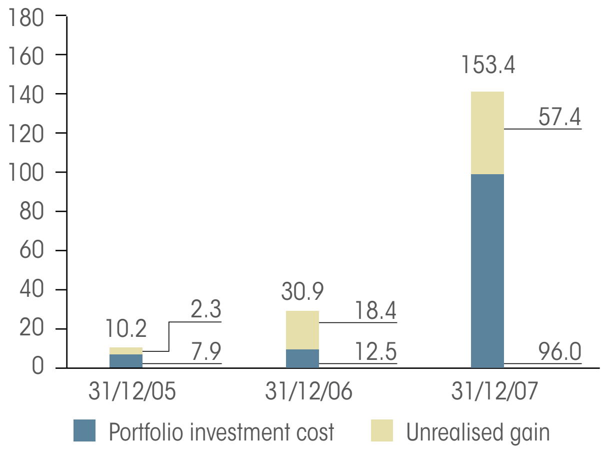
(4) *The NAV per share was designed to be reduced to approximately US$1.00 on 3 August 2007, the IPO date, with the issue of new and bonus ordinary shares*

Financial **Highlights**

Quarterly NAV[1]



Fair value of portfolio investments[2]



Notes:

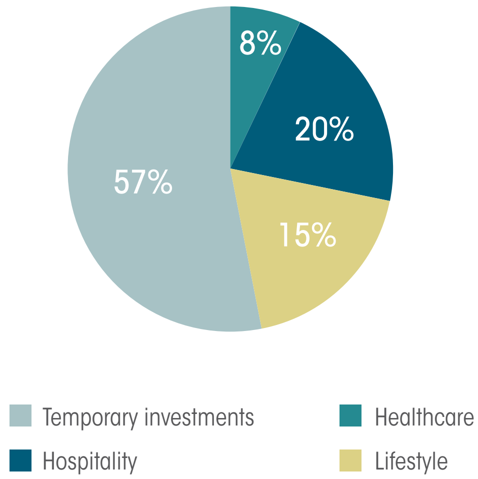
(1) Proceeds from IPO on 3 August 2007 included in subsequent NAV calculations

(2) Costs include all transactions costs. Portfolio investments exclude temporary investments

Financial **Highlights**

NAV by segment

At 31 December 2007



Investment Manager's **Report**

This "Investment Manager's Report" should be read in conjunction with the consolidated financial statements and related notes of the SIHL Group.

The consolidated financial statements of the SIHL Group were prepared in accordance with the International Financial Reporting Standards ("IFRS") and are presented in U.S. dollars.

SIHL reports on each financial year that ends on December 31. In addition to SIHL's annual reporting, NAV and NAV per share are reported on a quarterly basis on March 31, June 30, September 30 and December 31.

SIHL's NAV reported quarterly is based on the sum of cash and cash equivalents, temporary investments, the fair value of unrealised investments (including investments in subsidiaries and associates) and any other assets, less all liabilities (other than liabilities relating to unrealised investments in subsidiaries and associates).

The financial results presented herein include activity for the period from 1 January, 2007 through 31 December, 2007, referred to as "the year ended December 31, 2007."

Our business

SIHL is an investment company incorporated under the laws of the British Virgin Islands. The Company's common shares were listed on the London Stock Exchange on 3 August 2007. SIHL's investment objective is to create value for stakeholders through long term strategic private equity type investments in high growth innovative consumer businesses, primarily in the HH&L sectors, which are expected to be among the fastest growing sectors in Asia and the South-East Asian region including India, as well as through investments in special situations and structured transactions.

The Investment Manager of SIHL is Symphony Investment Managers Limited. The directors and executive officers of the Investment Manager, Symphony Asia Holdings Pte. Ltd. ("SAHPL") and Symphony Asia Limited ("SAL"), constitute the Management Team and are responsible for implementation of the investment strategy.

Investment Manager's **Report**

We look to invest in businesses that have favourable long term economic prospects, are easy to understand and are run by management teams that impress us with their passion, their knowledge of their businesses and their dedication to proper governance in the running of their businesses. We have a strong preference to acquire the entire business or a majority stake when management is our partner. However, we are not averse to investing in minority stakes in great businesses when control is simply not available.

The Management Team has developed a strong network of credible relationships among financial and other professionals across a number of geographies, particularly in the Asia Pacific region. These relationships provide substantial value to originating investment opportunities that aim to generate attractive returns and increase our NAV.

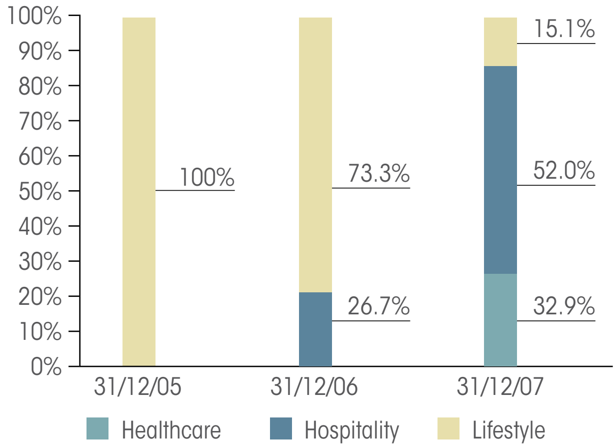
The state of the financial markets in recent months and the resulting uncertainties as to the state of markets has caused us to slow down our investment process because we feel that better opportunities may present themselves in the near term. There is already some evidence of this and we expect the pace of our investment activity to pick up in the second quarter of 2008.

Investment Manager's **Report**

Investments

During the 2007 fiscal year, SIHL invested US$83.5 million across the HH&L sectors in both existing and new investments, bringing the total cost of investments to approximately US$96.0 million at year-end. As at 31 December 2007, the hospitality, healthcare and lifestyle sectors accounted for 52.0%, 32.9% and 15.1% of invested capital, respectively.

Composition of portfolio investments by cost[1]



Cost and fair value of investments[1]

	Group		
As at 31 December 2007	Cost[2] US$	Fair value US$	% of NAV
Hospitality	49,917,795	71,165,094	19.8%
Healthcare	31,584,350	28,464,653	7.9%
Lifestyle	14,504,048	53,743,124	14.9%
Subtotal	96,006,193	153,372,871	42.6%
Temporary investments		206,994,492	57.4%
Other		(55,053)	0.0%
		360,312,310	100.0%

Note:

(1) *NAV is based on the sum of our cash and cash equivalents, temporary investments, the fair value of unrealised investments (including investments in subsidiaries and associates) and any other assets, less all liabilities (other than liabilities relating to unrealised investments in subsidiaries and associates)*

(2) *The cost of investments are based on historical cost and may not be comparable to the audited financial statements due to treatment of unrealised gains on currency exchange and exclusion of minority interests*

The fair value of investments held by SIHL increased to US$153.4 million in 2007 from US$30.9 million in 2006. This increase comprises investments made during the year that amount to US$83.5 million and unrealised gains that grew from US$18.4 million in 2006 to US$57.4 million in 2007.

As at 31 December 2007, we had the following investments:

Minor International Public Company Limited

During the 2007 fiscal year, SIHL increased its investment in Minor International Public Company Limited ("MINT"), a diversified consumer business listed on the Stock Exchange of Thailand. Anil Thadani serves on the board of directors for MINT. As at 31 December 2007, SIHL had invested, through the acquisition of shares, approximately US$49.9 million in MINT shares. SIHL's investment in

MINT is held through Symphony Capital Partners Limited, a wholly owned subsidiary. The fair value of the investment had increased to approximately US$71.2 million as at the same date.

MINT is one of Thailand's leading hotel operators with a portfolio of 15 hotels and over 2,300 rooms under the "Marriott", "Four Seasons", "Anantara" and "Minor International" brands in Thailand, Vietnam and the Maldives. MINT is also Thailand's largest food service operator with over 600 outlets under "The Pizza Company", "Swensen's", "Sizzler", "Dairy Queen" and "Burger King" among other brands. In addition, MINT operates over 50 additional outlets located in China, South East Asia and the Middle East. MINT's other businesses include spa operations, retail and residential property and entertainment.

MINT is managed by an experienced management team led by William Heinecke who is considered one of Asia's best Entrepreneur/Managers. Mr. Heinecke, who founded the MINOR Group in Thailand, has been recognized several times publicly for his various business accomplishments including his pioneering work in introducing proper governance procedures in his businesses.

Parkway Life Real Estate Investment Trust

During the 2007 fiscal year, SIHL invested US$31.0 million in Parkway Life Real Estate Investment Trust ("PREIT"). PREIT was established by Parkway Holdings Limited to invest primarily in income-producing real estate and/or real estate-related assets in the Asia Pacific region (including Singapore) that are used primarily for healthcare and/or healthcare-related purposes (including, but not limited to, hospitals, healthcare facilities and real estate and/or real estate assets used in connection with healthcare research, education, and the manufacture or storage of drugs, medicine and other healthcare goods and services). SIHL's investment in PREIT is held through Britten Holdings Pte. Ltd., an indirectly held wholly owned subsidiary.

Parkway is Asia's premier healthcare company with a regional footprint which includes Singapore, Malaysia, India, China and Vietnam. Our investment in PREIT gives us a potentially attractive exposure to both the healthcare and real estate sectors whilst earning an attractive yield.

Minor Corporation Public Company Limited

SIHL has invested approximately US$9.0 million in Minor Corporation Public Company Limited ("MINOR"), a publicly listed Thai company. SIHL's investment in MINOR is held through Symphony Capital Partners Limited, a wholly owned subsidiary. As at 31 December 2007, the fair value of the investment had increased to US$44.7 million.

MINOR is a leading distributor of international lifestyle brands in Thailand focusing primarily on fashion, cosmetics, golf equipment, aircrafts and education. Brands that MINOR distributes include Esprit, Red Earth, Bossini, Cessna, Bloom, Elemis, Tumi, Timberland, Time Life and World Book. MINOR owns and operates one of Thailand's leading contract manufacturers.

Sunil Chandiramani serves as an adviser to the board of directors of MINOR, which is part of the MINOR Group founded by William Heinecke.

In addition to the investments above, SIHL has made three additional investments; each of which constitute less than 5% of SIHL's NAV.

SIHL has signed a memorandum of understanding ("MOU") with a subsidiary of Khazanah Nasional Berhad, the investment arm of the Government of Malaysia to jointly develop a small resort in the Iskandar Development Region which is near the southern tip of Malaysia just north of Singapore. The project will consist of a small resort property which will be managed by the Amanresorts Group and some 20 private villas which will be for sale to investors looking for a weekend retreat within easy access from Singapore.

SIHL has also made a contingent prepayment related to an equity investment in a privately held property related company. The size of the investment is expected to be less than 5% of SIHL's NAV and is expected to complete in the first half of the 2008 fiscal year.

Pending our investment in suitable investment opportunities, SIHL has placed funds, including proceeds from the IPO in certain temporary investments. As at 31 December 2007, temporary investments consisted of bank deposits.

Investment Manager's **Report**

Capitalisation and NAV

As at 31 December 2007, the Company had US$306.4 million in issued share capital and its NAV was approximately US$360.3 million. SIHL's NAV is the sum of its cash and cash equivalents, temporary investments, the fair value of unrealised investments (including investments in subsidiaries and associates) and any other assets, less all liabilities (other than liabilities relating to unrealised investments in subsidiaries and associates). The audited financial statements contained herein may not account for the fair value of certain unrealised investments and furthermore, may consolidate the assets and liabilities of certain investments. Accordingly, SIHL's NAV may not be comparable to amounts in the audited financial statements.

SIHL was admitted to the Official List of the London Stock Exchange ("LSE") on 3 August 2007 under Chapter 14 of the Listing Manual of the LSE. The proceeds from the IPO amounted to US$190.0 million before issue expenses pursuant to which 190.0 million new ordinary shares were issued in the IPO. In addition to these 190.0 million ordinary shares, a further 53.4 million ordinary shares were issued comprised of the subscription of 13.2 million ordinary shares by investors and SIHL's investment manager, the issue of 33.1 million bonus ordinary shares, and the issue of 7.1 million ordinary shares to SIHL's investment manager credited as fully paid raising the total number of issued shares to 338.3 million. The NAV per share was designed to be reduced to approximately US$1.00, the IPO price, on 3 August 2007 with the issue of new and bonus ordinary shares.

The primary measure of SIHL's financial performance and the performance of its subsidiaries will be the change in the NAV per share resulting from changes in the fair value of investments. The NAV and NAV per share for the 2005, 2006 and 2007 fiscal years and for the quarterly periods ended on March 31, June 30, September 30 and December 31, 2007 are as follows:

	Group		
As at	31-Dec-05	31-Dec-06	31-Dec-07
NAV	57,817,452	121,888,755	360,312,310
No. of shares	57,010,911	94,673,775	338,259,976
NAV / share	1.01	1.29	1.07

	Group		
As at	31-Mar-07	30-Jun-07	30-Sep-07[1]
NAV	124,626,122	135,956,428	342,735,863
No. of shares	94,877,042	94,878,660	338,259,976
NAV / share	1.31	1.43	1.01

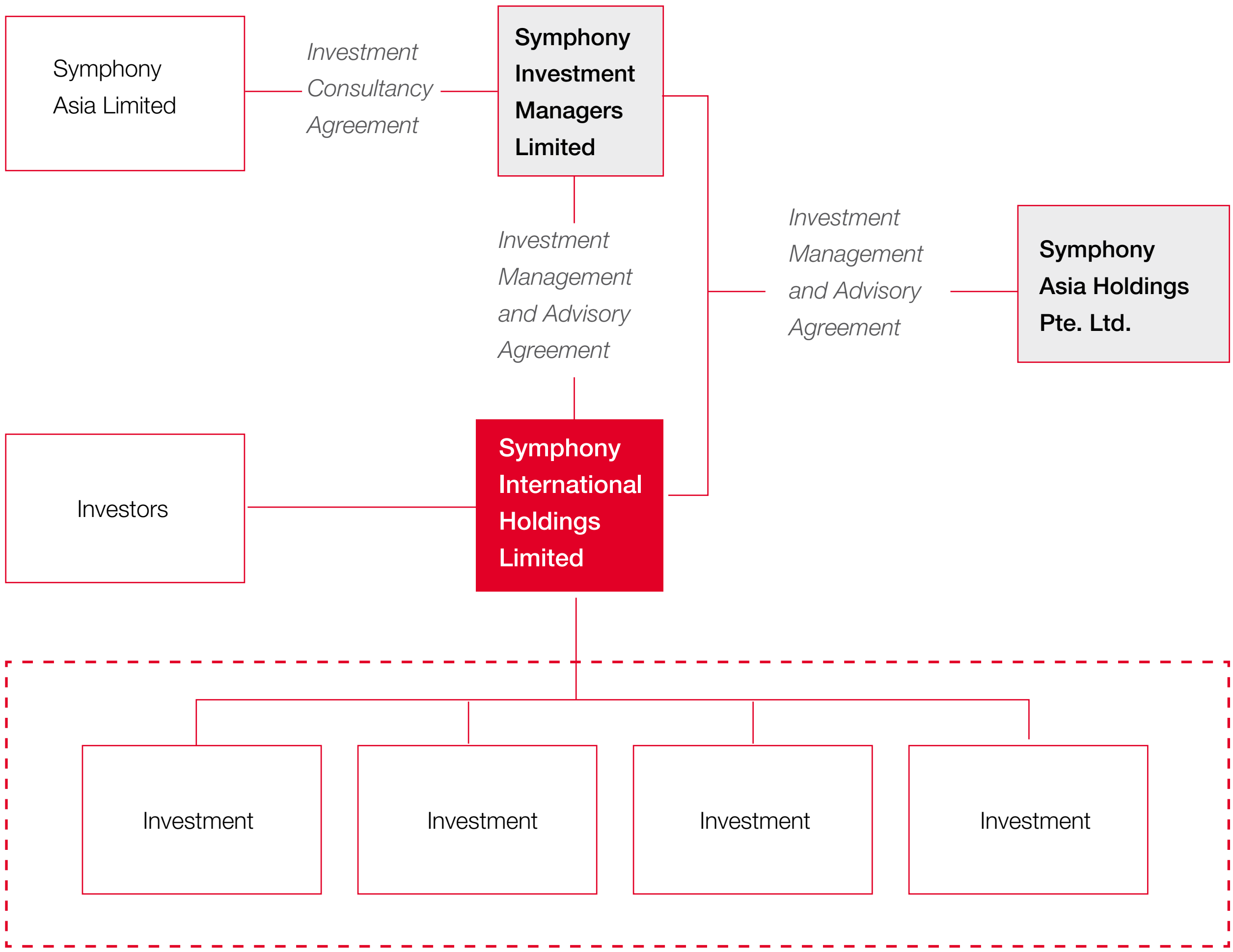
Note:

(1) At 30 September 2007 the NAV per share was US$1.01 against US$1.43 at 30 June 2007. The NAV per share was designed to be reduced to approximately US$1.00 on 3 August 2007, the IPO date.

NAV per share at 31 December 2007 was US$1.07. This represents absolute and annualised growth of 6.5% and 15.8%, respectively, from the IPO price.

Investment Manager's **Report**

Organisational structure



Revenue and other operating income

Revenue

During the 2007 fiscal year, SIHL received dividend income amounting to US$831,741 from quoted equity investments. This represents an increase of 59.4% from dividends received during the 2006 fiscal year.

Other operating income

Other operating income predominantly consists of interest income from temporary investments. During the 2007 fiscal year, SIHL earned US$7.5 million in other operating income. This represents an increase of 195.1% year over year.

Operating expenses

Management fees

The management fees amounted to US$4.7 million for the year ended 31 December 2007. The management fees were calculated on the basis of 2.25% of committed capital during the pre-IPO period and 2.25% of NAV (with a floor and cap of US$8.0 million and US$15.0 million per annum respectively) during the post IPO period. Accordingly, management fees for the period 1 January to 2 August 2007 amounted to US$1.4 million and for the period 3 August to 31 December 2007 amounted to US$3.3 million. No management fees were paid in the years ended 31 December, 2006 and 31 December, 2005 under the terms of the subscription agreement made with the pre-IPO investors.

Investment Manager's **Report**

Other operating expenses

Other operating expenses consist of fees for professional services, insurance, communication, travel, other miscellaneous expenses, costs incurred for analysis of proposed deals and minor foreign exchange gains and losses.

Management share expense

As part of the Investment Management and Advisory Agreement with SIHL, the Investment Manager is entitled to Management Shares of up to an aggregate amount equal to 5% of newly issued capital representing part of the remuneration for investment advice and services rendered. 20% of the Management Shares are eligible for issue at the first quarter end following each anniversary of the proposed admission of the shares. During the period up to the IPO, the Investment Manager was granted a total of 2,146,379 shares leading to a Management Share expense of US$2.2 million. In addition, an expense was recognised for 10,298,726 Management Shares not yet issued and apportioned for the period from 3 August 2007 to 31 December 2007 associated with the increase in share capital from the IPO. The expense for these Management Shares not yet issued amounted to US$1.6 million.

Share options expense

Under terms of the Investment Management and Advisory Agreement, the Investment Manager was to be granted Share Options on the date of admission to the official list of the London Stock Exchange. The grant date of these share options has been deferred to the first anniversary of the date of admission. A total of 82,782,691 options will be granted with an exercise price of US$1.00 and will vest and become exercisable by the Investment Manager in five equal tranches over a period of five years from the date of grant. An expense was recognised based on the fair value of the Share Options calculated using the Black-Scholes option pricing model. Based on a fair value of US$0.78 per option and apportioning for the period from 3 August to 31 December 2007, an expense of US$12.2 million was recognised in the income statement with a corresponding increase in equity in 2007.

Taxes

Substantially all the taxes paid by the Group in the years ending 31 December 2007 and 31 December 2006 were withholding taxes on dividends received.

Liquidity and Capital Resources

At 31 December 2007, SIHL's cash balance was US$206.7 million. During the year ended 31 December 2007, cash provided by financing activities amounted to US$195.8 million which resulted from IPO proceeds, net of costs. Cash provided by financing activities was offset by cash used in investing activities that primarily comprised investments and amounted to US$82.8 million during the 2007 fiscal year.

SIHL's primary uses of cash are to fund private equity type investments and investments in special situations and structured transactions, to make distributions to shareholders if and when declared by our board of directors, and to pay operating expenses. Taking into account current market conditions, it is expected that SIHL's sources of liquidity described below will be sufficient to fund working capital requirements.

The initial sources of liquidity were the capital contributions received in connection with the initial public offering of shares and related transactions. (See a description of the initial offering above under "Capitalisation and NAV" above).

SIHL receives cash from time to time from its investments. This cash is in the form of dividends on equity investments, payments of interest and principal on fixed income investments and cash consideration received in connection with the disposal of investments. Temporary investments made in connection with SIHL's cash management activities provide a more regular source of cash than less liquid private equity and opportunistic investments, but generate lower expected returns. Other than amounts that are used to pay expenses and make distributions, if any, to our shareholders, any cash generated by investments is reinvested in accordance with SIHL's investment policies and procedures.

SIHL may enter into one or more credit facilities or utilise other financial instruments from time to time with the objective of increasing the amount of cash that SIHL has available for working capital or for making opportunistic or temporary investments. At 31 December 2007, the Group had not entered into any such financing arrangements.

Investment Manager's **Report**

Principal Risks

Described below are some of the risks that the Company is exposed to:

- The Company is an investment company with a different structure and a different investment strategy compared to that of a typical private equity vehicle. As an "evergreen" vehicle, the Company is not constrained by limited time frames of traditional private equity vehicles and it is more likely that the Company will invest as a long-term strategic partner in investments that may be less liquid and which are less likely to increase in value in the short-term.

- The Company may also make investments in special situations and structured transactions which have different risks compared to traditional private equity investments. Such investments are typically in companies which have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Investments that fall into this category tend to have relatively short holding periods and entail little or no participation in the board of the company in which such investments are made. The Company may invest up to 30 per cent. of its total assets (as determined at the time of each investment) in special situations and structured transactions

- Pending the making of private equity investments and investments in special situations and structured transactions, SIHL's capital will be temporarily invested in liquid investments and managed by a third party investment manager of international repute, held on deposit with commercial banks and/or invested in temporary investments which are expected to generate returns that are substantially lower than the returns SIHL would expect from private equity investments or special situations and structured transactions.

- The market value of the Company's shares and warrants, as well as being affected by their net asset value, also takes into account their supply and demand. As such, the market value of a share or warrant can fluctuate and may not always reflect its underlying net asset value.

- Changes in economic conditions of the countries in which the Company may have investments (for example, interest rates, inflation, industry conditions, competition, tax laws, changes in the law, political and diplomatic events and other factors) could substantially affect the value and adversely or positively affect the Company's prospects, in addition to the value of shares and warrants.

- The Company expects to make investments in companies in emerging markets which will expose the Company to additional risks not typically associated with investments in companies that are based in developed markets. Investments denominated in foreign currencies will be subject to foreign currency risks.

- The Company's investment policies and procedures do not contain any fixed requirement for investment diversification. The Company will focus on investing not less than 70 per cent. of its total assets (as determined at the time of each investment) in long-term private equity investments in businesses in the Hospitality, Healthcare and Lifestyle sectors in the Asia-Pacific region and not more than 30 percent. of its total assets (as determined at the time of each investment) in special situations and structured transactions. The Company's investments could therefore be concentrated in a relatively small number of companies in the abovementioned sectors within Asia-Pacific and could also be focused on a few specific types of investment.

- The Company operates in a highly competitive market for investments. The Company's performance is affected by pricing when making and exiting an investment. The ability of the Company to achieve financial returns on investments could be hampered by disclosure of certain sensitive information. As such, the Company will not disclose pricing and valuation information in order to prevent (a) sellers of potential investments in private companies from determining how much the Company has paid for certain investments in comparable private companies which are similar to their potential investment, as this could lead to unfair price comparisons and (b) buyers of the Company's existing investments from determining how much the Company initially paid for its investments, as this will affect the Company's competitive advantage during the exit price negotiation process and may prevent the Company from maximizing value for its Shareholders.

Anil Thadani
Chairman, Symphony Investment Managers Limited
4 April 2008

Board of **Directors**

Pierangelo Bottinelli

Chairman of the Board of Directors
Member of the Audit Committee
Member of the Nominations Committee

Mr. Bottinelli is based in Geneva and is the Chairman of our Company. He was appointed to the Board of Directors of our Company on 31 December 2005. Mr. Bottinelli started his career as a merchant banker with AG Becker (now part of Merrill Lynch) in 1970 after which he spent four years between 1985 and 1989 at Wertheim Schroder. He was a Managing Director at Schroder Securities for nine years before becoming the Managing Director of Quaker Securities in 2000 and which position he held till 2005. Mr. Bottinelli sits on the boards of several companies in Singapore, Switzerland and the UK and he is currently a director of Audemars Piguet Group Holding and the Chairman of Lansdowne Partners Limited.

Georges Gagnebin

Chairman of the Nominations Committee
Member of the Audit Committee

Mr. Gagnebin is based in Zurich and was appointed to the Board of Directors of our Company on 8 July 2007. He is presently the Vice Chairman of Julius Baer Holding Ltd. and Bank Julius Baer & Co. Ltd. Prior to joining the Julius Baer Group in 2005, Mr. Gagnebin held several executive positions at UBS AG including, Head of International Clients for Europe, Middle East and Africa in the private banking division, member of the Group Managing Board, member of the Group Executive Board, Chief Executive Officer of Private Banking, Chairman of Wealth Management and Business Banking, and the Vice-Chairman of SBC Wealth Management AG. From 1969 to 1998, Mr. Gagnebin held various positions at the Swiss Bank Corporation, including, serving as member of the management committee. He was awarded an official diploma from the Swiss Federal Bank in 1972.

Rajiv K. Luthra

Chairman of the Audit Committee
Member of the Nominations Committee

Mr. Luthra is based in New Delhi and was appointed to the Board of Directors of our Company on 8 July 2007. He is the founder and managing partner of Luthra & Luthra Law Offices, a law firm in India. Mr. Luthra has been rendering advice for over three decades, on a vast range of commercial transactions involving corporate, tax and civil law issues. He has guided various disinvestment, privatization and restructuring assignments and is also experienced in the structuring of foreign investment into India. Mr. Luthra serves on several high-level committees including, the Advisory Board to the Competition Commission of India, the National Committee on Energy, and the Core Group on Infrastructure Development of the Confederation of Indian Industries. Mr. Luthra is also the convener of the committee formed to advise the Government of India on the liberalization of legal services in India.

Board of **Directors**

Anil Thadani

Member of the Nominations Committee

Mr. Thadani is based in Singapore and was appointed to the Board of Directors of our Company on 16 February 2004. He has worked in Asia since 1975 and has been involved in Asian private equity since 1981 through a private investment company, which he co-founded and which was one of the first private equity investment companies in Asia, and subsequently, Schroder Capital Partners. Before entering private equity, Mr. Thadani worked for Bank of America in the United States, Japan, the Philippines and Hong Kong. He serves on the boards of several companies and is also a member of the board of trustees of the Singapore Management University and a member of the investment committee responsible for overseeing its endowment fund. Mr. Thadani has a B Tech in Chemical Engineering from the Indian Institute of Technology, Madras, an MSc in Chemical Engineering from the University of Wisconsin, Madison and an MBA from the University of California at Berkeley.

Sunil Chandiramani

Member of the Audit Committee

Mr. Chandiramani is based in Hong Kong and was appointed to the Board of Directors of our Company on 16 February 2004. Mr. Chandiramani has over 17 years of experience in private equity transactions in multiple industry sectors across Asia and the United States. He also sits on the boards of a number of companies and is presently the vice chairman of Parkway Holdings Limited, a regional healthcare company listed in Singapore. Mr. Chandiramani's experience in Asian private equity was initially as a partner with a private investment company and subsequently with Schroder Capital Partners. Prior to that, he worked on leveraged buyouts and acquisitions for the Structured Finance Group at Bankers Trust in New York. Mr. Chandiramani has a BCom (Hons) from the Shri Ram College of Commerce, Delhi University and an MBA from the Wharton School of Business of the University of Pennsylvania.

Corporate **Information**

Company	Symphony International Holdings Limited
Directors	Pierangelo Bottinelli (Chairman and Independent Director) Georges Gagnebin (Independent Director) Rajiv K. Luthra (Independent Director) Anil Thadani Sunil Chandiramani
Registered Office	P.O. Box 957 Offshore Incorporations Centre Road Town Tortola British Virgin Islands
Registered Agent	Offshore Incorporations Limited P.O. Box 957 Offshore Incorporations Centre Road Town Tortola British Virgin Islands
Share Registrar and Share Transfer Agent	Capita Registrars (Guernsey) Limited 2nd Floor, No. 1 Le Truchot St. Peter Port Guernsey GY1 4AE
Warrant Registrar	Capita Registrars (Guernsey) Limited 2nd Floor, No. 1 Le Truchot St. Peter Port Guernsey GY1 4AE
Investment Manager	Symphony Investment Managers Limited P.O. Box 957 Offshore Incorporations Centre Road Town Tortola British Virgin Islands
Auditors	KPMG Public Accountants and Certified Public Accountants 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581

Independent Auditors' Report

Members of the Company
Symphony International Holdings Limited

We have audited the consolidated financial statements of Symphony International Holdings Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet of the Group as at 31 December 2007, the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 18 to 41.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group give a true and fair view of the consolidated financial position of the Group as at 31 December 2007, and of its consolidated financial performance, consolidated changes in equity and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG
Public Accountants and
Certified Public Accountants

Singapore
4 April 2008

Consolidated Balance Sheet

Year ended 31 December 2007

	Note	2007 US$	2006 US$
Non-current assets			
Available-for-sale financial assets	3	144,322,807	30,252,468
Prepayments		135,671	–
		144,458,478	30,252,468
Current assets			
Other receivables and prepayments	4	6,710,492	2,017,269
Amounts due from shareholders (non-trade)	5	–	3,030
Amount due from Investment Manager (non-trade)	6	780	–
Cash and cash equivalents	7	206,660,583	90,786,282
		213,371,855	92,806,581
Total assets		357,830,333	123,059,049
Equity attributable to equity holders of the Company			
Share capital	8	306,365,214	101,369,196
Reserves	9	68,471,471	24,044,149
Accumulated losses		(17,516,362)	(3,524,590)
		357,320,323	121,888,755
Minority interests		–	–
Total equity carried forward		357,320,323	121,888,755

The accompanying notes form an integral part of these financial statements.

Consolidated Balance Sheet (cont'd)

Year ended 31 December 2007

	Note	2007 US$	2006 US$
Total equity brought forward		357,320,323	121,888,755
Non-current liabilities			
Amounts due to minority shareholders (non-trade)	10	147,609	51,142
Current liabilities			
Bank overdraft	7	15,969	–
Accrued operating expenses		283,976	1,057,644
Other payables	11	53,428	57,290
Amounts due to companies in which certain directors have substantial financial interests (non-trade)	12	–	4,218
Current tax payable		9,028	–
		362,401	1,119,152
Total liabilities		510,010	1,170,294
Total equity and liabilities		357,830,333	123,059,049

Approved by:

Anil Thadani
Director

Sunil Chandiramani
Director

4 April 2008

The accompanying notes form an integral part of these financial statements.

Consolidated Income Statement
Year ended 31 December 2007

	Note	2007 US$	2006 US$
Revenue	13	831,741	521,921
Other operating income		7,509,118	2,544,254
Management fees		(4,677,316)	–
Management shares expense		(3,803,971)	(6,094,462)
Share options expense		(12,181,223)	–
Singapore stock exchange listing expenses written off		(998,555)	–
Other operating expenses		(537,489)	(230,216)
Loss before income tax	14	(13,857,695)	(3,258,503)
Income tax expense	15	(134,087)	(52,192)
Loss for the year		(13,991,782)	(3,310,695)
Attributable to:			
Equity holders of the Company		(13,991,772)	(3,310,685)
Minority interests		(10)	(10)
Loss for the year		(13,991,782)	(3,310,695)
Earnings per share:		**US Cents**	**US Cents**
Basic	16	(6.55)	(3.57)
Diluted	16	(6.41)	(3.57)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 December 2007

	Note	Share capital US$	Equity compensation reserve US$	Fair value reserve US$	Foreign currency translation reserve US$	Accumulated losses US$	Total attributable to equity holders of the Company US$	Minority interests US$	Total equity US$
At 1 January 2006		55,760,536	–	2,270,821	–	(213,905)	57,817,452	–	57,817,452
Changes in fair value of available-for-sale financial assets/Net gain recognised directly in equity		–	–	15,678,866	–	–	15,678,866	–	15,678,866
Net loss for the year		–	–	–	–	(3,310,685)	(3,310,685)	(10)	(3,310,695)
Total recognised income and expense for the year		–	–	15,678,866	–	(3,310,685)	12,368,181	(10)	12,368,171
Issue of shares	8	46,479,770	–	–	–	–	46,479,770	–	46,479,770
Share placement fee		(871,110)	–	–	–	–	(871,110)	–	(871,110)
Value of services received for issue of management shares		–	6,094,462	–	–	–	6,094,462	–	6,094,462
Capital contribution in subsidiary		–	–	–	–	–	–	10	10
At 31 December 2006		101,369,196	6,094,462	17,949,687	–	(3,524,590)	121,888,755	–	121,888,755

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity(Cont'd)

Year ended 31 December 2007

	Note	Share capital US$	Equity compensation reserve US$	Fair value reserve US$	Foreign currency translation reserve US$	Accumulated losses US$	Total attributable to equity holders of the Company US$	Minority interests US$	Total equity US$
At 1 January 2007		101,369,196	6,094,462	17,949,687	–	(3,524,590)	121,888,755	–	121,888,755
Changes in fair value of available-for-sale financial assets		–	–	34,927,268	–	–	34,927,268	–	34,927,268
Foreign currency translation differences in relation to financial statements of foreign operations		–	–	–	1,805,317	–	1,805,317	–	1,805,317
Net gain recognised directly in equity		–	–	34,927,268	1,805,317	–	36,732,585	–	36,732,585
Net loss for the year		–	–	–	–	(13,991,772)	(13,991,772)	(10)	(13,991,782)
Total recognised income and expense for the year		–	–	34,927,268	1,805,317	(13,991,772)	22,740,813	(10)	22,740,803
Issue of shares	8	211,550,456	(8,290,457)	–	–	–	203,259,999	–	203,259,999
Share placement fee		(6,500)	–	–	–	–	(6,500)	–	(6,500)
London stock exchange listing expenses		(6,547,938)	–	–	–	–	(6,547,938)	–	(6,547,938)
Value of services received for issue of management shares		–	3,803,971	–	–	–	3,803,971	–	3,803,971
Value of services received for issue of share options		–	12,181,223	–	–	–	12,181,223	–	12,181,223
Capital contribution in subsidiary		–	–	–	–	–	–	10	10
At 31 December 2007		306,365,214	13,789,199	52,876,955	1,805,317	(17,516,362)	357,320,323	–	357,320,323

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

Year ended 31 December 2007

	Note	2007 US$	2006 US$
Operating activities			
Loss before income tax		(13,857,695)	(3,258,503)
Adjustments for:			
Exchange differences		180,972	–
Dividend income		(831,741)	(521,921)
Interest income		(7,388,314)	(2,531,644)
Gain on disposal of subsidiary		(5,821)	–
Management shares expense		3,803,971	6,094,462
Share options expense		12,181,223	–
Singapore stock exchange listing expenses written off		998,555	–
		(4,918,850)	(217,606)
Changes in working capital:			
Increase in other receivables and prepayments		(173,080)	(100,881)
Increase in accrued operating expenses		268,325	45,094
Increase in amount due from Investment Manager		(780)	–
Cash used in operations		(4,824,385)	(273,393)
Dividend received		746,847	52,192
Interest received		6,928,644	2,399,544
Income taxes paid		(1,331)	–
Cash flows from operating activities		2,849,775	2,178,343
Investing activities			
Purchase of available-for-sale financial assets		(77,521,397)	(3,997,644)
Downpayment for the purchase of investment properties		(1,221,760)	(646,034)
Loans to an investee company		(3,250,000)	–
Deposit for the acquisition of shares in an investee company		(838,926)	–
Cash flow from investing activities		(82,832,083)	(4,643,678)
Financing activities			
Proceeds from shareholders for subscription of shares		203,263,029	53,784,628
Subscription proceeds for unallotted shares refunded		–	(1,985,461)
Share placement fee paid		(49,251)	(640,711)
Listing expenses paid		(7,468,212)	(114,687)
Repayment to companies in which certain directors have substantial financial interests		(4,218)	(326,971)
Receipts from minority interests		96,628	51,152
Cash flows from financing activities		195,837,976	50,767,950
Net increase in cash and cash equivalents		115,855,668	48,302,615
Cash and cash equivalents at beginning of year		90,786,282	42,483,667
Effect of exchange rate fluctuations		2,664	–
Cash and cash equivalents at end of year	7	206,644,614	90,786,282

During the financial year ended 31 December 2006, there were the following non-cash transactions (2007: Nil):

- Stock dividend from quoted equity investment received amounting to US$417,537; and
- 78,312 ordinary shares of no par value were issued and credited as fully paid at US$1.0738 each, 379,613 at US$1.2566 each and 103,426 at US$1.2666 each in settlement of share placement fees payable by the Company.

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 4 April 2008.

1 Domicile and activities

Symphony International Holdings Limited (the Company) was incorporated in the British Virgin Islands (BVI) on 5 January 2004 as a limited liability company under the International Business Companies Ordinance, under the name of Success Future Investments Limited. On 16 February 2004, the Company changed its name to Symphony International Holdings Limited. The Company voluntarily re-registered as a BVI Business Company under the BVI Companies Act on 17 November 2006. The Company has its registered office at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The Company does not have a principal place of business as the Company carries out its principal activities under the advice of its investment manager.

The principal activities of the Company are those relating to an investment holding company while those of its subsidiaries consist primarily of making strategic investments with the objective of increasing the consolidated net asset value through long-term strategic private equity investments in consumer-related businesses, primarily in the hospitality, healthcare and lifestyle sectors, as well as investments in special situations and structured transactions which have the potential of generating attractive returns.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the Group).

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis except for available-for-sale financial assets which are stated at fair value. The financial statements are presented in United States (US) dollars, which is the Company's functional currency, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 2.3 – Determination of functional currencies of Group entities
- Note 9 – Valuation of management shares and share options

Except as disclosed above, there are no other significant areas of estimation uncertainty or critical judgements in the application of accounting policies that have significant effect on the amount recognised in the financial statements.

The accounting policies set out below have been applied consistently by the Group. The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

2.2 Consolidation

Business combinations

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is measured at cost less accumulated impairment losses. Goodwill arising on the acquisition of subsidiaries is presented as intangible assets.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to the income statement in the period of the acquisition.

Goodwill arising on the acquisition of a minority interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of exchange.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

All significant intragroup transactions, balances and unrealised gains or losses are eliminated on consolidation.

2.3 Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency).

For the purposes of determining the functional currencies of Group entities, management has considered the following factors:

- The principal activities of the Company are those relating to an investment holding company. Funding obtained through the issuance of ordinary shares and loans advanced to subsidiaries for their investment purposes are denominated in US dollars.

- The principal activities of the subsidiaries are those relating to making strategic investments. Functional currencies of the subsidiaries are determined based on the currency in which funding is obtained and obligations arising from the acquisition of investments are settled.

2.4 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of Group entities at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rates at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the income statement except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below) and available-for-sale equity instruments which are recognised directly in equity.

2.4 Foreign currencies (cont'd)

Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Company's net investment in a foreign operation are recognised in the Company's income statement. Such exchange differences are reclassified to equity in the consolidated financial statements. When the foreign operation is disposed of, the cumulative amount in equity is transferred to the income statement as an adjustment to the profit or loss arising on disposal.

Foreign operations

The assets and liabilities of foreign operations are translated into US dollars for consolidation at the exchange rates prevailing at the balance sheet date. The income and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. Goodwill and fair value adjustments arising from acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Exchange differences arising on translation are recognised directly in equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to the income statement.

2.5 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise available-for-sale financial assets, other receivables and prepayments, cash and cash equivalents, accrued operating expenses and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at settlement date, i.e., the date that an asset is delivered to or by the Group. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash and bank balances, deposits with financial institutions, and placements in money market funds. Bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Available-for-sale financial assets

Investments held as part of the Group's investment portfolio are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses and foreign exchange gains and losses on available-for-sale monetary items, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the income statement.

Others

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

2.5 Financial instruments (cont'd)

Share capital

Ordinary shares are classified as equity as there is no contractual obligation for the Company to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.6 Investment properties

Investment properties are properties held either to earn rental income or capital appreciation or both. They do not include properties for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes.

Downpayments for the purchase of properties that are being constructed or developed for future use as investment properties are stated at cost less accumulated impairment losses until construction or development is completed, at which time they are remeasured to fair value and reclassified as investment properties. Any gain or loss arising on remeasurement is recognised in the income statement.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

2.7 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill, recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity.

2.7 Impairment (cont'd)

Non-financial assets (cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Change in accounting policy

The Group adopted IFRIC 10 *Interim Financial Reporting and Impairment* on 1 January 2007. As a result, the impairment loss on available-for-sale equity instruments, financial assets carried at cost and goodwill recognised in an interim period cannot be reversed even if the impairment loss would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or balance sheet date.

The change in accounting policy has been applied retrospectively in accordance with the transitional provisions of IFRIC 10. This change has no impact on the Group's financial statements.

2.8 Share-based payments

The share option programme allows the option holders to acquire shares of the Company. The fair value of options granted to the Investment Manager is recognised as an expense in the income statement with a corresponding increase in equity. The fair value is measured when the services are received and spread over the period during which the Investment Manager becomes unconditionally entitled to the options. At each balance sheet date, the Company revises its estimates of the number of options that are expected to vest. The amount recognised as an expense over the vesting period is adjusted to reflect the actual number of share options that vest.

The proceeds received net of any directly attributable transactions costs are credited to share capital when the options are exercised.

The fair value of management shares granted to the Investment Manager is recognised as an expense, with a corresponding increase in equity, over the vesting period i.e. when the Investment Manager becomes unconditionally entitled to the management shares.

2.9 Revenue recognition

Dividends

Dividend income is recognised on the date that the shareholder's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Interest income

Interest income from deposits with financial institutions and placements in money market funds is recognised as it accrues, using the effective interest method.

2.10 Finance cost

All borrowing costs are recognised in the income statement using the effective interest method.

2.11 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3 Available-for-sale financial assets

	2007 **US$**	**2006** **US$**
Quoted equity securities	116,478,363	30,252,468
Quoted units in real estate investment trust	27,844,444	–
	144,322,807	30,252,468

Available-for-sale financial assets represent investments in quoted equity securities and units in real estate investment trust listed on The Stock Exchange of Thailand and Singapore Exchange Securities Trading Limited.

4 Other receivables and prepayments

	2007 **US$**	**2006** **US$**
Accrued interest receivable	600,747	139,546
Prepaid listing expenses	–	1,118,354
Other prepayments	79,090	108,477
Deposit for acquisition of shares in investee company	838,926	–
Downpayment for the purchase of investment properties	1,865,892	646,034
Loans to an investee company	3,250,000	–
Other assets	75,837	4,858
	6,710,492	2,017,269

Prepaid listing expenses include expenditure incurred directly in connection with the listing of the ordinary shares of the Company on the London Stock Exchange which has been set off against the share capital account upon admission on 3 August 2007. The remaining prepaid listing expenses have been recognised in the income statement during the financial year.

Deposit for acquisition of shares in investee company relates to deposit paid of THB 25.0 million (2006: nil) to acquire a 50% equity interest in a company incorporated in Thailand with principal activities relating to the rental of office buildings and investment in land development and other various projects.

Downpayment for the purchase of investment properties relates to amounts totalling HKD 14.5 million (2006: HKD 5.0 million) paid for the acquisition of residential properties in Macau for investment purposes. The construction of such residential properties is expected to be completed by 31 December 2009.

Loans to an investee company is secured by a pledge of shares in the investee company and a personal guarantee from a shareholder of the investee company, and are repayable at the earlier of 30 June 2008 or the date that the investee company receives proceeds from the issuance of additional share capital. Interest is charged at 10% (2006: 10%) per annum.

5 Amounts due from shareholders (non-trade)

The non-trade amounts due from shareholders relate to subscription proceeds receivable from the shareholders of the Company. The amounts were unsecured and interest-free, and were repaid during the financial year.

6 Amount due from Investment Manager (non-trade)

The non-trade amount due from the Investment Manager relates to payments made on behalf of the Investment Manager by the Group. The amount is unsecured and interest-free, and is repayable on demand.

7 Cash and cash equivalents

	2007 US$	2006 US$
Placements in money market fund	4,189,937	20,040,592
Fixed deposits with financial institutions	202,425,589	64,442,246
Cash at bank	45,057	6,303,444
	206,660,583	90,786,282
Bank overdrafts (secured)	(15,969)	–
Cash and cash equivalents in the consolidated cash flow statement	206,644,614	90,786,282

Bank overdrafts are secured by a pledge of fixed deposits placed with a financial institution.

The effective interest rates on the placements in the money market fund as at 31 December 2007 was 5.55% (2006: 5.23%) per annum. Interest rates reprice on a daily basis.

The effective interest rates on fixed deposits with financial institutions as at 31 December 2007 was 4.35% (2006: 5.23%) per annum. Interest rates reprice at intervals of one to four weeks.

The effective interest rate on the bank overdrafts as at 31 December 2007 was 12% (2006: nil%) per annum. Interest rates reprice on a monthly basis.

8 Share capital

	2007 Number of shares	2006 Number of shares
Fully paid ordinary shares, with no par value:		
At 1 January	94,673,775	57,010,911
Issue of shares	20,509,890	37,662,864
Issue of bonus shares	33,076,311	–
Shares issued pursuant to initial public offering and private placement	190,000,000	–
At 31 December	338,259,976	94,673,775

Share capital in the balance sheet represents subscription proceeds received from, and the amount of liabilities capitalised through, the issuance of ordinary shares of no par value in the Company, less transaction costs directly attributable to equity transactions.

The Company does not have an authorised share capital and is authorised to issue an unlimited number of no par value shares.

In the previous financial year, 37,662,864 new ordinary shares of no par value were issued for cash at between US$1.0738 and US$1.3262 each.

During the year, 13,380,681 ordinary shares of no par value were issued for cash at between US$0.9690 and US$1.2690 each. In addition, 7,129,209 ordinary shares of no par value were issued to the Investment Manager and credited as fully paid in consideration for investment management and advisory services rendered. The Company also issued 33,076,311 bonus shares credited as fully paid for 102,378,660 ordinary shares of no par value held by the existing shareholders of the Company as of 31 March 2007.

On 3 August 2007, 190,000,000 ordinary shares of no par value were issued for cash at US$1 each pursuant to the initial public offering and private placement of the shares in the capital of the Company.

During the year, the Company also issued 70,565,365 warrants to subscribe for new ordinary shares of no par value in the Company at an exercise price of US$1.25 each, on the basis of 1 warrant for every 2 ordinary shares held by the existing shareholders of the Company prior to the admission to the official list on the London Stock Exchange, but excluding the 7,129,209 ordinary shares issued to the Investment Manager as disclosed in the preceding paragraph. On 3 August 2007, 38,000,000 warrants were issued in connection with the initial public offering and private placement of the shares on the basis of 1 warrant for every 5 ordinary shares issued.

As at 31 December 2007, the issued share capital of the Company included 8,386,471 (2006: 1,257,262) ordinary shares credited as fully paid in consideration for share placement and investment management and advisory services rendered to the Company. At the balance sheet date, 108,565,365 (2006: nil) warrants were outstanding in the share capital of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings of the Company. All shares rank equally with regard to the Company's residual assets.

9 Reserves

Equity compensation reserve

The equity compensation reserve comprises value of management shares and share options issued or to be issued for investment management and advisory services received by the Company (refer to note 17 to the financial statements).

The value of investment management and advisory services received is determined with reference to the fair value of management shares and share options issued or to be issued by the Company.

Management shares

In the absence of quoted market prices for the ordinary shares of the Company prior to their listing on the London Stock Exchange, management is of the view that the consolidated net asset value per share of the Company represents an estimate of the fair value of management shares based on the following:

- Available-for-sale financial assets are stated at fair value and the carrying amounts of other financial assets and liabilities approximate their fair values.

- There are no significant unrecorded contingent liabilities which may potentially affect the valuation of the Group.

Subsequent to the listing, the fair value of the management shares is determined based on the market price of the shares at the measurement date, adjusted to take into account the terms and conditions (other than vesting conditions) upon which the management shares are granted.

The fair value of management shares as at 31 December 2007 was US$0.91 (2006: US$1.22) per share.

Share options

In the structuring of the compensation payable under the Investment Management and Advisory Agreement, the value of the share options was considered to be measurable using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price, expected volatility, expected option life, expected dividends and risk-free interest rate.

Fair value of share options and assumptions

Fair value as at 31 December 2007	US$0.78
Share price	US$0.91
Exercise price	US$1.00
Expected volatility	40.0%
Expected option life	10 years
Expected dividends	Nil
Risk-free interest rate	4.31%

The expected volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share options. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of services to be received at the measurement date.

Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised.

Foreign currency translation reserve

The foreign currency translation reserve of the Group comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company, and the exchange differences on monetary items which form part of the Group's net investment in the foreign operations, provided certain conditions are met.

10 Amounts due to minority shareholders (non-trade)

The non-trade amounts due to minority shareholders are unsecured and interest-free. The settlement of the amounts is neither planned nor likely to occur in the foreseeable future. As the amounts are in substance, a part of the minority shareholders' net investment in a subsidiary, they are stated at cost.

11 Other payables

	2007 **US$**	**2006** **US$**
Placement fee payable	–	42,751
Subscription proceeds refundable	14,539	14,539
Withholding tax payable	38,889	–
	53,428	57,290

Subscription proceeds refundable relate to amounts received from potential investors in excess of the value of the issued and allotted shares in the Company.

12 Amounts due to companies in which certain directors have substantial financial interests (non-trade)

The non-trade amounts due to companies in which certain directors have substantial financial interests are unsecured and interest-free, and are repayable on demand.

13 Revenue

Revenue of the Group comprises dividend income received and receivable from its available-for-sale investments.

14 Loss before income tax

Loss before income tax includes the following:

	2007 US$	2006 US$
Interest income from:		
- fixed deposits and placements in money market fund	7,137,445	2,531,644
- loans to an investee company	250,869	–
Foreign exchange gain (net)	114,983	–
Gain on disposal of subsidiary	5,821	–
Interest expense	(312)	–

15 Income tax expense

	2007 US$	2006 US$
Current tax expense		
Current year	10,304	–
Foreign withholding tax	123,783	52,192
Income tax expense	134,087	52,192

Reconciliation of effective tax rate

	2007 US$	2006 US$
Loss before income tax	13,857,695	3,258,503
Tax calculated using the weighted average statutory tax rates	174,227	76,460
Income not subject to tax	(69,383)	–
Expenses not deductible for tax purposes	20,970	1,790
Tax credit	(115,510)	(78,250)
Foreign withholding tax	123,783	52,192
	134,087	52,192

Foreign witholding tax relates to tax withheld or payable on foreign-sourced income.

Deferred tax liabilities have not been recognised on temporary differences in respect of fair value gains on certain available-for-sale financial assets. Under the double taxation treaty between Thailand, the country in which the available-for-sale financial assets are located, and Mauritius, the country of incorporation of the subsidiary which holds these available-for-sale financial assets, capital gains on the disposal of such assets are subject to capital gains tax in the country in which the investor is a tax resident. The subsidiary is a tax resident in Mauritius and is not subject to capital gains tax in Mauritius as it meets the conditions necessary to maintain such tax residency status.

The Group also has not recognised deferred tax assets amounting to US$744,653 on temporary differences in respect of fair value losses on certain available-for-sale financial assets as it is not probable that future taxable profits will be available against which the temporary differences can be utilised.

16 Earnings per share

	2007 US$	2006 US$
Basic and diluted earnings per share are based on:		
Net loss for the year attributable to equity holders of the Company	(13,991,772)	(3,310,685)

	Number of shares 2007	2006
Weighted average number of shares (basic)		
- Outstanding during the year	94,673,775	57,010,911
- Issued during the year	87,175,221	13,147,956
- Effects of bonus shares issued *	31,645,134	22,666,799
	213,494,130	92,825,666

* For the purpose of computing basic earnings per share, the weighted average number of shares outstanding for the current period prior to the bonus issue and the comparative period has been retrospectively adjusted to account for the bonus shares issued on 3 August 2007 (see note 8).

For the purpose of calculation of the diluted earnings per share, the weighted average number of shares in issue is adjusted to take into account the dilutive effect arising from the dilutive warrants and contingently issuable shares, with the potential shares weighted for the period outstanding.

The effect of the exercise of warrants and issue of contingently issuable shares on the weighted average number of shares in issue is as follows:

	Number of shares 2007	2006
Weighted average number of shares (diluted)		
- Weighted average number of shares (basic)	213,494,130	92,825,666
- Effect of contingently issuable management shares	4,937,745	–
	218,431,875	92,825,666

Warrants to subscribe for 108,565,365 new ordinary shares of no par value at an exercise price of US$1.25 each which are outstanding as at 31 December 2007, and potentially issuable share options to subscribe for 82,782,691 ordinary shares of no par value at an exercise price of US$1 each as at 31 December 2007 have not been included in the computation of diluted earnings per share because these warrants and potentially issuable share options were anti-dilutive.

17 Significant related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors of the Company are considered as key management personnel of the Group.

During the financial year, directors' fees amounting to US$123,770 were declared as payable to certain directors of the Company. The remaining directors of the Company are also directors of the Investment Manager who provides management and administrative services to the Group on an exclusive and discretionary basis. No remuneration has been paid to these directors as the cost of their services form part of the Investment Manager's remuneration.

Other related party transactions

During the financial year, professional fee of US$6,500 (2006: US$32,751) was paid to a firm in which a director of the Company is a member.

In addition, management fees amounting to US$1,367,727 (2006: nil) and US$3,309,589 (2006: nil) paid/payable to a company in which certain directors have substantial financial interests and the Investment Manager, respectively, have been recognised in the consolidated financial statements.

On 10 July 2007, the Company entered into an Investment Management and Advisory Agreement with Symphony Investment Managers Limited (the Investment Manager) pursuant to which the Investment Manager will provide investment management and advisory services exclusively to the Group. The key persons of the management team of the Investment Manager comprise certain key management personnel of the Company who will be engaged by the Investment Manager pursuant to long-term exclusive employment arrangements agreed between the parties. Pursuant to the Investment Management and Advisory Agreement, the Investment Manager is entitled to the following forms of remuneration for the investment management and advisory services rendered:

- Management fees of 2.25% per annum of the consolidated net asset value, payable quarterly in advance on the first day of each quarter, based on the consolidated net asset value of the previous quarter end. The management fees payable will be subject to a minimum amount of US$8 million per annum and a maximum amount of US$15 million per annum;

- Management shares of up to an aggregate amount equal to 5% of the share capital immediately following the issue of such shares (excluding 7,129,209 management shares issued prior to the admission to the official list on the London Stock Exchange (the Pre-admission Management Shares)), of which up to 20% of the management shares will become eligible for issue at the first quarter end following each anniversary of the admission of the shares. In addition, the Investment Manager will also be granted management shares upon issuance of ordinary shares from the exercise of warrants, such that the total number of management shares to be issued will not exceed 5% of the increase in share capital, which includes (a) the increase in the number of shares issued pursuant to the exercise of warrants, and (b) the number of management shares issued excluding the Pre-admission Management Shares.

  In determining the maximum number of management shares which may be issued, consideration will be made for the consolidated net asset value after the proposed issue of management shares such that the consolidated net asset value per share does not decrease below the offering price; and

- Share options to subscribe for ordinary shares of the Company. On the date of admission to the official list of the London Stock Exchange, the Investment Manager will be granted options to subscribe for ordinary shares at an exercise price equal to the offering price of the shares, and after the date of admission, the Investment Manager will be granted options to subscribe for ordinary shares at an exercise price of US$1.25 per share upon issuance of ordinary shares from the exercise of warrants. The total number of share options that may be granted will be such that the number of shares issued upon their exercise cannot exceed 20% of the share capital of the Company immediately following the issue of such shares (assuming full exercise of all share options granted but disregarding issued management shares). In addition, the Investment Manager will be granted share options upon issuance of ordinary shares from the exercise of warrants, such that the maximum number of shares to be issued upon the exercise of these options will not exceed 20% of the increase in share capital, which includes (a) the increase in the number of shares issued pursuant to the exercise of warrants, and (b) the number of shares to be issued assuming all the share options thus granted have been exercised.

  The share options will vest in 5 equal tranches over a period of 5 years beginning from the first anniversary of the date of grant, and will expire on the tenth anniversary of the date of grant. In the event that dividend is declared prior to the exercise of the share options, the Investment Manager will be paid an amount equivalent to the amount which would have been paid as if all outstanding share options held by the Investment Manager, whether vested or otherwise, have been exercised. The Investment Manager is required to apply at least 50% of such amounts towards the exercise of the outstanding share options based on the lower of the total number of vested share options held at the date of the dividend declaration and the number of vested share options held at the date of the dividend declaration which can be exercised with such amounts.

Other related party transactions (cont'd)

Pursuant to the Investment Management and Advisory Agreement, the Investment Manager was to be granted 82,782,691 share options to subscribe for ordinary shares at US$1 each on the date of admission. As at 31 December 2007, the Company has not granted these share options. The Investment Manager has agreed to defer the grant date of these share options to the first anniversary of the date of admission whilst retaining the vesting date of these share options. In addition, management shares of up to 10,298,726 ordinary shares in the Company will become eligible for issue at the first quarter end following each anniversary of the admission, provided certain conditions are met.

Other than as disclosed elsewhere in the financial statements, there were no other significant related party transactions during the financial year.

18 Commitments

In connection with the listing on the London Stock Exchange, the Company has committed to pay the Global Co-ordinator the remaining 50% of the professional fee, determined based on 5% of an amount equivalent to the total number of shares offered multiplied by the offering price, when the Company has invested 50% of such proceeds in private equity investments, special situations and structured transactions.

19 Segmental Information

A segment is a distinguishable component of the Group that is engaged in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The primary format, business segments, is based on the Group's management and internal reporting structure. The Group operates in one business segment comprising investment holding.

Secondary reporting format – Geographical segment

In presenting information on the basis of geographical segments, segment revenue, comprising dividend income from investments, is based on the geographical location of the underlying investment. Segment assets are based on the principal geographical location of the assets or the operations of the investee companies.

Inter-segment pricing is determined on mutually agreed terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total costs incurred during the year to acquire segment assets that are expected to be used for more than one period.

	Singapore US$	Hong Kong and Macau US$	Thailand US$	Switzerland US$	Other regions US$	Consolidated US$
Financial year ended 31 December 2007						
Total revenue	24,461	–	807,280	–	–	831,741
Segment assets	62,119,823	1,882,972	120,220,016	173,330,530	276,992	357,830,333
Capital expenditure	–	–	–	–	–	–

Secondary reporting format – Geographical segment (cont'd)

	Singapore US$	Hong Kong and Macau US$	Thailand US$	Luxembourg US$	Other regions US$	Consolidated US$
Financial year ended 31 December 2006						
Total revenue	–	–	521,921	–	–	521,921
Segment assets	61,472,763	9,953,712	30,252,468	20,133,535	1,246,571	123,059,049
Capital expenditure	–	–	–	–	–	–

20 Financial risk management

The Group's financial assets comprise mainly available-for-sale financial assets, other receivables, and cash and cash equivalents. The Group's financial liabilities comprise bank overdrafts, accrued operating expenses, and other payables. The Group has not entered into agreements for derivative instruments during the year and at 31 December 2007 (2006: Nil). Exposure to credit, price, interest rate, foreign currency, and liquidity risks arises in the normal course of the Group's business.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group and to set appropriate controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Investments in the form of advances are made to investee companies which are of acceptable credit risk. Credit risk exposure on the investment portfolio is managed on an asset-specific basis by the Investment Manager.

Cash and fixed deposits are placed with financial institutions which are regulated.

At 31 December 2007, the Group has credit risk exposure relating to fixed deposits placed with certain financial institutions and placements in money market funds totalling US$206,615,526 (2006: US$81,468,734). Other than this balance, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Sensitivity analysis

A 10% increase (decrease) in the underlying equity prices at the reporting date would increase (decrease) equity by the following amount:

	2007 US$	2006 US$
Equity	14,432,281	3,025,247

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-earning fixed deposits placed with financial institutions and placements in money market funds. The Group does not have any interest-bearing financial liabilities. The Group's fixed rate financial assets and liabilities are exposed to a risk of change in their fair value due to changes in interest rates while the variable-rate financial assets and liabilities are exposed to a risk of change in cash flows due to changes in interest rates. The Group does not enter into derivative financial instruments to hedge against its exposure to interest rate risk.

Sensitivity analysis

	Income statement		Equity	
	100 bp increase US$	100 bp decrease US$	100 bp increase US$	100 bp decrease US$
31 December 2007				
Deposits with financial institutions	3,435	(3,435)	–	–
Placement in money market fund	64	(64)	–	–
	3,499	(3,499)	–	–
31 December 2006				
Deposits with financial institutions	458	(458)	–	–
Placement in money market fund	930	(930)	–	–
	1,388	(1,388)	–	–

Foreign exchange risk

Except for the available-for-sale financial assets which are quoted in Thai Baht and Singapore dollars and the downpayment for the purchase of investment properties which is denominated in Hong Kong dollars, transactions of the Group are mainly denominated in US dollars. Hence, other than as disclosed, the Group does not have any significant foreign exchange risk exposure. The Group does not enter into derivative financial instruments to hedge its exposure to Thai Baht, Singapore dollars and Hong Kong dollars as the currency position in these currencies is considered to be long-term in nature.

The Group's exposure to foreign currency risk on other financial assets and financial liabilities is as follows:

	Singapore Dollars 2007 US$	Pounds Sterling 2007 US$	Thai Baht 2007 US$	Singapore Dollars 2006 US$	Pounds Sterling 2006 US$	Thai Baht 2006 US$
Other receivables	–	–	838,926	–	–	–
Cash and cash equivalents	20,297	–	–	–	–	14,105
Accrued operating expenses	(53,472)	(43,215)	–	(682,590)	–	–

Foreign exchange risk (cont'd)

Sensitivity analysis

A 10% strengthening of the US dollar against the following currencies at the reporting date would increase/(decease) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity US$	**Income statement US$**
2007		
Singapore Dollars	(2,587,696)	3,016
Pounds Sterling	–	3,929
Thai Baht	(10,532,560)	(76,266)
2006		
Singapore Dollars	–	62,054
Pounds Sterling	–	–
Thai Baht	(2,750,224)	(1,282)

A 10% weakening of the US dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Price risk

The valuation of the Group's investment portfolio is dependent on prevailing market conditions and the performance of the underlying assets. The Group does not hedge the market risk inherent in the portfolio but manages asset performance risk on an asset-specific basis.

The Group's investment policies provide that the Group invests a majority of capital in long-term private equity investments and a portion in special situations and structured transactions. Investment decisions are made by management of the advice of the Investment Manager.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Funds not invested in private equity investments or investments in special situations and structured transactions are temporarily invested in liquid investments and managed by a third party investment manager of international repute, or held on deposit with commercial banks.

Liquidity risk (cont'd)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

		Cash flows			
Financial Liabilities	**Carrying amount US$**	**Contractual cash flows US$**	**Within 1 year US$**	**After 1 year but within 5 years US$**	**After 5 years US$**
2007					
Banks overdrafts	15,969	15,969	15,969	–	–
Other payables and accrued operating expenses	337,404	337,404	337,404	–	–
	353,373	353,373	353,373	–	–
2006					
Other payables and accrued operating expenses	1,114,934	1,114,934	1,114,934	–	–

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Fair value

Quoted investments

Fair value is based on quoted market bid prices at the balance sheet date without any deduction for transaction costs.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year or which reprice frequently (including other receivables, cash and cash equivalents, accrued operating expenses, and other payables) approximate their fair values because of the short period to maturity/repricing.

21 Subsidiaries

Details of the subsidiaries of the Company are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Equity interest 2007 %	2006 %
Symphony Capital Partners Limited	Investment holding	Republic of Mauritius	100	100
Symphony Asia Holdings Pte. Ltd.	Investment holding	Republic of Singapore	–	100
Rank High Limited	Investment holding	Hong Kong S.A.R	92.1	92.1
Symphony International Limited	Investment holding	Republic of Mauritius	100	–
Symphony Investment Management Limited and its subsidiary:	Investment holding	British Virgin Islands	100	–
Daphon Holdings Pte. Ltd.	Investment holding	Republic of Singapore	100	–
Lennon Holdings Limited and its subsidiary:	Investment holding	Republic of Mauritius	100	–
Britten Holdings Pte. Ltd.	Investment holding	Republic of Singapore	100	–
Teurina Limited	Investment holding	British Virgin Islands	100	–

22 New accounting standards and interpretations not yet adopted

The Group has not applied the following accounting standards (including their consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

- IAS 23 (revised) *Borrowing Costs*
- IFRS 8 *Operating Segments*
- IFRIC 11 *Group and Treasury Share Transactions*
- IFRIC 12 *Service Concession Arrangements*
- IFRIC 13 *Customer Loyalty Programmes*
- IFRIC 14 *The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

IFRS 8 will become effective for financial statements for the year ending 31 December 2009. IFRS 8, which replaces IAS 14 *Segment Reporting*, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Except for IFRS 8, the initial application of these standards (and their consequential amendments) and interpretations is not expected to have any material impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the balance sheet date.

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SYMPHONY INTERNATIONAL HOLDINGS LIMITED
Offshore Incorporations Centre
P.O. Box 957
Road Town, Tortola
British Virgin Islands
(the “Company”)

Form of direction for completion by holders of Depository Interests representing shares on a 1 for 1 basis in the Company in respect of the Annual General Meeting

Annual General Meeting
Form of Direction

I/We ______________________________ (Depository Interests holder’s name)

being a holder of Depository Interests representing shares in the Company hereby appoint Capita Registrars Limited as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company (and at any adjournment thereof) as directed by an X in the spaces below.

		FOR	AGAINST	VOTE WITHHELD
1.	To receive the annual report which includes the financial statements for the year ended 31 December 2007.	☐	☐	☐

Date ______________ 2008

Address ______________________________

Signature ______________________

Notes

1. To be effective, this form of direction and the power of attorney or other authority (if any) under which it is signed, or a notarially or otherwise certified copy of such power or authority, must be deposited at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 72 hours before the time appointed for holding the meeting.

2. Any alterations made to this form of direction should be initialled.

3. If the appointee is a corporation, this form must be given under its common seal or under the hand of an officer or attorney duly authorised in writing.

4. In the case of joint holders of Depositary Interests, the person whose name appears first in the Register of Depositary Interests has the right to attend and vote at general meetings to the exclusion of all others.

5. The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

6. Please indicate how you wish your votes to be cast by placing "X" in the box provided. On receipt of this form duly signed, you will be deemed to have authorised Capita IRG Trustees Limited to vote, or to abstain from voting, as per your instructions on your behalf. If no voting instruction is indicated, Capita IRG Trustees Limited will abstain from voting on such resolution.

7. Depositary Interests may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

Symphony International Holdings Limited

(Incorporated in the British Virgin Islands)

Form of proxy for use at the annual general meeting

I/We[1] ____

of ____

being the registered holder(s) of ______________ in the share capital of Symphony International Holdings Limited (the "Company"), HEREBY APPOINT THE CHAIRMAN OF THE MEETING[3] or ______________ of ______________________________ as my/our proxy to attend and act for me/us and on my/our behalf at the annual general meeting (the "Meeting") of the Company for the purposes of considering and, if thought fit, passing the ordinary resolutions as set out in the notice convening the Meeting and at the Meeting (and at any adjournment thereof) to vote for me/us and in my/our name(s) in respect of such resolutions as indicated below.

	ORDINARY RESOLUTIONS	FOR[4]	AGAINST[4]	WITHHELD[4]
1.	To receive the annual report which includes the financial statements for the year ended 31 December 2007.			

Date this ______________ **day of** ______________ **2008** **Signed[6]**: ______________________

Notes:

1. Full name(s) and address(es) to be inserted in BLOCK CAPITALS. The names of all joint registered holders should be stated.

2. Please insert the number of shares registered in your name(s) to which this proxy relates. If no number is inserted, this form of proxy will be deemed to relate to all the shares of the Company registered in your name(s).

3. If any proxy other than the Chairman of the Meeting is preferred, strike out "THE CHAIRMAN OF THE MEETING" and insert the name and address of the proxy desired in the space provided. If no name is inserted, THE CHAIRMAN OF THE MEETING will act as proxy. Any alternation made to this form of proxy must be initialed by the person who signs it.

4. **IMPORTANT: IF YOU WISH TO VOTE FOR THE RESOLUTION, PLACE AN 'X' IN THE BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST THE RESOLUTION, PLACE AN 'X' IN THE BOX MARKED "AGAINST". IF YOU WISH TO WITHHOLD YOUR VOTE ON THE RESOLUTION, PLACE AN 'X' IN THE BOX MARKED "WITHHELD".** If no direction is given, your proxy may vote or abstain as he/she think fit. Your proxy will also be entitled to vote at his/her discretion on any resolution properly put to the Meeting other than those referred to in the Notice convening the Meeting.

5. This form of proxy must be signed by you or your attorney duly authorized in writing or, in the case of a corporation, must be either executed under its common seal or under the hand of an officer or attorney duly authorized to sign the same.

6. In the case of joint registered holders of any shares, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such shares as if he/she was solely entitled thereto; but if more than one of such joint registered holders be present at the Meeting, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall alone be entitled to vote in respect thereof to the exclusion of the votes of the other joint registered holders.

7. In order to be valid, this form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, London not less than 48 hours before the time appointed for holding the Meeting or the adjourned Meeting (as the case may be).

8. The proxy need not be a member of the Company but must attend the Meeting in person (whether physically or by telephone dial-in) to represent you.

9. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Meeting if you so wish. If you attend and vote at the Meeting, the authority of your proxy will be revoked.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment thereof) by following the procedures described in the CREST manual. CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

    In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST proxy instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST manual. The message (regardless of whether it constitutes the appointment of a proxy, the revocation of a proxy appointment or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by issuer ID RA10 by the latest time(s) for receipt of proxy appointments specified in note 7 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to him by other means.

    CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

    In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

    The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

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