

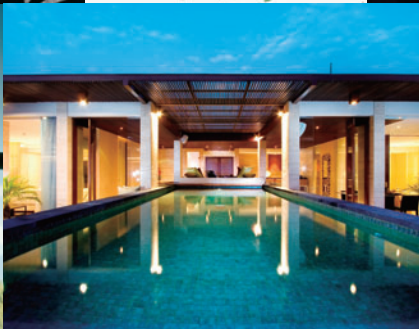


We are one of Asia's leading investors in consumer-related companies. We seek to create long-term value by investing in innovative and growing companies in the Healthcare, Hospitality and Lifestyle sectors, including related distinctive real estate. We do this in collaboration with talented entrepreneurs, with whom we form lasting business partnerships.

The last year has seen exceptional change in global economies as governments have responded to the Credit Crisis in unprecedented ways. Asia is lucky to have been relatively less affected by the Crisis than the West and recent events may well accelerate the shift in balance of economic power further in Asia's favour.

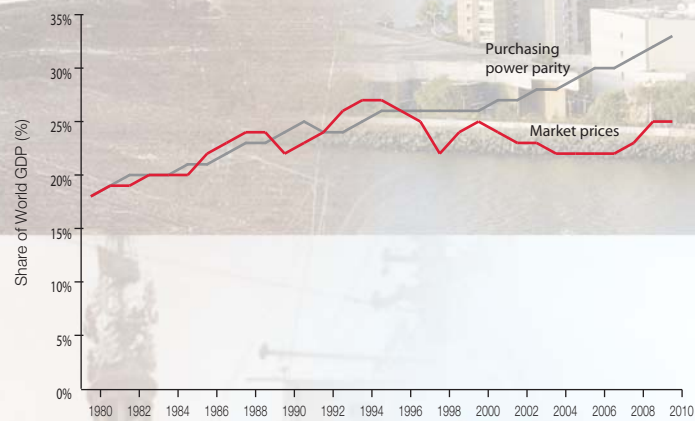
The global economic environment still poses numerous uncertainties, with the prospect for continuing near term turbulence in equity valuations. However over the longer term we are confident that Asia will provide superior opportunities for growth and value creation, especially in our areas of investment interest. Our investment philosophy and approach remain unchanged and as relevant now as ever.







### Asia's Share of World GDP



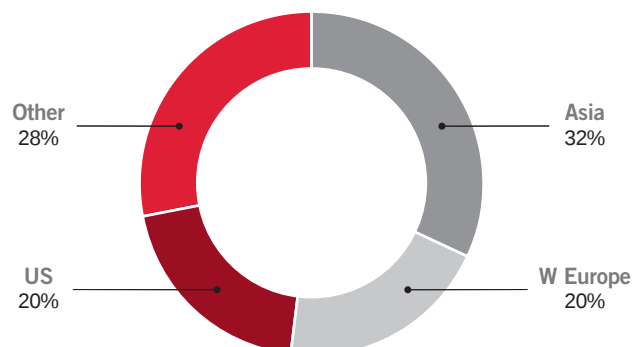
Source: IMF World Economic Outlook, October 2009

# THE RELATIVE RISE OF ASIA

Looking back into history over several hundreds of years, Asia has played a significant — even dominant — role in global economic activity. It was only in the 1800s with the rise of America that its global role began to be eclipsed.

In more recent years Asia has begun to move back towards its historical levels of economic influence, initially with the post-war rise of Japan. Since 1980, growth in Asia's share of global GDP has accelerated with the opening up of China, economic reforms in India and the development of the Asian Tiger economies in South East Asia.

Share of Global GDP (PPP) by Region



Source: IMF World Economic Outlook, October 2009

While the Asian Economic Crisis in the late 1990s slowed growth measured in market prices, taking out the impact of currency devaluations (i.e. in purchasing power parity terms), Asia has continued to gain in economic importance and now accounts for around one-third of global GDP.

Western growth rates are likely to be squeezed in coming years due to high levels of both household and government debt and a likely shift towards higher taxation regimes. In contrast, many Asian governments are seeking to boost consumer spending and domestic growth through reducing savings rates over time. There can be little doubt that Asia's importance will continue to rise as Asia recovers its historical importance to the global economy.

# THE ASIAN CONSUMER



Asia currently accounts for around one-third of world retail sales and is the biggest market for many products, accounting for 35% of all car sales last year and 43% of mobile phones. However, compared to Symphony International Holdings Limited's ("SIHL" or the "Company") areas of investment, cars and mobile phones are probably more mature sectors.

Taking **HEALTHCARE**, projected growth in demand is underpinned by Asia's demographics. With generally younger populations, Asian demand for healthcare will increase faster and require significantly more additional capacity than in the West. In most countries the private sector delivers a major portion of healthcare needs (in contrast to many western countries where the public sector plays a larger role). Together with increasing consumer spending power, this adds up to highly attractive growth prospects for companies such as Parkway Holdings Limited ("Parkway") — one of SIHL's major investments.

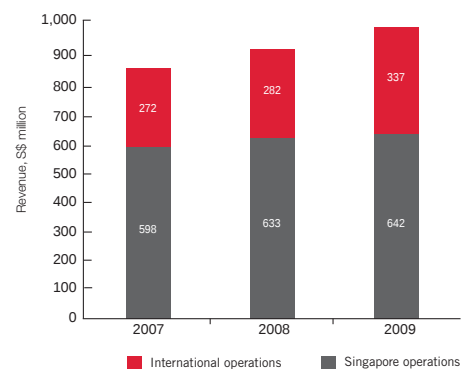
# THE ASIAN CONSUMER



Parkway is Asia's leading healthcare company operating 16 hospitals with more than 3,400 beds, in addition to radiology, laboratory and primary healthcare businesses in Singapore and patient assistance centres across the world. Parkway is listed in Singapore and continues to develop its pan-Asian footprint.

Despite a challenging operating environment, demand for Parkway's healthcare services, which are of the highest standards of medical care, continued to remain robust. In particular, Parkway's international operations grew at a compound annual growth rate of more than 11% during the past three years. New green field hospital developments underway in Mumbai, Abu Dhabi and Singapore will provide further impetus for growth going forward.

Parkway plans to more aggressively grow its footprint in Malaysia, China and India and expects its international business to become increasingly more significant to the overall group.



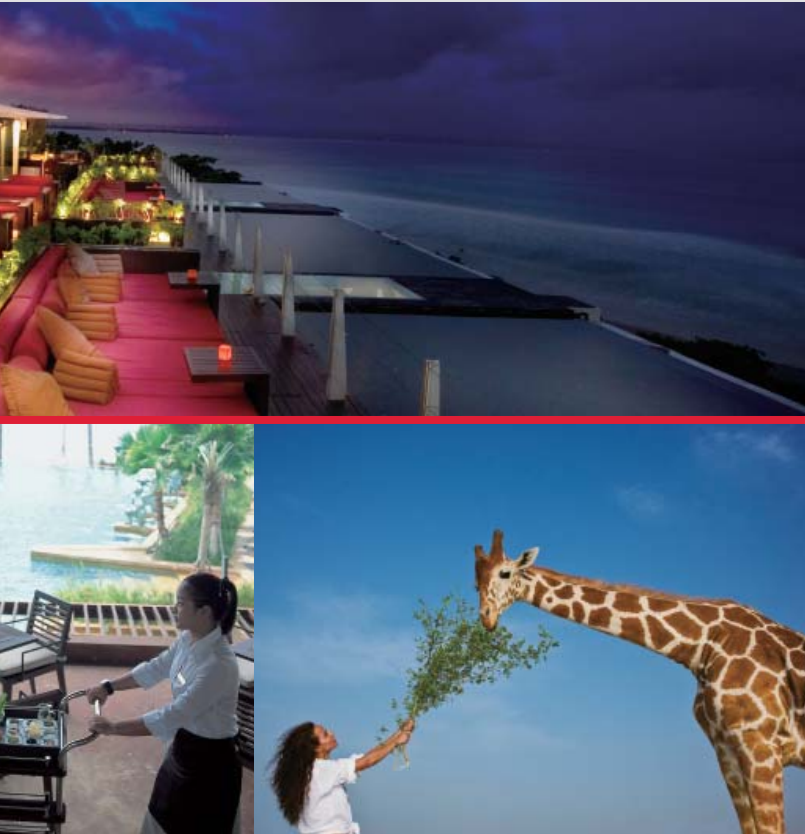
# THE ASIAN CONSUMER



SIHL's other areas of investment are also still at an early stage of growth. The **HOSPITALITY** industry in Asia had a difficult 2009, with the H1N1 viral outbreak and the economic crisis. However, leading Asian hospitality companies such as Minor International Public Company Limited ('MINT') have continued to invest for the future through ongoing new project development and geographic diversification. This reflects their confidence in the longer-term prospects for the industry, whose growth will increasingly come from intra-Asian tourism and from the Asian consumer dollar.

**LIFESTYLE**-related businesses such as fast food restaurant chains, retail and recreation are obvious beneficiaries of growth in consumer spending. SIHL prefers to invest in companies that carry strong brand names, or have their own established brand. We believe that Asian consumers value the quality and status associated with brand name products and that businesses built around high quality brands will provide sustainable and attractive margins, in addition to growth.

# THE ASIAN CONSUMER



## MINOR INTERNATIONAL

MINT is one of the largest hospitality and restaurant companies in the Asia-Pacific region with a portfolio of 30 hotels and resorts with over 3,560 rooms under prominent brands such as the Four Seasons, Marriott, Anantara and others in Thailand, Vietnam, Maldives and South Africa. MINT also owns and operates 1,112 restaurants under The Pizza Company, Swensen's, Sizzler, Dairy Queen, Burger King, Thai Express and The Coffee Club.

MINT is increasingly focusing its businesses to target developing demand from China and India in addition to diversifying operations outside of Thailand to capitalise on the prominence of new markets, such as Vietnam. MINT sees Asian consumers as becoming a more prominent part of its client base and expects considerable growth to emerge from this market segment in the coming years.

MINT continued with its expansion plans despite challenging conditions in 2009. In particular, MINT announced plans to open 80 restaurants in 2010 and has signed new franchise agreements with partners in India and Vietnam to open 90 restaurants in the next five years. On the hospitality side, MINT has aggressively expanded its Anantara brand; MINT secured an additional nine hotel management contracts in 2009 and expects to have a total of 30 Anantara resorts in its portfolio by the end of 2014.

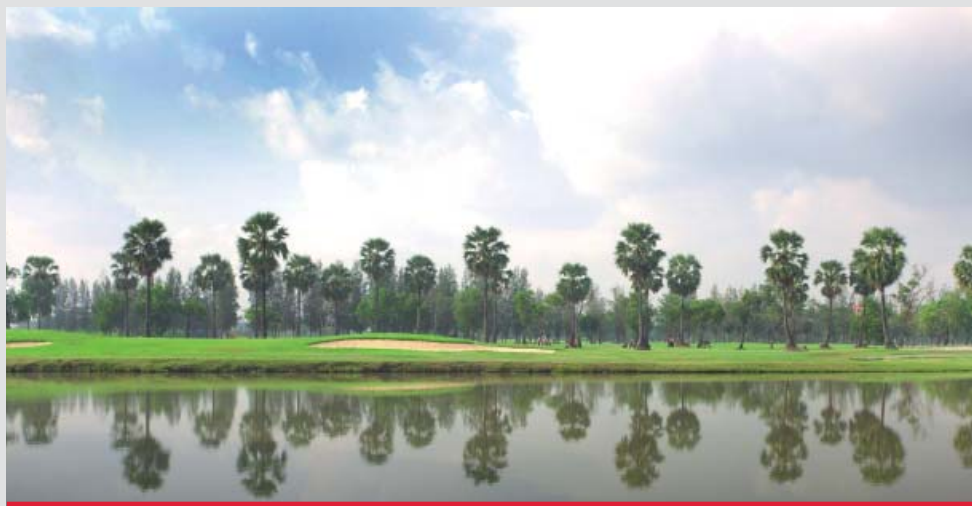
## SPECIALISED ASIAN REAL ESTATE

One of SIHL's increasing areas of focus is specialized real estate, where we believe we are in a unique position to add value through our relationships and skills.

We have a mixture of yield-generating and development assets in our portfolio to provide diversification as well as growth. SIHL's management team has been associated with pioneering developments in the past (having been at the forefront of the development of the Asian luxury hotel industry and related branded real estate developments) and we are constantly seeking out market-leading trends to ensure our developments are cutting edge.

For example, sustainability, energy efficiency and eco-friendliness are becoming increasingly important themes for real estate design, development and management. For the projects we are currently planning and having designed, our consultants have been instructed to incorporate the latest techniques to create developments that are truly distinctive.

Real estate values in Asia have been a beneficiary of low global interest rates and we believe that the medium term outlook remains attractive. Enhanced by SIHL's creativity and innovation, our real estate investments will remain an important part of our portfolio moving forward.



# INVESTMENT APPROACH

Despite a turbulent year in 2009 and future economic uncertainties, our investment approach remains unchanged. Our core investing principles will always be a long-term focus, partnership with top-class management teams and investing in sectors we really understand. We couple this with management of the portfolio to provide a balanced and complementary exposure within our segments.

We continue to invest in both listed and unlisted companies. In the case of listed investments, they are usually businesses with excellent growth potential run by people we know very well, who also have the potential to help us originate and add value to our unlisted investments. In this way we, endeavour to build synergies across the portfolio.

While our investment sectors appear diverse, they all ride on the common theme of Asian consumer growth. Emerging concepts of interest to us (such as sustainability) also cut across real estate, hospitality, lifestyle and even healthcare.

With this approach of actively-managed interplay, we strive to create value over the long term for our investors in the context of the rise of Asia.



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## Chairmen's Statement



Closing the gap between the market price of our shares and what we believe to be their true value remains a challenge for us.

During 2009, our share price fluctuated from a low market trade price of US\$0.175 on 24 February 2009 to US\$0.670 at the end of the year. During this same period, our Net Asset Value ("NAV") per share, the measure by which we judge our own performance, varied between a low of US\$0.712 on 31 March 2009 to US\$0.995 at 31 December 2009.

The increase in NAV during 2009 was predominantly driven by an increase in the value of our listed equity investments, which include MINT, Minor Corporation Public Company Limited ("MINOR")<sup>1</sup>, Parkway and Parkway Life Real Estate Investment Trust ("PREIT"). The aggregate market value of these investments increased by US\$78.5 million in 2009, from US\$94.2 million at 31 December 2008 to US\$172.6 million at 31 December 2009, an increase of 83.3%.

We are, of course, aware of the discount that the market always puts on the shares of listed investment companies like ours but, perhaps somewhat idealistically, we have always felt that, if we perform in terms of generating good returns from our investments, then ultimately the market will recognize this and close the gap between value and price. Indeed, the share price discount to NAV per share has narrowed from 61.4% at 31 December 2008 to 35.7% at 31 December 2009.

Those of our shareholders who are managers of funds and whose performance and compensation is determined by quarterly performance, often find it frustrating to hold our shares and, over the course of the year, we received a number of suggestions about communications, public relations, share buy-backs and other ideas on getting the share price to move.

<sup>1</sup> MINT completed a restructuring/merger with MINOR on 12 June 2009 with the exchange of 1.14 MINT shares for every MINOR share. The market value of publicly listed investments is inclusive of MINOR at 31 December 2008 and incremental shares received in MINT from the merger at 31 December 2009.

## Chairmen's Statement



It is clearly important for us to know that our shareholders are properly informed about what is going on in their Company and to fully understand our own investment philosophy. Our intention is to build shareholder confidence over time and as a result, benefit from a solid shareholder base of long term investors looking to participate in the growth of consumerism in Asia. In this regard, we send out quarterly portfolio reviews and NAV announcements to the London Stock Exchange. These are also posted on our website and we are constantly adding to a list of shareholders who have requested a direct mailing to them of such materials. In addition to these methods of communication, we are very happy to be contacted by investors individually to share thoughts about the Company within the constraints imposed by the disclosure regulations relating to public companies.

Perhaps more can be done by way of press releases and public relations activities to generate more awareness and interest in the Company. We have tended to stay away from this approach, choosing to focus instead on making sure that the investments we make are in good shape and believing that, in the long run, this approach will deliver the desired result.

Despite the recent global financial meltdown, the companies in which we are invested performed well in 2009. In addition, we were not leveraged ourselves, and did not, as a result, face the problems faced by so many others in our business.

Part of our portfolio is also comprised of real estate and what really sets us apart from many other investment managers is our ability to undertake development where we are able to capture the entire spectrum of value from raw land to finished product. As we commence our development program this year for the real estate we own, we hope to demonstrate this more clearly.

The recovery in global financial markets in 2009 has astonishingly been almost as sharp as the declines we saw in 2008 and the first quarter of 2009. The collective intervention of governments to mend economic dislocations yielded tangible evidence of economic growth in most countries in the second half of 2009. Although GDP figures and rebounding equity markets may indicate a V-shaped recovery, we believe that real

## Chairmen's Statement

economic conditions remain fragile and relatively dependent on government stimulus measures. For this reason we anticipate financial markets to remain volatile in the near term.

Asian emerging markets have proven more resilient to the economic crisis than developed ones. Sound economic fundamentals, including strong foreign exchange reserves in several countries, have provided a buffer during this crisis, which was not the case in the Asian economic crisis of 1997. Although liquidity has been impacted in Asia, strongly capitalised banks with low subprime exposure have ensured swifter normalisation in credit markets compared to the West. These factors, together with aggressive government stimulus policies and inventory restocking by developed countries, contributed to the strong rebound in economic growth in most Asian countries during the second half of 2009. However, we expect Asian export demand and levels of investment to remain relatively sluggish going forward as the US and Europe continue to deleverage and repair balance sheets. Although domestic demand in Asia is increasing, we do not believe that it will be sufficient to absorb the excess production capacity in the near to medium term. For this reason, the recovery, while well on track, is likely to last well into 2010 with many shocks along the way — similar to concerns that arose following uncertainty over sovereign debt in Greece and the debt of Dubai World.

During 2009, SIHL remained focused on supporting its existing investments where necessary by driving operational improvements and ensuring that they were all well capitalised to position them to weather the storm and take advantage of the recovery. We are happy to report that is exactly what we are seeing now. Our unlisted operating businesses have all exceeded their budgets despite a very turbulent economic environment. In addition, our property investments have held their values and our listed equity investments all saw growth in EBITDA and net income in 2009, aside from MINT that only began to show promising signs of recovery in the third quarter of 2009.

Although reporting strong fourth quarter results, MINT's full year 2009 profitability was hampered by weaker performance in the hotel and spa divisions and absence of property sales. The negative effects on the hospitality industry from political instability in Thailand during the first half of 2009 and the H1N1 virus only began to subside in the second half of 2009. Conversely, MINT's food business saw double-digit growth in revenue and profitability. This was primarily due to full year consolidation of the Thai Express and The Coffee Club acquisitions, opening of new owned and franchised restaurants, and aggressive cost control initiatives. The management of MINT believe the outlook is positive for 2010 as it expects to post revenues from property sales (nil in 2009) associated with two residential projects in Thailand in addition to adding more purely managed hotels under the Anantara brand. However, a full recovery may be hampered should political unrest in 2010 reach the levels we saw in 2009.

Parkway reported strong results in all four quarters of 2009, predominantly driven by growth in international operations and cost containment measures. There has been a market re-rating of Parkway's shares due to strong performance of Malaysian, India and China operations in addition to strong expression of interest reported for Parkway's medical suites at Novena (Parkway's new Singapore hospital), which was previously a

## Chairmen's Statement

concern. Parkway received approval from the Building Construction Authority in Singapore for its building plans for the Novena hospital and expects to award the main construction tender in April 2010. In addition, Parkway expects to begin construction of hospitals in Mumbai and Abu Dhabi in H1 2010. As this Annual Report goes to press, Parkway has announced that the Fortis Healthcare group from India has acquired the stake in Parkway previously held by Texas Pacific Group. Fortis is also seeking to appoint the majority of directors to the board and a new Chairman. With this change, the composition of Parkway's shareholder base will consist largely of stable, long-term investors which, we believe will be beneficial for the company and its future prospects. In addition, the alliance with one of India's leading healthcare players will create the single largest regional platform in an industry which we believe will experience significant growth in the medium term.

PREIT saw strong growth in rental income due to upward rent revisions for its Singapore properties and yield accretive acquisitions in Japan. In 2009, PREIT results included full year contributions from ten properties acquired in Japan in 2008 and partial contributions from eight new properties purchased in November 2009. The outlook for PREIT continues to be positive given the favourable inflation linked formula for revenues from its Singapore properties and its substantial debt capacity that allows for further yield accretive acquisitions.

We remain optimistic on the outlook for our investments and believe they provide investors with the opportunity to gain exposure to attractive market segments in very dynamic economies. We are already seeing improvement in the businesses of our listed and unlisted investments and expect our property investments to benefit from both continuing asset-price growth and plans which we are actively evaluating to develop these in line with evolving market trends and demand.

Historically, periods of severe economic difficulty provide the best investment opportunities. We believe this crisis is no anomaly. We continue to cautiously evaluate opportunities where we can add most value, but at the same time monitor the form of economic recovery that materialises. We are not rushing to do new deals and believe there will be exceptional opportunities that arise over the next two years. Our aim is, of course, to buy correctly.

We are grateful to our partners, the entrepreneurs who run our portfolio companies, for their foresight and wisdom in successfully steering their companies through one of the most difficult economic environments in recent history. Many thanks also to our stakeholders, for their patience and continuing belief in our investment approach.

**Pierangelo Bottinelli**

*Chairman, Symphony International Holdings Limited*  
6 April 2010

**Anil Thadani**

*Chairman, Symphony Investment Managers Limited*  
6 April 2010

# Financial Highlights

## Key Financial Highlights

| As at 31 December<br>(All figures in US\$) | 2007 <sup>3</sup><br>US\$'000 | Group<br>2008 <sup>3</sup><br>US\$'000 | 2009<br>US\$'000    |
|--------------------------------------------|-------------------------------|----------------------------------------|---------------------|
| Revenue                                    | 832                           | 3,906                                  | 3,494               |
| Other operating income                     | 7,509                         | 13,022                                 | 33,907 <sup>4</sup> |
| Profit (Loss) after tax <sup>1</sup>       | 20,935                        | (114,045)                              | 68,488              |
| Total assets                               | 357,830                       | 257,724                                | 342,605             |
| Total liabilities                          | 510                           | 4,253                                  | 5,757               |
| Total shareholders' equity                 | 357,320                       | 253,471                                | 336,848             |
| NAV <sup>2</sup>                           | 360,312                       | 254,463                                | 336,680             |
| Number of shares outstanding ('000)        | 338,260                       | 338,260                                | 338,260             |
| NAV per share (US\$)                       | 1.07                          | 0.75                                   | 1.00                |

1 Profit (Loss) after tax in 2007, 2008 and 2009 includes expenses for management shares not yet issued (2007: US\$3.8 million, 2008: US\$2.5 million, 2009: US\$0.9 million) and share options not yet exercised (2007: US\$12.2 million, 2008: US\$16.9 million, 2009: US\$10.2 million). Share options have an exercise price of US\$1.00.

2 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 any other liabilities.

Pre-IPO shareholders were issued bonus shares in proportion to shares held at 31 March 2007.

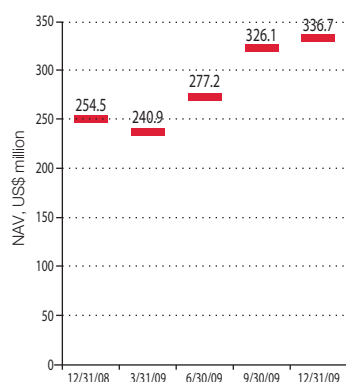
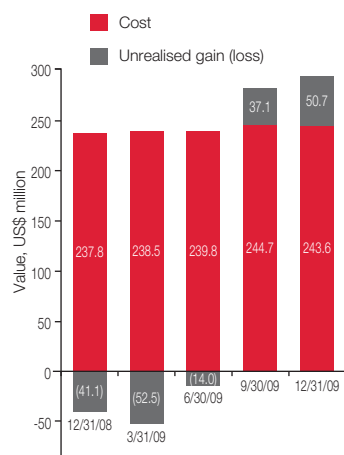
3 SIHL adopted a new accounting standard, IFRS 9, for the year ended 31 December 2009. For the year ended 31 December 2008 and 2007 financial statements have been restated in accordance with IFRS 9.

4 Other operating income in 2009 includes Profit on sales of listed investment of US\$20.7 million, which relates to an accounting gain from the exchange of Minor shares for MINT shares that was completed 12 June 2009 as part of a merger/restructuring.



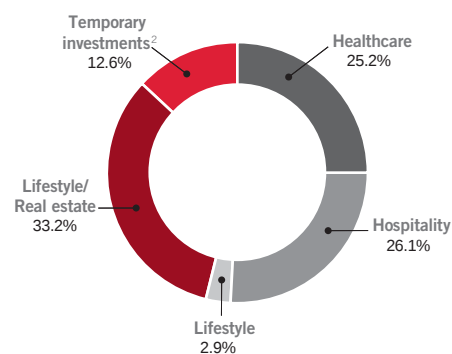
# Financial Highlights

Quarterly NAV

Value of portfolio investments<sup>1</sup>

NAV by segment

At 31 December 2009



## Notes:

- (1) Portfolio investments exclude temporary investments  
 (2) Temporary investments are net of borrowings and net working capital



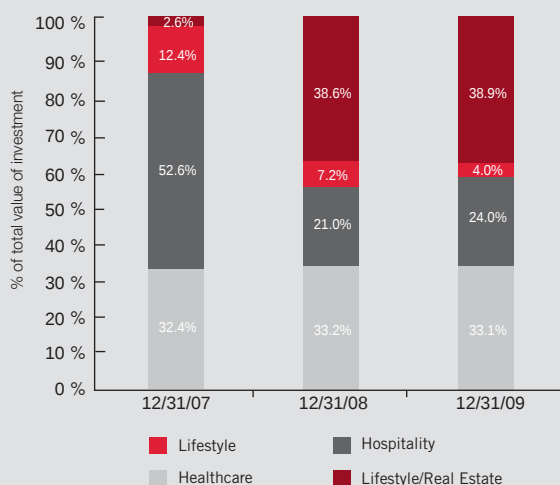
## Investment Manager's Report

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 31 December. In addition to SIHL's annual reporting, NAV and NAV per share are reported on a quarterly basis being the periods ended 31 March, 30 June, 30 September and 31 December. 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 any other liabilities. The financial results presented herein include activity for the period from 1 January 2009 through 31 December 2009, referred to as "the year ended 31 December 2009."

### 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 Healthcare, Hospitality and Lifestyle ("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. SIHL is managed by Symphony Investment Managers Limited, the Investment Manager. The directors and executive officers of the Investment Manager, Symphony Asia Holdings Pte. Ltd. and Symphony Asia Limited constitute the Management Team and are responsible for implementation of the investment strategy.

Composition of portfolio investments by cost



## Investment Manager's Report

### Cost and fair value of investments<sup>1</sup>

| Group as at 31 December 2009       |                  |                        |          |
|------------------------------------|------------------|------------------------|----------|
|                                    | Cost<br>US\$'000 | Fair value<br>US\$'000 | % of NAV |
| Hospitality                        | 58,471           | 87,683                 | 26.1%    |
| Healthcare                         | 80,608           | 84,965                 | 25.2%    |
| Lifestyle                          | 9,789            | 9,811                  | 2.9%     |
| Lifestyle/Real estate              | 94,727           | 111,856                | 33.2%    |
| Subtotal                           | 243,594          | 294,315                | 87.4%    |
| Temporary investments <sup>2</sup> |                  | 45,463                 | 13.5%    |
| Net working capital                |                  | (3,098)                | -0.9%    |
| Net asset value                    |                  | 336,680                | 100.0%   |

Notes:

- (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 any other liabilities.
- (2) Temporary investments are net of US\$1.9 million in borrowings that are associated with a Thai property investment.

### INVESTMENTS

During the 2009 fiscal year, SIHL invested US\$5.8 million across the HH&L sectors, net of shareholder loan repayments, in existing investments, bringing the total cost of investments from US\$237.8 million at 31 December 2008 to US\$243.6 million at 2009 year-end. As at 31 December 2009, the hospitality, healthcare, lifestyle and lifestyle/real estate sectors accounted for 24.0%, 33.1%, 4.0% and 38.9% of total cost of investments, respectively. The fair value of investments, excluding temporary investments, held by SIHL increased to US\$294.3 million at 31 December 2009 from US\$196.7 million a year earlier. This increase is comprised of investments made during the year that amounted to US\$5.8 million and an increase in the value of investments by US\$91.8 million during 2009.

As at 31 December 2009, we had the following investments:

#### *Minuet Limited*

Minuet Limited ("Minuet") is a joint venture between SIHL and an established Thai partner for the development of a branded lifestyle residential and recreational development in Bangkok, Thailand. SIHL invested US\$78.3 million in the venture for a direct 49% interest.

The Investment Manager is continuing to explore development plans for the property. There is no debt on the property. In line with SIHL's valuation policies, Minuet was valued by an independent third party at 31 December 2009 having been held for more than 12-months. At 31 December 2009, Minuet was valued at US\$88.8 million.

#### *Minor International Public Company Limited*

Minor International Public Company Limited ("MINT"), is one of the largest hospitality and restaurant companies in the Asia-Pacific region with 30 hotels and resorts in its portfolio totalling over 3,560 rooms under prominent brands such as the Four Seasons, Marriott, Anantara and others in Thailand, Vietnam, Maldives and South Africa. MINT also owns and operates 1,112 restaurants under The Pizza Company, Swensen's, Sizzler, Dairy Queen, Burger King, Thai Express and The Coffee Club. MINT is listed on the Stock Exchange of Thailand. Anil Thadani serves on the board of directors for MINT.

## Investment Manager's Report

MINT completed a restructuring/merger with MINOR on 12 June 2009 with the exchange of 1.14 MINT shares for every MINOR share. The restructuring/merger eliminated all cross shareholdings for increased transparency in addition to cost savings and business diversification.

MINT's operations now include MINOR's contract manufacturing and international lifestyle consumer brand distribution business in Thailand focusing on fashion, cosmetics through retail, wholesale and direct marketing channels under brands that include Esprit, Bossini, Red Earth, Bloom, and Zwilling Henckels amongst others.

As at 31 December 2009, SIHL had invested approximately US\$58.5 million in MINT shares (including the cost of MINOR shares exchanged). The fair value of this investment increased to US\$87.7 million as at the same date.

MINT had a difficult year with its hotel and spa division being adversely affected by the H1N1 virus outbreak in April and political instability in Thailand during the first half of 2009. Although revenues increased by 5% from THB16.4 billion to THB17.3 billion, net income declined by 26% to THB1.4 billion.

The increase in revenue was driven by the consolidation of MINOR's business units and strong performance of MINT's restaurant operations. MINOR's retail, trading and contract manufacturing business provided THB1.4 billion of revenue from consolidation in June 2009. MINT's restaurant business saw its revenue increase by 13% in 2009 to THB10.0 billion from THB8.8 billion due to the full consolidation of Thai Express and The Coffee Club businesses in 2009, as well as 69 new owned and franchised restaurant openings.

Profitability was predominantly impacted by the hotel & spa operations, which had weak occupancy during the first three quarters of the year, and the absence of property sales, which contributed to THB621 million in revenue in 2008. Hotel average occupancy, despite picking up in the fourth quarter, was 52% in 2009 and down from 65% in 2008. MINT's management team expect the hotel & spa business, as well as property sales, to strongly perform in 2010 providing there is full recovery in the Thai tourism industry.

### *Parkway Holdings Limited*

Parkway is Asia's leading healthcare company and operates three hospitals in Singapore as well as radiology, laboratory and primary healthcare businesses. Parkway also has an extensive Asian footprint with operations in Malaysia, India, China and Brunei. In addition, Parkway has a 35.7% interest in the Parkway Life Real Estate Investment Trust. During the 2008 and 2009 fiscal year, SIHL purchased a 2.3% stake in Parkway for US\$50.4 million. As at 31 December 2009 the fair value of this investment was US\$53.9 million.

Parkway performed well in each of the four quarters of 2009 on account of strong growth in international operations and its healthcare division in Singapore. Despite a difficult operating environment, Parkway's revenue increased by 7% to S\$979 million in 2009 from S\$915 million in 2008. Cost management initiatives in Singapore also facilitated growth in PATMI before extraordinary items of 29% to S\$118 million from S\$92 million.

Parkway's international operations, particularly with its hospital operations in Malaysia and India, saw growth in revenue of 20% from S\$281 million in 2008 to S\$337 million in 2009. Parkway's management have stated that they expect an increasing proportion of business

## Investment Manager's Report

to come from overseas operations as Parkway seeks opportunities to enlarge its regional footprint, which accounted for 34% of total revenue in 2009, up from 31% in 2008. Lower revenues from Singapore hospital operations were offset by strong performance of Parkway's healthcare business, which signed new clients and benefited from a contract awarded by the Ministry of Health to conduct temperature screenings at all entry points into Singapore during the H1N1 outbreak.

Parkway reported it received approval of its building plans for its Novena hospital (new hospital in Singapore) and expects to proceed with main construction tenders in April 2010. In addition, Parkway has received strong expressions of interest in its medical suites, a factor that has been looked upon positively by the market. Parkway also expects to begin construction of hospitals in Mumbai and Abu Dhabi in the first half of 2010.

### *Parkway Life Real Estate Investment Trust*

Parkway Life Real Estate Investment Trust ("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 and Japan) that are used primarily for healthcare and/or healthcare-related purposes. SIHL invested US\$30.2 million in PREIT in 2007. As at 31 December 2009, the fair value of the PREIT investment was US\$31.1 million. In addition, SIHL has received dividends of US\$3.7 million from the date of investment.

PREIT reported growth in revenue and net property income of 24% and 23% in 2009, respectively. Revenue increased in 2009 from S\$54 million to S\$67 million and net property income from S\$50 million to S\$62 million. The increase was due to yield accretive acquisitions and inflation-linked lease structure with a floor for three hospitals in Singapore. Dividend per unit increased by 13% during the same period to 7.74 cents.

In 2009, PREIT experienced the full year revenue impact from ten properties acquired in 2008 and also partial impact of eight additional properties acquired in 2009. Total properties in PREIT's portfolio were 21 at the end of 2009. PREIT had a debt to equity ratio of 27% at 31 December 2009, providing considerable debt room to make further yield enhancing acquisitions.

In addition to the investments above, SIHL has five additional investments, each of which constitute less than 5% of SIHL's NAV. Pending investment in suitable opportunities, SIHL has placed funds in certain temporary investments. As at 31 December 2009, temporary investments predominantly comprised bank deposits and amounted to US\$47.4 million.

### CAPITALISATION AND NAV

As at 31 December 2009, the Company had US\$302.4 million in issued share capital and its NAV was approximately US\$336.7 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 any other liabilities. 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 the net asset value in the audited financial statements. The primary measure of SIHL's financial performance and the performance of its subsidiaries will be the change in SIHL's NAV per share resulting from changes in the fair value of investments.

## Investment Manager's Report

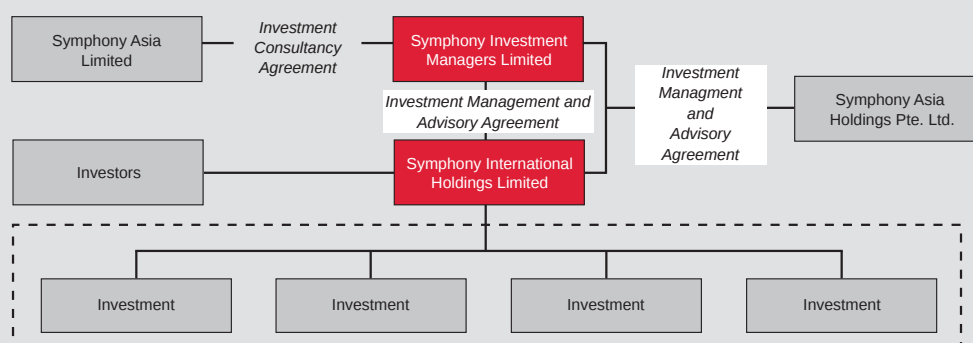
The NAV and NAV per share for the 2007, 2008 and 2009 fiscal years and for the quarterly periods ended on March 31, June 30, September 30 and December 31 2009 are as follows:

| As at                   | 12/31/07 | Group<br>12/31/08 | 12/31/09 |
|-------------------------|----------|-------------------|----------|
| NAV (US\$'000)          | 360,312  | 254,463           | 336,680  |
| Number of shares ('000) | 338,260  | 338,260           | 338,260  |
| NAV per share (US\$)    | 1.07     | 0.75              | 1.00     |

| As at                   | 03/31/09 | Group<br>06/30/09 | 09/30/09 |
|-------------------------|----------|-------------------|----------|
| NAV (US\$'000)          | 240,895  | 277,249           | 326,089  |
| Number of shares ('000) | 338,260  | 338,260           | 338,260  |
| NAV per share (US\$)    | 0.71     | 0.82              | 0.96     |

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 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, which 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 the SIHL's Investment Manager, credited as fully paid raising the total number of issued shares to 338.3 million.

### ORGANISATIONAL STRUCTURE



### REVENUE AND OTHER OPERATING INCOME

#### Revenue

During the 2009 fiscal year, SIHL received dividend income amounting to US\$3.5 million from quoted equity investments. This represents a decrease of 10.6% from dividends received during the 2008 fiscal year. The change is predominantly due to the absence of dividends declared by Parkway during 2009.

## Investment Manager's Report

### *Other operating and fee income*

Other operating income includes interest income from temporary investments and loans outstanding to portfolio companies, in addition to profit from a sale of a listed investment. Temporary investments predominantly consisted of bank deposits and contributed to US\$43,965 in interest income during the 2009 fiscal year. Interest earned on loans outstanding to portfolio companies amounted to US\$13.2 million. In addition, SIHL recognised an accounting profit from the exchange of MINOR shares for MINT shares during the period that amounted to US\$20.7 million.

## EXPENSES

### *Management fee*

The management fee amounted to US\$8.0 million for the year ended 31 December 2009. The management fee was calculated on the basis of 2.25% of NAV (with a floor and cap of US\$8 million and US\$15 million, respectively, per annum) during 2009.

### *Other operating expenses*

Other operating expenses include fees for professional services, insurance, communication, travel, Directors' fees and other miscellaneous expenses and costs incurred for analysis of proposed deals.

### *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. Up to 20% of the management shares are eligible for issue at the first quarter end following each anniversary of the admission of SIHL to the Official List of the London Stock Exchange provided that the maximum number of management shares issued does not decrease the NAV per share below US\$1.00. Those management shares which are eligible to be issued may be issued on any NAV approval date. An expense was recognised for 10,298,726 management shares not yet issued and apportioned for the 2009 financial year. The expenses for these management shares not yet issued amounted to US\$0.9 million.

### *Share options expense*

Pursuant to 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 Investment Manager agreed to defer the date of grant whilst retaining the vesting dates of these options. Accordingly, a total of 82,782,691 options were granted with an exercise price of US\$1.00 on 3 August 2008. The options vest and become exercisable by the Investment Manager in five equal tranches over a period of five years from date of grant, with the first tranche vested on the date of grant. The remaining second to fifth tranches will vest on the following anniversaries of the date of grant. The share options will expire on the tenth anniversary of 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\$0.23, US\$0.34, US\$0.47 and US\$0.56 per option at 31 March, 30 June, 30 September and 31 December, respectively, an expense of US\$10.2 million was recognised in the income statement with a corresponding increase in equity in 2009.

# Investment Manager's Report

## Taxes

Substantially all the taxes paid by the Group in the year ended 31 December 2009 were withholding taxes on dividends received and interest earned from loans outstanding to portfolio companies, in addition to real estate related taxation.

## LIQUIDITY AND CAPITAL RESOURCES

At 31 December 2009, SIHL's cash balance was US\$47.4 million. SIHL's primary uses of cash are to fund private equity type investments and investments in special situations and structured transactions and 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 public offering 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 type and opportunistic investments, but generate lower expected returns. Other than amounts that are used to pay expenses, or used to make distributions to our shareholders, any returns generated by investments are reinvested in accordance with SIHL's investment policies and procedures.

SIHL may enter into one or more credit facilities and/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 2009, the Group had total interest-bearing borrowings of US\$1.9 million associated with a Thai property investment, which constitute less than 5% of NAV.

## 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 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 percent of its total assets (as determined at the time of each investment) in special situations and structured transactions.

## Investment Manager's Report

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, including related distinctive real estate 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 may choose not to 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*

6 April 2010

## Board of Directors

### Pierangelo Bottinelli



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 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, which position he held till 2005. Mr. Bottinelli sits on the boards of several companies in Singapore and Switzerland and he is currently a director of Audemars Piguet Group Holding and the Chairman of Lansdowne Partners Limited.

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### Georges Gagnebin



Mr. Gagnebin is based in Zurich and was appointed to the Board of Directors of our Company on 8 July 2007. He is presently Advisor to Julius Baer Group Ltd. and Chairman of the Board of Directors of Infidar Investment Advisory Ltd., member company of Julius Baer Group Ltd.. Formerly he held the position of Vice Chairman of the Board of Directors 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 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 as Swiss-certified Banking Expert in 1972.

## Board of Directors

### Rajiv K. Luthra



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. He acts as Chairman and Member on the board of Corporate Governance and Audit Committee of HSBC (India).

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### Anil Thadani



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 when he co-founded one of the first private equity investment companies in Asia. 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 in addition to being the Chairman of SMU's Institute of Innovation and Entrepreneurship. 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.

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### Sunil Chandiramani



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 19 years' of experience in private equity transactions in multiple industry sectors across Asia and the United States. Mr. Chandiramani has a BCom (Hons) from the Shri Ram College of Commerce, Delhi University and an MBA from the Wharton School of the University of Pennsylvania.

## Directors Responsibility Statement

We, the Directors of Symphony International Holdings Limited (the “Company”), confirm that to the best of our knowledge:

- (a) the consolidated financial statements of the Company and its subsidiaries (the “Group”), prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group taken as a whole as at and for the year ended 31 December 2009; and
- (b) the Investment Manager’s Report includes a fair review of the development and performance of the business for the year ended 31 December 2009 and the position of the Group taken as a whole as at 31 December 2009, together with a description of the risks and uncertainties that the Group faces.

On behalf of the Board of Directors

**Pierangelo Bottinelli**

*Chairman, Symphony International Holdings Limited*

6 April 2010

**Anil Thadani**

*Chairman, Symphony Investment Managers Limited  
Director, Symphony International Holdings Limited*

6 April 2010

## Corporate Information

|                                                            |                                                                                                                                                                                                                                |
|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Company</b>                                             | Symphony International Holdings Limited                                                                                                                                                                                        |
| <b>Directors</b>                                           | Pierangelo Battista Bottinelli (alias Pierangelo Bottinelli)<br>(Chairman and Independent Director)<br>Georges Gagnebin (Independent Director)<br>Rajiv K. Luthra (Independent Director)<br>Anil Thadani<br>Sunil Chandiramani |
| <b>Registered Office in<br/>the British Virgin Islands</b> | Offshore Incorporations Centre<br>P.O. Box 957<br>Road Town<br>Tortola<br>British Virgin Islands                                                                                                                               |
| <b>Registered Agent</b>                                    | Offshore Incorporations Limited<br>P.O. Box 957<br>Offshore Incorporations Centre<br>Road Town<br>Tortola<br>British Virgin Islands                                                                                            |
| <b>Share Registrar and<br/>Share Transfer Agent</b>        | Capita Registrars (Guernsey) Limited<br>Longue Hougue House<br>St. Sampson<br>Guernsey<br>GY1 3US                                                                                                                              |
| <b>Warrant Registrar</b>                                   | Capita Registrars (Guernsey) Limited<br>Longue Hougue House<br>St. Sampson<br>Guernsey<br>GY1 3US                                                                                                                              |
| <b>Investment Manager</b>                                  | Symphony Investment Managers Limited<br>P.O. Box 957<br>Offshore Incorporations Centre<br>Road Town<br>Tortola<br>British Virgin Islands                                                                                       |
| <b>Auditors</b>                                            | KPMG LLP<br>Public Accountants and Certified Public Accountants<br>16 Raffles Quay<br>#22-00 Hong Leong Building<br>Singapore 048581                                                                                           |

Symphony International Holdings Limited and its subsidiaries  
Independent Auditors' Report  
Year ended 31 December 2009

# 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 statement of financial position of the Group as at 31 December 2009, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 29 to 70.

### **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 2009, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### **KPMG LLP**

*Public Accountants and  
Certified Public Accountants*

#### **Singapore**

6 April 2010

Symphony International Holdings Limited and its subsidiaries  
Financial Statements  
Year ended 31 December 2009

## Consolidated Statement of Financial Position

As at 31 December 2009

|                                                                 | Note | 2009<br>US\$'000 | Re-stated<br>2008<br>US\$'000 | Re-stated<br>2007<br>US\$'000 |
|-----------------------------------------------------------------|------|------------------|-------------------------------|-------------------------------|
| <b>Non-current assets</b>                                       |      |                  |                               |                               |
| Interests in joint ventures                                     | 3    | 111,749          | 99,560                        | —                             |
| Investment properties                                           | 5    | 8,506            | —                             | —                             |
| Financial assets at fair value through<br>profit or loss        | 4    | 172,649          | 94,167                        | 144,323                       |
| Other receivables and prepayments                               | 6    | 1,099            | 992                           | 135                           |
|                                                                 |      | <b>294,003</b>   | 194,719                       | 144,458                       |
| <b>Current assets</b>                                           |      |                  |                               |                               |
| Other receivables and prepayments                               | 6    | 1,190            | 2,593                         | 6,711                         |
| Cash and cash equivalents                                       | 7    | 47,412           | 60,412                        | 206,661                       |
|                                                                 |      | <b>48,602</b>    | 63,005                        | 213,372                       |
| <b>Total assets</b>                                             |      | <b>342,605</b>   | 257,724                       | 357,830                       |
| <b>Equity attributable to equity holders<br/>of the Company</b> |      |                  |                               |                               |
| Share capital                                                   | 8    | 302,408          | 302,408                       | 306,365                       |
| Reserves                                                        | 9    | 44,636           | 29,747                        | 15,594                        |
| Accumulated losses                                              |      | (10,364)         | (78,684)                      | 35,361                        |
|                                                                 |      | <b>336,680</b>   | 253,471                       | 357,320                       |
| <b>Non-controlling interest</b>                                 |      | <b>168</b>       | —                             | —                             |
| <b>Total equity carried forward</b>                             |      | <b>336,848</b>   | 253,471                       | 357,320                       |

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

Symphony International Holdings Limited and its subsidiaries  
Financial Statements  
Year ended 31 December 2009

## Consolidated Statement of Financial Position

As at 31 December 2009

|                                                     | Note | 2009<br>US\$'000 | Re-stated<br>2008<br>US\$'000 | Re-stated<br>2007<br>US\$'000 |
|-----------------------------------------------------|------|------------------|-------------------------------|-------------------------------|
| <b>Total equity brought forward</b>                 |      | <b>336,848</b>   | 253,471                       | 357,320                       |
| <b>Non-current liabilities</b>                      |      |                  |                               |                               |
| Amounts due to non-controlling interest (non-trade) | 10   | 505              | 148                           | 148                           |
| Interest-bearing borrowings (secured)               | 11   | 1,614            | 1,888                         | —                             |
|                                                     |      | <b>2,119</b>     | 2,036                         | 148                           |
| <b>Current liabilities</b>                          |      |                  |                               |                               |
| Bank overdrafts                                     |      | —                | —                             | 16                            |
| Interest-bearing borrowings (secured)               | 11   | 335              | 288                           | —                             |
| Financial derivatives                               | 11   | —                | 646                           | —                             |
| Accrued operating expenses                          |      | 153              | 149                           | 284                           |
| Other payables                                      |      | 163              | 195                           | 53                            |
| Interest payable                                    |      | 2                | 3                             | —                             |
| Withholding tax payable                             |      | 2,897            | 914                           | —                             |
| Current tax payable                                 |      | 88               | 22                            | 9                             |
|                                                     |      | <b>3,638</b>     | 2,217                         | 362                           |
| <b>Total liabilities</b>                            |      | <b>5,757</b>     | 4,253                         | 510                           |
| <b>Total equity and liabilities</b>                 |      | <b>342,605</b>   | 257,724                       | 357,830                       |

The financial statements were approved by the Board of Directors on 6 April 2010.

**Anil Thadani**  
Director  
6 April 2010

**Sunil Chandiramani**  
Director  
6 April 2010

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

Symphony International Holdings Limited and its subsidiaries  
Financial Statements  
Year ended 31 December 2009

# Consolidated Statement of Comprehensive Income

Year ended 31 December 2009

|                                                                                                       | Note | 2009<br>US\$'000 | Re-stated<br>2008<br>US\$'000 |
|-------------------------------------------------------------------------------------------------------|------|------------------|-------------------------------|
| Revenue                                                                                               | 12   | 3,494            | 3,906                         |
| Other operating income                                                                                | 13   | 33,927           | 13,022                        |
| Other operating expenses                                                                              |      | (2,639)          | (2,064)                       |
| Management fees                                                                                       |      | (8,000)          | (8,000)                       |
|                                                                                                       |      | 26,782           | 6,864                         |
| Management shares expense                                                                             |      | (905)            | (2,458)                       |
| Share options expense                                                                                 |      | (10,232)         | (16,894)                      |
| <b>Profit/(Loss) before investment results and income tax</b>                                         |      | <b>15,645</b>    | <b>(12,488)</b>               |
| Fair value changes in financial assets at fair value through profit or loss                           | 4    | 55,751           | (98,904)                      |
| Impairment loss on downpayment for purchase<br>of investment properties                               | 6    | —                | (853)                         |
| Fair value changes in investment properties                                                           | 5    | 3,030            | —                             |
| Fair value changes in investments in joint ventures                                                   | 3    | (4,379)          | —                             |
| Fair value changes in financial derivatives                                                           | 11   | 646              | (646)                         |
| <b>Profit/(Loss) before income tax</b>                                                                | 13   | <b>70,693</b>    | <b>(112,891)</b>              |
| Income tax expense                                                                                    | 14   | (2,205)          | (1,154)                       |
| <b>Profit/(Loss) for the year</b>                                                                     |      | <b>68,488</b>    | <b>(114,045)</b>              |
| <b>Other comprehensive income:</b>                                                                    |      |                  |                               |
| Foreign currency translation differences in relation<br>to financial statements of foreign operations |      | 3,753            | (5,199)                       |
| <b>Other comprehensive income/(expense) for the year, net of tax</b>                                  |      | <b>3,753</b>     | <b>(5,199)</b>                |
| <b>Total comprehensive income/(expense) for the year</b>                                              |      | <b>72,241</b>    | <b>(119,244)</b>              |
| <b>Profit/(Loss) attributable to:</b>                                                                 |      |                  |                               |
| Equity holders of the Company                                                                         |      | 68,320           | (114,045)                     |
| Non-controlling interest                                                                              |      | 168              | —                             |
| <b>Profit/(Loss) for the year</b>                                                                     |      | <b>68,488</b>    | <b>(114,045)</b>              |
| <b>Total comprehensive income/(expense) attributable to:</b>                                          |      |                  |                               |
| Equity holders of the Company                                                                         |      | 72,073           | (119,244)                     |
| Non-controlling interest                                                                              |      | 168              | —                             |
| <b>Total comprehensive income/(expense) for the year</b>                                              |      | <b>72,241</b>    | <b>(119,244)</b>              |
| <b>Earnings per share:</b>                                                                            |      | <b>US Cents</b>  | <b>US Cents</b>               |
| <b>Basic</b>                                                                                          | 15   | <b>20.20</b>     | <b>(33.72)</b>                |
| <b>Diluted</b>                                                                                        | 15   | <b>20.20</b>     | <b>(33.72)</b>                |

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

Symphony International Holdings Limited and its subsidiaries  
Financial Statements  
Year ended 31 December 2009

## Consolidated Statement of Changes in Equity

Year ended 31 December 2009

|                                                              | Share capital<br>US\$'000 | Equity<br>compensation<br>reserve<br>US\$'000 | Foreign<br>currency<br>translation<br>reserve<br>US\$'000 | Accumulated<br>profits/<br>(losses)<br>US\$'000 | Total<br>attributable<br>to equity<br>holders of<br>the Company<br>US\$'000 | Non-<br>controlling<br>interest<br>US\$'000 | Total equity<br>US\$'000 |
|--------------------------------------------------------------|---------------------------|-----------------------------------------------|-----------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------|--------------------------|
| <b>Re-stated</b>                                             |                           |                                               |                                                           |                                                 |                                                                             |                                             |                          |
| At 1 January 2007                                            | 101,369                   | 6,095                                         | —                                                         | 14,425                                          | 121,889                                                                     | —                                           | 121,889                  |
| Issue of shares                                              | 211,551                   | (8,291)                                       | —                                                         | —                                               | 203,260                                                                     | —                                           | 203,260                  |
| Share placement fee                                          | (7)                       | —                                             | —                                                         | —                                               | (7)                                                                         | —                                           | (7)                      |
| London stock exchange listing expenses                       | (6,548)                   | —                                             | —                                                         | —                                               | (6,548)                                                                     | —                                           | (6,548)                  |
| Value of services received for issue<br>of management shares | —                         | 3,804                                         | —                                                         | —                                               | 3,804                                                                       | —                                           | 3,804                    |
| Value of services received for issue<br>of share options     | —                         | 12,181                                        | —                                                         | —                                               | 12,181                                                                      | —                                           | 12,181                   |
| Total comprehensive expense for the year                     | —                         | —                                             | 1,805                                                     | 20,936                                          | 22,741                                                                      | —                                           | 22,741                   |
| At 31 December 2007                                          | 306,365                   | 13,789                                        | 1,805                                                     | 35,361                                          | 357,320                                                                     | —                                           | 357,320                  |
| <b>Re-stated</b>                                             |                           |                                               |                                                           |                                                 |                                                                             |                                             |                          |
| At 1 January 2008                                            | 306,365                   | 13,789                                        | 1,805                                                     | 35,361                                          | 357,320                                                                     | —                                           | 357,320                  |
| London stock exchange listing expenses                       | (3,957)                   | —                                             | —                                                         | —                                               | (3,957)                                                                     | —                                           | (3,957)                  |
| Value of services received for issue<br>of management shares | —                         | 2,458                                         | —                                                         | —                                               | 2,458                                                                       | —                                           | 2,458                    |
| Value of services received for issue<br>of share options     | —                         | 16,894                                        | —                                                         | —                                               | 16,894                                                                      | —                                           | 16,894                   |
| Total comprehensive expense for the year                     | —                         | —                                             | (5,199)                                                   | (114,045)                                       | (119,244)                                                                   | —                                           | (119,244)                |
| At 31 December 2008                                          | 302,408                   | 33,141                                        | (3,394)                                                   | (78,684)                                        | 253,471                                                                     | —                                           | 253,471                  |
| At 1 January 2009                                            | <b>302,408</b>            | <b>33,141</b>                                 | <b>(3,394)</b>                                            | <b>(78,684)</b>                                 | <b>253,471</b>                                                              | <b>—</b>                                    | <b>253,471</b>           |
| Value of services received for issue<br>of management shares | —                         | 905                                           | —                                                         | —                                               | 905                                                                         | —                                           | 905                      |
| Value of services received for issue<br>of share options     | —                         | 10,231                                        | —                                                         | —                                               | 10,231                                                                      | —                                           | 10,231                   |
| Total comprehensive income for the year                      | —                         | —                                             | 3,753                                                     | 68,320                                          | 72,073                                                                      | 168                                         | 72,241                   |
| At 31 December 2009                                          | <b>302,408</b>            | <b>44,277</b>                                 | <b>359</b>                                                | <b>(10,364)</b>                                 | <b>336,680</b>                                                              | <b>168</b>                                  | <b>336,848</b>           |

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

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## Consolidated Statement of Cash Flows

Year ended 31 December 2009

|                                                                             | 2009<br>US\$'000 | Re-stated<br>2008<br>US\$'000 |
|-----------------------------------------------------------------------------|------------------|-------------------------------|
| <b>Cash flows (used) / from operating activities</b>                        |                  |                               |
| Profit/(Loss) before income tax                                             | 70,693           | (112,891)                     |
| <b>Adjustments for:</b>                                                     |                  |                               |
| Exchange differences                                                        | (14)             | 85                            |
| Dividend income                                                             | (3,494)          | (3,906)                       |
| Interest income                                                             | (13,261)         | (9,820)                       |
| Interest expense                                                            | 108              | 175                           |
| Fair value changes in financial derivatives                                 | (646)            | 646                           |
| Fair value changes in investments in joint ventures                         | 4,399            | —                             |
| Fair value changes in investment properties                                 | (3,030)          | —                             |
| Impairment loss on downpayment for investment properties                    | —                | 852                           |
| Fair value changes in financial assets at fair value through profit or loss | (55,751)         | 98,904                        |
| Profit on sales of listed investments                                       | (20,667)         | —                             |
| Non-recoverable debts                                                       | 99               | —                             |
| Proposed deals expenses                                                     | 72               | —                             |
| Management shares expense                                                   | 905              | 2,458                         |
| Share options expense                                                       | 10,232           | 16,894                        |
|                                                                             | (10,355)         | (6,603)                       |
| Changes in working capital:                                                 |                  |                               |
| Decrease/(Increase) in other receivables and prepayments                    | 319              | (371)                         |
| (Decrease)/Increase in other payables and accrued operating expenses        | 3                | (137)                         |
| Cash used in operations                                                     | (10,033)         | (7,111)                       |
| Dividend received (net of withholding tax)                                  | 3,338            | 3,348                         |
| Interest received (net of withholding tax)                                  | 229              | 4,237                         |
| Income taxes paid                                                           | (13)             | —                             |
| <b>Net cash (used in) / from operating activities</b>                       | <b>(6,479)</b>   | <b>474</b>                    |
| <b>Cash flows from investing activities</b>                                 |                  |                               |
| Purchase of financial assets at fair value through profit or loss           | (1,892)          | (47,978)                      |
| Payment for the purchase of investment properties                           | (4,464)          | —                             |
| Loans to an investee company                                                | —                | (500)                         |
| Repayment of loans by investee company                                      | —                | 3,750                         |
| Investments in joint ventures                                               | (1,281)          | (7,676)                       |
| Loans to joint ventures                                                     | —                | (92,157)                      |
| Repayment of loans by joint ventures                                        | 1,217            | 1,427                         |
| Loan to joint venture partner                                               | (118)            | (882)                         |
| Deposit for option to purchase investment property                          | —                | (1,000)                       |
| <b>Net cash used in investing activities</b>                                | <b>(6,538)</b>   | <b>(145,016)</b>              |
| Balance carried forward                                                     | (13,017)         | (144,542)                     |

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

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## Consolidated Statement of Cash Flows

Year ended 31 December 2009

|                                                      | Note | 2009<br>US\$'000 | Re-stated<br>2008<br>US\$'000 |
|------------------------------------------------------|------|------------------|-------------------------------|
| Balance brought forward                              |      | (13,017)         | (144,542)                     |
| <b>Cash flows from financing activities</b>          |      |                  |                               |
| Subscription proceeds for unallotted shares refunded |      | —                | (14)                          |
| Interest paid                                        |      | (108)            | (172)                         |
| Listing expenses paid                                |      | —                | (3,958)                       |
| Proceeds from borrowings                             |      | —                | 2,840                         |
| Repayment of borrowings                              |      | (306)            | (446)                         |
| Receipts from non-controlling interests              |      | 356              | —                             |
| <b>Net cash used in financing activities</b>         |      | (58)             | (1,750)                       |
| Net (decrease) in cash and cash equivalents          |      | (13,075)         | (146,292)                     |
| Cash and cash equivalents at 1 January               |      | 60,412           | 206,645                       |
| Effect of exchange rate fluctuations                 |      | 75               | 59                            |
| <b>Cash and cash equivalents at 31 December</b>      | 8    | <b>47,412</b>    | 60,412                        |

During the financial year ended 31 December 2009, there were the following non-cash transactions:

- Stock dividend from quoted equity investment received amounting to US\$nil (2008: US\$410,222).

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

# Notes to the Financial Statements

Year ended 31 December 2009

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 6 April 2010.

## 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 a fair value basis, except for certain items which are measured on a historical cost basis less impairment as appropriate. The financial statements are presented in thousands of United States dollars (US\$'000), 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 5 — Valuation of investment properties
- Note 9 — Valuation of management shares and share options
- Note 20 — Fair value of unquoted investments in joint ventures

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.

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# Notes to the Financial Statements

Year ended 31 December 2009

## 2 Summary of significant accounting policies (cont'd)

### 2.1 Basis of preparation (cont'd)

#### Adoption of new/revised IFRSs

##### *Overview*

The Group adopted the new/revised IFRSs and interpretations which became effective for the current financial year. With the adoption of the new/revised IFRSs and interpretations, the Group has changed its accounting policies in the following areas:

- Classification and measurement of financial instruments
- Determination and presentation of operating segments
- Disclosures of fair value hierarchy and liquidity risk for financial instruments

Comparative information has been re-presented so that it is in conformity with the revised standards. The adoption of new/revised IFRSs and interpretations does not have any material impact on earnings per share and profit or loss.

##### *Classification and measurement of financial instruments*

The Group early adopted IFRS 9 Financial Instruments for the first time from 12 November 2009, being the earliest date it was available for adoption. The Group elected to apply IFRS 9 retrospectively as if it had always applied. IFRS 9 specifies the basis for classifying and measuring financial assets. Classification is determined based on the Group's business model measured at either amortised cost or fair value. IFRS 9 replaces the classification and measurement requirements relating to financial assets in IAS 39 *Financial Instruments: Recognition and measurement*.

A financial asset is measured at amortised cost if the following conditions are met:

- the objective of the Group's business model in relation to those instruments is to hold the asset to collect the contractual cash flows; and
- the contractual cash flows give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

If these criteria are not met then the financial asset must be measured at fair value through profit or loss except as discussed below. Alternatively, similar to the requirements in IAS 39, the Group may irrevocably elect at inception to classify a financial asset as fair value through profit or loss to reduce an accounting mismatch.

Amortised cost is still measured using the effective interest rate method and amortised cost assets must be assessed for impairment losses. There are no changes to the measurement method for fair value through profit or loss from the requirements in IAS 39.

In accordance with IFRS 9 only equity instruments that are not held for trading are able to be classified as fair value through other comprehensive income rather than fair value through profit or loss. On disposal, in contrast to IAS 39, the cumulative gains or losses recognised in equity over the period the Group held the equity instrument are transferred directly to retained earnings and are not permitted to be recognised in profit or loss. Equity instruments fair valued through other comprehensive income are no longer required to be assessed for impairment.

## Notes to the Financial Statements

Year ended 31 December 2009

## 2 Summary of significant accounting policies (cont'd)

## 2.1 Basis of preparation (cont'd)

## Adoption of new/revised IFRSs (cont'd)

*Classification and measurement of financial instruments (cont'd)*

The change in accounting policy was applied retrospectively only to those financial assets that the Group held at the date of initial application of IFRS 9 (12 November 2009) or acquired subsequent to that date. In accordance with the transitional provisions of IFRS 9, the classification of financial assets that the Group held at the date of initial application was determined based on conditions that existed at that date.

The impact on the consolidated statement of comprehensive income for the year ended 31 December 2009 as a result of applying IFRS 9 is as follows:

- \$55,750,900 (2008: \$40,582,240, 2007: \$34,927,268) has been reclassified from other comprehensive income (net change in fair value of available-for-sale financial assets) to fair value changes in financial assets through profit or loss as a result of reclassifying equity instruments from available-for-sale to financial assets at fair value through profit or loss. Refer below for the impact of the adjustment:

|                                                                                | 2009<br>Pre IFRS 9<br>US\$'000 | Adjustment<br>US\$'000 | 2009<br>US\$'000 |
|--------------------------------------------------------------------------------|--------------------------------|------------------------|------------------|
| Fair value changes in financial assets<br>at fair value through profit or loss | (723)                          | 55,751                 | 55,028           |
| <b>Profit before income tax</b>                                                | <b>14,942</b>                  | <b>55,751</b>          | <b>70,693</b>    |
| <b>Profit for the year</b>                                                     | <b>12,737</b>                  | <b>55,751</b>          | <b>68,488</b>    |
| <b>Other comprehensive income/(expense)<br/>for the year, net of tax</b>       | <b>59,504</b>                  | <b>(55,751)</b>        | <b>3,753</b>     |
| Profit attributable to equity holders<br>of the Company                        | 12,569                         | 55,751                 | 68,320           |
| Profit attributable<br>to non-controlling interest                             | 168                            | —                      | 168              |
| <b>Profit for the year</b>                                                     | <b>12,737</b>                  | <b>55,751</b>          | <b>68,488</b>    |
| <b>Total comprehensive income for the year</b>                                 | <b>72,241</b>                  | <b>—</b>               | <b>72,241</b>    |
|                                                                                | 2008<br>Pre IFRS 9<br>US\$'000 | Adjustment<br>US\$'000 | 2008<br>US\$'000 |
| Fair value changes in financial assets<br>at fair value through profit or loss | (59,820)                       | (40,582)               | (100,402)        |
| <b>Loss before income tax</b>                                                  | <b>(72,309)</b>                | <b>(40,582)</b>        | <b>(112,891)</b> |
| <b>Loss for the year</b>                                                       | <b>(73,463)</b>                | <b>(40,582)</b>        | <b>(114,045)</b> |
| <b>Other comprehensive income/(expense)<br/>for the year, net of tax</b>       | <b>(45,781)</b>                | <b>40,582</b>          | <b>(5,199)</b>   |
| Loss attributable to equity holders<br>of the Company                          | (73,463)                       | (40,582)               | (114,045)        |
| Profit/(loss) attributable<br>to non-controlling interest                      | —                              | —                      | —                |
| <b>Loss for the year</b>                                                       | <b>(73,463)</b>                | <b>(40,582)</b>        | <b>(114,045)</b> |
| <b>Total comprehensive income for the year</b>                                 | <b>(119,244)</b>               | <b>—</b>               | <b>(119,244)</b> |

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## Notes to the Financial Statements

Year ended 31 December 2009

### 2 Summary of significant accounting policies (cont'd)

#### 2.1 Basis of preparation (cont'd)

##### Adoption of new/revised IFRSs (cont'd)

##### *Classification and measurement of financial instruments (cont'd)*

The impact on the consolidated statement of financial position at 31 December 2009 (2008) from reclassifying financial assets as a result of applying IFRS 9 is as follows:

- \$68,046,615 (2008: \$12,294,715) has been transferred from the reserves to accumulated losses as a result of reclassifying equity instruments from available-for-sale to fair value through profit or loss.

|                                                                 | 2009<br>Pre IFRS 9<br>US\$'000 | Adjustment<br>US\$'000 | 2009<br>US\$'000 |
|-----------------------------------------------------------------|--------------------------------|------------------------|------------------|
| <b>Non-current assets</b>                                       |                                |                        |                  |
| Available-for sale financial assets                             | 172,649                        | (172,649)              | —                |
| Financial assets at fair value through profit or loss           | —                              | 172,649                | 172,649          |
| <b>Equity attributable to equity holders<br/>of the Company</b> |                                |                        |                  |
| Reserves                                                        | 112,682                        | (68,046)               | 44,636           |
| Accumulated losses                                              | (78,410)                       | 68,046                 | (10,364)         |
| <b>Total assets</b>                                             | <b>342,605</b>                 | <b>—</b>               | <b>342,605</b>   |
|                                                                 | 2008<br>Pre IFRS 9<br>US\$'000 | Adjustment<br>US\$'000 | 2008<br>US\$'000 |
| <b>Non-current assets</b>                                       |                                |                        |                  |
| Available-for sale financial assets                             | 94,167                         | (94,167)               | —                |
| Financial assets at fair value through profit or loss           | —                              | 94,167                 | 94,167           |
| <b>Equity attributable to equity holders<br/>of the Company</b> |                                |                        |                  |
| Reserves                                                        | 42,042                         | (12,295)               | 29,747           |
| Accumulated losses                                              | (90,979)                       | 12,295                 | (78,684)         |
| <b>Total assets</b>                                             | <b>257,724</b>                 | <b>—</b>               | <b>257,724</b>   |

The impact on the opening consolidated statement of financial position at 31 December 2007 from reclassifying financial assets as a result of applying IFRS 9 is as follows:

## Notes to the Financial Statements

Year ended 31 December 2009

## 2 Summary of significant accounting policies (cont'd)

## 2.1 Basis of preparation (cont'd)

## Adoption of new/revised IFRSs (cont'd)

## Classification and measurement of financial instruments (cont'd)

- \$52,876,955 was transferred from the reserves to accumulated losses as a result of reclassifying equity instruments from available-for-sale to fair value through profit or loss.

|                                                                 | 2007<br>Pre IFRS 9<br>US\$'000 | Adjustment<br>US\$'000 | 2007<br>US\$'000 |
|-----------------------------------------------------------------|--------------------------------|------------------------|------------------|
| <b>Non-current assets</b>                                       |                                |                        |                  |
| Available-for sale financial assets                             | 144,323                        | (144,323)              | —                |
| Financial assets at fair value through profit or loss           | —                              | 144,323                | 144,323          |
| <b>Equity attributable to equity holders<br/>of the Company</b> |                                |                        |                  |
| Reserves                                                        | 68,472                         | (52,877)               | 15,594           |
| Accumulated losses                                              | (17,517)                       | 52,877                 | 35,361           |
| <b>Total assets</b>                                             | <b>357,830</b>                 | <b>—</b>               | <b>357,830</b>   |

The impact on the statement of changes in equity at 31 December 2009 (2008) from reclassifying financial assets as a result of applying IFRS 9 is as follows:

- \$68,045,615 (2008: \$12,294,715) has been transferred from the fair value reserve to accumulated losses as a result of reclassifying equity instruments from available-for-sale to fair value through profit or loss.

|                    | 2009<br>Pre IFRS 9<br>US\$'000 | Adjustment<br>US\$'000 | 2009<br>US\$'000 |
|--------------------|--------------------------------|------------------------|------------------|
| Fair value reserve | 68,046                         | (68,046)               | —                |
| Accumulated losses | (78,410)                       | 68,046                 | (10,364)         |
|                    | 2008<br>Pre IFRS 9<br>US\$'000 | Adjustment<br>US\$'000 | 2008<br>US\$'000 |
| Fair value reserve | 12,295                         | (12,295)               | —                |
| Accumulated losses | (90,979)                       | 12,295                 | (78,684)         |
|                    | 2007<br>Pre IFRS 9<br>US\$'000 | Adjustment<br>US\$'000 | 2007<br>US\$'000 |
| Fair value reserve | 52,877                         | (52,877)               | —                |
| Accumulated losses | (17,517)                       | 52,877                 | 35,360           |

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# Notes to the Financial Statements

Year ended 31 December 2009

## 2 Summary of significant accounting policies (cont'd)

### 2.1 Basis of preparation (cont'd)

#### Adoption of new/revised IFRSs (cont'd)

##### *Classification and measurement of financial instruments (cont'd)*

The change in accounting policy has an impact of \$16.48 (2008: \$12.00) on the basic earnings per share and \$16.48 (2008: \$12.00) on diluted earnings per share in 2009.

|                            | 2009<br>Pre IFRS 9<br>US Cents | Adjustment<br>US Cents | 2009<br>US Cents |
|----------------------------|--------------------------------|------------------------|------------------|
| Basic earnings per share   | 3.72                           | 16.48                  | 20.20            |
| Diluted earnings per share | 3.72                           | 16.48                  | 20.20            |
|                            | 2008<br>Pre IFRS 9<br>US Cents | Adjustment<br>US Cents | 2008<br>US Cents |
| Basic earnings per share   | (21.72)                        | (12.00)                | (33.72)          |
| Diluted earnings per share | (21.72)                        | (12.00)                | (33.72)          |

In accordance with the transitional provisions of IFRS 9, the Group has elected to restate its prior year comparatives.

##### *Reclassification of financial assets at the date of initial application of IFRS 9*

The Group has applied IFRS 9 retrospectively as though it had always applied.

Available-for-sale financial assets as they were previously classified in accordance with IAS 39 are now classified as financial assets at fair value through profit or loss under IFRS 9. All changes in their fair value are recognised in profit or loss as fair value changes in financial assets at fair value through profit or loss under IFRS 9.

Previously in accordance with IAS 39, changes in fair value were recognised directly in the fair value reserve in equity, except for impairments that were recognised directly in profit or loss in the statement of comprehensive income.

Interests in joint ventures were previously classified as designated as fair value through profit or loss in accordance with IAS 39 and are now classified as fair value through profit or loss in accordance with IFRS 9. All changes in their fair value are recognised as fair value changes in financial assets at fair value through profit or loss in accordance with IFRS 9.

Previously in accordance with IAS 39, changes in fair value were recognised in profit or loss in the statement of comprehensive income as fair value changes in joint ventures.

# Notes to the Financial Statements

Year ended 31 December 2009

## 2 Summary of significant accounting policies (cont'd)

### 2.1 Basis of preparation (cont'd)

#### Adoption of new/revised IFRSs (cont'd)

##### *Determination and presentation of operating segments*

As of 1 January 2009, the Group determines and presents operating segments based on the information that internally is provided to the Board of directors of Symphony Investment Managers Limited "Board", who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of IFRS 8 Operating Segments. Previously operating segments were determined and presented in accordance with IFRS 14 Segment Reporting. The new accounting policy in respect of operating segment disclosures is presented as follows. Comparative segment information has been re-presented in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Board to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management share and share option expense, management fees, SIHL operating expenses and income tax assets and liabilities.

##### *Disclosures of fair value hierarchy and liquidity risk for financial instruments*

The Group applies the amendments to IFRS 7 Financial Instruments: Disclosures, which became effective as of 1 January 2009, that require enhanced disclosures about fair value measurements and liquidity risk in respect of financial statements.

The amendments require that fair value measurement disclosures use a three-level fair value hierarchy that reflects the significance of inputs used in measuring fair values of financial instruments. Specific disclosures are required when fair value measurements are categorised as level 3 (significant observable inputs) in the fair value hierarchy. The amendments require that significant transfers between Level 1 and Level 2 of the fair value hierarchy be disclosed separately, distinguishing between transfers into and out of each level. Furthermore, changes in valuation techniques from one period to another, including the reasons therefore, are required to be disclosed for each class of financial instruments.

Further, the definition of liquidity risk has been amended and is now defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The amendments require disclosure of the maximum amount of issued financial guarantees in the earliest time period for which the guarantees could be called upon in the contractual maturity analysis. Previously, the Group disclosed the maximum amount of issued financial guarantees in the contractual maturity analysis only if the Group assessed that it is probable that the guarantee would be called upon.

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# Notes to the Financial Statements

Year ended 31 December 2009

## 2 Summary of significant accounting policies (cont'd)

### 2.1 Basis of preparation (cont'd)

#### Adoption of new/revised IFRSs (cont'd)

*Disclosures of fair value hierarchy and liquidity risk for financial instruments (cont'd)*

IFRS 7 does not require comparative information to be restated and therefore, the contractual maturity analysis for the comparative period has not been represented. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

The accounting policies set out below have been applied consistently by the Group 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 profit or loss, in the statement of comprehensive income, in the period of the acquisition.

Goodwill arising on the acquisition of a non-controlling 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.

#### Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

# Notes to the Financial Statements

Year ended 31 December 2009

## 2 Summary of significant accounting policies (cont'd)

### 2.2 Consolidation (cont'd)

#### Associates and joint ventures (cont'd)

Investments in associates and joint ventures that are held as part of the Group's investment portfolio are carried in the statement of financial position at fair value through profit or loss even though the Group may have significant influence or joint control over those companies. This treatment is permitted by IAS 28 *Investments in Associates* and IAS 31 *Interests in Joint Ventures* which requires investments held by venture capital organisations to be excluded from its scope where those investments are measured at fair value through profit or loss, and accounted for in accordance with IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement with changes in fair value recognised in the profit or loss, in the statement of comprehensive income, in the period in which they occur.

### 2.3 Functional currencies

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 is obtained in US dollars through the issuance of ordinary shares and loans are advanced to subsidiaries for their investment purposes.
- 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 the obligations arising from the acquisition of investments are settled and of the market in which they operate as these economic forces influence the carrying value of the investments.

### 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 financial reporting 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 profit or loss in the statement of comprehensive income 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).

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# Notes to the Financial Statements

Year ended 31 December 2009

## 2 Summary of significant accounting policies (cont'd)

### 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 profit or loss in the subsidiary or jointly controlled entity's statement of comprehensive income. Such exchange differences are reclassified to other comprehensive income in the consolidated financial statements. When the foreign operation is disposed of, the cumulative amount in equity is transferred to the statement of comprehensive income 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 financial reporting 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 other comprehensive income. 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 profit or loss in the Company's statement of comprehensive income.

### 2.5 Financial instruments

#### Financial assets at amortised cost and the effective interest rate method

A financial asset is measured at amortised cost if the following conditions are met:

- the objective of the Group's business model is to hold the financial asset to collect contractual cash flows;
- the contractual cash flows give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding; and
- the group does not irrevocably elect at initial recognition to measure the instrument at fair value through profit or loss to minimise an accounting mismatch.

Amortised cost instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition the carrying amount of amortised cost instruments is determined using the effective interest method, less any impairment losses.

#### Non-derivative financial instruments

Non-derivative financial instruments comprise financial assets at fair value through profit or loss, 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.

# Notes to the Financial Statements

Year ended 31 December 2009

## 2 Summary of significant accounting policies (cont'd)

### 2.5 Financial instruments (cont'd)

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 statement of cash flows.

#### Financial assets at fair value through profit or loss

Financial assets other than equity instruments that do not meet the above amortised cost criteria are measured at fair value through profit or loss. This includes financial assets that are held for trading and investments that the Group manages based on their fair value in accordance with the Group's documented risk management and/or investment strategy.

Equity instruments are measured at fair value through profit or loss unless the Group irrevocably elects at initial recognition to present the changes in fair value in other comprehensive income as described below.

Upon initial recognition, financial assets measured at fair value through profit or loss are recognised at fair value and any transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

#### Financial assets at fair value through other comprehensive income

At initial recognition the Group may make an irrevocable election (on an instrument-by-instrument basis) to recognise the change in fair value of investments in equity instruments in other comprehensive income. This election is only permitted for equity instruments that are not held for trading purposes.

These instruments are initially recognised at fair value plus transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss is transferred directly to retained earnings and is not recognised in profit or loss.

Dividends or other distributions received from these investments are still recognised in profit or loss as part of finance income.

#### Others

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

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# Notes to the Financial Statements

Year ended 31 December 2009

## 2 Summary of significant accounting policies (cont'd)

### 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.

Investment properties are measured at fair value with any change therein recognised in profit or loss in the statement of comprehensive income. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

### 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 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.

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 profit or loss in the statement of comprehensive income. 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 profit or loss in the statement of comprehensive income.

#### Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each financial reporting 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 profit or loss in the statement of comprehensive income unless it reverses a previous revaluation, credited to other comprehensive income, in which case it is charged to other comprehensive income.

# Notes to the Financial Statements

*Year ended 31 December 2009*

## 2 Summary of significant accounting policies (cont'd)

### 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.

### 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 profit or loss in the statement of comprehensive income 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.

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 and loans to joint ventures and investee companies is recognised as it accrues, using the effective interest method.

### 2.10 Finance expense

All borrowing costs are recognised in the profit or loss in the statement of comprehensive income using the effective interest method.

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# Notes to the Financial Statements

Year ended 31 December 2009

## 2 Summary of significant accounting policies (cont'd)

### 2.11 Income tax expense

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the financial reporting 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 Interests in joint ventures

|                                                   | 2009<br>US\$'000 | 2008<br>US\$'000 |
|---------------------------------------------------|------------------|------------------|
| <b>Investments in joint ventures</b>              |                  |                  |
| Unquoted equity securities                        | 4,688            | 3,383            |
| Unquoted redeemable convertible preference shares | 5,540            | 5,000            |
|                                                   | 10,228           | 8,383            |
| <b>Balances with joint ventures</b>               |                  |                  |
| Loans to joint ventures                           | 86,503           | 85,093           |
| Interest receivable                               | 19,205           | 6,084            |
|                                                   |                  |                  |
| Disbursements                                     | 192              | —                |
|                                                   | 105,900          | 91,177           |
|                                                   |                  |                  |
| Fair value adjustments                            | (4,379)          | —                |
|                                                   | 111,749          | 99,560           |

Details of joint ventures are set out in note 22.

# Notes to the Financial Statements

Year ended 31 December 2009

## 3 Interests in joint ventures (cont'd)

The Group has effective equity interests of between 0.1% and 49.98% in these investee companies. Pursuant to various shareholders' agreements, the Group and the other shareholders have joint control over the financial and operating policies of these companies. Accordingly, these companies are considered to be joint ventures in accordance with IAS 31 *Interests in Joint Ventures*, and accounted for at fair value in accordance with the accounting policy set out in note 2.2.

Loans to joint ventures are unsecured and bear interest at 15% per annum. As the settlement of these loans is neither planned nor likely to occur in the foreseeable future, they are in substance a part of the Group's net investments in these joint ventures.

Included in the loans to the joint ventures are balances totalling US\$78,185,496 (2008: US\$75,648,415) which are/or will be subordinated to bank loans obtained/or to be obtained by certain joint ventures. Loans to joint ventures and accrued interest thereon are denominated in the following currencies:

|                                | 2009<br>US\$'000 | 2008<br>US\$'000 |
|--------------------------------|------------------|------------------|
| <b>Loans to joint ventures</b> |                  |                  |
| US Dollars                     | —                | 700              |
| Thai Baht                      | 86,503           | 84,393           |
|                                | <b>86,503</b>    | <b>85,093</b>    |
| <b>Interest receivable</b>     |                  |                  |
| Thai Baht                      | 19,205           | 6,084            |

## 4 Financial assets at fair value through profit or loss

|                                              | 2009<br>US\$'000 | Re-stated<br>2008<br>US\$'000 | Re-stated<br>2007<br>US\$'000 |
|----------------------------------------------|------------------|-------------------------------|-------------------------------|
| Quoted equity securities                     | 141,560          | 75,550                        | 116,478                       |
| Quoted units in real estate investment trust | 31,089           | 18,617                        | 27,845                        |
|                                              | <b>172,649</b>   | <b>94,167</b>                 | <b>144,323</b>                |

Financial assets at fair value through profit or loss represent investments in quoted equity securities and units in a real estate investment trust listed on The Stock Exchange of Thailand and Singapore Exchange Securities Trading Limited (SGX-ST), comprising US\$87,683,373 (2008: US\$54,402,221) and US\$84,965,233 (2008: US\$39,764,713) denominated in Thai Baht and Singapore Dollars, respectively.

During the year, a change in fair value of US\$55,750,900 (2008: US\$98,904,151 loss) has been recognised in profit or loss in the statement of comprehensive income.

Interests in joint ventures (note 3) are also financial assets at fair value through profit or loss but are presented separately in the statement of financial position.

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## Notes to the Financial Statements

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### 5 Investment properties

|                                                           | 2009<br>US\$'000 | 2008<br>US\$'000 |
|-----------------------------------------------------------|------------------|------------------|
| <b>At 1 January</b>                                       | —                | —                |
| Transfer from other receivables and prepayments           | 1,013            | —                |
| Effect of movements in exchange rates                     | (1)              | —                |
| Balance payment for the purchase of investment properties | 4,464            | —                |
| Change in fair value                                      | 3,030            | —                |
| <b>At 31 December</b>                                     | <b>8,506</b>     | —                |

Investment properties are stated at fair value based on desktop valuations carried out by an independent professional valuer who has recognised professional qualifications and recent experience in the location and category of the property being valued. The market value represents the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market valuation has been made on the assumption that the owners sell the property in its existing state with vacant possession.

### 6 Other receivables and prepayments

|                                                       | 2009<br>US\$'000 | 2008<br>US\$'000 |
|-------------------------------------------------------|------------------|------------------|
| <b>Non-current</b>                                    |                  |                  |
| Loan to joint venture partner                         | 1,000            | 882              |
| Interest receivable                                   | 22               | 3                |
| Loans and other receivables                           | 1,022            | 885              |
| Prepayments                                           | 77               | 107              |
|                                                       | <b>1,099</b>     | 992              |
| <b>Current</b>                                        |                  |                  |
| Interest receivable                                   | 86               | 23               |
| Other receivables                                     | 9                | 234              |
| Deposit for option to purchase investment property    | 1,000            | 1,000            |
| Downpayment for the purchase of investment properties | —                | 1,013            |
| Other assets                                          | 14               | 177              |
| Loans and other receivables                           | 1,109            | 2,447            |
| Other prepayments                                     | 81               | 146              |
|                                                       | <b>1,190</b>     | 2,593            |

The loan to a joint venture partner is unsecured, bears interest at 2% per annum and is repayable by October 2011.

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## 6 Other receivables and prepayments (cont'd)

Other receivables are unsecured, interest free and repayable within the next 12 months.

The deposit for the option to purchase an investment property relates to a fully refundable deposit paid for the first right to purchase an apartment of choice in a new real estate development for investment purposes. Interest receivable is recognised at 6% per annum.

In the previous financial year, the Group made a downpayment of HK\$14.5 million (equivalent to US\$1,865,892) for the acquisition of residential properties in Macau for investment purposes. The Group recognised impairment losses of HK\$ 6.7 million (equivalent to US\$852,544) in the profit or loss in the statement of comprehensive income due to a decline in the market value. The construction of such residential properties was completed during 2009 and they have been transferred to investment properties.

## 7 Cash and cash equivalents

|                                                                       | 2009<br>US\$'000 | 2008<br>US\$'000 |
|-----------------------------------------------------------------------|------------------|------------------|
| Fixed deposits with financial institutions                            | 45,320           | 55,576           |
| Cash at bank                                                          | 2,092            | 4,836            |
|                                                                       | 47,412           | 60,412           |
| Cash and cash equivalents in the consolidated statement of cash flows | 47,412           | 60,412           |

Bank overdrafts amounting to less than US\$1,000 are secured by a pledge of fixed deposits placed with a financial institution.

The effective interest rate on fixed deposits with financial institutions as at 31 December 2009 was 0.05% to 0.35% (2008: 0.01% to 1.20%) per annum. Interest rates reprice at intervals of one to four weeks.

## 8 Share capital

| Company                                               | 2009<br>Number of shares | 2008<br>Number of shares |
|-------------------------------------------------------|--------------------------|--------------------------|
| <b>Fully paid ordinary shares, with no par value:</b> |                          |                          |
| At 1 January/31 December                              | 338,259,976              | 338,259,976              |

Share capital in the statement of financial position 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.

As at 31 December 2009, the issued share capital of the Company included 8,386,471 (2008: 8,386,471) ordinary shares credited as fully paid in consideration for share placement and investment management and advisory services rendered to the Company. At the financial reporting date, 108,565,365 (2008: 108,565,365) warrants and 82,782,691 (2008: 82,782,692) share options were outstanding in the share capital of the Company (refer to note 15 for more details).

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### 8 Share capital (cont'd)

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. In the event that dividends are declared, the holders of the unexercised share options are entitled to receive the dividends (refer to note 16 for more details).

### 9 Reserves

#### Equity compensation reserve

The equity compensation reserve comprises the 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 16 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 represented an estimate of the fair value of management shares based on the following:

- Financial assets at fair value through profit or loss 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 on 3 August 2007, the fair value of the management shares for each quarter is determined based on the market price of the shares at each measurement date, being the relevant quarter-end for each quarter, 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 each reporting date are as follows:

|              | 2009<br>US\$ | 2008<br>US\$ |
|--------------|--------------|--------------|
| 31 March     | 0.23         | 0.73         |
| 30 June      | 0.34         | 0.77         |
| 30 September | 0.48         | 0.61         |
| 31 December  | 0.64         | 0.29         |

#### 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.

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## 9 Reserves (cont'd)

## Equity compensation reserve (cont'd)

## Share options (cont'd)

The number and exercise price of share options is as follows:

|                             | Exercise price<br>2009 | Number of options<br>2009 | Exercise Price<br>2008 | Number of options<br>2008 |
|-----------------------------|------------------------|---------------------------|------------------------|---------------------------|
| Outstanding at 1 January    | US\$1.00               | 82,782,691                | US\$1.00               | 82,782,691                |
| Forfeited during the period | —                      | —                         | —                      | —                         |
| Exercised during the period | —                      | —                         | —                      | —                         |
| Granted during the period   | —                      | —                         | —                      | —                         |
| Outstanding at 31 December  | US\$1.00               | 82,782,691                | US\$1.00               | 82,782,691                |
| Exercisable at 31 December  | US\$1.00               | 82,782,691                | US\$1.00               | 82,782,691                |

## Fair value of share options and assumptions

|                         | 31 December<br>2008 | 31 March<br>2009 | 30 June<br>2009 | 30 September<br>2009 | 31 December<br>2009 |
|-------------------------|---------------------|------------------|-----------------|----------------------|---------------------|
| Fair value              | US\$0.25            | US\$0.23         | US\$0.34        | US\$0.47             | US\$0.56            |
| Share price             | US\$0.29            | US\$0.23         | US\$0.34        | US\$0.48             | US\$0.64            |
| Exercise price          | US\$1.00            | US\$1.00         | US\$1.00        | US\$1.00             | US\$1.00            |
| Expected volatility     | 109.2%              | 189.0%           | 215.4%          | 158.8%               | 106.2%              |
| Expected option life    | 9.6 years*          | 9.4 years*       | 9.1 years*      | 8.8 years*           | 8.6 years*          |
| Expected dividends      | Nil                 | Nil              | Nil             | Nil                  | Nil                 |
| Risk-free interest rate | 2.98%               | 3.15%            | 4.03%           | 3.75%                | 4.19%               |

\* On 3 August 2008, the Company granted 82,782,691 share options to the Investment Manager, which had been previously deferred (refer to note 16 to the financial statements). These share options will expire on the tenth anniversary of the actual grant date, which has been similarly deferred by 1 year as a result of the deferment of the grant.

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.

## 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.

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### 10 Amounts due to non-controlling interest (non-trade)

The non-trade amounts due to non-controlling interest 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 non-controlling interest's net investment in a subsidiary, they are stated at cost less impairment.

### 11 Financial liabilities

|                                                          | 2009<br>US\$'000 | 2008<br>US\$'000 |
|----------------------------------------------------------|------------------|------------------|
| <b>Non-current</b>                                       |                  |                  |
| Interest-bearing term loans (secured)                    | 1,614            | 1,888            |
| <b>Current</b>                                           |                  |                  |
| Current portion of interest-bearing term loans (secured) | 335              | 288              |
| Financial derivatives                                    | —                | 646              |
|                                                          | <b>335</b>       | <b>934</b>       |

Financial derivatives represent fair value losses on contracts, being a series of call and put options entered into in order to purchase investments in a quoted equity security listed on the SGX-ST. As at 31 December 2009, the Group has no outstanding contracts to purchase quoted equity securities.

Interest-bearing term loans are denominated in Thai Baht and are secured on the Group's interests in the equity securities of a joint venture, without recourse to Symphony International Holdings Limited. Interest is charged at the bank's minimum lending rate less 1% per annum and reprices on a monthly basis. The effective interest rate as at 31 December 2009 was 4.85% per annum. The borrowings are repayable in equal monthly instalments within a period of 8 years from the date of drawdown.

### 12 Revenue

Revenue of the Group comprises dividend income received and receivable from its financial assets at fair value through profit or loss.

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## 13 Profit/(loss) before income tax

Profit/(loss) before income tax includes the following:

|                                                                           | 2009<br>US\$'000 | 2008<br>US\$'000 |
|---------------------------------------------------------------------------|------------------|------------------|
| <b>Other operating income</b>                                             |                  |                  |
| Interest income from:                                                     |                  |                  |
| — fixed deposits and placements in money market fund                      | 44               | 3,370            |
| — loans to joint ventures                                                 | 13,138           | 6,201            |
| — loans to investee companies                                             | 79               | 249              |
| Fee income                                                                | —                | 500              |
| Foreign exchange gain (net)                                               | —                | 2,702            |
| Gain on disposal of financial assets at fair value through profit or loss | 20,666           | —                |
|                                                                           | <b>33,927</b>    | <b>13,022</b>    |
| Interest expense                                                          | <b>(108)</b>     | <b>(175)</b>     |

## 14 Income tax expense

|                            | 2009<br>US\$'000 | 2008<br>US\$'000 |
|----------------------------|------------------|------------------|
| <b>Current tax expense</b> |                  |                  |
| Current year               | 78               | 13               |
| Foreign withholding tax    | 2,127            | 1,141            |
| Income tax expense         | <b>2,205</b>     | <b>1,154</b>     |

## Reconciliation of effective tax rate

|                                                               | 2009<br>US\$'000 | Re-stated<br>2008<br>US\$'000 |
|---------------------------------------------------------------|------------------|-------------------------------|
| Profit/(Loss) before income tax                               | <b>70,693</b>    | <b>(112,891)</b>              |
| Tax calculated using the weighted average statutory tax rates | <b>8,721</b>     | <b>(8,977)</b>                |
| Income/expense not subject to tax                             | <b>(7,171)</b>   | <b>10,102</b>                 |
| Expenses not deductible for tax purposes                      | <b>736</b>       | <b>225</b>                    |
| Deferred tax assets not recognised                            | <b>66</b>        | <b>—</b>                      |
| Tax credit                                                    | <b>(2,274)</b>   | <b>(1,337)</b>                |
| Foreign withholding tax                                       | <b>2,127</b>     | <b>1,141</b>                  |
|                                                               | <b>2,205</b>     | <b>1,154</b>                  |

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

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### 14 Income tax expense (cont'd)

#### *Reconciliation of effective tax rate (cont'd)*

Deferred tax liabilities have not been recognised on temporary differences in respect of fair value gains on certain financial assets at fair value through profit or loss. Under the double taxation treaty between Thailand, the country in which the financial assets are located, and Mauritius, the country of incorporation of the subsidiary which holds these 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.

#### *Unrecognised deferred tax assets*

The Group also has not recognised deferred tax assets amounting to US\$66,000 (2008: nil) on taxable losses of US\$338,000 (2008: nil) as it is not probable that future taxable profits will be available against which the losses can be utilised. The tax losses do not expire under current legislation.

### 15 Earnings per share

|                                                                              | 2009<br>US\$'000        | Re-stated<br>2008<br>US\$'000 |
|------------------------------------------------------------------------------|-------------------------|-------------------------------|
| Basic and diluted earnings per share are based on:                           |                         |                               |
| Net profit/(loss) for the year attributable to equity holders of the Company | 68,320                  | (114,045)                     |
|                                                                              | <b>Number of shares</b> |                               |
|                                                                              | 2009                    | 2008                          |
| Weighted average number of shares (basic and diluted)                        |                         |                               |
| — Outstanding during the year                                                | 338,259,976             | 338,259,976                   |
| — Issued during the year                                                     | —                       | —                             |
| — Effects of bonus shares issued                                             | —                       | —                             |
|                                                                              | <b>338,259,976</b>      | <b>338,259,976</b>            |

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, share options and contingently issuable shares, with the potential shares weighted for the period outstanding.

As at 31 December 2009 and 31 December 2008, outstanding warrants to subscribe for 108,565,365 new ordinary shares of no par value at an exercise price of US\$1.25 each, potentially issuable share options to subscribe for 82,782,691 ordinary shares of no par value at an exercise price of US\$1.00, and contingently issuable management shares of 10,298,726 ordinary shares of no par value have not been included in the computation of diluted earnings per share because these warrants, potentially issuable share options and contingently issuable management shares were anti-dilutive.

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## 16 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

The Company is managed by Symphony Investment Managers Limited, the Investment Manager. The directors and executive officers of the Investment Manager, Symphony Asia Holdings Pte. Ltd. and Symphony Asia Limited constitute the Management Team and are the key management personnel of the Group.

During the financial year, directors' fees amounting to US\$300,000 (2008: US\$300,000) 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

Management fees amounting to US\$8,000,000 (2008: US\$8,000,000) paid 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 of US\$1.00 per share; and

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## 16 Significant related party transactions (cont'd)

### Other related party transactions (cont'd)

- Share options to subscribe for ordinary shares of the Company. On 3 August 2007, the date of admission to the official list of the London Stock Exchange, the Investment Manager was to 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.

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 had not granted these share options. The Investment Manager 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. The share options were granted on 3 August 2008, with the first tranche vested on the date of grant. The remaining second to fifth tranches will vest on the following anniversaries of the date of grant. The share options will expire on the tenth anniversary of the date of grant. In addition, management shares of up to 10,298,726 ordinary shares in the Company 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.

## 17 Commitments

In July 2008, the Group entered into a shareholders' agreement and invested THB2,627.5 million (US\$78.7 million equivalent at July 2008) in a joint venture to part finance the acquisition of a plot of land in Bangkok, Thailand. The joint venture has an option to acquire an adjoining plot of land for a consideration of THB580.9 million (US\$17.4 million equivalent at 31 December 2009). The Group has committed to contribute to such capital increase pro rata in proportion to its shareholding at such time when the decision is made to fund additional project financing by means of capital increase in respect of the development of the adjoining plot of land.

In September 2008, the Group entered into a loan agreement with a joint venture to grant loans totalling THB140 million (US\$4.2 million equivalent at 31 December 2009) to the latter in accordance with the terms as set out therein. As at 31 December 2009, THB120 million (US\$3.6 million equivalent at 31 December 2009) has been drawdown by the joint venture. The Group is committed to grant the remaining loan amounting to THB20 million (US\$0.6 million equivalent at 31 December 2009) to the joint venture, subject to terms set out in the agreement.

# Notes to the Financial Statements

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## 18 Contingent liability

A subsidiary of the Company and a joint venture partner have entered into a banking facility under which both parties are jointly and severally liable for all amounts owing by the borrowers to a bank. The borrowings have been drawn down and advanced to a joint venture as part of the shareholders' loans. As at 31 December 2009, total outstanding loans amounted to THB130,054,784 (equivalent to US\$3,897,356), of which THB65,027,392 (equivalent to US\$1,948,678) has been recognised as financial liabilities by the Group.

## 19 Segmental information

The Group has investment segments, as described below. Investments are reported to the Board of Directors of Symphony Investment Managers Limited, ("Board") individually and in the investment segments, who review this information on a regular basis. The following summary describes the investments in each of the Group's reportable segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business activities which do not meet the definition of an operating segment have been reported in the reconciliation of total reportable segment amounts to the financial statements.

|                                |                                                                                                                                                                                                                 |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Healthcare                     | Includes investments in Parkway Holdings Limited and Parkway Life Real Estate Investment Trust                                                                                                                  |
| Hospitality                    | Includes investment in MINT                                                                                                                                                                                     |
| Lifestyle                      | Includes investments in C Larsen (Singapore) Pte Ltd and AFC Network Private Limited                                                                                                                            |
| Lifestyle/Real Estate          | Includes investments in Minuet Ltd, SG Land Co. Ltd and investment properties in Macau                                                                                                                          |
| Cash and temporary investments | Includes government securities or other investment grade securities, liquid investments which are managed by third party investment managers of international repute, and deposits placed with commercial banks |

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### 19 Segmental information (cont'd)

Information regarding the results of each reportable segment is included below.

|                                                              | Healthcare<br>US\$'000 | Hospitality<br>US\$'000 | Lifestyle<br>US\$'000 | Lifestyle/<br>Real estate<br>US\$'000 | Cash and<br>temporary<br>investments<br>US\$'000 | Consolidated<br>US\$'000 |
|--------------------------------------------------------------|------------------------|-------------------------|-----------------------|---------------------------------------|--------------------------------------------------|--------------------------|
| <b>31 December 2009</b>                                      |                        |                         |                       |                                       |                                                  |                          |
| Investment income                                            |                        |                         |                       |                                       |                                                  |                          |
| — Dividend income                                            | 1,932                  | 1,562                   | —                     | —                                     | —                                                | 3,494                    |
| — Interest income                                            | —                      | —                       | 19                    | 13,198                                | 44                                               | 13,261                   |
| — Realised gain                                              | —                      | —                       | —                     | 20,666                                | —                                                | 20,666                   |
| — Reclassification adjustment for gains<br>in profit or loss | —                      | —                       | —                     | (10,319)                              | —                                                | (10,319)                 |
| — Unrealised gain in profit or loss                          | —                      | —                       | —                     | 3,030                                 | —                                                | 3,030                    |
| — Unrealised gain in other<br>comprehensive income*          | 43,136                 | 24,910                  | —                     | 2,587                                 | —                                                | 70,633                   |
|                                                              | 45,068                 | 26,472                  | 19                    | 29,162                                | 44                                               | 100,765                  |
| Investment loss                                              |                        |                         |                       |                                       |                                                  |                          |
| — Unrealised loss in profit or loss                          | —                      | —                       | —                     | —                                     | —                                                | —                        |
| — Unrealised loss in other<br>comprehensive income*          | —                      | —                       | —                     | (8,942)                               | —                                                | (8,942)                  |
|                                                              | —                      | —                       | —                     | (8,942)                               | —                                                | (8,942)                  |
| Other operating results                                      |                        |                         |                       |                                       |                                                  |                          |
| — Fair value changes<br>in financial derivatives             | 646                    | —                       | —                     | —                                     | —                                                | 646                      |
| — Income tax expense                                         | —                      | (156)                   | —                     | (1,971)                               | —                                                | (2,127)                  |
|                                                              | 646                    | (156)                   | —                     | (1,971)                               | —                                                | (1,481)                  |
| Net investment results                                       | 45,714                 | 26,316                  | 19                    | 18,249                                | 44                                               | 90,342                   |

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Year ended 31 December 2009

## 19 Segmental information (cont'd)

|                                                                                                                        | Healthcare<br>US\$'000 | Hospitality<br>US\$'000 | Lifestyle<br>US\$'000 | Lifestyle/<br>Real estate<br>US\$'000 | Cash and<br>temporary<br>investments<br>US\$'000 | Consolidated<br>US\$'000 |
|------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------|-----------------------|---------------------------------------|--------------------------------------------------|--------------------------|
| <b>31 December 2008</b>                                                                                                |                        |                         |                       |                                       |                                                  |                          |
| Investment income                                                                                                      |                        |                         |                       |                                       |                                                  |                          |
| — Dividend income                                                                                                      | 2,426                  | 1,025                   | —                     | 455                                   | —                                                | 3,906                    |
| — Fee income                                                                                                           | —                      | —                       | —                     | 500                                   | —                                                | 500                      |
| — Interest income                                                                                                      | —                      | —                       | 253                   | 6,197                                 | 3,370                                            | 9,820                    |
| — Unrealised gain in other<br>comprehensive income                                                                     | —                      | —                       | —                     | —                                     | —                                                | —                        |
|                                                                                                                        | 2,426                  | 1,025                   | 253                   | 7,152                                 | 3,370                                            | 14,226                   |
| <b>31 December 2008</b>                                                                                                |                        |                         |                       |                                       |                                                  |                          |
| Investment loss                                                                                                        |                        |                         |                       |                                       |                                                  |                          |
| — Unrealised loss in profit or loss                                                                                    | (41,131)               | (17,191)                | —                     | (853)                                 | —                                                | (59,175)                 |
| — Changes in fair value<br>of available-for-sale financial<br>assets during the year in other<br>comprehensive income* | (37,038)               | (38,438)                | —                     | (23,428)                              | —                                                | (98,904)                 |
| — Unrealised gain in other<br>comprehensive income*                                                                    | 41,131                 | 17,191                  | —                     | —                                     | —                                                | 58,322                   |
|                                                                                                                        | (37,038)               | (38,438)                | —                     | (24,281)                              | —                                                | (99,757)                 |
| Other operating results                                                                                                |                        |                         |                       |                                       |                                                  |                          |
| — Fair value changes<br>in financial derivatives                                                                       | (646)                  | —                       | —                     | —                                     | —                                                | (646)                    |
| — Income tax expense                                                                                                   | —                      | (103)                   | (36)                  | (978)                                 | —                                                | (1,117)                  |
|                                                                                                                        | (646)                  | (103)                   | (36)                  | (978)                                 | —                                                | (1,763)                  |
| Net investment results                                                                                                 | (35,258)               | (37,516)                | 217                   | (18,107)                              | 3,370                                            | (87,294)                 |
| <b>31 December 2009</b>                                                                                                |                        |                         |                       |                                       |                                                  |                          |
| Segment assets                                                                                                         | <b>84,965</b>          | <b>87,683</b>           | <b>9,811</b>          | <b>112,528</b>                        | <b>47,412</b>                                    | <b>342,399</b>           |
| <b>31 December 2009</b>                                                                                                |                        |                         |                       |                                       |                                                  |                          |
| Segment liabilities                                                                                                    | <b>—</b>               | <b>—</b>                | <b>—</b>              | <b>672</b>                            | <b>1,949</b>                                     | <b>2,621</b>             |
| <b>31 December 2008</b>                                                                                                |                        |                         |                       |                                       |                                                  |                          |
| Segment assets                                                                                                         | 39,765                 | 33,137                  | 29,851                | 94,030                                | 60,412                                           | 257,195                  |
| <b>31 December 2008</b>                                                                                                |                        |                         |                       |                                       |                                                  |                          |
| Segment liabilities                                                                                                    | —                      | —                       | —                     | 148                                   | 2,176                                            | 2,324                    |

\* The unrealised gain/loss recognised in other comprehensive income in the management reporting above has subsequently been recognised in profit or loss in the financial statements upon early adoption of IFRS 9.

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### 19 Segmental information (cont'd)

#### Reconciliations of reportable segment profit or loss and assets

|                                           | 2009<br>US\$'000 | 2008<br>US\$'000 |
|-------------------------------------------|------------------|------------------|
| <b>Profit or loss</b>                     |                  |                  |
| Net investments results                   | 90,342           | (87,294)         |
| Unallocated amounts:                      |                  |                  |
| — Other corporate income                  | —                | 2,702            |
| — Other corporate expenses                | (21,854)         | (29,453)         |
| Consolidated profit/(loss) for the year   | 68,488           | (114,045)        |
| <b>Assets</b>                             |                  |                  |
| Total assets for reportable segments      | 342,399          | 257,195          |
| Other assets                              | 206              | 529              |
| Consolidated total assets                 | 342,605          | 257,724          |
| <b>Liabilities</b>                        |                  |                  |
| Total liabilities for reportable segments | 2,621            | 2,324            |
| Other liabilities                         | 3,136            | 1,929            |
| Consolidated total liabilities            | 5,757            | 4,253            |

#### 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. None of the underlying investments which generate segment revenue or segment assets are located in the Company's country of incorporation, BVI.

|                     | Singapore<br>US\$'000 | Hong Kong<br>US\$'000 | Macau<br>US\$'000 | Thailand<br>US\$'000 | Switzerland<br>US\$'000 | Others<br>US\$'000 | Consolidated<br>US\$'000 |
|---------------------|-----------------------|-----------------------|-------------------|----------------------|-------------------------|--------------------|--------------------------|
| <b>2009</b>         |                       |                       |                   |                      |                         |                    |                          |
| Total revenue       | 1,932                 | —                     | —                 | 1,562                | —                       | —                  | 3,494                    |
| Segment assets      | 139,033               | 804                   | 8,506             | 193,122              | 16                      | 1,124              | 342,605                  |
| Capital expenditure | —                     | —                     | —                 | —                    | —                       | —                  | —                        |
| <b>2008</b>         |                       |                       |                   |                      |                         |                    |                          |
| Total revenue       | 2,426                 | —                     | —                 | 1,480                | —                       | —                  | 3,906                    |
| Segment assets      | 56,631                | 50,993                | 1,013             | 147,897              | 16                      | 1,174              | 257,724                  |
| Capital expenditure | —                     | —                     | —                 | —                    | —                       | —                  | —                        |

# Notes to the Financial Statements

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## 20 Financial risk management

The Group's financial assets comprise mainly financial assets at fair value through profit or loss, other receivables, and cash and cash equivalents. The Group's financial liabilities comprise bank overdrafts, accrued operating expenses, and other payables. 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. As at 31 December 2009, bank deposits totalling US\$45,907,870 (2008: US\$59,895,767) are guaranteed by the government of the respective countries in which the deposits are placed and such guarantees will remain in force until the end of 2010.

At 31 December 2009, the Group has credit risk exposure relating to fixed deposits placed with certain financial institutions and placements in money market funds totalling US\$45,319,634 (2008: US\$55,575,581). 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 statement of financial position.

### 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 and profit or loss by the following amounts:

|                | 2009<br>US\$'000 | Re-stated<br>2008<br>US\$'000 |
|----------------|------------------|-------------------------------|
| Profit or loss | 17,265           | 9,417                         |
| Equity         | —                | —                             |

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### 20 Financial risk management (cont'd)

#### 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'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

|                                           | Profit or loss              |                             | Equity                      |                             |
|-------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                           | 100 bp increase<br>US\$'000 | 100 bp decrease<br>US\$'000 | 100 bp increase<br>US\$'000 | 100 bp decrease<br>US\$'000 |
| <b>31 December 2009</b>                   |                             |                             |                             |                             |
| Deposits with financial institutions      | 25                          | (5)                         | —                           | —                           |
| Variable rate interest-bearing term loans | (21)                        | 21                          | —                           | —                           |
|                                           | 4                           | 16                          | —                           | —                           |
| <b>31 December 2008</b>                   |                             |                             |                             |                             |
| Deposits with financial institutions      | 3                           | (1)                         | —                           | —                           |
| Variable rate interest-bearing term loans | (15)                        | 15                          | —                           | —                           |
|                                           | (12)                        | 14                          | —                           | —                           |

#### Foreign exchange risk

The Group is exposed to transactional foreign exchange risk when transactions are denominated in currencies other than the functional currency of the operation. The Group is exposed to translational foreign exchange risk from its subsidiaries and jointly controlled entities with non USD functional currencies. 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 and foreign exchange risk is an integral part of the Group's investment decision and returns.

The Group's exposure, in US dollar equivalent, to foreign currency risk on other financial instruments is as follows:

|                                                      | Singapore<br>Dollars<br>2009<br>US\$'000 | Pounds<br>Sterling<br>2009<br>US\$'000 | Thai Baht<br>2009<br>US\$'000 | Hong Kong<br>Dollars<br>2009<br>US\$'000 | Restated                                 |                                        |                               |                                          |
|------------------------------------------------------|------------------------------------------|----------------------------------------|-------------------------------|------------------------------------------|------------------------------------------|----------------------------------------|-------------------------------|------------------------------------------|
|                                                      |                                          |                                        |                               |                                          | Singapore<br>Dollars<br>2008<br>US\$'000 | Pounds<br>Sterling<br>2008<br>US\$'000 | Thai Baht<br>2008<br>US\$'000 | Hong Kong<br>Dollars<br>2008<br>US\$'000 |
| Financial assets a fair value through profit or loss | 84,965                                   | —                                      | 87,683                        | —                                        | 39,765                                   | —                                      | 54,402                        | —                                        |
| Other receivables                                    | —                                        | —                                      | —                             | 11                                       | 53                                       | —                                      | 91                            | —                                        |
| Cash and cash equivalents                            | 56                                       | —                                      | 75                            | 37,469                                   | 126                                      | —                                      | —                             | 50,228                                   |
| Long term loans                                      | —                                        | —                                      | (1,949)                       | —                                        | —                                        | —                                      | (2,176)                       | —                                        |
| Accrued operating expenses                           | (92)                                     | (6)                                    | (8)                           | (7)                                      | (67)                                     | (57)                                   | —                             | (4)                                      |
| Other payables                                       | —                                        | —                                      | (3)                           | (162)                                    | (195)                                    | —                                      | (7)                           | —                                        |
| Financial derivatives                                | —                                        | —                                      | —                             | —                                        | (646)                                    | —                                      | —                             | —                                        |

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## 20 Financial risk management (cont'd)

### Foreign exchange risk (cont'd)

#### Sensitivity analysis

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

|                         | Equity<br>US\$'000 | Profit or loss<br>US\$'000 |
|-------------------------|--------------------|----------------------------|
| <b>2009</b>             |                    |                            |
| Singapore Dollars       | —                  | (7,721)                    |
| Pounds Sterling         | —                  | —                          |
| Thai Baht               | —                  | (7,800)                    |
| Hong Kong Dollars       | —                  | (3,392)                    |
| <b>2008 — re-stated</b> |                    |                            |
| Singapore Dollars       | —                  | (1,874)                    |
| Pounds Sterling         | —                  | 6                          |
| Thai Baht               | —                  | (4,959)                    |
| Hong Kong Dollars       | —                  | (4,566)                    |

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 on 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 the Investment Manager 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 manager of international repute, or held on deposit with commercial banks.

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## Notes to the Financial Statements

Year ended 31 December 2009

### 20 Financial risk management (cont'd)

#### Liquidity risk (cont'd)

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

|                                               | Carrying<br>amount<br>US\$'000 | Contractual<br>cash flows<br>US\$'000 | Cash flows                   |                                                   |                              |
|-----------------------------------------------|--------------------------------|---------------------------------------|------------------------------|---------------------------------------------------|------------------------------|
|                                               |                                |                                       | Within<br>1 year<br>US\$'000 | After 1 year<br>but within<br>5 years<br>US\$'000 | After<br>5 years<br>US\$'000 |
| <b>2009</b>                                   |                                |                                       |                              |                                                   |                              |
| <b>Non-derivative financial liabilities</b>   |                                |                                       |                              |                                                   |                              |
| Variable interest rate term loans             | 1,949                          | 3,092                                 | 422                          | 1,687                                             | 983                          |
| Amount due to non-controlling interest        | 504                            | 504                                   | —                            | —                                                 | 504                          |
| Accrued operating expenses and other payables | 318                            | 318                                   | 318                          | —                                                 | —                            |
|                                               | <b>2,771</b>                   | <b>3,914</b>                          | <b>740</b>                   | <b>1,687</b>                                      | <b>1,487</b>                 |
| <b>Derivative financial liabilities</b>       |                                |                                       |                              |                                                   |                              |
| Equity derivatives — call and put options     | —                              | —                                     | —                            | —                                                 | —                            |
| <b>2008</b>                                   |                                |                                       |                              |                                                   |                              |
| <b>Non-derivative financial liabilities</b>   |                                |                                       |                              |                                                   |                              |
| Variable interest rate term loans             | 2,176                          | 3,140                                 | 405                          | 1,622                                             | 1,113                        |
| Amount due to non-controlling interest        | 149                            | 149                                   | —                            | —                                                 | 149                          |
| Accrued operating expenses and other payables | 347                            | 347                                   | 347                          | —                                                 | —                            |
|                                               | <b>2,672</b>                   | <b>3,636</b>                          | <b>752</b>                   | <b>1,622</b>                                      | <b>1,262</b>                 |
| <b>Derivative financial liabilities</b>       |                                |                                       |                              |                                                   |                              |
| Equity derivatives — call and put options     | 646                            | 697                                   | 697                          | —                                                 | —                            |

#### 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.

# Notes to the Financial Statements

Year ended 31 December 2009

## 20 Financial risk management (cont'd)

### Fair value

#### Quoted investments

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

#### Unquoted investments

The fair value of unquoted equity investments including jointly controlled entities are measured with reference to the enterprise value at which the portfolio company could be sold in an orderly disposition over a reasonable period of time between willing parties other than in a forced or liquidation sale, and is determined by using valuation techniques such as (a) market multiple approach that uses a specific financial or operational measure that is believed to be customary in the relevant industry, (b) price of recent investment, or offers for investment, for the portfolio company's securities, (c) current value of publicly traded comparable companies, (d) comparable recent arms' length transactions between knowledgeable parties, (e) discounted cash flows analysis, and (f) others.

#### Financial derivatives

The fair value of equity derivative instruments, being a series of call and put options on quoted equity securities, is based on the brokers' quotations.

#### 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.

### Fair value hierarchy for financial instruments

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

|                                                                  | Level 1<br>US\$'000 | Level 2<br>US\$'000 | Level 3<br>US\$'000 | Total<br>US\$'000 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|-------------------|
| <b>31 December 2009</b>                                          |                     |                     |                     |                   |
| Financial assets at fair value through profit or loss            | 172,649             | —                   | —                   | 172,649           |
| Financial assets designated at fair value through profit or loss | —                   | 3,249               | 108,500             | 111,749           |
|                                                                  | 172,649             | 3,249               | 108,500             | 284,398           |

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## Notes to the Financial Statements

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### 20 Financial risk management (cont'd)

#### Fair value hierarchy for financial instruments (cont'd)

##### Level 3 valuations

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy.

|                                         | Investments<br>in joint ventures<br>US\$'000 | Total<br>US\$'000 |
|-----------------------------------------|----------------------------------------------|-------------------|
| Balance at 1 January 2009               | 96,860                                       | 96,860            |
| Total gains or losses in profit or loss | (4,379)                                      | (4,379)           |
| Additions                               | 13,419                                       | 13,419            |
| Disbursements                           | 192                                          | 192               |
| Effect of movements in exchange rate    | 2,408                                        | 2,408             |
| Disposal                                | —                                            | —                 |
| Balance at 31 December 2009             | 108,500                                      | 108,500           |

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 assets, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on the profit or loss:

| <i>In millions of US\$</i><br>31 December 2009 | Effect on Profit or Loss |                |
|------------------------------------------------|--------------------------|----------------|
|                                                | Favourable               | (Unfavourable) |
| Real estate related joint ventures             | 18.8                     | (15.7)         |

The favourable and unfavourable effects of using reasonably possible alternative assumptions have been calculated by recalibrating the valuation model using a range of different values. For rental properties, the projected rental rates and occupancy levels were increased by 5% for the favourable scenario and reduced by 5% for the unfavourable scenario. The discount rate used to calculate the present value of the future cash flow was also decreased by 1% for the favourable case and increased by 1% for the unfavourable case compared to the discount rate used in the 31 December 2009 valuation. In the case of properties for sale, the key variables affecting the valuation are sale price and construction cost. Based on market comparables and in consultation with third party valuation consultants, the sale prices for the various types of developments were increased by 10–21% in the favourable scenario and reduced by 5–19% in the unfavourable scenario. Construction costs usually move in the same direction as sale prices and the favourable case assumed construction costs rise by 10% and the unfavourable scenario assumed that the costs fell by 5.5%.

# Notes to the Financial Statements

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## 21 Subsidiaries

Details of the subsidiaries of the Company are as follows:

| Name of subsidiary                                         | Principal activities | Place of Incorporation and business | Equity interest |           |
|------------------------------------------------------------|----------------------|-------------------------------------|-----------------|-----------|
|                                                            |                      |                                     | 2009<br>%       | 2008<br>% |
| Symphony Capital Partners Limited                          | Investment holding   | Republic of Mauritius               | 100             | 100       |
| Rank High Limited                                          | Investment holding   | Hong Kong S.A.R.                    | 92.1            | 92.1      |
| Symphony International Limited                             | Investment holding   | Republic of Mauritius               | 100             | 100       |
| Symphony Investment Management Limited and its subsidiary: | Investment holding   | British Virgin Islands              | 100             | 100       |
| Daphon Holdings Pte. Ltd.                                  | Investment holding   | Republic of Singapore               | 100             | 100       |
| Lennon Holdings Limited and its subsidiary:                | Investment holding   | Republic of Mauritius               | 100             | 100       |
| Britten Holdings Pte. Ltd.                                 | Investment holding   | Republic of Singapore               | 100             | 100       |
| Teurina Limited                                            | Investment holding   | British Virgin Islands              | 100             | 100       |
| Gabrieli Holdings Limited and its subsidiaries:            | Investment holding   | British Virgin Islands              | 100             | 100       |
| Ravel Holdings Pte. Ltd. and its subsidiaries:             | Investment holding   | Republic of Singapore               | 100             | 100       |
| Schubert Holdings Pte. Ltd.                                | Investment holding   | Republic of Singapore               | 100             | 100       |
| Haydn Holdings Ptd. Ltd.                                   | Investment holding   | Republic of Singapore               | 100             | 100       |
| Lloyd Webber Holdings Limited                              | Investment holding   | British Virgin Islands              | 100             | 100       |
| Maurizio Holdings Limited and its subsidiary:              | Investment holding   | British Virgin Islands              | 100             | 100       |
| Groupe CL Pte. Ltd.                                        | Investment holding   | Republic of Singapore               | 100             | 100       |
| McCartney International Limited                            | Investment holding   | Republic of Mauritius               | 100             | 100       |
| Pavarotti International Limited                            | Investment holding   | Republic of Mauritius               | 100             | 100       |
| True United Limited                                        | Investment holding   | British Virgin Islands              | 100             | 100       |
| True Wisdom Limited                                        | Investment holding   | British Virgin Islands              | 100             | 100       |

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## Notes to the Financial Statements

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### 22 Joint ventures

Details of the joint ventures of the Group are as follows:

| Name of joint venture        | Principal activities      | Place of incorporation and business | Ordinary shares<br>Equity interest |           | Preference shares<br>Equity interest |           |
|------------------------------|---------------------------|-------------------------------------|------------------------------------|-----------|--------------------------------------|-----------|
|                              |                           |                                     | 2009<br>%                          | 2008<br>% | 2009<br>%                            | 2008<br>% |
| La Finta Limited             | Investment holding        | Thailand                            | 49                                 | 49        | —                                    | —         |
| Minuet Limited               | Property development      | Thailand                            | 49.98                              | 49.98     | —                                    | —         |
| SG Land Co. Limited          | Real estate               | Thailand                            | 49.89                              | 49.89     | —                                    | —         |
| AFC Network Private Limited  | Television broadcasting   | Republic of Singapore               | —                                  | —         | 17.48                                | 13.72     |
| C Larsen (Singapore) Pte Ltd | Investment holding        | Republic of Singapore               | 0.1                                | —         | 100                                  | 100       |
| Chanintr Living Limited      | Distribution of furniture | Thailand                            | 0.1                                | —         | —                                    | —         |

### 23 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 financial reporting date but are not yet effective:

|                           |                                                                                                                                                |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| IFRS 2 (Amended)          | <i>Share-based Payment — Group Cash-settled Share-based Payment Transactions</i>                                                               |
| IFRS 3 (Revised)          | <i>Business Combinations</i>                                                                                                                   |
| IAS 24 (Revised)          | <i>Related Party Disclosures</i>                                                                                                               |
| IAS 27 (Amended)          | <i>Consolidated and Separate Financial Statements</i>                                                                                          |
| IAS 32 (Amended)          | <i>Financial instruments: Presentation — classification of Rights Issues</i>                                                                   |
| IAS 39 (Amended)          | <i>Financial Instruments: Recognition and Measurement — Eligible Hedged items</i>                                                              |
| IFRIC 14/IAS 19 (Amended) | <i>The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction — Prepayments of a Minimum Funding Requirement</i> |
| IFRIC 17                  | <i>Distributions of Non-cash Assets to Owners</i>                                                                                              |
| IFRIC 19                  | <i>Extinguishing financial liabilities with equity instruments</i>                                                                             |

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 financial reporting date.

# SYMPHONY INTERNATIONAL HOLDINGS LIMITED

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Company will be held at 11.00 am on Thursday, 29 April 2010 at Hotel des Horlogers, Route de France 8, 1348 Le Brassus, Switzerland (Telephone: (41-21) 845-0845) for the purpose of transacting the following:

### Ordinary Business

1. To receive the annual report which includes the financial statements for the year ended 31 December 2009.

On behalf of the Board of Directors

Anil Thadani  
Director

Dated this 12<sup>th</sup> day of April 2010.

1. A shareholder entitled to attend and vote at the Annual General Meeting may appoint a proxy (who need not be a member of the Company) to attend and to vote in his place. The instrument appointing a proxy should be deposited with Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom no later than 48 hours before the Annual General Meeting. If the appointee is a corporation, this form must be executed under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
2. In order to qualify for attending the above Meeting, all instruments of transfers must be lodged with Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom not less than 48 hours before the time appointed for holding the Meeting or the adjourned Meeting (as the case may be).
3. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
4. The resolution of the Annual General Meeting will be passed by a simple majority of the votes validly cast, whatever be the number of shareholders present or represented at the Annual General Meeting. Each share is entitled to one vote.
5. Holders of Depository Interests should complete the Form of Direction enclosed with their Notice of Annual General Meeting.
6. Holders of Depository Interests can instruct Capita IRG Trustees Limited, the Depository, or amend an instruction to a previously submitted direction, via the CREST system. The CREST message must be received by the issuer's agent RA10 by 11.00 am (BST) on Monday, 26 April 2010. 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 the issuer's agent is able to retrieve the message. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with instructing Capita IRG Trustees Limited via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a direction appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In any case your form of direction must be received by the Company's registrars no later than 11.00 am (BST) on Monday, 26 April 2010.





# SYMPHONY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the British Virgin Islands)

**Form of direction for completion by holders of Depository Interests representing shares, on a 1 for 1 basis, in the share capital of Symphony International Holdings Limited (the "Company") in respect of the Annual General Meeting to be held at 11.00 am on 29 April 2009 at Hotel des Horlogers, Route de France 8, 1348 Le Brassus, Switzerland (Telephone: (41-21) 845-0845)**

## Annual General Meeting Form of Direction

I/We \_\_\_\_\_ (Depository Interests holder's name) being a holder of Depository Interests representing shares in the share capital of the Company hereby appoint Capita IRG Trustees Limited as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held on the above date (and at any adjournment thereof) as directed by an X in the spaces below.

|    |                                                                                                            | FOR | AGAINST | VOTE<br>WITHHELD |
|----|------------------------------------------------------------------------------------------------------------|-----|---------|------------------|
| 1. | To receive the annual report, which includes the financial statements for the year ended 31 December 2009. |     |         |                  |

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2010

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, PXS, 34 Beckenham Road, Beckenham BR3 4TU, United Kingdom no later than 11.00 am (BST) on Monday 26 April 2010.
2. Any alteration made to this form of direction must be initialled by the person who signs it.
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 Depository Interests, the person whose name appears first in the Register of Depository Interests has the right to attend and vote at the Meeting to the exclusion of all others.
5. The 'Vote Withheld' option is provided to enable you to abstain from voting on the 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' the resolution.
6. Please indicate how you wish your votes to be cast by placing an "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 the resolution.**
7. Depository 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  
to be held at 11.00 am on Thursday, 29 April 2010 at Hotel des Horlogers, Route de France 8,  
1348 Le Brassus, Switzerland (Telephone: (41-21) 845-0845)**

I/We<sup>1</sup> \_\_\_\_\_  
of \_\_\_\_\_  
being the registered holder(s) of \_\_\_\_\_ shares<sup>2</sup> of \$1.00 each in the share capital  
of Symphony International Holdings Limited (the "Company"), HEREBY APPOINT THE CHAIRMAN OF THE  
MEETING<sup>3</sup> 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 to be held at Hotel des Horlogers, Route de France 8, 1348 Le Brassus, Switzerland on  
Thursday, 29 April 2010 at 11.00 am for the purposes of considering and, if thought fit, passing the ordinary  
resolution 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 resolution as indicated below.

|    | ORDINARY RESOLUTION                                                                                         | FOR <sup>4</sup> | AGAINST <sup>4</sup> | WITHHELD <sup>4</sup> |
|----|-------------------------------------------------------------------------------------------------------------|------------------|----------------------|-----------------------|
| 1. | To receive the annual report, which includes the financial statements, for the year ended 31 December 2009. |                  |                      |                       |

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2010 Signed<sup>6</sup>: \_\_\_\_\_

## 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 alteration made to this form of proxy must be initialled 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 authorised 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, PXS, 34 Beckenham Road, Beckenham BR3 4TU, United Kingdom 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.



