Symphony International Holdings Limited

Annual report
Year ended 31 December 2015

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Independent auditors' report

Members of the Company
Symphony International Holdings Limited

Report on the financial statements

We have audited the accompanying financial statements of Symphony International Holdings Limited (the Company), which comprise the statement of financial position as at 31 December 2015, and the 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 FS1 to FS33.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
18 March 2016

Statement of financial position
As at 31 December 2015

	Note	2015 US$'000	2014 US$'000
Non-current assets			
Financial assets at fair value through profit or loss	3	627,292	630,053
		627,292	630,053
Current assets			
Other receivables and prepayments	4	220	43
Cash and cash equivalents	5	73,142	80,376
		73,362	80,419
Total assets		700,654	710,472
Equity attributable to equity holders of the Company			
Share capital	6	413,358	409,127
Reserves	7	62,074	61,596
Accumulated profits		220,154	234,688
Total equity carried forward		695,586	705,411
Current liabilities			
Interest-bearing borrowings	8	4,772	4,748
Other payables	9	296	313
Total liabilities		5,068	5,061
Total equity and liabilities		700,654	710,472

The financial statements were approved by the Board of Directors on 18 March 2016.

Anil Thadani
Director

18 March 2016

Sunil Chandiramani
Director

18 March 2016

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

Statement of comprehensive income
Year ended 31 December 2015

	Note	2015 US$'000	2014 US$'000
Other operating income		1,435	1,847
Other operating expenses		(7,407)	(5,191)
Management fees		(15,000)	(15,000)
		(20,972)	(18,344)
Share options expense		(1,986)	(3,871)
Loss before investment results and income tax		(22,958)	(22,215)
Fair value changes in financial assets at fair value through profit or loss		38,425	137,896
Profit before income tax	10	15,467	115,681
Income tax expense	11	–	–
Profit for the year		15,467	115,681
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year		15,467	115,681

Earnings per share:

	Note	US Cents	US Cents
Basic	12	2.94	22.23
Diluted	12	2.90	22.08

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

	Share capital US$'000	Equity compensation reserve US$'000	Accumulated profits US$'000	Total equity US$'000
At 1 January 2014	402,054	59,798	144,018	605,870
Total comprehensive income for the year	–	–	115,681	115,681
Transactions with owners of the Company, recognised directly in equity				
Issuance of shares	5,000	–	–	5,000
Value of services received for issue of share options	–	3,871	–	3,871
Exercise of share options	2,073	(2,073)	–	–
Dividend paid of US$0.04 per share	–	–	(25,011)	(25,011)
Total transaction with owners of the Company	7,073	1,798	(25,011)	(16,140)
At 31 December 2014	409,127	61,596	234,688	705,411

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

	Share capital US$'000	Equity compensation reserve US$'000	Accumulated profits US$'000	Total equity US$'000
At 1 January 2015	409,127	61,596	234,688	705,411
Total comprehensive income for the year	–	–	15,467	15,467
Transactions with owners of the Company, recognised directly in equity				
Issuance of shares	2,723	–	–	2,723
Value of services received for issue of share options	–	1,986	–	1,986
Exercise of share options	1,508	(1,508)	–	–
Dividend paid of US$0.05 per share	–	–	(30,001)	(30,001)
Total transaction with owners of the Company	4,231	478	(30,001)	(25,292)
At 31 December 2015	413,358	62,074	220,154	695,586

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

Statement of cash flows
Year ended 31 December 2015

	Note	2015 US$'000	2014 US$'000
Cash flows from operating activities			
Profit before income tax		15,467	115,681
Adjustments for:			
Exchange loss		6,341	3,895
Interest income		(1,435)	(1,847)
Interest expense		23	34
Fair value changes in financial assets at fair value through profit or loss		(38,425)	(137,896)
Share options expense		1,986	3,871
		(16,043)	(16,262)
Changes in working capital:			
Increase in other receivables and payments		(182)	(4)
(Decrease)/Increase in other payables		(12)	14
		(16,237)	(16,252)
Interest received (net of withholding tax)		1,181	1,856
Net cash used in operating activities		(15,056)	(14,396)
Cash flows from investing activities			
Purchase of financial assets at fair value through profit or loss		–	(11,035)
Proceeds from disposal of financial assets at fair value through profit or loss		35,402	–
Net cash from/(used in) investing activities		35,402	(11,035)
Cash flows from financing activities			
Net proceeds from issue of share capital		2,723	5,000
Interest paid		(24)	(35)
Dividend paid		(30,001)	(25,011)
Proceeds from borrowings		67	193
Net cash used in financing activities		(27,235)	(19,853)
Net decrease in cash and cash equivalents		(6,889)	(45,284)
Cash and cash equivalents at 1 January		80,376	126,231
Effect of exchange rate fluctuations		(345)	(571)
Cash and cash equivalents at 31 December	5	73,142	80,376

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 18 March 2016.

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 unconsolidated subsidiaries consist primarily of making strategic investments with the objective of increasing the 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.

2 Summary of significant accounting policies

2.1 Basis of preparation

The 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. 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 13 – Valuation of share options
- Note 3 and 16 – Fair value of investments

Except as disclosed above, there are no other significant areas of estimation uncertainty or critical judgements in the application of accounting policies that have a significant effect on the amount recognised in the financial statements.

2.2 Subsidiaries

Subsidiaries are investees controlled by the Company. The Company controls an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company is an investment entity and does not consolidate its subsidiaries and measures them at fair value through profit or loss. In determining whether the Company meets the definition of an investment entity, management considered the structure of the Company and its subsidiaries as a whole in making its assessment.

2.3 Functional currency

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

For the purposes of determining the functional currency of the Company, management has considered the activities of the Company, which are those relating to an investment holding company. Funding is obtained in US dollars through the issuance of ordinary shares.

2.4 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company 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 prevailing 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.

2.5 Financial instruments

The Company 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 Company 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 Company'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, 2013 and 2014, IFRS 9 was updated to include revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. The final version of IFRS 9 (2014) is effective for periods beginning on or after 1 January 2018.

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, and other payables.

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

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company 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 Company. Financial liabilities are derecognised if the Company'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 Company'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 are measured at fair value through profit or loss. This includes financial assets that are held for trading and investments that the Company manages based on their fair value in accordance with the Company's documented risk management and/or investment strategy.

Equity instruments are measured at fair value through profit or loss unless the Company 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.

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 Impairment

Financial assets

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

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

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

All impairment losses are recognised in profit or loss in the statement of comprehensive income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss in the statement of comprehensive income.

Non-financial assets

The carrying amounts of the Company'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.

2.7 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.

2.8 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.

2.9 Finance 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.

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; and

- 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;

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company 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 Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company 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 Company 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.

2.12 Earnings per share

The Company 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, share options granted to Investment Manager and warrants.

2.13 Segment reporting

An operating segment is a component of the Company 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 Company'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 Asia Holdings Pte. Ltd that makes strategic investment decisions.

2.14 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 2015 and have not been applied in preparing these financial statements. None of these are expected to have a significant impact on the Company's financial statements.

3 Financial assets at fair value through profit or loss

	2015 US$'000	2014 US$'000
Investments	627,292	630,053

4 Other receivables and prepayments

	2015 US$'000	2014 US$'000
Interest receivables	10	4
Other receivables	171	–
Other prepayments	39	39
	220	43

5 Cash and cash equivalents

	2015 US$'000	2014 US$'000
Fixed deposits with financial institutions	49,606	79,895
Cash at bank	23,536	481
Cash and cash equivalents in the statement of cash flows	73,142	80,376

The effective interest rate on fixed deposits with financial institutions as at 31 December 2015 was 0.09% to 0.80% (2014: 0.08% to 0.80%) per annum. Interest rates reprice at intervals of one to four weeks.

6 Share capital

	Company	
	2015 Number of shares	2014 Number of shares
Fully paid ordinary shares, with no par value:		
At 1 January	523,557,998	515,224,698
Exercise of share options	4,538,197	8,333,300
At 31 December	528,096,195	523,557,998

Share capital in the statement of financial position represents subscription proceeds received from, and the amount of liabilities capitalised through, the issuance of ordinary shares of no par value in the Company, less transaction costs directly attributable to equity transactions.

The Company does not have an authorised share capital and is authorised to issue an unlimited number of no par value shares.

The 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 13 for more details).

108,565,365 warrants were issued on 3 August 2007 and 3,289,845 additional warrants were issued on 22 October 2012 due to the rights issue announced on 4 October 2012. The warrants had an exercise price of US$1.22 each and expired on 3 August 2015. None of the warrants had been exercised.

7 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 13).

8 Interest-bearing borrowings

The interest-bearing term loan amounting to US$4,772,000 (2014: US$4,748,000) is denominated in Japanese Yen. Interest is charged at 0.43% to 0.55% (2014: 0.55% to 0.64%) per annum and reprices on a quarterly basis. The loan principals are repayable quarterly unless the loan is rolled-over.

9 Other payables

	2015 US$'000	2014 US$'000
Accrued operating expenses	194	207
Amount due to directors	100	100
Amount due to Investment Manager (non-trade)	–	3
Interest payable	2	3
	296	313

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

10 Profit before income tax

Profit before income tax includes the following:

	2015 US$'000	2014 US$'000
Other operating income		
Interest income from:		
- fixed deposits and placements in money market fund	386	559
- loans to unconsolidated subsidiaries	1,049	1,288
	1,435	1,847
Other operating expenses		
Interest expense	23	34
Foreign exchange loss	6,341	3,895

11 Income tax expense

The Company is incorporated in a tax-free jurisdiction, thus, it is not subject to income tax.

12 Earnings per share

	2015 US$'000	2014 US$'000
Basic and diluted earnings per share are based on:		
Net profit for the year attributable to ordinary shareholders	15,467	115,681

Basic earnings per share

	Number of shares 2015	Number of shares 2014
Issued ordinary shares at 1 January	523,557,998	515,224,698
Effect of shares issued	4,538,197	8,333,300
Issued ordinary shares at 31 December	528,096,195	523,557,998
Weighted average number of shares (basic)	526,772,554	520,423,704

Diluted earnings per share

	2015	2014
Weighted average number of shares (basic)	526,772,554	520,423,704
Effect of share options	5,713,299	3,474,907
Weighted average number of shares (diluted)	532,485,853	523,898,611

As at 31 December 2015, there were nil outstanding warrants to subscribe for new ordinary shares of no par value. As at 31 December 2014, there were 111,855,210 outstanding warrants to subscribe to new ordinary shares of no par value at an exercise price of US$1.22, which have not been included in the computation of diluted earnings per share that year, as the effect would have been anti-dilutive.

	2015	2014
Number of outstanding options		
Exercise price of US$1.00	82,782,691	82,782,691
Exercise price of US$0.60	28,795,003	33,333,200
	111,577,694	116,115,891

Only options to subscribe for ordinary shares of no par value that are dilutive have been included in the computation of diluted earnings per share. At 31 December 2015, 28,795,003 (2014: 16,666,600) share options that have an exercise price of US$0.60 (2014: US$0.60) have been included in the diluted per share computation.

13 Significant related party transactions

Key management personnel compensation

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

During the financial year, directors' fees amounting to US$400,000 (2014: US$400,000) were declared as payable to four directors (2014: four directors) of the Company. The remaining two directors of the Company are also directors of the Investment Manager who provides management and administrative services to the Company on an exclusive and discretionary basis. No remuneration has been paid to these 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 ("SIMgL") pursuant to which the SIMgL would provide investment management and advisory services exclusively to the Company. On 15 October 2015, SIMgL was replaced by Symphony Asia Holdings Pte. Ltd. (with SAHPL and SIMgL, as the case maybe, hereinafter referred to as the "Investment Manager"). The Company entered into an Investment Management Agreement with SAHPL, which replaced the Investment Management and Advisory Agreement (as the case may be, hereinafter referred to as the "Investment Management Agreement"). The key persons of the management team of the Investment Manager comprise certain key management personnel engaged by the Investment Manager pursuant to arrangements agreed between the parties. They will (subject to certain existing commitments) devote substantially all of their business time as employees, and on behalf of the Investment Management Group, to assist the Investment Manager in its fulfilment of the investment objectives of the Company and be involved in the management of the business activities of the Investment Management Group. Pursuant to the Investment Management 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 net asset value, payable quarterly in advance on the first day of each quarter, based on the 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 2015, Management fees amounting to US$15,000,000 (2014: US$15,000,000) have been paid to the Investment Manager and recognised in the financial statements.

b. Management shares

   The Company did not issue any management shares during the year. At the reporting date, an aggregate of 10,298,725 (2014: 10,298,725) management shares have been issued, credited as fully paid to the Investment Manager.

c. Share options

Share options can be used to subscribe for ordinary shares of the Company.

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 Binomial Tree 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.

The number and exercise price of share options granted to the Investment Manager are as follows:

Grant date	Number of options	Vesting Conditions	Exercise price
Options granted to Investment Manager			
On 3 August 2008	82,782,691	Fully vested in five tranches over a period of five years and will expire on the tenth anniversary of the actual grant date	US$1.00
On 22 October 2012	41,666,500	Vest in five equal tranches over a period of five years and will expire on the tenth anniversary of the date of grant	US$0.60
Total share options outstanding at 1 January 2015	116,115,891		
Exercised during the year	4,538,197		US$0.60
Total share options outstanding at 31 December 2015	111,577,694		
Exercisable at 31 December 2015			
	82,782,691		US$1.00
	12,128,403		US$0.60

The share options expense arising from these options is recognised in accordance with the accounting policy set out in Note 2.7. In respect of these options, the assumptions used in determining the fair value are set out in the following table.

Fair value of share options and assumptions

	31 March	30 June	30 September	31 December
2015				
Fair value	US$0.41	US$0.35	US$0.26	US$0.31

Share price	US$0.82	US$0.75	US$0.66	US$0.71
Exercise price	US$0.60	US$0.60	US$0.60	US$0.60
Expected volatility	31.73%	30.20%	29.87%	30.48%
Expected option life	7.6 years	7.3 years	7.1 years	6.8 years
Expected dividends	Nil	Nil	Nil	Nil
Risk-free interest rate	2.1%	2.5%	2.2%	2.5%
2014				
Fair value	US$0.40	US$0.37	US$0.40	US$0.41
Share price	US$0.71	US$0.73	US$0.78	US$0.81
Exercise price	US$0.60	US$0.60	US$0.60	US$0.60
Expected volatility	40.80%	32.61%	32.49%	31.41%
Expected option life	8.6 years	8.3 years	8.0 years	7.8 years
Expected dividends	Nil	Nil	Nil	Nil
Risk-free interest rate	2.9%	2.7%	2.7%	2.4%

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

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

Share options expenses amounting to US$1,986,000 (2014: US$3,871,000) have been recognised in the financial statements.

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

During the year, the Investment Manager exercised 4,538,197 share options at US$0.60 each, which included the application of 50% of the dividends it received from the Company on all unexercised share options of the Company.

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

14 Commitments

In September 2008, the Company entered into a loan agreement with a joint venture, held via its unconsolidated subsidiary, to grant loans totalling THB140 million (US$3.9 million equivalent at 31 December 2015) to the latter in accordance with the terms as set out therein. As at 31 December 2015, THB120 million (U$3.3 million equivalent at 31 December 2015) has been drawn down. The Company is committed to grant the remaining loan amounting to THB20 million (US$0.6 million equivalent at 31 December 2015), subject to terms set out in the agreement.

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

15 Operating segments

The Company 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 Company's reportable segments.

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

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

Healthcare	Includes 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 and the Wine Connection Group (WCG)*
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

*Prior to 30 June 2015, management categorised WGC in the hospitality operating segment.

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
2015						
Investment income:						
- Interest income	1,026	–	–	23	386	1,435
- Fair value changes of financial assets at fair value through profit or loss	8,171	40,758	(3,381)	(8,494)	1,371	38,425
	9,197	40,758	(3,381)	(8,471)	1,757	39,860
Investment expense:						
- Exchange loss	(1,187)	–*	9	(4,801)	(362)	(6,341)
Net investment results	8,010	40,758	(3,372)	(13,272)	1,395	33,519
2014						
Investment income:						
- Interest income	1,254	–	–	34	559	1,847
- Fair value changes of financial assets at fair value through profit or loss	11,288	121,878	4,473	(730)	987	137,896
	12,542	121,878	4,473	(696)	1,546	139,743
Investment expense:						
- Exchange loss	(956)	(2)	(138)	(2,181)	(618)	(3,895)
Net investment results	11,586	121,876	4,335	(2,877)	928	135,848
2015						
Segment assets	128,269	361,895	14,972	111,421	83,877	700,434
2015						
Segment liabilities	–	–	–	4,774	–	4,774
2014						
Segment assets	145,815	337,692	9,113	128,078	89,731	710,429
2014						
Segment liabilities	–	–	–	4,751	–	4,751

* *Less than US$1,000*

Reconciliations of reportable segment profit or loss and assets

	2015 US$'000	2014 US$'000
Profit or loss		
Net investments results	33,519	135,848
Unallocated amounts:		
- Other corporate expenses	(18,052)	(20,167)
Profit for the year	15,467	115,681

	2015 US$'000	2014 US$'000
Assets		
Total assets for reportable segments	700,434	710,429
Other assets	220	43
Total assets	700,654	710,472
Liabilities		
Total liabilities for reportable segments	4,774	4,751
Other payables	294	310
Total liabilities	5,068	5,061

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	Thailand US$'000	Japan US$'000	Mauritius US$'000	Other US$'000	Total US$'000
2015							
Investment income:							
- Interest income	386	–	–	–	1,026	23	1,435
- Fair value changes of financial assets at fair value through profit or loss	(1,688)	9,631	29,162	(57)	–	1,377	38,425
	(1,302)	9,631	29,162	(57)	1,026	1,400	39,860
Investment expense:							
- Exchange loss	(382)	–	–	–	(1,159)	(4,800)	(6,341)
Net investment results	(1,684)	9,631	29,162	(57)	(133)	(3,400)	33,519

	Singapore US$'000	Malaysia US$'000	Thailand US$'000	Japan US$'000	Mauritius US$'000	Other US$'000	Total US$'000
2014							
Investment income:							
- Interest income	559	–	–	–	1,288	–	1,847
- Fair value changes of financial assets at fair value through profit or loss	(13)	11,176	125,920	(182)	–	995	137,896
	546	11,176	125,920	(182)	1,288	995	139,743
Investment expense:							
- Exchange loss	11	–	–	–	(935)	(2,971)	(3,895)
Net investment results	557	11,176	125,920	(182)	353	(1,976)	135,848
2015							
Segment assets	137,116	86,602	456,645	9,014	61	10,996	700,434
2015							
Segment liabilities	4,774	–	–	–	–	–	4,774
2014							
Segment assets	148,786	104,665	432,854	9,043	4,773	10,308	710,429
2014							
Segment liabilities	4,751	–	–	–	–	–	4,751

16 Financial risk management

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

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company and to set appropriate controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company 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 2015, the Company has credit risk exposure relating to fixed deposits placed with several financial institutions and placements in money market funds totalling US$73,142,000 (2014: US$80,376,000). Other than these balances, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

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

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 Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Company's exposure to changes in interest rates relates primarily to its interest-earning fixed deposits placed with financial institutions and interest-bearing term loans. The Company'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 Company does not enter into derivative financial instruments to hedge against its exposure to interest rate risk.

Sensitivity analysis

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

	Impact on Profit or loss		**Impact on Profit or loss**	
	100 bp increase 2015 US$'000	**5 bp decrease 2015 US$'000**	**100 bp increase 2014 US$'000**	**5 bp decrease 2014 US$'000**
Deposits with financial institutions	496	(25)	799	(40)
Interest-bearing borrowings	(48)	2	(47)	2
	448	(23)	752	(38)

Foreign exchange risk

The Company is exposed to transactional foreign exchange risk when transactions are denominated in currencies other than the functional currency of the operation. The Company 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 Company's investment decision and returns.

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

	Hong Kong Dollars US$'000	Singapore Dollars US$'000	Japanese Yen US$'000	Thailand Baht US$'000	Malaysian Ringgit US$'000	Others US$'000
2015						
Financial assets at fair value through profit or loss	–	30,198	9,015	79,886	65,493	–*
Other receivables	–	–*	–	–	–	171
Cash and cash equivalents	125	1,354	–	–*	–	–
Interest-bearing borrowings	–	–	(4,772)	–	–	–
Accrued operating expenses	–	(172)	–	(2)	–	(20)
Net exposure	125	31,380	4,243	79,884	65,493	151
2014						
Financial assets at fair value through profit or loss	–	32,742	9,043	91,513	78,787	–*
Other receivables	1	2	–	–	–	–
Cash and cash equivalents	5,539	13,585	–	–*	–	–
Interest-bearing borrowings	–	–	(4,748)	–	–	–
Accrued operating expenses	–	(196)	–	(2)	–	(9)
Net exposure	5,540	46,133	4,295	91,511	78,787	(9)

* *Less than US$1,000*

Sensitivity analysis

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

	Profit or loss 2015 US$'000	Profit or loss 2014 US$'000
Hong Kong Dollars	(13)	(554)
Singapore Dollars	(3,138)	(4,613)
Japanese Yen	(424)	(430)
Thailand Baht	(7,988)	(9,151)
Malaysian Ringgit	(6,549)	(7,879)
Others	(15)	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 Company's investment portfolio is dependent on prevailing market conditions and the performance of the underlying assets. The Company does not hedge the market risk inherent in the portfolio but manages asset performance risk on an asset-specific basis.

The Company's investment policies provide that the Company 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 Company's underlying investments that are 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	
	2015	**2014**
	US$'000	**US$'000**
Underlying investments in quoted equity securities at fair value through profit or loss	48,922	46,885

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

Liquidity risk

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

The Company'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 Company's reputation. The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the Investment Manager to finance the Company'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**
2015					
Non-derivative financial liabilities					
Interest-bearing borrowings	4,772	4,772	4,772	–	–
Other payables	296	296	296	–	–
	5,068	5,068	5,068	–	–
2014					
Non-derivative financial liabilities					
Interest-bearing borrowings	4,748	4,748	4,748	–	–
Other payables	313	313	313	–	–
	5,061	5,061	5,061	–	–

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity. The Company 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 Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

Accounting classification

The classification of financial assets and liabilities, are as follows:

Group	**Note**	**Fair value through profit or loss US$'000**	**At amortised cost US$'000**	**Total US$'000**
2015				
Financial assets at fair value through profit or loss	3	627,292	–	627,292
Other receivables and prepayments	4	–	220	220
Cash and cash equivalents	5	–	73,142	73,142
		627,292	73,362	700,654
Interest-bearing borrowings	8	–	4,772	4,772
Other payables	9	–	296	296
		–	5,068	5,068

Group	Note	Fair value through profit or loss US$'000	At amortised cost US$'000	Total US$'000
2014				
Financial assets at fair value through profit or loss	3	630,053	–	630,053
Other receivables and prepayments	4	–	43	43
Cash and cash equivalents	5	–	80,376	80,376
		630,053	80,419	710,472
Interest-bearing borrowings	8	–	4,748	4,748
Other payables	9	–	313	313
		–	5,061	5,061

Fair value

The financial assets at fair value through profit or loss are measured using the adjusted net asset value method, which is based on the fair value of the underlying investments. The fair values of the underlying investments are determined based on the following methods:

i) for quoted equity investments, based on quoted market bid prices at the financial reporting date without any deduction for transaction costs;

ii) for unquoted investments, 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;

iii) for 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) the notional amounts are assumed to approximate their fair values because of the short period to maturity/repricing.

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

Fair value hierarchy for financial instruments

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes input not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between instruments.

	Level 1 US$'000	**Level 2 US$'000**	**Level 3 US$'000**	**Total US$'000**
2015				
Financial assets at fair value through profit or loss	–	–	627,292	627,292
2014				
Financial assets at fair value through profit or loss	–	–	630,053	630,053

As explained in Note 2.2, the Company qualifies as an investment entity and therefore does not consolidate its subsidiaries. Accordingly, the fair value levelling reflects the fair value of the unconsolidated subsidiaries and not the underlying quoted equity investments. There were no other transfers from Level 1 to Level 2 or Level 3 and vice versa during the years ended December 2015 and 2014.

The fair value hierarchy table excludes financial assets and financial liabilities such as cash and cash equivalents, other receivables and payables and interest-bearing borrowings because their carrying amounts approximate their fair values due to their short-term period to maturity/repricing.

Significant unobservable inputs used in measuring fair value

This table below sets out information about significant unobservable inputs used at 31 December 2015 in measuring the underlying investments of the financial assets categorised as Level 3 in the fair value hierarchy.

Description	Fair value at 31 December 2015 US$'000	Fair value at 31 December 2014 US$'000	Valuation technique	Unobservable input	Range (Weighted average)	Sensitivity to changes in significant unobservable inputs
Rental properties	12,265	15,979	Income approach	Rental growth rate	6%-10% (2014: 8%-10%)	The estimated fair value would increase if the rental growth rate and occupancy rate were higher and the discount rate was lower.
				Occupancy rate	80%-95% (2014: 80-95%)	
				Discount rate	13% (2014: 13%)	
Land related investments	99,161	112,106	Comparable valuation method	Price per square meter for comparable land	US$53 to US$1,484 per square meter (2014: US$60 to US$1,101 per square meter)	The estimated fair value would increase if the price per square meter were higher.
Operating business	14,831	18,154	Enterprise value using comparable traded multiples	EBITDA multiple (times)	5.4x to 17.2x, average 11.1x (2014: 6.9x to 13.6x, average 9.8x)	The estimated fair value would increase if the EBITDA multiple was higher.
				Discount for lack of marketability	20%	The estimated fair value would increase if the discount for lack of marketability were lower.

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

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

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

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

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

The investment entity approach requires the presentation and fair value measurement of immediate investments; the shares of intermediate holding companies are not listed. However, ultimate investments in listed entities amounting to US$489,220,722 (2014: US$468,846,356) are held through intermediate holding companies; the value of these companies are mainly determined by the fair values of the ultimate investments.

Level 3 valuations

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

	2015	**2014**
	Financial assets at fair value through profit or loss US$'000	
Balance at 1 January	630,053	485,222
Total gains or losses in profit or loss	38,425	137,896
(Deductions)/Additions	(41,186)	6,935
Balance at 31 December	627,292	630,053

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

	‹------------- 2015 ------------›		**‹------------- 2014 -------------›**	
	Effect on profit or loss		**Effect on profit or loss**	
	Favourable US$'000	**(Unfavourable) US$'000**	**Favourable US$'000**	**(Unfavourable) US$'000**
Level 3 assets	16,517	(17,083)	15,795	(16,128)

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

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

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

For operating businesses (except those where a last transacted price exists within the past 12-months that provides the basis for fair value) 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.

17 Unconsolidated subsidiaries

Details of the unconsolidated subsidiaries of the Company are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Equity interest 2015 %	Equity interest 2014 %
Symphony (Mint) Investment Limited (Formerly Symphony Capital Partners Limited)	Investment holding	Republic of Mauritius	100	100
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

Name of subsidiary	Principal activities	Place of incorporation and business	Equity interest 2015 %	2014 %
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
True United Limited	Investment holding	British Virgin Islands	100	100
True Wisdom Limited	Investment holding	British Virgin Islands	100	100
Segovia Holdings Limited	Investment holding	British Virgin Islands	100	100
Anshil Limited	Investment holding	British Virgin Islands	100	100
Buble Holdings Limited	Investment holding	British Virgin Islands	100	100
O'Sullivan Holdings Limited and its subsidiary:	Investment holding	British Virgin Islands	100	100
Bacharach Holdings Limited	Investment holding	British Virgin Islands	100	100
Brahms Holdings Limited	Investment holding	British Virgin Islands	100	100
Schumann Holdings Limited	Investment holding	British Virgin Islands	100	100
Symphony Healthcare Holdings Limited	Investment holding	British Virgin Islands	100	100

18 Underlying investments

Details of the underlying investments in unquoted equities of the Company are as follows:

Name	Principal activities	Place of incorporation and business	Ordinary shares Equity interest 2015 %	Ordinary shares Equity interest 2014 %	Preference shares Equity interest 2015 %	Preference shares Equity interest 2014 %
La Finta Limited[1]	Property development	Thailand	49	49	–	–
Minuet Limited[1]	Property development	Thailand	49.98	49.98	–	–
SG Land Co. Limited[1]	Real estate	Thailand	49.91	49.91	–	–
C Larsen (Singapore) Pte Ltd[2]	Distribution of furniture	Republic of Singapore	0.1	0.1	100	100
Chanintr Living Limited[2]	Distribution of furniture	Thailand	0.1	0.1	–	–
Well Round Holdings Limited[2]	Property development	Hong Kong	37.5	37.5	–	–
Silver Prance Limited[2]	Property development	Hong Kong	37.5	37.5	–	–
Desaru Peace Holdings Sdn Bhd[2]	Property development	Malaysia	–	–	49	49
Oak SPV Limited	Hospitality and lifestyle	Cayman Islands	13.4	13.4	–	–

[1] *Joint venture*
[2] *Associate*

19 Subsequent Events

During the first quarter of 2016, the Company sold approximately 15.8 million shares held in MINT in the market through a series of transactions. The sale generated proceeds of approximately US$16.0 million.

On 22 March 2016, the Board of the Company announced a dividend payment of approximately US$40,000,000 to shareholders and option holders. The dividend, payable to shareholders and option holders, will be 6.25 cents (2015: 4.69 cents) per Share comprised of an ordinary dividend of 2.50 cents (2015: 1.56 cents) per Share and an extraordinary dividend of 3.75 cents (2015: 3.13 cents) per Share, which amounts to approximately US$16 million (2015: $10 million) and US$24 million (2015: $20 million), respectively. The dividend is payable on 22 April 2016. This dividend has not been provided for.