symphony
INTERNATIONAL HOLDINGS LIMITED

SYMPHONY INTERNATIONAL HOLDINGS LIMITED | ANNUAL REPORT 2012

Corporate Profile

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

Symphony International Holdings Limited (the "Company", "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 and lifestyle sectors (including branded real estate developments) 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.

Our business is structured as a permanent capital vehicle to enable us, where necessary, to take a long-term view of our investments. In contrast to traditional private equity funds, our decisions on investing and divesting are not influenced by restricted time frames.

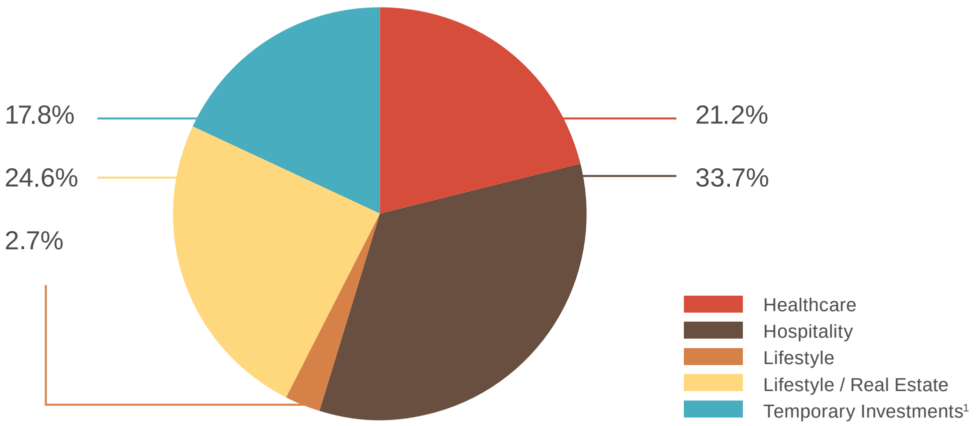
Typically, we invest in transactions that involve growth capital for later-stage development and expansion, management buy-outs/buy-ins, restructurings and special situations. Where we see a special opportunity, we may also invest a smaller portion of our investment capital in earlier-stage businesses.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

Our shares are traded on the London Stock Exchange's main market.

Providing for Consumer Demand in Asia

More affluent consumers in Asia are becoming more aspirational and demanding higher quality goods and services

NET ASSET VALUE BY SEGMENT
AT 31 DECEMBER 2012



Source: Company Information

[1] Temporary investments includes cash and cash equivalents, net of borrowings and working capital

Our strategy is to invest in, support and grow companies that are direct beneficiaries of increasing consumer demand in Asia. We focus on companies that operate in the healthcare, hospitality and lifestyle sectors including real estate development.

With increasing disposable income, countries in Asia are seeing more people transition to the middle and upper classes. By 2030, two-thirds of the world's middle class in purchasing power parity terms will be in Asia[1]. In 2011, the Asia-Pacific region had the largest population of high net worth individuals ("HNWI")[2] globally with 3.37 million people, which surpassed the number in North America for the first time and Europe for the second year running[3].

More affluent consumers in Asia are becoming more aspirational and demanding higher quality goods and services. In particular, discretionary spending is evolving and driving demand for better healthcare, increased travel in the region, leisure activities and high quality residential and vacation properties.

Our portfolio companies provide significant exposure across the sectors that specialise in and that benefit directly from the region's growing consumerism. Collectively, our portfolio companies own, operate and/or manage over:

- **4,900 licenced beds in 32 hospitals predominantly in Asia, in addition to other healthcare assets in the region**
- **Over 1,380 restaurant outlets**
- **Over 10,000 hotel rooms across 82 hotels and serviced suites**
- **Over 300 retail outlets and points of sale**
- **Over 27,500 square meters of prime commercial office space**
- **1.2 million square meters of land being developed and/or held for development**

We continue to increase our exposure to the Asia Pacific region in high growth consumer driven businesses that we believe will create value for our shareholders in the long run.

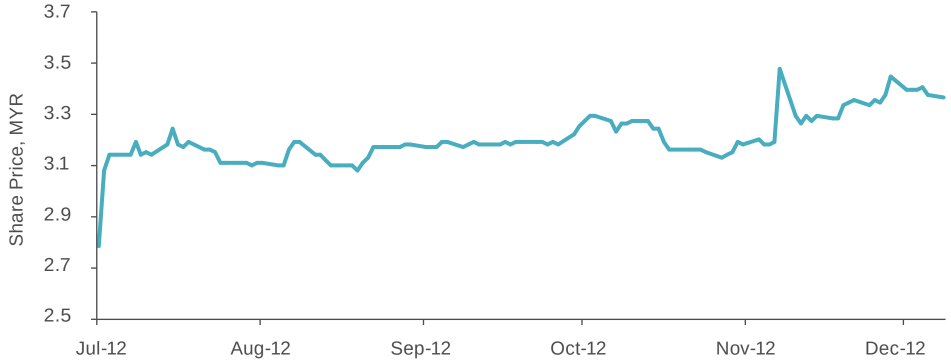
[1] OECD Development Centre – Working Paper No. 285: The Emerging Middle Class in Developing Countries, by Homi Kharas, January 2010

[2] Individuals with US$1 million or more at their disposal for investing

[3] Capgemini and RBC Wealth Management 2012 Asia-Pacific Wealth Management Report

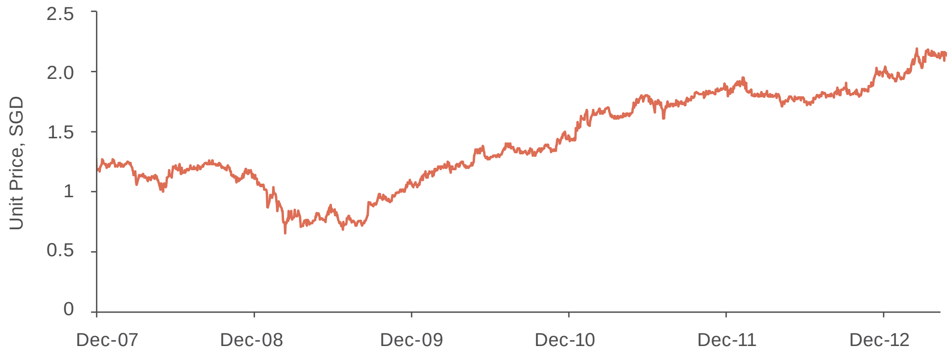
Investing in Healthcare

IHH HEALTHCARE BERHAD



Source: Bloomberg

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST



Source: Bloomberg

Symphony expanded its presence in the healthcare sector during 2012 with an investment in Integrated Healthcare Hastaneler Turkey Sdn Bhd ("IHT") alongside IHH Healthcare Berhad[4] ("IHH"), the healthcare subsidiary of Khazanah Nasional Berhad ("Khazanah"), the investment arm of the government of Malaysia. As part of the investment, Symphony agreed to convert its investment in IHT into an interest in IHH of equivalent value at the time of an initial public offering of IHH's shares. IHH completed its listing on the Singapore and Malaysian stock exchanges on 25 July 2012 and Symphony received 56.2 million shares in IHH pursuant to the agreed conversion formula.

Despite a challenging market at the time, IHH's share price performed well and at 31 December 2012 was 20.4% above its institutional IPO offering price. The fair value of Symphony's investment at 31 December 2012 was US$61.9 million or approximately 23.6% above investment cost, which takes into account foreign exchange gains.

Our investment in IHH provides exposure to one of the largest listed healthcare providers in the world by market capitalisation with a broad footprint in Asia and other fast growing emerging markets. The favourable share price performance since IHH's IPO validates the continued attractiveness of the sector and the quality of healthcare assets held by IHH.

Symphony's investment in Parkway Life Real Estate Investment Trust ("PREIT") continues to perform well. At the beginning of the year, Symphony increased its investment by acquiring a further 2.7 million units in PREIT. At 31 December 2012, the fair value of Symphony's investment in PREIT was US$67.1 million or approximately 2.0 times investment cost. Since investing in PREIT, Symphony has also received distributions of approximately US$11.5 million.

The defensive nature of healthcare and increasing demand for healthcare services and pharmaceuticals in Asia makes the long-term fundamentals for the sector attractive. Rising incomes, aging populations as well as other demographic changes will continue to drive demand for the foreseeable future.

Symphony's investment management team have been investing in healthcare in Asia for over 17 years and continue to believe there is considerable value that can be created in the long term for shareholders. We continue to explore a number of opportunities in this sector.

[4] Formerly Integrated Healthcare Holdings Sdn Bhd

The defensive nature of healthcare and increasing demand for healthcare services and pharmaceuticals in Asia makes the long-term fundamentals for the sector attractive

Growing Presence in Hospitality

The hospitality industry continues to expand rapidly and is being driven by domestic and regional business and leisure travel

Oaks Aspire – Ipswich, Brisbane

HOTEL ROOM GROWTH

RESTAURANT OUTLET GROWTH

Source: MINT Financial Reporting

Our principal investment in the hospitality sector is Minor International Pcl ("MINT"), one of the largest hospitality, restaurant and lifestyle businesses in Asia. MINT has continued to expand its footprint predominantly in Asia and at 31 December 2012 owned and/or operated over 1,380 restaurants and 82 hotels and serviced suites, in addition to retail and other lifestyle related businesses.

MINT has grown both organically and through acquisitions despite a difficult operating environment over the past several years with the global financial crisis, natural disasters in Asia and political unrest in Thailand. During 2012 alone, MINT invested in hotels and serviced suites in Thailand, Sri Lanka and Australia, launched several managed properties and invested in a new restaurant chain in China. MINT plans to grow its portfolio to 2,700 restaurants, 140 hotels and 300 retail outlets by 2016.

The hospitality industry continues to expand rapidly and is being driven by domestic and regional business and leisure travel. The growing middle class in Asia has an increasing appetite for travel, particularly those in India and China, whose domestic travellers far exceed those arriving from abroad. India has over 563 million domestic travellers, compared to only 5 million[5] international arrivals. In China these figures are even more pronounced, with 1.9 billion domestic travellers compared to only 52 million[6] arriving from abroad. Total regional trips in Asia increased by approximately 17% in 2010[7] and is a key driver going forward for the hospitality industry in Asia.

The strong fundamentals of the hospitality sector in Asia, as well as MINT group's strong management team and quality of assets, have contributed to the strong performance of our investment in MINT. At 31 December 2012, the fair value of Symphony's investment in MINT was US$205.5 million or approximately 3.1 times investment cost.

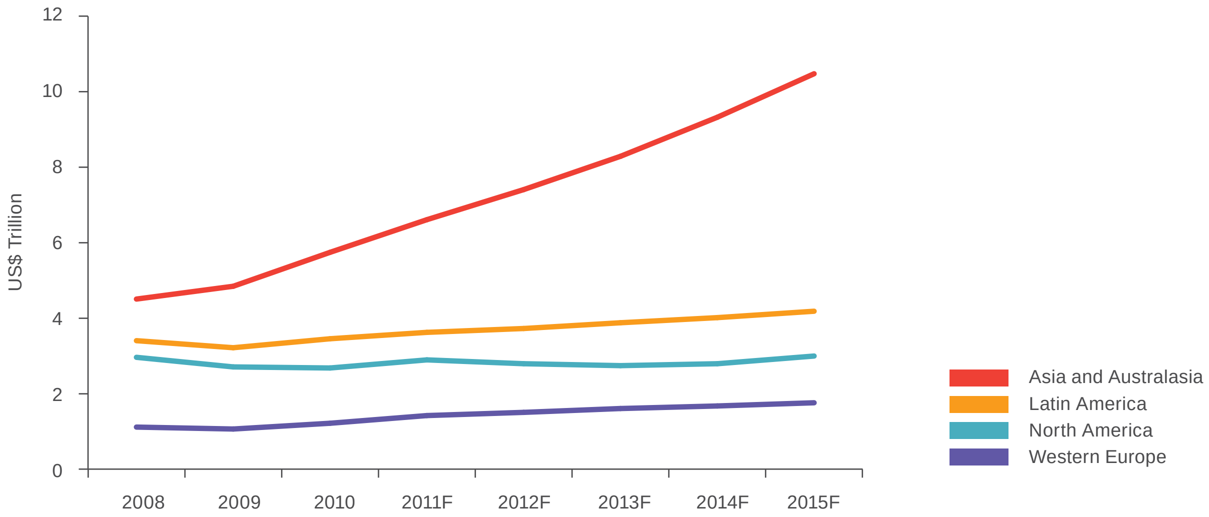
Symphony continues to work independently and with MINT to identify investment opportunities in the hospitality sector in Asia.

5 Deloitte: Hospitality 2012: Game changers or spectators (2010)
6 Deloitte: Hospitality 2012: Game changers or spectators (2010)
7 ITB World Travel Trends Report 2010/2011

Catering to Evolving Lifestyles

Retail sales in Asia and Australasia are forecast to increase at an annualised growth rate of 12.8% from 2008 to 2015, which compares to 3.0% and 0.2% in the United States and Western Europe, respectively

RETAIL SALES



Source: 2012 Outlook for the Retail and Consumer Products Sector in Asia, PwC

During 2012, Symphony increased its exposure to the leisure sector with one new investment and an incremental investment in an existing investee company.

In January 2012, Symphony invested in Privee Holdings Pte. Ltd, a company that operates businesses that produce and market luxury leather accessories under the Maison Takuya brand name. Since the initial investment, Symphony has invested additional amounts to support growth for this business.

We made an incremental investment in AFC Network Private Limited ("AFC"), which operates the Asian Food Channel, a 24-hour TV channel broadcasting food and lifestyle programming tailored to audiences in the Asia-Pacific region, to support its growth. AFC continues to see increased subscribers across Asia.

Other investments in this segment include C Larsen Singapore Pte. Ltd. ("C Larsen") that operates in Thailand under the brand name "Chanintr Living" as an importer and distributor of high-end U.S. and European furniture brands including Baker, Thomasville, Martha Stewart, Barbara Barry, Minotti, Christian Liaigre and Herman Miller. We continue to explore opportunities with the C Larsen group to expand its business further, particularly in Thailand as consumer spending grows.

Higher incomes and evolving tastes are driving demand and the propensity to consume in Asia. The Economist Intelligence Unit forecasts retail sales in Asia and Australasia to increase at an annualised growth rate of 12.8% from 2008 to 2015, which compares to 3.0% and 0.2% in the United States and Western Europe, respectively. We expect to see favourable growth in consumer demand for the foreseeable future and continue to explore new opportunities in this segment to build our portfolio.

Creating Branded Real Estate Assets

During 2012, Symphony invested in a property development joint venture in Malaysia and increased its interest in another joint venture that owns land in Japan. In addition we also exited our property investment in Macau.

In January 2012, Symphony invested in Desaru Peace Holdings Sdn Bhd ("Desaru"), a property joint venture with a Malaysian affiliate of Destination Resorts and Hotels Sdn Bhd, a hotel and destination resort investment subsidiary of Khazanah. Desaru is developing a beachfront country club and approximately 50 private villas on the south eastern coast of Malaysia. The development is connected to a championship golf course, and the club and villas will be branded and managed by Amanresorts. The villas are expected to be sold to corporate and individual buyers interested in acquiring a vacation property within a short drive from Singapore and southern Malaysia. Designs have been finalised and development is underway.

During 2012, Symphony increased its interest in a property joint venture that owns land in Niseko, Hokkaido, Japan from 30% to 37.5%. During the year, the joint venture company also completed the acquisition of a second adjacent land site. It is intended that the two properties will be redeveloped into an upmarket ski-resort development. During the second half of 2012, the demolition of two existing hotels on the land sites was completed in preparation for the redevelopment.

All four high-end residential apartments held by Symphony in One Central Residences, a development in Macau, were divested during 2012. The apartments were sold for US$9.0 million, representing a gain of approximately 53.8% over the Company's cost of investment.

At the beginning of 2012, Minuet Limited, a joint venture company with a Thai partner, completed the sale of approximately 11.1 hectares of land. The land sold represented approximately 14% of the total land held by Minuet and was concluded at a price of over 20% above the original purchase price. Minuet continues to consider various options for the remaining 67.7 hectares of land it holds in close proximity to central Bangkok, Thailand.

Other investments held by Symphony in the real estate sector include an interest in a joint venture company, SG Land Co., Ltd. ("SG Land"), that owns the leasehold rights over two office buildings in central Bangkok, Thailand. SG Land's two buildings have high occupancy rates and offers attractive and stable rental yields.

The growing upper and middle classes in Asia increasingly demand high-quality residential and leisure properties, which are in short supply. Property is a key asset class for HNWI portfolios in Asia and we believe demand for high quality properties will continue to increase.

The growing upper and middle classes in Asia increasingly demand high-quality residential and leisure properties, which are in short supply

Chairmen's Statement

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

left:
Interior design by Chanintr Living

South East Asia continued to be an attractive investment destination in 2012 and well run companies in the sectors where we invest experienced excellent business conditions. As a result, Symphony's investment performance in 2012 was strong, and, excluding the impact of the rights issue, NAV and NAV per share increased by 32.7% and 31.9%, respectively.

The Company's NAV at the end of 2011 was US$389.4 million. At the end of 2012 this had grown to US$609.8 million, partly due to net proceeds of US$93.0 million received from a rights issue completed in October 2012, at a discounted price of US$0.60 per share. Our investment portfolio has continued to perform well and by 14 February 2013[1], the Company's NAV per share was US$1.31 per share. The increase in the value of our investment portfolio since the rights issue has almost totally eliminated the dilutive effect of the rights issue on the NAV per share, which was US$1.34 at 30 September 2012.

During the year, we made three new investments, four follow-on investments and completed one exit. We continued to leverage our proprietary relationships to source these new transactions during the year without entering into any competitive processes.

Our investee companies performed well during the year. In the healthcare segment, our investments in IHH and PREIT continued to benefit from the rising demand for healthcare services and the expansion of healthcare related assets, respectively. IHH reported revenue and EBITDA growth of 110% and 109% in 2012 year-over-year. Excluding IHH's acquisition of Acibadem and the sale of medical suites at the Mount Elizabeth Novena hospital, revenue and EBITDA increased by 12% and 19%, respectively during the same period. This was due to rising inpatient volumes and more tertiary medical procedures, but was partially offset by start-up costs at Mount Elizabeth Novena, the Group's new state-of-the-art hospital in Singapore.

Our primary investment in the hospitality sector, MINT, continues to increase scale and benefit from a stronger economic environment in the region, particularly Thailand. MINT reported revenue and EBITDA growth of 21% and 35% (including share of profits and excluding non-recurring items) during 2012, respectively. Since 31 December 2011, MINT has expanded its number of owned and managed restaurant outlets by over 120, invested in a restaurant group in China and hotels in Australia, Vietnam, Thailand and Africa and continued to increase its portfolio of managed hotels. MINT has plans to almost double its portfolio of restaurants and hotels by 2016.

With respect to our real estate portfolio, we are excited about our club and villas development with Khazanah, the sovereign wealth fund in Malaysia. Work has commenced on the development which is located in Desaru, on the south eastern coast of Malaysia and will consist of a club and approximately 50 villas that will be contiguous to two championship golf courses. We hope to begin marketing this Amanresorts branded and managed property in 2014.

In Niseko, Japan, we completed the demolition of the existing two hotels on the sites acquired in 2011 and 2012 for redevelopment. Discussions are now ongoing with potential partners for the development and management of the project.

1 A warrant prospectus was published on 18 February 2013 and the latest practicable date NAV per share as at 14 February was calculated for disclosure in the prospectus.

Symphony's investment performance in 2012 was strong, and, excluding the impact of the rights issue, NAV and NAV per share increased by 32.7% and 31.9%, respectively

Chairmen's Statement (cont'd)

In March 2013, we announced that Minuet had sold another portion of land amounting to 2.7 hectares. Excluding transaction costs and foreign exchange gains, the sale was completed at a price of approximately 74% and 50% above cost and the last transacted price, respectively. We continue to explore development and sale options for Minuet's land holdings.

Our investment in SG Land continues to deliver attractive yields and we anticipate that the joint venture will benefit from rising demand for office properties in central Bangkok.

During the 2012 financial year, we also completed the sale of all four high-end apartments in the One Central Residences development in Macau. The sale of the four units was completed at a gain of approximately 53.8% above cost.

Our unlisted investments in the lifestyle sector are performing satisfactorily. C Larsen saw reasonable sales growth and AFC's subscription revenues improved. During the year, we made small follow-on investments related to AFC and Maison Takuya, the luxury leather goods company, to further support the development of these businesses. Our team continues to work on evaluating various opportunities and options for these companies.

Investment conditions remain attractive in our markets and, given the liquidity from some recent disposals and the rights issue, we are well positioned to take advantage of opportunities as they become available. We are presently evaluating a number of new investment opportunities that we envisage will be concluded during 2013. As long-term investors, we focus on investing in attractive businesses with the right partners at the opportune time and price. We are not governed by typical fund cycles and can focus on deploying capital expeditiously where we can see opportunities to add most value to maximise returns for our shareholders.

Our share price continues to trade at a significant discount to our NAV per share and narrowing this discount remains one of our biggest challenges.

The discount that our share price trades to NAV has narrowed somewhat from 47.1% to 43.0% between 31 December 2011 and 2012 and we intend to propose some additional initiatives to try and reduce the discount further. In the event that the discount at which our share price trades to NAV per share exceeds 35% in the three months leading to 30 September 2017, the Directors of Symphony intend to propose to shareholders the sale of investments to distribute at least 80% of the NAV, if the Directors reasonably consider

left:
Mount Elizabeth Novena Hospital, Singapore

that the cash proceeds from such sales will be sufficient to make the distribution.

You will see in the AGM Notice several resolutions to revise our Articles of Association, one of which is a proposal requiring us to seek our shareholders' approval before we can increase our Capital by issuing new shares if the issue price is at a discount of more than 15% to our then most recently published NAV per share. The resolution has all the details and we would recommend you review them.

We anticipate these measures will provide additional comfort to investors and provide additional impetus for our share price to more closely reflect the true value of the shares.

From a macro business point of view, we are optimistic about the outlook for the investment climate in Asia and the prospects for our portfolio and deal pipeline. There are uncertainties relating to political realities in some of our markets and these, in the medium term, create financial downside risks. However, there is evidence of some stabilisation in global financial markets and we believe the prospects for Asia are increasingly strong as growing domestic demand gradually reduces reliance on exports. Rising standards of living generally reduce the risk of significant political upheaval, and the lessening reliance on export markets should provide some additional buffer against further deterioration in the economic environment in Europe.

We are, as always, grateful to our shareholders and our business partners for their continued support in our investment approach and strategy. We will continue to work with our business partners to deliver growth in the value of your company in the coming years.

PIERANGELO BOTTINELLI
Chairman
Symphony International Holdings Limited

ANIL THADANI
Chairman
Symphony Investment Managers Limited

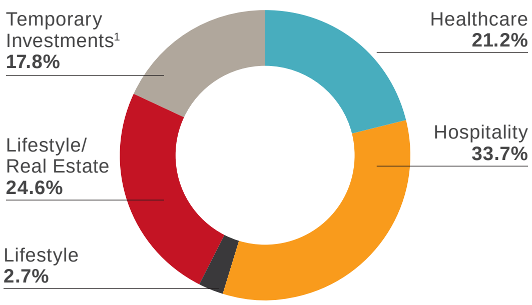
26 March 2013

above:
Chanintr Living Interiors

below:
Dining by design,
at the Anantara Golden Triangle

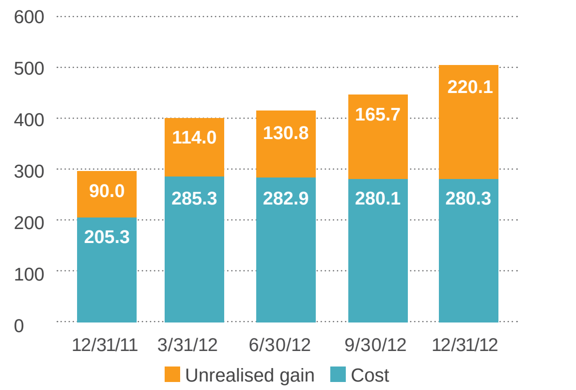
Financial Highlights

NAV BY SEGMENT
(31 DECEMBER 2012)



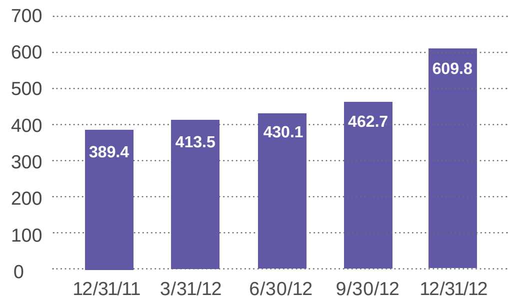
Note:
[1] Temporary investments includes cash and cash equivalents, net of borrowings and working capital.

VALUE OF PORTFOLIO INVESTMENTS[1,2]
(US$ MILLION)



Note:
[1] Portfolio investments exclude temporary investments.
[2] Unaudited

QUARTERLY NAV[1]
(US$ MILLION)



Note:
[1] Unaudited

KEY FINANCIAL HIGHLIGHTS

	GROUP		
As at 31 December	2010 US$'000	2011 US$'000	**2012** **US$'000**
Revenue	3,727	4,000	**5,342**
Other operating income	18,823	14,357	**17,623**
Profit/(Loss) after tax[1]	42,812	(10,519)	**118,340**
Total assets	408,557	399,061	**627,540**
Total liabilities	8,170	10,065	**17,729**
Total shareholders' equity	400,387	388,996	**609,811**
NAV[2]	400,172	389,429	**609,807**
No. of shares outstanding	344,439	346,499	**515,225**
NAV per share	1.16	1.12	**1.18**

[1] Profit/(Loss) after tax in 2010, 2011 and 2012 includes expenses for management shares (2010: US$0.9 million, 2011: US$0.6 million, 2012: US$0.2 million) and share options not yet exercised (2010: US$5.8 million, 2011: US$4.2 million, 2012: US$3.4 million).
[2] Net asset value is based on the sum of our cash and cash equivalents, temporary investments, the fair value of unrealised investments (including investments in subsidiaries and associates) and any other assets, less any other liabilities and is unaudited.

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 2012 through 31 December 2012, referred to as "the year ended 31 December 2012".

OUR BUSINESS

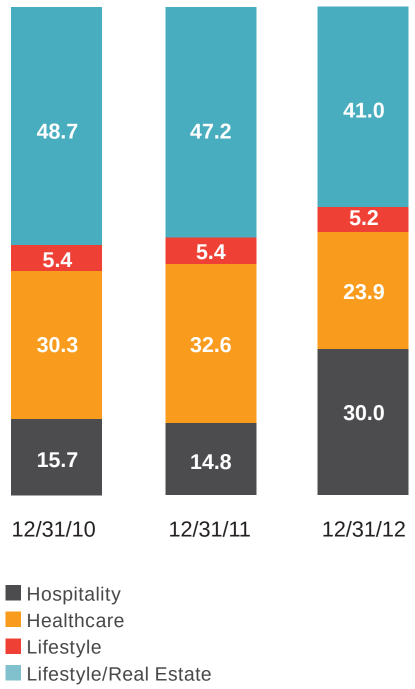
SIHL is an investment company incorporated under the laws of the British Virgin Islands. The Company's shares were listed on the London Stock Exchange on 3 August 2007. SIHL's investment objective is to create value for shareholders through longer term strategic investments in high growth innovative consumer businesses, primarily in the healthcare, hospitality and lifestyle sectors (including branded real estate developments), which are expected to be among the fastest growing sectors in Asia, as well as through investments in special situations and structured transactions. SIHL's Investment Manager is Symphony Investment Managers Limited and the Investment Advisor is Symphony Asia Holdings Pte. Ltd. Symphony Asia Limited is the investment consultant to the Investment Manager.

INVESTMENTS

During the 2012 fiscal year, SIHL invested US$93.7 million, bringing the total amount invested since admission to the Official List of the London Stock Exchange in August 2007 to US$315.4 million. SIHL's total cost of investments after taking into account shareholder loan repayments and the cost of realised investments was US$280.3 million at 31 December 2012 from US$205.3 million a year earlier. As at 31 December 2012, the healthcare, hospitality, lifestyle and lifestyle / real estate sectors accounted for 30.0%, 23.9%, 5.2% and 41.0% of total cost of investments, respectively.

The fair value of investments, excluding temporary investments, held by SIHL increased to US$501.3 million at 31 December 2012 from US$295.3 million a year earlier. This increase comprised investments made during the year that amounted to US$93.7 million, an increase in the value of investments by US$134.6 million reduced by shareholder loan repayments and the total value of exited investments of US$22.2 million.

COMPOSITION OF PORTFOLIO INVESTMENTS BY COST (%)



COST AND FAIR VALUE OF INVESTMENTS

	GROUP AS AT 31 DECEMBER 2012		
	Cost (US$)	Fair value (US$)	% of NAV
Healthcare	84,096,374	129,230,682	21.2%
Hospitality	66,954,402	205,524,904	33.7%
Lifestyle	14,457,085	16,376,328	2.7%
Lifestyle/Real Estate	114,802,545	150,163,123	24.6%
Subtotal	280,310,405	501,295,038	82.2%
Temporary investments		108,512,075	17.8%
Net asset value[1]		609,807,113	100.0%

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

Investment Manager's Report (cont'd)

As at 31 December 2012, we had the following investments:

MINOR INTERNATIONAL PUBLIC COMPANY LIMITED

Minor International Pcl ("MINT") is one of the largest hospitality and restaurant companies in the Asia Pacific region. MINT owns 28 hotels and manages 54 other hotels and serviced suites with over 10,000 rooms. The hotels are represented under prominent brands such as the Four Seasons, St. Regis, Marriott, Anantara, Oaks and others in Australia, New Zealand, China, Thailand, Vietnam, Indonesia, Maldives, Sri Lanka, Tanzania, Kenya, Malaysia and the Middle East. MINT also owns and operates over 1,380 restaurants under The Pizza Company, Swensen's, Sizzler, Dairy Queen, Burger King, Thai Express, Beijing Riverside and Courtyard, Ribs and Rumps and The Coffee Club brands.

MINT's operations also include contract manufacturing and an international lifestyle consumer brand distribution business in Thailand focusing on fashion and cosmetics through retail (235 outlets), wholesale and direct marketing channels under brands that include GAP, Esprit, Bossini, Red Earth, Pedro and Zwilling Henckels amongst others.

MINT reported strong growth during 2012. Revenue, EBITDA and net profit increased by 21%, 35% and 78% (excluding non-recurring items), respectively. Growth was driven by improved performance across all businesses.

MINT's hotel & mixed-use business had revenues of THB16.4 billion during 2012, which is 29% higher than the same period a year earlier. MINT increased the number of rooms in its portfolio managed and owned by 527 during the year. Overall, occupancy rates and revenue per available room increased by 3% and 11%, respectively. In addition to hotel operations, MINT generated THB3.1 billion from its real estate businesses during 2012.

During the year, MINT invested in a hotel in Phuket, launched two managed hotels in Abu Dhabi and Bali, took over the management of Golden Palm Tree Iconic Resort and Spa in Malaysia to be rebranded Avani in 2013 and added the newest Serengeti Pioneer Camp to the Elewana collection of lodges, camps and hotels in Tanzania. In addition, MINT's subsidiary, Oaks, invested in Oasis Resort in Queensland, Australia and launched its first property in Bangkok, Thailand.

At the end of 2012, MINT's total number of restaurants reached 1,381, comprising 760 equity-owned outlets and 621 franchised outlets. Approximately 66% were in Thailand with the remaining number in other Asian countries and the Middle East. Approximately 124 restaurants were added during 2012 and same-store-sales and total system sales increased by 5.5% and 15.1%, respectively, from the year before.

The retail trading and contract manufacturing business also experienced favourable growth during 2012.

At 31 December 2012, the fair value of Symphony's investment in MINT was US$205.5 million, up from US$102.0 million a year ago. The increase in value of MINT is predominantly due to an increase in MINT's share price that reflects the strong performance of the business during 2012 and to a lesser extent, an appreciation in the Thai baht.

left:
Anantara Resort & Spa,
Hua Hin, Thailand

left:
Bon Sejour Shin-Yamashita, Kanagawa, Japan

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST

Parkway Life Real Estate Investment Trust ("PREIT") is one of Asia's largest listed healthcare real estate investment trusts by asset size. It is listed on the Singapore Exchange Securities Trading Limited. PREIT was established by Parkway to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region that are used primarily for healthcare and/or healthcare-related purposes. At 31 December 2012, PREIT had a portfolio of 37 properties with a total value of approximately S$1.4 billion.

PREIT reported gross revenue and net property income growth of 7.2% and 7.6% to S$94.1 million and S$86.4 million, respectively, during 2012. Growth was driven by contributions from the Japan and Malaysia properties acquired during 2011 and 2012 as well as higher income from the Singapore properties.

As at 31 December 2012, PREIT had 33 properties in Japan, three in Singapore and strata titles units/lots within Gleneagles Medical Centre, Kuala Lumpur, Malaysia. PREIT's gearing at the same time was 32.9%, well within the 60% limit allowed under the Monetary Authority of Singapore's Property Funds Guidelines.

As at 31 December 2012, the fair value of Symphony's investment in PREIT was US$67.1 million compared to US$49.1 million at 31 December 2011. The change was predominantly due to an increase in the unit price of PREIT that reflects the continued ability of PREIT's management to expand its portfolio through yield accretive acquisitions, the purchase of additional shares and to a lesser extent, an appreciation of the Singapore dollar.

MINUET LIMITED

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

The Company's investment cost to date (net of shareholder loan repayments) was US$65.9 million at 31 December 2012.

The value of Symphony's interest in Minuet at 31 December 2012 was US$91.2 million based on an independent third party valuation. This compares to a fair value of US$98.4 million at 31 December 2011. The decline in value was predominantly due to the sale of land by Minuet during the first quarter of 2012, which resulted in SIHL receiving cash distributions totaling US$12.9 million during 2012.

Investment Manager's Report (cont'd)

IHH HEALTHCARE BERHAD (FORMERLY KNOWN AS INTEGRATED HEALTHCARE HOLDINGS BERHAD)

IHH Healthcare Berhad ("IHH") is one of the largest healthcare providers in the world by market capitalisation. Its portfolio of healthcare assets includes Parkway Holdings Limited, Pantai Holdings Berhad, International Medical University, Acibadem Saglik Yatirimlari Holdings A.S. ("Acibadem Holdings") and a minority shareholding in Apollo Hospitals Enterprises Limited. IHH has a broad footprint of assets in Asia as well as Turkey, Abu Dhabi, Central and Eastern Europe that employ 24,000 people and operate over 4,900 licensed beds in 32 hospitals worldwide.

In February 2012, the Company invested approximately US$50.1 million in the ordinary shares of Integrated Healthcare Hastaneler Turkey Sdn Bhd ("IHT"). As part of an agreement, the Company converted its investment in IHT into a minority interest of equivalent value in ordinary shares in IHH at the time of IHH's initial public offering at the end of July 2012. IHH is listed on the Singapore Exchange Securities Trading Limited and Bursa Malaysia Securities Berhad ("Bursa Malaysia").

IHH reported revenue and EBITDA growth of 110% and 109% to MYR7.0 billion and MYR1.4 billion, respectively. Excluding non-recurring items that include the sale of medical suites at Mount Elizabeth Novena Hospital ("Novena"), EBITDA and revenue increased by 73% and 69% to MYR5.8 billion and MYR1.1 billion, respectively.

The growth in revenue (excluding non-recurring items) during 2012 was driven by existing operations and the consolidation of Acibadem Holdings in January 2012. Operations of Parkway Pantai hospitals had revenue and EBITDA growth of 12% and 18%, respectively, during 2012. This growth was driven by rising inpatient admissions and more complex cases in both Singapore and Malaysia. IMU Health, the medical education arm of IHH had an increase in revenue of 10% during the same period.

Novena began operations at the end of June and continues to ramp up operations and together with other expansion projects and new hospitals, is expected to positively impact financial performance in the coming year.

above:
Mount Elizabeth Hospital, Singapore

At 31 December 2012, the fair value of Symphony's investment in IHH was US$61.9 million. IHH's share price on Bursa Malaysia, where Symphony's shares held in IHH are traded, was MYR3.37 or approximately 20% above the institutional price shares were offered at the time of IHH's initial public offering.

PROPERTY JOINT VENTURE IN MALAYSIA

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

Symphony invested US$29.0 million in January 2012 for its interest in the joint venture company. The investment is held at cost in Malaysian ringgit and at 31 December 2012 had a value of US$29.4 million.

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 2012, cash and cash equivalents that predominantly comprised bank deposits amounted to US$126.0 million.

CAPITALISATION AND NAV

As at 31 December 2012, the Company had US$402.1 million in issued share capital and its NAV was approximately US$609.8 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 2010, 2011 and 2012 fiscal years and for the quarterly periods ended on March 31, June 30, September 30 and December 31, 2012 are highlighted below in the table.

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

The Company issued 4,119,490 shares, 2,059,745 shares, 2,059,745 shares and 2,059,745 shares on 6 August 2010, 21 October 2010, 4 August 2011 and 23 October 2012, respectively, credited as fully paid, to the Investment Manager, Symphony Investment Managers Limited. The shares were issued as part of the contractual arrangements with the Investment Manager. On 4 October 2012, SIHL announced a fully underwritten 0.481 for 1 rights issue at US$0.60 per new share to

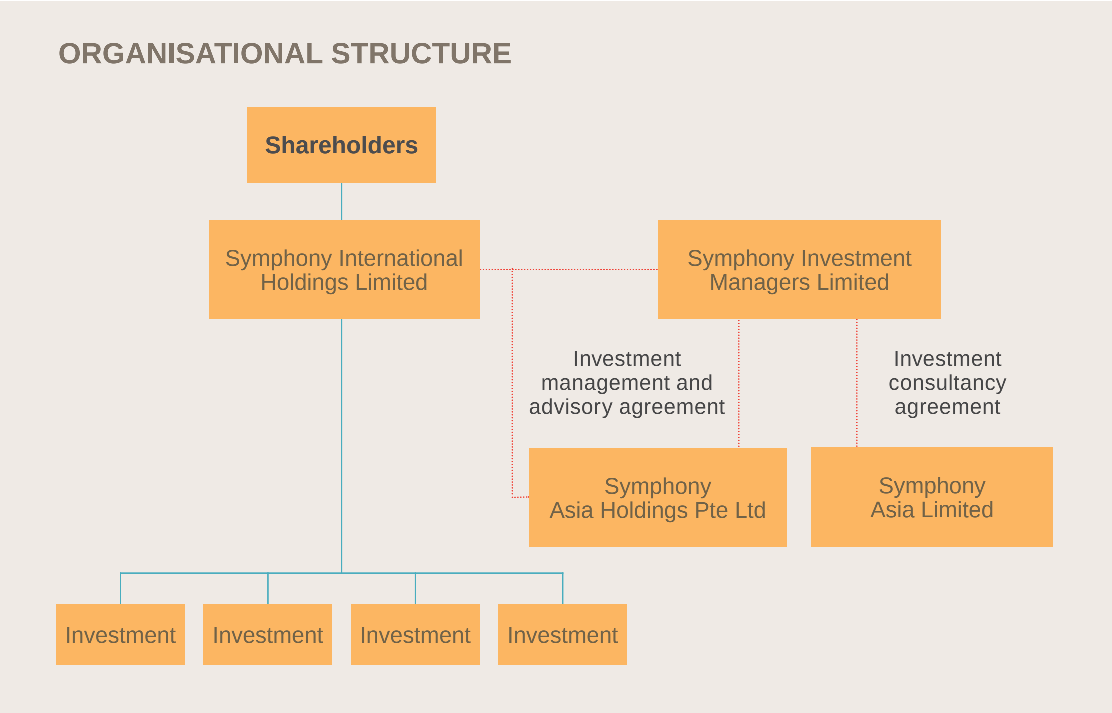
NAV, SHARES OUTSTANDING AND NAV PER SHARE ON ANNUAL AND QUARTERLY BASIS[1]

	GROUP		
AS AT	**12/31/10**	**12/31/11**	**12/31/12**
NAV (US$ '000)	400,172	389,429	609,807
Number of Shares ('000)	344,439	346,499	515,225
NAV per Share	1.16	1.12	1.18

	GROUP		
AS AT	**03/31/12**	**06/30/12**	**09/30/12**
NAV (US$ '000)	413,548	430,145	462,672
Number of Shares ('000)	346,499	346,499	346,499
NAV per Share	1.19	1.24	1.34

[1] Unaudited

Investment Manager's Report (cont'd)



raise proceeds of approximately US$100 million (US$93 million net of expenses) through the issue of 166,665,997 million new shares, fully paid, that commenced trading on the London Stock Exchange's main market for listed securities on 22 October 2012. Together with the shares issued to the Investment Manager, the shares issued pursuant to the rights issue increased the Company's fully paid issued share capital to 515.2 million shares.

REVENUE AND OTHER OPERATING INCOME

Revenue

During the 2012 fiscal year, SIHL received dividend income amounting to US$5.3 million from quoted equity investments. This represents an increase of 33.5% from dividends received during the 2011 fiscal year. The change was due to an increase in dividends from PREIT and MINT.

Other operating income

Other operating income includes interest income from temporary investments and loans outstanding to portfolio companies, in addition to foreign exchange gains. Temporary investments predominantly consisted of bank deposits and contributed to US$0.2 million in interest income during the 2012 financial year. Interest earned on loans outstanding to portfolio companies amounted to US$12.0 million. Foreign exchange gain amounted to US$5.4 million during 2012.

EXPENSES

Management fee

The management fee amounted to US$9.9 million for the year ended 31 December 2012. The management fee was calculated on the basis of 2.25% of NAV (with a floor and cap of US$8 million and US$15 million per annum, respectively) during 2012.

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 2012 financial year. The expenses for these management shares amounted to US$0.2 million during 2012 and were fully expensed.

Share options expense

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

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

Taxes

Substantially all the taxes paid by the Group in the year ended 31 December 2012 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 2012, SIHL's cash balance was US$126.0 million. SIHL's primary uses of cash are to fund investments, pay expenses and to make distributions to shareholders, if and when declared by our board of directors. Taking into account current market conditions, it is expected that SIHL has sufficient liquidity and capital resource for its operations. The primary sources of liquidity are capital contributions received in connection with the initial public offering of shares, related transactions and a rights issue. (See a description under "Capitalisation and NAV" above).

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 longer-term and opportunistic investments, but generate lower expected returns. Other than amounts that are used to pay expenses, or used to make distributions to our shareholders, any returns generated by investments are reinvested in accordance with SIHL's investment policies and procedures.

left:
Christian Liaigre,
Chanintr Living Interiors

Investment Manager's Report (cont'd)

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 2012, the Group had total interest-bearing borrowings of US$7.5 million associated with our investment in SG Land and property related investment in Niseko, Hokkaido, Japan, which constitutes less than 5% of NAV.

PRINCIPAL RISKS

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

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

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

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

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

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

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

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

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

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

from top:
Chanintr Living Interiors;
Four Seasons Hotel;
Charles & Keith merchandise

Companies in which the Company invests in connection with special situations and structured transactions typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Investments that fall into this category tend to have relatively short holding periods and entail little or no participation in the board of the company in which such investments may be made. Special situations and structured transactions in the form of fixed debt investments also carry an additional risk that increases in interest rates could decrease their value.

Following the Company's investments, it may be that the proportion of its total assets invested in longer-term investments falls below 70% and the proportion of its total assets invested in special situations and structured transactions exceeds 30% due to changes in the valuations of the assets, over which the Company has no control.

Pending the making of investments, the Company's capital will need to be temporarily invested in liquid investments and managed by a third-party investment manager of international repute or held on deposit with commercial banks before they are invested. The returns that temporary investments are expected to generate and the interest that the Company will earn on deposits with commercial banks will be substantially lower than the returns that it anticipates receiving from its longer-term investments or special situations and structured transactions.

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

ANIL THADANI
Chairman
Symphony Investment Managers Limited
26 March 2013

Board of Directors

PIERANGELO BOTTINELLI

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

GEORGES GAGNEBIN

Mr. Gagnebin is based in Geneva and was appointed to the Board of the Company on 8 July 2007. He was the Chairman of the board of Banque Pâris Bertrand Sturdza S.A., Geneva. In 2005, he joined the Julius Baer Group Ltd. where he was a Vice-Chairman of Julius Baer Holding Ltd and Bank Julius Baer & Co Ltd and, more recently, Chairman of the board of directors of Infidar Investment Advisory Ltd., member company of Julius Baer Group Ltd. Prior to joining the Julius Baer Group in 2005, Mr. Gagnebin held several executive positions at UBS AG, including Head of International Clients Europe, Middle East and Africa in the private banking division, a member of the Group Managing Board, a member of the Group Executive Board, Chief Executive Officer of Private Banking, Chairman of Wealth Management and Business Banking, and the Vice-Chairman of SBC Wealth Management AG. From 1969 to 1998, Mr. Gagnebin held various positions at the Swiss Bank Corporation, including serving as member of the management committee. He was awarded an official diploma as a Swiss certified Banking Expert in 1972.

RAJIV K. LUTHRA

Mr. Luthra is based in New Delhi and was appointed to the Board of the Company on 8 July 2007. He is the founder and managing partner of Luthra & Luthra Law Offices, a law firm in New Delhi, India, which has won a number of accolades that include "National Law Firm of the Year 2011" by the International Financial Law Review amongst other awards. For over three decades, Mr. Luthra has been advising in the practice areas of capital markets and corporate finance, securitisation and structured finance, construction and property, and IT, telecommunications and media. Mr. Luthra serves on a number of high-level committees that include the Advisory Board to the Competition Commission of India, is Convener of the committee formed to advise the Government of India on the liberalisation of legal services between India and the UK, and is a Member of the Round Table on Legal Education for the Ministry of Human Resource Development. In addition, Mr. Luthra also serves on the board of HSBC's Corporate Governance and Audit committees in India.

ANIL THADANI

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

SUNIL CHANDIRAMANI

Mr. Chandiramani is based in Hong Kong and was appointed to the Board of the Company on 16 February 2004. He is involved with all aspects of the Company's business. He is also a Partner and Country Head of the Hong Kong Consultant. Mr. Chandiramani has over 25 years' experience in private equity and related investment experience across multiple industry sectors in Asia and the United States. Mr. Chandiramani's experience in Asian private equity was initially as a partner with Arral & Partners and subsequently with Schroder Capital Partners. Prior to that, he worked on leveraged buy-outs and acquisitions for the Structured Finance Group at Bankers Trust Company in New York. Mr. Chandiramani has a BCom (Hons) from the Shri Ram College of Commerce, Delhi University, and an MBA from the Wharton School of the University of Pennsylvania. Mr. Chandiramani is currently employed by the Hong Kong Consultant.

Corporate Information

COMPANY

Symphony International
Holdings Limited

DIRECTORS

Pierangelo Battista Bottinelli
(alias Pierangelo Bottinelli)
(Chairman and Independent Director)
Georges Gagnebin
(Independent Director)
Rajiv K. Luthra
(Independent Director)
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
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Offshore Incorporations Centre
Road Town, Tortola
British Virgin Islands

CORRESPONDENCE ADDRESS

Care of: Intertrust Singapore
Corporate Services Pte. Ltd
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Singapore 079909

SHARE REGISTRAR AND SHARE TRANSFER AGENT

Capita Registrars (Guernsey) Limited
Mont Crevett House
Bulwer Avenue
St. Sampson, Guernsey
G42 4LH

WARRANT REGISTRAR

Capita Registrars (Guernsey) Limited
Mont Crevett House
Bulwer Avenue
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G42 4LH

FINANCIAL ADVISOR AND CORPORATE STOCK BROKER

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF
United Kingdom

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 2012, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB") and are in agreement with the accounting records of the Company, which have been properly kept in accordance with the BVI Business Companies Act 2004.

CORPORATE GOVERNANCE

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

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

The Board currently has 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 31 years and 25 years of experience in private equity, respectively.

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

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

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

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.

During the year, the Board has formed the Rights Issue Committee ("RIC") consisting of Mr. Pierangelo Battista Bottinelli, Mr. Anil Thadani and Mr. Sunil Chandiramani to carry out and decide upon all activities with respect to the Rights Issue, including finalising the pricing, timetable and issuance ratios for the Rights Issue, and to take all resolutions on behalf of the Board and do all acts and things as the RIC may consider necessary or expedient in order to give effect to the Rights Issue and Admission. A total of 5 meetings were held during the year.

The Board has also formed the Share Options Terms Committee ("SOT Committee") consisting of Mr. Pierangelo Battista Bottinelli, Mr. Georges Gagnebin and Mr. Sunil Chandiramani to review and comment on the adjustment of the exercise price and the number of Share Options granted to the Investment Manager under the Investment Management and Advisory Agreement as a result of the Right Issue of Shares, and to carry out all activities with respect to the Share Options Terms and to take all resolutions on behalf of the Board and do all acts and things as the SOT Committee may consider necessary or expedient in order to give effect to the Share Options Terms. One meeting was held.

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

The Board periodically meets and had a total of four meetings during the year. 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 met twice and once, respectively, 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 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 2012; 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 2012 and the position of the Group taken as a whole as at 31 December 2012, 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 2013

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

26 March 2013

Independent Auditors' Report

Members of the Company
Symphony International Holdings Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Symphony International Holdings Limited (the Company), which comprise the consolidated statement of financial position as at 31 December 2012, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, as set out on pages 37 to 81.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at 31 December 2012, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP
Public Accountants and
Certified Public Accountants

SINGAPORE
26 March 2013

Consolidated Statement of Financial Position

As at 31 December 2012	Note	**2012 US$'000**	2011 US$'000
Non-current assets			
Interests in associates and joint ventures	3	**164,196**	132,267
Investment properties	5	**–**	9,512
Financial assets at fair value through profit or loss	4	**334,555**	151,120
Other receivables and prepayments	6	**1,086**	1,732
		499,837	294,631
Current assets			
Other receivables and prepayments	6	**1,666**	1,618
Financial assets at fair value through profit or loss	4	**–**	2,694
Cash and cash equivalents	7	**126,037**	100,118
		127,703	104,430
Total assets		**627,540**	399,061
Equity attributable to equity holders of the Company			
Share capital	8	**402,054**	306,975
Reserves	9	**67,568**	59,924
Accumulated profits		**140,185**	21,859
		609,807	388,758
Non-controlling interest		**4**	238
Total equity carried forward		**609,811**	388,996
Non-current liabilities			
Interest-bearing borrowings (secured)	10	**600**	981
Deferred tax liabilities	11	**793**	671
		1,393	1,652
Current liabilities			
Amounts due to non-controlling interest (non-trade)	12	**–**	504
Interest-bearing borrowings (secured)	10	**6,862**	372
Other payables	13	**9,403**	7,446
Current tax payable		**71**	91
		16,336	8,413
Total liabilities		**17,729**	10,065
Total equity and liabilities		**627,540**	399,061

The financial statements were approved by the Board of Directors on 26 March 2013.

ANIL THADANI
Director
26 March 2013

SUNIL CHANDIRAMANI
Director
26 March 2013

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2012	Note	**2012 US$'000**	2011 US$'000
Revenue	14	**5,342**	4,000
Other operating income	15	**17,623**	14,357
Other operating expenses		**(2,459)**	(2,443)
Management fees		**(9,920)**	(8,920)
		10,586	6,994
Management Shares expense		**(203)**	(552)
Share options expense		**(3,428)**	(4,175)
Profit before investment results and income tax		**6,955**	2,267
Gain on disposal of investment properties		**215**	–
Fair value changes in financial assets at fair value through profit or loss		**123,396**	(5,112)
Fair value changes in investment properties	5	**–**	373
Fair value changes in investments in associates and joint ventures		**(10,015)**	(4,997)
Profit/(Loss) before income tax	15	**120,551**	(7,469)
Income tax expense	16	**(2,211)**	(3,050)
Profit/(Loss) for the year		**118,340**	(10,519)
Other comprehensive income/(loss):			
Foreign currency translation differences in relation to financial statements of foreign operations		**6,074**	(5,599)
Other comprehensive income/(loss) for the year, net of tax		**6,074**	(5,599)
Total comprehensive income/(loss) for the year		**124,414**	(16,118)
Profit/(Loss) attributable to:			
Equity holders of the Company		**118,326**	(10,544)
Non-controlling interest		**14**	25
Profit/(Loss) for the year		**118,340**	(10,519)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**124,400**	(16,143)
Non-controlling interest		**14**	25
Total comprehensive income/(loss) for the year		**124,414**	(16,118)
Earnings/(Losses) per share:		**US Cents**	US Cents
Basic	17	**30.83**	(3.00)
Diluted	17	**30.25**	(3.00)

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2012	Share capital US$'000	Equity compensation reserve US$'000	Foreign currency translation reserve US$'000	Accumulated profits US$'000	Total attributable to equity holders of the Company US$'000	Non-controlling interest US$'000	Total equity US$'000
At 1 January 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 income/(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)	–	–	–	–	–
Issue of right shares							
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.

Consolidated Statement of Changes in Equity (cont'd)

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

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

Consolidated Statement of Cash Flows

Year ended 31 December 2012	**2012 US$'000**	2011 US$'000
Cash flows from operating activities		
Profit/(Loss) before income tax	**120,551**	(7,469)
Adjustments for:		
Exchange differences on investing activities	**(1,896)**	8
Dividend income	**(5,342)**	(4,000)
Interest income	**(12,199)**	(14,357)
Interest expense	**103**	93
Fair value changes in investments in associates and joint ventures	**10,015**	4,997
Fair value changes in investment properties	**–**	(373)
Fair value changes in financial assets at fair value through profit or loss	**(123,396)**	5,112
Gain on disposal of investment properties	**(215)**	–
Management Shares expense	**203**	552
Share options expense	**3,428**	4,175
	(8,748)	(11,262)
Changes in working capital:		
Increase/(Decrease) in other receivables and prepayments	**68**	(8)
(Decrease)/Increase in other payables and accrued operating expenses	**(81)**	105
Increase in amount due to investment manager	**46**	8
Cash used in operations	**(8,715)**	(11,157)
Dividend received (net of withholding tax)	**4,191**	3,871
Interest received (net of withholding tax)	**278**	402
Income taxes paid	**(94)**	(191)
Net cash used in operating activities	**(4,340)**	(7,075)
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	**(53,626)**	(11,310)
Proceeds from disposal of financial assets at fair value through profit or loss	**2,736**	–
Proceeds from disposal of investment properties	**9,737**	–
Payment for the purchase of investment properties	**–**	(191)
Advance payment to an investee company	**–**	(608)
Investments in associates and joint ventures	**(32,479)**	(680)
Repayment of loans by joint ventures	**13,604**	1,022
Loan to joint venture partners	**(8,037)**	(3,094)
Net cash used in investing activities	**(68,065)**	(14,861)
Balance carried forward	**(72,405)**	(21,936)

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

Consolidated Statement of Cash Flows (cont'd)

Year ended 31 December 2012	Note	**2012 US$'000**	2011 US$'000
Balance brought forward		**(72,405)**	(21,936)
Cash flows from financing activities			
Net proceeds from issue of share capital		**93,018**	–
Proceeds from bank loans		**6,452**	–
Interest paid		**(103)**	(93)
Repayment of loans and disbursements to non-controlling interest		**(504)**	–
Dividend paid to non-controlling interest		**(248)**	–
Repayment of borrowings		**(379)**	(368)
Net cash from/(used in) financing activities		**98,236**	(461)
Net increase/(decrease) in cash and cash equivalents		**25,831**	(22,397)
Cash and cash equivalents at 1 January		**100,118**	122,639
Effect of exchange rate fluctuations		**88**	(124)
Cash and cash equivalents at 31 December	7	**126,037**	100,118

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 2013.

1. DOMICILE AND ACTIVITIES

Symphony International Holdings Limited (the Company) was incorporated in the British Virgin Islands (BVI) on 5 January 2004 as a limited liability company under the International Business Companies Ordinance. The Company has its registered office at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The Company does not have a principal place of business as the Company carries out its principal activities under the advice of its Investment Manager.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

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

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

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

In particular, information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 2.3 – Determination of functional currencies of Group entities
- Note 9 – Valuation of Management Shares and share options
- Note 3 and 22 – Fair value of unquoted investments in associates/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 in accordance with IFRS 3 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

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

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

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

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

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

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

Notes to the Financial Statements

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

2.2 CONSOLIDATION (CONT'D)

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

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.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

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

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 and associates.

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

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

Financial assets at fair value through other comprehensive income

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

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

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

Notes to the Financial Statements

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

2.5 FINANCIAL INSTRUMENTS (CONT'D)

Others

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

Share capital

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

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

2.6 INVESTMENT PROPERTIES

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

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

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

2.7 IMPAIRMENT

Financial assets

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

An impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis.

The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss in the statement of comprehensive income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss in the statement of comprehensive income.

Notes to the Financial Statements

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

2.7 IMPAIRMENT (CONT'D)

Non-financial assets

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

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

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

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

2.8 SHARE-BASED PAYMENTS

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

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

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

2.9 REVENUE RECOGNITION

Dividends

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

Interest income

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

Notes to the Financial Statements

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

2.10 FINANCE EXPENSE

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

2.11 INCOME TAX EXPENSE

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

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

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

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

Notes to the Financial Statements

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

2.12 EARNINGS PER SHARE

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

2.13 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors of Symphony Investment Managers Limited that makes strategic investment decisions.

3. INTERESTS IN ASSOCIATES/JOINT VENTURES

	2012 **US$'000**	2011 US$'000
Investments in associates/joint ventures		
Unquoted equity securities at cost	**38,501**	5,999
Unquoted redeemable convertible preference shares at cost	**5,540**	5,540
	44,041	11,539
Balances with joint ventures		
Loans to joint ventures	**89,576**	93,137
Interest receivable	**62,305**	48,427
Disbursements	**173**	173
	152,054	141,737
Fair value adjustments	**(31,899)**	(21,009)
	164,196	132,267

Details of associates and 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 either significant influence or joint control over the financial and operating policies of these companies. Accordingly, these companies are considered to be associates or joint ventures in accordance with IAS28 *Investment in Associates*, and IAS 31 *Interests in Joint Ventures*, and measured at fair value in accordance with the accounting policy set out in note 2.2.

Notes to the Financial Statements

3. INTERESTS IN ASSOCIATES/JOINT VENTURES (CONT'D)

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

- First and second loans to SG Land Co. Limited with the principal amounts of THB 225,000,000 (2011: 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 THB 120,000,000 (2011: 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 (2011: 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 JPY938,915,667 (2011: US$258,900,000). 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$72,167,723 (2011: US$82,696,000) which are/or will be subordinated to bank loans obtained/or to be obtained by certain joint ventures.

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

	2012 US$'000	2011 US$'000
Loans to joint ventures		
Thai Baht	**78,753**	89,770
Japanese Yen	**10,823**	3,367
Interest receivable		
Thai Baht	**60,535**	48,427

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.

Notes to the Financial Statements

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2012 **US$'000**	2011 US$'000
Non-current		
Quoted equity securities	**267,463**	101,973
Quoted units in real estate investment trust	**67,092**	49,147
	334,555	151,120
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 of US$205,524,904 (2011: US$101,973,020); Singapore Exchange Securities Trading Limited of US$67,092,036 (2011: US$51,840,362); and Baharu Malaysia of US$61,937,579 (2011: nil).

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

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

5. INVESTMENT PROPERTIES

	2012 **US$'000**	2011 US$'000
At 1 January	**9,512**	9,103
Effect of movements in exchange rates	**–**	7
Balance payment for the purchase of investment properties	**–**	29
Change in fair value	**–**	373
Disposal	**(9,512)**	–
At 31 December	**–**	9,512

(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.

All investment properties were disposed of during 2012 with a net gain on disposal of US$214,833 recognised in profit or loss.

Notes to the Financial Statements

6. OTHER RECEIVABLES AND PREPAYMENTS

	2012 US$'000	2011 US$'000
Non-current		
Loan to joint venture partner	**1,000**	1,000
Interest receivable	**86**	64
Loans and other receivables	**1,086**	1,064
Prepayments	**–**	668
	1,086	1,732
Current		
Interest receivable	**317**	228
Other receivables	**106**	121
Deposit for purchase of investment property	**1,000**	1,000
Other assets	**164**	191
Tax refundable	**9**	–
Loans and other receivables	**1,596**	1,540
Other prepayments	**70**	78
	1,666	1,618

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.

7. CASH AND CASH EQUIVALENTS

	2012 US$'000	2011 US$'000
Fixed deposits with financial institutions	**121,246**	93,361
Cash at bank	**4,791**	6,757
Cash and cash equivalents in the consolidated statement of cash flows	**126,037**	100,118

The effective interest rate on fixed deposits with financial institutions as at 31 December 2012 was 0.05% to 0.80% (2011: 0.05% to 0.25%) per annum. Interest rates reprice at intervals of one to four weeks.

Notes to the Financial Statements

8. SHARE CAPITAL

	Company	
	2012	2011
	Number of shares	Number of shares
Fully paid ordinary shares, with no par value:		
At 1 January	**346,498,956**	344,439,211
Shares issued during the year	**168,725,742**	2,059,745
At 31 December	**515,224,698**	346,498,956

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.

On 22 October 2012, the Company issued 166,665,997 rights shares on the basis of one rights share for every 0.481 ordinary shares at approximately US$0.60 per rights share.

On 23 October 2012, 2,059,745 ordinary shares were issued at a value of US$1,326,000 at US$0.6436 per share (2011: 2,059,745 ordinary shares at a value of US$1,240,000 at US$0.6022 per share) were issued pursuant to the terms on the issue of management shares under the investment management and advisory agreement with the Investment Manager.

As at 31 December 2012, the issued share capital of the Company included 18,685,196 (2011: 16,625,451) ordinary shares credited as fully paid in consideration for share placement and investment management and advisory services rendered to the Company. At the financial reporting date, 111,855,210 (2011: 108,565,365) warrants and 124,449,191 (2011: 82,782,691 share options were outstanding in the share capital of the Company (refer to notes 9 and 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

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 market price for each Management Shares as at each reporting date where appropriate is as follows:

	2012 US$	2011 US$
31 March	**0.72**	0.70
30 June	**0.64**	0.78
30 September	**0.66**	0.73
31 December	**–**	0.59

As at 31 December 2012, an aggregate of 10,298,725 Management Shares have been issued, credited as fully paid to the Investment Manager, including 2,059,745 Management Shares issued on 23 October 2012. Management Shares expense amounting to US$202,576 (2011:US$552,345) have been recognised in profit or loss.

Share options

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

At 31 December 2012, 124,449,191 (2011: 82,782,691) share options had been granted and had an exercise price of US$1.00 or US$0.60. The number and exercise price of share options is as follows:

	Exercise price 2012	**Number of options 2012**	Exercise price 2011	Number of options 2011
Outstanding at 1 January	**US$1.00**	**82,782,691**	US$1.00	82,782,691
Outstanding at 31 December	**US$1.00**	**82,782,691**	US$1.00	82,782,691
Outstanding at 31 December	**US$0.60**	**41,666,500**	–	–
Exercisable at 31 December	**US$1.00**	**82,782,691**	US$1.00	73,030,209
Exercisable at 31 December	**US$0.60**	**–**	–	–

Notes to the Financial Statements

9. RESERVES (CONT'D)

Share options (Cont'd)

On 3 August 2008, the Company granted 82,782,691 share options with an exercise price of US$1.00 to the Investment Manager, which had been previously deferred (refer to note 18 to the financial statements). These share options have fully vested in five tranches over a period of five years and will expire on the tenth anniversary of the actual grant date, which has been similarly deferred by 1 year as a result of the deferment of the grant.

On 22 October 2012, the Company granted to the Investment Manager 41,666,500 share options with an exercise price of US$0.60 that will vest in five equal tranches over a period of five years and will expire on the tenth anniversary of the date of grant.

Fair value of share options and assumptions

	31 December 2011	31 March 2012	30 June 2012	30 September 2012	31 December 2012
Fair value	US$0.44	US$0.53	US$0.45	US$0.56	US$0.61
Share price	US$0.59	US$0.725	US$0.78	US$0.645	US$0.675
Exercise price	US$1.00	US$1.00	US$1.00	US$1.00	US$0.60
Expected volatility	96.4%	93.8%	97.1%	93.9%	144.6%
Expected option life	6.6 years	6.3 years	6.1 years	5.8 years	9.8 years
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk-free interest rate	2.1%	2.4%	3.5%	1.8%	1.9%

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

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

Foreign currency translation reserve

The foreign currency translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

Notes to the Financial Statements

10. FINANCIAL LIABILITIES

	2012 US$'000	2011 US$'000
Non-current		
Interest-bearing term loans (secured)		
– Denominated in Thai Baht	**600**	981
Current		
Current portion of interest-bearing term loans and credit facility (secured)		
– Denominated in Japanese Yen	**6451**	–
– Denominated in Thai Baht	**411**	372
	6,862	372

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 the Company. Interest is charged at the bank's minimum lending rate less 1% per annum and reprices on a monthly basis. The effective interest rate as at 31 December 2012 is 6% (2011: 6.25%) per annum. The borrowings are repayable in equal monthly instalments within a period of 9 years from the date of drawdown.

The interest-bearing term loan denominated in Japanese Yen is secured by cash balances held at a bank. Interest is charged at 0.56% to 0.70% per annum (2011: Nil) and reprices on a quarterly basis. The loan principles are repayable quarterly unless the loan is rolled-over.

11. DEFERRED TAX LIABILITIES

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

	At 1 January 2011 US$'000	**Recognised in profit or loss (note 16) US$'000**	**At 31 December 2011 US$'000**	**Recognised in profit or loss (note 16) US$'000**	**At 31 December 2012 US$'000**
Deferred tax liabilities					
Interest receivables	–	671	671	124	793

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.

Notes to the Financial Statements

13. OTHER PAYABLES

	2012 US$'000	2011 US$'000
Accrued operating expenses	**234**	206
Other payables	**5**	4
Amount due to directors	**–**	108
Amount due to Investment Manager (non-trade)	**56**	10
Interest payable	**3**	2
Withholding tax payable	**9,105**	7,116
	9,403	7,446

14. REVENUE

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

15. PROFIT/(LOSS) BEFORE INCOME TAX

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

	2012 US$'000	2011 US$'000
Other operating income		
Interest income from:		
– fixed deposits and placements in money market fund	**167**	196
– loans to joint ventures	**11,947**	14,085
– loans to investee companies	**85**	76
Foreign exchange gain	**5,424**	–
	17,623	14,357
Other operating expenses		
Interest expense	**(103)**	(93)
Foreign exchange loss	**–**	(617)

Notes to the Financial Statements

16. INCOME TAX EXPENSE

	2012 US$'000	2011 US$'000
Current tax expense		
Current year	**126**	100
Foreign withholding tax	**2,023**	2,242
(Over)/Under provision in prior year	**(62)**	37
	2,087	2,379
Deferred tax expense		
Origination and reversal of temporary differences	**124**	186
Under provision in prior year	**–**	485
	124	671
Income tax expense	**2,211**	3,050

Reconciliation of effective tax rate

	2012 US$'000	2011 US$'000
Profit/(Loss) before income tax	**120,551**	(7,469)
Tax at applicable rates to profits in relevant jurisdiction	**16,789**	435
Tax exempt revenue	**(15,749)**	(460)
Income not subject to tax	**(934)**	(1,475)
Expenses not deductible for tax purposes	**301**	4,177
Tax credit	**(157)**	(2,391)
Foreign withholding tax	**2,023**	2,242
(Over)/Under provision in prior years	**(62)**	522
	2,211	3,050

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.

Notes to the Financial Statements

17. EARNINGS PER SHARE

	2012 US$'000	2011 US$'000
Basic and diluted earnings per share are based on:		
Net profit/(loss) for the year attributable to ordinary shareholders	**118,326**	(10,544)

Basic earnings per share

	Number of Shares	
	2012	2011
– Issued ordinary shares at 1 January	**346,498,956**	344,439,211
– Effect of rights issue shares	**36,911,606**	5,662,685
– Effect of Management Shares issued	**393,940**	846,471
Weighted average number of shares	**383,804,502**	350,948,367

The comparative weighted average number of shares has been adjusted for the effect of the bonus element of the rights issue in the year (refer to note 8).

Diluted earnings per share

	Number of Shares	
	2012	2011
Weighted average number of shares (basic)	**383,804,502**	350,948,367
Effect of share options	**7,359,015**	–
Weighted average number of shares (diluted)	**391,163,517**	350,948,367

As at 31 December 2012, contingently issuable 111,855,210 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.

As at 31 December 2011, contingently issuable Management Shares of 2,059,746 shares, 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 (2011: 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

On 10 July 2007, the Company entered into an Investment Management and Advisory Agreement with Symphony Investment Managers Limited (the Investment Manager) pursuant to which the Investment Manager will provide investment management and advisory services exclusively to the Group. The key persons of the management team of the Investment Manager comprise certain key management personnel engaged by the Investment Manager pursuant to arrangements agreed between the parties. They will (subject to certain existing commitments) devote substantially all of their business time as employees, and on behalf of the Investment Management Group, to assist the Investment Manager in its fulfillment of the investment objectives of the Company and be involved in the management of the business activities of the Investment Management Group. Pursuant to the Investment Management and Advisory Agreement, the Investment Manager is entitled to the following forms of remuneration for the investment management and advisory services rendered.

a. *Management fees*

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

In 2012, Management fees amounting to US$9,920,687 (2011: US$8,920,776) paid to the Investment Manager, respectively, have been recognised in the consolidated financial statements.

b. *Management shares*

Management shares of up to an aggregate amount equal to 5% of the then enlarged share capital of the Company immediately following the issue of such shares (excluding 7,129,209 Management Shares held by the Investment Manager prior to the admission of the shares of the Company to the official list of the London Stock Exchange (the Pre-admission Management Shares)). Up to 20% of the Management Shares will become eligible for issue at the first quarter end following each anniversary of the admission of the shares. In addition, on the issuance of shares pursuant to the exercise of warrants, additional Management Shares will be granted to the Investment Manager in order to maintain the proportion of the share capital held by the Investment Manager. The total number of Management Shares to be issued will not exceed 5% of the increase in the issued share capital of the Company as a result of the exercise of warrants (including the Management Shares thus issued but excluding the Pre-admission Management Shares).

Notes to the Financial Statements

18. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Other related party transactions (Cont'd)

b. Management shares (Cont'd)

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

As at 31 December 2012, an aggregate of 10,298,725 Management Shares have been issued, credited as fully paid to the Investment Manager, including 2,059,745 Management Shares issued on 23 October 2012. Management Share expenses amounting to US$202,576 (2011: US$552,345) have been recognised in profit or loss.

c. Share options

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

The share options vest in 5 equal tranches over a period of 5 years beginning from the first anniversary of the date of grant, and will expire on the tenth anniversary of the date of grant.

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

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

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

Share options expenses amounting to US$3,427,876 (2011: US$4,174,536) have been recognised in the consolidated financial statements.

Notes to the Financial Statements

18. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Other related party transactions (Cont'd)

c. *Share options (Cont'd)*

In the event that a dividend is declared, the holders of outstanding share options will be paid an amount equivalent to the amount which would have been paid as if all share options that have been granted, whether vested or otherwise, have been exercised. At least 50% of such amount will have to be applied towards the exercise of the outstanding share options based on the lower of the total number of vested share options held at the date of the dividend declaration and the number of vested share options held at the date of the dividend declaration which can be exercised with such amount.

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

19. COMMITMENTS

In September 2008, the Group entered into a loan agreement with a joint venture to grant loans totalling THB140 million (US$4.6 million equivalent at 31 December 2012) to the latter in accordance with the terms as set out therein. As at 31 December 2012, THB120 million (US$3.9 million equivalent at 31 December 2012) has been drawn down by the joint venture. The Group is committed to grant the remaining loan amounting to THB20 million (US$0.7 million equivalent at 31 December 2012) to the joint venture, subject to the terms set out in the agreement.

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 2012, total outstanding loans amounted to THB61,823,073 (equivalent to US$2,021,022) (2011: THB85,359,380, equivalent to US$2,705,527), of which THB30,911,536 (equivalent to US$1,010,511) (2011: THB42,679,690, equivalent to US$1,352,764) have been recognised as financial liabilities by the Group.

Notes to the Financial Statements

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) and IHH Healthcare Bhd (IHH)
Hospitality	Includes investment in Minor International Public Company Limited (MINT)
Lifestyle	Includes investments in C Larsen (Singapore) Pte Ltd, AFC Network Private Limited and Privee Holdings Pte. Ltd.
Lifestyle/Real Estate	Includes investments in Minuet Ltd, SG Land Co. Ltd. and a property joint venture in Niseko, Hokkaido, Japan and Desaru Peace Holdings Sdn Bhd
Cash and temporary investments	Includes government securities or other investment grade securities, liquid investments which are managed by third party investment managers of international repute, and deposits placed with commercial banks

Notes to the Financial Statements

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$'000	Total US$'000
2012						
Investment income:						
– Dividend income	3,040	2,302	–	–	–	5,342
– Exchange gain	2,034	–	–	–	3,390	5,424
– Interest income	16	–	30	11,926	227	12,199
– Realised gain	–	–	–	215	43	258
– Unrealised gain in profit or loss	20,722	102,631	–	781	–	124,134
	25,812	104,933	30	12,922	3,660	147,357
Investment loss:						
– Unrealised loss in profit or loss	–	–	(2,632)	(8,164)	–	(10,796)
Other operating results						
– Income tax expense	–	(230)	(3)	(1,913)	(65)	(2,211)
Net investment results	25,812	104,703	(2,605)	2,845	3,595	134,350
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
2012						
Segment assets	129,230	205,525	16,438	150,167	126,037	627,397
2012						
Segment liabilities	–	–	–	17,368	361	17,729
2011						
Segment assets	49,332	101,973	14,463	129,237	103,875	398,880
2011						
Segment liabilities	–	–	–	9,758	307	10,065

Notes to the Financial Statements

21. OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment profit or loss and assets

	2012 US$'000	2011 US$'000
Profit or loss		
Net investments results	**134,350**	4,954
Unallocated amounts:		
– Other corporate expenses	**(16,010)**	(15,473)
Consolidated profit/(loss) for the year	**118,340**	(10,519)
Assets		
Total assets for reportable segments	**627,397**	398,880
Other assets	**143**	181
Consolidated total assets	**627,540**	399,061

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$'000	Malaysia US$'000	Macau US$'000	Thailand US$'000	Japan US$'000	Others US$'000	Total US$'000
2012							
Total revenue	3,040	–	–	2,302	–	–	5,342
Assets	195,081	91,353	3	328,170	11,026	1,907	627,540
Capital expenditure	–	–	–	–	–	–	–
2011							
Total revenue	2,705	–	–	1,295	–	–	4,000
Assets	153,378	–	9,523	230,234	3,359	2,567	399,061
Capital expenditure	–	–	–	–		–	–

Notes to the Financial Statements

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 2012, bank deposits of nil 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 was placed provided a guarantee for a nominal amount.

As at 31 December 2012, the Group has credit risk exposure relating to fixed deposits placed with certain financial institutions and placements in money market funds totalling US$121,245,682 (2011: US$93,361,574). 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:

	2012	2011
	US$'000	US$'000
Not past due	**154,737**	144,341

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.

Notes to the Financial Statements

22. FINANCIAL RISK MANAGEMENT (CONT'D)

Interest rate risk

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

Sensitivity analysis

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

	Impact on Profit or loss		Impact on Profit or loss	
	100 bp increase 2012 US$	**5 bp decrease 2012 US$**	100 bp increase 2011 US$	5 bp decrease 2011 US$
Deposits with financial institutions	**25,088**	**(1,255)**	9,386	(469)
Variable rate interest-bearing term loans	**(11,948)**	**597**	(15,951)	798
	13,140	**(658)**	(6,565)	329

Foreign exchange risk

The Group is exposed to transactional foreign exchange risk when transactions are denominated in currencies other than the functional currency of the operation. The Group is exposed to translational foreign exchange risk from its subsidiaries and jointly controlled entities with non USD functional currencies. The Group does not enter into derivative financial instruments to hedge its exposure to Thai Baht, Singapore dollars, Hong Kong dollars, Japanese Yen and Malaysian Ringgit as the currency position in these currencies is considered to be long-term in nature and foreign exchange risk is an integral part of the Group's investment decision and returns.

Notes to the Financial Statements

22. FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign exchange risk (Cont'd)

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

	2012						2011					
	Japanese Yen US$'000	Hong Kong Dollars US$'000	Malaysian Ringgit US$'000	Singapore Dollars US$'000	Thai Baht US$'000	Others US$'000	Japanese Yen US$'000	Hong Kong Dollars US$'000	Malaysian Ringgit US$'000	Singapore Dollars US$'000	Thai Baht US$'000	Others US$'000
Investment properties	–	–	–	–	–	–	–	9,512	–	–	–	–
Interests in associated company	–	–	–	2,455	–	–	–	–	–	–	–	–
Interests in joint ventures	11,026	–*	29,415	–*	108,292	–	3,359	–	–	–*	114,500	–
Financial assets at fair value through profit or loss	–	–	61,938	67,092	205,525	–	–	–	–	51,841	101,973	–
Tax refundable	–	–	–	9	–	–	–	–	–	–	–	–
Other receivables	–	–*	–	71	–*	–*	14	16	–	59	–	7
Cash and cash equivalents	–	10,803	–	18,134	17	2	50	31,801	–	65,425	26	1
Long term loans	(6,452)	–	–	–	(1,011)	–	–	–	–	–	(1,353)	–
Accrued operating expenses	–*	(6)	–	(189)	(9)	(12)	–	(6)	–	(151)	(4)	(13)
Other payables	(1)	–*	–	4	(5)	–*	–	–	–	–	(4)	–
Amounts due to non-controlling interest	–	–	–	–	–	–	–	(504)	–	–	–	–
Deferred tax payable	–	–	–	(793)	–	–	–	–	–	(671)	–	–
Withholding tax payable	–	–	–	–	(9,092)	–	–	–	–	–	(7,106)	–

* *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	
	2012	2011
	US$'000	US$'000
Japanese Yen	**–**	(5)
Hong Kong Dollars	**(1,080)**	(3,180)
Singapore Dollars	**(1,804)**	(6,830)
Thai Baht	**(2)**	(3)
Others	**1**	(1)

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

Price risk

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

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

Sensitivity analysis

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

	Profit or loss	
	2012	2011
	US$'000	US$'000
Quoted equity securities at fair value through profit or loss	**33,455**	15,112

Notes to the Financial Statements

22. FINANCIAL RISK MANAGEMENT (CONT'D)

Sensitivity analysis (Cont'd)

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

Liquidity risk

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

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

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

		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
2012					
Non-derivative financial liabilities					
Variable interest rate term loans	7,462	8,444	6,911	1,533	–
Accrued operating expenses and other payables	298	298	298	–	–
	7,760	8,742	7,209	1,533	–
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

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.

Notes to the Financial Statements

22. FINANCIAL RISK MANAGEMENT (CONT'D)

Capital management (Cont'd)

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

Fair value

Accounting classification and fair value

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

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
2012						
Interests in associates/joint ventures	3	164,196	–	–	164,196	164,196
Financial assets at fair value through profit or loss	4	334,555	–	–	334,555	334,555
Other receivables and prepayments	6	–	2,682	–	2,682	2,682
Cash and cash equivalents	7	–	126,037	–	126,037	126,037
		498,751	128,719	–	627,470	627,470
Amount due to joint venture companies		–	–	–*	–*	–*
Other payables	13	–	–	9,403	9,403	9,403
Interest-bearing borrowings (secured)	10	–	–	7,462	7,462	7,462
		–	–	16,865	16,865	16,865
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)

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

Other financial assets and liabilities

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

Fair value hierarchy for financial instruments

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

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

Notes to the Financial Statements

22. FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value hierarchy for financial instruments (Cont'd)

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

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.

	2012		2011	
	Investments in associates/ joint ventures US$'000	**Total US$'000**	Investments in joint ventures US$'000	Total US$'000
Balance at 1 January	**127,783**	**127,783**	122,207	122,207
Total gains or losses in profit or loss	**(10,015)**	**(10,015)**	(4,997)	(4,997)
Additions	**43,503**	**43,503**	6,177	6,177
Disbursements	**173**	**173**	173	173
Effect of movements in exchange rate	**(2,432)**	**(2,432)**	4,223	4,223
Balance at 31 December	**159,012**	**159,012**	127,783	127,783

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:

	2012		2011	
	Effect on profit or loss		Effect on profit or loss	
	Favourable	**(Unfavourable)**	Favourable	(Unfavourable)
	US$'000	**US$'000**	US$'000	US$'000
Level 3 assets	**19,140**	**(15,673)**	18,206	(18,063)

The favourable and unfavourable effects of using reasonably possible alternative assumptions have been calculated by recalibrating the valuation model using a range of different values.

For rental properties, the projected rental rates and occupancy levels were increased by 5% for the favourable scenario and reduced by 5% for the unfavourable scenario. The discount rate used to calculate the present value of future cash flows was also decreased by 1% for the favourable case and increased by 1% for the unfavourable case compared to the discount rate used in the year-end valuation.

For land related investments (except those held for less than 12-months where cost approximates fair value), which are valued on comparable transaction basis by third party valuation consultants, the fair value of the land is increased by 15% in the favourable scenario and reduced by 15% in the unfavourable scenario.

For operating businesses (except those where a last transacted price exists within the past 12-months that provides the basis for fair value) that are valued on a trading comparable basis using enterprise value to earnings before interest, tax, depreciation and amortisation ("EBITDA"), EBITDA is increased by 15% and decreased by 15% in the favourable and unfavourable scenarios.

Notes to the Financial Statements

23. SUBSIDIARIES

Details of the subsidiaries of the Company are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Equity interest 2012 %	Equity interest 2011 %
Symphony Capital Partners Limited	Investment holding	Republic of Mauritius	**100**	100
Rank High Limited	Investment holding	Hong Kong S.A.R.	**92.1**	92.1
Symphony International Limited	Investment holding	Republic of Mauritius	**100**	100
Symphony Investment Management Limited and its subsidiary:	Investment holding	British Virgin Islands	**100**	100
Daphon Holdings Pte. Ltd.	Investment holding	Republic of Singapore	**100**	100
Lennon Holdings Limited and its subsidiary:	Investment holding	Republic of Mauritius	**100**	100
Britten Holdings Pte. Ltd.	Investment holding	Republic of Singapore	**100**	100
Teurina Limited	Investment holding	British Virgin Islands	**100**	100
Gabrieli Holdings Limited and its subsidiaries:	Investment holding	British Virgin Islands	**100**	100
Ravel Holdings Pte. Ltd. and its subsidiaries:	Investment holding	Republic of Singapore	**100**	100
Schubert Holdings Pte. Ltd.	Investment holding	Republic of Singapore	**100**	100
Haydn Holdings 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**	100
Anshil Limited	Investment holding	British Virgin Islands	**100**	100
Buble Holdings Limited	Investment holding	British Virgin Islands	**100**	100
O’Sullivan Holdings Limited and its subsidiary:	Investment holding	British Virgin Islands	**100**	100
Bacharach Holdings Limited	Investment holding	British Virgin Islands	**100**	100

Notes to the Financial Statements

24. JOINT VENTURES/ASSOCIATES

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

Name of joint venture	Principal activities	Place of incorporation and business	Ordinary shares Equity interest 2012 %	Ordinary shares Equity interest 2011 %	Preference shares Equity interest 2012 %	Preference shares Equity interest 2011 %
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	**–**	–	**19.20**	18.69
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	**37.5**	30.0	**–**	–
Silver Prance Limited	Investment holding	Hong Kong	**37.5**	30.0	**–**	–
Privee Holdings Pte. Ltd.	Manufacture and distribution of leather goods	Singapore	**15.03**	–	**–**	–

25. SUBSEQUENT EVENTS

On 28 February 2013, the Group subscribed to additional shares in AFC Network Private Limited by way of rights issue. The investment represented less than 2% of NAV.

The Group had given notice at the end of March 2013 to exercise 4.7 million warrants to subscribe to shares in Minor International Public Company Limited with a conversion ratio of 1.1 shares for each warrant at a strike price of 11.8 Thai baht. The consideration for exercising the warrants is approximately US$2.1 million.

Notes to the Financial Statements

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 2012, and have not been applied in preparing these financial statements. Those new standards, amendments to standards and interpretations and which the Group does not plan to early adopt except as otherwise indicated below, are set out below.

Applicable for the Group's 2013 financial statements

- ***IFRS 10 Consolidated Financial Statements (effective on 1 January 2013)***

  IFRS 10 *Consolidated Financial Statements*, which changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power with the investee. IFRS 10 introduces a single control model with a series of indicators to assess control. IFRS 10 also adds additional context, explanation and application guidance based on the principle of control.

  The Group has re-evaluated its involvement with investees under the new control model. Based on its assessment, the Group does not expect the adoption of IFRS 10 will have material impact on the Group financial statements.

- ***IFRS 11 Joint Arrangements (effective on 1 January 2013)***

  IFRS 11 *Joint Arrangements*, which establishes the principles for classification and accounting of joint arrangements. The adoption of this standard would require the Group to re-assess and classify its joint arrangements as either joint operations or joint ventures based on its rights and obligations arising from the joint arrangements.

  The Group has a number of investments in a joint arrangements (see note 24). The Group has re-evaluated the rights and obligations of the parties to this joint arrangement and has determined that the parties in this joint arrangement have rights to the net assets of the arrangement. Accordingly, this joint arrangement will be classified as a joint venture under IFRS 11 and measured at fair value through profit or loss. As a result, the adoption of this standard is not expected to have material impact on the Group financial statements.

- ***IFRS 12 Disclosure of Interests in Other Entities (effective on 1 January 2013)***

  IFRS 12 *Disclosure of Interests in Other Entities*, which sets out the disclosures required to be made in respect of all forms of an entity's interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of this standard would result in more extensive disclosures being made in the Group's financial statements in respect of its interests in other entities; as IFRS 12 is primarily a disclosure standard, there will be no financial impact on the results and financial position of the Group upon adoption of this standard by the Group in 2013.

- ***IFRS 13 Fair Value Measurement (effective on 1 January 2013)***

  IFRS 13 *Fair Value Measurement*, which replaces the existing guidance on fair value measurement in different IFRS with a single definition of fair value. The standard also establishes a framework for measuring fair values and sets out the disclosure requirements for fair value measurements.

  The adoption of this standard will require the Group to re-assess the bases used for determining the fair values computed for both measurement and disclosures purposes and would result in more extensive disclosures on fair value measurements. On initial application of the standard, the Group does not expect substantial changes to the bases used for determining fair values.

Notes to the Financial Statements

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

Applicable for the Group's 2014 financial statements

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

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

  The Group is presently assessing the impact of the adoption of these amendments.

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

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

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

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, 29 April 2013 at 11.30 a.m. CET 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 2012.

ORDINARY RESOLUTIONS

Resolution 1

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

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 77,232,182 Shares) at the date of this notice;

    (b) the maximum price which may be paid for any such Share shall not exceed the higher of:

        (i) 5 per cent. above the average market value of the Company's Shares for the five business days prior to the day the purchase is made; and

        (ii) the higher of the price of the last independent trade and the highest current independent bid at the time of the purchase on the trading venues where the purchase is carried out; and

    (c) the authority hereby confirmed shall expire at the conclusion of the Company's next annual general meeting.

SPECIAL RESOLUTIONS

Resolution 2

Article 2.5 and Article 2.6 shall be deleted and replaced with the following:

2.5 In relation to the issue of new Shares:

    A) the Directors of the Company shall be obliged to seek the approval of a Resolution of Shareholders to increase the Company's Capital by the issue of new Shares in consideration for cash, including promissory notes or other written obligation to contribute cash, at an issue price per Share which represents a discount of more than 15 per cent. to the net asset value per Share that is last published before the date of the relevant Resolution of Directors regarding the Capital increase; and, as the case may be,

Notice of Annual General Meeting

B) the Directors of the Company shall be obliged to seek the approval of a Special Resolution of Shareholders in a general meeting, if at the date that the Directors resolve to issue such Shares:

(i) more than 30 per cent. of the Company's Capital is held in temporary investments or on deposit with commercial banks; or

(ii) such issue of new Shares would exceed 50 per cent. in value of the Company's Capital,

save that the requirements set out in paragraphs (A) and (B) above shall in no circumstances apply to

(a) an issue of Shares in payment of all or part of the purchase price for an investment, provided that (i) such new Shares are issued either at no discount or at a discount of no more than 10 per cent. of our net asset value (based on a net asset value valuation produced specifically for the purpose of such issue), (ii) the issue will not create an offer for our Shares and (iii) when aggregated with other Shares issued in payment of all or part of the purchase price for an investment in any calendar year, the aggregate value does not exceed 50 per cent. of our outstanding borrowings and issued share capital at the beginning of that calendar year;

(b) an issue of Shares pursuant to the exercise of Share Options or Warrants;

(c) the issue of Management Shares; and

(d) the issue of Shares pursuant to the exercise of rights of conversion by holders of convertible Securities by the Company.

2.6 At any time when less than 30 per cent. of the Company's Capital is held in temporary investment or deposited with commercial banks, the Investment Manager will be entitled to raise, subject to the approval of a committee of the Board comprising of the Key Persons who are Directors, and (where relevant) the approval of Shareholders pursuant to Article 2.5, further finance (through the issuance of further Shares and/or through other financing arrangements) in the Company's name without the consent of Shareholders or the holders of any other Securities

Resolution 3

Revised articles

Article 1.1

Every Shareholder is entitled to a certificate signed by a Director or officer of the Company, or any other person authorised by Resolution of Directors, or under the Seal, specifying the number of Shares held by him. The signature of the Director, officer or authorised person and the Seal may be facsimiles or affixed by any electronic means (including laser printing).

Article 17

17.1 The Company shall have a Seal an impression of which shall be kept at the office of the registered agent of the Company. The Company may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted by Resolution of Directors. The Directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the registered office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of any one Director or other person so authorised from time to time by Resolution of Directors. Such authorisation may be before or after the Seal is affixed, may be general or specific and may refer to any number of sealings.

Notice of Annual General Meeting

17.2 The Directors may provide for:

(a) a facsimile of the Seal and of the signature of any Director or authorised person which may be reproduced by printing or other means; or

(b) an electronic reproduction of the Seal and of the signature of any Director or authorised person which may be reproduced electronically (including by laser printing), by printing or other means,

on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been attested to as hereinbefore described.

By order of the Board,

Anil Thadani
Director

Dated this 2nd day of April 2013.

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 ordinary resolution and the special resolutions of the Annual General Meeting will be passed by a simple majority, and 75% majority, respectively, 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, 25 April 2013. 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, 25 April 2013.

EXPLANATORY NOTES TO RESOLUTIONS OF THE NOTICE OF ANNUAL GENERAL MEETING

Resolution 1

The Company was granted authority by Shareholders at the Annual General Meeting held on 30 April 2012 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 2014. 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

At the time of the Company's Rights Issue of shares in October 2012, the Directors stated an intention to propose the addition of a new Article to the Articles of Association to prohibit the issuance of Shares by the Company at a price which represents a discount of more than 15 per cent. to the then most recently published net asset value per Share, except where approved by a Resolution of Shareholders (such approval to be sought on a case-by-case basis) with the exceptions as outlined in the resolution.

Resolution 3

When share certificates are issued to Shareholders, they are required to be signed by a Director of the Company under Seal. This process is costly and laborious. In keeping with modern practice, the Directors propose to provide for a facsimile, or an electronic reproduction, of the Seal and of the signature of any Director or authorised person on any instrument.

SYMPHONY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the British Virgin Islands)

Form of direction for completion by holders of Depository Interests representing shares, on a 1 for 1 basis, in the share capital of Symphony International Holdings Limited (the "Company") in respect of the Annual General Meeting to be held at 8 Place Bel-Air, CH-1260 Nyon, Switzerland on Monday, 29 April 2013 at 11.30 a.m. CET

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 RESOLUTION	FOR	AGAINST	VOTE WITHHELD
1. To authorise the Company to make market purchases of its own Shares.			
SPECIAL RESOLUTIONS			
2. To authorise the Company to amend articles 2.5 and 2.6 in relation to the issue of new shares.			
3. To authorise the Company to amend articles 1.1, 17.1 and 17.2 in relation to the issue of share certificates and the company seal.			

Dated this ______________________________ day of _____________________ 2013

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, 25 April 2013.
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, 29 April 2013 at 11.30 a.m. CET

I/We[1] ____

of ____

being the registered holder(s) of ____________ 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, 29 April 2013 at 11.30 a.m. for the purposes of receiving the annual report, which includes the financial statements, for the year ended 31 December 2012, and considering and, if thought fit, passing the ordinary resolution and special 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 resolution as indicated below. The complete wording of the resolution may be found in the notice convening the Annual General Meeting.

ORDINARY RESOLUTION	FOR[4]	AGAINST[4]	VOTE WITHHELD[4]
1. To authorise the Company to make market purchases of its own Shares.			
SPECIAL RESOLUTIONS			
2. To authorise the Company to amend articles 2.5 and 2.6 in relation to the issue of new shares.			
3. To authorise the Company to amend articles 1.1, 17.1 and 17.2 in relation to the issue of share certificates and the company seal.			

Dated this ____________ day of ____________ 2013 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 and voting at the Meeting if you so wish. If you attend and vote at the Meeting, the authority of your proxy will be revoked.