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Symphony International Holdings Ltd  
28 August 2018

### **Symphony International Holdings Limited**

Interim Financial Results for the six month period ended 30 June 2018.

28 August 2018

Symphony International Holdings Limited ("SIHL", the "Company" or "Symphony"), the London listed investor in fast growing Asian consumer businesses, today announces its interim results for the six months to 30 June 2018.

Key operational and financial highlights:

- Symphony's unaudited Net Asset Value ("NAV") at 30 June 2018 ("2Q18") was US\$447.12 million, which is 24.4% and 27.7% lower than at 31 March 2018 (US\$591.45 million) and 31 December 2017 (US\$618.67 million), respectively. NAV per share was US\$0.91 compared to US\$1.21 and US\$1.27, respectively, on the same dates. On a fully-diluted basis (adjusting for in-the-money vested options), the NAV per share at 30 June 2018 was \$0.90.
- The change in NAV during 2Q18 and for the six months ended 30 June 2018 was predominantly due to cash dividends paid to shareholders and a decrease in the value of Minor International Public Company Limited ("MINT").
- The change in Symphony's share price from US\$0.84 at 31 December 2017 to US\$0.72 at 30 June 2018 follows a dividend of US\$0.12 per share to shareholders and option holders during 2Q18. The discount to NAV that Symphony's share price traded on 30 June 2018 was 21.2%, which compares to 33.7% at 31 December 2017.
- Temporary investments (which include cash and cash equivalents) and listed investments at 30 June 2018 amounted to US\$248.65 million or US\$0.51 per share. Symphony's share price on the same date was US\$0.72.

For further information:

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Symphony Asia Holdings Pte. Ltd.

#### **Dealing codes**

The ISIN number of the Ordinary Shares is VGG548121059, the SEDOL code is B231M63 and the TIDM is SIHL.

The LEI number of the Company is 254900MQE84GV5DS6F03.

#### **About Symphony International Holdings Limited**

Symphony International Holdings Limited (LSE:SIHL) is a London listed strategic investment company that invests in hospitality, healthcare and lifestyle businesses and develops luxury branded real estate in Asia. It offers a way for investors to gain exposure to rising disposable incomes and wealth in fast growing economies. Symphony's objective is to provide superior capital growth by investing in high quality companies and form long-term business partnerships with talented entrepreneurs and management teams. Symphony's investment team has a broad range of expertise - many of its professionals have been working in Asia for more than 25 years. For more information please visit our website at [www.symphonyasia.com](http://www.symphonyasia.com).

The foregoing may contain certain forward looking or forward sounding statements with respect to the investments, prospects and/or liquidity of the Company. Forward looking statements, by their very nature, involve risk and uncertainty, because they relate to circumstances and events that may or may not take place in the future due to the numerous factors that could cause

actual events to differ materially from those implied by any forward looking statements. Neither the Company nor its Investment Manager undertake to update any such forward looking statements.

No representation or warranty is made by the Company as to the accuracy or completeness of the information contained in this announcement and no liability will be accepted for any loss arising from its use.

This announcement is for information purposes only and does not constitute an invitation or offer to underwrite, subscribe for or otherwise acquire or dispose of any securities of the Company in any jurisdiction. All investments are subject to risk. Past performance is no guarantee of future returns. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decisions.

This announcement is not an offer of securities for sale into the United States. The Company's securities have not been, and will not be, registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an exemption from registration. There will be no public offer of securities in the United States.

The Company and the Investment Manager are not associated or affiliated with any other fund managers whose names include "Symphony", including, without limitation, Symphony Financial Partners Co., Ltd.

Not for distribution, directly or indirectly, in or into the United States or any jurisdiction in which such distribution would be unlawful.

28 August 2018

## **SYMPHONY INTERNATIONAL HOLDINGS LIMITED**

Interim Financial Results for the six-month period ended 30 June 2018

Symphony International Holdings Limited ("SIHL", the "Company" or "Symphony") announces the interim results for the six months ended 30 June 2018. The condensed interim financial statements of the Company and its subsidiaries have been prepared in accordance with IAS 34 *Interim Financial Reporting* and have not been audited or reviewed by the auditors of the Company.

### **Introduction**

The Company is an investment company initially incorporated as a limited liability company under the laws of the British Virgin Islands on 5 January 2004. The Company voluntarily re-registered itself as a BVI Business Company on 17 November 2006. The Company's investment objectives are to increase the aggregate net asset value of the Company ("NAV") calculated in accordance with the Company's policies through strategic longer-term investments in consumer-related businesses, primarily in the healthcare, hospitality and lifestyle ("HH&L") sectors (including branded real estate developments) and through investments in special situations and structured transactions, which have the potential to generate attractive returns and to enhance the NAV.

The Company was admitted to the Official List of the UK Listing Authority on 3 August 2007 under Chapter 14 of the UK Listing Rules and its securities were admitted to trading on the London Stock Exchange's main market for listed securities on the same date.

Symphony's Investment Manager is Symphony Asia Holdings Pte. Ltd. (the "Investment Manager" or "SAHPL"). The Company has entered into an Investment Management Agreement with the Investment Manager. SAHPL's licence for carrying on fund management in Singapore is restricted to serving only accredited investors and/or institutional investors. Symphony is an accredited investor.

As at 30 June 2018, the issued share capital of the Company was US\$385.32 million (31 December 2017: US\$382.80 million) consisting of 490,736,057 (31 December 2017: 488,221,592) ordinary shares.

### **Net Asset Value**

The NAV attributable to the ordinary shares on 30 June 2018 was US\$0.91 (30 June 2017: US\$1.24) per share. This represented a 28.1% decrease over the NAV per share of US\$1.27 at 31 December 2017. The change is predominantly due to cash dividends paid to shareholders and a decrease in the value of Minor International Public Company Limited ("MINT"). On a fully diluted basis (adjusting for in-the-money vested options), the NAV per share was US\$0.90 at 30 June 2018 (30 June 2017: US\$1.22).

### **Portfolio Overview**

The following is an overview of the Company's portfolio as at 30 June 2018:

*Minor International Public Company Limited ("MINT")* is a diversified consumer business and is one of the largest hospitality and restaurant companies in the Asia-Pacific region. Anil Thadani (a Director of the Company) currently serves on MINT's board of directors. Sunil Chandiramani (a Director of the Company) currently serves as an advisor to MINT's board of directors.

MINT is a company that is incorporated under the laws of Thailand and is listed on the Stock Exchange of Thailand.

MINT owns 70 hotels and manages 91 other hotels and serviced suites with 20,385 rooms. In addition to owning hotels under the Four Seasons, St. Regis and Marriott brands, MINT owns and manages hotels in 26 countries under its own brand names that include Anantara, Oaks, Elewana, AVANI, Per AQUUM and Tivoli. In May 2018, MINT announced an acquisition of a stake in NH Hotel Group ("NH Group"), which operates 382 hotels and 59,350 rooms in 30 markets across Europe, the Americas and Africa. NH Group is Europe's 6<sup>th</sup> largest hotel chain. Following shareholder approval in August, MINT will increase its controlling equity interest to 44.0% and pursue a voluntary tender offer.

MINT also owns and operates 2,130 restaurants (comprising 1,089 equity-owned outlets and 1,041 franchised outlets) under brands that include The Pizza Company, Swensen's, Sizzler, Dairy Queen, Burger King, Beijing Riverside, Thai Express, The Coffee Club, Veneziano Coffee Roasters, and Breadtalk. Approximately two-thirds of these outlets are in Thailand with the remaining number in other Asian countries, Europe and the Middle East.

MINT's operations also include contract manufacturing and an international lifestyle consumer brand distribution business with 429 retail outlets focusing on fashion, cosmetics, wholesale and direct marketing channels under brands that include GAP, Esprit, Bossini, Red Earth, Zwilling J.A. Henckels and Bodum amongst others.

As at 30 June 2018, the Company's gross and net investment cost in MINT was approximately US\$74.02 million (31 December 2017: US\$74.02 million) and (US\$61.84 million) (31 December 2017: (US\$53.68 million)), respectively. The negative net cost is due to the proceeds from partial realisations being in excess of cost for this investment.

As at 30 June 2018, the market value of the Company's investment in MINT was US\$242.37 million (31 December 2017: US\$340.33 million). The change in value since 31 December 2017 was due to the sale of 6 million shares by the Company, a decline in share price by 25.9% and weakening of the onshore Thai baht rate by 1.7% against the US dollar. As at market close on 27 August 2018, MINT's share price had recovered to THB37.50 and at the exchange rate on the same day, Symphony's interest was valued at US\$286.43 million. Symphony has also received aggregate after tax dividends of US\$23.27 million from the date of the investment to 30 June 2018.

*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 also has a 49% shareholding in La Finta Limited, which itself holds a 2% interest in Minuet.

The Company initially invested approximately US\$78.30 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. As at 30 June 2018, the Company's investment cost (net of shareholder loan repayments) was approximately US\$40.13 million. The fair value of the Company's interest in Minuet as at 30 June 2018 was US\$79.18 million (31 December 2017: US\$83.08 million) based on an independent third party valuation. The change in fair value is predominantly due to a shareholder loan repayment made by Minuet following the completion of the sale of land to Land & Houses Public Company Limited that was announced in early 2017. Symphony received US\$7.06 million in shareholder loan repayments from Minuet during the six-month period ended 30 June 2018.

*Christian Liaigre Group ("CLG")*: Symphony announced in May 2016 that it acquired, as part of a consortium, Financier CL SAS, the holding company of the Christian Liaigre Group ("CLG"). The Liaigre brand is synonymous with discreet luxury, and has become one of the most sought-after luxury furniture brands. CLG has a strong intellectual property portfolio and offers a range of bespoke furniture, lighting, fabric & leather, and accessories through a network of 25 showrooms in 11 countries across Europe, the US and Asia. In addition, CLG also undertakes exclusive interior architecture projects for select yachts, hotels, restaurants and private residences.

*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 and Acibadem Saglik Yatirimlari Holding A.S. ("Acibadem"). IHH has a broad footprint of assets in Asia as well as Central and Eastern Europe, including Turkey that employ 35,000 people and operate over 10,000 licensed beds in 49 hospitals in nine countries worldwide.

The Company invested US\$50.11 million in February 2012 to acquire shares in Integrated Healthcare Hastaneler Turkey Sdn Bhd, which were subsequently converted into 56,203,299 shares of IHH at the time of IHH's IPO in July 2012. The net cost at 30 June 2018 was (US\$25.22 million). The negative net cost is due to the proceeds from partial realisations being in excess of cost for this investment.

The fair value of the Company's investment in IHH at 30 June 2018 was US\$12.71 million (31 December 2017: US\$56.13 million). The change in fair value from 31 December 2017 was predominantly due to the sale of 30.3 million shares by the Company that generated proceeds net of transaction costs of US\$46.82 million and an appreciation in share price of IHH. Since the initial investment in IHH, Symphony has received aggregate dividends of US\$1.28 million up to 30 June 2018.

*Desaru property joint venture in Malaysia ("Desaru")* - The Company 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 south-eastern coast of Malaysia that will be branded and managed by One & Only Resorts. The resort is expected to formally open in Q1 2019.

The Company invested approximately US\$34.02 million for its interest in Desaru. Based on an independent third party valuation, the investment was valued at US\$32.37 million at 30 June 2018 (31 December 2017: US\$31.72 million).

*Niseko property Joint Venture in Japan* - The Company invested in a property development venture in March 2011 that acquired two hotels in Niseko, Hokkaido, Japan, which were demolished in late 2012 and are intended to be redeveloped into an upmarket ski-resort development. The joint venture is still evaluating its options in relation to the development of the project. The Company has a 37.5% interest in the venture.

*WCIB International Co. Ltd. ("WCIB")* - Symphony announced in January 2017 that it entered into a joint venture, WCIB International Co. Ltd. ("WCIB"), that will build and operate Wellington College International Bangkok, the fifth international addition to the Wellington College family of schools. WCIB will operate a co-educational school that will cater to over 1,500 students aged 2-18 years of age when fully completed. Wellington College International Bangkok began operations in August 2018.

*SG Land Co. Ltd. ("SG Land")* - is a joint venture company that owns the leasehold rights for two office buildings in downtown Bangkok - SG Tower and Millennia Tower. The two buildings in SG Land's portfolio have high occupancy rates and offer attractive rental yields. The Company holds a 49.9% interest in the venture.

The value of SG Land as at 30 June 2018 was US\$10.26 million (31 December 2017: US\$10.57 million) based on an independent third party valuation.

*Global Listed Portfolio* - The portfolio was 85% in equities with the remainder in cash at the second quarter of 2018. It is expected to be fully invested by the end of the third quarter of 2018.

*Wine Connection Group:* At the end of April 2014, Symphony invested in the Wine Connection Group ("WCG"), Southeast Asia's leading wine themed F&B chain. WCG currently has 77 outlets located in Singapore, Thailand and Malaysia.

*C Larsen Singapore Pte Limited ("C Larsen")* is an importer and distributor of high-end US and European furniture brands that include Christian Liaigre, Barbara Barry, Baker, Thomasville, Herman Miller, Minotti, Bulthaup kitchens, Puiforcat, and St. Louis. It also provides FF&E solutions to drive additional furniture sales to various real estate and hotel projects. C Larsen also has the franchise to operate the Clinton Street Baking Company ("CSB") F&B outlets in selected Asian markets.

*Structured Transaction* - In February 2014, Symphony completed a structured transaction, which provides a minimum return of 15% per annum. The amount outstanding is approximately 1% of NAV.

### **Cash and cash equivalents**

Symphony has placed funds in certain temporary investments. As at 30 June 2018, cash and cash equivalents amounted to US\$7.3 million.

### **Outlook**

Financial markets had a strong start in 2018 with positive economic data and strong earnings momentum. Although the macro environment remains supportive, particularly in the US, threats that include trade tensions, political uncertainty and tighter financial conditions are expected to continue to fuel volatility in the short-term.

The broad outlook on global growth remains predominantly optimistic and in July 2018, the International Monetary Fund ("IMF") maintained its global economic outlook of global GDP growth of 3.9% for both 2018 and 2019. There is a possibility that the positive outlook for markets could be downgraded should there be an escalation in trade tensions and to a lesser extent, faster inflation and political shocks. However, emerging Asia is expected to remain an important driver in growth over the long-term as consumption continues to grow.

Symphony's listed investments that include MINT and IHH announced material acquisitions during the year. In May, MINT announced the acquisition of a stake in NH Hotel Group S.A., Europe's 6<sup>th</sup> largest hotel chain with over 380 hotels and approximately 60,000 rooms. MINT received shareholder approval in August to increase its controlling interest to 44% and pursue a voluntary tender offer. MINT also expanded its restaurant business with the purchase of a controlling interest in the Benihana restaurant chain's non-US operations. IHH announced in July that it acquired a controlling stake in Fortis Healthcare Limited, India's second largest hospital group with over 4,600 beds, following a protracted battle involving bidders that included TPG-Manipal Health and KKR-Radiant Life Care.

Symphony's unlisted lifestyle investments that include CLG, WCG and C Larsen continue to focus on building their operations while WCIB began operations during August. With respect to Symphony's land related investments, the Desaru Property Joint Venture elected to switch brand and management operations from Amanresorts to One & Only Resorts and is expected to begin operations in Q1 2019. We continue to explore strategic options for property investments in Thailand and Japan.

Symphony continues to support the management teams on completing existing projects and initiating new projects and acquisitions. Our portfolio is well positioned to benefit from growing consumption in Asia.

## Principal Risks

Some of the risks that the Company is exposed to are described below.

The Company's and the Company's investment management team's past performance are not necessarily indicative of the Company's future performance and any unrealised values of investments presented in this document may not be realised in the future.

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 Company is more likely to invest 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 organisational, ownership and investment structure may create certain conflicts of interests (for example in respect of the directorships, shareholdings or interests, including in portfolio companies that some of the Directors and members of the Company's investment management team may have). In addition, neither the Investment Manager nor any of its affiliates owes the Company's shareholders any fiduciary duties under the Investment Management Agreement between, *inter alia*, the Company and the Investment Manager. The Company cannot assume that any of the foregoing will not result in a conflict of interest that will have a material adverse effect on the business, financial condition and results of operations.

The Company is highly dependent on the Investment Manager, the Key Persons (as defined in the Investment Management Agreement) and the other members of the Company's investment management team and the Company cannot assure shareholders that it will have continued access to them or their undivided attention, which could affect the Company's ability to achieve its investment objectives.

Shareholders have no rights to direct the Company's investments or its investment policies and procedures, since the Investment Manager has a broad discretion as regards this. The decision to make changes (material or otherwise) to the Company's investment policy and strategy rests solely with the Board. Only in very limited circumstances: (i) does the Board have a prior right of approval in respect of the making of investments or disposals; and (ii) is the Company able to remove the Investment Manager (which do not include the underperformance of the Investment Manager and/or the Company's investments).

The Investment Manager's remuneration is based on the Company's NAV (subject to minimum and maximum amounts) and is payable even if the NAV does not increase, which could create an incentive for the Investment Manager to increase or maintain the NAV in the short term (rather than the long-term) to the potential detriment of Shareholders.

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 NAV that the Company reports from one quarter to another.

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

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 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 education and branded real estate developments) within the Asia-Pacific region.

The Investment Manager has identified but has not yet contracted to make further potential investments. The Company cannot guarantee shareholders that any or all of these prospective investments will take place in the future.

The Company cannot assure shareholders that the values of investments that it reports from time to time will in fact be realised. For certain of the Company's investments, there is no single standard for determining fair value and, in many cases, fair value is best expressed as a range of fair values from which a single estimate may be derived. The NAV could be adversely affected if the values of investments that it records are materially higher than the values that are ultimately realised upon the disposal of the investments.

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 investments may be subject to the risks inherent in the ownership and operation of real estate businesses and assets. A down turn 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 planned sale agreements and claiming refunds, damages and/or compensation.

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 education and 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.

The market price of the Company's shares may fluctuate significantly and shareholders may not be able to resell their shares at or above the price at which they purchased them.

The Company's shares are currently trading, and have in the past traded, and could in the future trade, at a discount to NAV for a variety of reasons, including due to market conditions. The only way for shareholders to realise their investment is to sell their shares for cash. Accordingly, in the event that a shareholder requires immediate liquidity, or otherwise seeks to realise the value of his investment through a sale, the amount received by the shareholder upon such sale may be less than the underlying NAV of the shares sold.

#### **Directors' Responsibility Statement**

We, the directors of Symphony International Holdings Limited, confirm that to the best of our knowledge:

- (a) the condensed interim financial statements, which have been prepared in accordance with IAS 34 - Interim Financial Reporting, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.2.4R; and
- (b) the interim financial results include a fair review of information required by:
  - (i) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (ii) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period, and any changes in the related party transactions described in the last annual report that could do so.

For and on behalf of the Board of Directors

Pierangelo Bottinelli  
Chairman, Symphony International Holdings Limited

Anil Thadani  
Chairman, Symphony Asia Holdings Pte. Ltd.  
Director, Symphony International Holdings Limited

#### **Symphony International Holdings Limited** Condensed statement of financial position As at 30 June 2018

	Note	<b>30 June 2018</b>	<b>31 December 2017</b>
		<b>US\$'000</b>	<b>US\$'000</b>
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	6	458,621	608,456

		458,621	608,456
<b>Current assets</b>			
Other receivables and prepayments		14	78
Cash and cash equivalents		7,262	15,689
		<u>7,276</u>	<u>15,767</u>
<b>Total assets</b>		<u>465,897</u>	<u>624,223</u>
<b>Equity attributable to equity holders of the Company</b>			
Share capital		385,322	382,797
Reserves		61,282	62,298
Accumulated profits		514	173,577
<b>Total equity</b>		<u>447,118</u>	<u>618,672</u>
<b>Current liabilities</b>			
Interest-bearing borrowings (secured)	8	18,290	5,166
Other payables		489	385
<b>Total liabilities</b>		<u>18,779</u>	<u>5,551</u>
<b>Total equity and liabilities</b>		<u>465,897</u>	<u>624,223</u>

**Symphony International Holdings Limited**  
Condensed statement of comprehensive income  
for the financial period from 1 January 2018 to 30 June 2018

	Note	6 months ended 30 June 2018 US\$'000	6 months ended 30 June 2017 US\$'000
Other operating income		201	4,976
Other operating expenses		(1,953)	(984)
Management fees		(6,750)	(7,303)
		<u>(8,502)</u>	<u>(3,311)</u>
Share options expense		-	(326)
<b>Loss before investment results and income tax</b>		<u>(8,502)</u>	<u>(3,637)</u>
Fair value changes in financial assets at fair value through profit or loss	6	(93,023)	31,520
<b>(Loss)/Profit before income tax</b>		<u>(101,525)</u>	<u>27,883</u>
Income tax expense		-	-
<b>(Loss)/Profit for the period</b>		<u>(101,525)</u>	<u>27,883</u>
<b>Other comprehensive income for the period, net of tax</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive (loss)/income for the period</b>		<u>(101,525)</u>	<u>27,883</u>
<b>Earnings per share:</b>		<b>US Cents</b>	<b>US Cents</b>

Basic  
Diluted

9 (20.79) 5.36  
(20.79) 5.32

**Symphony International Holdings Limited**  
Condensed statement of changes in equity  
for the financial period from 1 January 2018 to 30 June 2018

	Share capital US\$'000	Reserves US\$'000	Accumulated profits US\$'000	Total equity US\$'000
At 1 January 2017	414,080	62,960	168,713	645,753
<b>Total comprehensive income for the period</b>	-	-	27,883	27,883
<b>Transactions with owners of the Company, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Issuance of shares	373	-	-	373
Value of services received for issue of share options	-	326	-	326
Exercise of share options	246	(246)	-	-
Own shares acquired	(13,807)	-	(1,627)	(15,434)
Dividend paid	-	-	(21,955)	(21,955)
<b>Total transactions with owners of the Company</b>	(13,188)	80	(23,582)	(36,690)
At 30 June 2017	400,892	63,040	173,014	636,946
At 1 January 2018	382,797	62,298	173,577	618,672
<b>Total comprehensive loss for the period</b>	-	-	(101,525)	(101,525)
<b>Transactions with owners of the Company, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Issuance of shares	1,509	-	-	1,509
Exercise of share options	1,016	(1,016)	-	-
Dividend paid	-	-	(71,538)	(71,538)
<b>Total transactions with owners of the Company</b>	2,525	(1,016)	(71,538)	(70,029)
At 30 June 2018	385,322	61,282	514	447,118

**Symphony International Holdings Limited**  
Condensed statement of cash flows  
for the financial period from 1 January 2018 to 30 June 2018

**6 months ended 30 June 2018**      **6 months ended 30 June 2017**  
US\$'000      US\$'000



<b>Cash flows from operating activities</b>		
(Loss)/Profit before income tax	(101,525)	27,883
<b>Adjustments for:</b>		
Exchange loss/(gain)	1,230	(4,772)
Interest income	(201)	(106)
Other income	-	(98)
Interest expense	70	306
Fair value changes in financial assets at fair value through profit or loss	93,023	(31,520)
Share options expense	-	326
	<u>(7,403)</u>	<u>(7,981)</u>
Changes in:		
Other receivables and prepayments	63	73
Other payables	69	(4,597)
	<u>(7,271)</u>	<u>(12,505)</u>
Interest received (net of withholding tax)	202	134
<b>Net cash used in operating activities</b>	<u>(7,069)</u>	<u>(12,371)</u>
<b>Cash flows from investing activity</b>		
Net proceeds received from unconsolidated subsidiaries	55,724	18,420
<b>Net cash from investing activity</b>	<u>55,724</u>	<u>18,420</u>
<b>Cash flows from financing activities</b>		
Interest paid	(40)	(271)
Dividend paid	(71,538)	(20,389)
Net proceeds from issue of share capital	1,509	373
Repurchase of own shares	-	(15,434)
Proceeds from borrowings	13,006	25,424
<b>Net cash used in financing activities</b>	<u>(57,063)</u>	<u>(10,297)</u>
<b>Net decrease in cash and cash equivalents</b>	(8,408)	(4,248)
Cash and cash equivalents at beginning of period	15,689	15,779
Effect of exchange rate fluctuations	(19)	348
<b>Cash and cash equivalents at end of the period</b>	<u>7,262</u>	<u>11,879</u>

### **Symphony International Holdings Limited**

Notes to the condensed interim financial statements  
for the financial period from 1 January 2018 to 30 June 2018

*These notes form an integral part of the condensed interim financial statements.*

## **1 REPORTING ENTITY**

Symphony International Holdings Limited (the "Company") is a company domiciled in the British Virgin Islands.

The financial statements of the Company as at and for the year ended 31 December 2017 are available upon request from the Company's registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110 British Virgin Islands.

## 2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the condensed financial statements of the Company as at and for the year ended 31 December 2017.

These condensed interim financial statements were approved by the Board of Directors on 27 August 2018.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended 31 December 2017. The Company qualifies as investment entity, as a result of which all immediate investments are carried at fair value.

## 4 ESTIMATES

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the condensed financial statements as at and for the year ended 31 December 2017.

## 5 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2017.

## 6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

During the financial period ended on 30 June 2018:

- i. During the six month period ended 30 June 2018, Symphony Healthcare Holdings Limited and Symphony (Mint) Investment Limited, subsidiaries of the Company, sold approximately 30.3 million shares held in IHH Healthcare BHD and 6.0 million shares held in Minor International PCL., respectively in the market through a series of transactions;
- ii. On 13 April 2018, the Company's wholly owned subsidiary, Dynamic Idea Investments Limited, which holds the Company's interest in the Christian Liaigre Group, made an additional bridge loan related to this investment. The associated cost for the assignment was less than 1% of NAV;
- iii. On 22 June 2018, the Company's wholly owned subsidiary, Haydn Holdings Pte. Ltd., received shareholder loan repayments of US\$7.1 million from Minuet Limited; and
- iv. The Company recognised a loss in financial assets at fair value through profit or loss of US\$93,023,000 (30 June 2017: gain of US\$31,520,000).

## 7 FINANCIAL INSTRUMENTS

*Carrying amounts versus fair values*

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

	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>30 June 2018</b>					
<b>Financial assets measured</b>					

<b>at fair value</b>					
Financial assets at fair value through profit or loss	458,621	-	-	458,621	458,621
<b>Financial assets not measured at fair value</b>					
Other receivables*	-	7	-	7	7
Cash and cash equivalents	-	7,262	-	7,262	7,262
	<u>458,621</u>	<u>7,269</u>	<u>-</u>	<u>465,890</u>	<u>465,890</u>

\*Excludes prepayments

	<b>Fair value through profit or loss</b>	<b>Loans and receivables</b>	<b>Other financial liabilities</b>	<b>Total carrying amount</b>	<b>Fair value</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>

### 30 June 2018

<b>Financial liabilities not measured at fair value</b>					
Other payables	-	-	(489)	(489)	(489)
Interest-bearing borrowings (secured)	-	-	(18,290)	(18,290)	(18,290)
	<u>-</u>	<u>-</u>	<u>(18,779)</u>	<u>(18,779)</u>	<u>(18,779)</u>

### 31 December 2017

<b>Financial assets measured at fair value</b>					
Financial assets at fair value through profit or loss	608,456	-	-	608,456	608,456
<b>Financial assets not measured at fair value</b>					
Other receivables*	-	1	-	1	1
Cash and cash equivalents	-	15,689	-	15,689	15,689
	<u>608,456</u>	<u>15,690</u>	<u>-</u>	<u>624,146</u>	<u>624,146</u>

<b>Financial liabilities not measured at fair value</b>					
Other payables	-	-	(385)	(385)	(385)
Interest-bearing borrowings (secured)	-	-	(5,166)	(5,166)	(5,166)
	<u>-</u>	<u>-</u>	<u>(5,551)</u>	<u>(5,551)</u>	<u>(5,551)</u>

\*Excludes prepayments

#### *Quoted investments*

Fair value is based on quoted market bid prices at the 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.

#### *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, and other payables) approximate their fair values because of the short period to maturity/repricing.

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.

### *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.

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>30 June 2018</b>				
Financial assets at fair value through profit or loss	-	-	458,621	458,621
<b>31 December 2017</b>				
Financial assets at fair value through profit or loss	-	-	608,456	608,456

### *Significant unobservable inputs used in measuring fair value*

This table below sets out information about significant unobservable inputs used at 30 June 2018 in measuring the underlying investments of the financial assets categorised as Level 3 in the fair value hierarchy excluding investments purchased during the year that are valued at transaction prices as they are reasonable approximation of fair values and ultimate investments in listed entities.

Description	Fair value at 30 June 2018 US\$'000	Fair value at 31 December 2017 US\$'000	Valuation technique	Unobservable input	Range (Weighted average)	Sensitivity to changes in significant unobservable inputs
Rental properties	10,154	10,102	Income approach	Rental growth rate	0%-6% (Dec 2017: 0%-6%)	The estimated fair value would increase if the rental growth rate and occupancy rate were higher and the discount rate was lower.
				Occupancy rate	80%-87% (Dec 2017: 78%-82%)	
				Discount rate	13%-13.5% (Dec 2017: 13%)	
Land related investments	119,791	115,955	Comparable valuation method	Price per square meter for comparable land	US\$75 to US\$4,063 per square meter (Dec 2017: US\$74 to US\$4,005 per square meter)	The estimated fair value would increase if the price per square meter was higher.
Operating business	43,024	56,490	Enterprise value using comparable traded multiples	EBITDA multiple (times)	4.5x to 32.0x, median 12.4x (Dec 2017: 5.5x to 82.3x, median 12.3x)	The estimated fair value would increase if the EBITDA multiple was higher.
				Discount for lack of marketability	20% (Dec 2017: 20%)	The estimated fair value would increase if the discount for lack of marketability was lower.

Greenfield business held for more than 12-months	15,537	13,442	Discounted cash flow method	Revenue growth	3.9% - 83.4% (Dec 2017: 3.9% - 83.4%)	The estimated fair value would increase if the revenue growth increases, expenses ratio decreases, and WACC was lower.
				Expense ratio	72.7% - 96.2% (Dec 2017: 72.7% - 96.2%)	
				Weighted average cost of capital ("WACC")	10.8% (Dec 2017: 11.6%)	

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 adopts a valuation report produced by an independent valuer that 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.

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 adopts a valuation report produced by an independent valuer that determines the discount based on the independent valuer's 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 a valuation report produced by an independent valuer 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.

The revenue growth represents the growth in sales of the underlying business and is based on the operating management team's judgement on the change of various revenue drivers related to the business from year-to-year. The expense ratio is based on the judgement of the operating management team after evaluating the expense ratio of comparable businesses and is a key component in deriving EBITDA and free cash flow for the greenfield business. The free cashflow is discounted at the weighted average cost of capital to derive the enterprise value of the greenfield business. Net debt is then deducted to arrive at an equity value for the business. Weighted cost of capital is derived after adopting independent market quotes or reputable published research-based inputs for the risk-free rate, market risk premium, small cap premium and cost of debt.

The investment entity approach requires the presentation and fair value measurement of immediate investments; the shares of intermediate holding companies are not listed. However, ultimate investments in listed entities amounting to US\$255,076,000 (31 December 2017: US\$396,459,000) are held through intermediate holding companies; the value of these companies are mainly determined by the fair values of the ultimate investments.

### 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.

	30 June 2018	31 December 2017
	Financial assets at fair value through profit or loss	
	US\$'000	US\$'000
Balance at 1 January	608,456	638,222
Fair value changes in profit or loss	(93,023)	(12,154)
Net repayment from unconsolidated subsidiaries	(56,812)	(17,612)
Balance at 30 June/31 December	458,621	608,456

### Sensitivity analysis

Although the Company 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:

	←----- 30 June 2018 ----->		←----- 30 June 2017 ----->	
	Effect on profit or loss		Effect on profit or loss	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
	US\$'000	US\$'000	US\$'000	US\$'000
Level 3 assets	37,500	(33,433)	16,689	(17,381)

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 valuation as at 30 June 2018.

For land related investments (except those held for less than 12-months where cost approximates fair value), which are valued on comparable transaction basis by third party valuation consultants, the fair value 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) that are valued on a trading comparable basis using enterprise value to earnings before interest, tax, depreciation and amortisation ("EBITDA"), EBITDA is increased by 15% and decreased by 15% in the favourable and unfavourable scenarios.

For greenfield businesses (except those where a last transacted price exists within the past 12-months) that are valued using a discounted cashflow, the revenue growth rate is increased by 1%, the expense ratio rate is decreased by 5% and the WACC is reduced by 1% in the favourable scenario. Conversely, in the unfavourable scenario, the revenue growth rate is reduced by 1%, the expense ratio rate is increased by 5% and the WACC is increased by 1%.

## 8 INTEREST BEARING BORROWINGS (SECURED)

Total interest bearing borrowings at 30 June 2018 amounted to US\$18,290,000 (31 December 2017: US\$5,166,000), which consisted of US\$5,290,000 (31 December 2017: US\$5,166,000) associated with a property related investment in Niseko, Hokkaido, Japan and bank debt of US\$13,000,000 (31 December 2017: Nil).

## 9 EARNINGS PER SHARE

	6 months ended 30 June 2018	6 months ended 30 June 2017
	US\$'000	US\$'000
<b>Basic and diluted earnings per share are based on:</b>		
Net (loss)/profit for the period attributable to equity holders of the Company	(101,525)	27,883
	<b>Number of shares</b>	<b>Number of shares</b>
Weighted average number of shares (basic)	488,389,223	520,195,374

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

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

	30 June 2018	30 June 2017
	Number of shares	Number of shares
Weighted average number of shares (basic)	488,389,223	520,195,374
Effect of options	2,786,588	4,233,783
Weighted average number of shares (diluted)	491,175,811	524,429,157

At 30 June 2018, there were 105,412,832 (30 June 2017: 110,213,176) outstanding share options to subscribe for ordinary shares

at no par value. At 30 June 2018, 105,412,832 (30 June 2017: 101,879,876) of the unexercised share options had fully vested.

At 30 June 2018, 82,782,691 (30 June 2017: 82,782,691) of the share options have an exercise price of US\$1.00 and have not been included in the computation of diluted earnings per share as their effect would have been anti-dilutive.

At 30 June 2018, 22,630,141 share options which have fully vested have an exercise price of US\$0.60 and have not been included in the computation of diluted earnings per share calculation as their effect would have been anti-dilutive.

At 30 June 2017, 19,097,185 of the share options and 8,333,300 of the share options which had not yet vested have an exercise price of US\$0.60 and have been included in the computation of diluted earnings per share.

## 10 OPERATING SEGMENTS

The Company has investment segments, as described below. Investment segments are reported to the Board of Directors of Symphony Asia Holdings Pte. Ltd., the Investment Manager, who review this information on a regular basis. The following summary describes the investments in each of the Company'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 investment in IHH Healthcare Bhd (IHH)
Hospitality	Includes investment in Minor International Public Company Limited (MINT)
Lifestyle/Education	Includes investments in C Larsen (Singapore) Pte Ltd., the Wine Connection Group, the Liaigre Group (Liaigre) and WCIB International Co. Ltd. (WCIB)
Lifestyle/Real Estate	Includes investments in Minuet Ltd., SG Land Co. Ltd., a property joint venture in Niseko, Hokkaido, Japan and Desaru Peace Holdings Sdn Bhd
Cash and temporary investments	Includes a Global Listed Portfolio, structured investments, 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

### *Information on reportable segments*

	Healthcare US\$'000	Hospitality US\$'000	Lifestyle/ education US\$'000	Lifestyle/ real estate US\$'000	Cash and temporary investments US\$'000	Total US\$'000
<b>6 months ended 30 June 2018</b>						
Investment income						
- Interest income	-	-	-	12	189	201
Investment expenses						
- Exchange loss	183	*	(1,473)	102	(42)	(1,230)
- Fair value changes in financial assets at fair value through profit or loss	2,113	(87,029)	(11,195)	3,500	(412)	(93,023)
	2,296	(87,029)	(12,668)	3,602	(454)	(94,253)
Net investment results	2,296	(87,029)	(12,668)	3,614	(265)	(94,052)
<b>6 months ended 30 June 2017</b>						
Investment income						

- Interest income	58	-	-	12	36	106
- Other income	-	-	98	-	-	98
- Exchange gain	(441)	*	3,943	1,049	221	4,772
- Fair value changes in financial assets at fair value through profit or loss	6,290	65,600	(44,392)	3,156	866	31,520
	<u>5,907</u>	<u>65,600</u>	<u>(40,351)</u>	<u>4,217</u>	<u>1,123</u>	<u>36,496</u>
Net investment results	<u>5,907</u>	<u>65,600</u>	<u>(40,351)</u>	<u>4,217</u>	<u>1,123</u>	<u>36,496</u>
<b>30 June 2018</b>						
Segment assets	<u>13,084</u>	<u>242,474</u>	<u>58,561</u>	<u>129,938</u>	<u>21,826</u>	<u>465,883</u>
Segment liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,290</u>	<u>-</u>	<u>5,290</u>
<b>31 December 2017</b>						
Segment assets	<u>66,550</u>	<u>340,803</u>	<u>69,933</u>	<u>126,057</u>	<u>20,802</u>	<u>624,145</u>
Segment liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,166</u>	<u>-</u>	<u>5,166</u>

The reportable operating segments derive their revenue primarily by achieving returns, consisting of dividend income, interest income and appreciation in fair value. The Company does not monitor the performance of the investments by measure of profit or loss.

\*less than US\$1,000

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

	<b>30 June 2018 US\$'000</b>	<b>30 June 2017 US\$'000</b>
<b>Profit or loss</b>		
Net investments results	(94,052)	36,496
Unallocated amounts:		
- Other corporate expenses	(7,473)	(8,613)
(Loss)/Profit for the period	<u>(101,525)</u>	<u>27,883</u>

	<b>30 June 2018 US\$'000</b>	<b>31 Dec 2017 US\$'000</b>
<b>Assets</b>		
Total assets for reportable segments	465,883	624,145
Other assets	14	78
Total assets	<u>465,897</u>	<u>624,223</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	5,290	5,166
Other payables	489	385
Interest-bearing borrowings (secured)	13,000	-
Total liabilities	<u>18,779</u>	<u>5,551</u>

## 11 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

#### *Key management personnel compensation*

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

During the financial period ended 30 June 2018, directors' fees amounting to US\$198,000 (30 June 2017: US\$198,000) were declared as payable to four 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 Company on an exclusive and discretionary basis. No remuneration has been paid to these two directors as the cost of their services form



part of the Investment Manager's remuneration.

#### ***Other related party transactions***

During the financial period ended 30 June 2018, the Company recognised interest income from subsidiaries totalling US\$12,000 (30 June 2017: US\$70,000).

Pursuant to the Investment Management Agreement, the Investment Manager will provide investment management and advisory services exclusively to the Company. Details of the remuneration of the Investment Manager are disclosed in the financial statements as at and for the year ended 31 December 2017. During the financial period ended 30 June 2018, management fee amounting to US\$6,750,000 (30 June 2017: US\$7,303,000) paid/payable to the Investment Manager has been recognised in the condensed interim financial statements.

Pursuant to the Investment Management Agreement and on 3 August 2008, the Company granted 82,782,691 share options to subscribe for ordinary shares with an exercise price of US\$1.00 to the Investment Manager, which had been previously deferred. 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, which has been similarly deferred by 1 year as a result of the deferral of the grant. On 22 October 2012 and pursuant to the Investment Management Agreement, the Company granted to the Investment Manager 41,666,500 share options to subscribe for ordinary shares with an exercise price of US\$0.60 that have fully vested in five equal tranches over a period of five years and will expire on the tenth anniversary of the date of grant.

The Investment Manager exercised share options amounting to 4,054,970 and 4,278,330 on 8 May 2014 and 10 June 2014, respectively, and 4,538,197 on 17 April 2015, and 742,616 on 23 June 16, and 621,902 on 26 June 2017 and 2,285,879 on 7 Nov 2017 and 2,514,465 on 20 June 2018 at the exercise price of US\$0.60 per share.

As at 30 June 2018 and 30 June 2017, the Investment Manager have not been issued any management shares.

Other than as disclosed elsewhere in the condensed interim financial statements, there were no other significant related party transactions during the 6 months periods ended 30 June 2018 and 30 June 2017.

## **12 COMMITMENTS**

In September 2008, the Company entered into a loan agreement with a joint venture, held via its unconsolidated subsidiary, to grant loans totalling US\$4,200,000 (THB140,000,000) (30 June 2017: US\$4,100,000 equivalent) to the joint venture in accordance with the terms as set out therein. As at 30 June 2018, US\$3,600,000 (THB120,000,000) (30 June 2017: US\$3,500,000 equivalent) has been drawn down. The Company is committed to grant the remaining loan amounting to US\$600,000 (THB20,000,000) (30 June 2017: US\$600,000 equivalent), subject to terms set out in the agreement.

In the general interests of the Company and its unconsolidated subsidiaries, it is the Company's current policy to provide such financial and other support to its group of companies to enable them to continue to trade and to meet liabilities as they fall due.

## **13 SUBSEQUENT EVENTS**

Subsequent to 30 June 2018, Symphony announced that 82,782,691 unlisted share options exercisable at US\$1.00 per share on or before 2 August 2018 have lapsed unexercised and cannot be reissued to the Investment Manager.

In July 2018, Symphony's wholly owned subsidiary, Thai Education Holdings Pte. Ltd., made a follow-on investment in WCIB International Co. Ltd. as part of the funding plan for this investment. The cost for this follow-on investment was less than 1% of NAV.

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