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We seek out investment opportunities that have unrealised value potential and are less susceptible to economic cycles

Corporate Profile

Symphony International Holdings Limited (the “Company”, “SIHL” or “Symphony”) is a strategic investment company that specialises in longer-term investments in Asia’s rapidly expanding consumer driven markets. The Company is managed by one of the most experienced and established investment management teams in Asia.

We primarily invest in high-growth sectors that include healthcare, hospitality, and lifestyle (including branded real estate developments). We believe these sectors will benefit from rising incomes and changing demographics across Asia. Within these sectors, we seek out investment opportunities that have unrealised value potential and are less susceptible to economic cycles, which may be due to a competitive advantage in a sector, a particular demographic the business caters to or potentially a defensive characteristic. Our focus is to create enduring business partnerships with strong management teams and talented entrepreneurs that have compelling track records, in order to generate long-term value for our shareholders.

Our business is structured as a permanent capital vehicle to enable us, where necessary, to take a long-term view of our investments. In contrast to traditional private equity funds, our decisions on investing and divesting are not influenced by restricted time frames. We believe that strong analysis and a conservative investment approach will benefit investors seeking Asian thematic investing.

Typically, we invest in businesses that involve growth capital for later-stage development and expansion, management buy-outs/buy-ins, restructurings and special situations. Where we see a special opportunity, we may also invest a smaller portion of our investment capital in earlier-stage businesses. In addition, and unlike most private equity businesses, we invest in real estate development: we develop projects designed to appeal to the evolving lifestyles of Asia’s increasingly wealthy demographic.

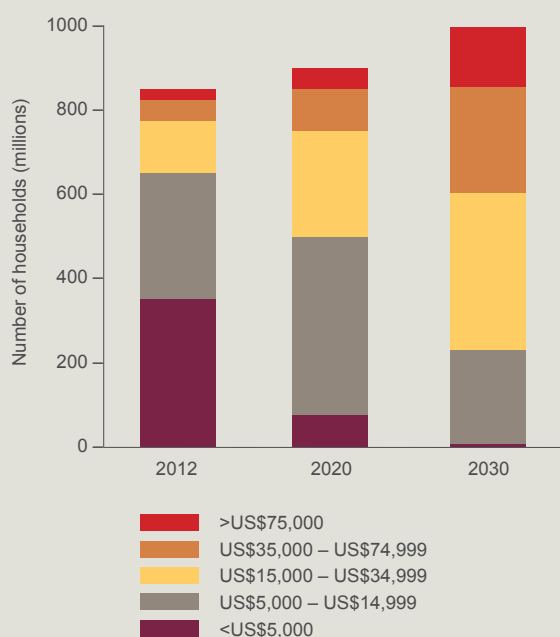
Our shares are traded on the London Stock Exchange’s standard listing category.

Growing and Changing Demand in Asia



The increasingly affluent consumers in Asia are becoming more aspirational and seeking a higher standard of living

ASIAN HOUSEHOLDS SEGMENTED BY INCOME RANGE



Symphony invests in companies that benefit from rising incomes and changing demographics in Asia. We focus on companies that operate businesses in the healthcare, hospitality and lifestyle sectors (including branded real estate developments), which are well placed to benefit from these trends.

Asia is experiencing a rapid increase in the number of people entering the middle and upper classes. The Economist Intelligence Unit ("EIU") forecast that the number of households in Asia with income in excess of US\$75,000 will increase eight-fold to 137 million in 2030¹. The increasingly affluent consumers in Asia are becoming more aspirational and seeking a higher standard of living. For example, consumers are demanding better healthcare, increased travel in the region, leisure activities and high quality residential and vacation properties.

Together with rising incomes, changing demographics that include increasing life expectancy, urbanisation, and a growing population are driving demand for healthcare services and pharmaceuticals in Asia. The population aged 60 and above in Asia is expected to rise from 469 million in 2013 to over 1.2 billion in 2050² due to improving life expectancy. This aging population will give rise to increased instances of chronic illness and demand for nursing care facilities. Other demographic changes, such as urbanisation, are leading to changing lifestyles (poorer diets, less exercise, dense housing) and more pollution, which are causing higher instances of non-communicable diseases, such as diabetes and cancer³.

Our portfolio provides exposure to businesses that cater to these growing and changing demands in Asia. At 31 December 2013, our portfolio companies collectively managed or operated the following:

- 5,000 hospital beds in 33 hospitals
- 1,544 restaurants
- 12,800 hotel rooms in 103 hotels and serviced suites
- 284 retail outlets
- 27,500 square meters of prime commercial and office space, and
- 1.2 million square meters of land being developed and / or held for development purposes

We continue to broaden our exposure to businesses that benefit from growing consumerism in Asia in order to create value for shareholders in the long run.

¹ EIU Industry Briefing: Rich Pickings: The Outlook for Luxury Goods in Asia, 2013

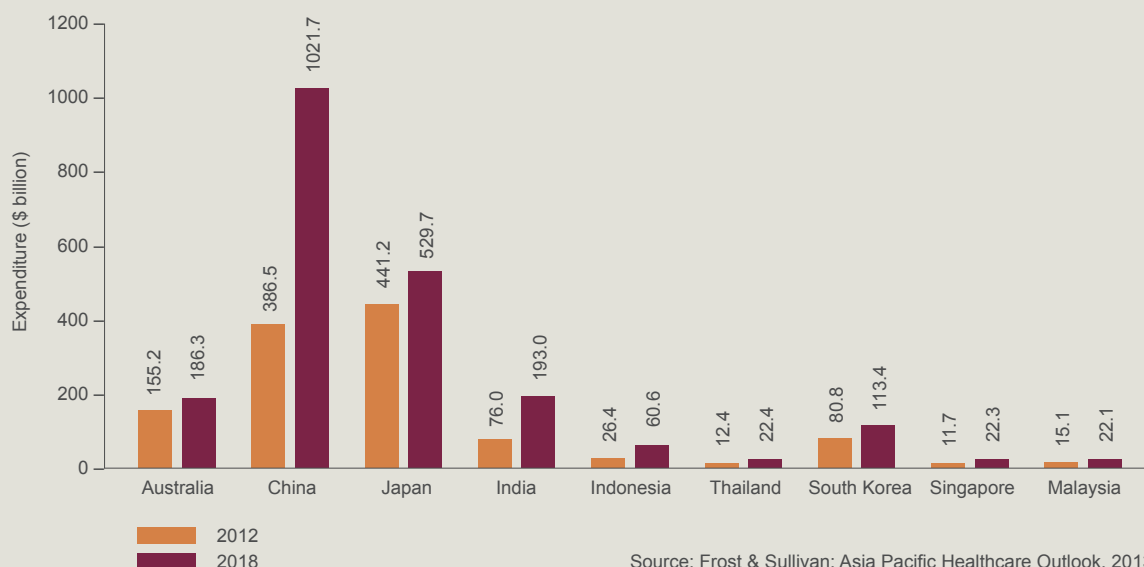
² United Nations Population Division: World Population Prospects, 2012 Revision

³ EIU: Side effects: Challenges facing healthcare in Asia, 2010

Developing Healthcare



ASIA PACIFIC HEALTHCARE EXPENDITURE IN 2012 AND 2018F



Source: Frost & Sullivan: Asia Pacific Healthcare Outlook, 2013

Symphony's healthcare assets are well positioned to benefit from the growing and changing demand for healthcare related services and assets in Asia

Symphony has two primary healthcare-related investments: IHH Healthcare Berhad ("IHH") and Parkway Life Real Estate Investment Trust ("PREIT"). IHH is the second largest healthcare provider in the world by market capitalisation and PREIT is one of Asia's largest healthcare REITs by asset size. Together, these investments provide exposure to 33 hospitals with 5,000 licensed beds (predominantly in Asia), 39 nursing home related assets and one pharmaceutical and manufacturing facility in Japan, medical suites in Malaysia, medical schooling and ancillary operations that include clinics amongst other operations.

IHH continued to expand its geographical presence and its operations at existing hospitals during 2013. In addition to winning a tender with NWS Holdings Limited to develop the 500-bed Gleneagles Hong Kong Hospital, IHH launched City International Hospital in Ho Chi Minh City in 2013 under a consultancy agreement. Additional projects will be launched in 2014 that will include Gleneagles Khubchandani in Mumbai, India (a 450-bed hospital, which it has a 50% stake), Acibadem Atakent, Turkey (a 270-bed brownfield hospital) and two other consultancy based properties in China and the UAE. During 2013, three hospitals that were opened in 2012 became EBITDA positive due to higher inpatient volumes and revenue intensities,

which is indicative of the growing demand for healthcare services and strong position of IHH in the sector.

PREIT acquired seven nursing home properties in Japan and continued to create value through asset enhancement initiatives during 2013. PREIT's total portfolio increased to 44 properties in 2013, which included 40 properties in Japan, three in Singapore, and one in Malaysia. PREIT continues to provide an attractive distribution yield, which has an inflation-linked characteristic related to some of the properties in its portfolio. As the healthcare market develops in Asia, PREIT is well placed to benefit from healthcare operators moving towards less real estate heavy business models.

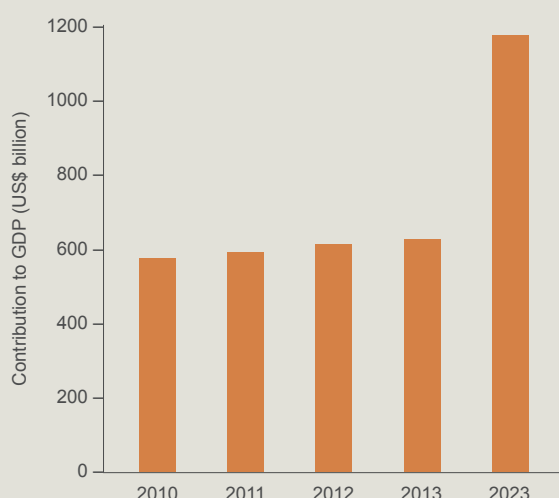
Symphony's healthcare assets are well positioned to benefit from the growing and changing demand for healthcare related services and assets in Asia. Consulting firm Frost & Sullivan predicts that by 2015, medical expenditure across the Asia-Pacific region will have risen by 75%⁴ since 2012. Rising incomes and changing demographics in the region are key drivers for this growth, which is also reinforcing the defensive characteristics for the sector.

Symphony's investment team has invested in Asian healthcare for over 18 years and believes in the considerable value that can be created for shareholders in this sector over the long-term. Symphony continues to explore new opportunities in the sector.

⁴ Frost & Sullivan: Asia-Pacific Healthcare Outlook: 2012-2015

Increasing disposable income and growing international and interregional trade in Asia is driving travel and demand for hospitality and leisure related services in Asia

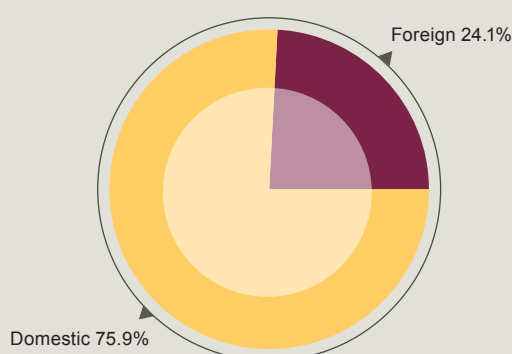
TRAVEL AND TOURISM CONTRIBUTION TO ASIA'S GDP



Symphony's principal investment in the hospitality sector is Minor International Pcl ("MINT"). MINT is one of the largest hospitality, restaurant, and lifestyle businesses in Asia. MINT has continued to expand its footprint in Asia, the Middle East and Africa. As of 31 December 2013, MINT owned or operated 1,544 restaurants and 103 hotels and serviced suites. MINT also operates sizeable operations related to property development, retail, contract manufacturing and other lifestyle related businesses.

MINT continues to grow both organically and through acquisitions in addition to developing its management and franchise businesses. During the year ended 31 December 2013, MINT increased the number of managed and owned hotels by 14 and seven hotels, respectively. In addition, MINT increased the number of restaurants in its portfolio by 163, which included 54 equity-owned and 109 franchised restaurants. MINT plans to grow its portfolio to over 140 hotels and 2,700 restaurants by 2017. MINT will continue to benefit from the long-term growth fundamentals for the travel and leisure sector.

TRAVEL AND TOURISM DOMESTIC AND FOREIGN VISITOR SPENDING SEGMENTATION



Source: World Travel & Tourism Council: *Travel & Tourism Economic Impact Asia Pacific*, 2013

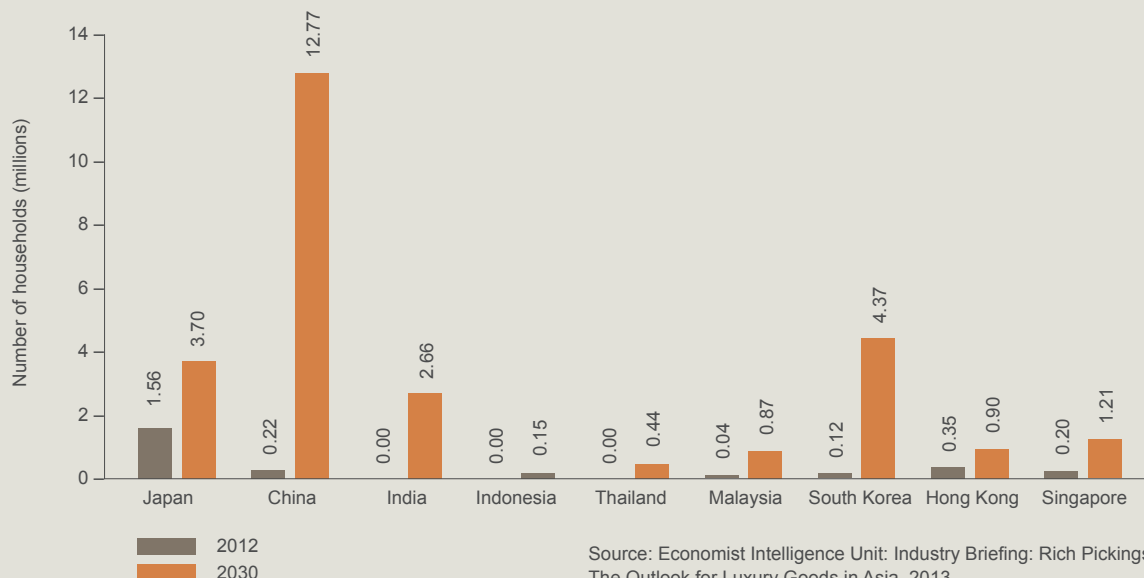
Increasing disposable income and growing international and interregional trade in Asia is driving travel and demand for hospitality and leisure related services in Asia. Travel and tourism in the Asia Pacific region directly contributed US\$614 billion to GDP (2.7% of GDP) in 2012 for that region and is expected to increase to US\$1.2 trillion by 2023 (3.0% of GDP). Domestic travelers in the Asia Pacific region are forecast to account for three quarters of total travel related spending, whereas foreign visitors will account for the balance⁵. MINT is well placed to cater to the growing leisure and business related travel in the region and has an increasingly active business development pipeline.

Symphony continues to work independently, as well as with MINT, to identify new investment opportunities in the hospitality and leisure related sectors.

⁵ World Travel & Tourism Council: *Travel & Tourism Economic Impact Asia Pacific*, 2013

[illegible]

HOUSEHOLDS WITH ANNUAL INCOMES OVER US\$150,000 IN 2012 AND 2030E



Asia's growing middle and upper classes are providing greater opportunities to businesses operating in the lifestyle and luxury markets

Symphony has two investments in the lifestyle sector following the sale of AFC Network Pte. Ltd. ("AFC") in April 2013. Symphony's current investments in this sector include Privee Holdings Pte. Limited ("Privee") and C Larsen Singapore Pte. Limited ("C Larsen"). Privee operates businesses that produce and market luxury leather accessories under the brand name Maison Takuya and C Larsen operates in Thailand under the brand name Chanintr Living, which is an importer and distributor of high-end US and European furniture that includes Baker, Thomasville, Martha Stewart, Barbara Barry, Minotti, Christian Liaigre, and Herman Miller.

During 2013, Symphony's investment in AFC was acquired by Scripps Networks Interactive Inc. as part of the media giant's entry into the Asian lifestyle and television market. AFC is a 24-hour TV channel which broadcasts food and lifestyle programming tailored to the Asia-Pacific region. The gross proceeds from the sale represented a gain over cost of approximately 94%. The sale reaffirms our investment thesis in this sector.

Asia's growing middle and upper classes are providing greater opportunities to businesses operating in the lifestyle and luxury markets. According to the EIU, Asia could account for half of global luxury-goods revenue by the end of this decade compared to one third currently⁶. We continue to work with our investee companies in this segment to capitalise from growing and changing demand for luxury and lifestyle related goods and services.

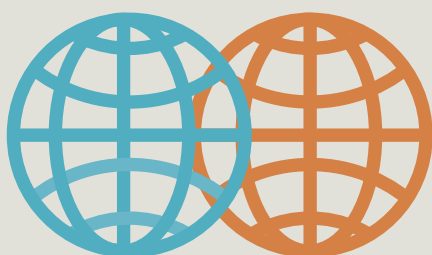
Symphony continues to evaluate new opportunities independently and with our investee companies in the lifestyle sector to further build its portfolio.

⁶ EIU Industry Briefing: Rich Pickings: The Outlook for Luxury Goods in Asia, 2013

Aspirational Real Estate



**Real estate is a key asset class in Asia
and its value correlates with real
economic growth**



**1.2 million
square meters
of land**

Symphony has investments in four property-related joint ventures; two in Thailand and one each in Malaysia and Japan. The investments in Thailand include SG Land Co. Ltd. ("SG Land"), which owns two leasehold office towers and separately, an interest in Minuet Limited ("Minuet"), a joint venture company that holds 390 rai (62 hectares) of land in Bangkok. Symphony has an interest in Desaru Peace Holdings Sdn Bhd ("DPH") that is developing a beachfront country club and private villas in Desaru, Malaysia that will be branded and managed by Amanresorts. The property venture in Japan involves two adjacent land sites that when developed will have the ability to provide premium ski-in and ski-out capability in Hirafu, Niseko, Hokkaido. Collectively these property sites amount to 1.2 million square meters of land.

SG Land continues to provide an attractive yield and various opportunities are being explored with regards to Minuet's land. In March 2013, Minuet completed the sale of 17 rai (2.7 hectares) of land in Bangkok, Thailand. Excluding transaction expenses and foreign exchange translations, the sale price was 74.3% above Minuet's average land cost and 50% above the last transacted sale price in January 2012 where Minuet sold 69.2 rai (11.1 hectares) of land.

Symphony continues to be actively involved in developing the property joint-venture in Desaru that is located in south-eastern Malaysia. The DPH development is a joint venture with Destination Resorts and Hotels Sdn Bhd, which is the hotel subsidiary of the Malaysian sovereign-wealth fund, Khazanah Nasional Berhad. The development will include a Clubhouse, 46 suites and 52 villas when completed. The villas will be sold to corporate and individual buyers who are interested in acquiring vacation property within a short distance from Singapore and southern Malaysia.

Symphony is in discussions with several parties regarding the development sites in Niseko, Hokkaido, Japan. Niseko is becoming an increasingly popular all year round vacation destination aside from having some of the best skiing in Asia.

Real estate is a key asset class in Asia. With rising incomes in the region, we expect increasing demand for high-end branded real estate developments. Our portfolio provides exposure to some of the most attractive property market segments in the region, which will generate value in the long-term.

Chairmen's Statement



Pierangelo Bottinelli (left) and Anil Thadani (right)

We had a good start to the year, which was driven by strong market sentiment and performance from our portfolio. Symphony reported its highest net asset value to date for the quarter ended 31 March 2013 in absolute terms and on a per share basis that equated to US\$692 million and US\$1.34, respectively. Although most of our investee companies performed well throughout the year, market sentiment weakened, which can partly be attributed to concerns over the US Federal Reserve's tapering of the current quantitative easing program. As a result, we saw weaker equity markets and currencies across Asia that, together with the political unrest that emerged in Bangkok, Thailand in the fourth quarter of 2013, weighed on the valuation of our portfolio. At 31 December 2013, our NAV and NAV per share were US\$606 million and US\$1.18 per share, respectively, which is approximately the same as a year earlier.

During the year, we made three follow-on investments, exercised warrants related to shares in MINT and made one full and one partial exit. In addition to exploring a number of new opportunities, we continued to work with our portfolio companies to further grow their businesses.

Our principal investments in the healthcare sector continued to demonstrate a strong ability to capitalise on growing demand for healthcare services and expand their respective portfolios with quality assets and operations. IHH reported revenue, EBITDA and net profit growth in 2013 (excluding non-recurring items) of 18%, 32% and 70%, respectively. The growth was driven by an increase in inpatient admissions and revenue intensities, which also helped three new hospitals that opened in 2012 to become EBITDA positive. During 2013, IHH won a tender with a partner to develop a 500-bed hospital in Hong Kong and under a consultancy contract, opened the City International Hospital in Ho Chi Minh City in Vietnam. IHH's 2014 pipeline is even stronger with the launch of hospitals in China, India, Turkey,



Investments are made where opportunities are seen to add most value to maximise returns for our shareholders

Chairmen's Statement

and the UAE. PREIT also continued to expand its portfolio with the addition of a further seven nursing homes in Japan, which brought its total healthcare related real estate portfolio to 44 properties. Increasing yields on PREIT's existing properties helped offset the impact of the depreciation of the yen on net property income during 2013. We are confident that our investments are well placed to continue to benefit from the sustained growth for healthcare services in the region.

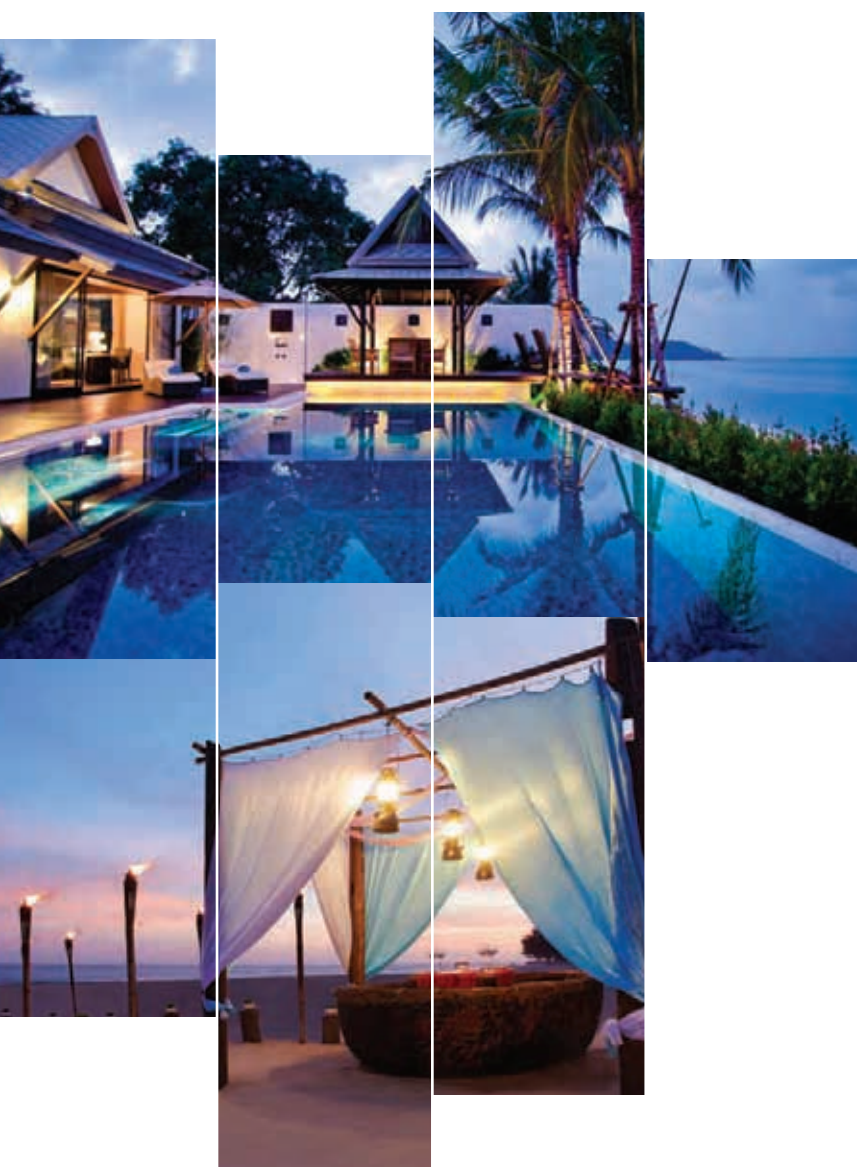
MINT is our primary investment in the hospitality sector and our largest investment by market value. Despite the political tensions that arose in Thailand in the fourth quarter of 2013, we were pleased that MINT reported strong earnings. Revenue, EBITDA and net profit for MINT increased by 12%, 18%, and 26%, respectively, during 2013. In addition to improving operating metrics in the hospitality (including property development),

restaurant and retail business segments, MINT continued to expand inorganically during the year with the addition of seven hotels with equity ownership and 14 managed hotels, bringing the total number of hotels in its portfolio to 103 at the end of 2013. The number of restaurants in MINT's portfolio increased by 163 during the same period and reached 1,544 outlets. Together with organic growth, MINT's strong future pipeline of deals will facilitate its continued growth trajectory.

With respect to our real estate portfolio, the development in Desaru is in full gear and we continue to be in discussions regarding our other property-related investments in Niseko, Japan and Bangkok, Thailand. A redesigning of some aspects of the clubhouse and the villas for the Amanresorts branded development in Desaru, Malaysia, has delayed the completion date of the clubhouse and prototype villas until the first quarter of 2016. The new redesign is a vast improvement from the original plans and has minimal impact to the infrastructure work done to date. Although there has been some interest in acquiring villas in this development, we do not plan to offer any for sale until the Clubhouse and its recreational facilities are completed. We will then build one or two show villas so that prospective purchasers will be able to see exactly what is on offer in terms of architectural style, choice of materials and finishes. We believe that the ultimate selling prices will be best maximised using this approach.

In Niseko, Japan, we are in discussions with several parties regarding the development and management of an upscale ski resort on the site. We have not been in a rush to develop the site as we have been waiting for the market to further mature. There is growing international and domestic interest in Niseko with an increasing number of visitors all year round. We feel the prospects for this investment are increasingly attractive.

Similarly with Minuet, which owns a 62-hectare site in Bangkok, Thailand, we remain opportunistic with regards to our options. We announced a partial land sale by Minuet that involved 2.7 hectares during the first quarter of 2013. Excluding transaction costs and foreign exchange gains, the sale was completed at a price of approximately 74% and 50% above cost and the last transacted price, respectively. SG Land, our other property investment in Bangkok, Thailand, continues to deliver attractive yields.



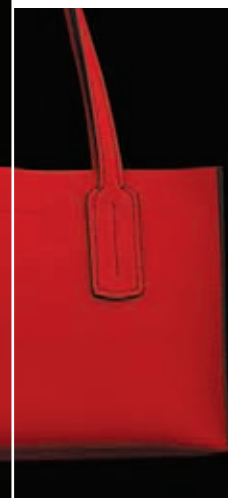
We continue to support our unlisted investments in the lifestyle sector to facilitate growth. We completed three follow-on investments during the year; one related to AFC and the other two related to Maison Takuya. Following the investment in AFC, our interest in the business was sold as part of an acquisition by Scripps Networks Interactive Inc. of 100% of AFC. The gross proceeds from the sale of Symphony's interest in AFC represented a gain over cost of approximately 94%. Symphony made its first investment in AFC in 2008.

We remain optimistic that our businesses will continue to benefit from growing consumerism in the region

We look to invest in attractive businesses with the right partners at the opportune time and price. During 2013, we explored a number of opportunities in our pipeline, but unfortunately many did not meet our criteria. A benefit of the structure of Symphony is that it is not governed by typical fund cycles, so investments are made where opportunities are seen to add most value to maximise returns for our shareholders. We prefer not to overpay or sacrifice any of our principles to get a deal done. We are optimistic regarding the transactions we are looking at and we hope to close a few of them in the coming year.

During 2013, we had introduced some measures to reduce the discount that our share price trades to NAV per share. These measures included proposing to shareholders the sale of investments to distribute at least 80% of the NAV in the event the discount exceeded 35% in the three months leading to September 2017, and one of which is a proposal requiring us to seek our shareholders' approval before we can increase our capital by issuing new shares if the issue price is at a discount of more than 15% to our then most recently published NAV per share. Together, these measures seem to have had some impact and the discount that our share price trades to NAV per share has declined to 35.4% at 31 December 2013 from 43.0% a year earlier. Narrowing this discount further remains a key objective going forward.

In April 2013, Georges A. Makhoul joined as a fourth Independent Director of the Company, resulting in a six member Board. Georges is the CEO of Constellation Holdings, a private investment firm



based in Dubai, and brings a wealth of experience having previously held roles at Morgan Stanley and PwC in the Gulf, Asia, Europe and the US. We warmly welcome Georges to our Board and the value he brings with him.

In terms of business outlook, there will likely be headwinds in Asia in the short-term, but the fundamental growth drivers for the region remain intact. The US Federal Reserve's tapering is anticipated to increase capital outflows and provide some disruption to financial markets, but we do not expect this to have any material ongoing impact to the operations of our investee companies. We remain optimistic that our businesses will continue to benefit from growing consumerism in the region.

We would like to thank our shareholders and our business partners for their continued support. Over the coming year, we look forward to creating incremental value for our shareholders and with our business partners.

PIERANGELO BOTTINELLI

Chairman
Symphony International
Holdings Limited

ANIL THADANI

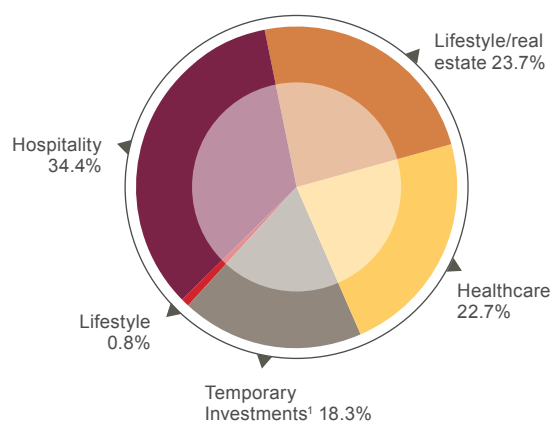
Chairman
Symphony Investment
Managers Limited

21 March 2014

Financial Highlights

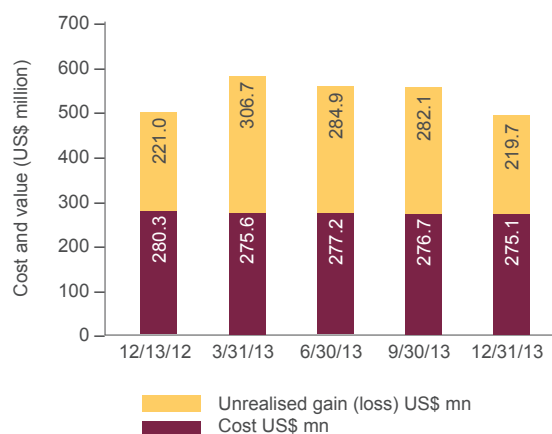


NAV BY SEGMENT

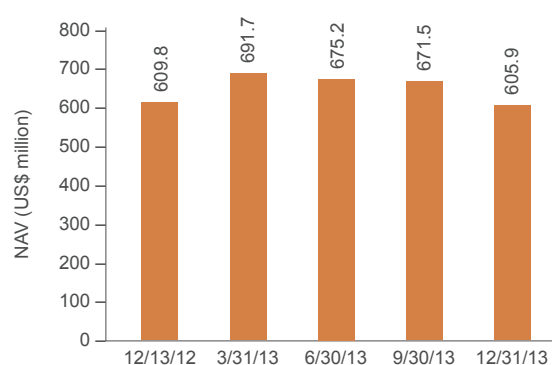


¹ Portfolio investments exclude temporary investments

VALUE OF PORTFOLIO INVESTMENTS¹



QUARTERLY NAV



KEY FINANCIAL HIGHLIGHTS

	Group		
As at 31 December	2011 US\$ 000	2012 US\$ 000	2013 US\$ 000
Revenue	4,000	5,342	6,683
Other operating income	14,357	17,623	16,242
Profit (Loss) after tax¹	(10,519)	118,340	6,320
Total assets	399,061	627,540	623,723
Total liabilities	10,065	17,729	17,849
Total shareholders' equity	388,996	609,811	605,874
NAV²	389,429	609,807	605,874
Number of shares outstanding	346,499	515,225	515,225
NAV per share	1.12	1.18	1.18

Notes

¹ Profit (Loss) after tax in 2011, 2012 and 2013 includes expenses for management shares (2011: US\$0.6 million, 2012: US\$0.2 million, 2013: nil) and share options not yet exercised (2011: US\$4.2 million, 2012: US\$3.4 million, 2013: US\$7.1 million).

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, associates and joint ventures) and any other assets, less any other liabilities.

Investment Manager's Report



From left: Stella Tsang, Alice Ng, Alice Wong, Betty Chan, Ramon Lo, Sunil Chandiramani, Jay Parmanand, Wendy Pang, Kennis Yeung and Synnia Hui

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, associates and joint ventures) and any other assets, less any other liabilities. The financial results presented herein include activity for the period from 1 January 2013 through 31 December 2013, referred to as “the year ended 31 December 2013”.

OUR BUSINESS

SIHL is an investment company incorporated under the laws of the British Virgin Islands. The Company’s shares were listed on the London Stock Exchange on 3 August 2007. SIHL’s investment objective is to create value for shareholders through longer term

strategic investments in high growth innovative consumer businesses, primarily in the healthcare, hospitality and lifestyle sectors (including branded real estate developments), which are expected to be among the fastest growing sectors in Asia, as well as through investments in special situations and structured transactions. SIHL’s Investment Manager is Symphony Investment Managers Limited and the Investment Advisor is Symphony Asia Holdings Pte. Ltd. Symphony Asia Limited is the investment consultant to the Investment Manager.

INVESTMENTS

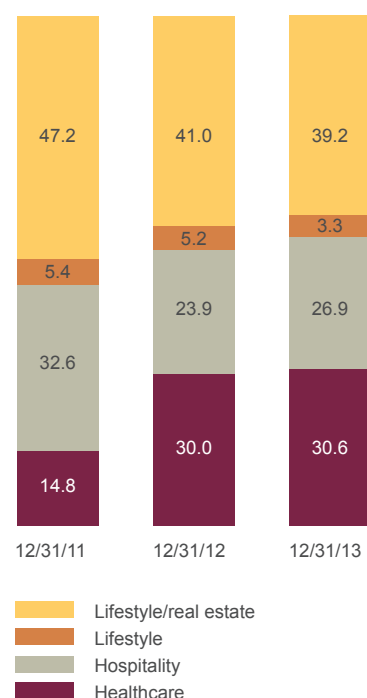
During the 2013 fiscal year, SIHL invested US\$8.5 million, bringing the total amount invested since admission to the Official List of the London Stock Exchange in August 2007 to US\$323.9 million. SIHL’s total cost of investments after taking into account shareholder loan repayments and the cost of realised investments was US\$275.1 million at 31 December 2013 from US\$280.3 million a year earlier. As at 31 December 2013, the healthcare, hospitality, lifestyle and lifestyle / real estate sectors accounted for 30.6%, 26.9%, 3.3% and 39.2% of total cost of investments, respectively. The fair value of investments, excluding temporary investments, held by SIHL was approximately



From left: Anupum Khaitan, David LaRue, Peter Lee, Michelle Tan, Jasmine Phua, Anil Thadani, Jenny Ng, Saerah Yusoff, Chris Leo and Raj Rajkumar

US\$494.8 million at 31 December 2013, down from US\$501.3 million a year earlier. This change comprised investments made during the year that amounted to US\$8.5 million, a decrease in the value of investments by US\$1.7 million and shareholder loan repayments and the total value of exited investments of US\$13.3 million.

COMPOSITION OF PORTFOLIO INVESTMENTS BY COST (%)



COST AND FAIR VALUE OF INVESTMENTS

	Group at 31 December 2013		
	Cost US\$	Fair value US\$	% of NAV
Healthcare	84,096,374	137,835,597	22.8%
Hospitality	74,024,802	208,586,540	34.4%
Lifestyle	9,073,497	4,596,496	0.8%
Lifestyle / Real estate	107,905,200	143,813,374	23.7%
Subtotal	275,099,871	494,832,007	81.7%
Temporary investments		111,042,016	18.3%
Net asset value ¹		605,874,023	100.0%

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

Investment Manager's Report

As at 31 December 2013, we had the following investments:

MINOR INTERNATIONAL PUBLIC COMPANY LIMITED

Minor International Pcl ("MINT") is one of the largest hospitality and restaurant companies in the Asia Pacific region. MINT owns 35 hotels and manages 68 other hotels and serviced suites with 12,800 rooms. In addition to owning hotels under the Four Seasons, St. Regis and Marriott brands, MINT owns and manages hotels in 14 countries under its own brand names that include Anantara, Oaks, Elwana, Avani and Per AQUUM. As at 31 December 2013, MINT also owned and operated 1,544 restaurants under the brands The Pizza Company, Swensen's, Sizzler, Dairy Queen, Burger King, Beijing Riverside, Thai Express and The Coffee Club.

MINT's operations also include contract manufacturing and an international lifestyle consumer brand distribution business in Thailand focusing on fashion, cosmetics through retail (276 outlets), wholesale and direct marketing channels under brands that include GAP, Esprit, Bossini, Red Earth and Zwilling Henckels amongst others.

MINT reported double digit growth during 2013. Revenue, EBITDA and net profit increased by 12%, 18% and 26%, respectively. Growth was driven by improved performance across all businesses.

MINT's hotel and mixed-use business had revenues of THB18.0 billion during 2013, which is 10% higher than the same period a year earlier. MINT increased the number of rooms in its portfolio that are owned and managed by 504 (including majority owned and joint ventures) and 1,948 during the year, respectively. Despite political tensions that arose in Thailand during the fourth quarter of 2013, average occupancy rates and revenue per available room ("RevPar") increased by approximately 1% each. Taking out the impact of newly opened hotels and foreign exchange changes, 2013 organic RevPar increased by 7%. In addition to improved hotel performance, MINT's real estate business contributed THB4.0 billion in revenue, which equates to a 28% increase from 2012.

During the year, MINT announced a number of new projects in its hotel business segment. In addition to launching managed hotels under its brand in Abu Dhabi, Australia, China, Dubai and Thailand, MINT invested in properties in Africa, Australia, the Maldives, Sri Lanka and Vietnam.

At the end of 2013, MINT's total number of restaurants reached 1,544, comprising 814 equity-owned outlets and 730 franchised outlets. Approximately 65% were in Thailand with the remaining number in other Asian countries and the Middle East. Approximately 163 restaurants were added during 2014 and same-store-sales and total system sales increased by 1.5% and 13.8%, respectively, from the year before.

The retail trading and contract manufacturing business also experienced favourable growth during 2013, which was driven by revenue from fashion business.

At 31 December 2013, the fair value of Symphony's investment in MINT was US\$208.6 million, up from US\$205.5 million a year ago. The change in value of approximately US\$3.1 million for the year included an incremental investment related to the exercise of MINT warrants amounting to approximately US\$7.1 million and a decline in fair value of approximately US\$4.0 million.

MINUET LIMITED

Minuet Ltd ("Minuet") is a joint venture between the Company and an established Thai partner. The Company has a direct 49% interest in the venture and is considering several development and/or sale options for the land owned by Minuet, which is located in close proximity to central Bangkok, Thailand.

The Company initially invested approximately US\$78.3 million by way of an equity investment and interest bearing shareholder loan for its interest in Minuet. Since the initial investment by the Company, Minuet has received proceeds from rental income and partial land sales. In March 2013, the Company announced that Minuet had completed the sale of 17 rai (2.7 hectares) of land in Bangkok, Thailand. Excluding transaction expenses and foreign exchange translations, the sale price was 74.3% above Minuet's average land cost and 50.0% above the last transacted sale price in January 2012 where Minuet sold 69.2 rai (11.1 hectares) of land.



The Company received a distribution of US\$4.7 million from Minuet following the sale of land in March 2013 and a further distribution of approximately US\$113,000 in October 2013 related to proceeds from rental income on the land. As at 31 December 2013, Minuet held approximately 390 rai (62 hectares) in Bangkok, Thailand. The Company's investment cost on the same date (net of shareholder loan repayments) was approximately US\$61.7 million. The fair value of the Company's interest in Minuet as at 31 December 2013 was US\$86.7 million (31 December 2012: US\$91.2 million), which is based on an independent third party valuation of the land plus the net value of the other assets and liabilities of Minuet.

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST

Parkway Life Real Estate Investment Trust ("PREIT") is one of Asia's largest listed healthcare real estate investment trusts by asset size. It is listed on the Singapore Exchange. 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 Japan and Singapore) that is/are used primarily for healthcare and/or healthcare-related purposes.

As at 31 December 2013, PREIT's total portfolio size stood at 44 properties with a value of approximately S\$1.5 billion. PREIT owns the leasehold to three Singapore hospitals, which are leased to Parkway Holdings Limited on long-term leases, and a mixture of leasehold and freehold ownership of 40 properties in Japan (comprising 39 nursing homes and one pharmaceutical manufacturing unit) and strata titled units/lots within Gleneagles Medical Centre, Kuala Lumpur, Malaysia. The Company holds 38.5 million units in PREIT, which equates to a shareholding of approximately 6.36 per cent.

PREIT reported net property income for 2013 that was largely unchanged from last year. The flat revenue was due mainly to the impact of the depreciation of the Japanese yen during the year, which was offset from higher rent from existing properties. Despite the impact of currency fluctuations, PREIT increased the available distribution per unit by 4.2% in 2013. PREIT's gearing at 31 December 2013 was 33%, which is well within the 60% limit allowed under the Monetary Authority of Singapore's Property Funds Guidelines and will allow for further yield accretive acquisitions.

As at 31 December 2013, the Company invested approximately US\$33.8 million (31 December 2012: US\$33.8 million) in PREIT units; the fair value on the same date was US\$71.6 million (31 December 2012: US\$67.1 million), representing an unrealised gain in value of approximately US\$4.5 million for the year.

Investment Manager's Report

IHH HEALTHCARE BERHAD

IHH Healthcare Berhad ("IHH") is one of the largest healthcare providers in the world by market capitalisation. Its portfolio of healthcare assets includes Parkway Holdings Limited, Pantai Holdings Berhad, International Medical University ("IMU"), Acibadem Saglik Yatirimlari Holding A.S. ("Acibadem") and a minority shareholding in Apollo Hospitals Enterprises Limited. IHH has a broad footprint of assets in Asia as well as Turkey, Abu Dhabi, Central and Eastern Europe that employ 24,000 people and operate over 5,000 licensed beds in 33 hospitals worldwide.

IHH reported revenue, EBITDA and net profit growth (excluding non-recurring items) for full year 2013 of 18%, 32% and 70%, respectively. The growth is attributable to organic growth of existing operations, full 12 months consolidation of Acibadem and ramping up of new hospitals, which included the Mount Elizabeth Novena Hospital and Acibadem Hospital that achieved positive EBITDA during the year. Profit after tax and minority interest increased more substantially,

which was partially due to finance cost savings from the repayment of Parkway and Acibadem loans from the utilisation of the IPO proceeds and recapitalisation of Acibadem in Q4 2012.

Parkway Pantai saw in-patient admissions and revenue intensities increase in Singapore by 7.3% and 5.7% and in Malaysia by 7.4% and 6.5%, respectively. Acibadem also saw an increase in admissions and revenue intensities in 2013 by 6.8% and 3.8%, respectively.

Other operating business, such as IMU also saw improvement with revenue and EBITDA increasing by 13% and 17% in 2013. The increase was from higher fee income on medical and nursing programmes.

IHH has an active development pipeline that will support future growth for the group. In 2014, hospitals in India, Turkey, China and the UAE will be launched, which include a mixture of properties with equity ownership and on a consultancy contract basis.

At 31 December 2013 the fair value of the Company's investment in IHH was US\$66.2 million (31 December 2012: US\$61.9 million), representing an unrealised gain in value of approximately US\$4.3 million for the year.

PROPERTY JOINT VENTURE IN MALAYSIA

Symphony has a 49% interest in redeemable preference shares in a property joint venture in Malaysia with an affiliate of Destination Resorts and Hotels Sdn Bhd, a hotel and destination resort investment subsidiary of Khazanah Nasional Berhad, the investment arm of the Government of Malaysia. The joint venture is developing a beachfront country club and private villas on the southeastern coast of Malaysia that will be branded and managed by Amanresorts.

The development is ongoing, but there have been some delays due to the redesign of parts of the clubhouse and villas. We expect the development to be completed in first quarter of 2016, which will include a Club, 46 club suites and prototype villas. When fully developed, the site will have a total of 52 villas.



The Company invested approximately US\$29.0 million in January 2012 for its interest in Desaru. Based on an independent third party valuation of the land plus the net value of the other assets and liabilities of Desaru, the investment was valued at US\$29.4 million at 31 December 2013 (31 December 2012: US\$29.4 million).

OTHER INVESTMENTS

In addition to the investments above, Symphony has six additional investments, each of which constitute less than 5% of SIHL's NAV at 31 December 2013. Pending investment in suitable opportunities, SIHL has placed funds in certain temporary investments. As at 31 December 2013, cash and cash equivalents that predominantly comprised bank deposits amounted to US\$127.1 million.

CAPITALISATION AND NAV

As at 31 December 2013, the Company had US\$402.1 million in issued share capital and its NAV was approximately US\$605.9 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, associates and joint ventures) 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.

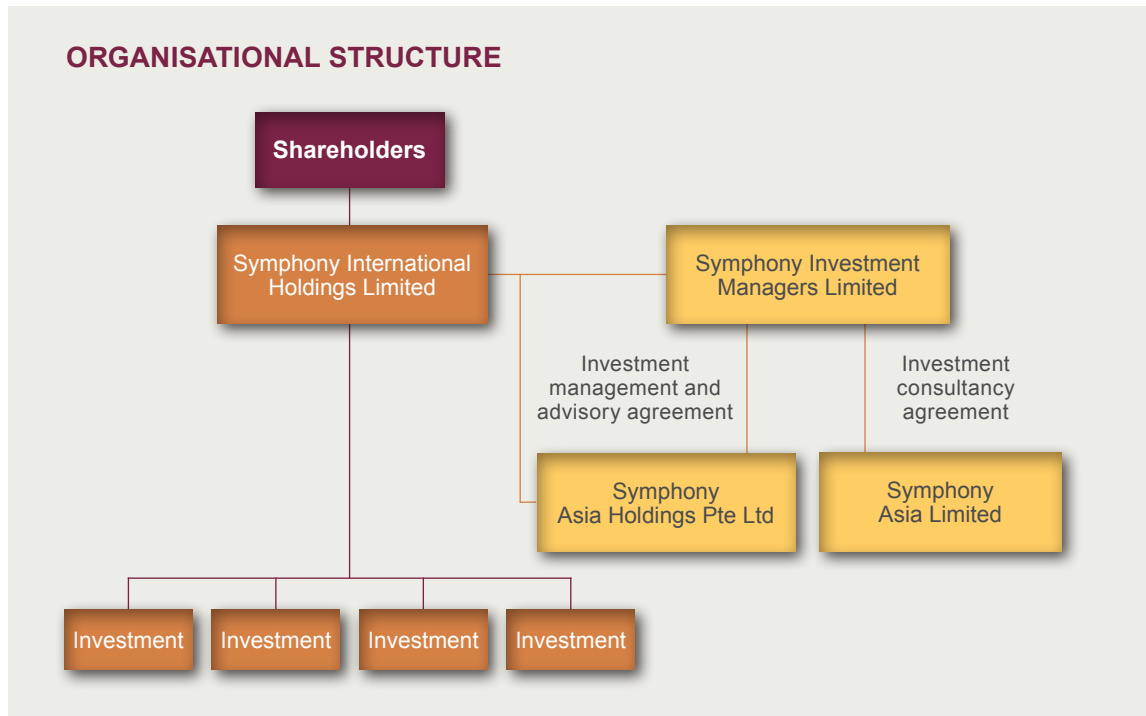
The NAV and NAV per share for the 2011, 2012 and 2013 fiscal years and for the quarterly periods ended on March 31, June 30, September 30 and December 31, 2013 are highlighted below in the table.

NAV, SHARES OUTSTANDING AND NAV PER SHARE ON QUARTERLY BASIS¹

As at	Group		
	12/31/11	12/31/12	12/31/13
NAV (US\$ 000')	389,429	609,807	605,874
Number of shares (000')	346,499	515,225	515,225
NAV per share	1.12	1.18	1.18
As at	Group		
	03/31/13	06/30/13	09/30/13
NAV (US\$ 000')	691,730	675,202	671,515
Number of shares (000')	515,225	515,225	515,225
NAV per share	1.34	1.31	1.30

¹ Unaudited

Investment Manager's Report



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 shares were issued in the IPO. In addition to these 190.0 million shares and 94.9 million shares pre-IPO, a further 53.4 million shares were issued comprising of the subscription of 13.2 million shares by investors and SIHL's investment manager, the issue of 33.1 million bonus shares, and the issue of 7.1 million shares to SIHL's investment manager credited as fully paid raising the total number of issued shares to 338.3 million.

The Company issued 4,119,490 shares, 2,059,745 shares, 2,059,745 shares and 2,059,745 shares on 6 August 2010, 21 October 2010, 4 August 2011

and 23 October 2012, respectively, credited as fully paid, to the Investment Manager, Symphony Investment Managers Limited. The shares were issued as part of the contractual arrangements with the Investment Manager. On 4 October 2012, SIHL announced a fully underwritten 0.481 for 1 rights issue at US\$0.60 per new share to raise proceeds of approximately US\$100 million (US\$93 million net of expenses) through the issue of 166,665,997 million new shares, fully paid, that commenced trading on the London Stock Exchange on 22 October 2012. Together with the shares issued to the Investment Manager, the shares issued pursuant to the rights issue increased the Company's fully paid issued share capital to 515.2 million shares.

REVENUE AND OTHER OPERATING INCOME

Revenue

During the 2013 fiscal year, SIHL received dividend income amounting to US\$6.7 million from quoted equity investments. This represents an increase of 25.1% from dividends received during the 2012 fiscal year. The change was due to an increase in dividends from PREIT and MINT.

Other operating income

Other operating income includes interest income from temporary investments and loans outstanding to portfolio companies, in addition to foreign exchange gains. During 2013, Symphony also received non-recurring income related to a property development that amounted to US\$3.4 million.

Temporary investments predominantly consisted of bank deposits and contributed to US\$0.8 million in interest income during the 2013 financial year. Interest earned on loans outstanding to portfolio companies amounted to US\$11.2 million. Foreign exchange gains amounted to US\$0.8 million during 2013.

EXPENSES

Management fee

The management fee amounted to US\$14.9 million for the year ended 31 December 2013. 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 per annum, respectively) during 2013.

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. There was no management share expense in 2013 (2012: US\$0.2 million).

Share options expense

Under the terms of the Investment Management and Advisory Agreement, the Investment Manager was granted Share Options to subscribe for shares of the Company. On 3 August 2008, the Investment Manager was granted 82,782,691 Share Options to subscribe for shares at US\$1.00 each and on 22 October 2012, the Investment Manager was granted 41,666,500 Share Options to subscribe for shares at US\$0.60 each. The share options vest in five equal tranches over a period of five years. The 82,782,691 Share Options granted on 3 August 2008 were fully vested and expensed by the end of the 2012 financial year.

An expense was recognised based on the fair value of the Share Options calculated using the Black-Scholes option-pricing model at 31 March, 30 June, 30 September and 31 December, respectively. The total expense during the 2013 financial year was US\$7.1 million (2012: US\$3.4 million) that was recognised in the income statement.

Taxes

Substantially all the taxes paid by the Group in the year ended 31 December 2013 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 2013, SIHL's cash balance was US\$127.1 million. Symphony's primary uses of cash are to fund investments, pay expenses and to make distributions to shareholders, if and when declared by our board of directors. Taking into account current market conditions, it is expected that Symphony has sufficient liquidity and capital resource for its operations. The primary sources of liquidity are capital contributions received in connection with the initial public offering of shares, related transactions and a rights issue (See a description under "Capitalisation and NAV" above), in addition to cash from investments that it receives from time to time.

Investment Manager's Report

This cash from investments 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 Symphony's cash management activities provide a more regular source of cash than less liquid longer-term 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 Symphony's investment policies and procedures. Symphony 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 Symphony has available for working capital or for making opportunistic or temporary investments. At 31 December 2013, the Group had total interest-bearing borrowings of US\$5.9 million associated with our investment in SG Land and property related investment in Niseko, Hokkaido, Japan.

PRINCIPAL RISKS

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

The Company is not structured as a typical private equity vehicle (it is structured as a permanent capital vehicle), and thus may not have a comparable investment strategy. The investment opportunities for the Company are more likely to be as a long term strategic partner in investments, which may be less liquid and which are less likely to increase in value in the short term.

The Company's investment policies contain no requirements for investment diversification and its investments could therefore be concentrated in a relatively small number of portfolio companies in the Healthcare, Hospitality and Leisure ("HH&L") sectors (including branded real estate developments) within the Asia-Pacific region.

The Company has made, and may continue to make, investments in companies in emerging markets, which exposes it to additional risks (including, but not limited to, the possibility of exchange control regulations, political and social instability, nationalisation or expropriation of assets, the imposition of taxes, higher rates of inflation, difficulty in enforcing contractual obligations, fewer investor protections and greater price volatility) not typically associated with investing in companies that are based in developed markets.

Furthermore, the Company has made, and may continue to make, investments in portfolio companies that are susceptible to economic recessions or downturns. Such economic recessions or downturns may also affect the Company's ability to obtain funding for additional investments.

The Company's investments include investments in companies that it does not control, and there is a risk that such portfolio companies may take decisions which do not serve the Company's interests.

A number of the Company's investments are currently, and likely to continue to be, illiquid and/or may require a long-term commitment of capital. The Company's investments may also be subject to legal and other restrictions on resale. The illiquidity of these investments may make it difficult to sell investments if the need arises.

The Company's real estate related investments may be subject to the risks inherent in the ownership and operation of real estate businesses and assets. A downturn in the real estate sector or a materialisation of any of the risks inherent in the real estate business and assets could materially adversely affect the Company's real estate investments. The Company's portfolio companies also anticipate selling a significant proportion of development properties prior to completion. Any delay in the completion of these projects may result in purchasers terminating off-plan sale agreements and claiming refunds, damages and/or compensation.

The Company is exposed to foreign exchange risk when investments and/or transactions are denominated in currencies other than the U.S. dollar, which could lead to significant changes in the net asset value that the Company reports from one quarter to another.



The Company's current investment policies and procedures provide that it may invest an amount equivalent to not less than 70% of its total assets, as determined at the time of each investment, predominantly in longer-term investments in the HH&L sectors (including branded real estate developments) in the Asia-Pacific region and no more than 30% of its total assets in special situations and structured transactions which, although they are not typical longer-term investments, have the potential to generate attractive returns and enhance the Company's net asset value.

Companies in which the Company invests in connection with special situations and structured transactions typically 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 may be made. Special situations and structured transactions in the form of fixed debt investments also carry an additional risk that increases in interest rates could decrease their value.

Following the Company's investments, it may be that the proportion of its total assets invested in longer-term investments falls below 70% and the proportion of its total assets invested in special situations and structured transactions exceeds 30% due to changes in the valuations of the assets, over which the Company has no control. Pending the making of investments, the Company's capital will need to be temporarily invested in liquid investments and managed by a third-party investment manager of international repute or held on deposit with commercial banks before they are invested. The returns that temporary investments are expected to generate and the interest that the Company will earn on deposits with commercial banks will be substantially lower than the returns that it anticipates receiving from its longer-term investments or special situations and structured transactions.

In addition, while the Company's temporary investments will be relatively conservative compared to its longer-term investments or special situations and structured transactions, they are nevertheless subject to the risks associated with any investment, which could result in the loss of all or a portion of the capital invested.

ANIL THADANI

Chairman

Symphony Investment Managers Limited

21 March 2014

Board of Directors



PIERANGELO BOTTINELLI

Mr. Bottinelli is based in Geneva, Switzerland and is the Chairman of the Company. He was appointed to the Board of the Company on 31 December 2005. Mr. Bottinelli started his career as a merchant banker with AG Becker (now part of Merrill Lynch) in 1970, after which he spent four years between 1985 and 1989 at Wertheim Schroder. He was a Managing Director at Schroder Securities in 1991 where he remained for nine years before becoming the Managing Director of Quaker Securities in 2000, a position he held until 2005. Mr. Bottinelli currently sits on the boards of several companies in Singapore and Switzerland and he is currently the Chairman of Lansdowne Partners International Limited. He was awarded an official diploma from the Federal Commercial School in Lugano in 1959.



GEORGES GAGNEBIN

Mr. Gagnebin is based in Geneva and was appointed to the Board of the Company on 8 July 2007. He is the Chairman of the board of Banque Pâris Bertrand Sturdza S.A., Geneva. In 2005, he joined the Julius Baer Group Ltd. where he was a Vice- Chairman of Julius Baer Holding Ltd and Bank Julius Baer & Co Ltd and, more recently, Chairman of the board of directors of Infidat Investment Advisory Ltd., a member company of Julius Baer Group 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, a member of the Group Managing Board, a 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 a Swiss certified Banking Expert in 1972.



RAJIV K. LUTHRA

Mr. Luthra is based in New Delhi and was appointed to the Board of the Company on 8 July 2007. He is the founder and managing partner of Luthra & Luthra Law Offices, a premier, full service law firm in New Delhi, which is one of the largest in India and one which has won a number of accolades, that include the “National Law Firm of the Year – India 2012” by Chambers Asia Pacific amongst other awards. For over three decades, Mr. Luthra has been advising in the practice areas of capital markets and corporate finance, securitisation and structured finance, construction and property, and IT, telecommunications and media. Mr. Luthra serves on a number of high-level committees that include the Securities & Exchange Board of India (SEBI), the Advisory Board to the Competition Commission of India. He is the Convener of the committee formed to advise the Government of India on the liberalisation of legal services between India and the UK and is a Member of the Round Table on Legal Education for the Ministry of Human Resource Development. He also serves on the board of HSBC’s Corporate Governance and Audit committees in India.

Mr. Luthra has been inducted in the M&A Hall of Fame, New York and is recipient of the Lifetime Achievement Award for “his accomplishments and achievements in the International M&A sector”. At the recently held Asian Business Leadership Forum (ABLF) Awards 2013 in Dubai, Mr. Luthra was named “Ace Legal Eagle for Corporate Law”.

**GEORGES A. MAKHOUL****ANIL THADANI****SUNIL CHANDIRAMANI**

Mr. Makhoul is based in Dubai and was appointed to the Board of the Company on 29 April 2013. He is the Chief Executive Officer of Constellation Holdings, a Dubai based private investment firm. Before his current role, Mr. Makhoul had extensive work experience in Europe and Asia from assignments in London and Tokyo. From 2005 to 2009 he was President of Morgan Stanley for the Middle and Africa and before that, the Managing Partner at PwC Japan. Before joining PwC in 1994 in New York, Mr. Makhoul led a National Science Foundation Research Centre at Columbia University. Mr. Makhoul has a PhD in Electrical Engineering.

Mr. Thadani is based in Singapore and was appointed to the Board of the Company on 16 February 2004. He is also the Chairman of the Investment Manager. He has worked in the Asia-Pacific region since 1975 and has been involved in Asian private equity since 1981 through Arral & Partners, which he co-founded and which was one of the first privately-owned private equity investment companies in Asia, and, subsequently, Schroder Capital Partners. Before entering private equity in 1981, Mr. Thadani began his career as a research engineer with Chevron Chemical Company in California. Mr. Thadani subsequently worked for Bank of America in the United States, Japan, the Philippines and Hong Kong. He has previously served on the boards of several companies in Asia, Europe and North America and continues to represent the Company on the boards of its portfolio companies. He is also a member of the board of trustees of the Singapore Management University ("SMU") 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 MS in Chemical Engineering from the University of Wisconsin, Madison, and an MBA from the University of California at Berkeley. Mr. Thadani is currently employed by the Singapore Advisor.

Mr. Chandiramani is based in Hong Kong and was appointed to the Board of the Company on 16 February 2004. He is involved with all aspects of the Company's business. He is also a Partner and Country Head of the Hong Kong Consultant. Mr. Chandiramani has over 26 years' experience in private equity and related investment experience across multiple industry sectors in Asia and the United States. Mr. Chandiramani's experience in Asian private equity was initially as a partner with Arral & Partners and subsequently with Schroder Capital Partners. Prior to that, he worked on leveraged buy-outs and acquisitions for the Structured Finance Group at Bankers Trust Company in New York. Mr. Chandiramani has a BCom (Hons) from the Shri Ram College of Commerce, Delhi University, and an MBA from the Wharton School of the University of Pennsylvania. Mr. Chandiramani is currently employed by the Hong Kong Consultant.

Corporate Information

COMPANY

Symphony International Holdings Limited

DIRECTORS

Pierangelo Battista Bottinelli
(alias Pierangelo Bottinelli)
(Chairman and Independent Director)

Georges Gagnebin
(Independent Director)

Rajiv K. Luthra
(Independent Director)

Georges A. Makhoul
(Independent Director)

Anil Thadani
Sunil Chandiramani

REGISTERED OFFICE IN THE BRITISH VIRGIN ISLANDS

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British Virgin Islands

REGISTERED AGENT

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Road Town, Tortola
British Virgin Islands

CORRESPONDENCE ADDRESS

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#27-01
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SHARE REGISTRAR AND SHARE TRANSFER AGENT

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Bulwer Avenue
St. Sampson, Guernsey
GY2 4LH

WARRANT REGISTRAR

Capita Registrars (Guernsey) Limited
Mont Crevett House
Bulwer Avenue
St. Sampson, Guernsey
GY2 4LH

FINANCIAL ADVISOR AND CORPORATE STOCK BROKER

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United Kingdom

INVESTMENT MANAGER

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Road Town, Tortola
British Virgin Islands

AUDITORS

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#22-00 Hong Leong Building
Singapore 048581

Directors' Report

The Directors submit their Report together with the Company's Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and the related notes for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB") and are in agreement with the accounting records of the Company, which have been properly kept in accordance with the BVI Business Companies Act 2004.

CORPORATE GOVERNANCE

The Company is incorporated under the laws of the British Virgin Islands. On 3 August 2007, the Company was admitted to the Official List of the London Stock Exchange pursuant to a Secondary Listing under Chapter 14 of the Listing Rules and its securities were admitted for trading on the London Stock Exchange's Main Market. In April 2010, the UK listing regime was restructured into Premium and Standard Listing categories. The Company is in the Standard Listing Category constituent. Details of the share capital of the Company are disclosed in note [8] to the financial statements.

As the Company is incorporated in the British Virgin Islands, and being a Standard Listing Category constituent, it is not required to comply with the requirements of the UK Combined Code on Corporate Governance published by the Financial Reporting Council (the "Code"). However, the Company is required to prepare a corporate governance statement. There is no published corporate governance regime equivalent to the Code in the British Virgin Islands. However, the Board is committed to ensuring that proper standards of corporate governance and has established governance procedures and policies that it believes and considers appropriate having regard to the nature, size and resources of the Company. The following explains how the relevant principles of governance are applied to the Company.

The Board currently has six members, of which a majority, including the Board Chairman, are independent directors. The Board members will have regard to their obligations to act in the best interests of the Company should potential conflicts of interest arise.

The Board Chairman, Mr. Pierangelo Bottinelli, has more than 40 years' experience in merchant banking, securities and investment management, and is currently the Chairman of Lansdowne Partners International Limited. The other three independent directors are Mr. Rajiv K. Luthra, Mr. Georges Gagnebin and Mr. Georges A. Makhoul. Mr. Luthra is the managing partner and founder of Luthra and Luthra Law Offices in India and serves on several high level committees, such as on the board of HSBC's Corporate Governance and Audit committees in India. Mr. Gagnebin is currently Chairman of the Board of the Banque Paris Bertrand Sturdza S.A., Geneva. Mr. Georges A. Makhoul is the Chief Executive Officer of Constellation Holdings, a Dubai based private investment firm. The other members of the Board are Mr. Anil Thadani and Mr. Sunil Chandiramani who have over 33 years and 26 years of experience in private equity, respectively.

More detailed biographies of the Directors can be found preceding this section. The Board has extensive experience relevant to the Company and any change in the Board composition can be managed without undue interruption.

The Directors currently do not have a fixed term of office and there are specific provisions regarding the procedures for their appointment. The Directors may be removed and replaced at any time subject to the following procedure:

- i. any proposal for the replacement or removal of one or more Directors shall be considered by the Nominations Committee who shall assess the suitability of the candidates proposed (and any Director who is the subject of the removal proposal shall not participate in such assessment); and

Directors' Report

- ii. if the Nominations Committee approves the candidate(s) proposed they shall convene a special meeting of the Board to vote on the removal and replacement of the relevant Director(s).

Further, pursuant to the terms of the Investment Management Agreement and the Articles of Association, if a Director who is also a Key Person is to be replaced, a new Director to replace such Key Person Director shall be nominated by the Investment Manager and the Board may reject such nomination by the Investment Manager only if it would be illegal to accept such nominee of the Investment Manager under any applicable law. The Board is responsible for reviewing the financial performance and internal controls and monitoring the overall strategy of the Company. In addition, the Board is responsible for approving this annual financial report and the quarterly NAV reports during the year.

The Board has three committees:

- i. the Nominations Committee;
- ii. the Audit Committee; and
- iii. the Share Options Terms Committee

The Nominations Committee has the duty of assessing the suitability of candidates nominated by our Shareholders as replacement Directors. The Nominations Committee comprises a majority of independent Directors. The Chairman of the Nominations Committee is Mr. Georges Gagnebin. The other Nominations Committee members are Mr. Anil Thadani, Mr. Pierangelo Bottinelli and Mr. Rajiv K. Luthra. If a member of the Nominations Committee has an interest in a matter being deliberated upon by the Nominations Committee, he shall be required to abstain from participating in the review and approval process of the Nominations Committee in relation to that matter. If more than one member of the Nominations Committee has an interest in a matter being deliberated, then the non-interested Directors who are not members of the Nominations Committee will participate in the review and approval process in relation to that matter. The Nominations Committee met twice during the year.

The Audit Committee assists the Board in overseeing the risk management framework by reviewing any matters of significance affecting financial reporting and internal controls of the Company, and has the duty of, among other things:

- i. assisting the Board in its oversight of the integrity of the financial statements, the qualifications, independence and performance of the independent auditors and compliance with relevant legal and regulatory requirements;
- ii. reviewing and approving with the external auditors their audit plan, the evaluation of the internal accounting controls, audit reports and any matters which the external auditors wish to discuss without the presence of board members and ensuring compliance with relevant legal and regulatory requirements;
- iii. reviewing and approving with the internal auditors the scope and results of internal audit procedures and their evaluation of the internal control system;
- iv. making recommendations to the Board on the appointment or reappointment of external auditors, the audit fee and resignation or dismissal of the external auditors; and
- v. pre-approving any non-audit services provided by the external auditors.

The Audit Committee comprises a majority of independent Directors. The Chairman of the Audit Committee is Mr. Rajiv K. Luthra. The other Audit Committee members are Mr. Georges Gagnebin, Mr. Pierangelo Bottinelli, Mr. Georges A. Makhoul and Mr. Sunil Chandiramani. If a member of the Audit Committee has an interest in a matter being deliberated upon by the Audit Committee, he shall abstain from participating in the review and approval process of the Audit Committee in relation to that matter. If more than one member of the Audit Committee has an interest in a matter being deliberated, then the non-interested Directors who are not members of the Audit Committee will participate in the review and approval process in relation to that matter. The Audit Committee met twice during the year.

The Share Options Terms Committee ("SOTC") has the responsibility to review and comment on the adjustment of the exercise price and the number of Share Options granted to the Investment Manager under the Investment Management and Advisory Agreement, and to carry out all activities with respect to the Share Options Terms and to take all resolutions on behalf of the Board and do all acts and things as the SOTC may consider necessary or expedient in order to give effect to the Share Options Terms.

The SOTC comprises a majority of independent Directors. The Chairman of the SOTC is Mr. Pierangelo Bottinelli. The other members of the SOTC are Mr. Georges Gagnebin and Mr. Sunil Chandiramani. The SOTC met once during the year.

Each Committee and each Director has the authority to seek independent professional advice where necessary to discharge their respective duties in each case at the Company's expense.

The Company has a policy on Directors' dealings in shares, which is based on the Model Code for Directors' dealings contained in the London Stock Exchange's Listing Rules. The Board understands its responsibility for ensuring that there are sufficient, appropriate and effective systems, procedures, policies and processes for internal control of financial, operational, compliance and risk management matters. The Board meets regularly during the year to receive from the Investment Manager an update on the Company's investment activities and performance, together with reports on markets and other relevant matters. In carrying out their responsibilities, the Directors have put in place a framework of controls to ensure ongoing financial performance is monitored in a timely and corrective manner and risk is identified and mitigated to the extent practicably possible.

The Board periodically meets and had a total of four meetings during the year with full attendance by its members. The Company has entered into an agreement with the Investment Manager, Symphony Investment Managers Limited. The key responsibilities of the Investment Manager are to implement the investment objectives of the Company. The Company's investment objective is

to create value for stakeholders through long term strategic investments in high growth innovative consumer businesses, primarily in the Healthcare, Hospitality and Lifestyle and Branded Real Estate sectors in Asia.

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 2013; 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 2013 and the position of the Group taken as a whole as at 31 December 2013, 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

ANIL THADANI
Chairman
Symphony Investment Managers Limited

Director
Symphony International Holdings Limited

21 March 2014

Financial Statements

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Independent Auditors' Report

Members of the Company
Symphony International Holdings Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Symphony International Holdings Limited (the Company), which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, as set out on pages 37 to 78.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 give a true and fair view of the consolidated financial position of the Company as at 31 December 2013, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP
Public Accountants and
Chartered Accountants

SINGAPORE
21 March 2014

Consolidated Statement of Financial Position

<i>As at 31 December 2013</i>	Note	2013 US\$'000	2012 US\$'000
Non-current assets			
Interests in associates and joint ventures	3	147,089	164,196
Financial assets at fair value through profit or loss	4	346,422	334,555
Other receivables and prepayments	6	–	1,086
		493,511	499,837
Current assets			
Other receivables and prepayments	6	3,096	1,666
Cash and cash equivalents	7	127,116	126,037
		130,212	127,703
Total assets		623,723	627,540
Equity attributable to equity holders of the Company			
Share capital	8	402,054	402,054
Reserves	9	57,311	67,568
Accumulated profits		146,509	140,185
		605,874	609,807
Non-controlling interest		–	4
Total equity carried forward		605,874	609,811
Non-current liabilities			
Interest-bearing borrowings	10	152	600
Deferred tax liabilities	11	1,443	793
		1,595	1,393
Current liabilities			
Interest-bearing borrowings	10	5,740	6,862
Other payables	12	10,453	9,403
Current tax payable		61	71
		16,254	16,336
Total liabilities		17,849	17,729
Total equity and liabilities		623,723	627,540

The financial statements were approved by the Board of Directors on 21 March 2014.

ANIL THADANI
Director
21 March 2014

SUNIL CHANDIRAMANI
Director
21 March 2014

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

Consolidated Statement of Comprehensive Income

<i>Year ended 31 December 2013</i>	Note	2013 US\$'000	2012 US\$'000
Revenue	13	6,683	5,342
Other operating income	14	16,242	17,623
Other operating expenses		(2,994)	(2,459)
Management fees		(14,901)	(9,920)
		5,030	10,586
Management shares expense		–	(203)
Share options expense		(7,080)	(3,428)
(Loss)/Profit before investment results and income tax		(2,050)	6,955
Gain on disposal of investment properties		–	215
Gain on disposal of investments in joint ventures		4,998	–
Fair value changes in financial assets at fair value through profit or loss		11,565	123,396
Fair value changes in investments in associates and joint ventures		(5,282)	(10,015)
Profit before income tax	14	9,231	120,551
Income tax expense	15	(2,911)	(2,211)
Profit for the year		6,320	118,340
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Foreign currency translation differences in relation to financial statements of foreign operations		(17,337)	6,074
Other comprehensive income for the year, net of tax		(17,337)	6,074
Total comprehensive income for the year		(11,017)	124,414
Profit attributable to:			
Equity holders of the Company		6,324	118,326
Non-controlling interest		(4)	14
Profit for the year		6,320	118,340
Total comprehensive income attributable to:			
Equity holders of the Company		(11,013)	124,400
Non-controlling interest		(4)	14
Total comprehensive income for the year		(11,017)	124,414
Earnings per share:		US Cents	US Cents
Basic	16	1.23	30.83
Diluted	16	1.21	30.25

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

Consolidated Statement of Changes in Equity

<i>Year ended 31 December 2013</i>	Share capital US\$'000	Equity compensation reserve US\$'000	Foreign currency translation reserve US\$'000	Accumulated profits US\$'000	Total attributable to equity holders of the Company US\$'000	Non- controlling interest US\$'000	Total equity US\$'000
At 1 January 2012	306,975	51,148	8,776	21,859	388,758	238	388,996
Total comprehensive income for the year							
Profit for the year	–	–	–	118,326	118,326	14	118,340
Other comprehensive income							
Foreign currency translation differences	–	–	6,074	–	6,074	–	6,074
Total other comprehensive income	–	–	6,074	–	6,074	–	6,074
Total comprehensive income	–	–	6,074	118,326	124,400	14	124,414
Transactions with owners of the Company, recognised directly in equity							
Issue of ordinary shares	95,079	(2,061)	–	–	93,018	–	93,018
Value of services received for issue of Management Shares	–	203	–	–	203	–	203
Value of services received for issue of share options	–	3,428	–	–	3,428	–	3,428
Dividend paid	–	–	–	–	–	(248)	(248)
Total transaction with owners of the Company	95,079	1,570	–	–	96,649	(248)	96,401
At 31 December 2012	402,054	52,718	14,850	140,185	609,807	4	609,811

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

Consolidated Statement of Changes in Equity (cont'd)

<i>Year ended 31 December 2013</i>	Share capital US\$'000	Equity compensation reserve US\$'000	Foreign currency translation reserve US\$'000	Accumulated profits US\$'000	Total attributable to equity holders of the Company US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
At 1 January 2013	402,054	52,718	14,850	140,185	609,807	4	609,811
Total comprehensive income for the year							
Profit for the year	–	–	–	6,324	6,324	(4)	6,320
Other comprehensive income							
Foreign currency translation differences	–	–	(17,337)	–	(17,337)	–	(17,337)
Total other comprehensive income	–	–	(17,337)	–	(17,337)	–	(17,337)
Total comprehensive income	–	–	(17,337)	6,324	(11,013)	(4)	(11,017)
Transactions with owners of the Company, recognised directly in equity							
Value of services received for issue of share options	–	7,080	–	–	7,080	–	7,080
Total transaction with owners of the Company	–	7,080	–	–	7,080	–	7,080
At 31 December 2013	402,054	59,798	(2,487)	146,509	605,874	–	605,874

Consolidated Statement of Cash Flows

<i>Year ended 31 December 2013</i>	Note	2013 US\$'000	2012 US\$'000
Cash flows from operating activities			
Profit before income tax		9,231	120,551
Adjustments for:			
Exchange differences on investing activities		(1,658)	(1,896)
Dividend income		(6,683)	(5,342)
Interest income		(12,034)	(12,199)
Interest expense		86	103
Fair value changes in investments in associates and joint ventures		5,282	10,015
Fair value changes in financial assets at fair value through profit or loss		(11,565)	(123,396)
Gain on disposal of investments in joint ventures		(4,998)	–
Gain on disposal of investment properties		–	(215)
Non-recoverable debts		1,240	–
Management Shares expense		–	203
Share options expense		7,080	3,428
		(14,019)	(8,748)
Changes in working capital:			
Decrease in other receivables and prepayments		19	68
Increase/(decrease) in other payables and accrued operating expenses		144	(81)
(Decrease)/increase in amount due to investment manager		(56)	46
		(13,912)	(8,715)
Dividend received (net of withholding tax)		6,347	4,191
Interest received (net of withholding tax)		988	278
Income taxes paid		(152)	(94)
Net cash used in operating activities		(6,729)	(4,340)
Cash flows from investing activities			
Purchase of financial assets at fair value through profit or loss		(7,070)	(53,626)
Proceeds from disposal of investments in joint ventures		9,182	–
Proceeds from disposal of financial assets at fair value through profit or loss		–	2,736
Proceeds from disposal of investment properties		–	9,737
Investments in associates and joint ventures		(605)	(32,479)
Repayment of loans by associates and joint ventures		7,624	13,604
Loan to associates/joint venture partners		(812)	(8,037)
Net cash from/(used in) investing activities		8,319	(68,065)
Balance carried forward		1,590	(72,405)

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

Consolidated Statement of Cash Flows (cont'd)

<i>Year ended 31 December 2013</i>	Note	2013 US\$'000	2012 US\$'000
Balance brought forward		1,590	(72,405)
Cash flows from financing activities			
Net proceeds from issue of share capital		–	93,018
Proceeds from bank loans		34	6,452
Interest paid		(84)	(103)
Repayment of loans and disbursements to non-controlling interest		–	(504)
Dividend paid to non-controlling interest		–	(248)
Repayment of borrowings		(407)	(379)
Net cash (used in)/from financing activities		(457)	98,236
Net increase in cash and cash equivalents		1,133	25,831
Cash and cash equivalents at 1 January		126,037	100,118
Effect of exchange rate fluctuations		(54)	88
Cash and cash equivalents at 31 December	7	127,116	126,037

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

Notes to the Financial Statements

These notes form an integral part of the consolidated financial statements.

The consolidated financial statements were authorised for issue by the Board of Directors on 21 March 2014.

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. 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, predominantly in the hospitality, healthcare and lifestyle sectors (including branded real estate developments), 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 consolidated financial statements have been 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 assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- | | | |
|-----------------|---|---|
| • Note 2.3 | – | Determination of functional currencies of Group entities |
| • Note 9 | – | Valuation of Management Shares and share options |
| • Note 3 and 21 | – | Fair value of unquoted investments in associates and 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.

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

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 CONSOLIDATION

Business combinations

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consolidation transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 CONSOLIDATION (CONT'D)

Subsidiaries

Subsidiaries are entities controlled by the Group. 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 when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an investment at fair value through profit or loss depending on the level of influence retained.

Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies. Joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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 IFRS 11 *Joint Arrangements* which requires investments held by venture capital organisations to be excluded from their 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, or in the statement of comprehensive income, in the period in which they occur.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

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).

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 FUNCTIONAL CURRENCIES (CONT'D)

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.
- 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 currencies 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. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss except for the 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).

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, including goodwill and fair value adjustments arising on acquisition, 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.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 FOREIGN CURRENCIES (CONT'D)

Foreign operations (cont'd)

Exchange differences arising on translation are recognised directly in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in other comprehensive income and accumulated in the translation reserve.

2.5 FINANCIAL INSTRUMENTS

The Group early adopted IFRS 9 *Financial Instruments* ("IFRS 9") 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*. In 2010, IFRS 9 was updated to include classification and measurements relating to financial liabilities.

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; 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; 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.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 FINANCIAL INSTRUMENTS (CONT'D)

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.

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

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, including investments in joint ventures and associates.

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, which takes into account any dividend income, 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.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 FINANCIAL INSTRUMENTS (CONT'D)

Others

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

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.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the investment property) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

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 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 profit or loss in the statement of comprehensive income.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 IMPAIRMENT (CONT'D)

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 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.

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

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 FINANCE EXPENSE

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

2.11 INCOME TAX EXPENSE

Income tax expense comprises current and deferred tax. Income tax expense is recognised in 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 in respect of 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:

- temporary differences arising from the initial recognition of goodwill;
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. 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.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all potentially dilutive ordinary shares, which comprise Management Shares, and share options granted to Investment Manager, and warrants.

2.13 SEGMENT REPORTING

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. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors of Symphony Investment Managers Limited that makes strategic investment decisions.

3 INTERESTS IN ASSOCIATES AND JOINT VENTURES

	2013 US\$'000	2012 US\$'000
Investments in associates and joint ventures		
Unquoted equity securities at cost	30,562	38,501
Unquoted redeemable convertible preference shares at cost	5,540	5,540
	36,102	44,041
Balances with associates and joint ventures		
Loans to associates and joint ventures	76,601	89,576
Interest receivable	69,117	62,305
Disbursements	173	173
	145,891	152,054
Fair value adjustments	(34,904)	(31,899)
	147,089	164,196

Details of associates and joint ventures are set out in note 23.

The Group has effective equity interests of between 0.1% and 49.98% in these investee companies. Pursuant to various shareholders' agreements, the Group has either significant influence or joint control over the financial and operating policies of these companies. Accordingly, these companies are considered to be associates or joint ventures in accordance with IAS 28 *Investment in Associates*, and IFRS 11 *Joint Arrangements*, and measured at fair value in accordance with the accounting policy set out in note 2.2.

Notes to the Financial Statements

3 INTERESTS IN ASSOCIATES AND JOINT VENTURES (CONT'D)

Key terms of the loans to certain associates and joint ventures are summarised below:

- First and second loans to SG Land Co. Limited with the principal amounts of THB225,000,000 (2012: THB225,000,000). The loans are unsecured, bear interest at 15% per annum and are repayable within 9 years starting from 30 April 2008;
- Third loan to SG Land Co. Limited with the principal amount of THB20,000,000 (2012: THB120,000,000). The loan is unsecured, bears interest at 15% per annum and is repayable by monthly instalments based on the repayment schedule determined by the Group at its sole discretion;
- Loan to Minuet Limited with the principal amount of THB2,625,000,000 (2012: THB2,625,000,000). The loan is unsecured, bears interest at 15% per annum and is repayable in tenth year starting from 8 July 2008;
- Loan to Well Round Holdings Limited with the principal amount of JPY940,041,000 (2012: JPY938,916,000). The loan is unsecured, interest free and has no fixed terms of repayment.

These loans are in substance a part of the Group's net investments in these associates and joint ventures.

Included in the loans to the associates and joint ventures are balances totalling US\$63,202,000 (2012: US\$72,168,000) which are/or will be subordinated to bank loans obtained/or to be obtained by certain associates and joint ventures.

Loans to associates and joint ventures and accrued interest thereon are denominated in the following currencies:

	2013 US\$'000	2012 US\$'000
Loans to associates and joint ventures		
Thai Baht	67,675	78,753
Japanese Yen	8,926	10,823
Interest receivable		
Thai Baht	66,904	60,535

The valuation of the Group's investment in associates and joint ventures is largely dependent on the underlying trading performance of the companies within the portfolio but the valuation and other items in the financial statements can also be affected by interest rate and currency fluctuations. The Group may have indirect exposure to interest rates through changes to the financial performance of portfolio companies caused by interest rate fluctuations. The Group's sensitivity to currency fluctuations is disclosed in note 21.

Notes to the Financial Statements

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2013 US\$'000	2012 US\$'000
Non-current		
Quoted equity securities	274,815	267,463
Quoted units in real estate investment trust	71,607	67,092
	346,422	334,555

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 of US\$208,587,000 (2012: US\$205,525,000); Singapore Exchange Securities Trading Limited of US\$71,607,000 (2012: US\$67,092,000); and Bursa Malaysia of US\$66,229,000 (2012: US\$61,938,000).

Interests in associates/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.

The Group's exposure to currency interest rate and price risks and fair value information related to other investments are disclosed in Note 21.

5 INVESTMENT PROPERTIES

	2013 US\$'000	2012 US\$'000
At 1 January	–	9,512
Disposal	–	(9,512)
At 31 December	–	–

All investment properties were disposed of during 2012 with a net gain on disposal of US\$215,000 recognised in profit or loss.

Notes to the Financial Statements

6 OTHER RECEIVABLES AND PREPAYMENTS

	2013 US\$'000	2012 US\$'000
Non-current		
Loan to joint venture partner	–	1,000
Interest receivable	–	86
Loans and other receivables	–	1,086
Current		
Interest receivable	333	317
Other receivables	1,714	106
Deposit for purchase of investment property	1,000	1,000
Other assets	5	164
Tax refundable	–	9
Loans and other receivables	3,052	1,596
Other prepayments	44	70
	3,096	1,666

The loan to a joint venture partner was unsecured, bore interest at 2% per annum and was repaid in 2013.

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

The deposit for purchase of 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.

7 CASH AND CASH EQUIVALENTS

	2013 US\$'000	2012 US\$'000
Fixed deposits with financial institutions	126,565	121,246
Cash at bank	551	4,791
Cash and cash equivalents in the consolidated statement of cash flows	127,116	126,037

The effective interest rate on fixed deposits with financial institutions as at 31 December 2013 was 0.05% to 0.80% (2012: 0.05% to 0.80%) per annum. Interest rates reprice at intervals of one to four weeks.

Notes to the Financial Statements

8 SHARE CAPITAL

	2013	Company 2012
	Number of shares	Number of shares
Fully paid ordinary shares, with no par value:		
At 1 January	515,224,698	346,498,956
Shares issued during the year	–	168,725,742
At 31 December	515,224,698	515,224,698

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.

The Company did not issue any new shares during the year. During 2012, the Company issued 166,665,997 rights shares on the basis of 0.481 rights share for every one ordinary share at US\$0.60 per rights share, and a further 2,059,745 new shares pursuant to the terms on the issue of management shares under the investment management and advisory agreement with the Investment Manager.

As at 31 December 2013, the issued share capital of the Company included 18,685,196 (2012: 18,685,196) 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, 111,855,210 (2012: 111,855,210) warrants and 124,449,191 (2012: 124,449,191) share options were outstanding in the share capital of the Company (refer to note 9 and 16).

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 17 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 17).

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

The Company did not issue any management shares during the year. At the reporting date, an aggregate of 10,298,725 Management Shares have been issued, credited as fully paid to the Investment Manager, including 2,059,745 Management Shares issued in 2012.

Notes to the Financial Statements

9 RESERVES (CONT'D)

Equity compensation reserve (cont'd)

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.

At 31 December 2013, 124,449,191 (2012: 124,449,191) share options had been granted and had an exercise price of US\$1.00 or US\$0.60. The number and exercise price of share options is as follows:

	Exercise price 2013	Number of options 2013	Exercise price 2012	Number of options 2012
Outstanding at 1 January	US\$1.00	82,782,691	US\$1.00	82,782,691
Outstanding at 1 January	US\$0.60	41,666,500	–	–
Outstanding at 31 December	US\$1.00	82,782,691	US\$1.00	82,782,691
Outstanding at 31 December	US\$0.60	41,666,500	US\$0.60	41,666,500
Exercisable at 31 December	US\$1.00	82,782,691	US\$1.00	82,782,691
Exercisable at 31 December	US\$0.60	8,333,300	US\$0.60	–

On 3 August 2008, the Company granted 82,782,691 share options with an exercise price of US\$1.00 to the Investment Manager. These share options have fully vested in five tranches over a period of five years and will expire on the tenth anniversary of the actual grant date.

On 22 October 2012, the Company granted to the Investment Manager 41,666,500 share options with an exercise price of US\$0.60 that will vest in five equal tranches over a period of five years and will expire on the tenth anniversary of the date of grant. The share options expense arising from these options is recognised in accordance with the accounting policy set out in Note 2.8. In respect of these options, the assumptions used in determining the fair value are set out below:

Fair value of share options and assumptions

	31 December 2012	31 March 2013	30 June 2013	30 September 2013	31 December 2013
Fair value	US\$0.61	US\$0.52	US\$0.39	US\$0.36	US\$0.34
Share price	US\$0.675	US\$0.81	US\$0.76	US\$0.75	US\$0.76
Exercise price	US\$0.60	US\$0.60	US\$0.60	US\$0.60	US\$0.60
Expected volatility	144.65%	71.61%	54.00%	47.08%	43.08%
Expected option life	9.8 years	9.6 years	9.3 years	9.1 years	8.8 years
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk-free interest rate	1.9%	2.0%	2.6%	2.8%	3.2%

Notes to the Financial Statements

9 RESERVES (CONT'D)

Equity compensation reserve (cont'd)

Fair value of share options and assumptions (cont'd)

The expected volatility is based on the historic volatility, adjusted for any expected changes to future volatility driven by 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 comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

10 FINANCIAL LIABILITIES

	2013 US\$'000	2012 US\$'000
Non-current		
Interest-bearing term loans		
– Denominated in Thai Baht (secured)	152	600
Current		
Current portion of interest-bearing term loans		
– Denominated in Japanese Yen (unsecured)	5,331	6,451
– Denominated in Thai Baht (secured)	409	411
	5,740	6,862

The interest-bearing term loans denominated in Thai Baht are secured on the Group's interests in the equity securities of a joint venture, without recourse to the Company. 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 2013 is 5.75% (2012: 6%) per annum. The borrowings are repayable in equal monthly instalments within a period of 9 years from the date of drawdown.

The interest-bearing term loan denominated in Japanese Yen. Interest is charged at 0.56% to 0.70% (2012: 0.56% to 0.70%) per annum and reprices on a quarterly basis. The loan principles are repayable quarterly unless the loan is rolled-over.

Notes to the Financial Statements

11 DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities during the year are as follows:

	At 1 January 2012 US\$'000	Recognised in profit or loss (note 15) US\$'000	At 31 December 2012 US\$'000	Recognised in profit or loss (note 15) US\$'000	At 31 December 2013 US\$'000
Deferred tax liabilities					
Interest receivables	671	124	793	650	1,443

12 OTHER PAYABLES

	2013 US\$'000	2012 US\$'000
Accrued operating expenses	255	234
Other payables	5	5
Amount due to directors	120	–
Amount due to Investment Manager (non-trade)	–	56
Interest payable	5	3
Withholding tax payable	10,068	9,105
	10,453	9,403

The amount due to directors is unsecured, interest free and repayable on demand.

13 REVENUE

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

Notes to the Financial Statements

14 PROFIT BEFORE INCOME TAX

Profit before income tax includes the following:

	2013 US\$'000	2012 US\$'000
Other operating income		
Interest income from:		
– fixed deposits and placements in money market fund	759	167
– loans to joint ventures	11,199	11,947
– loans to investee companies	76	85
Foreign exchange gain	829	5,424
Other income	3,379	–
	16,242	17,623

Other operating expenses

Interest expense	(86)	(103)
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15 INCOME TAX EXPENSE

	2013 US\$'000	2012 US\$'000
Current tax expense		
Current year	251	126
Foreign withholding tax	2,010	2,023
Overprovision in prior year	–	(62)
	2,261	2,087

Deferred tax expense

Origination and reversal of temporary differences	650	124
	650	124
Income tax expense	2,911	2,211

Reconciliation of effective tax rate

Profit before income tax	9,231	120,551
Tax at applicable rates to profits in relevant jurisdiction	2,503	16,789
Tax exempt revenue	(557)	(15,749)
Income not subject to tax	(1,937)	(934)
Expenses not deductible for tax purposes	1,742	301
Tax credit	(850)	(157)
Foreign withholding tax	2,010	2,023
Overprovision in prior year	–	(62)
	2,911	2,211

Notes to the Financial Statements

15 INCOME TAX EXPENSE (CONT'D)

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

16 EARNINGS PER SHARE

	2013 US\$'000	2012 US\$'000
Basic and diluted earnings per share are based on:		
Net profit for the year attributable to ordinary shareholders	6,324	118,326

Basic earnings per share

	2013	2012
– Issued ordinary shares at 1 January	515,224,698	346,498,956
– Effect of rights issue shares	–	36,911,606
– Effect of Management Shares issued	–	393,940
Weighted average number of shares	515,224,698	383,804,502

Diluted earnings per share

	2013	2012
Weighted average number of shares (basic)	515,224,698	383,804,502
Effect of share options	8,337,744	7,359,015
Weighted average number of shares (diluted)	523,562,442	391,163,517

As at 31 December 2013 and 2012, contingently issuable 111,855,210 warrants and 82,782,691 share options were excluded from the weighted average number of shares in the diluted earnings per share calculation as their effect would have been anti-dilutive.

Notes to the Financial Statements

17 SIGNIFICANT RELATED PARTY TRANSACTIONS

Key management personnel compensation

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

During the financial year, directors' fees amounting to US\$368,000 (2012: US\$300,000) were declared as payable to four directors (2012: three directors) of the Company. The remaining two 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

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 engaged by the Investment Manager pursuant to arrangements agreed between the parties. They will (subject to certain existing commitments) devote substantially all of their business time as employees, and on behalf of the Investment Management Group, to assist the Investment Manager in its fulfilment of the investment objectives of the Company and be involved in the management of the business activities of the Investment Management Group. 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.

a. Management fees

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;

In 2013, Management fees amounting to US\$14,901,000 (2012: US\$9,921,000) have been paid to the Investment Manager and recognised in the consolidated financial statements.

b. Management shares

Management shares of up to an aggregate amount equal to 5% of the then enlarged share capital of the Company immediately following the issue of such shares (excluding 7,129,209 Management Shares held by the Investment Manager prior to the admission of the shares of the Company to the official list of the London Stock Exchange (the Pre-admission Management Shares)). 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, on the issuance of shares pursuant to the exercise of warrants, additional Management Shares will be granted to the Investment Manager in order to maintain the proportion of the share capital held by the Investment Manager. The total number of Management Shares to be issued will not exceed 5% of the increase in the issued share capital of the Company as a result of the exercise of warrants (including the Management Shares thus issued but excluding the Pre-admission Management Shares).

In determining the maximum number of Management Shares which may be issued, consideration will be made with respect to the consolidated net asset value as at the relevant quarter end, such that after taking into account the proposed issuance of Management Shares, the consolidated net asset value per share does not decrease below the Company's initial public offering price of US\$1.00 per share.

Notes to the Financial Statements

17 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Other related party transactions (cont'd)

b. Management shares (cont'd)

The Company did not issue any management shares during the year. At the reporting date, an aggregate of 10,298,725 Management Shares have been issued, credited as fully paid to the Investment Manager, including 2,059,745 Management Shares issued in 2012.

c. Share options

Share options to subscribe for ordinary shares of the Company. On 3 August 2008 (deferred from 3 August 2007 which was the date the share options were to be granted to the Investment Manager when the shares of the Company was admitted to the official list of the London Stock Exchange), 82,782,691 share options were granted to the Investment Manager at an exercise price equal to the initial public offering price of US\$1.00 per share. The Investment Manager has the right to be granted share options such that the number of shares represented by the options will be equal to 20% of the then enlarged share capital (excluding the Management Shares (which, for the purpose of this calculation includes the Pre-admission Management Shares) and assuming the exercise of all the then outstanding share options) at any given time subject to certain adjustments. In addition, the Investment Manager will be granted additional options to subscribe for shares, currently at an exercise price of US\$1.25 per share, on the issuance of shares pursuant to the exercise of warrants.

The share options 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.

The aforesaid 82,782,691 share options vested on 3 August 2008, 2009, 2010, 2011 and 2012 respectively. As at 31 December 2013, none of the share options were exercised.

The Company completed a rights issue of shares in October 2012. As a result of the change to the share capital of the Company, 41,666,500 rights issue related share options were granted to the Investment Manager on 22 October 2012. The rights issue related share options have an exercise price of US\$0.60 per share, being the issue price per share of the rights issue.

The rights issue was an event which triggered adjustment clauses under the terms of the share options granted on 3 August 2008 (i.e. 82,782,691 share options). However, the Investment Manager waived its entitlement to such adjustments of these share options, and the Company agreed that these share option terms will remain unadjusted. Had the adjustments been accepted by the Investment Manager, the aggregate number and the exercise price of the adjusted share options would have been 85,291,257 and US\$0.98, respectively.

Share options expenses amounting to US\$7,080,000 (2012: US\$3,428,000) have been recognised in the consolidated financial statements.

In the event that a dividend is declared, the holders of outstanding share options will be paid an amount equivalent to the amount which would have been paid as if all share options that have been granted, whether vested or otherwise, have been exercised. At least 50% of such amount will have to be applied 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 amount.

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

Notes to the Financial Statements

18 COMMITMENTS

In September 2008, the Group entered into a loan agreement with a joint venture to grant loans totalling THB140 million (US\$4.3 million equivalent at 31 December 2013) to the latter in accordance with the terms as set out therein. As at 31 December 2013, THB120 million (US\$3.7 million equivalent at 31 December 2013) 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 2013) to the joint venture, subject to terms set out in the agreement.

19 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 2013, total outstanding loans amounted to THB36,695,000 (equivalent to US\$1,122,000) (2012: THB61,823,000, equivalent to US\$2,021,000), of which THB18,347,000 (equivalent to US\$561,000) (2012: THB30,912,000, equivalent to US\$1,011,000) have been recognised as financial liabilities by the Group (see note 10).

20 OPERATING SEGMENTS

The Group has investment segments, as described below. Investment segments are reported to the Board of Directors of Symphony Investment Managers Limited, 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 reconciliations of total reportable segment amounts to the financial statements.

Healthcare	Includes investments in Parkway Life Real Estate Investment Trust (PREIT) and IHH Healthcare Bhd (IHH)
Hospitality	Includes investment in Minor International Public Company Limited (MINT)
Lifestyle	Includes investments in C Larsen (Singapore) Pte Ltd, AFC Network Private Limited and Privee Holdings Pte. Ltd.
Lifestyle/Real Estate	Includes investments in Minuet Ltd, SG Land Co. Ltd. and a property joint venture in Niseko, Hokkaido, Japan and Desaru Peace Holdings Sdn Bhd
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

Notes to the Financial Statements

20 OPERATING SEGMENTS (CONT'D)

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

	Healthcare US\$'000	Hospitality US\$'000	Lifestyle US\$'000	Lifestyle/ real estate US\$'000	Cash and temporary investments US\$'000	Total US\$'000
2013						
Investment income:						
– Dividend income	3,275	3,367	–	41	–	6,683
– Other income	–	–	–	3,232	147	3,379
– Exchange gain	–	(1)	–	151	679	829
– Interest income	16	–	62	11,137	819	12,034
– Realised gain	–	–	4,998	–	–	4,998
– Unrealised gain in profit or loss	15,574	–	–	4,456	–	20,030
	18,865	3,366	5,060	19,017	1,645	47,953

Investment loss:						
– Unrealised loss in profit or loss	–	(4,009)	(5,459)	(4,279)	–	(13,747)
Other operating results						
– Income tax expense	–	(337)	(2)	(2,421)	(151)	(2,911)
Net investment results	18,865	(980)	(401)	12,317	1,494	31,295

	Healthcare US\$'000	Hospitality US\$'000	Lifestyle US\$'000	Lifestyle/ real estate US\$'000	Cash and temporary investments US\$'000	Total US\$'000
2012						
Investment income:						
– Dividend income	3,040	2,302	–	–	–	5,342
– Exchange gain	2,034	–	–	–	3,390	5,424
– Interest income	16	–	30	11,926	227	12,199
– Realised gain	–	–	–	215	43	258
– Unrealised gain in profit or loss	20,722	102,631	–	781	–	124,134
	25,812	104,933	30	12,922	3,660	147,357

Investment loss:						
– Unrealised loss in profit or loss	–	–	(2,632)	(8,164)	–	(10,796)
Other operating results						
– Income tax expense	–	(230)	(3)	(1,913)	(65)	(2,211)
Net investment results	25,812	104,703	(2,605)	2,845	3,595	134,350

Notes to the Financial Statements

20 OPERATING SEGMENTS (CONT'D)

	Healthcare US\$'000	Hospitality US\$'000	Lifestyle US\$'000	Lifestyle/ real estate US\$'000	Cash and temporary investments US\$'000	Total US\$'000
2013						
Segment assets	137,836	208,587	6,263	143,813	127,116	623,615
2013						
Segment liabilities	–	–	15	17,398	436	17,849
2012						
Segment assets	129,230	205,525	16,438	150,167	126,037	627,397
2012						
Segment liabilities	–	–	–	17,368	361	17,729

Reconciliations of reportable segment profit or loss and assets

	2013 US\$'000	2012 US\$'000
Profit or loss		
Net investments results	31,295	134,350
Unallocated amounts:		
– Other corporate expenses	(24,975)	(16,010)
Consolidated profit for the year	6,320	118,340
Assets		
Total assets for reportable segments	623,615	627,397
Other assets	108	143
Consolidated total assets	623,723	627,540

Geographical information

In presenting information on the basis of geographical information, revenue, comprising dividend income from investments, is based on the geographical location of the underlying investment. 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 revenue or assets are located in the Company's country of incorporation, BVI.

Notes to the Financial Statements

20 OPERATING SEGMENTS (CONT'D)

	Singapore US\$'000	Malaysia US\$'000	Macau US\$'000	Thailand US\$'000	Japan US\$'000	Others US\$'000	Total US\$'000
2013							
Total revenue	3,275	–	–	3,367	–	41	6,683
Assets	199,327	95,587	–	316,151	10,231	2,427	623,723
Capital expenditure	–	–	–	–	–	–	–
2012							
Total revenue	3,040	–	–	2,302	–	–	5,342
Assets	195,081	91,353	3	328,170	11,026	1,907	627,540
Capital expenditure	–	–	–	–	–	–	–

21 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 interest-bearing term loans, 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 Company's 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 2013, the Group has credit risk exposure relating to fixed deposits placed with certain financial institutions and placements in money market funds totalling US\$126,565,000 (2012: US\$121,246,000). 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.

The balances with joint ventures and other receivables were not past due nor impaired at the reporting date.

Notes to the Financial Statements

21 FINANCIAL RISK MANAGEMENT (CONT'D)

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.

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 interest-bearing term loans. 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

A 100 basis point ("bp") and 5 bp move in interest rate against the following financial assets and financial liabilities at the reporting date would increase/(decrease) profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

	Impact on Profit or loss		Impact on Profit or loss	
	100 bp increase	5 bp decrease	100 bp increase	5 bp decrease
	2013	2013	2012	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Deposits with financial institutions	29	(1)	25	(1)
Variable rate interest-bearing term loans	(8)	—*	(12)	1
	21	(1)	13	—*

* Less than US\$1,000

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, Hong Kong dollars, Japanese Yen and Malaysian Ringgit 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.

Notes to the Financial Statements

21 FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign exchange risk (cont'd)

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

	-----2013-----				-----2012-----			
	Hong Kong Dollars US\$'000	Singapore Dollars US\$'000	Thai Baht US\$'000	Others US\$'000	Hong Kong Dollars US\$'000	Singapore Dollars US\$'000	Thai Baht US\$'000	Others US\$'000
Tax refundable	—	—	—	—	—	9	—	—
Other receivables	—	—	—	—	—*	71	—*	—*
Cash and cash equivalents	7,996	14,240	3	—	10,803	18,134	17	2
Accrued operating expenses	(2)	(201)	(2)	(17)	(6)	(189)	(9)	(12)

* Less than US\$1,000

Sensitivity analysis

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

	Profit or loss	
	2013 US\$'000	2012 US\$'000
Hong Kong Dollars	(799)	(1,080)
Singapore Dollars	(1,404)	(1,804)
Thai Baht	—*	(1)
Others	2	1

* Less than US\$1,000

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 longer-term strategic investments and a portion in special situations and structured transactions. Investment decisions are made by management on the advice of the Investment Manager.

Notes to the Financial Statements

21 FINANCIAL RISK MANAGEMENT (CONT'D)

Price risk (cont'd)

Sensitivity analysis

All of the Group's quoted equity investments are listed on either The Stock Exchange of Thailand, Singapore Exchange Securities Trading Limited or Bursa Malaysia. A 10% increase in the price of the equity securities at the reporting date would increase profit or loss after tax by the amounts shown below. The analysis assumes that all other variables remain constant.

	Profit or loss	
	2013 US\$'000	2012 US\$'000
Quoted equity securities at fair value through profit or loss	34,642	33,455

A 10% decrease in the price of the equity securities would have had the equal but opposite effect on the above quoted equity investments to the amounts shown above, on the basis that all other variables remain constant.

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 longer-term strategic 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.

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

	Carrying amount US\$'000	Contractual cash flows US\$'000	Cash flows		
			Within 1 year US\$'000	After 1 year but within 5 years US\$'000	After 5 years US\$'000
2013					
Non-derivative financial liabilities					
Variable interest rate term loans	5,892	5,940	5,761	179	—
Accrued operating expenses and other payables	385	385	385	—	—
	6,277	6,325	6,146	179	—
2012					
Non-derivative financial liabilities					
Variable interest rate term loans	7,462	8,444	6,911	1,533	—
Accrued operating expenses and other payables	298	298	298	—	—
	7,760	8,742	7,209	1,533	—

Notes to the Financial Statements

21 FINANCIAL RISK MANAGEMENT (CONT'D)

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. Capital consists of total equity. The Group seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the Group's approach to capital management during the year.

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

Fair value

Accounting classification and fair value

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Fair value through profit or loss US\$'000	Loans and receivables US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000	Fair value US\$'000
Group						
2013						
Interests in associates/joint ventures	3	147,089	—	—	147,089	147,089
Financial assets at fair value through profit or loss	4	346,422	—	—	346,422	346,422
Other receivables	6	—	3,052	—	3,052	3,052
Cash and cash equivalents	7	—	127,116	—	127,116	127,116
		493,511	130,168	—	623,679	623,679
Other payables [#]	12	—	—	385	385	385
Interest-bearing borrowings (secured)	10	—	—	5,892	5,892	5,892
		—	—	6,277	6,277	6,277
2012						
Interests in associates/joint ventures	3	164,196	—	—	164,196	164,196
Financial assets at fair value through profit or loss	4	334,555	—	—	334,555	334,555
Other receivables	6	—	2,682	—	2,682	2,682
Cash and cash equivalents	7	—	126,037	—	126,037	126,037
		498,751	128,719	—	627,470	627,470
Amount due to joint venture companies		—	—	—*	—*	—*
Other payables [#]	12	—	—	298	298	298
Interest-bearing borrowings (secured)	10	—	—	7,462	7,462	7,462
		—	—	7,760	7,760	7,760

* Less than US\$1,000

Excludes withholding tax payable

Notes to the Financial Statements

21 FINANCIAL RISK MANAGEMENT (CONT'D)

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 joint ventures and associates 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, and (e) discounted cash flows analysis.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

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: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes input not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between instruments.

Notes to the Financial Statements

21 FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value hierarchy for financial instruments (cont'd)

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
2013				
Financial assets at fair value through profit or loss (non-current)	346,422	–	–	346,422
Investments in associates/joint ventures	–	–	147,089	147,089
	346,422	–	147,089	493,511
2012				
Financial assets at fair value through profit or loss (non-current)	334,555	–	–	334,555
Investments in associates/joint ventures	–	5,184	159,012	164,196
	334,555	5,184	159,012	498,751

Significant unobservable inputs used in measuring fair value

This table below sets out information about significant unobservable inputs used at 31 December 2013 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	Fair value at 31 December 2013	Valuation technique	Unobservable input	Range (Weighted average)	Sensitivity to changes in significant unobservable inputs
Rental properties	16,245	Income approach	Rental growth rate	10%	The estimated fair value would increase if the rental growth rate and occupancy rate were higher and the discount rate was lower.
			Occupancy rate	90-95%	
			Discount rate	12%	
Land related investments	126,247	Comparable valuation method	Price per square meter for comparable land	US\$66 to US\$1,333 per square meter	The estimated fair value would increase if the price per square meter were higher.
Operating business	4,597	Enterprise value using comparable traded multiples	EBITDA multiple (times)	7.8x to 15.3x (10.5x)	The estimated fair value would increase if the EBITDA multiple was higher.
			Discount for lack of marketability	20%	The estimated fair value would increase if the discount for lack of marketability were lower.

The rental growth rate represents the growth in rental income during the leasehold period while the occupancy rates represent the percentage of the building that is expected to be occupied during the leasehold period. Management determines the rental growth rate and occupancy rate after considering the current market conditions and comparable occupancy rates for similar buildings in the same area.

Notes to the Financial Statements

21 FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value hierarchy for financial instruments (cont'd)

The discount rate is related to the current yield on long-term government bonds plus a risk premium to reflect the additional risk of investing in the subject properties. Management determines the discount based on its judgement after considering current market rates.

The comparable recent sales represent the recent sales prices of properties that are similar to the Group's properties, which are in the same area. Management adopts independent valuation report to determine the value per square meter based on the average recent sales prices.

The EBITDA multiple represents the amount that market participants would use when pricing investments. The EBITDA multiple is selected from comparable public companies with similar business as the underlying investment. Management obtains the average EBITDA multiple from the comparable companies and applies the multiple to the EBITDA of the underlying investment. The amount is further discounted for considerations such as lack of marketability.

The discount for lack of marketability represents the discount applied to the comparable market multiples to reflect the illiquidity of the investee relative to the comparable peer group. Management determines the discount for lack of marketability based on its judgement after considering market liquidity conditions and company-specific factors.

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.

	----- 2013 -----		----- 2012 -----	
	Investments in associates/ joint ventures US\$'000	Total US\$'000	Investments in associates/ joint ventures US\$'000	Total US\$'000
Balance at 1 January	159,012	159,012	127,783	127,783
Total gains or losses in profit or loss	(5,282)	(5,282)	(10,015)	(10,015)
Additions	4,400	4,400	43,503	43,503
Disbursements	—	—	173	173
Effect of movements in exchange rate	(11,041)	(11,041)	(2,432)	(2,432)
Balance at 31 December	147,089	147,089	159,012	159,012

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:

	----- 2013 -----		----- 2012 -----	
	Effect on profit or loss Favourable US\$'000	(Unfavourable) US\$'000	Effect on profit or loss Favourable US\$'000	(Unfavourable) US\$'000
Level 3 assets	23,353	(15,869)	19,140	(15,673)

Notes to the Financial Statements

21 FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value hierarchy for financial instruments (cont'd)

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 future cash flows 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 year-end valuation.

For land related investments (except those held for less than 12-months where cost approximates fair value), the price per square meter of the land is increased by 15% in the favourable scenario and reduced by 15% in the unfavourable scenario.

For operating businesses (except those where a last transacted price exists within the past 12-months that provides the basis for fair value), EBITDA multiple is increased to 12x for favourable scenario and decreased to 9X for the unfavourable scenario. The discount for lack of marketability is decreased to 15% for the favourable scenario and is increased to 25% for the unfavourable scenario.

22 SUBSIDIARIES

Details of the subsidiaries of the Company are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Equity interest	
			2013 %	2012 %
Symphony Capital Partners Limited	Investment holding	Republic of Mauritius	100	100
Rank High Limited	Investment holding	Hong Kong S.A.R.	—*	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

Notes to the Financial Statements

22 SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Place of incorporation and business	Equity interest	
			2013 %	2012 %
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 Pte. 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
Pavarotti International Limited	Investment holding	Republic of Mauritius	—*	100
True United Limited	Investment holding	British Virgin Islands	100	100
True Wisdom Limited	Investment holding	British Virgin Islands	100	100
Adema Holdings Limited	Investment holding	British Virgin Islands	100	100
Anshil Limited	Investment holding	British Virgin Islands	100	100
Buble Holdings Limited	Investment holding	British Virgin Islands	100	100
O'Sullivan Holdings Limited and its subsidiary:	Investment holding	British Virgin Islands	100	100
Bacharach Holdings Limited	Investment holding	British Virgin Islands	100	100
Brahms Holdings Limited	Investment holding	British Virgin Islands	100	—

* These subsidiaries were wound up during the year.

Notes to the Financial Statements

23 JOINT VENTURES/ASSOCIATES

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

Name of joint venture/ associate	Principal activities	Place of incorporation and business	Ordinary shares Equity interest		Preference shares Equity interest	
			2013 %	2012 %	2013 %	2012 %
La Finta Limited ¹	Investment holding	Thailand	49	49	—	—
Minuet Limited ¹	Property development	Thailand	49.98	49.98	—	—
SG Land Co. Limited ¹	Real estate	Thailand	49.91	49.89	—	—
AFC Network Private Limited ²	Television broadcasting	Republic of Singapore	—	—	—	19.20
C Larsen (Singapore) Pte Ltd ²	Investment holding	Republic of Singapore	0.1	0.1	100	100
Chanintr Living Limited ²	Distribution of furniture	Thailand	0.1	0.1	—	—
Well Round Holdings Limited ²	Investment holding	Hong Kong	37.5	37.5	—	—
Silver Prance Limited ²	Investment holding	Hong Kong	37.5	37.5	—	—
Privee Holdings Pte. Ltd. ²	Manufacture and distribution of leather goods	Singapore	15.03	15.03	—	—
Desaru Peace Holdings Sdn Bhd ²	Property development	Malaysia	—	—	49	49

¹ Joint venture

² Associate

24 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. Those new standards, amendments to standards and interpretations and which the Group does not plan to early adopt except as otherwise indicated below, are set out below.

Applicable for the Group's 2014 financial statements

- **IFRIC 21 Levies**

The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. However, outflows within the scope of IAS 12 Income taxes, fines and penalties, and liabilities arising from emission trading schemes are explicitly excluded from scope. The interpretation confirms that an entity recognises a liability for a levy only when the triggering event specified in the legislation occurs. An entity does not recognise a liability at an earlier date, even if it has no realistic opportunity to avoid the triggering event.

The adoption of this standard is not expected to have a significant impact on the Group.

Notes to the Financial Statements

24 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONT'D)

Applicable for the Group's 2014 financial statements (cont'd)

- ***Amendment by Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (effective on 1 January 2014)***

The amendments define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments in its consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27.

Management has assessed that the Company qualifies as an investment entity as it has met the essential elements of investment entity as well as the typical characteristics of an investment entity. Accordingly, the Company is exempted from consolidating the investments in subsidiaries, associates and joint ventures and is required to account for them at fair value through profit or loss in accordance with IFRS 9.

The adoption of this standard is not expected to have an impact on the overall net assets of the Group as the Group has accounted for the investments in associates and joint ventures at fair value through profit or loss (see note 2.2). However, the adoption of this standard is expected to have impact on the presentation of the financial statements due to de-consolidation of subsidiaries.

- ***Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities***

The amendments clarify the existing criteria for net presentation on the face of the statement of financial position. Under the amendments, to qualify for offsetting, the right to set off a financial asset and a financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

The Group is presently assessing the impact of the adoption of this standard (including their consequential amendments).

- ***Amendments to IAS 36 Impairment of Assets – Recoverable Amounts Disclosures for Non-Financial Assets***

The amendments clarify that the recoverable amount of cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated is required to be disclosed only when an impairment loss has been recognised or reversed.

The adoption of this standard is not expected to have a significant impact on the Group.

- ***Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Novation of derivatives and continuation of hedge accounting***

The amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

The adoption of this standard is not expected to have a significant impact on the Group.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Company will be held at Level 48, Emirates Towers, Sheikh Zayed Road, Dubai, U.A.E. (Tel: +971 4 330 1118) on Thursday, 24 April 2014 at 11.30 a.m. (local time) for the purpose of the following matters:

ORDINARY BUSINESS

To receive the annual report which includes the financial statements for the year ended 31 December 2013.

ORDINARY RESOLUTION

To consider and, if thought fit, passing the following ordinary resolution:

THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 59 of the BVI Business Companies Act 2004 (as amended) to make market purchases of its own Shares at the discretion of the Directors and on such terms and in such manner as the Directors may from time to time determine provided that:

- (a) the maximum number of Shares hereby authorised to be purchased shall be 14.99 per cent. of the Shares in issue (equivalent to 77,232,182 Shares) at the date of this notice;
- (b) the maximum price which may be paid for any such Share shall not exceed the higher of:
 - (i) 5 per cent. above the average market value of the Company's Shares for the five business days prior to the day the purchase is made; and
 - (ii) the higher of the price of the last independent trade and the highest current independent bid at the time of the purchase on the **trading venues where the purchase is carried out; and**
- (c) the authority hereby confirmed shall expire at the conclusion of the Company's next annual general meeting.

By order of the Board,

ANIL THADANI
Director

Dated this 28th day of March, 2014

Notice of Annual General Meeting

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 Asset Services, 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 Asset Services, 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 ordinary 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 Depositary, 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 7.30 a.m. (GMT) on Tuesday, 22 April 2014. 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 7.30 a.m. (GMT) on Tuesday, 22 April 2014.

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 the Annual General Meeting to be held at Level 48, Emirates Towers, Sheikh Zayed Road, Dubai, U.A.E. on Thursday, 24 April 2014 at 11.30 a.m. (local time)

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. The complete wording of the resolution may be found in the notice convening the Annual General Meeting.

ORDINARY RESOLUTION	FOR	AGAINST	VOTE WITHHELD
To authorise the Company to make market purchases of its own Shares.			

Dated this _____ day of _____ 2014

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 Asset Services, PXS, 34 Beckenham Road, Beckenham BR3 4TU, United Kingdom no later than 7.30 a.m. (GMT) on Tuesday, 22 April 2014.
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.

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SYMPHONY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the British Virgin Islands)

Form of proxy for use at the Annual General Meeting to be held at Level 48, Emirates Towers, Sheikh Zayed Road, Dubai, U.A.E. on Thursday, 24 April 2014 at 11.30 a.m. (local time)

I/We¹ _____

of _____

being the registered holder(s) of _____ Ordinary shares² in the share capital of Symphony International

Holdings Limited (the "Company"), HEREBY APPOINT THE CHAIRMAN OF THE MEETING³ 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 Level 48, Emirates Towers, Sheikh Zayed Road, Dubai, U.A.E. on Thursday, 24 April 2014 at 11.30 a.m. for the purpose of receiving the annual report, which includes the financial statements, for the year ended 31 December 2013, and 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 the resolution as indicated below. The complete wording of the resolution may be found in the notice convening the Annual General Meeting.

ORDINARY RESOLUTION	FOR ⁴	AGAINST ⁴	VOTE WITHHELD ⁴
To authorise the Company to make market purchases of its own Shares.			

Dated this _____ day of _____ 2014 Signed⁶: _____

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 "VOTE WITHHELD".** If no direction is given, your proxy may vote or abstain as he/she thinks 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. 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.
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 Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom no later than 7.30 a.m. (GMT) on Tuesday, 22 April 2014..
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.

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