symphony

INTERNATIONAL HOLDINGS LIMITED

SYMPHONY INTERNATIONAL HOLDINGS LIMITED | ANNUAL REPORT 2011

Corporate Profile

We are a strategic investment company managed by one of the most experienced investment management teams in Asia

Symphony International Holdings Limited ("SIHL" or "Symphony") is a strategic investment company managed by one of the most experienced and established investment management teams in Asia.

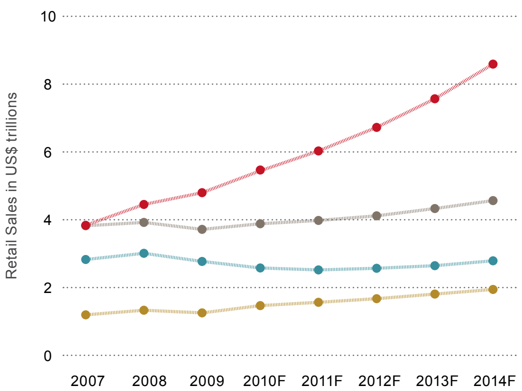
We focus on investing in high-growth sectors in Asia's rapidly expanding consumer driven markets. Our investments are primarily in the Healthcare, Hospitality, Lifestyle and Branded Real Estate sectors that benefit from rising incomes in the region. We create lasting business partnerships with talented and innovative entrepreneurs and management teams with proven track records. The high growth businesses we invest in allow us to create long-term and sustainable value for shareholders.

We are a permanent capital vehicle that uses a private equity style of investing. This allows us the flexibility to invest and divest at the opportune time, keeping in mind the economic cycles of different countries in Asia. Our structure allows us to take a long-term view on investments to realise the full potential for value appreciation.

clockwise from above:
Bon Sejour Shin-Yamashita, Japan // Cooking lessons at the Anantara Baan Rajprasong // Sunset at the Four Seasons // Operating Theatre

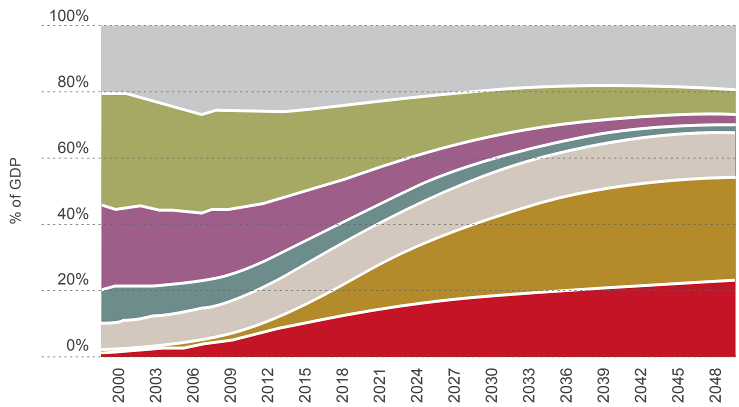
Asian Consumer Growth

GLOBAL RETAIL SALES



Source: Economist Intelligence Unit

GLOBAL MIDDLE CLASS CONSUMPTION, AS % OF GDP 2000-2050



Source: OECD Development Centre Working Paper No. 285

Consumer related demand continues to accelerate in Asia with retail sales projected to surpass those of North America and Western Europe combined in 2012 and reach US$6.69 trillion[1]. The Economist Intelligence Unit ("EIU") forecast retail sales in Asia to grow at an annualised growth rate of 12.68% from 2011 through 2014, which compares to 4.85% and 3.66% for North America and Western Europe, respectively.

By 2030, two thirds of the world's middle class, i.e. those living in households with daily per capita income ranging from US$10 to US$100 per day in purchasing power parity terms will be in Asia where consumer spending is projected to rise to 59% from 23% of GDP in 2009[2].

By 2030, two thirds of the world's middle class will be in Asia where consumer spending is projected to rise to 59% from 23% of GDP in 2009[2]

With a focus on Healthcare, Hospitality, Lifestyle and Branded Real Estate, Symphony continues to benefit from growing consumerism in Asia. We remain focused on expanding and diversifying our portfolio in our areas of focus to further create value for our shareholders.

[1] Source: Economist Intelligence Unit
[2] Study by Homi Kharas for the OECD in 2010

Healthcare

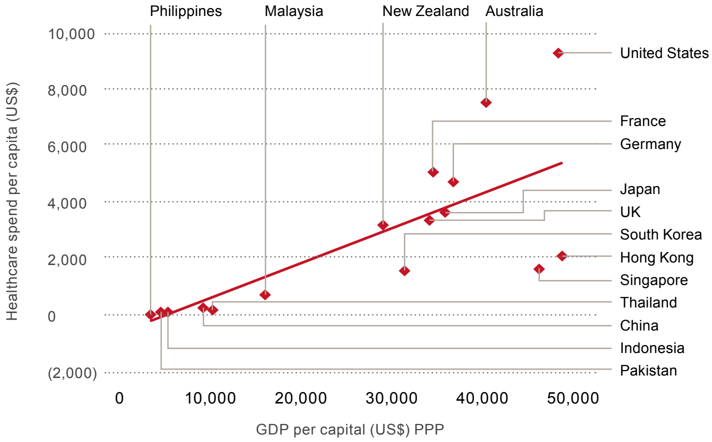
Demographic changes and rising incomes are creating strong demand for healthcare services and pharmaceuticals. There has been significant investment to meet these demands by both the private and public sector, however Asia remains relatively underdeveloped compared to western countries. For example, the EIU estimates the number of doctors per thousand in India and China are 0.6 and 1.1 in 2011, respectively. This compares with the US and Germany that have 3.3 and 3.8 per thousand[3]. We expect many countries in Asia to 'catch-up' as income per capita increases.

Symphony's investment in Parkway Real Estate Investment Trust ("PREIT"), the largest listed healthcare REIT in the Asia region, continued to perform well. PREIT continues to steadily expand its healthcare property portfolio with strategic acquisitions in addition to focusing on asset enhancement initiatives in the region. PREIT recently announced further acquisitions in Japan and Malaysia during the first quarter of 2012. Subsequent to the 2011 financial year, Symphony acquired a further 2.7 million units in PREIT, which increased its shareholding from 5.9% to 6.4%.

In February 2012, Symphony expanded its healthcare portfolio with a US$50 million investment for a non-controlling minority shareholding in Integrated Healthcare Hastaneler Turkey Sdn Bhd ("IHT"). IHT is the controlling shareholder of Acibadem Saglik Yatirimlari Holding A.S. and is owned by Integrated Healthcare Holdings Sdn Bhd ("IHH"), the healthcare subsidiary of Khazanah Nasional Berhad ("Khazanah"), the investment holding arm of the government of Malaysia. As part of the transaction, Symphony has an option to convert its investment in IHT into a minority stake in IHH, one of the largest healthcare providers in the world with a broad footprint in Asia and other markets that include Turkey, Malaysia, Singapore, India and a presence in China, Brunei, Abu Dhabi as well as Central and Eastern Europe.

Healthcare continues to be a key sector for us and we intend to continue to increase our exposure to the sector.

GDP AND HEALTHCARE SPEND PER CAPITA (2011E)



Source: EIU Country Industry Briefings (forecasts)

[3] 2011 estimates, Economist Intelligence Unit: Healthcare and Pharmaceutical Report (China, India, US, Germany)

Hospitality

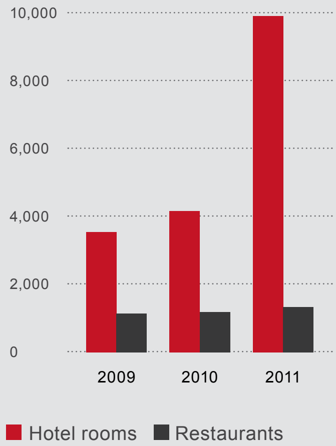
The hospitality industry started off on a strong note in 2011. Despite negative global economic, political and natural events that include the sovereign debt crisis, Arab Spring, flooding in Thailand and the earthquake in Japan amongst others, the hospitality industry in Asia continued to grow. South Asia benefited particularly from strong intra-regional demand, which boosted the region's total international arrivals by 9%[4]. Intra-regional travel in Asia will increase arrivals as more middle-class leisure and business travelers, particularly from China and India, visit the region[5].

Minor International Pcl ("MINT") is Symphony's principal investment in the Hospitality sector and is one of the largest hospitality and restaurant companies in Asia. MINT significantly expanded its hotel portfolio during 2011 with the acquisition of Oaks Hotels and Resorts Limited ("Oaks"), which more than doubled the size of MINT's hotel and serviced apartment portfolio. MINT now owns 28 hotels and manages 47 other hotels and serviced suites with over 9,800 rooms under prominent brands which include the Four Seasons, St. Regis, Marriott, Anantara, Oaks as well as others in Australia, New Zealand, Thailand, Vietnam, Maldives, South Africa, Sri Lanka and the Middle East.

During 2011, we continued to increase our shareholding in MINT with the acquisition of 26.2 million shares that increased our shareholding from 7.9% to 8.7%.

Symphony is in active discussions to make further investments within the Hospitality sector.

MINT'S RESTAURANT AND HOTEL ROOM GROWTH



Source: MINT Analyst Presentations

opposite:
A healthcare specialist at work

below:
Hotel M on Palmer

[4] World Tourism Organisation UNWTO
[5] Pacific Asia Travel Association and Euromonitor International

Lifestyle

above:
Ethnicraft Table with Eames Molded Plastic Chairs. Photo courtesy of Ethnicraft

below:
A French Affair with Laura Calder for AFC

opposite:
Mount Yōtei, Hokkaido, Japan

In the past decade, emerging markets have become increasingly important to the global retail sector. Consumer goods companies source and manufacture low-cost goods from the region and in more recent years have begun to target the fast growing Asian consumer market. The anticipated weaker growth in western countries for the foreseeable future has driven many consumer goods companies to focus on Asia's growing middle class and increasingly aspirational population.

Symphony's investments in the Lifestyle sector include C Larsen Singapore Pte Ltd ("C Larsen"), a high-end furniture importer and distributor of US and European brands in Asia, and AFC Network Private Limited ("AFC"), which operates the Asian Food Channel. Both companies continued to see strong growth in their respective businesses during 2011 which exceeded forecasts.

In early 2012, Symphony made a small investment (with an option to increase its investment based on performance milestones) in Maison Takuya, a boutique luxury leather goods brand that is renowned for its hand-crafted leather products and accessories. Its products are sold at many of the world's high-end stores with a network that covers over 60 retailers in 12 countries, including Japan, Singapore, Thailand, the United Arab Emirates, France, Monaco, Switzerland and the US.

We continue to support growth of our lifestyle investments both organically and through acquisitions.

Branded Real Estate

Fundamentals for the real estate sector remained healthy in 2011 despite increased economic uncertainty. High Net Worth Individuals ("HNWI") in Asia continued to increase their investment portfolio allocation in real estate to 31% in 2010 from 28% in 2009. This allocation continues to remain significantly above the 19% global average in 2010[6]. Given the strong fundamentals and the tight supply of high-quality residential real estate in the region, we expect demand to continue to rise more quickly for these types of assets.

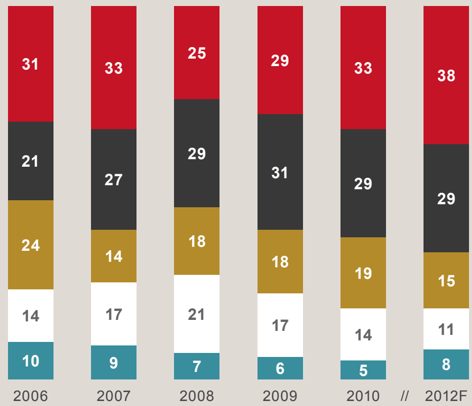
Symphony's real estate portfolio includes an investment in Minuet Limited ("Minuet"), which owns a property in Bangkok, Thailand, SG Land Company Ltd ("SG Land") that owns the leasehold rights to two office buildings in central Bangkok, and two investments in joint venture property developments with one in Niseko, Hokkaido, Japan and the other in Malaysia.

Minuet entered into an agreement in December 2011 to sell part of the land it owns (not required for its proposed development) at a price in excess of 20% above the original land cost. The transaction completed in January 2012 and the sale price achieved resulted in an increase in value for the remaining portion of Minuet's land holdings. The higher sale price over cost validates our investment strategy in this sector. Following the sale, Symphony received US$12.1 million from Minuet by way of a partial return of a shareholder loan.

We continued to increase and diversify our exposure in this sector. Subsequent to the 2011 financial year, we completed a US$29 million investment in a joint venture company (alongside an affiliate of Destination Resorts and Hotels Sdn Bhd, a hotel and resort investment subsidiary of Khazanah), to develop an Amanresorts club and villa property in Malaysia. In addition, we increased our shareholding in the joint venture company that is involved in a property development in Niseko, Hokkaido, Japan to 37.5%.

Beyond our current real estate investments, we continue to look for opportunities to develop unique branded real estate across the region to support growing demand for these types of assets.

GLOBAL HNWI FINANCIAL ASSETS ALLOCATION (%), 2006 - 2012F



Equities | Fixed Income | Real Estate[a]
Cash/Deposits | Alternative Investments[b]

[a] Comprises commercial real estate, real estate investment trusts (REITs), residential real estate (excluding primary residence), undeveloped property, farmland and other.
[b] Includes structured products, hedge funds, derivatives, foreign currency, commodities, private equity, venture capital.

Note: Percentages may not add up to 100% due to rounding.

Source: Capgemini/Merrill Lynch Global Wealth Management Advisor Surveys 2007, 2008, 2009, 2010, 2011.

[6] Capgemini/Merrill Lynch Global Wealth Report 2011

left:
Chairmen, Pierangelo Bottinelli (left) and Anil Thadani

below:
The library at the Anantara Lawana

Chairmen's Statement

Our biggest challenge remains one of getting the market to better understand our business and to narrow the gap between our actual Net Asset Value ("NAV") per share and the price at which our stock trades. We had made some progress in narrowing this gap during the first half of 2011, but this unexpectedly widened in the second half. At 31 December 2011, our share price traded at a 47.1% discount to our NAV per share, from 33.1% at 30 June 2011. We continue to work with our brokers and advisors to improve liquidity and awareness and, in this regard we have appointed a financial public relations consultant in the UK to enhance our communication to investors.

The underlying performance of our portfolio companies was strong in 2011

The underlying performance of our listed portfolio companies was strong in 2011 despite the volatility in the financial markets and slowing global growth. Minor International Pcl ("MINT") in Thailand reported growth in revenue and EBITDA of 48% and 71%, respectively. Excluding one-off gains, revenue and EBITDA grew by 43% and 42% respectively. Total reported net profit was up 133% (55% excluding one-off gains) in 2011 over 2010. We added to our position in MINT during the year by purchasing 26.2 million shares, which increased our shareholding to approximately 8.7% from 7.9% previously.

Parkway Life Real Estate Investment Trust ("PREIT") continued to deliver stable growth and dividend income, with net property income and distribution per unit increasing by 9.1% and 9.2%, respectively, in 2011 year-over-year. Subsequent to the financial year, PREIT announced three additional nursing home acquisitions in Japan and the purchase of medical units in Malaysia. The investments will be yield accretive for investors. In addition we purchased 2.7 million units in PREIT in early 2012, which increased our unit holding in PREIT from approximately 5.9% to 6.4%.

Our unlisted non-property related investments that include C Larsen and AFC Network Private Limited ("AFC"), which operates the Asian Food Channel, both exceeded their budgets. C Larsen achieved an EBITDA 20% above target whereas AFC doubled its revenues and achieved an EBITDA over twice what was forecast. We are extremely pleased with the performance of these businesses.

We entered into an agreement in December 2011 to invest in Maison Takuya, a luxury leather goods brand. This investment will allow Maison Takuya to expand production to keep up with the strong demand for its products, which are already distributed at over 60 points of sale globally.

Early this year, we participated in the buyout of Acibadem Saglik Yatirimlari Holding A.S., one of the leading healthcare companies in Turkey.

Our partner in this transaction was Khazanah, the sovereign wealth fund of Malaysia, which provided the bulk of the investment for the acquisition. Our agreement gives us an option to swap our shares in the Turkish acquisition for shares in Khazanah's healthcare subsidiary, IHH, which is the largest pan-Asian healthcare platform. This investment will give us an exposure to healthcare assets, most of which we know well, in several countries from Turkey to China. IHH also owns a medical university which represents our first investment in Education, another sector of great interest to us. It is fair to say that this investment in Healthcare is a good example of our management team's ability to source quality deals on a proprietary basis without having to participate in auctions and other competitive processes which have become so common in the private equity sector in Asia.

above:
By the pool at the Anantara Veli Resort

below:
Mount Elizabeth Hospital, Singapore

opposite:
Powder skiing in Niseko, Hokkaido, Japan

In regards to our real estate holdings, our investment in SG Land continued to provide a very attractive yield from rental revenues and the valuation for land held by Minuet increased during the year because the company was able to sell approximately 11 hectares of land, not required for the proposed development, at a price in excess of 20% above cost. This sale represented one of the largest land plots recently sold in the area.

The residential market continues to be buoyant in Macau and our outlook remains unchanged. We are monitoring price developments closely and we intend to sell our four units when our target price is reached.

During the year we invested in a joint venture that acquired a hotel in Niseko, Hokkaido, Japan. Niseko is a popular and increasingly premium ski destination in Asia that has consistently good powder snowfall and is known for its long ski seasons. We are excited about the re-development of this property into an upmarket hotel and residential development. In January 2012, we increased our stake in the venture by 7.5% to 37.5%.

In October 2011, we announced a joint venture property development to create an Amanresorts branded country club and several private villas for sale on the east coast of Malaysia and about an hour's drive from Singapore. Our partner in this development is again Khazanah, the country's sovereign wealth fund. Site preparation work has already started for this project and the projected completion date is the second quarter of 2013. We believe there will be good demand for these villas in the Singapore market which is starved for quality weekend destination alternatives.

Looking at the market in general, although volatility persisted in 2011, we started to see some positive momentum towards the end of the year. As discussed above, our investee companies all reported strong performance and our deal activity increased and continued into the new year, which resulted in the completion of several new transactions.

Despite the improved performance, NAV per share decreased by 2.7% from US$1.1618 at 31 December 2010 to US$1.1239 at 31 December 2011. Although the underlying value of many investments increased in 2011, weaker Asian currencies such as the Thai Baht and Singapore dollar had a negative impact on our NAV, which is reported in US dollars. These currency movements were primarily the result of a flight to safety by investors as concerns over sovereign debt in Europe continued throughout the year. Some of these currency movements had begun to reverse at the time of this statement.

As mentioned in our most recent quarterly update, there are elevated economic risks for Asia as global growth slows. However, we remain confident our portfolio companies are well positioned to continue their growth trajectory. The high-end consumer related businesses in Asia, that we focus on, have proven to be relatively resilient, even defensive, while being supported by a growing and aspirational middle and upper class.

We are grateful to our shareholders for their continued belief and support in our investment approach and strategy. Equally, we want to express our appreciation to our business partners, who have very adeptly led their businesses through a challenging and volatile environment and delivered excellent results.

PIERANGELO BOTTINELLI
Chairman
Symphony International Holdings Limited

ANIL THADANI
Chairman
Symphony Investment Managers Limited

26 March 2012

left:
Tumi bags - a stylish choice

below left:
Barbara Barry furniture at the Oriental Residence Bangkok. Photo courtesy of Manoo

below right:
The Fillet Steak at
The Coffee Club

Financial Highlights

KEY FINANCIAL HIGHLIGHTS

	GROUP		
As at 31 December	2009 US$'000	2010 US$'000	**2011 US$'000**
Revenue	3,494	3,727	**4,000**
Other operating income	13,261	18,823	**14,357**
Gain on disposal of financial assets at fair value through profit or loss	20,666[3]	23,065[4]	**-**
Profit (Loss) after tax[1]	68,488	42,812	**(10,519)**
Total assets	342,605	408,557	**399,061**
Total liabilities	5,757	8,170	**10,065**
Total shareholders' equity	336,848	400,387	**388,996**
NAV[2]	336,680	400,172	**389,429**
No. of shares outstanding	338,260	344,439	**346,499**
NAV per share	1.00	1.16	**1.12**

1 Profit (Loss) after tax in 2009, 2010 and 2011 includes expenses for management shares (2009: US$0.9 million, 2010: US$0.9 million, 2011: US$0.6 million) and share options not yet exercised (2009: US$10.2 million, 2010: US$5.8 million, 2011: US$4.2 million). Share options have an exercise price of US$1.00.

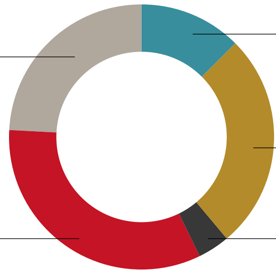
2 Net asset value is based on the sum of our cash and cash equivalents, temporary investments, the fair value of unrealised investments (including investments in subsidiaries and associates) and any other assets, less any other liabilities.

3 Relates to the profit on sales of listed investment of US$20.7 million, which relates to an accounting gain from the exchange of Minor shares for MINT shares that was completed on 12 June 2009 as part of a merger/restructuring.

4 Includes profit on sales of listed investment of US$23.1 million, which relates mainly to an accounting gain from the sale of shares in Parkway Holdings Limited.

NAV BY SEGMENT

31 DECEMBER 2011

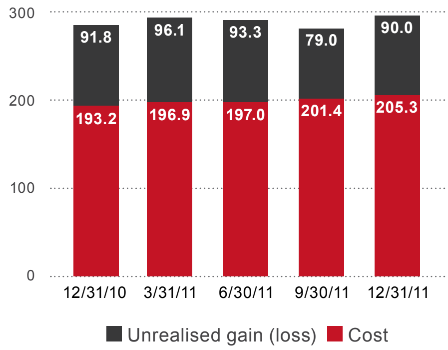


Note:

1 Temporary investments are net of borrowings and net working capital.

VALUE OF PORTFOLIO INVESTMENTS[1]

(US$ MILLION)

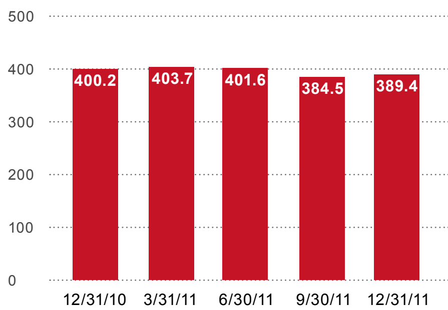


Note:

1 Portfolio investments exclude temporary investments.

QUARTERLY NAV

(US$ MILLION)



Investment Manager's Report

left to right:
Stella Tsang // Alice Ng //
Alice Wong // Betty Chan //
Ramon Lo // Sunil Chandiramani //
Jay Parmanand // Wendy Pang
Kennis Yeung // Synnia Hui

left to right:
David LaRue // Peter Lee // Michelle Tan //
Jasmine Phua // Anil Thadani // Jenny Ng //
Saerah Yusof // Chris Leo // Raj Rajkumar

This "Investment Manager's Report" should be read in conjunction with the consolidated financial statements and related notes of the SIHL Group. The consolidated financial statements of the SIHL Group were prepared in accordance with the International Financial Reporting Standards ("IFRS") and are presented in U.S. dollars. SIHL reports on each financial year that ends on 31 December. In addition to SIHL's annual reporting, NAV and NAV per share are reported on a quarterly basis being the periods ended 31 March, 30 June, 30 September and 31 December. SIHL's NAV reported quarterly is based on the sum of cash and cash equivalents, temporary investments, the fair value of unrealised investments (including investments in subsidiaries and associates) and any other assets, less any other liabilities. The financial results presented herein include activity for the period from 1 January 2011 through 31 December 2011, referred to as "the year ended 31 December 2011".

OUR BUSINESS

SIHL is an investment company incorporated under the laws of the British Virgin Islands. The Company's Ordinary shares were listed on the London Stock Exchange on 3 August 2007. SIHL's investment objective is to create value for stakeholders through long term strategic private equity type investments in high growth innovative consumer businesses, primarily in the Healthcare, Hospitality, Lifestyle and Branded Real Estate sectors, which are expected to be among the fastest growing sectors in Asia and the South-East Asian region including India, as well as through investments in special situations and structured transactions. SIHL'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 2011 fiscal year, SIHL invested US$12.1 million, net of shareholder loan repayments from portfolio companies. The total cost of investments increased from US$193.2 million at 31 December 2010 to US$205.3 million at 31 December 2011. As at 31 December 2011, the hospitality, healthcare, lifestyle and branded real estate sectors accounted for 32.6%, 14.8%, 5.4% and 47.2% of total cost of investments, respectively.

The fair value of investments, excluding temporary investments, held by SIHL increased to US$295.3 million at 31 December 2011 from US$284.9 million a year earlier. This increase comprised investments made during the year that amounted to US$12.1 million and a decline in the value of investments by US$1.7 million during 2011.

COST AND FAIR VALUE OF INVESTMENTS

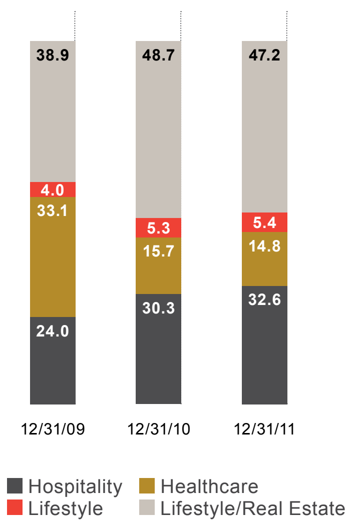
	GROUP AS AT 31 DECEMBER 2011		
	Cost (US$)	Fair value (US$)	% of NAV
Hospitality	66,954,402	101,973,020	26.2%
Healthcare	30,321,155	49,331,800	12.7%
Lifestyle	11,024,167	15,472,710	4.0%
Lifestyle/Real Estate	96,975,805	128,480,806	33.0%
Subtotal	**205,275,529**	**295,258,336**	**75.8%**
Temporary investments[1]		94,171,008	24.2%
Net asset value[2]		389,429,345	100.0%

[1] Temporary investments are net of US$1.4 million in borrowings that are associated with our investment in SG Land.

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

COMPOSITION OF PORTFOLIO INVESTMENTS BY COST

(%)



As at 31 December 2011, we had the following investments:

Minuet Limited

Minuet Limited ("Minuet") is a joint venture between SIHL and an established Thai partner for the development of a branded lifestyle residential and recreational development in Bangkok, Thailand. SIHL invested US$77.8 million in the venture for a direct 49% interest.

Minuet announced the sale of 11.1 hectares of land to SC Asset Corporation Pcl ("SC Asset") that involved a series of transactions, which completed on 12 January 2012. The land sold represented 14.1% of Minuet's total land holding at the time of completion. The sale to SC Asset was one of the largest land plots recently sold in the area. Following the sale, Minuet will continue to hold 67.6 hectares of land in Bangkok, Thailand. The sale price was used as the basis by an independent third party to value Minuet's residual land at 31 December 2011[1]. Following the sale, SIHL received US$12.1 million from Minuet by way of a partial return of a shareholder loan.

There is no debt associated with this investment and at 31 December 2011, Minuet was valued at US$98.5 million, which compared to a valuation of US$99.8 million a year ealier. The higher land value was primarily the reason for the increase, which was partially offset by a weaker Thai baht.

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 28 hotels and manages 47 other hotels and serviced suites with over 9,800 rooms under prominent brands such as the Four Seasons, St. Regis, Marriott, Anantara, Oaks and others in Australia, New Zealand, Thailand, Vietnam, Maldives, South Africa, Sri Lanka and the Middle East. MINT also owns and operates over 1,250 restaurants under The Pizza Company, Swensen's, Sizzler, Dairy Queen, Burger King, 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 and cosmetics through retail (247 outlets), wholesale and direct marketing channels under brands that include GAP, Esprit, Bossini, Red Earth, Bloom, and Zwilling Henckels amongst others.

MINT's revenue and EBITDA increased by 43% and 42% before non-recurring items, respectively, in 2011 year-over-year. Aside from the improved peformance of all business units, growth was significantly driven by the seven months of consolidation of the Oaks business and sales from the real estate development.

EBITDA before non-recurring items increased by 91% and 10% in the hotel & mixed use and restaurant businesses, respectively in 2011. Although revenue increased by 9%, retail and contract manufacturing EBITDA declined by 97% during the same period due to writeoffs related to the flooding in Thailand during the year. A significant part of the exposure from the flooding is expected to be covered by several insurance policies.

At the end of 2011, MINT's total number of restaurants reached 1,257, comprising 711 equity-owned outlets and 546 franchised outlets. Approximately 66% were in Thailand with the remaining number in other Asian countries and the Middle East. Overall same-store-sales increased by 9% in 2011 while total system sales increased by 14.1% during the same period. EBITDA margins remained fairly constant at around 16%.

Following the consolidation of Oaks, MINT owned 28 hotels and manages another 47 hotels and serviced suites in 10 countries. Out of the total 9,800 rooms (5,277 from Oaks) owned or managed by MINT, 33% were in Thailand with the remaining 67% in other Asian countries and the Middle East. Overall revenue per average room increased in 2011 to THB3,479 from THB2,976 or by 17% during the year and average occupancy increased to 65% from 52% during the same period. Overall, revenue from hotel operations increased by 88% before mixed use business. Income from property development in 2011 increased to THB2.8 billion from THB236 million a year earlier on sales predominantly from the St Regis Residences and Anantara time share business.

We added to our position in MINT during the year by purchasing 26.2 million shares, which increased our shareholding to approximately 8.7% from 7.9%. As at 31 December 2011, the fair value of SIHL's investment in MINT was US$102.0 million.

Parkway Life Real Estate Investment Trust

Parkway Life Real Estate Investment Trust ("PREIT") was established by Parkway Holdings Limited to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore and Japan) that are used primarily for healthcare and/or healthcare-related purposes. PREIT is the largest listed healthcare REIT in Asia by asset size and generates an inflation-linked yield of around 5% based on current valuations and historic distributions. SIHL invested US$30.2 million in PREIT in 2007. As at 31 December 2011, the fair value of the PREIT investment was US$49.1 million.

above:
A Twin-Bed Deluxe Room at Anantara Qasr Al Sarab

opposite:
Escape at the Anantara Golden Triangle

PREIT reported gross revenue and net property income growth of 9.6% and 9.1% in 2011 year-over-year to S$87.8 million and S$80.3 million, respectively. The growth was attributable to contributions from properties acquired in 2010 and 2011.

PREIT has 30 properties in Japan and three in Singapore. In 2012, the manager of PREIT announced it has entered into an agreement to acquire three additional nursing homes in Japan as well as an investment in medical suites in Malaysia. These acquisitions are expected to be yield accretive.

At 31 December 2011, PREIT had gearing of 34.8%, representing further debt head-room of S$266.4 million before reaching 45% gearing target. This allows for further yield accretive acquisitions in the region.

Other investments

In addition to the investments above, SIHL has seven additional investments, each of which constitute less than 5% of SIHL's NAV. Pending investment in suitable opportunities, SIHL has placed funds in certain temporary investments. As at 31 December 2011, cash and equivalents that predominantly comprised bank deposits amounted to US$100.1 million.

CAPITALISATION AND NAV

As at 31 December 2011, the Company had US$307.0 million in issued share capital and its NAV was approximately US$389.4 million. SIHL's NAV is the sum of its cash and cash equivalents, temporary investments, the fair value of unrealised investments (including investments in subsidiaries and associates) and any other assets, less any other liabilities. The audited financial statements contained herein may not account for the fair value of certain unrealised investments and furthermore, may consolidate the assets and liabilities of certain investments. Accordingly, SIHL's NAV may not be comparable to the net asset value in the audited financial statements. The primary measure of SIHL's financial performance and the performance of its subsidiaries will be the change in SIHL's NAV per share resulting from changes in the fair value of investments.

The NAV and NAV per share for the 2009, 2010 and 2011 fiscal years and for the quarterly periods ended on March 31, June 30, September 30 and December 31 2011 are as follows:

opposite above:
The Anantara Resorts, Desert Island

opposite below:
The Anantara Resorts, Veli-Baan Huraa

NAV, SHARES OUTSTANDING AND NAV PER SHARE ON ANNUAL AND QUARTERLY BASIS

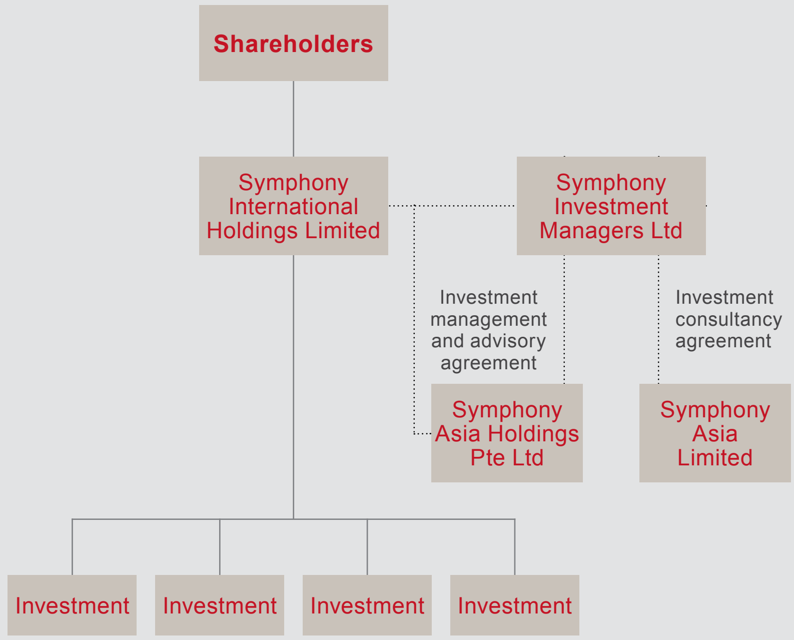
	GROUP		
As at	12/31/09	12/31/10	12/31/11
NAV (US$ '000)	336,681	400,172	389,429
Number of Shares ('000)	338,260	344,439	346,499
NAV per Share	1.00	1.16	1.12

	GROUP		
As at	03/31/11	06/30/11	09/30/11
NAV (US$ '000)	403,650	401,619	384,467
Number of Shares ('000)	344,439	344,439	346,499
NAV per Share	1.17	1.17	1.11

SIHL was admitted to the Official List of the London Stock Exchange ("LSE") on 3 August 2007 under Chapter 14 of the Listing Manual of the LSE. The proceeds from the IPO amounted to US$190 million before issue expenses pursuant to which 190.0 million new ordinary shares were issued in the IPO. In addition to these 190.0 million ordinary shares and 94.9 million ordinary shares pre-IPO, a further 53.4 million ordinary shares were issued comprising of the subscription of 13.2 million ordinary shares by investors and SIHL's investment manager, the issue of 33.1 million bonus ordinary shares, and the issue of 7.1 million ordinary shares to SIHL's investment manager credited as fully paid raising the total number of issued shares to 338.3 million.

The Company issued 4,119,490 ordinary shares, 2,059,745 ordinary shares and 2,059,745 ordinary shares on 6 August 2010, 21 October 2010 and 4 August 2011, respectively, credited as fully paid, to the Investment Manager, Symphony Investment Managers Limited, increasing the Company's fully paid issued share capital to 346.5 million ordinary shares. The shares were issued as part of the contractual arrangements with the Investment Manager.

ORGANISATIONAL STRUCTURE



REVENUE AND OTHER OPERATING INCOME

Revenue

During the 2011 fiscal year, SIHL received dividend income amounting to US$4.0 million from quoted equity investments. This represents an increase of 7.3% from dividends received during the 2010 fiscal year. The change is predominantly due to an increase in the dividends per unit from PREIT.

Other operating and fee income

Other operating income includes interest income from temporary investments and loans outstanding to portfolio companies, in addition to foreign exchange gains. Temporary investments predominantly consisted of bank deposits and contributed to US$0.2 million in interest income during the 2011 financial year. Interest earned on loans outstanding to portfolio companies amounted to US$14.2 million. Foreign exchange loss amounted to US$0.6 million during 2011.

EXPENSES

Management fee

The management fee amounted to US$8.9 million for the year ended 31 December 2011. 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) during 2011.

Other operating expenses

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

Management share expense

As part of the Investment Management and Advisory Agreement with SIHL, the Investment Manager is entitled to management shares of up to an aggregate amount equal to 5% of newly issued capital representing part of the remuneration for investment advice and services rendered. Up to 20% of the management shares are eligible for issue at the first quarter end following each anniversary of the admission of SIHL to the Official List of the London Stock Exchange provided that the maximum number of management shares issued does not decrease the NAV per share below US$1.00. Those management shares which are eligible to be issued may be issued on any NAV approval date. An expense was recognised for 10,298,726 management shares apportioned for the 2011 financial year. The expenses for these management shares amounted to US$0.5 million.

Share options expense

Under terms of the Investment Management and Advisory Agreement, the Investment Manager was granted Share Options on the date of admission to the Official List of the London Stock Exchange. A total of 82,782,691 options were granted with an exercise price of US$1.00 each and will vest and become exercisable by the Investment Manager in five equal tranches over a period of five years from date of grant. Four tranches of the options have vested. An expense was recognised based on the fair value of the Share Options calculated using the Black-Scholes option-pricing model. Based on a fair value of US$0.57, US$0.62, US$0.56 and US$0.44 per option at 31 March, 30 June, 30 September and 31 December, respectively, an expense of US$4.2 million was recognised in the income statement with a corresponding increase in equity in 2011.

Taxes

Substantially all the taxes paid by the Group in the year ended 31 December 2011 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 2011, SIHL's cash balance was US$100.1 million. SIHL's primary uses of cash are to fund private equity type investments and investments in special situations and structured transactions and to make distributions to shareholders, if and when declared by our board of directors, and to pay operating expenses. Taking into account current market conditions, it is expected that SIHL's sources of liquidity described below will be sufficient to fund working capital requirements. The initial sources of liquidity were the capital contributions received in connection with the initial public offering of shares and related transactions. (See a description of the initial offering under "Capitalisation and NAV" above).

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

SIHL may enter into one or more credit facilities and/or utilise other financial instruments from time to time with the objective of increasing the amount of cash that SIHL has available for working capital or for making opportunistic or temporary investments. At 31 December 2011, the Group had total interest-bearing borrowings of US$1.4 million associated with our investment in SG Land, which constitutes less than 5% of NAV.

above:
Oriental Residence Bangkok Lobby. Photo courtesy of Manoo

PRINCIPAL RISKS

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

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

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

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

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

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

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

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

The Company operates in a highly competitive market for investments. The Company's performance is affected by pricing when making and exiting an investment. The ability of the Company to achieve financial returns on investments could be hampered by disclosure of certain sensitive information.

As such, the Company will not disclose pricing and valuation information in order to prevent:

(a) sellers of potential investments in private companies from determining how much the Company has paid for certain investments in comparable private companies which are similar to their potential investment, as this could lead to unfair price comparisons and
(b) buyers of the Company's existing investments from determining how much the Company initially paid for its investments, as this will affect the Company's competitive advantage during the exit price negotiation process and may prevent the Company from maximizing value for its shareholders.

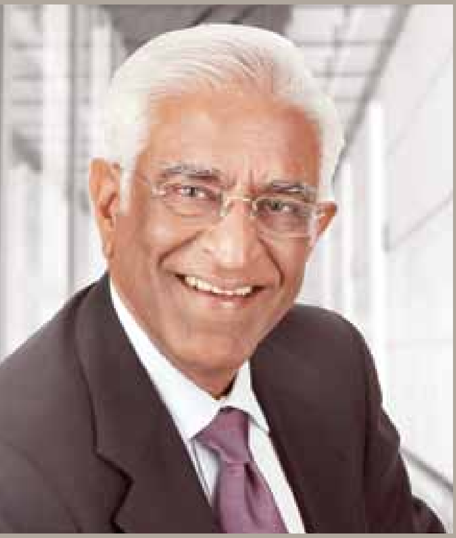
ANIL THADANI
Chairman
Symphony Investment
Managers Limited

26 March 2012

opposite:
Tumi bags - a stylish choice

below:
A glorious view from the Penthouse of Anantara Bali

Board of Directors



clockwise from top left:
Pierangelo Bottinelli // Georges Gagnebin // Rajiv K. Luthra // Sunil Chandiramani // Anil Thadani

PIERANGELO BOTTINELLI

Pierre, who is based in Geneva, Switzerland, was appointed Chairman on 31 December 2005. He began his career as a merchant banker at AG Becker in 1970. He joined Wertheim Schroder in 1985, became Managing Director of Schroder Securities in 1991, then joined Quaker Securities as Managing Director in 2000. He is a board member of a number of companies in Singapore and Switzerland, is a director of Audemars Piguet Group Holding, and is Chairman of Lansdowne Partners International Limited.

GEORGES GAGNEBIN

Georges was appointed to the Board on 8 July 2007. Between 1969 and 1998, he held a number of positions at the Swiss Bank Corporation between 1969 and 1998, including as a member of the management committee. He subsequently held executive positions at UBS AG, including as Head of International Clients EMEA in the private banking division; a member of the Group Managing Board; a member of the Group Executive Board; Chief Executive of Private Banking; Chairman of Wealth Management and Business Banking; and Vice-Chairman of SBC Wealth Management AG. In 2005, he joined the Julius Baer Group where he was Vice-Chairman of Julius Baer Holding Ltd and Bank Julius Baer & Co Ltd and more recently Chairman of Infidar Investment Advisory Ltd, a member of Julius Baer Group. He is presently Chairman of the Board of the Banque Pâris Bertrand Sturdza S.A., Geneva.

RAJIV K LUTHRA

Rajiv was appointed to the Board on 8 July 2007. He is founder and Managing Partner of Luthra & Luthra Law Offices, in New Delhi, India. Luthra & Luthra has been recognised with many awards including the 'National Law Firm of the Year 2011' by International Financial Law Review. He has been advising on capital markets and corporate finance; securitisation and structure finance; construction and property; and IT, telecommunications and media; for more than 30 years. He serves on a number of committees, including the Advisory Board to the Competition Commission of India; is Convener of the committee that advises the Indian government 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 is also a member of HSBC's Corporate Governance and Audit committees in India.

ANIL THADANI

Anil was appointed to the Board on 16 February 2004. He began his career as a research engineer with Chevron Chemical Company, in California. He subsequently completed his MBA before joining the Bank of America in San Francisco. He has worked in the Asia-Pacific region since 1975: he was with the Bank of America, in Japan, the Philippines and Hong Kong until 1981 when he founded one of the first private equity investment companies in Asia. He has sat on the boards of a number of companies in Asia, Europe and North America, and continues to represent Symphony on the boards of portfolio companies. Based in Singapore, he is also a member of the Board of Trustees of Singapore Management University and is Chairman of the university's Institute for Innovation and Entrepreneurship. Anil has a BTech 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.

SUNIL CHANDIRAMANI

Sunil was appointed to the Board on 16 February 2004. He has more than 24 years' private equity and related investment experience across a wide range of industry sectors in Asia and the United States.
He has a BCom (Hons) degree from the Shri Ram College of Commerce, Delhi University, and an MBA from The Wharton School of the University of Pennsylvania.

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)

Anil Thadani

Sunil Chandiramani

Registered Office in the British Virgin Islands
Offshore Incorporations Centre
P.O. Box 957
Road Town, Tortola
British Virgin Islands

Registered Agent
Offshore Incorporations Limited
P.O. Box 957
Offshore Incorporations Centre
Road Town, Tortola
British Virgin Islands

Share Registrar and Share Transfer Agent
Capita Registrars (Guernsey) Limited
Longue Hougue House
St. Sampson, Guernsey
GY1 3US

Warrant Registrar
Capita Registrars (Guernsey) Limited
Longue Hougue House
St. Sampson, Guernsey
GY1 3US

Financial Advisor and Corporate Stock Broker
Panmure Gordon (UK) Limited
Moorgate Hall, 155 Moorgate
London EC2M 6XB

Investment Manager
Symphony Investment
Managers Limited
P.O. Box 957
Offshore Incorporations Centre
Road Town, Tortola
British Virgin Islands

Auditors
KPMG LLP
Public Accountants and
Certified Public Accountants
16 Raffles Quay
#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 2011, 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, 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 now a 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 five 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 Battista Bottinelli, has more than 40 years' experience in merchant banking, securities and investment management, and is currently a director and the Chairman of Lansdowne Partners International Limited. The other two independent directors are Mr. Rajiv K. Luthra and Mr. Georges Gagnebin. 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 Chairman and Member on the Board of Corporate Governance and Audit Committee of HSBC (India). Mr. Gagnebin is currently Chairman of the Board of the Banque Pâris Bertrand Sturdza S.A., Geneva. The other members of the Board are Mr. Anil Thadani and Mr. Sunil Chandiramani who have over 30 years and 24 years of experience in private equity, respectively.

Directors' Report (cont'd...)

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

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 two committees:
i. the Nominations Committee and
ii. the Audit 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 Battista 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 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 Battista Bottinelli 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.

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 also 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. Mr. Pierangelo Battista Bottinelli, Mr. Georges Gagnebin, Mr. Rajiv K. Luthra, Mr. Anil Thadani and Mr. Sunil Chandiramani attended all the Board meetings held during the year. In addition, the Audit and Nominations Committees each met three times during the year and were attended by all respective 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 private equity type 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 2011; 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 2011 and the position of the Group taken as a whole as at 31 December 2011, 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

26 March 2012

ANIL THADANI
Chairman
Symphony Investment Managers Limited
Director
Symphony International Holdings Limited

26 March 2012

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) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group as at 31 December 2011, and the consolidated statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE 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 financial statements give a true and fair view of the financial position of the Group as at 31 December 2011, and of its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
26 March 2012

Symphony International Holdings Limited and its subsidiaries
Financial Statements
Year ended 31 December 2011

Consolidated Statement of Financial Position

As at 31 December 2011	Note	**2011 US$'000**	2010 US$'000
Non-current assets			
Interests in joint ventures	3	**132,267**	126,011
Investment properties	5	**9,512**	9,103
Financial assets at fair value through profit or loss	4	**151,120**	148,199
Other receivables and prepayments	6	**1,732**	1,090
		294,631	284,403
Current assets			
Other receivables and prepayments	6	**1,618**	1,515
Financial assets at fair value through profit or loss	4	**2,694**	–
Cash and cash equivalents	7	**100,118**	122,639
		104,430	124,154
Total assets		**399,061**	408,557
Equity attributable to equity holders of the Company			
Share capital	8	**306,975**	306,498
Reserves	9	**59,924**	61,273
Accumulated profits		**21,859**	32,403
		388,758	400,174
Non-controlling interest		**238**	213
Total equity carried forward		**388,996**	400,387

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

Consolidated Statement of Financial Position (CONTINUED)

As at 31 December 2011	Note	**2011 US$'000**	2010 US$'000
Total equity brought forward		**388,996**	400,387
Non-current liabilities			
Interest-bearing borrowings (secured)	10	**981**	1,408
Deferred tax liabilities	11	**671**	–
		1,652	1,408
Current liabilities			
Amounts due to non-controlling interest (non-trade)	12	**504**	503
Interest-bearing borrowings (secured)	10	**372**	385
Other payables	13	**7,446**	5,730
Current tax payable		**91**	144
		8,413	6,762
Total liabilities		**10,065**	8,170
Total equity and liabilities		**399,061**	408,557

The financial statements were approved by the Board of Directors on 26 March 2012.

ANIL THADANI
Director
26 March 2012

SUNIL CHANDIRAMANI
Director
26 March 2012

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

Symphony International Holdings Limited and its subsidiaries
Financial Statements
Year ended 31 December 2011

Consolidated Statement of Comprehensive Income

Year ended 31 December 2011	Note	**2011 US$'000**	2010 US$'000
Revenue	14	**4,000**	3,727
Other operating income	15	**14,357**	18,823
Other operating expenses		**(2,443)**	(1,510)
Management fees		**(8,920)**	(8,134)
		6,994	12,906
Management Shares expense		**(552)**	(902)
Share options expense		**(4,175)**	(5,809)
Profit before investment results and income tax		**2,267**	6,195
Gain on disposal of financial asset at fair value through profit or loss		**–**	23,065
Fair value changes in financial assets at fair value through profit or loss		**(5,112)**	26,283
Fair value changes in investment properties	5	**373**	617
Fair value changes in investments in joint ventures		**(4,997)**	(10,907)
(Loss)/Profit before income tax	15	**(7,469)**	45,253
Income tax expense	16	**(3,050)**	(2,441)
(Loss)/Profit for the year		**(10,519)**	42,812
Other comprehensive (loss)/income:			
Foreign currency translation differences in relation to financial statements of foreign operations		**(5,599)**	14,016
Other comprehensive (loss)/income for the year, net of tax		**(5,599)**	14,016
Total comprehensive (loss)/income for the year		**(16,118)**	56,828
(Loss)/Profit attributable to:			
Equity holders of the Company		**(10,544)**	42,767
Non-controlling interest		**25**	45
(Loss)/Profit for the year		**(10,519)**	42,812
Total comprehensive (loss)/ income attributable to:			
Equity holders of the Company		**(16,143)**	56,783
Non-controlling interest		**25**	45
Total comprehensive (loss)/income for the year		**(16,118)**	56,828
(Losses)/Earnings per share:		**US Cents**	US Cents
Basic	17	**(3.05)**	12.57
Diluted	17	**(3.05)**	12.42

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

Symphony International Holdings Limited and its subsidiaries
Financial Statements
Year ended 31 December 2011

Consolidated Statement of Changes in Equity

Year ended 31 December 2011	Share capital US$'000	Equity compensation reserve US$'000	Foreign currency translation reserve US$'000	Accumulated profits/ (losses) US$'000	Total attributable to equity holders of the Company US$'000	Non-controlling interest US$'000	Total equity US$'000
At 1 January 2010	302,408	44,277	359	(10,364)	336,680	168	336,848
Total comprehensive income for the year							
Profit for the year	–	–	–	42,767	42,767	45	42,812
Other comprehensive income							
Foreign currency translation differences	–	–	14,016	–	14,016	–	14,016
Total other comprehensive income	–	–	14,016	–	14,016	–	14,016
Total comprehensive income	–	–	14,016	42,767	56,783	45	56,828
Transactions with owners of the Company, recognised directly in equity							
Issue of ordinary shares	4,090	(4,090)	–	–	–	–	–
Value of services received for issue of Management Shares	–	902	–	–	902	–	902
Value of services received for issue of share options	–	5,809	–	–	5,809	–	5,809
Total transaction with owners of the Company	4,090	2,621	–	–	6,711	–	6,711
At 31 December 2010	306,498	46,898	14,375	32,403	400,174	213	400,387
At 1 January 2011	306,498	46,898	14,375	32,403	400,174	213	400,387
Total comprehensive income/ (loss) for the year							
(Loss)/Profit for the year	–	–	–	(10,544)	(10,544)	25	(10,519)
Other comprehensive income/ (loss)							
Foreign currency translation differences	–	–	(5,599)	–	(5,599)	–	(5,599)
Total other comprehensive (loss)	–	–	(5,599)	–	(5,599)	–	(5,599)
Total comprehensive income/(loss)	–	–	(5,599)	(10,544)	(16,143)	25	(16,118)
Transactions with owners of the Company, recognised directly in equity							
Issue of ordinary shares	477	(477)	–	–	–	–	–
Value of services received for issue of Management Shares	–	552	–	–	552	–	552
Value of services received for issue of share options	–	4,175	–	–	4,175	–	4,175
Total transaction with owners of the Company	477	4,250	–	–	4,727	–	4,727
At 31 December 2011	306,975	51,148	8,776	21,859	388,758	238	388,996

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

Symphony International Holdings Limited and its subsidiaries
Financial Statements
Year ended 31 December 2011

Consolidated Statement of Cash Flows

Year ended 31 December 2011	**2011 US$'000**	2010 US$'000
Cash flows from operating activities		
(Loss)/Profit before income tax	**(7,469)**	45,253
Adjustments for:		
Exchange differences	**8**	(32)
Dividend income	**(4,000)**	(3,726)
Interest income	**(14,357)**	(14,611)
Interest expense	**93**	98
Fair value changes in investments in joint ventures	**4,997**	10,907
Fair value changes in investment properties	**(373)**	(618)
Fair value changes in financial assets at fair value through profit or loss	**5,112**	(26,283)
Profit on sales of listed investments	**–**	(23,065)
Management Shares expense	**552**	902
Share options expense	**4,175**	5,809
	(11,262)	(5,366)
Changes in working capital:		
(Increase)/Decrease in other receivables and prepayments	**(8)**	(39)
Increase in other payables and accrued operating expenses	**105**	59
Increase in amount due to investment manager	**8**	2
Cash used in operations	**(11,157)**	(5,344)
Dividend received (net of withholding tax)	**3,871**	3,607
Interest received (net of withholding tax)	**402**	449
Income taxes paid	**(191)**	(160)
Net cash used in operating activities	**(7,075)**	(1,448)
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	**(11,310)**	(3,682)
Proceeds from sales of listed investments	**–**	80,624
Payment for the purchase of investment properties	**(191)**	–
Loans to an investee company	**–**	(160)
Advance payment to an investee company	**(608)**	–
Investments in joint ventures	**(680)**	(555)
Repayment of loans by joint ventures	**1,022**	736
Loan to joint venture partners	**(3,094)**	–
Net cash (used in)/from investing activities	**(14,861)**	76,963
Balance carried forward	**(21,936)**	75,515

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

Symphony International Holdings Limited and its subsidiaries
Financial Statements
Year ended 31 December 2011

Consolidated Statement of Cash Flows (CONTINUED)

Year ended 31 December 2011	Note	**2011** **US$'000**	2010 US$'000
Balance brought forward		**(21,936)**	75,515
Cash flows from financing activities			
Interest paid		**(93)**	(98)
Repayment of borrowings		**(368)**	(352)
Net cash used in financing activities		**(461)**	(450)
Net (decrease)/increase in cash and cash equivalents		**(22,397)**	75,065
Cash and cash equivalents at 1 January		**122,639**	47,412
Effect of exchange rate fluctuations		**(124)**	162
Cash and cash equivalents at 31 December	7	**100,118**	122,639

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 26 March 2012.

1. DOMICILE AND ACTIVITIES

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

The principal activities of the Company are those relating to an investment holding company while those of its subsidiaries consist primarily of making strategic investments with the objective of increasing the consolidated net asset value through long-term strategic private equity investments in consumer-related businesses, primarily in the hospitality, healthcare and lifestyle sectors including related distinctive real estate, 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 (IFRSs).

The financial statements have been prepared on a fair value basis, except for certain items which are measured on a historical cost basis less impairment as appropriate. The financial statements are presented in thousands of United States dollars (US$'000), which is the Company's functional currency, unless otherwise stated.

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

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

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

- Note 2.3 – Determination of functional currencies of Group entities
- Note 5 – Valuation of investment properties
- Note 9 – Valuation of Management Shares and share options
- Note 22 – Fair value of unquoted investments in joint ventures

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

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.

2.2 Consolidation

Business combinations

Business combinations are accounted for using the acquisition method 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.

Transactions costs, 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.

Any contingent consideration payable is measured at fair value at the acquisition date. 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.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Consolidation (Cont'd)

Acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. 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.

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.

Loss of control

On 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. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and joint ventures that are held as part of the Group's investment portfolio are carried in the statement of financial position at fair value through profit or loss even though the Group may have significant influence or joint control over those companies. This treatment is permitted by IAS 28 *Investments in Associates* and IAS 31 *Interests in Joint Ventures* which requires investments held by venture capital organisations to be excluded from 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.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Functional currencies

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

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

- The principal activities of the Company are those relating to an investment holding company. Funding is obtained in US dollars through the issuance of ordinary shares and loans are advanced to subsidiaries for their investment purposes.
- The principal activities of the subsidiaries are those relating to making strategic investments. Functional currencies of the subsidiaries are determined based on the currency in which the obligations arising from the acquisition of investments are settled and of the market in which they operate as these economic forces influence the carrying value of the investments.

2.4 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional 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 in the statement of comprehensive income 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. 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.

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.

Non-derivative financial instruments

Non-derivative financial instruments comprise financial assets at fair value through profit or loss, other receivables and prepayments, cash and cash equivalents, accrued operating expenses and other payables.

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

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Financial instruments (Cont'd)

Non-derivative financial instruments (Cont'd)

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

Cash and cash equivalents

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.

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

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

Financial assets at fair value through other comprehensive income

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

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

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

Others

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

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Financial instruments (Cont'd)

Share capital

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

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

2.6 Investment properties

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

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

2.7 Impairment

Financial assets

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

An impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

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

All impairment losses are recognised in 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.

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.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Impairment (Cont'd)

Non-financial assets (Cont'd)

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

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

2.8 Share-based payments

The share option programme allows the option holders to acquire shares of the Company. The fair value of options granted to the Investment Manager is recognised as an expense in profit or loss in the statement of comprehensive income with a corresponding increase in equity. The fair value is measured when the services are received and spread over the period during which the Investment Manager becomes unconditionally entitled to the options.

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

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

2.9 Revenue recognition

Dividends

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

Interest income

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

2.10 Finance expense

All borrowing costs are recognised in 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.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Income tax expense (Cont'd)

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 and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

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, warrants and share options granted to Investment Manager.

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.

Notes to the Financial Statements

3. INTERESTS IN JOINT VENTURES

	2011 **US$'000**	2010 US$'000
Investments in joint ventures		
Unquoted equity securities at cost	**5,999**	5,402
Unquoted redeemable convertible preference shares at cost	**5,540**	5,540
	11,539	10,942
Balances with joint ventures		
Loans to joint ventures	**93,137**	95,259
Interest receivable	**48,427**	35,426
Disbursements	**173**	172
	141,737	130,857
Fair value adjustments	**(21,009)**	(15,788)
	132,267	126,011

Details of joint ventures are set out in note 24.

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 joint control over the financial and operating policies of these companies. Accordingly, these companies are considered to be joint ventures in accordance with IAS 31 *Interests in Joint Ventures*, and measured at fair value in accordance with the accounting policy set out in note 2.2.

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

- First and second loans to SG Land Co. Limited with the principal amounts of THB225,000,000. The loans are unsecured, bear interest at 15% per annum and are repayable within 9 years starting from the drawdown date;
- Third loan to SG Land Co. Limited with the principal amount of 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. The loan is unsecured, bears interest at 15% per annum and is repayable in tenth year starting from the drawdown date;
- Loan to Well Round Holdings Limited with the principal amount of JPY258,900,000. The loan is unsecured, interest free and has no fixed terms of repayment.

As the settlement of these loans to joint ventures is neither planned nor likely to occur in the foreseeable future, they are in substance a part of the Group's net investments in these joint ventures.

Included in the loans to the joint ventures are balances totalling US$82,696,000 (2010: US$86,795,000) which are/or will be subordinated to bank loans obtained/or to be obtained by certain joint ventures.

Notes to the Financial Statements

3. INTERESTS IN JOINT VENTURES (CONT'D)

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

	2011 US$'000	2010 US$'000
Loans to joint ventures		
Thai Baht	**89,770**	95,259
Japanese Yen	**3,367**	–
Interest receivable		
Thai Baht	**48,427**	35,426

The valuation of the Group's investment in 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 22.

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2011 US$'000	2010 US$'000
Non-current		
Quoted equity securities	**101,973**	102,452
Quoted units in real estate investment trust	**49,147**	45,747
	151,120	148,199
Current		
SGD interest rate certificates	**2,694**	–
	2,694	–

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, Singapore Exchange Securities Trading Limited and SGD interest rate certificates with UBS Bank comprising US$101,973,020 (2010: US$102,451,372) and US$51,840,362 (2010: US$45,747,234) denominated in Thai Baht and Singapore Dollars, respectively.

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

The Group's exposure to currency interest rate and price risks and fair value information related to other investments are disclosed in Note 22.

Notes to the Financial Statements

5. INVESTMENT PROPERTIES

	2011 US$'000	2010 US$'000
At 1 January	**9,103**	8,506
Effect of movements in exchange rates	**7**	(20)
Balance payment for the purchase of investment properties	**29**	–
Change in fair value	**373**	617
At 31 December	**9,512**	9,103

a) All of the investment properties are situated in Macau.

b) All investment properties of the Group were revalued as at 31 December 2011 on an open market value basis assuming sales with vacant possession. The valuations were carried out by an independent firm of surveyors, Midland Surveyors, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

6. OTHER RECEIVABLES AND PREPAYMENTS

	2011 US$'000	2010 US$'000
Non-current		
Loan to joint venture partner	**1,000**	1,000
Interest receivable	**64**	43
Loans and other receivables	**1,064**	1,043
Prepayments	**668**	47
	1,732	1,090
Current		
Interest receivable	**228**	163
Other receivables	**121**	97
Deposit for purchase of investment property	**1,000**	1,000
Other assets	**191**	174
Loans and other receivables	**1,540**	1,434
Other prepayments	**78**	81
	1,618	1,515

The loan to a joint venture partner is unsecured, bears interest at 2% per annum and is repayable by October 22, 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.

Symphony International Holdings Limited and its subsidiaries
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7. CASH AND CASH EQUIVALENTS

	2011	2010
	US$'000	US$'000
Fixed deposits with financial institutions	**93,361**	119,684
Cash at bank	**6,757**	2,955
	100,118	122,639
Cash and cash equivalents in the consolidated statement of cash flows	**100,118**	122,639

The effective interest rate on fixed deposits with financial institutions as at 31 December 2011 was 0.05% to 0.25% (2010: 0.05% to 0.25%) per annum. Interest rates reprice at intervals of one to four weeks.

8. SHARE CAPITAL

Company	**2011 Number of shares**	2010 Number of shares
Fully paid ordinary shares, with no par value:		
At 1 January	**344,439,211**	338,259,976
Shares issued during the year	**2,059,745**	6,179,235
At 31 December	**346,498,956**	344,439,211

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.

During the year, 2,059,745 ordinary shares were issued at a value of US$1,240,000 at US$0.6022 per share (2010: 6,179,235 ordinary shares at a value of US$3,328,000 at US$0.539 per share) were issued pursuant to the issue of management shares under the investment management and advisory agreement with Symphony Investment Managers Limited.

As at 31 December 2011, the issued share capital of the Company included 16,625,451 (2010: 14,565,706) ordinary shares credited as fully paid in consideration for share placement and investment management and advisory services rendered to the Company. At the financial reporting date, 108,565,365 (2010: 108,565,365) warrants and 82,782,691 (2010: 82,782,691) share options were outstanding in the share capital of the Company (refer to note 17).

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 18 for more details).

Notes to the Financial Statements

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 18).

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

Management Shares

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

- Financial assets at fair value through profit or loss are stated at fair value and the carrying amounts of other financial assets and liabilities approximate their fair values.

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

Subsequent to the listing on 3 August 2007, the fair value of the Management Shares for each quarter is determined based on the market price of the shares at each measurement date, being the relevant quarter-end for each quarter, adjusted to take into account the terms and conditions (other than vesting conditions) upon which the Management Shares are granted.

The fair value of Management Shares as at each reporting date is as follows:

	2011 **US$**	2010 US$
31 March	**0.70**	0.65
30 June	**0.78**	0.62
30 September	**0.73**	0.68
31 December	**0.59**	0.67

During 2011, 2,059,745 (2010: 6,179,235) Management Shares were allotted to the Investment Manager in the form of ordinary shares.

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.

Notes to the Financial Statements

9. RESERVES (CONT'D)

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

	Exercise price 2011	Number of options 2011	Exercise price 2010	Number of options 2010
Outstanding at 1 January and 31 December	US$1.00	82,782,691	US$1.00	82,782,691
Exercisable at 31 December	US$1.00	73,030,209	US$1.00	56,473,671

Fair value of share options and assumptions

	31 December 2010	31 March 2011	30 June 2011	30 September 2011	31 December 2011
Fair value	US$0.55	US$0.57	US$0.62	US$0.56	US$0.44
Share price	US$0.67	US$0.70	US$0.78	US$0.73	US$0.59
Exercise price	US$1.00	US$1.00	US$1.00	US$1.00	US$1.00
Expected volatility	102.9%	99.8%	97.1%	97.2%	96.4%
Expected option life	7.6 years*	7.3 years*	7.1 years*	6.9 years*	6.6 years*
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk-free interest rate	3.59%	3.73%	3.5%	2.15%	2.06%

* On 3 August 2008, the Company granted 82,782,691 share options to the Investment Manager, which had been previously deferred (refer to note 18 to the financial statements). These share options will expire on the tenth anniversary of the actual grant date, which has been similarly deferred by 1 year as a result of the deferment of the grant.

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

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

10. FINANCIAL LIABILITIES

	2011 US$'000	2010 US$'000
Non-current		
Interest-bearing term loans (secured)	**981**	1,408
Current		
Current portion of interest-bearing term loans (secured)	**372**	385

Interest-bearing term loans are denominated in Thai Baht and are secured on the Group's interests in the equity securities of a joint venture, without recourse to Symphony International Holdings Limited. Interest is charged at the bank's minimum lending rate less 1% per annum and reprices on a monthly basis. The effective interest rate as at 31 December 2011 is 6.25% (2010: 6.12%) per annum. The borrowings are repayable in equal monthly instalments within a period of 9 years from the date of drawdown.

Notes to the Financial Statements

11. DEFERRED TAX LIABILITIES

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

	At 1 January 2010 US$'000	Recognised in profit or loss (note 16) US$'000	At 31 December 2010 US$'000	Recognised in profit or loss (note 16) US$'000	At 31 December 2011 US$'000
Deferred tax liabilities					
Interest receivables	–	–	–	671	671

12. AMOUNTS DUE TO NON-CONTROLLING INTEREST (NON-TRADE)

The non-trade amounts due to non-controlling interest are unsecured, interest-free and have no fixed term of repayment. The settlement of the amounts is neither planned nor likely to occur in the foreseeable future. As the amounts are in substance, a part of the non-controlling interest's net investment in a subsidiary, they are stated at cost less impairment.

13. OTHER PAYABLES

	2011 US$'000	2010 US$'000
Accrued operating expenses	**206**	214
Other payables	**4**	163
Amount due to directors	**108**	–
Amount due to Investment Manager (non-trade)	**10**	2
Interest payable	**2**	2
Withholding tax payable	**7,116**	5,349
	7,446	5,730

14. 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

15. (LOSS)/PROFIT BEFORE INCOME TAX

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

	2011 US$'000	2010 US$'000
Other operating income		
Interest income from:		
- fixed deposits and placements in money market fund	**196**	197
- loans to joint ventures	**14,085**	14,325
- loans to investee companies	**76**	89
Foreign exchange gain	**–**	4,212
	14,357	18,823
Other operating expenses		
Interest expense	**(93)**	(98)
Foreign exchange loss	**(617)**	–

16. INCOME TAX EXPENSE

	2011 US$'000	2010 US$'000
Current tax expense		
Current year	**100**	351
Foreign withholding tax	**2,242**	2,231
Under/(Over) provision in prior years	**37**	(141)
	2,379	2,441
Deferred tax expense		
Origination and reversal of temporary differences	**186**	–
Under provision in prior year	**485**	–
	671	–
Income tax expense	**3,050**	2,441

Reconciliation of effective tax rate

	2011 US$'000	2010 US$'000
(Loss)/Profit before income tax	**(7,469)**	45,253
Tax at applicable rates to profits in relevant jurisdiction	**435**	6,975
Tax exempt revenue	**(460)**	(394)
Income not subject to tax	**(1,475)**	(6,222)
Expenses not deductible for tax purposes	**4,177**	2,370
Tax credit	**(2,391)**	(2,418)
Foreign withholding tax	**2,242**	2,271
Under/(Over) provision in prior years	**522**	(141)
	3,050	2,441

Notes to the Financial Statements

16. INCOME TAX EXPENSE (CONT'D)

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

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

17. EARNINGS PER SHARE

	2011	2010
	US$'000	US$'000
Basic and diluted earnings per share are based on:		
Net (loss)/profit for the year attributable to ordinary shareholders	**(10,544)**	42,767

Basic earnings per share

	Number of shares	
	2011	2010
- Issued ordinary shares at 1 January	**344,439,211**	338,259,976
- Effect of management shares issued	**846,471**	2,076,674
Weighted average number of shares at 31 December	**345,285,682**	340,336,650

Diluted earnings per share

	Number of shares	
	2011	2010
Weighted average number of shares (basic)	**345,285,682**	340,336,650
Effect of contingently issuable shares (Management Shares)	**–**	4,119,491
Weighted average number of shares (diluted) at 31 December	**345,285,682**	344,456,141

As at 31 December 2011, contingently issuable Management Shares of 2,059,746 shares, 108,565,365 warrants (2010: 108,565,365), 82,782,691 share options (2010: 82,782,691) were excluded from diluted weighted average number of shares calculation as their effect would have been anti-dilutive.

At at 31 December 2010, 108,565,365 warrants and 82,782,691 share options were excluded from diluted weighted average number of shares calculation as their effect would have been anti-dilutive.

Notes to the Financial Statements

18. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

Key management personnel compensation

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

During the financial year, directors' fees amounting to US$300,000 (2010: US$300,000) were declared as payable to certain directors of the Company. The remaining directors of the Company are also directors of the Investment Manager who provides management and administrative services to the Group on an exclusive and discretionary basis. No remuneration has been paid to these directors as the cost of their services form part of the Investment Manager's remuneration.

Other related party transactions

Management fees amounting to US$8,920,776 (2010: US$8,133,991) paid to a company in which certain directors have substantial financial interests and the Investment Manager, respectively, have been recognised in the consolidated financial statements.

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

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

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

  In determining the maximum number of Management Shares which may be issued, consideration will be made for the consolidated net asset value after the proposed issue of Management Shares such that the consolidated net asset value per share does not decrease below the offering price of US$1.00 per share; and

Notes to the Financial Statements

18. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Other related party transactions (Cont'd)

- Share options to subscribe for ordinary shares of the Company. On 3 August 2007, the date of admission to the official list of the London Stock Exchange, the Investment Manager was to be granted options to subscribe for ordinary shares at an exercise price equal to the offering price of the shares, and after the date of admission, the Investment Manager will be granted options to subscribe for ordinary shares at an exercise price of US$1.25 per share upon issuance of ordinary shares from the exercise of warrants. The total number of share options that may be granted will be such that the number of shares issued upon their exercise cannot exceed 20% of the share capital of the Company immediately following the issue of such shares (assuming full exercise of all share options granted but disregarding issued Management Shares). In addition, the Investment Manager will be granted share options upon issuance of ordinary shares from the exercise of warrants, such that the maximum number of shares to be issued upon the exercise of these options will not exceed 20% of the increase in share capital, which includes (a) the increase in the number of shares issued pursuant to the exercise of warrants, and (b) the number of shares to be issued assuming all the share options thus granted have been exercised.

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

Pursuant to the Investment Management and Advisory Agreement, the Investment Manager was granted 82,782,691 share options to subscribe for ordinary shares at US$1 each on 3 August 2008. The options vest in five equal tranches with the first through fourth tranches having vested on 3 August 2008, 2009, 2010 and 2011, respectively. The remaining fifth tranche will vest on 3 August 2012. The share options will expire on the tenth anniversary of the date of grant. In addition, Management Shares 8,238,980 ordinary shares in the Company have been issued to the Investment Manager since admission. A further 2,059,746 ordinary shares in the Company become eligible for issue on 4 August 2012, provided certain conditions are met.

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

19. COMMITMENTS

In September 2008, the Group entered into a loan agreement with a joint venture to grant loans totalling THB140 million (US$4.4 million equivalent at 31 December 2011) to the latter in accordance with the terms as set out therein. As at 31 December 2011, THB120 million (US$3.8 million equivalent at 31 December 2011) has been drawn down 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 2011) to the joint venture, subject to terms set out in the agreement.

Pursuant to an agreement entered into in January 2011, the Group along with certain partners placed a deposit in relation to the purchase of a second property in Niseko, Japan. On 21 March 2012, the Group advanced an additional amount to the joint venture company in order to fund its share of the balance consideration that is payable on 30 March 2012.The Group's investment in this property (deposit placed and advance made to the joint venture company) amount to less than 2% of NAV.

Notes to the Financial Statements

19. COMMITMENTS (CONT'D)

In October 2011, the Group entered into a joint venture agreement to subscribe for redeemable convertible preference shares and ordinary shares in a company engaged in resort property development in Malaysia. Subsequent to year end, the Group invested MYR90.0 million and is subject to certain contingent conditions (Further details are set out in Note 25).

In December 2011, the Group entered into an agreement to subscribe for convertible preference shares in a company, which has businesses that produce and market luxury leather accessories under the Maison Takuya brand name. The investment amount is less than 2% of NAV and was made on 3 January 2012 (Further details are set out in Note 25). In addition, the Group may make further investments in Maison Takuya, and the aggregate investment is expected to be less than 2% of NAV.

20. 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 2011, total outstanding loans amounted to THB85,359,380.12 (equivalent to US$2,705,527) (2010: THB107,809,931, equivalent to US$3,586,491), of which THB42,679,690 (equivalent to US$1,352,764) (2010: THB53,904,965, equivalent to US$1,793,246) has been recognised as financial liabilities by the Group.

21. 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) in addition to capitalised expenses associated with a new healthcare project in Asia
Hospitality	Includes investment in Minor International Public Company Limited (MINT)
Lifestyle	Includes investments in C Larsen (Singapore) Pte Ltd and AFC Network Private Limited
Lifestyle/Real Estate	Includes investments in Minuet Ltd, SG Land Co. Ltd and a property joint venture in Niseko, Hokkaido, Japan, in addition to investment properties in Macau
Cash and temporary investments	Includes government securities or other investment grade securities, liquid investments which are managed by third party investment managers of international repute, and deposits placed with commercial banks

Notes to the Financial Statements

21. 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$'000	Consolidated US$'000
2011						
Investment income:						
- Dividend income	2,705	1,295	–	–	–	4,000
- Interest income	16	–	21	14,064	256	14,357
- Unrealised gain in profit or loss	3,983	–	3,502	1,201	–	8,686
	6,704	1,295	3,523	15,265	256	27,043
Investment loss:						
- Unrealised loss in profit or loss	–	(8,962)	–	(9,327)	(133)	(18,422)
- Exchange loss	–	–	–	–	(617)	(617)
Other operating results						
- Income tax expense	–	(129)	(3)	(2,781)	(137)	(3,050)
Net investment results	6,704	(7,796)	3,520	3,157	(631)	4,954
2010						
Investment income:						
- Dividend income	2,536	1,191	–	–	–	3,727
- Exchange gain	–	–	–	–	4,212	4,212
- Interest income	9	–	20	14,325	257	14,611
- Realised gain	22,266	799	–	–	–	23,065
- Unrealised gain in profit or loss	11,515	14,768	882	640	–	27,805
	36,326	16,758	902	14,965	4,469	73,420
Investment loss:						
- Unrealised loss in other comprehensive income	–	–	–	(11,812)	–	(11,812)
Other operating results:						
- Income tax expense	–	(119)	–	(2,112)	(210)	(2,441)
Net investment results	36,326	16,639	902	1,041	4,259	59,167

Notes to the Financial Statements

21. OPERATING SEGMENTS (CONT'D)

	Healthcare US$'000	Hospitality US$'000	Lifestyle US$'000	Lifestyle/ real estate US$'000	Cash and temporary investments US$'000	Consolidated US$'000
2011						
Segment assets	49,332	101,973	14,463	129,237	103,875	398,880
2011						
Segment liabilities	–	–	–	2,534	7,531	10,065
2010						
Segment assets	45,916	102,451	11,312	126,029	122,640	408,348
2010						
Segment liabilities	–	–	–	2,461	5,709	8,170

Reconciliations of reportable segment profit or loss, assets and liabilities

	2011 US$'000	2010 US$'000
Profit or loss		
Net investments results	**4,954**	59,167
Unallocated amounts:		
- Other corporate expenses	**(15,473)**	(16,355)
Consolidated profit/(loss) for the year	**(10,519)**	42,812
Assets		
Total assets for reportable segments	**398,880**	408,348
Other assets	**181**	209
Consolidated total assets	**399,061**	408,557
Liabilities		
Total liabilities for reportable segments	**10,065**	8,170
Other liabilities	**–**	–
Consolidated total liabilities	**10,065**	8,170

Notes to the Financial Statements

21. OPERATING SEGMENTS (CONT'D)

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.

	Singapore US$'000	Hong Kong US$'000	Macau US$'000	Thailand US$'000	Others US$'000	Consolidated US$'000
2011						
Total revenue	2,705	–	–	1,295	–	4,000
Assets	153,378	337	9,523	230,234	5,589	399,061
Capital expenditure	–	–	–	–	–	–
2010						
Total revenue	2,536	–	–	1,191	–	3,727
Assets	169,351	316	9,113	227,718	2,059	408,557
Capital expenditure	–	–	–	–	–	–

22. FINANCIAL RISK MANAGEMENT

The Group's financial assets comprise mainly financial assets at fair value through profit or loss, other receivables, and cash and cash equivalents. The Group's financial liabilities comprise bank overdrafts, accrued operating expenses, and other payables. Exposure to credit, price, interest rate, foreign currency and liquidity risks arises in the normal course of the Group's business.

The 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 2010, bank deposits of US$119,993,100 were guaranteed by the government of the respective countries in which the deposits are placed. At 31 December 2011, a body funded by the government of the country in which the bank deposit of US$245,192 is placed provided a guarantee for a nominal amount.

Notes to the Financial Statements

22. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (Cont'd)

At 31 December 2011, the Group has credit risk exposure relating to fixed deposits placed with certain financial institutions and placements in money market funds totalling US$93,361,574 (2010: US$119,683,908). 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 ageing of loan and receivables that were not impaired at the reporting date was:-

	2011 **US$'000**	2010 US$'000
Not past due	**144,341**	133,334

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

Sensitivity analysis

	Profit or loss		**Profit or loss**	
	100 bp increase 2011 US$	**5 bp decrease 2011 US$**	**100 bp increase 2010 US$**	**5 bp decrease 2010 US$**
Deposits with financial institutions	**9,386**	**(469)**	80,956	(4,048)
Variable rate interest-bearing term loans	**(15,951)**	**798**	(19,827)	991
	(6,565)	**329**	61,129	(3,057)

Notes to the Financial Statements

22. FINANCIAL RISK MANAGEMENT (CONT'D)

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 and Japanese Yen as the currency position in these currencies is considered to be long-term in nature and foreign exchange risk is an integral part of the Group's investment decision and returns.

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

	2011					2010				
	Japanese Yen 2011 US$'000	Hong Kong Dollars 2011 US$'000	Singapore Dollars 2011 US$'000	Thai Baht 2011 US$'000	Others 2011 US$'000	Japanese Yen 2010 US$'000	Hong Kong Dollars 2010 US$'000	Singapore Dollars 2010 US$'000	Thai Baht 2010 US$'000	Others 2010 US$'000
Investment properties	**–**	**9,512**	**–**	**–**	**–**	–	9,103	–	–	–
Interests in joint ventures	**3,359**	**–**	**–***	**114,500**	**–**	–	–	–	115,785	–
Financial assets at fair value through profit or loss	**–**	**–**	**51,840**	**101,973**	**–**	–	–	45,747	102,451	4
Other receivables	**14**	**16**	**59**	**–**	**7**	–	25	42	–	–
Cash and cash equivalents	**50**	**31,801**	**65,425**	**26**	**1**	–	33,790	85,684	62	–
Long term loans	**–**	**–**	**–**	**(1,353)**	**–**	–	–	–	(1,793)	–
Accrued operating expenses	**–**	**(6)**	**(151)**	**(4)**	**(13)**	–	(7)	(154)	(2)	–
Other payables	**–**	**–**	**–**	**(4)**	**–**	–	-	–	(2)	(7)
Amounts due to non-controlling interest	**–**	**(504)**	**–**	**–**	**–**	–	(503)	–	–	–
Deferred tax payable	**–**	**–**	**(671)**	**–**	**–**	–	–	–	–	–
Withholding tax payable	**–**	**–**	**–**	**(7,106)**	**–**	–	–	–	(5,349)	–

* *Less than US$1,000*

Notes to the Financial Statements

22. FINANCIAL RISK MANAGEMENT (CONT'D)

Sensitivity analysis

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

	Profit or loss	
	2011	2010
	US$'000	US$'000
Singapore Dollars	**(11,650)**	(13,132)
Thai Baht	**(20,803)**	(21,115)
Hong Kong Dollars	**(4,082)**	(4,241)
Japanese Yen	**(342)**	Nil

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

Price risk

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

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

Sensitivity analysis

All of the Group's quoted equity investments are listed on either The Stock Exchange of Thailand or Singapore Exchange Securities Trading Limited. 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	
	2011	2010
	US$'000	US$'000
Quoted equity securities at fair value through profit or loss	**15,112**	14,820

A 10% decrease in the price of the equity securities 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.

Notes to the Financial Statements

22. FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk

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

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

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

		Cash flows			
	Carrying amount US$'000	Contractual cash flows US$'000	Within 1 year US$'000	After 1 year but within 5 years US$'000	After 5 years US$'000
2011					
Non-derivative financial liabilities					
Variable interest rate term loans	1,353	2,378	446	1,784	148
Amount due to non-controlling interest	504	504	–	–	504
Accrued operating expenses and other payables	330	330	330	–	–
	2,187	3,212	776	1,784	652
2010					
Non-derivative financial liabilities					
Variable interest rate term loans	1,793	2,964	468	1,872	624
Amount due to non-controlling interest	503	503	–	–	503
Accrued operating expenses and other payables	381	381	381	–	–
	2,677	3,848	849	1,872	1,127

Capital management

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

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

Notes to the Financial Statements

22. FINANCIAL RISK MANAGEMENT (CONT'D)

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:

Group	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
2011						
Interests in joint ventures	3	132,267	–	–	132,267	132,267
Financial assets at fair value through profit or loss	4	153,814	–	–	153,814	153,814
Other receivables and prepayments	6	–	2,604	–	2,604	2,604
Cash and cash equivalents	7	–	100,118	–	100,118	100,118
		286,081	102,722	–	388,803	388,803
Amounts due to non-controlling interest (non-trade)	12	–	–	504	504	504
Amount due to joint venture companies		–	–	–*	–*	–*
Other payables	13	–	–	7,446	7,446	7,446
Interest-bearing borrowings (secured)	10	–	–	1,353	1,353	1,353
		–	–	9,303	9,303	9,303

* Less than US$1,000

Notes to the Financial Statements

22. FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value (Cont'd)

Accounting classification and fair value (Cont'd)

Group	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
2010						
Interests in joint ventures	3	126,011	–	–	126,011	126,011
Financial assets at fair value through profit or loss	4	148,199	–	–	148,199	148,199
Other receivables and prepayments	6	–	2,477	–	2,477	2,477
Cash and cash equivalents	7	–	122,639	–	122,639	122,639
		274,210	125,116	–	399,326	399,326
Amounts due to non-controlling interest (non-trade)	12	–	–	503	503	503
Amount due to joint venture companies		–	–	–	–	–
Other payables	13	–	–	5,730	5,730	5,730
Interest-bearing borrowings (secured)	10	–	–	1,793	1,793	1,793
		–	–	8,026	8,026	8,026

Quoted investments

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

Unquoted investments

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

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.

Notes to the Financial Statements

22. FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value hierarchy for financial instruments

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
2011				
Financial assets at fair value through profit or loss (non-current)	151,120	–	–	151,120
Financial assets at fair value through profit or loss (current)	2,694	–	–	2,694
Investments in joint ventures	–	4,484	127,783	132,267
	153,814	4,484	127,783	286,081
2010				
Financial assets at fair value through profit or loss	148,367	–	–	148,367
Investments in joint ventures	–	3,804	122,207	126,011
	148,367	3,804	122,207	274,378

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.

	2011		2010	
	Investments in joint ventures US$'000	Total US$'000	Investments in joint ventures US$'000	Total US$'000
Balance at 1 January	122,207	122,207	108,500	108,500
Total gains or losses in profit or loss	(4,997)	(4,997)	(10,907)	(10,907)
Additions	6,177	6,177	14,943	14,943
Disbursements	173	173	173	173
Effect of movements in exchange rate	4,223	4,223	9,498	9,498
Balance at 31 December	127,783	127,783	122,207	122,207

Notes to the Financial Statements

22. FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value hierarchy for financial instruments (Cont'd)

Level 3 valuations (Cont'd)

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:

	2011		2010	
	Effect on profit or loss		Effect on profit or loss	
	Favourable US$'000	(Unfavourable) US$'000	Favourable US$'000	(Unfavourable) US$'000
Real estate related joint ventures	21,656	(17,536)	18,987	(18,964)

The favourable and unfavourable effects of using reasonably possible alternative assumptions have been calculated by recalibrating the valuation model using a range of different values. For rental properties, the projected rental rates and occupancy levels were increased by 5% for the favourable scenario and reduced by 5% for the unfavourable scenario. The discount rate used to calculate the present value of the future cash flow was also decreased by 1% for the favourable case and increased by 1% for the unfavourable case compared to the discount rate used in the year-end valuation. Based on market comparables and in consultation with third party valuation consultants, the sale price for land held was increased by 15% in the favourable scenario and reduced by 15% in the unfavourable scenario.

23. SUBSIDIARIES

Details of the subsidiaries of the Company are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Equity interest 2011 %	Equity interest 2010 %
Symphony Capital Partners Limited	Investment holding	Republic of Mauritius	**100**	100
Rank High Limited	Investment holding	Hong Kong S.A.R.	**92.1**	92.1
Symphony International Limited	Investment holding	Republic of Mauritius	**100**	100
Symphony Investment Management Limited and its subsidiary:	Investment holding	British Virgin Islands	**100**	100
Daphon Holdings Pte. Ltd.	Investment holding	Republic of Singapore	**100**	100
Lennon Holdings Limited and its subsidiary:	Investment holding	Republic of Mauritius	**100**	100
Britten Holdings Pte. Ltd.	Investment holding	Republic of Singapore	**100**	100
Teurina Limited	Investment holding	British Virgin Islands	**100**	100

Notes to the Financial Statements

23. SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Place of incorporation and business	Equity interest 2011 %	2010 %
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**	100
Pavaroitti International Limited	Investment holding	Republic of Mauritius	**100**	100
True United Limited	Investment holding	British Virgin Islands	**100**	100
True Wisdom Limited	Investment holding	British Virgin Islands	**100**	100
Adema Holdings Limited	Investment holding	British Virgin Islands	**100**	–
Anshil Limited	Investment holding	British Virgin Islands	**100**	–
Buble Holdings Limited	Investment holding	British Virgin Islands	**100**	–
O'Sullivan Holdings Limited and its subsidiary:	Investment holding	British Virgin Islands	**100**	–
Bacharach Holdings Limited	Investment holding	British Virgin Islands	**100**	–

Notes to the Financial Statements

24. JOINT VENTURES

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

Name of joint venture	Principal activities	Place of incorporation and business	Ordinary shares Equity interest 2011 %	Ordinary shares Equity interest 2010 %	Preference shares Equity interest 2011 %	Preference shares Equity interest 2010 %
La Finta Limited	Investment holding	Thailand	**49**	49	**–**	–
Minuet Limited	Property development	Thailand	**49.98**	49.98	**–**	–
SG Land Co. Limited	Real estate	Thailand	**49.89**	49.89	**–**	–
AFC Network Private Limited	Television broadcasting	Republic of Singapore	**–**	–	**18.69**	17.48
C Larsen (Singapore) Pte Ltd	Investment holding	Republic of Singapore	**0.1**	0.1	**100**	100
Chanintr Living Limited	Distribution of furniture	Thailand	**0.1**	0.1	**–**	–
Well Round Holdings Limited	Investment holding	Hong Kong	**30**	–	**–**	–
Silver Prance Limited	Investment holding	Hong Kong	**30**	–	**–**	–

Notes to the Financial Statements

25. SUBSEQUENT EVENTS

On 3 January 2012, the Group completed its investment in Maison Takuya, a boutique luxury leather goods brand. The investment was less than 2% of NAV and the Group has a contingent commitment to invest additional amounts in the future whereby the total investment will be less than 2% of NAV.

On 20 January 2012, the Group entered into an agreement to increase its shareholding by 7.5% in a joint venture company developing a property in Niseko, Hokkaido, Japan.

On 31 January 2012, the Group completed its investment in a joint venture company (alongside an affiliate of Destination Resorts and Hotels Sdn Bhd, a hotel and destination resort investment subsidiary of Khazanah Nasional Berhad), to develop an Amanresorts club and villa property in Malaysia, which was previously announced on 5 October 2011. The cost of the investment was US$29.0 million.

On 8 February 2012, the Group completed its investment in Integrated Healthcare Hastaneler Turkey Sdn Bhd ("IHT") for US$50 million. IHT is the controlling shareholder of Acibadem Saglik Yatirimlari Holding A.S. and is owned by Integrated Healthcare Holdings Sdn Bhd, the healthcare subsidiary of Khazanah Nasional Berhad, the investment holding arm of the government of Malaysia.

On 10 February 2012, the Group increased its shareholding in PREIT by 2,685,000 shares, representing a further investment of approximately US$3.7 million. As a result, the Group's shareholding in PREIT increased from 5.92% to 6.36%.

On 21 March 2012, the Group advanced an amount of less than 2% of NAV to a joint venture company to fund its share of an acquisition of a second property in Niseko, Japan. The completion of the acquisition is expected on 30 March 2012.

26. 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 2011, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Company will be held at 8 Place Bel-Air, CH-1260 Nyon, Switzerland (Telephone: (41-22) 365-8111) on Monday, 30 April 2012 at 11.30 a.m. 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 2011.

ORDINARY RESOLUTIONS

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

1. 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 51,940,193 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.

2. 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 the Company's Warrant Instrument dated 31 July 2007 to extend the term of the exercise period of the existing warrants to subscribe for new Company Shares (the "Warrants") for an additional three years, such that unexercised Warrants would expire on 3 August 2015.

By order of the Board,

Anil Thadani
Director

Dated this 30 day of March 2012.

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 Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom no later than 48 hours before the Annual General Meeting. If the appointee is a corporation, this form must be executed under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

2. In order to qualify for attending the above Meeting, all instruments of transfers must be lodged with Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom not less than 48 hours before the time appointed for holding the Meeting or the adjourned Meeting (as the case may be).

3. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

4. The resolution of the Annual General Meeting will be passed by a simple majority of the votes validly cast, whatever be the number of shareholders present or represented at the Annual General Meeting. Each share is entitled to one vote.

5. Holders of Depository Interests should complete the Form of Direction enclosed with their Notice of Annual General Meeting.

6. Holders of Depositary 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 11 a.m. (BST) on Thursday, 26 April 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with instructing Capita IRG Trustees Limited via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a direction appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In any case your form of direction must be received by the Company's registrars no later than 11 a.m. (BST) on Thursday, 26 April 2012.

EXPLANATORY NOTES TO RESOLUTIONS OF THE NOTICE OF ANNUAL GENERAL MEETING

Resolution 1

The Company was granted authority by Shareholders at a General Meeting held on 12 August 2009 to establish a share purchase programme that would allow the Company to purchase up to 14.99 per cent of its own Shares. The Company is seeking Shareholders' approval to renew the authority for the Company to make market purchases of its own Shares.

The purpose of the share purchase programme would allow the Company to seek to address any imbalance between supply and demand for the Shares that may have reflected the difference between the published Net Asset Value per share and the price quoted for the Shares.

The resolution proposed in relation to this programme provides the authority of the Directors to purchase Shares that will last until the conclusion of the next Annual General Meeting, which is anticipated to take place in April 2013. The Company will utilise the authority to purchase Shares by either a single purchase or a series of purchases, when market conditions allow, with the aim of maximising the benefit to Shareholders.

Notice of Annual General Meeting

Resolution 2

The exercise period of the Company's Warrants will expire on 3 August 2012. The Company's Share price has consistently been below the exercise price of the Warrants of US$1.25. Accordingly, the Company's Warrantholders are currently unable to realise any value from the Warrants they hold, and it is unlikely they will be able to do so prior to the current expiration of the Warrant exercise period. The Warrants are therefore unlikely to be exercised.

The purpose of the extension of the Warrant exercise period is to allow more time for the Company's Share price to increase such that the Company's Warrantholders might exercise the Warrants they hold and the Company might have the opportunity to receive additional funds arising from the exercise of the Warrants. Given the Company's current NAV per Share (and assuming the Shares no longer trade at a discount to NAV), an exercise of the Warrants would provide the Company with additional capital without being economically dilutive to current Shareholders.

The resolution proposed in relation to the Warrants provides the Company with the authority to extend the exercise period of the Warrants by three years, such that the exercise period of the Warrants would expire on 3 August 2015. There is no guarantee that by extending the Warrant exercise period, the Company's Warrantholders will be able to realise value from the Warrants they hold or that the Company's Warrantholders will exercise their Warrants.

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 8 Place Bel-Air, CH-1260 Nyon, Switzerland on Monday, 30 April 2012 at 11.30 a.m.

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 resolutions may be found in the notice convening the Annual General Meeting.

ORDINARY RESOLUTIONS	FOR	AGAINST	VOTE WITHHELD
1. To authorise the Company to make market purchases of its own Shares.			
2. To extend the Warrant exercise period by three years to 3 August 2015			

Dated this ______________ day of ________________ 2012

Address ______________________________

____

Signature ______________________________

Notes

1. To be effective, this form of direction and the power of attorney or other authority (if any) under which it is signed, or a notarially or otherwise certified copy of such power or authority, must be deposited at Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU, United Kingdom no later than 11 a.m. (BST) on Thursday, 26 April 2012.
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 Depositary Interests, the person whose name appears first in the Register of Depositary 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 resolutions. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
6. Please indicate how you wish your votes to be cast by placing 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 resolutions.**
7. Depositary 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 8 Place Bel-Air, CH-1260 Nyon, Switzerland on Monday, 30 April 2012 at 11.30 a.m.

I/We[1] ____

of ____

being the registered holder(s) of ______________ Ordinary shares[2] in the share capital of Symphony International Holdings Limited (the "Company"), HEREBY APPOINT THE CHAIRMAN OF THE MEETING[3] or __________ of __________ as my/our proxy to attend and act for me/us and on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at 8 Place Bel-Air, CH-1260 Nyon, Switzerland on Monday, 30 April 2012 at 11.30 a.m. for the purposes of receiving the annual report, which includes the financial statements, for the year ended 31 December 2011, and considering and, if thought fit, passing the ordinary resolutions as set out in the notice convening the Meeting and at the Meeting (and at any adjournment thereof) to vote for me/us and in my/our name(s) in respect of such resolutions as indicated below. The complete wording of the resolutions may be found in the notice convening the Annual General Meeting.

ORDINARY RESOLUTIONS	FOR[4]	AGAINST[4]	VOTE WITHHELD[4]
1. To authorise the Company to make market purchases of its own Shares.			
2. To extend the Warrant exercise period by three years to 3 August 2015			

Dated this ______________ day of ______________ 2012 Signed[6]: ______________

Notes:

1. Full name(s) and address(es) to be inserted in BLOCK CAPITALS. The names of all joint registered holders should be stated.
2. Please insert the number of shares registered in your name(s) to which this proxy relates. If no number is inserted, this form of proxy will be deemed to relate to all the shares of the Company registered in your name(s).
3. If any proxy other than the Chairman of the Meeting is preferred, strike out "THE CHAIRMAN OF THE MEETING" and insert the name and address of the proxy desired in the space provided. If no name is inserted, THE CHAIRMAN OF THE MEETING will act as proxy. Any 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 RESOLUTIONS, PLACE AN 'X' IN THE BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST THE RESOLUTIONS, PLACE AN 'X' IN THE BOX MARKED "AGAINST". IF YOU WISH TO WITHHOLD YOUR VOTE ON THE RESOLUTIONS, PLACE AN 'X' IN THE BOX MARKED "VOTE WITHHELD".** If no direction is given, your proxy may vote or abstain as he/she think fit. Your proxy will also be entitled to vote at his/her discretion on any resolution properly put to the Meeting other than those referred to in the Notice convening the Meeting. 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' a 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 Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom not less than 48 hours before the time appointed for holding the Meeting or the adjourned Meeting (as the case may be).
8. The proxy need not be a member of the Company but must attend the Meeting in person (whether physically or by telephone dial-in) to represent you.
9. Completion and delivery of the form of proxy will not preclude you from attending

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