

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS’ REPORT THEREON (CONT’D)**

Symphony Life Berhad
(Incorporated in Malaysia)

2. Significant accounting policies (contd.)**2.4 Summary of significant accounting policies (contd.)****(n) Impairment of financial assets (contd.)****(i) Trade and other receivables and other financial assets carried at
amortised cost (contd.)**

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

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2. Significant accounting policies (contd.)

2.4 Summary of significant accounting policies (contd.)

(n) Impairment of financial assets (contd.)

(iii) Available-for-sale financial assets (contd.)

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(o) Leases

(i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Lease assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

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2. Significant accounting policies (contd.)**2.4 Summary of significant accounting policies (contd.)****(p) Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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2. Significant accounting policies (contd.)**2.4 Summary of significant accounting policies (contd.)****(p) Financial liabilities (contd.)****(ii) Other financial liabilities (contd.)**

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(q) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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(Incorporated in Malaysia)****2. Significant accounting policies (contd.)****2.4 Summary of significant accounting policies (contd.)****(s) Income tax****(i) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

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2. Significant accounting policies (contd.)**2.4 Summary of significant accounting policies (contd.)****(s) Income tax (contd.)****(ii) Deferred tax (contd.)**

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Goods and Services Tax ("GST")

The net amount of GST, being the difference between output and input of GST, is included as part of receivables or payables in the statements of financial position.

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2. Significant accounting policies (contd.)**2.4 Summary of significant accounting policies (contd.)****(t) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(u) Employee benefits**(i) Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into statutory pension scheme. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

(iii) Equity compensation benefits

The Company established the Employee Share Trust Scheme ("ESTS" or "Scheme") for the benefit of eligible employees.

Pursuant to the Scheme, a trustee was appointed, who is entitled from time to time to accept financial assistance from the Company, upon such terms and conditions as the Company and the trustee may agree, to purchase the Company's shares from the open market for the purpose of the Scheme.

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2. Significant accounting policies (contd.)**2.4 Summary of significant accounting policies (contd.)****(u) Employee benefits (contd.)****(iii) Equity compensation benefits (contd.)**

The shares repurchased are measured and carried at cost of acquisition on initial recognition and subsequently thereon. The ESTS Shares are consolidated into the Group's consolidated financial statements as a deduction from equity and classified as "Shares held by ESTS Trust". Dividends received by the ESTS Shares are to be paid back to the Company as deduction against the aggregate of dividends paid and proposed by the Company.

(v) Foreign currencies**(i) Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss.

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2. Significant accounting policies (contd.)**2.4 Summary of significant accounting policies (contd.)****(v) Foreign currencies (contd.)****(ii) Foreign currency transactions (contd.)**

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(w) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of properties

Revenue from sale of properties under development is accounted for by the stage of completion method as described in Note 2.4(h)(ii).

Sale of completed property units is recognised when the risk and reward associated with ownership transfers to the property purchasers.

(ii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.4(i).

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2. Significant accounting policies (contd.)**2.4 Summary of significant accounting policies (contd.)****(w) Revenue recognition (contd.)****(iii) Rental income**

Rental income from investment property is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(iv) Sale of goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(v) Property management

Property management income is recognised as and when the services are performed.

(vi) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(vii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(viii) Tribute income

Tribute income is recognised as and when ultimate collection is certain.

(x) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group.

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Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

(z) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group’s cash management.

(aa) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. These segmental information are reviewed by the chief operating decision maker. Additional disclosures on each of these segments are shown in Note 47, including the factors used to identify the reportable segments and the measurement basis of segment information.

(ab) Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(ac) Warrants

The issue of ordinary shares upon exercise of the warrants are treated as new subscriptions of ordinary shares for the consideration equivalent to the warrants exercise price and subsequently be classified as equity.

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2. Significant accounting policies (contd.)

2.4 Summary of significant accounting policies (contd.)

(ad) Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- (i) Expected to be realised or intended to sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period

Or

- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period

Or

- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current.

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(Incorporated in Malaysia)****2. Significant accounting policies (contd.)****2.5 Significant accounting judgements and estimates****(a) Critical judgements made in applying accounting policies**

The following is the judgement made by management in the process of applying the Group's accounting policies that has the most significant effect on the amounts recognised in the financial statements:

(i) Operating lease commitments – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that may have significant risks of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Property development

The Group recognises property development revenue and expenses in the statements of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(ii) Income taxes

Significant estimation is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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2. Significant accounting policies (contd.)**2.5 Significant accounting judgements and estimates (contd.)****(b) Key sources of estimation uncertainty (contd.)****(iii) Impairment of goodwill**

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill in respect of subsidiaries as at 31 March 2018 was RM10,327,000 (2017: RM10,327,000). Further details are disclosed in Note 20.

(iv) Fair value of investment properties

The fair value of the investment properties (Note 18), which is estimated based on investment method involved capitalisation of the net annual income stream that is expected to be received from the property after deducting the annual outgoings and other operating expenses incidental to the property with allowance for void using an appropriate market derived capitalisation rate. Fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value (where applicable).

Significant increases/ (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/ (lower) fair value of the properties. Significant increases/ (decreases) in the discount rate in isolation would result in a significantly lower/ (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rental growth per annum and an opposite change in discount rate.

In the case of the Group's commercial land, had the rental growth rate increased by 1% compounded annually to perpetuity and with a 0.5% increase/ (decrease) in discount rate, the fair value disclosed per Note 18 would be higher by approximately RM6.2 million/ RM10.9 million respectively.

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3. Revenue

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Sale of properties	114,666	222,450	-	-
Sale of land held for property development	-	649	-	-
Property management fees	209	540	-	-
Rental income and service charges	6,791	6,710	791	-
Dividend income:				
- subsidiaries	-	-	-	14,349
- quoted investments	384	445	382	442
Tribute income	906	1,896	-	-
Management fees	-	-	6,750	6,406
	122,956	232,690	7,923	21,197

4. Cost of sales

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Cost of property development	82,896	154,593	-	-
Cost of inventories sold	10,356	17,776	-	-
	93,252	172,369	-	-

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5. Other income

Other income includes:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Gain on disposals of property, plant and equipment	-	77	-	-
Interest income:				
- subsidiaries	-	-	19,437	16,684
- jointly controlled entities	1,974	1,680	3,787	3,360
- others	1,072	4,429	133	1,634
Rental income	256	331	-	-
Write back of allowance for doubtful debts	177	118	-	-
Compensation from compulsory acquisition of land	2,297	-	-	-
Liquidated ascertained damages recovered	750	1,250	-	-
Unwinding of interest	1,389	1,481	-	-
Unwinding of deferred income	5,007	2,650	-	-
Dividend income	395	892	-	-

6. Employee benefits expense

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Wages and salaries	15,749	17,142	5,215	5,545
Contributions to defined contribution plan	1,981	1,850	634	538
Social security contributions	121	109	14	12
Other benefits	1,379	1,639	479	126
	19,230	20,740	6,342	6,221

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,928,000 (2017: RM1,578,000) and non-executive directors' remuneration of RM329,000 (2017: RM309,000) as further disclosed in Note 7.

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7. Directors' remuneration

	Group/Company	
	2018	2017
	RM'000	RM'000
Executive:		
Salaries and other emoluments	1,928	1,578
Non-Executive:		
Other emoluments	95	93
Fees	234	216
	<u>329</u>	<u>309</u>
Total directors' remuneration	2,257	1,887
Estimated money value of benefits-in-kind	148	151
Total directors' remuneration including benefits-in-kind	<u>2,405</u>	<u>2,038</u>

The details of the remuneration received and receivable by the directors of the Company during the financial year are as follows:

	Group/Company	
	2018	2017
	RM'000	RM'000
Executive:		
Salaries and other emoluments	1,620	1,350
Contributions to defined contribution plan	308	228
Estimated money value of benefits-in-kind	148	151
	<u>2,076</u>	<u>1,729</u>
Non-Executive:		
Other emoluments	95	93
Fees	234	216
	<u>2,405</u>	<u>2,038</u>

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is tabled below:

	Number of Directors	
	2018	2017
Executive directors:		
RM2,050,001 - RM2,100,000	1	-
RM1,700,001 - RM1,750,000	-	1
	<u>1</u>	<u>1</u>
Non-executive directors:		
RM50,001 - RM100,000	5	4
	<u>5</u>	<u>4</u>

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**Symphony Life Berhad
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8. Depreciation and amortisation

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Depreciation of property, plant and equipment (Note 16)	561	1,234	153	194
Amortisation of investment properties (Note 18)	1,394	942	-	-
Amortisation of land use rights (Note 19)	-	10	-	-
	1,955	2,186	153	194

9. Other expenses

The following amounts have been included in other expenses:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Auditors' remuneration:				
- statutory audit - current year	341	347	65	53
- statutory audit - prior year	12	-	7	-
- other services	88	8	76	8
Allowance for doubtful debts	211	259	146	4
Operating leases on minimum lease payments for land and buildings	1,652	1,535	1,074	1,063
Loss on disposal of other investments	61	-	61	-
Property, plant and equipment written off	531	26	-	3

Included in the other expenses of the Group is direct operating expenses (including repair and maintenance) arising from income generating investment properties amounting to RM1,980,000 (2017: RM2,009,000).

10. Other investing activities results

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Loss on financial assets at fair value through profit or loss	1,603	2,395	957	2,338
	73			
	146			

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11. Share of results of associates and jointly controlled entities

	Group	
	2018	2017
	RM'000	RM'000
Share of results (net of tax) of:		
- associates	-	-
- jointly controlled entities	50,610	20,860
	<u>50,610</u>	<u>20,860</u>

12. Finance costs

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Finance costs/interest expense on:				
- overdrafts	270	-	-	-
- subsidiaries	-	-	159	-
- Islamic medium term note	-	5,555	-	5,555
- revolving credits	7,014	3,831	3,486	2,374
- term loans	16,568	9,027	5,626	1,077
	<u>23,852</u>	<u>18,413</u>	<u>9,271</u>	<u>9,006</u>
Less: Interest capitalised in				
- property, plant and equipment (Note 16)	-	(1,523)	-	-
- land held for property development (Note 17(a))	(4,747)	(6,304)	-	-
- property development cost (Note 17(b))	(6,029)	(3,139)	-	-
- investment property (Note 18)	(2,706)	-	-	-
	<u>10,370</u>	<u>7,447</u>	<u>9,271</u>	<u>9,006</u>

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13. Income tax

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Continuing operations				
Malaysian income tax:				
- current year	4,510	6,411	4,074	3,035
- under/(over)provision in prior years	176	(210)	(35)	(210)
Real property gains tax	72	-	-	-
	<u>4,758</u>	<u>6,201</u>	<u>4,039</u>	<u>2,825</u>
Deferred taxation (Note 37):				
- relating to origination and reversal of temporary differences	1,141	(2,732)	-	-
- underprovision in prior years	26	183	-	-
	<u>1,167</u>	<u>(2,549)</u>	<u>-</u>	<u>-</u>
Total income tax expense	<u>5,925</u>	<u>3,652</u>	<u>4,039</u>	<u>2,825</u>

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2018 and 2017 is as follows:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Profit before taxation	<u>37,969</u>	<u>33,911</u>	<u>11,166</u>	<u>17,652</u>
Taxation at Malaysian statutory tax rate of 24% (2017: 24%)	9,113	8,139	2,680	4,236
Income not subject to tax	(918)	(626)	(92)	(3,550)
Income subject to real property gains tax	72	-	-	-
Expenses not deductible for tax purposes	8,923	5,759	1,463	2,319
Deferred tax assets not recognised during the year	694	300	23	30
Tax effects on share of results of associates and jointly controlled entities	(12,146)	(5,006)	-	-
Deferred tax asset recognised during the year	-	(3,577)	-	-
Utilisation of previously unrecognised deferred tax assets	(15)	(1,058)	-	-
	75			
	148			

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13. Income tax (contd.)

Reconciliation between tax expense and accounting profit (contd.)

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Under/(over)provision in prior years:				
- income tax	176	(210)	(35)	(210)
- deferred tax	26	183	-	-
Exemption based on incremental business chargeable income	-	(252)	-	-
Income tax expense for the year	<u>5,925</u>	<u>3,652</u>	<u>4,039</u>	<u>2,825</u>

Current income tax is calculated at the statutory tax rate of 24% (2017: 24%) of the estimated assessable profit for the year.

14. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to equity holders of the Company by weighted average number of ordinary shares in issue during the financial year, excluding treasury shares and ESTS Shares held by the Company.

	Group	
	2018 RM'000	2017 RM'000
Profit attributable to equity holders of the Company	<u>33,154</u>	<u>31,822</u>
Weighted average number of ordinary shares in issue ('000)	<u>281,999</u>	<u>282,017</u>
	sen	sen
Basic earnings per share	<u>11.76</u>	<u>11.28</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

The diluted earnings per share is not presented as the effect of the assumed conversion of warrants outstanding will be anti dilutive and as such, the diluted earnings per share is the same as the basic earnings per share. The Company has no other dilutive potential ordinary shares in issue as at end of the reporting period.

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15. Dividends

	Group/Company	
	2018	2017
	RM'000	RM'000
Recognised during the year:		
First and final single-tier dividend in respect of the financial year ended 31 March 2017 of 3 sen per share paid on 20 September 2017	8,459	-
First and final single-tier dividend in respect of the financial year ended 31 March 2016 of 2 sen paid on 28 September 2016	-	5,640
	<u>8,459</u>	<u>5,640</u>

The directors do not recommend any payment of dividend in respect of the current financial year.

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16. Property, plant and equipment

Group	Freehold land RM'000	Leasehold land RM'000	Buildings and improvements RM'000	Office equipment, furniture, fixtures and fittings RM'000	Motor vehicles RM'000	Plant, machinery and equipment RM'000	Work-in-progress RM'000	Renovations RM'000	Other asset RM'000	Total RM'000
Cost										
At 1 April 2016	158	59,579	4,423	5,633	2,483	1,303	19,086	2,949	708	96,321
Additions	-	-	586	19	775	-	20,222	147	-	21,749
Disposal	-	-	-	-	(882)	-	-	-	-	(882)
Written off	-	-	-	(120)	-	-	-	(34)	-	(154)
Reclassification to property development cost	-	(1,571)	-	-	-	-	(1,695)	-	-	(3,266)
At 31 March 2017	158	58,008	5,009	5,532	2,376	1,303	37,612	3,062	708	113,768
Additions	-	-	62	27	-	-	-	77	-	166
Written off	-	-	(625)	-	-	-	-	-	-	(625)
Reclassification to investment property	-	(43,521)	-	-	-	-	(38,016)	-	-	(81,537)
Reclassification	-	-	(404)	-	-	-	404	-	-	-
At 31 March 2018	158	14,487	4,042	5,559	2,376	1,303	-	3,139	708	31,772

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16. Property, plant and equipment (contd.)

Group (contd.)	Freehold land	Leasehold land	Buildings and improvements	Office equipment, furniture, fixtures and fittings	Motor vehicles	Plant, machinery and equipment	Work-in-progress	Renovations	* Other asset	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2016	-	1,429	3,622	5,401	1,306	1,303	-	2,868	708	16,637
Charge for the year (Note 8)	-	576	22	177	451	-	-	8	-	1,234
Disposal	-	-	-	-	(538)	-	-	-	-	(538)
Written off	-	-	-	(113)	-	-	-	(15)	-	(128)
Reclassification to property development cost	-	(32)	-	-	-	-	-	-	-	(32)
At 31 March 2017	-	1,973	3,644	5,465	1,219	1,303	-	2,861	708	17,173
Charge for the year (Note 8)	-	131	23	76	305	-	-	28	-	561
Written off	-	-	(94)	-	-	-	-	-	-	(94)
Reclassification to investment property	-	(1,324)	-	-	-	-	-	-	-	(1,324)
At 31 March 2018	-	780	3,573	5,541	1,524	1,303	-	2,887	708	16,316
Net carrying amount										
At 31 March 2018	158	13,707	469	18	852	-	-	252	-	15,456
At 31 March 2017	158	56,035	1,365	67	1,157	-	37,612	201	-	96,595

* Other asset comprised quarry development costs.

Capitalised within property, plant and equipment of the year are finance cost of RM Nil (2017: RM1,523,000).

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16. Property, plant and equipment (contd.)

Company	Office equipment, furniture, fixtures and fittings RM'000	Motor vehicles RM'000	Renovations RM'000	Total RM'000
Cost				
At 1 April 2016	1,894	612	2,769	5,275
Additions	3	7	25	35
Disposals	-	(3)	-	(3)
Written off	(12)	-	(5)	(17)
At 31 March 2017	1,885	616	2,789	5,290
Additions	13	-	-	13
At 31 March 2018	1,898	616	2,789	5,303
Accumulated depreciation				
At 1 April 2016	1,769	158	2,749	4,676
Charge for the year (Note 8)	65	123	6	194
Disposal	-	(3)	-	(3)
Written off	(12)	-	(2)	(14)
At 31 March 2017	1,822	278	2,753	4,853
Charge for the year (Note 8)	57	91	5	153
At 31 March 2018	1,879	369	2,758	5,006
Net carrying amount				
At 31 March 2018	19	247	31	297
At 31 March 2017	63	338	36	437

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16. Property, plant and equipment (contd.)

The net book values of the property, plant and equipment pledged as securities for borrowings as disclosed in Note 34 are as follows.

	Group	
	2018 RM'000	2017 RM'000
Leasehold land	13,702	42,197
Work-in-progress	-	37,612
	13,702	79,809

17. Land held for property development and property development costs
(a) Land held for property development

	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
Group				
Cost				
At 1 April 2016	97,443	108,962	43,405	249,810
Additions	-	-	8,917	8,917
Disposals	(301)	-	(72)	(373)
At 31 March 2017	97,142	108,962	52,250	258,354
Additions	607	-	7,137	7,744
Transfer to property development costs	-	-	(3,304)	(3,304)
At 31 March 2018	97,749	108,962	56,083	262,794
Accumulated impairment				
At 1 April 2016	36,731	-	-	36,731
Disposal	(152)	-	-	(152)
At 31 March 2017 / 2018	36,579	-	-	36,579
Carrying amount				
At 31 March 2018	61,170	108,962	56,083	226,215
At 31 March 2017	60,563	108,962	52,250	221,775

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17. Land held for property development and property development costs (contd.)

(a) Land held for property development (contd.)

Capitalised within development expenditure of the year are finance costs of RM4,747,000 (2017: RM6,304,000).

Land held for property development of the Group with carrying amounts of RM183,903,000 (2017: RM157,077,000) are pledged as securities for borrowings as disclosed in Note 34.

(b) Property development costs

Group	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
Cumulative property development costs				
At 1 April 2016	71,268	164,037	676,257	911,562
Costs incurred during the year	-	5,000	186,811	191,811
Disposals	(208)	-	-	(208)
Transfer from property, plant and equipment	-	1,539	1,695	3,234
Reversal for completed projects	(8,498)	(62,073)	(485,649)	(556,220)
Transfer to inventories	(93)	(16,610)	(47,979)	(64,682)
Reclassification	-	(185)	185	-
At 31 March 2017	62,469	91,708	331,320	485,497
Costs incurred during the year	-	53,615	126,031	179,646
Transfer from land held for property development	-	-	3,304	3,304
Reversal for completed projects	-	(534)	(55,482)	(56,016)
Transfer to inventories	-	(306)	(32,679)	(32,985)
Reclassification	43	31,920	(31,963)	-
At 31 March 2018	62,512	176,403	340,531	579,446

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17. Land held for property development and property development costs (contd.)

(b) Property development costs (contd.)

Group	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
Cumulative costs recognised in profit or loss				
At 1 April 2016	(7,694)	(48,218)	(487,862)	(543,774)
Recognised during the year	(14,372)	(16,712)	(124,160)	(155,244)
Reversal for completed projects	8,498	62,073	485,649	556,220
Reclassification	(1,341)	-	1,341	-
At 31 March 2017	(14,909)	(2,857)	(125,032)	(142,798)
Recognised during the year	(2,503)	(5,155)	(75,238)	(82,896)
Reversal for completed projects	-	534	55,482	56,016
Reclassification	1,870	(554)	(1,316)	-
At 31 March 2018	(15,542)	(8,032)	(146,104)	(169,678)
Property development costs at 31 March 2018	46,970	168,371	194,427	409,768
Property development costs at 31 March 2017	47,560	88,851	206,288	342,699

Capitalised within development expenditure of the year are finance costs of RM6,029,000 (2017: RM3,139,000).

The cost of property development costs of the Group amounting to RM251,527,000 (2017: RM208,280,000) are charged to financial institutions to secure credit facilities obtained as disclosed in Note 34.

18. Investment properties

The investment properties consist of the following:

	Group	
	2018 RM'000	2017 RM'000
Freehold land	9,030	9,030
Shopping mall	30,262	31,185
Leasehold land	42,510	-
Leasehold building under construction	85,165	-
	166,967	40,215

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18. Investment properties (contd.)

	Freehold land RM'000	Shopping mall RM'000	Leasehold land RM'000	Leasehold building under construction RM'000	Total RM'000
Cost					
At 1 April 2016	9,030	52,777	-	-	61,807
Addition from subsequent expenditure At 31 March 2017	-	57	-	-	57
	9,030	52,834	-	-	61,864
Transfer from property, plant and equipment Addition from subsequent expenditure Reclassification At 31 March 2018	-	-	43,521	38,015	81,537
	-	-	-	47,933	47,933
	-	-	784	(784)	-
	9,030	52,834	44,305	85,165	191,334
Accumulated amortisation					
At 1 April 2016	-	20,707	-	-	20,707
Amortisation during the year (Note 8) At 31 March 2017	-	942	-	-	942
	-	21,649	-	-	21,649
Amortisation during the year (Note 8) Transfer from property, plant and equipment At 31 March 2018	-	923	471	-	1,394
	-	-	1,324	-	1,324
	-	22,572	1,795	-	24,367
Net carrying amount					
At 31 March 2018	9,030	30,262	42,510	85,165	166,967
At 31 March 2017	9,030	31,185	-	-	40,215

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18. Investment properties (contd.)

Capitalised within investment properties and investment properties under construction of the year are finance costs of RM2,706,000 (2017: RM Nil).

The carrying value of the investment properties of RM157,937,000 (2017: RM32,070,000) are pledged as securities for borrowings as disclosed in Note 34.

	Freehold land RM'000	Shopping mall RM'000	Total RM'000
Estimated fair value			
At 31 March 2018	9,000	51,200	60,200
At 31 March 2017	25,395	51,200	76,595

Fair value information

FRS 13 establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The three levels are explained below:

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the Group can assess at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment properties, either directly or indirectly.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

The fair values of investment properties and investment properties under construction of the Group are categorised as Level 3.

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18. Investment properties (contd.)

Description of property	Valuation by	Valuation technique (Note a)	Location	Tenure of land	Term of lease	Remaining term of lease	Fair value as at 31.03.2018 RM'000	Fair value as at 31.03.2017 RM'000
Shopping mall	PPC International	Investment method	Langkawi	Leasehold	90 years	75 years	51,200	51,200
Commercial land and building under construction (Note b)	Directors	Investment method	Petaling Jaya	Leasehold	99 years	95 years	N/A	N/A
Commercial land (Note c)	Qaiser Harta Sdn Bhd (2017: Directors)	Investment method	Kuala Lumpur	Freehold	N/A	N/A	9,000	25,395
							<u>60,200</u>	<u>76,595</u>

Note a

The investment method involved capitalisation of the net annual income stream that is expected to be received from the property after deducting the annual outgoings and other operating expenses incidental to the property with allowance for void by using an appropriate market derived capitalisation rate.

Note b

The fair value of the leasehold building under construction is not reliably determine but expects the fair value of the property to be reliably determinable when the construction is complete.

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The Group had entered into a lease agreement in 1996 with a third party for a 30 years non-cancellable lease ("First lease term"), and non-cancellable renewal option for another 30 years ("Second lease term") upon the expiration of the First lease term, subject to agreeing market rental rate. The rental for First lease term was fully collected in the initial years of the First term lease period.

During the year, the Group engaged an independent valuation specialist, Qaiser Harta Sdn Bhd, to assess the fair value of the commercial land in connection with the disposal of the entire equity interest in Midah Jaya Realty Sdn Bhd ("MJRSB") to a third party for a total consideration of RM9,030,756 as disclosed per (Note 41(b)). The independent valuer has estimated that the fair value of the land approximates RM9 million using the investment method with the following key assumptions:

- 1 The first year rental value for the Second lease term is assumed at a 2% compounded annual growth on the average annual rental for the First lease term since its inception in the year 1997;
- 2 It assumed that there would not be any effects of compounded annual growth rate within the Second lease term, similar to the First lease term's arrangement;
- 3 It assumed that the rental income will continue in similar manner post expiry of the Second lease term; and
- 4 The discount rate assumed to be 8.5%.

The directors had internally in the prior years valued the fair value of the land for disclosure purpose using the investment method. The assumptions used in arriving at the fair value of the land is akin to assuming a compounded growth rate of 3% on the average annual rental for the First lease term since its inception in the year 1997 to perpetuity, and at a discount rate of 8%.

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19. Land use rights

	Group Short term land use rights RM'000
Net carrying amount	
At 1 April 2016	28
Amortisation for the year (Note 8)	(10)
At 31 March 2017 / 31 March 2018	<u>18</u>

20. Goodwill

	Group	
	2018 RM'000	2017 RM'000
At 31 March/1 April	<u>10,327</u>	<u>10,327</u>

(a) Allocation of goodwill

Goodwill has been allocated to the Group's Cash Generating Unit ("CGU") according to the subsidiaries concerned.

	2018 RM'000	2017 RM'000
Property development	8,475	8,475
Trading	1,852	1,852
	<u>10,327</u>	<u>10,327</u>

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20. Goodwill (contd.)

(b) Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a 5-year period. The key assumptions used for each of the CGU's value-in-use calculations are:

	Property Development %	Trading %
At 31 March 2018		
Gross margin	10%	10% - 20%
Growth rate	5%	5%
Discount rate	9%	10%
At 31 March 2017		
Gross margin	10%	10% - 20%
Growth rate	5%	5%
Discount rate	9%	10%

(i) Gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

(ii) Growth rate

The average growth rate used is based on the annual growth rate which is the industry average growth rate.

(iii) Discount rate

The post-tax discount rates, applied to post-tax cash flows, used for identified CGU are on a basis that reflect specific risks relating to the relevant business segments.

(c) Sensitivity to changes in assumptions

The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount.

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21. Investment in subsidiaries

	Company	
	2018 RM'000	2017 RM'000
Unquoted shares:		
- Ordinary shares, at cost	59,397	66,897
- Cumulative redeemable preference shares, at cost	451,277	451,277
	510,674	518,174
Less: Accumulated impairment losses	(1,585)	(1,585)
	509,089	516,589

During the year, the cost of investment of the Company has been reduced by RM7,500,000 as a result of reduction of share capital by a subsidiary by way of reducing the amount due to the Company by RM7,500,000.

Details of the subsidiaries, all of which are incorporated in Malaysia unless otherwise stated, are as follows:

Name of subsidiaries	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests		Principal activities
	2018	2017	2018	2017	
	%	%	%	%	
Held by the Company:					
Symphony Management Services Sdn. Bhd. (formerly known as Goldenprop Management Sdn. Bhd.)	100	100	-	-	Management services
Kenneison Brothers Sdn. Bhd.	100	100	-	-	Investment holding
Langkawi Fair Sdn. Bhd.	100	100	-	-	Rental of property
Midah Jaya Realty Sdn. Bhd.	100	100	-	-	Property investment
Noble Senawang Sdn. Bhd.	100	100	-	-	Share trading
Prima Istimewa Sdn. Bhd.	100	100	-	-	Investment holding
Primtrax Sdn. Bhd.	100	100	-	-	Investment holding
Symphony Estates Sdn. Bhd.	100	100	-	-	Investment holding
Tijani (Bukit Tunku) Sdn. Bhd.	100	100	-	-	Property development
Subsidiaries of Symphony Estates Sdn. Bhd.:					
Brilliant Armada Sdn. Bhd.	51	51	49	49	Property development
Cahadinar Sdn. Bhd.	100	100	-	-	Investment holding

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
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**Symphony Life Berhad
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21. Investment in subsidiaries (contd.)

Name of subsidiaries	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests		Principal activities
	2018	2017	2018	2017	
	%	%	%	%	
Subsidiaries of Symphony Estates Sdn. Bhd. (contd.):					
Dexview Sdn. Bhd.	50% + 1 share	50% + 1 share	50% - 1 share	50% - 1 share	Property development
Gaya Arena Sdn. Bhd.	100	100	-	-	Property trading and property development
GLM Property Development Sdn. Bhd.	100	100	-	-	Property development
Keat Ann Realty Sdn. Bhd.	100	100	-	-	Property development
Kejora Harta Development Sdn. Bhd.	100	100	-	-	Property development
Kejora Harta Properties Sdn. Bhd.	100	100	-	-	Property development
Ketapang Realty Sdn. Bhd.	100	100	-	-	Property development
Majestic Focus Sdn. Bhd.	100	100	-	-	Investment holding
Midah Istimewa Sdn. Bhd.	100	100	-	-	Property development
Midahmas Realty Sdn. Bhd.	100	100	-	-	Property investment
Parkrose Holdings Sdn. Bhd.	100	100	-	-	Property development and property investment
Prestige Capital Sdn. Bhd.	100	100	-	-	Property investment
Prima Panorama (M) Sdn. Bhd.	100	100	-	-	Property development
Senawang Mewah Sdn. Bhd.	100	100	-	-	Property development
Symphony Union Suites Sdn. Bhd.	100	100	-	-	Property development
Symphony Assets Management Sdn. Bhd.	100	100	-	-	Property management services
Symphony Projects Management Sdn. Bhd.	100	100	-	-	Project management services
Symphony Sales & Marketing Sdn. Bhd.	100	100	-	-	Marketing services
TWY Development Sdn. Bhd.	100	100	-	-	Property development
Vistayu Sdn. Bhd.	75	75	25	25	Property investment and property development
Vital Capacity Sdn. Bhd.	51	51	49	49	Property development
Winmin Builders Sdn. Bhd.	100	100	-	-	Property development
51G Development Sdn. Bhd.	50% + 1 share	50% + 1 share	50% - 1 share	50% - 1 share	Property development

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**Symphony Life Berhad
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21. Investment in subsidiaries (contd.)

Name of subsidiaries	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests		Principal activities
	2018	2017	2018	2017	
	%	%	%	%	
Subsidiary of Cahadinar Sdn. Bhd.:					
Kejora Harta Bhd.	100	100	-	-	Property development and investment holding
Subsidiary of Langkawi Fair Sdn. Bhd.:					
Vista Wirama Sdn. Bhd.	100	100	-	-	Dormant
Subsidiary of Majestic Focus Sdn. Bhd.:					
Prima Nova Harta Development Sdn. Bhd.	100	100	-	-	Property development
Subsidiary of Prima Istimewa Sdn. Bhd.:					
Skyline Concepts Sdn. Bhd.	100	100	-	-	Ceased operations
Subsidiaries of Primtrax Sdn. Bhd.:					
* Pele Development Limited (Incorporated in Myanmar)	100	100	-	-	Dormant
* Pele Investment Holdings Limited (Incorporated in Myanmar)	100	100	-	-	Dormant
Subsidiary of Skyline Concepts Sdn. Bhd.:					
# Multivenu Sdn. Bhd.	-	100	-	-	Ceased operations

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**Symphony Life Berhad
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21. Investment in subsidiaries (contd.)

Name of subsidiaries	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests		Principal activities
	2018	2017	2018	2017	
	%	%	%	%	
Subsidiaries of Kenneison Brothers Sdn. Bhd.:					
Innovative Pavement Technology Sdn. Bhd.	100	100	-	-	Ceased operations
Kenneison Brothers Construction Sdn. Bhd.	100	100	-	-	Civil engineering and construction works
# Kenneison Properties Sdn. Bhd.	-	100	-	-	Ceased operations
Kenneison Quarries Sdn. Bhd.	100	100	-	-	Ceased operations
# Kenneison RI Sdn. Bhd.	-	100	-	-	Ceased operations
Power Gas Systems Sdn. Bhd.	98.2	98.2	1.8	1.8	Ceased operations
# Traders Acceptances Sdn. Bhd.	-	100	-	-	Ceased operations
Subsidiary of Kenneison Brothers Construction Sdn. Bhd.:					
Kenneison Engineering Sdn. Bhd.	100	100	-	-	Construction works
Subsidiary of Power Gas System Sdn. Bhd.:					
LPG System Sdn. Bhd.	98.2	98.2	1.8	1.8	Ceased operations

* audited by a firm other than Ernst & Young

dissolved during the year

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
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(Incorporated in Malaysia)****21. Investment in subsidiaries (contd.)****(a) Disposal and share buy-back of a subsidiary**

On 23 June 2017, the Company entered into a Share Sale Agreement for disposal of its entire equity interest in Midah Jaya Realty Sdn. Bhd. to a third party for a total consideration of RM9,030,756. The disposal was completed on 24 July 2017.

Due to non fulfilment of post completion obligation by the Company, on 13 October 2017, the Company entered into a Share Sale Agreement for acquisition of entire equity interest in Midah Jaya Realty Sdn. Bhd. from the same third party for a total cash consideration of RM9,030,756 ("share buy-back"). The share buy-back was completed on 24 November 2017.

The above disposal and share buy-back did not have any material impact to the Group.

(b) Subscription of additional shares in subsidiaries

(i) During the previous year, Vistayu Sdn. Bhd. ("VSB") increased its issued and paid up capital from 100 ordinary shares of RM1.00 each to 250,000 ordinary shares of RM1.00 each by allotting 249,900 new ordinary shares at RM1.00 each to its existing shareholder and one non-controlling shareholder. Symphony Estates Sdn. Bhd. subscribed for 187,445 ordinary shares of RM1.00 each, resulting in an increase of the Group's interest in VSB to 75%.

The above acquisition of additional issued and paid up capital did not have any other material impact to the Group.

(ii) During the previous year, the Company acquired additional issued and paid up capital in Langkawi Fair Sdn. Bhd. and Symphony Estates Sdn. Bhd. of 13,500,000 ordinary shares of RM1.00 each and 13,400,000 ordinary shares of RM1.00 each for consideration of RM13,500,000 and RM13,400,000 respectively.

The above acquisition of additional issued and paid up capital did not have any material impact to the Group as it involves acquisition of additional shares of wholly owned subsidiary.

(c) Disposal of subsidiaries

During the previous financial year, the Company disposed off its entire shares in Symphony Sales & Marketing Sdn Bhd., Symphony Projects Management Sdn. Bhd., Symphony Assets Management Sdn. Bhd. and Prima Panorama (M) Sdn. Bhd. to its wholly owned subsidiary, Symphony Estates Sdn. Bhd. ("SESB") for a consideration of RM2.00 respectively.

The above disposal of subsidiaries did not have any material impact to the Group as it involve internal reorganisation.

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**Symphony Life Berhad
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21. Investment in subsidiaries (contd.)

The summarised financial information presented below is the amount before inter-company elimination for material subsidiaries which have non-controlling interests that are individually not significant but material in aggregate to the Group:

(i) Summarised statements of financial position

At 31 March 2018

	51G Development Sdn. Bhd. RM'000	Dexview Sdn. Bhd. RM'000	Brilliant Armada Sdn. Bhd. RM'000	Vital Capacity Sdn. Bhd. RM'000	Vistayu Sdn. Bhd. RM'000	Total RM'000
Non current assets	-	1,191	-	21,078	142,389	164,658
Current assets	27,715	134,205	49,686	-	5,241	216,847
Cash and cash equivalent	266	9,616	4	109	-	9,995
Total Assets	27,981	145,012	49,690	21,187	147,630	391,500
Current liabilities	24,979	143,064	49,730	7,678	82,449	307,900
Non-current liabilities	3,111	5,000	-	13,750	69,438	91,299
Total Liabilities	28,090	148,064	49,730	21,428	151,887	399,199
Net Liabilities	(109)	(3,052)	(40)	(241)	(4,257)	(7,699)
Equity attributable to owners of the Company	(54)	(1,526)	(20)	(123)	(3,193)	(4,916)
Non-controlling interests	(55)	(1,526)	(20)	(118)	(1,064)	(2,783)
	(109)	(3,052)	(40)	(241)	(4,257)	(7,699)

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**Symphony Life Berhad
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21. Investment in subsidiaries (contd.)

(i) Summarised statements of financial position (contd.)

	51G Development Sdn. Bhd. RM'000	Dexview Sdn. Bhd. RM'000	Brilliant Armada Sdn. Bhd. RM'000	Vital Capacity Sdn. Bhd. RM'000	Vistayu Sdn. Bhd. RM'000	Total RM'000
At 31 March 2017						
Non current assets	-	-	-	20,210	89,727	109,937
Current assets	27,706	82,461	24,343	-	4,051	138,561
Cash and cash equivalent	256	1,269	33	108	-	1,666
Total Assets	27,962	83,730	24,376	20,318	93,778	250,164
Current liabilities	23,704	67,878	24,376	5,375	66,886	188,219
Non-current liabilities	3,111	18,732	-	15,000	30,000	66,843
Total Liabilities	26,815	86,610	24,376	20,375	96,886	255,062
Net Assets/(Liabilities)	1,147	(2,880)	-	(57)	(3,108)	(4,898)
Equity attributable to owners of the Company	574	(1,440)	-	(29)	(2,330)	(3,225)
Non-controlling interests	573	(1,440)	-	(28)	(778)	(1,673)
	1,147	(2,880)	-	(57)	(3,108)	(4,898)

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**Symphony Life Berhad
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21. Investment in subsidiaries (contd.)

(ii) Summarised statements of comprehensive income

	51G Development Sdn. Bhd. RM'000	Dexview Sdn. Bhd. RM'000	Brilliant Armada Sdn. Bhd. RM'000	Vital Capacity Sdn. Bhd. RM'000	Vistayu Sdn. Bhd. RM'000	Total RM'000
At 31 March 2018						
Revenue	-	25,490	-	-	-	25,490
Loss for the year	(1,256)	(172)	(40)	(184)	(1,149)	(2,801)
Equity attributable to owners of the Company	(629)	(86)	(20)	(94)	(862)	(1,691)
Non-controlling interests	(627)	(86)	(20)	(90)	(287)	(1,110)
	<u>(1,256)</u>	<u>(172)</u>	<u>(40)</u>	<u>(184)</u>	<u>(1,149)</u>	<u>(2,801)</u>
At 31 March 2017						
Revenue	-	13,372	-	-	1,435	14,807
Loss for the year	(1,190)	(851)	(8)	(170)	(1,408)	(3,627)
Equity attributable to owners of the Company	(595)	(426)	(4)	(86)	(953)	(2,064)
Non-controlling interests	(595)	(425)	(4)	(84)	(455)	(1,563)
	<u>(1,190)</u>	<u>(851)</u>	<u>(8)</u>	<u>(170)</u>	<u>(1,408)</u>	<u>(3,627)</u>

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

Symphony Life Berhad
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21. Investment in subsidiaries (contd.)
(iii) Summarised statements of cash flows

	51G		Brilliant	Vital	Vistayu	Total
	Development	Dexview	Armada	Capacity	Sdn. Bhd.	RM'000
	Sdn. Bhd.	Sdn. Bhd.	Sdn. Bhd.	Sdn. Bhd.	Sdn. Bhd.	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 March 2018						
Cash flows from operating activities	10	8,347	(29)	1	11,899	20,228
Cash flows from investing activities	-	-	-	-	(53,102)	(53,102)
Cash flows from financing activities	-	-	-	-	41,203	41,203
Net increase/(decrease) in cash and cash equivalents	10	8,347	(29)	1	-	8,329
Cash and cash equivalents at beginning of the financial year	256	1,269	33	108	-	1,666
Cash and cash equivalents at end of the financial year	266	9,616	4	109	-	9,995
At 31 March 2017						
Cash flows from operating activities	(6)	(554)	(112)	32	24,512	23,872
Cash flows from investing activities	-	-	-	-	(24,547)	(24,547)
Cash flows from financing activities	-	-	-	-	-	-
Net (decrease)/increase in cash and cash equivalents	(6)	(554)	(112)	32	(35)	(675)
Cash and cash equivalents at beginning of the financial year	262	1,823	145	76	35	2,341
Cash and cash equivalents at end of the financial year	256	1,269	33	108	-	1,666

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**Symphony Life Berhad
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22. Investment in associate

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Unquoted shares, at cost	2	2	2	2
Share of post-acquisition losses	(2)	(2)	(2)	(2)
	-	-	-	-

Details of associate, which is incorporated in Malaysia, are as follows:

Name of associate	Principal activity	Equity ownership interest		Proportion of voting power	
		2018	2017	2018	2017
		%	%	%	%
Held by the Company:					
Marak Unggul Sdn. Bhd.	Dormant	20	20	20	20

The associate has a financial year-end of 31 December 2017 to be coterminous with those of the holding company's financial year-end. The financial statements of the associate for the 3-month interim period ended 31 March 2018 have been used for the purpose of applying the equity method of accounting.

The summarised financial information of the associates individually not material, adjusted for the proportion of ownership interest held by the Group is as follows:

	Group	
	2018 RM'000	2017 RM'000
Assets and liabilities		
Current assets, representing total assets	2	2
Current liabilities, representing total liabilities	(2)	(2)
Results		
Loss for the year	-	-

The Group has not recognised further losses relating to Marak Unggul where its share of losses exceed the Group's interest and extent of the Group's legal and constructive obligations in its investment in Marak Unggul. The cumulative losses of Marak Unggul as at end the financial year was RM39,582,646 (2017: RM39,576,606). The Group has no obligation in respect of any of these losses. However should Marak Unggul be in a cumulative profitable position, the Group can recognise the share of the cumulative profits.

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**Symphony Life Berhad
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23. Investment in jointly controlled entities

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Unquoted shares, at cost	47,000	27,000	47,000	27,000
Share of post-acquisition profits	70,325	19,715	-	-
	117,325	46,715	47,000	27,000

Details of the jointly controlled entities are as follows:

Name of jointly controlled entities	Country of incorporation	Equity ownership interest		Principal activities
		2018 %	2017 %	
Alpine Return Sdn. Bhd.*	Malaysia	50.0	50.0	Property development
Alpine Land Sdn. Bhd.*	Malaysia	50.0	50.0	Property development
Jakel Land Sdn. Bhd.#	Malaysia	33.3	33.3	Property development

The Group's aggregate share of current assets, non-current assets, current liabilities and non-current liabilities, income and expenses of the jointly controlled entities are as follows:

- * audited by Ernst & Young, Malaysia
- # audited by a firm other than Ernst & Young

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23. Investment in jointly controlled entities (contd.)

(i) Summarised statements of financial position

	Alpine Return		Alpine Land		Jakel Land		Group	
	2018	2017	2018	2017	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets and liabilities								
Current assets	631,646	517,029	-	-	724,748	-	1,356,394	517,029
Cash and cash equivalents	71,391	12,302	579	221	8,708	11,363	80,678	23,886
Non-current assets	11,461	15,989	44,435	28,487	705	678,558	56,601	723,034
Total assets	714,498	545,320	45,014	28,708	734,161	689,921	1,493,673	1,263,949
Current liabilities	(230,545)	(143,871)	(6,515)	(3,345)	(142,546)	(158,121)	(379,606)	(305,337)
Non-current liabilities	(294,412)	(317,829)	(37,492)	(22,447)	(516,800)	(516,800)	(848,704)	(857,076)
Total liabilities	(524,957)	(461,700)	(44,007)	(25,792)	(659,346)	(674,921)	(1,228,310)	(1,162,413)
Net assets	189,541	83,620	1,007	2,916	74,815	15,000	265,363	101,536
Proportion of Group's ownership	50.00%	50.00%	50.00%	50.00%	33.33%	33.33%	33.33%	33.33%
Group's proportion/share of net assets of the jointly controlled entities	94,771	41,810	504	1,458	24,938	5,000	120,213	48,268
Less:								
Unrealised profit from sale of properties to jointly controlled entity	(2,888)	(1,553)	-	-	-	-	(2,888)	(1,553)
Group's proportion/share of net assets of the jointly controlled entities	91,883	40,257	504	1,458	24,938	5,000	117,325	46,715

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23. Investment in jointly controlled entities (contd.)

(ii) Summarised statements of comprehensive income

	Alpine Return		Alpine Land		Jakel Land		Group	
	2018	2017	2018	2017	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	392,824	207,969	-	-	-	-	392,824	207,969
Cost of sales	(213,888)	(104,879)	-	-	-	-	(213,888)	(104,879)
Other income	4,954	973	-	-	44	-	4,998	973
Admin expenses	(46,630)	(55,157)	(152)	(2)	(231)	-	(47,013)	(55,159)
Finance cost	(1,474)	(1,757)	(1,756)	(998)	-	-	(3,230)	(2,755)
Profit/(loss) before tax	135,786	47,149	(1,908)	(1,000)	(187)	-	133,691	46,149
Income tax expense	(29,864)	(3,249)	-	-	-	-	(29,864)	(3,249)
Profit/(loss) after tax	105,922	43,900	(1,908)	(1,000)	(187)	-	103,827	42,900
Share of results of jointly controlled entities	52,961	21,950	(954)	(500)	(62)	-	51,945	21,450
Less:								
Unrealised profit from sale of properties to jointly controlled entity	(1,335)	(590)	-	-	-	-	(1,335)	(590)
Share of results of jointly controlled entities	51,626	21,360	(954)	(500)	(62)	-	50,610	20,860

(iii) Subscriptions of shares in a jointly controlled entity

During the year, the Company subscribed 20,000,000 Islamic Redeemable Preference Shares Class A ("IRPS A") of RM1.00 each in Jakel Land Sdn. Bhd. for a total consideration of RM20,000,000.

(iv) Subscriptions of shares in newly incorporated investment in jointly controlled entity in last financial year

In the previous year, the Company subscribed 5,000,000 ordinary shares of RM1.00 each in Jakel Land Sdn. Bhd. for a total consideration of RM5,000,000.

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24. Investment securities

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
(i) <i>Financial assets at fair value through profit or loss</i>				
Non current				
Equity instrument (quoted in Malaysia)	5,450	6,497	5,285	6,242
Current				
Equity instrument (quoted in Malaysia)	170	188	-	-
Total financial assets at fair value through profit or loss	5,620	6,685	5,285	6,242
At market value				
Quoted shares:				
Non current	5,450	6,497	5,285	6,242
Current	170	188	-	-
(ii) <i>Available-for-sale financial assets</i>				
Non current				
Equity instrument (unquoted in Malaysia)	10,000	10,000	-	-
Golf clubs corporate membership	856	1,023	646	812
	10,856	11,023	646	812
Less: Accumulated impairment losses				
- Unquoted shares	(7,220)	(6,683)	-	-
- Golf clubs corporate membership	(333)	(333)	(333)	(333)
	(7,553)	(7,016)	(333)	(333)
Total available-for-sale financial assets	3,303	4,007	313	479
Subtotal of current investment securities	170	188	-	-
Subtotal of non current investment securities	8,753	10,504	5,598	6,721
Total investment securities	8,923	10,692	5,598	6,721

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24. Investment securities (contd.)

The fair value of the available-for-sale financial assets has not been disclosed as its fair value cannot be measured reliably due to the lack of quoted market price in an active market. The assumptions required for valuing this financial instruments using valuation techniques by management would result in the range of fair value estimates to be significant and the probability of the various estimates cannot be reasonably assessed. Accordingly, the carrying amount of these available-for-sale financial assets continues to be stated at cost.

Certain quoted shares of the Group and of the Company with carrying values of RM5,285,000 (2017: RM6,088,000) and RM5,285,000 (2017: RM6,088,000) respectively were pledged as securities for credit facilities granted to the Group and the Company as disclosed in Note 34.

25. Inventories

	Group	
	2018	2017
	RM'000	RM'000
At cost:		
Completed properties	103,251	82,211

Completed properties of the Group amounting to RM52,044,000 (2017: RM51,174,000) were charged to financial institutions to secure credit facilities granted to the Group and the Company as disclosed in Note 34.

26. Trade and other receivables

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Current				
Trade receivables				
Third parties	57,401	112,480	-	-
Retention sums	2,066	2,066	-	-
	59,467	114,546	-	-
Less: Allowance for doubtful debts	(10,282)	(10,400)	-	-
Trade receivables, net	49,185	104,146	-	-

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
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26. Trade and other receivables (contd.)

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Other receivables				
Amounts due from related parties:				
Subsidiaries	-	-	101,031	80,816
Jointly controlled entity	50,451	68,999	50,451	68,999
	<u>50,451</u>	<u>68,999</u>	<u>151,482</u>	<u>149,815</u>
Deposits	5,460	14,142	413	411
Disposal consideration	-	20,000	-	-
Sundry receivables	8,396	3,113	260	406
	<u>64,307</u>	<u>106,254</u>	<u>152,155</u>	<u>150,632</u>
Less: Allowance for doubtful debts	(595)	(443)	(37,788)	(37,642)
Other receivables, net	<u>63,712</u>	<u>105,811</u>	<u>114,367</u>	<u>112,990</u>
Trade and other receivables (current)	<u>112,897</u>	<u>209,957</u>	<u>114,367</u>	<u>112,990</u>
Grand total	<u>112,897</u>	<u>209,957</u>	<u>114,367</u>	<u>112,990</u>

Ageing analysis of trade receivables

The ageing analysis of the Group’s total trade receivables is as follows:

	Group	
	2018 RM'000	2017 RM'000
Neither past due nor impaired	22,825	81,305
1 to 30 days past due not impaired	1,416	4,761
31 to 120 days past due not impaired	5,953	11,782
More than 121 days past due not impaired	18,991	6,298
	<u>26,360</u>	<u>22,841</u>
Impaired	10,282	10,400
	<u>59,467</u>	<u>114,546</u>

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26. Trade and other receivables (contd.)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are stakeholders sum and creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that were past due but not impaired

The receivables that are past due but not impaired are unsecured in nature. The directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business as these customers do not have any financial difficulties nor have defaulted on payments.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance for doubtful debts used to record the doubtful debts are as follows:

	Group Individually impaired	
	2018 RM'000	2017 RM'000
Trade receivables	10,282	10,400
Less: Allowance for doubtful debts	(10,282)	(10,400)
	-	-

Movement in allowance for doubtful debts:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Trade receivables				
At 1 April 2017/2016	10,400	10,366	-	-
Add/(less):				
Allowance during the year	54	152	-	-
Write back to profit or loss	(172)	(118)	-	-
At 31 March	10,282	10,400	-	-

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26. Trade and other receivables (contd.)

Receivables that are impaired (contd.)

Movement in allowance for doubtful debts (contd.):

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Other receivables				
At 1 April 2017/2016	443	336	37,642	37,638
Add/(less):				
Allowance during the year	157	107	146	4
Write back to profit or loss	(5)	-	-	-
At 31 March	<u>595</u>	<u>443</u>	<u>37,788</u>	<u>37,642</u>

(a) Credit risk

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to mitigate and minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

(b) Amounts due from related parties

Other balances with subsidiaries that are non-trade in nature attract interest rates ranging from 0% to 8.90% (2017: 0% to 8.85%) per annum. All balances with subsidiaries are repayable on demand.

Amounts due from a jointly controlled entity is repayable on demand and attracts interest rate ranging from 7.65% to 7.90% (2017: 7.85%) per annum.

All other amounts due from related parties are non-interest bearing and are repayable on demand. All related party receivables are unsecured and are to be settled in cash.

Further details on related party transactions are disclosed in Note 40.

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26. Trade and other receivables (contd.)

(c) Disposal consideration

	Group	
	2018	2017
	RM'000	RM'000
Amount receivable from disposal of property, plant and equipment:		
By way of equal instalments	-	20,000
Less: Interest accretion	-	-
	-	20,000
 Maturity of receivable:		
Within 1 year	-	20,000
More than 1 year and less than 2 years	-	-
	-	20,000
 Analysed as:		
Due within 12 months	-	20,000
Due after 12 months	-	-
	-	20,000

The equal instalments are scheduled over a 4-year period.

Interest accretion was calculated and estimated based on discount rate of 8% per annum in the previous financial year.

27. Other current assets

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Prepayments	489	2,082	290	426
Accrued billings in respect of property development costs	78,139	56,354	-	-
	78,628	58,436	290	426

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28. Due from customers on contracts

	Group	
	2018	2017
	RM'000	RM'000
Construction costs incurred to date	233,163	233,163
Attributable profits	11,226	11,226
	<u>244,389</u>	<u>244,389</u>
Less: Progress billings	(244,389)	(244,389)
	<u>-</u>	<u>-</u>

The construction of the above project has completed but pending final certification from the relevant parties.

29. Cash and cash equivalents

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Housing Development Accounts	15,186	13,384	1	1
Cash on hand and at banks	5,282	20,898	1,170	6,378
Deposits with licensed banks	16,581	10,464	15,100	9,017
Cash and bank balances	<u>37,049</u>	<u>44,746</u>	<u>16,271</u>	<u>15,396</u>
Deposits:				
Weighted average interest rates (%)	2.88	2.77	2.88	2.78
Weighted average maturity (days)	<u>35</u>	<u>31</u>	<u>34</u>	<u>27</u>

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29. Cash and cash equivalents (contd.)

Cash under the Housing Development Accounts are held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are therefore restricted from use in other operations.

Included in deposits of the Group and the Company are deposits of RM91,000 and RM Nil (2017: RM91,000 and RM Nil) pledged respectively to financial institutions for credit facilities granted to certain subsidiaries, and hence are not available for general use.

Other information on financial risks of cash and cash equivalents are disclosed in Note 43.

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Cash and bank balances	37,049	44,746	16,271	15,396
Less: Fixed deposits pledged with licensed bank	(91)	(91)	-	-
Bank overdrafts (Note 34)	(3,869)	(2,569)	-	-
Cash and cash equivalents	<u>33,089</u>	<u>42,086</u>	<u>16,271</u>	<u>15,396</u>

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30. Share capital and treasury shares

Group/Company

	Number of ordinary shares		Amount	
	2018 '000	2017 '000	2018 RM'000	2017 RM'000
Authorised share capital				
At beginning of financial year	1,000,000	1,000,000	1,000,000	1,000,000
Adjustment for the effects of Companies Act 2016 ⁽¹⁾	(1,000,000)	-	(1,000,000)	-
At end of financial year	-	1,000,000	-	1,000,000

Issued and fully paid share capital

	Number of ordinary shares		Share capital		Treasury shares	
	Share capital (issued and fully paid) '000	Treasury shares '000	Share capital (issued and fully paid) RM'000	Treasury shares RM'000	Share capital (issued and fully paid) RM'000	Treasury shares RM'000
At 1 April 2016	310,000	408	310,000	(337)	310,000	(337)
Purchase of treasury shares	-	20	-	(14)	-	(14)
At 31 March 2017	310,000	428	310,000	(351)	310,000	(351)
Purchase of treasury shares	-	10	-	(10)	-	(10)
At 31 March 2018	310,000	438	310,000	(361)	310,000	(361)

(1) The Companies Act 2016 which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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(Incorporated in Malaysia)****30. Share capital and treasury shares (contd.)**

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 meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Treasury shares

This relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting held on 23 August 2017, renewed their approval for the Company's plan to purchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the purchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 10,000 of its issued ordinary shares from the open market at an average price of RM0.97 per share. The total consideration paid for the repurchase was RM9,724. The purchase transactions were financed by internally generated funds. The shares purchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

Of the total 310,000,000 (2017: 310,000,000) issued and fully paid ordinary shares as at 31 March 2018, 438,329 (2017: 428,329) are held as treasury shares by the Company. As at 31 March 2018, the number of ordinary shares in issue less the treasury shares is 309,561,671 (2017: 309,571,671). Such treasury shares are held at a carrying amount of RM361,000.

Warrants 2013/2020

On 19 November 2013, the Company issued 107,407,888 Warrants ("the Warrants") pursuant to the resolution where one (1) Warrant is granted for every four (4) existing ordinary shares held by the shareholders. The Warrants include 12,500,000 free warrants and 17,500,000 free warrants granted to the Employee Share Trust Scheme and to the directors of the Company respectively. Each Warrant entitled the holder to subscribe for 1 new ordinary share at an exercise price of RM1.10 each.

The main features of the Warrants are as follows:

- (i) Each Warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of RM1.10.
- (ii) The Warrants shall be exercisable at any time within 7 years commencing on and including the date of the issuance of the Warrants. Any Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid.

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30. Share capital and treasury shares (contd.)

Warrants 2013/2020 (contd.)

- (iii) The exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll.
- (iv) All new ordinary shares to be issued arising from the exercise of the Warrants shall rank *pari passu* in all respects with the then existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the Warrants.

The warrants are traded on the Bursa Malaysia Securities Berhad and no warrants were converted to ordinary shares during the financial year.

31. Capital and other reserves

	Group		Company	
	Capital reserves RM'000	Other reserves RM'000	Capital reserves RM'000	Other reserves RM'000
As at 1 April 2016	30,815	(29,913)	10,815	2,275
Additional subscription of shares by non-controlling interests in subsidiaries	-	(501)	-	-
As at 31 March 2017 /31 March 2018	30,815	(30,414)	10,815	2,275
Cancellation of treasury shares	10,815	-	10,815	-
Reserves on warrant issued to directors	-	2,275	-	2,275
Premium on acquisition of non-controlling interest	-	(32,188)	-	-
Additional subscription of shares by non-controlling interests in subsidiaries	-	(501)	-	-
Effect on redemption of preference share in a subsidiary	20,000	-	-	-
Total	30,815	(30,414)	10,815	2,275

32. Retained profits

The Company may distribute dividends out of its retained profits as at 31 March 2018 under the single tier system.

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33. Shares held by ESTS Trust

The Company established a trust ("ESTS Trust") for its eligible executives pursuant to the establishment of an ESTS. The ESTS Trust is administered by an appointed Trustee. The Trustee will be entitled from time to time to accept financial assistance from the Company upon such terms and conditions, as the Company and the Trustee may agree, to purchase shares in the Company from the open market for the purposes of this trust. The shares purchased for the benefit of the Group's employees are recorded as Shares held by ESTS Trust in the Group's and the Company's statements of financial position as a deduction in arriving at the shareholders' equity.

The main features of the ESTS, inter-alia, are as follows:

- (a) Beneficiaries of the ESTS are eligible employees who are full-time employees under the category of executives of the Group, which may include executive directors of the Company, who have been in employment with the Company for at least 6 months and are on the payroll of the Company and its subsidiaries during the ESTS Period.
- (b) The aggregate number of shares to be acquired under the ESTS shall not exceed 15 million of the issued ordinary shares of the Company for the time being and the amount required to purchase the first tranche of 10 million issued ordinary shares of the Company shall not exceed RM14 million.
- (c) The Scheme shall be in force for a period of 3 years, effective from 1 October 2007.
- (d) The beneficiaries shall be entitled to any distribution rights (including but not limited to dividends, bonus and rights issues but shall exclude cash capital repayments) in relation to the ESTS Shares. However, such dividends, if any, are automatically waived in favour of the Company as settlement of any cost incurred in implementing and maintaining the Scheme.
- (e) The beneficiaries shall not be entitled to any voting rights in relation to the ESTS Shares as the voting rights lie with the appointed Trustee who shall take into consideration the recommendations of the adviser appointed by the ESTS Committee before voting.
- (f) The award to the beneficiaries is through the realisation of any gains arising from the disposal of the ESTS Shares held in the ESTS Trust. The net gains from such disposal, after repayment of the corresponding portion of the loan granted by the Company are to be allocated to the beneficiaries based on the beneficiaries' achievement of their respective performance targets as determined by the Company.

The Company appointed RHB Trustees Berhad as the Trustee of the Scheme and entered into a Trust Deed on 24 September 2007.

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33. Shares held by ESTS Trust (contd.)

Subsequently, the following were entered into to amend certain clauses/definitions of the Scheme:

- (a) First Supplemental Deed dated 10 February 2009 to amend the definition of “Eligible Employees” to exclude the Executive Directors and persons connected to the Executive Directors;
- (b) Second Supplemental Deed dated 12 March 2009 to extend the maturity period of the ESTS for a further 2 years to 30 September 2012;
- (c) Third Supplemental Deed dated 18 September 2012 to extend the maturity period of the ESTS for a further 2 years to 30 September 2014;
- (d) Fourth Supplemental Deed dated 12 November 2013 to extend the maturity period of the ESTS for a further 3 years to 30 September 2017; and
- (e) Fifth Supplemental Deed dated 29 November 2017 to extend the maturity period of the ESTS for a further 3 years to 30 September 2020.

The Board had on 3 February 2009 resolved to increase the total shares to be purchased under the ESTS by 5 million to 20 million ordinary shares and the amount required to purchase the total shares shall not exceed RM19 million.

On 26 May 2010, the Board further resolved to increase the total shares to be purchased under the ESTS to 25 million ordinary shares and the amount required to purchase the shares shall not exceed RM25 million. Subsequently on 28 April 2011, the Board further resolved to increase the amount required to purchase the ESTS Shares from RM25 million to RM27 million.

On 18 July 2012, the Trustee received 1,250,000 ordinary shares of the Company being dividend-in-specie by way of distribution of treasury shares on the basis of one (1) treasury share for every twenty (20) existing ESTS Shares held.

On 30 October 2013, the Trustee received 1,312,499 ordinary shares of the Company being dividend-in-specie by way of distribution of treasury shares on the basis of one (1) treasury share for every twenty (20) existing ESTS Shares held.

	Number of shares '000	Total consideration RM'000
At 31 March 2017/31 March 2018	27,563	25,444
	2018	2017
Average share price per share (RM)	0.92	0.92

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34. Borrowings

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Short term borrowings				
Secured:				
Bank overdrafts	3,869	2,569	-	-
Term loans	53,576	17,320	20,000	-
Revolving credits	43,800	112,300	11,300	71,300
	<u>101,245</u>	<u>132,189</u>	<u>31,300</u>	<u>71,300</u>
Long term borrowings				
Secured:				
Term loans	238,127	246,285	60,000	80,000
Revolving credits	119,500	-	75,000	-
	<u>357,627</u>	<u>246,285</u>	<u>135,000</u>	<u>80,000</u>
	<u>458,872</u>	<u>378,474</u>	<u>166,300</u>	<u>151,300</u>
Total borrowings (Note 35)				
Bank overdrafts (Note 29)	3,869	2,569	-	-
Term loans	291,703	263,605	80,000	80,000
Revolving credits	163,300	112,300	86,300	71,300
	<u>458,872</u>	<u>378,474</u>	<u>166,300</u>	<u>151,300</u>
Maturity of borrowings:				
Within 1 year	101,245	132,189	31,300	71,300
More than 1 year and less than 2 years	74,623	81,465	20,000	20,000
More than 2 years and less than 5 years	219,632	141,783	115,000	60,000
More than 5 years	63,372	23,037	-	-
	<u>458,872</u>	<u>378,474</u>	<u>166,300</u>	<u>151,300</u>

The bank overdrafts are secured by a vacant industrial land and are guaranteed.

The bank overdrafts, term loans and revolving credits are secured by charges on certain assets of the Group and of the Company as follows:

- (i) freehold land, leasehold land and buildings
- (ii) land held for property development
- (iii) development and completed properties
- (iv) present and future assets of certain subsidiaries
- (v) security sharing agreement and trust deed
- (vi) certain quoted investments

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34. Borrowings (contd.)

The borrowings are also secured by way of corporate guarantees given by the Company.

The repayment terms vary from a single repayment in full, monthly instalments to quarterly instalments over a period of more than five years or by redemption of development units' selling price of certain residential development of subsidiaries.

In the previous year, the Company had fully redeemed the Islamic Medium Term Note.

Other information on financial risks on borrowings are as follows:

	Type	Weighted average interest rate		Maturity	Fair value	
		2018 %	2017 %		2018 RM'000	2017 RM'000
Group						
Bank overdrafts	Floating	5.85	5.85	On demand	3,869	2,569
Term loans	Floating	5.80	5.69	2018 - 2034	291,703	263,605
Revolving credits	Floating	5.25	5.18	On demand	163,300	112,300
Company						
Term loans	Floating	6.25	6.18	2018 - 2021	80,000	80,000
Revolving credits	Floating	5.11	5.21	On demand	86,300	71,300

Other information on financial risks of borrowings are disclosed in Note 43.

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35. Trade, other payables and deferred income

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current				
Trade payables				
Third parties (Note (a))	113,198	82,948	-	-
Other payables				
Amounts due to related parties (Note (b)):				
Subsidiaries	-	-	16,725	18,026
Accruals	55,948	60,678	2,027	1,372
Sundry payables	10,450	14,461	1,219	2,068
Amount due to a company related to a director (Note (c))	1,100	1,100	-	-
	<u>67,498</u>	<u>76,239</u>	<u>19,971</u>	<u>21,466</u>
	<u>180,696</u>	<u>159,187</u>	<u>19,971</u>	<u>21,466</u>
Non-current				
Other payables				
Deferred income (Note (d))	35,618	41,792	-	-
	<u>35,618</u>	<u>41,792</u>	<u>-</u>	<u>-</u>
Total trade and other payables	216,314	200,979	19,971	21,466
Add: Loans and borrowings (Note 34)	458,872	378,474	166,300	151,300
Less: Deferred income	(35,618)	(41,792)	-	-
Total financial liabilities carried at amortised cost	<u>639,568</u>	<u>537,661</u>	<u>186,271</u>	<u>172,766</u>

(a) Trade payables

Trade payables are generally non-interest bearing and the normal trade credit terms range from 30 to 90 (2017: 30 to 90) days.

(b) Amounts due to related parties

Amounts due to related parties are non-interest bearing except for an amount due to a subsidiary of RM3,614,109 (2017: RM Nil) which subjects to interest of 4.70% (2017: Nil) per annum. The amounts are repayable on demand, unsecured and are to be settled in cash.

(c) Amount due to a company related to a director

Amount due to a company related to a director is non-interest bearing and is repayable on demand. The amount is unsecured and is to be settled in cash.

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35. Trade, other payables and deferred income (contd.)

(d) Deferred income

	Group	
	2018	2017
	RM'000	RM'000
(i) Deferred income on disposal of property to a jointly controlled entity	26,286	31,293
(ii) Deferred lease income	9,332	10,499
	<u>35,618</u>	<u>41,792</u>

(i) Deferred income is in respect of unrealised profit arising from the disposal of the land ("Mayang Land") to Alpine Return Sdn. Bhd. ("Alpine") in prior years. The income will be realised upon sale of the land when sold to third parties or when the Company disposes of its investment in Alpine. During the year, deferred income of RM5,007,000 (2017: RM2,650,000) was realised in proportion to the percentage of completion of the entire project in Alpine.

(ii) During the year, lease income of RM1,167,000 (2017: RM1,167,000) was realised on a straight line basis over the lease term.

Further details on related party transactions are disclosed in Note 40.

36. Other current liabilities

	Group	
	2018	2017
	RM'000	RM'000
Progress billings in respect of property development costs	408	-

37. Deferred taxation

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
At 1 April 2017/2016	(12,509)	(9,960)	(42)	(42)
Recognised in profit or loss (Note 13)	1,167	(2,549)	-	-
At 31 March	<u>(11,342)</u>	<u>(12,509)</u>	<u>(42)</u>	<u>(42)</u>

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Symphony Life Berhad
(Incorporated in Malaysia)**

37. Deferred taxation (contd.)

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Presented after appropriate offsetting as follows:				
Deferred tax assets	(11,342)	(12,509)	(42)	(42)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Accelerated capital allowances RM'000	Fair value of freehold land on consolidation RM'000	Total RM'000
At 1 April 2016	489	6,315	6,804
Recognised in profit or loss	7	-	7
At 31 March 2017	496	6,315	6,811
Recognised in profit or loss	(68)	1,090	1,022
At 31 March 2018	428	7,405	7,833

Deferred tax assets of the Group

	Deferred income RM'000	Unused tax losses RM'000	Unabsorbed capital allowances RM'000	Provisions RM'000	Total RM'000
At 1 April 2016	(11,086)	(5,134)	(289)	(255)	(16,764)
Recognised in profit or loss	916	(3,472)	-	-	(2,556)
At 31 March 2017	(10,170)	(8,606)	(289)	(255)	(19,320)

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Symphony Life Berhad
(Incorporated in Malaysia)**

37. Deferred taxation (contd.)

Deferred tax assets of the Group (contd.)

	Deferred income RM'000	Unused tax losses RM'000	Unabsorbed capital allowances RM'000	Provisions RM'000	Total RM'000
At 1 April 2017	(10,170)	(8,606)	(289)	(255)	(19,320)
Recognised in profit or loss	1,482	(1,298)	(57)	18	145
At 31 March 2018	<u>(8,688)</u>	<u>(9,904)</u>	<u>(346)</u>	<u>(237)</u>	<u>(19,175)</u>

Deferred tax of the Company

	Unused tax losses RM'000	Unabsorbed capital allowances RM'000	Provisions RM'000	Accelerated capital allowances RM'000	Total RM'000
At 1 April 2016, 31 March 2017, and 31 March 2018	<u>(116)</u>	<u>(99)</u>	<u>(47)</u>	<u>220</u>	<u>(42)</u>

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Unused tax losses	42,281	39,131	27,263	27,263
Unabsorbed capital allowances	2,734	2,664	2,221	2,159
Other deductible temporary differences	54,278	54,670	164	131
	<u>99,293</u>	<u>96,465</u>	<u>29,648</u>	<u>29,553</u>

The unused tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose, subject to guidelines issued by the tax authority.

Deferred tax assets have not been recognised where it is not probable that future taxable profits will be available against which the subsidiaries can utilise the benefits as it is subject to the tax authorities allowing such utilisation against future taxable profit arising from similar business activity.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Symphony Life Berhad
(Incorporated in Malaysia)**

38. Financial guarantee

Financial guarantee given to financial institutions for credit facilities granted to subsidiaries is secured by charges as disclosed in Note 34.

39. Commitments

(a) Operating lease commitments - as lessor

On 18 March 1996, Symphony Life Berhad had signed a non-cancellable lease arrangement on its freehold land in Cheras with Makro Cash & Carry Distribution (M) Sdn. Bhd., which has since been taken over by Tesco Stores (Malaysia) Sdn. Bhd., for a lease period of 30 years for an upfront rental income of RM35 million, and with an option to renew for another 30 years at the prevailing market rate.

40. Related party disclosures

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
(a) Transactions with subsidiaries				
- dividend income	-	-	-	14,349
- interest income				
receivables	-	-	19,437	16,684
- rental income	-	-	791	-
- management fees	-	-	6,750	6,406
- interest on advances	-	-	(159)	-
(b) Transactions with companies connected to a Director				
Symphony Assets Sdn. Bhd.*				
- rental expense	(1,047)	(1,063)	(1,047)	(1,063)
(c) Transactions with jointly controlled entities				
Alpine Return Sdn. Bhd.				
- interest on advances	1,813	1,680	3,626	3,360
- advances to	-	2,500	-	2,500
Alpine Land Sdn. Bhd.				
- interest on advances	161	-	161	-
- advances to	870	-	870	-

* The company in which Tan Sri Mohamed Azman bin Yahya, a director of the Company, is deemed to have substantial interest.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS’ REPORT THEREON (CONT’D)**

**Symphony Life Berhad
(Incorporated in Malaysia)**

40. Related party disclosures (contd.)

Information regarding the outstanding balances arising from the related party transactions as at 31 March 2018 are disclosed in Notes 26 and 35

(d) Compensation of key management personnel

The remuneration of members of key management other than directors during the year was as follows:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Wages and salaries	1,579	1,360	1,019	851
Contributions to defined contribution plan	189	154	122	97
Social security contributions	2	2	2	2
Other benefits	222	271	124	176
	<u>1,992</u>	<u>1,787</u>	<u>1,267</u>	<u>1,126</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Remuneration of directors is as disclosed in Note 7.

41. Significant events during the financial year

- (a) On 8 October 2015, the Company announced that the Company had entered into a Development Agreement ("DA") with Majlis Kebajikan Dan Sukan Anggota - Anggota Kerajaan Malaysia ("MAKSAK") for the proposed development of a parcel of leasehold land measuring approximately 13,595 square metres held under PN 22976, Lot 51867, Mukim and District of Kuala Lumpur ("the Land") for a total consideration of RM100.081 million ("the Proposed Development"). The Land is located along Jalan Cheras.

During the year, the Company and MAKSAK have mutually agreed to extend the conditional period of the DA for further period and to expire on 7 October 2018.

- (b) On 23 June 2017, the Company announced that the Company entered into a Share Sale Agreement for disposal of its entire equity interest in Midah Jaya Realty Sdn. Bhd. to a third party for a total consideration of RM9,030,756. The disposal was completed on 24 July 2017.

On 13 October 2017, the Company announced that due to non fulfilment of post completion obligation by the Company, the Company entered into a Share Sale Agreement for acquisition of entire equity interest in Midah Jaya Realty Sdn. Bhd. from the same third party for a total cash consideration of RM9,030,756 ("share buy-back"). The share buy-back was completed on 24 November 2017.

As a result, Midah Jaya Realty Sdn. Bhd. remains as a wholly-owned subsidiary of the Company.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)****Symphony Life Berhad
(Incorporated in Malaysia)****42. Significant events after the financial year**

On 9 April 2018, the Company announced that the Company intends to undertake a renounceable rights issue of 417,407,888 new ordinary shares in the Company ("Symlife Share") ("Rights Share") on the basis of 1 Rights Share for every 1 existing Symlife Share held on an entitlement date to be determined later ("Proposed Rights Issue").

The Company also announced that Tan Sri Mohamed Azman bin Yahya and person acting in concert with him intend to apply for an exemption under Paragraph 4.08 of the Rules on Takeovers, Mergers and Compulsory Acquisitions from the obligation to undertake a mandatory offer for the remaining Symlife Share and outstanding warrants 2013/2020 in the Company ("Warrant B") not already owned by them upon completion of the Proposed Rights Issue ("Proposed Exemption").

The Proposed Rights Issue and the Proposed Exemption are subject to approvals from Bursa Malaysia Securities Berhad, Securities Commission Malaysia and shareholders of the Company in the extraordinary general meeting ("EGM") to be convened later. The Proposed Rights Issue and the Proposed Exemption are inter-conditional upon each other.

43. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk and credit risk.

The Board of Directors reviews and agrees on the policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in fixed deposits.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

Symphony Life Berhad
(Incorporated in Malaysia)

43. Financial risk management objectives and policies (contd.)**(a) Interest rate risk (contd.)**

The Group has minimal exposure to interest rate risk at the reporting date. The table as disclosed in Note 34 sets out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM452,000 (2017: RM451,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

(b) Foreign exchange risk

The Group has no material exposure to any foreign exchange risk.

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Symphony Life Berhad
(Incorporated in Malaysia)**

43. Financial risk management objectives and policies (contd.)

(c) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Group				
Financial liabilities:				
At 31 March 2018				
Trade and other payables	180,696	-	-	180,696
Loans and borrowings	122,425	334,499	75,780	532,704
Total undiscounted financial liabilities	303,121	334,499	75,780	713,400
At 31 March 2017				
Trade and other payables	159,187	-	-	159,187
Loans and borrowings	146,766	249,594	31,231	427,591
Total undiscounted financial liabilities	305,953	249,594	31,231	586,778
	On demand or within one year RM'000	One to five years RM'000	Total RM'000	
Company				
Financial liabilities:				
At 31 March 2018				
Trade and other payables	19,971	-	19,971	
Loans and borrowings	39,612	148,771	188,383	
Total undiscounted financial liabilities	59,583	148,771	208,354	
At 31 March 2017				
Trade and other payables	21,466	-	21,466	
Loans and borrowings	76,244	89,888	166,132	
Total undiscounted financial liabilities	97,710	89,888	187,598	

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS’ REPORT THEREON (CONT’D)**

Symphony Life Berhad
(Incorporated in Malaysia)

43. Financial risk management objectives and policies (contd.)

(d) Credit risk

The Group’s credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group’s exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Exposure to credit risk

The credit risk of the trade and other receivables is disclosed in Note 26.

Credit risk concentration profile

The Group’s concentration of risk also includes the amount receivable as disclosed in Note 26 and the Group minimises its credit risk by continuous monitoring of receivable balances.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 26.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 26.

44. Fair values

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	26
Trade and other payables	35

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair value due to their short-term nature.

Information regarding fair values of investment properties are disclosed in Note 18.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS’ REPORT THEREON (CONT’D)**

**Symphony Life Berhad
(Incorporated in Malaysia)**

45. Financial instruments

(a) Financial assets at fair value through profit or loss

As stipulated in Amendments to FRS 7 : *Improving Disclosure about Financial Instruments*, the Group and the Company are required to classify fair value measurement using a fair value hierarchy. The fair value hierarchy would have the following levels:

Level 1 - the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - the fair value is measured using 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 - the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table presents other financial assets and financial liabilities that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 31 March 2018				
Group				
Assets				
Financial asset at fair value through profit or loss	5,620	-	-	5,620
Company				
Assets				
Financial asset at fair value through profit or loss	5,285	-	-	5,285

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS’ REPORT THEREON (CONT’D)**

Symphony Life Berhad
(Incorporated in Malaysia)

45. Financial instruments (contd.)

(a) Financial assets at fair value through profit or loss (contd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 31 March 2017				
Group				
Assets				
Financial asset at fair value through profit or loss	6,685	-	-	6,685
Company				
Assets				
Financial asset at fair value through profit or loss	6,242	-	-	6,242

(b) Financial instrument classified as loans and receivables

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Trade and other receivables (Note 26)	112,897	209,957	114,367	112,990
Cash and bank balances (Note 29)	37,049	44,746	16,271	15,396
Total loans and receivables	149,946	254,703	130,638	128,386

46. Capital management

The primary objective of the Group’s capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders’ value.

The Group manages its capital structure and makes adjustments to it in light of changes in, amongst others, its operating environment and economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2018 and 31 March 2017.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE
FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Symphony Life Berhad
(Incorporated in Malaysia)**

46. Capital management (contd.)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group considers the net debt as loans and borrowings less cash and bank balances.

	Note	Group		Company	
		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Loans and borrowings	34	458,872	378,474	166,300	151,300
Less: Cash and bank balances	29	(37,049)	(44,746)	(16,271)	(15,396)
Aggregate indebtedness		421,823	333,728	150,029	135,904
Total equity attributable to the equity holders of the Company		634,258	609,573	505,411	506,753
Capital and net debt		1,056,081	943,301	655,440	642,657
Gearing ratio		40%	35%	23%	21%

47. Segmental information

The Group predominantly carries out its operations in Malaysia. The Group's operations is presented using the following business segments, reviewed by the chief operating decision maker:

Property development

Incorporating property development, property management and maintenance and property marketing consultancy.

Property investment

Incorporating property investment and property management and maintenance.

Construction and quarry operations

Incorporating construction works, quarry operations and receipt of tribute income.

Other operations

Other operations of the Group comprise other investments and investment holdings, none of which constitutes a separate reportable segment.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**Symphony Life Berhad
(Incorporated in Malaysia)**

47. Segmental information (contd.)

Business Segments

The following table provides an analysis of the Group's revenue, results, assets and liabilities and other information by business segment:

	Property development RM'000	Property investment RM'000	Construction and quarry operations RM'000	Other operations RM'000	Eliminations RM'000	Total RM'000
2018						
Revenue						
External revenue	114,666	7,000	906	384	-	122,956
Inter-segment sales	6,815	-	-	7,541	(14,356)	-
	<u>121,481</u>	<u>7,000</u>	<u>906</u>	<u>7,925</u>	<u>(14,356)</u>	<u>122,956</u>
Results						
Segment results	(3,232)	1,283	2,484	9,142	-	9,677
Unallocated corporate expenses						(10,345)
Finance costs						(10,370)
Other investing activities results						(1,603)
Share of results in jointly controlled entities						50,610
Profit before taxation						<u>37,969</u>
Income tax						<u>(5,925)</u>
Profit for the year						<u>32,044</u>

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**Symphony Life Berhad
(Incorporated in Malaysia)**

47. Segmental Information (contd.)

Business Segments (contd.)

	Property development RM'000	Property investment RM'000	Construction and quarry operations RM'000	Other operations RM'000	Eliminations RM'000	Total RM'000
2018 (contd.)						
Assets						
Segment assets	1,034,805	44,723	14,328	75,643	-	1,169,499
Investments in jointly controlled entities	117,325	-	-	-	-	117,325
Unallocated assets						27,015
Total assets						<u>1,313,839</u>
Liabilities						
Segment liabilities	268,434	5,373	1,572	400,215	-	675,594
Unallocated liabilities						6,770
Total liabilities						<u>682,364</u>

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

Symphony Life Berhad
(Incorporated in Malaysia)

47. Segmental information (contd.)

Business Segments (contd.)

2017

Revenue	Property development RM'000	Property investment RM'000	Construction and quarry operations RM'000	Other operations RM'000	Eliminations RM'000	Total RM'000
External revenue	223,099	7,250	1,896	445	-	232,690
Inter-segment sales	1,037	-	-	6,406	(7,443)	-
	<u>224,136</u>	<u>7,250</u>	<u>1,896</u>	<u>6,851</u>	<u>(7,443)</u>	<u>232,690</u>
Results						
Segment results	25,405	1,718	2,658	7,080	-	36,861
Unallocated corporate expenses						(13,988)
Finance costs						(7,447)
Other investing activities results						(2,395)
Share of results in jointly controlled entities	20,860	-	-	-	-	20,860
Profit before taxation						33,911
Income tax						(3,652)
Profit for the year						<u>30,259</u>

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2018 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**Symphony Life Berhad
(Incorporated in Malaysia)**

47. Segmental information (contd.)

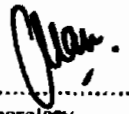
Business Segments (contd.)

	Property development RM'000	Property investment RM'000	Construction and quarry operations RM'000	Other operations RM'000	Eliminations RM'000	Total RM'000
2017 (contd.)						
Assets						
Segment assets	980,486	2,047	576	134,562	-	1,117,671
Investments in jointly controlled entities	46,715	-	-	-	-	46,715
Unallocated assets						28,679
Total assets						<u>1,193,065</u>
Liabilities						
Segment liabilities						
Unallocated liabilities	246,848	2,299	1,670	328,636	-	579,453
Total liabilities						<u>5,712</u>
						<u>585,165</u>

**APPENDIX V - THE LATEST UNAUDITED QUARTERLY RESULT OF OUR GROUP FOR THE FPE
30 JUNE 2018**

SYMPHONY LIFE BERHAD
(Company No. 5572-H)
(Incorporated in Malaysia)

CERTIFIED TRUE COPY
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018**


Company Secretary
ALAN CHAN CHEE MING
(LS: 0009838)

24 SEP 2018

	Individual quarter ended		Cumulative quarter ended	
	30/6/18 RM'000	(Restated) 30/6/17 RM'000	30/6/18 RM'000	(Restated) 30/6/17 RM'000
Continuing operations				
Revenue	41,981	37,370	41,981	37,370
Cost of sales	(32,871)	(27,757)	(32,871)	(27,757)
Gross profit	<u>9,110</u>	<u>9,613</u>	<u>9,110</u>	<u>9,613</u>
Other income	3,099	1,555	3,099	1,555
Employee benefits expense	(5,746)	(5,143)	(5,746)	(5,143)
Depreciation and amortisation	(469)	(483)	(469)	(483)
Other expenses	(4,707)	(4,830)	(4,707)	(4,830)
Profit/(loss) from operations	<u>1,287</u>	<u>712</u>	<u>1,287</u>	<u>712</u>
Finance costs	(3,726)	(2,028)	(3,726)	(2,028)
Other investing activities results	(77)	8,108	(77)	8,108
Share of results of jointly controlled entities	19,180	6,375	19,180	6,375
Profit before taxation	<u>16,664</u>	<u>13,167</u>	<u>16,664</u>	<u>13,167</u>
Taxation	(1,151)	(658)	(1,151)	(658)
Profit for the period	<u>15,513</u>	<u>12,509</u>	<u>15,513</u>	<u>12,509</u>
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>15,513</u>	<u>12,509</u>	<u>15,513</u>	<u>12,509</u>
Profit attributable to :				
Equity holders of the Company	15,409	12,809	15,409	12,809
Non-controlling interests	104	(300)	104	(300)
	<u>15,513</u>	<u>12,509</u>	<u>15,513</u>	<u>12,509</u>
Total comprehensive income attributable to :				
Equity holders of the Company	15,409	12,809	15,409	12,809
Non-controlling interests	104	(300)	104	(300)
	<u>15,513</u>	<u>12,509</u>	<u>15,513</u>	<u>12,509</u>
Earnings per share attributable to equity holders of the Company:	sen	sen	sen	sen
Basic	<u>5.46</u>	<u>4.54</u>	<u>5.46</u>	<u>4.54</u>

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the year ended 31 March 2018 and the accompanying notes attached to the Interim financial statements)

**APPENDIX V - THE LATEST UNAUDITED QUARTERLY RESULT OF OUR GROUP FOR THE FPE
30 JUNE 2018 (CONT'D)**
SYMPHONY LIFE BERHAD

 (Company No. 5572-H)
 (Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Unaudited As at 30/6/2018 RM'000	(Restated) Audited As at 31/03/2018 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	15,319	15,456
Inventories - Land held for property development	228,283	226,215
Investment properties	179,148	166,967
Land use rights	18	18
Goodwill	10,327	10,327
Investment in jointly controlled entities	154,273	135,093
Investment securities	8,679	8,753
Deferred tax assets	10,871	10,859
	<u>606,918</u>	<u>573,688</u>
Current Assets		
Inventories - Property development costs	409,221	406,711
Inventories - Completed properties	98,164	103,251
Contract assets	99,427	83,209
Investment securities	167	170
Trade and other receivables	111,231	113,386
Tax recoverable	13,869	15,673
Cash and bank balances	23,516	37,049
	<u>755,595</u>	<u>759,449</u>
TOTAL ASSETS	<u>1,362,513</u>	<u>1,333,137</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	310,000	310,000
Treasury shares	(361)	(361)
Capital reserve	30,815	30,815
Other reserve	(30,414)	(30,414)
Retained profits	384,369	368,960
Shares held by ESTS Trust	(25,444)	(25,444)
Shareholders' equity	<u>668,965</u>	<u>653,556</u>
Non-controlling interests	(2,679)	(2,783)
Total equity	<u>666,286</u>	<u>650,773</u>
Non-current Liabilities		
Borrowings	365,252	357,627
Deferred income	33,864	35,618
	<u>399,116</u>	<u>393,245</u>
Current Liabilities		
Trade and other payables	152,515	180,696
Contract liability	1,692	408
Borrowings	142,281	101,245
Current tax payable	622	6,770
	<u>297,110</u>	<u>289,119</u>
Total Liabilities	<u>696,227</u>	<u>682,364</u>
TOTAL EQUITY AND LIABILITIES	<u>1,362,513</u>	<u>1,333,137</u>
Net Assets per share attributable to Equity Holders of the Company (RM)	<u>2.37</u>	<u>2.32</u>

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2018 and the accompanying notes attached to the interim financial statements)

APPENDIX V - THE LATEST UNAUDITED QUARTERLY RESULT OF OUR GROUP FOR THE FPE 30 JUNE 2018 (CONT'D)

SYMPHONY LIFE BERHAD
(Company No. 5572-H)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2018

	Attributable to Equity Holders of the Company								Total Equity RM'000
	Non-distributable Reserves				Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Capital Reserve RM'000	Other Reserve RM'000	Shares held by ESIS Trust RM'000	Retained Profits RM'000	Shareholders' Equity RM'000	Non-controlling Interests RM'000	
3 months ended 30.6.2017									
Balance at 1 April 2017 (as previously reported)	310,000	(351)	30,815	(30,414)	(25,444)	324,967	609,573	(1,673)	607,900
Effect of adoption of MFRS 15	-	-	-	-	-	17,768	17,768	-	17,768
Balance at 1 April 2017 (as restated)	310,000	(351)	30,815	(30,414)	(25,444)	342,735	627,341	(1,673)	625,668
Treasury shares repurchased	-	(10)	-	-	-	-	(10)	-	(10)
Profit for the period	-	-	-	-	-	12,809	12,809	(300)	12,509
Balance at 30 June 2017	<u>310,000</u>	<u>(361)</u>	<u>30,815</u>	<u>(30,414)</u>	<u>(25,444)</u>	<u>355,544</u>	<u>640,140</u>	<u>(1,973)</u>	<u>638,167</u>
3 months ended 30.6.2018									
Balance at 1 April 2018 (as previously reported)	310,000	(361)	30,815	(30,414)	(25,444)	349,662	634,258	(2,783)	631,475
Effect of adoption of MFRS 15	-	-	-	-	-	19,298	19,298	-	19,298
Balance at 1 April 2018 (as restated)	310,000	(361)	30,815	(30,414)	(25,444)	368,960	653,556	(2,783)	650,773
Profit for the period	-	-	-	-	-	15,409	15,409	104	15,513
Balance at 30 June 2018	<u>310,000</u>	<u>(361)</u>	<u>30,815</u>	<u>(30,414)</u>	<u>(25,444)</u>	<u>384,369</u>	<u>668,965</u>	<u>(2,679)</u>	<u>666,286</u>

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2018 and the accompanying notes attached to the interim financial statements)

**APPENDIX V - THE LATEST UNAUDITED QUARTERLY RESULT OF OUR GROUP FOR THE FPE
30 JUNE 2018 (CONT'D)**
SYMPHONY LIFE BERHAD

 (Company No. 5572-H)
 (Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2018**

	Period ended 30/6/2018 RM'000	(restated) Period ended 30/6/2017 RM'000
Profit before tax	16,664	13,167
Adjustment for non-cash flow:-		
Depreciation and amortisation	469	483
Share of results of associates and jointly controlled entities	(19,180)	(6,375)
Fair value adjustments on investment securities	77	(123)
Gain on disposal of a subsidiary	-	(7,985)
Other non-operating items (which are investing and financing)	(153)	-
Operating profit before changes in working capital	<u>(2,123)</u>	<u>(833)</u>
Changes in working capital		
Net change in current assets	(11,471)	10,112
Net change in current liabilities	(28,649)	(30,794)
Land held for property development	(2,068)	(4,051)
Taxation paid	(5,507)	(1,269)
Net cash flows from operating activities	<u>(49,818)</u>	<u>(26,835)</u>
Investing Activities		
- Property, plant and equipment	(4)	(4,998)
- Investment properties	(12,524)	-
- Dividends	153	-
- Subsidiary	-	9,030
- Jointly controlled entities	-	-
	<u>(12,375)</u>	<u>4,032</u>
Financing Activities		
- Bank borrowings	48,159	2,359
- Equity investment	-	(10)
	<u>48,159</u>	<u>2,349</u>
Net Change in Cash and Cash Equivalents	(14,034)	(20,454)
Cash and Cash Equivalents at beginning of the period	33,089	42,086
Cash and Cash Equivalents at end of the period	<u>19,055</u>	<u>21,632</u>
Analysis of cash and cash equivalents at end of the financial period:		
Cash and bank balances	16,426	22,242
Deposits with licensed financial institutions	<u>7,090</u>	<u>2,240</u>
	23,516	24,482
Less: Deposits pledged with licensed financial institutions	(91)	(91)
Bank overdrafts	<u>(4,370)</u>	<u>(2,759)</u>
	<u>19,055</u>	<u>21,632</u>

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2018 and the accompanying notes attached to the interim financial statements)

APPENDIX V - THE LATEST UNAUDITED QUARTERLY RESULT OF OUR GROUP FOR THE FPE 30 JUNE 2018 (CONT'D)

SYMPHONY LIFE BERHAD

(Company No. 5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the period ended 30 June 2018

Explanatory Notes

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (MFRS) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Group's audited financial statements for the year ended 31 March 2018, which have been prepared in accordance with the Financial Reporting Standards (FRS) and the Companies Act 2016.

The financial statements of the Group for the 3 months period ended 30 June 2018 is the first set of interim financial statements prepared in accordance with MFRS framework and MFRS 1: First-time Adoption of Malaysian Financial Standards has been applied. The MFRS Framework is effective for the Group from 1 April 2018 and the date of transition to the MFRS Framework for the purpose of preparation of the MFRS compliant interim financial report is 1 April 2017 for comparison purpose. The details on the effects from adoption of MFRS framework are described in Note A2 below.

A2. Changes In Accounting Policies

The accounting policies and methods of computation by the Group in this interim report are consistent with those adopted in the most recent annual audited financial statements, save for the adoption of MFRS framework for the first time and the adoption of new standards, amendments and interpretation which came into effect from 1 January 2018 as set out below:

Description

MFRS 2: Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)

MFRS 9: Financial Instruments

MFRS 15: Revenue from Contracts with Customers

MFRS 140: Transfers of Investment Property (Amendments to MFRS 140)

Annual Improvements to MFRS Standards 2014 - 2016 Cycle

IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

The adoption of these standards, amendments and interpretation have the following effects on the financial statements:

MFRS 9: Financial Instruments

MFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting. The key effect of adoption of this standard on the Group would principally be in respect of the assessment of impairment losses of outstanding debts based on an "expected credit loss" model instead of the "incurred loss" model. The Group applied simplified approach and record lifetime expected losses on all trade receivables and there is no material impact from adoption of this standard.

MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 supersedes the current revenue recognition guidance including MFRS 118: Revenue, MFRS 111: Construction Contracts and the related interpretations. The key effects of adoption of this standard on the property development activities of the Group are as follows:

- i. in respect of sale of properties that do not fall under the scope of FRSIC Consensus 23: Application of MFRS 15: Revenue from Contracts with Customers on Sale of Residential Properties issued by Malaysian Institute of Accountants, the Group has to assess if the property has an alternative use to the Group and whether the sale and purchase arrangement provides the Group an enforceable right to payment for work completed to-date, in determining whether or not the sale of properties should be recognised at a point in time (completion method) or over time (percentage of completion method);
- ii. it requires the identification of separate performance obligations arising from the sale of properties from all ongoing property development projects of the Group, such as the sale of property with furniture and fitting packages, and may result in the acceleration or deferment of revenue recognition relating to these separate performance obligations depending on whether the related goods and/or services are delivered or satisfied. This affects the timing of revenue recognition for the property development activities;

**APPENDIX V - THE LATEST UNAUDITED QUARTERLY RESULT OF OUR GROUP FOR THE FPE
30 JUNE 2018 (CONT'D)**
SYMPHONY LIFE BERHAD

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Unaudited interim report for the period ended 30 June 2018

A2. Changes in Accounting Policies (contd.)
MFRS 15: Revenue from Contracts with Customers (contd.)

- iii. it requires the Group to capitalise the costs incurred in fulfilling a contract with customers. As such, the expenses attributable to securing contracts with customers such as sales commission are capitalised and expensed to cost of sales by way of percentage of completion.
- iv. It views liquidated ascertained damages (LAD) payable when developer fails to deliver vacant possession within the stipulated period as consideration payable to customers and is presented as a reduction of the transaction price. As such the LAD will be accounted for in the revenue over the tenure of the respective property development project instead of being accounted for as a direct charge to expense when obligation arises.

As a result of adoption of MFRS Framework, the following comparatives in the interim financial report have been restated.

i. Impact on condensed consolidated financial statement as at 1 April 2017 (date of transition):

	Audited as at 4/1/2017 RM'000	Effect of MFRS 15 RM'000	Restated as at 4/1/2017 RM'000
Condensed consolidated statement of financial position			
Assets			
Investment in jointly controlled entities	46,715	16,999	63,714
Deferred tax assets	12,509	(243)	12,266
Inventories - Property development costs	342,699	(1,834)	340,865
Contract assets	-	59,200	59,200
Other current assets - accrued billings	56,354	(56,354)	-
Equity			
Retained profits	324,967	17,768	342,735

ii. Impact on condensed consolidated financial statement as at 31 March 2018:

	Audited as at 3/31/2018 RM'000	Effect of MFRS 15 RM'000	Restated as at 3/31/2018 RM'000
Condensed consolidated statement of financial position			
Assets			
Investment in jointly controlled entities	117,325	17,768	135,093
Deferred tax assets	11,342	(483)	10,859
Inventories - Property development costs	409,768	(3,057)	406,711
Contract assets	-	83,209	83,209
Other current assets - accrued billings	78,139	(78,139)	-
Equity			
Retained profits	349,662	19,298	368,960

**APPENDIX V - THE LATEST UNAUDITED QUARTERLY RESULT OF OUR GROUP FOR THE FPE
30 JUNE 2018 (CONT'D)**
SYMPHONY LIFE BERHAD

(Company No. 5572-H)

(Incorporated in Malaysia)

Unaudited Interim report for the period ended 30 June 2018

A2. Changes In Accounting Policies (contd.)

iii. Impact on condensed consolidated income statement for the 3 months period ended 30 June 2017:

	As previously reported 6/30/2017 RM'000	Effect of MFRS 15 RM'000	Restated 6/30/2017 RM'000
Revenue	36,865	505	37,370
Cost of sales	(27,460)	(297)	(27,757)
Taxation	(608)	(50)	(658)
Share of results of a jointly controlled entity	7,052	(677)	6,375
Net impact on profit or loss attributable to equity holders of the parent	<u>13,328</u>	<u>(519)</u>	<u>12,809</u>

 iv. Impact on condensed consolidated statement of cash flows for the 3 months period ended 30 June 2017
and the impact on basic EPS:

There is no material impact on the consolidated statement of cash flows for the 3 months period ended 30 June 2017.

The impact on basic EPS is as follows:

	Increase/(Decrease)
Earnings per share attributable to equity holders of the Company:	
- Basic (sen)	<u>(0.19)</u>

A3. Audit Qualification

The audit report of the Group's most recent annual audited financial statements for the year ended 31 March 2018 was not qualified.

A4. Seasonality or Cyclical Factors

There were no material seasonal or cyclical factors which affected the results of the operations for the quarter under review.

A5. Changes in estimates

There were no major changes in estimates that had a material effect on the results of the quarter under review.

A6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review.

As at 30 June 2018, the total number of shares purchased amounted to 438,329 ordinary shares at an average price of RM0.82 per share. The shares purchased are retained as treasury shares.

A7. Dividends Paid

No dividend was paid during the current financial quarter under review.

**APPENDIX V - THE LATEST UNAUDITED QUARTERLY RESULT OF OUR GROUP FOR THE FPE
30 JUNE 2018 (CONT'D)**

SYMPHONY LIFE BERHAD
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Unaudited Interim report for the period ended 30 June 2018

A8. Segmental Reporting

Business segments	<----- Period ended 30/06/2018 ----->				Total RM'000
	Property Development RM'000	Property Investment RM'000	Quarry & Construction RM'000	Other Operations RM'000	
Revenue	40,387	1,441	-	153	41,981
Less : Eliminations of inter-segment					-
Total revenue					<u>41,981</u>
Continuing operations					
Segment results from continuing operations	1,853	238	(137)	3,012	4,966
Head office expenses					<u>(3,679)</u>
Operating profit					1,287
Finance costs					(3,726)
Other investing activities results					(77)
Share of results of jointly controlled entities					19,180
Profit before taxation					<u>16,664</u>
Taxation					(1,151)
Profit for the period					<u>15,513</u>

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

A9. Valuation of property, plant and equipment

There were no valuations done on the Group's property, plant and equipment.

A10. Subsequent Events

On 9 April 2018 and 5 June 2018, the Company announced the proposed renounceable Rights Issue of up to 416,969,559 new ordinary shares in Symphony Life Berhad ("SymLife Share") ("Rights Share") on the basis of 1 Rights Share for every 1 existing SymLife Share held on an entitlement date to be determined later ("Proposed Rights Issue"); and the proposed exemption under Paragraph 4.08 of the Rules on Take-overs, Mergers and Compulsory Acquisitions to Tan Sri Mohamed Azman Yahya and person acting in concert with him from the obligation to undertake a mandatory offer from the remaining SymLife Share and outstanding warrants 2013/2020 in the Company ("Warrant B") not already owned by them upon completion of the Proposed Rights Issue ("Proposed Exemption") (collectively referred to as the "Proposals"). On 26 July 2018, on behalf of the Board, Affin Hwang IB announced that the Company proposed to vary the proposed utilisation of proceeds to be raised from the Proposed Rights Issue.

On 3 August 2018, on behalf of the Board, Affin Hwang IB announced that Bursa Malaysia Securities Berhad ["Bursa Securities"] had, vide its letter dated 3 August 2018, approved the listing and quotation on the Main Market of Bursa Securities for the following:

- i. up to 416,969,559 new SymLife Shares to be issued pursuant to the Proposed Rights Issue;
 - ii. up to 42,017,800 Additional Warrants B to be issued pursuant to the adjustments pursuant to the Proposed Rights Issue; and
 - iii. up to 42,017,800 new SymLife Shares to be issued arising from the exercise of the Additional Warrants B
- The Proposals are subject to and conditional upon approval from shareholders, approval from Securities Commission Malaysia for the Proposed Exemption, and full compliance with the relevant provisions under the Listing Requirements by the Company and Affin Hwang IB at all times.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A12. Changes in contingent liabilities and contingent assets

As at 30 June 2018, there were no material changes in contingent liabilities since the last annual audited statement of financial position as at 31 March 2018. There were no contingent assets as at 30 June 2018.

**APPENDIX V - THE LATEST UNAUDITED QUARTERLY RESULT OF OUR GROUP FOR THE FPE
30 JUNE 2018 (CONT'D)**
SYMPHONY LIFE BERHAD

(Company No. 5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the period ended 30 June 2018

**ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING
REQUIREMENTS.**
B1. Review of Performance

	Individual quarter ended			Cumulative quarter ended		
	30/6/18	30/6/17	Changes	30/6/18	30/6/17	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	41,981	37,370	4,611	41,981	37,370	4,611
Gross profit	9,110	9,613	(503)	9,110	9,613	(503)
Share of results - joint ventures	19,180	6,375	12,805	19,180	6,375	12,805
Profit before interest and tax	20,391	15,195	5,196	20,391	15,195	5,196
Profit before tax	16,664	13,167	3,497	16,664	13,167	3,497
Profit after tax	15,513	12,509	3,004	15,513	12,509	3,004
Profit attributable to equity holders of the Company	15,409	12,809	2,600	15,409	12,809	2,600

Performance of Current Quarter as Compared to the Preceding Year's Corresponding Quarter

For the quarter ended 30 June 2018, the Group achieved revenue of RM41.98 million, which is RM4.61 million or 12% higher as compared to the preceding year's corresponding quarter. This was mainly due to the higher progress of work done achieved for Tijani Raja Dewa project in Kota Bharu, Kelantan during the quarter under review. The Group achieved profit before tax of RM16.66 million, which is about RM3.50 million or 27% higher as compared to the preceding year's corresponding quarter mainly contributed from our joint venture project, Star Residences.

The main contributors to revenue and gross profit for the current quarter were:

- TWY Mont' Kiara (484 units of condominiums in Mont' Kiara); and
- Tijani Raja Dewa (150 units of condominiums, 29 units of super-link terrace houses and 26 units of semi-detached houses in Kota Bharu, Kelantan)
- Union Suites@ Bandar Sunway (626 units of condominium in Bandar Sunway).

B2. Material Changes in the Quarterly Results as Compared to the Immediate Preceding Quarter

	Individual quarter ended		Changes
	30/6/18	31/3/18	
	RM'000	RM'000	RM'000
Revenue	41,981	25,541	16,440
Gross profit	9,110	7,444	1,666
Share of results - joint venture	19,180	18,073	1,107
Profit before interest and tax	20,391	11,195	9,196
Profit before tax	16,664	7,858	8,806
Profit after tax	15,513	4,310	11,203
Profit attributable to equity holders of the Company	15,409	4,864	10,545

The result for the current quarter is higher than that of the immediate preceding quarter due to the higher contribution from Property Development division and higher share of profits from our joint venture project, Star Residences. The lower result in the immediate preceding quarter was due to the reversal of gain on disposal of a subsidiary amounting to RM7.99 million caused by the non-fulfillment of a post completion obligation.

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30 JUNE 2018 (CONT'D)**
SYMPHONY LIFE BERHAD

(Company No. 5572-H)

(Incorporated in Malaysia)

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B3. Prospects for the financial year ending 31 March 2019

As the market environment is expected to remain competitive and challenging in 2019, the Group continues to take measures to make our products more attractive and affordable. The current take up rate of our projects are as follows:

- Star Residences, a RM3.0 billion mixed development in KLCC area comprising 3 residential towers and 5 blocks of signature retail has received good response. The Residential Tower 1 (RT 1) and Residential Tower 2 (RT2) have achieved sales of 98% and 85% respectively. The signature retail (SR) has also been well received and has achieved sales of 77%. The Residential Tower 3 (RT3) which is offered as Ascott Residences and Ascott Serviced Apartments and launched in October 2017 had encouraging response from foreign buyers. Star Residences will continue to be the highest contributor to the Group's profit for the current financial year under review.
- TWY Mont' Kiara, with a projected Gross Development Value ("GDV") of RM435 million, is a development which caters to investors and the younger generation of house buyers looking for small-sized condominiums in the exclusive Mont' Kiara enclave. The project received excellent response and has achieved sales of 98%. The Group expects TWY Mont' Kiara to remain as one of the major contributors to the Group's revenue and profit for the current financial year despite facing some construction delays, for which the Group is taking mitigating actions.
- Tijani Raja Dewa In Kota Bharu offers a combination of terrace and semi-detached houses and a block of condominiums with a projected GDV of RM185 million in the 1st phase of development. Sales have recently picked up as the development is nearing completion. This project achieved sales of close to 40% as at the end of this quarter compared to 30% in the last financial year end.
- Union Suites@ Bandar Sunway offers 626 units of mainly small fully fitted apartments with a projected GDV of RM479 million. This project targeted for students' accommodation and investors due to its proximity to several established universities, colleges and medical centres in the Bandar Sunway area. The take up rate of this project is 50% of the number of units offered.
- Elevia Residences, Puchong, with a GDV of RM131 million, offers a combination of 128 units of condominium and 34 units of Villas in our Taman Tasik Prima township in Puchong. It has todate achieved a take up rate of 75%.

The Group is planning to launch 29 units of industrial bungalow lots and 14 units of industrial semi-detached lots in Q3 of FY2019 with an expected GDV of RM15 million in Bandar Amanjaya In Sungai Petani. This project will contribute positively to the Group's revenue and profit for the current financial year.

Prospects going forward remain positive with unbilled sales of RM912 million (including our 50% share in the joint venture, Star Residences) as at 30 June 2018.

However, the Group is cautious given the soft property market which is expected to remain subdued in the medium term. We will continue to take measures such as implementing cost efficiencies through organisation and manpower restructuring to manage our costs in the slow business environment.

B4. Profit Forecast/Profit Guarantee

Not applicable

B5. Profit Before Tax

	Individual quarter ended 30/6/18 RM'000	Cumulative quarter ended 30/6/18 RM'000
Profit before tax is arrived at after charging/(crediting):-		
Depreciation and amortisation	469	469
Interest income	(1,196)	(1,196)
Dividend income	(153)	(153)
Interest expenses	3,726	3,726
Allowance for doubtful debts	-	-
Allowance for doubtful debts no longer required	(2)	(2)
Bad debts written off	-	-
Impairment loss on inventories	-	-
Inventories written off	-	-

**APPENDIX V - THE LATEST UNAUDITED QUARTERLY RESULT OF OUR GROUP FOR THE FPE
30 JUNE 2018 (CONT'D)**

SYMPHONY LIFE BERHAD
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Unaudited Interim report for the period ended 30 June 2018

85. Profit Before Tax (contd.)

	Individual quarter ended 30/6/18 RM'000	Cumulative quarter ended 30/6/18 RM'000
Profit before tax is arrived at after charging/(crediting):-		
Gain on disposal of property, plant and equipment	-	-
Property, plant and equipment written off	-	-
Impairment on assets	-	-
Gain/Loss on foreign exchange	-	-
Gain/Loss on derivatives	-	-
	<hr/>	<hr/>
Included in other investing results were :-		
- Gain on disposal of investment securities	-	-
- Fair value adjustment of investment securities	77	77
	<hr/>	<hr/>

86. Taxation

Taxation comprises the following :-

	Individual quarter ended 30/6/18 RM'000	Cumulative quarter ended 30/6/18 RM'000
Current taxation	1,163	1,163
Deferred taxation	(12)	(12)
	<hr/>	<hr/>
	1,151	1,151

87. Corporate Developments

(a) On 8 October 2015, the Company announced that Symlife had entered into a Development Agreement ("DA") with Majlis Kebajikan Dan Sukan Anggota - Anggota Kerajaan Malaysia ("MAKSAK") for the proposed development of a parcel of leasehold land located along Jalan Cheras measuring approximately 13,595 square metres held under PN 22976, Lot 51867, Mukim and District of Kuala Lumpur for a total consideration of RM100.081 million ("the Proposed Development").

The Proposed Development comprises service apartments and shop offices/strata offices and is expected to generate an estimated Gross Development Value of RM600 million.

The Company and Maksak have mutually agreed to extend the conditional period of the DA for a further period of six (6) months to expire on 7 October 2018 to fulfill the conditions precedent as stated in the DA.

(b) As mentioned in note A10, on 9 April 2018, the Company announced that Symlife intends to undertake a renounceable rights issue of 417,407,888 new ordinary shares in Symlife ("Symlife Share") ("Rights Share") on the basis of 1 Rights Share for every 1 existing Symlife Share held on an entitlement date to be determined later ("Proposed Rights Issue").

The Company also announced that Tan Sri Mohamed Azman bin Yahya and person acting in concert with him intend to apply for an exemption under Paragraph 4.08 of the Rules on Take-overs, Mergers and Compulsory Acquisitions from the obligation to undertake a mandatory offer for the remaining Symlife Shares and outstanding warrants 2013/2020 in Symlife ("Warrant B") not already owned by them upon completion of the Proposed Rights Issue ("Proposed Exemption").

**APPENDIX V - THE LATEST UNAUDITED QUARTERLY RESULT OF OUR GROUP FOR THE FPE
30 JUNE 2018 (CONT'D)**
SYMPHONY LIFE BERHAD

(Company No. 5572-H)

(Incorporated in Malaysia)

Unaudited Interim report for the period ended 30 June 2018

B7. Corporate Developments (contd.)

(b) (contd.)

On 5 June 2018, on behalf of the Board, Affin Hwang IB announced that the listing application in relation to the Proposed Rights Issue has been submitted to Bursa Malaysia Securities Berhad on 5 June 2018.

On 3 August 2018, on behalf of the Board, Affin Hwang IB announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 3 August 2018, approved the listing and quotation on the Main Market of Bursa Securities for the following:

- i. up to 416,969,559 new SymLife Shares to be issued pursuant to the Proposed Rights Issue;
- ii. up to 42,017,800 Additional Warrants B to be issued pursuant to the adjustments pursuant to the Proposed Rights Issue; and
- iii. up to 42,017,800 new SymLife Shares to be issued arising from the exercise of the Additional Warrants B

The Proposals are subject to and conditional upon approval from shareholders, approval from Securities Commission Malaysia for the Proposed Exemption, and full compliance with the relevant provisions under the Listing Requirements by the Company and Affin Hwang IB at all times.

B8. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 30 June 2018 and 30 June 2017 were as follows:

	Type	Weighted average interest rate	As at 30 June 2018		Total RM'000
			Long term RM'000	Short term RM'000	
Secured					
Bank overdrafts	Floating	5.36%	-	4,371	4,371
Revolving credits	Floating	5.30%	116,500	43,800	160,300
Term loans	Floating	5.85%	248,752	94,110	342,862
			<u>365,252</u>	<u>142,281</u>	<u>507,533</u>
As at 30 June 2017					
			Long term RM'000	Short term RM'000	Total RM'000
Secured					
Bank overdrafts	Floating	5.36%	-	2,760	2,760
Revolving credits	Floating	5.33%	-	112,300	112,300
Term loans	Floating	5.67%	264,944	1,020	265,964
			<u>264,944</u>	<u>116,080</u>	<u>381,024</u>

All borrowings are denominated in Ringgit Malaysia.

B9. Off Balance Sheet Financial Instruments

There is no financial instrument with off balance sheet risk as at the date of this report.

**APPENDIX V - THE LATEST UNAUDITED QUARTERLY RESULT OF OUR GROUP FOR THE FPE
30 JUNE 2018 (CONT'D)**
SYMPHONY LIFE BERHAD

(Company No. 5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the period ended 30 June 2018

B10. Material Litigation

There is no material litigation against the Group pending as at the date of this report, except for the following:

- (a) Tijani (Bukit Tunku) Sdn Bhd ("Tijani" or "Respondent"), a wholly-owned subsidiary of SymLife, had on 20 August 2015 received a Notice of Arbitration served by T.J. Civil & Structural Contractor Sdn Bhd ("Claimant") to seek redress on the disputes arising from a project, including inter alia that Tijani and its servants, agents or consultants had failed, neglected and/or refused to grant the Claimant extension of time, thereby causing delay on the part of the Claimant in completing the contracted works.

The Claimant served its Statement of Claim claiming loss and damages for a total sum of RM9.13million.

Tijani defended the claim and submitted a counterclaim against the Claimant seeking, amongst others, liquidated damages in the sum of RM3.88million and damages suffered by Tijani in the sum of RM1.1million.

To-date, the arbitration proceeding is still on-going and the next hearing before the arbitrator is scheduled for the end of September 2018. Our solicitor is of the opinion that based on the facts of the case, Tijani has a fair chance of success in the arbitration proceedings.

B11. Dividends Proposed

No interim dividend has been proposed during the quarter under review.

B12. Earnings per share

	Individual quarter ended		Cumulative quarter ended	
	30/6/18	(Restated) 30/6/17	30/6/18	(Restated) 30/6/17
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the ordinary equity holders of the Company	15,409	12,809	15,409	12,809
Weighted average number of ordinary shares excluding treasury shares and shares held by Employees' Share Trust Scheme ('000)	281,999	282,005	281,999	282,005
Basic earnings per share (sen) for :				
Profit for the period	5.46	4.54	5.46	4.54

The diluted earnings per share is not presented as the effect of the assumed conversion of warrants outstanding will be anti dilutive and the Company has no other dilutive potential ordinary shares in issue as at end of the reporting period.

ALAN CHAN CHEE MING
SOO YIN KHENG
Secretaries

Petaling Jaya, Selangor
Date: 28 August 2018



Registered Office:

Level 9, Symphony House
Dana 1 Commercial Centre
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Date: **05 OCT 2018**

To: The Entitled Shareholders of Symphony Life Berhad

On behalf of the Board of Directors of Symphony Life Berhad ("**SymLife**" or "**Company**") ("**Board**"), I wish to report that, after making due enquiries in relation to the Company and its subsidiary companies ("**SymLife Group**" or "**Group**") during the period between 31 March 2018, being the date to which the latest audited consolidated financial statements have been made up, and the date of this letter, being a date not earlier than fourteen (14) days before the issuance of the Abridged Prospectus:

- (i) the business of our Group has, in the opinion of our Board, been satisfactorily maintained;
- (ii) in the opinion of our Board, no circumstances have arisen since the last audited financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;
- (iii) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) there are no contingent liabilities which have arisen by reason of any guarantee or indemnities given by our Group;
- (v) there have not been any default or any known event that could give rise to a default situation, on payment of either interest and/or principal sums for any borrowings in our Group; and
- (vi) save as disclosed in Section 8.2 and Appendix III of the Abridged Prospectus, there have been no material change in the published reserves or any unusual factors affecting the profits of our Group since the last audited financial statements of our Group.

Yours faithfully,
For and on behalf of the Board
SYMPHONY LIFE BERHAD

A handwritten signature in black ink, appearing to read "Robert Teo".

DATO' ROBERT TEO KENG TUAN
Independent Non-Executive Director

APPENDIX VII – ADDITIONAL INFORMATION

1. SHARE CAPITAL

- (i) Save for the Rights Shares, no securities will be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of this Abridged Prospectus.
- (ii) As at the LPD, there is only one (1) class of shares in our Company, namely ordinary shares in the share capital in our Company, all of which rank equally with one another.
- (iii) As at the date of the Abridged Prospectus, save as disclosed below, no person has been or is entitled to be granted an option to subscribe for any securities in our Company and no capital in our Group is under any option or agreed conditionally or unconditionally to be put under any option:
 - (a) our Entitled Shareholders who will provisionally be allotted with the Rights Shares are entitled to subscribe for the Rights Shares at an issue price of RM0.35 per Rights Share;
 - (b) the Warrants B which were issued on 19 November 2013 and are due to expire on 19 November 2020. The warrant holders are entitled to subscribe for one (1) SymLife Share at an exercise price of RM1.10 (subject to adjustments to be made in accordance with the Deed Poll). The Warrants B were issued at no cost to the entitled shareholders of SymLife, RHB Trustees Berhad (trustee for the ESTS of SymLife) and our directors; and
 - (c) the ESTS Trust which is administered by RHB Trustees Berhad (*formerly known as OSK Trustees Berhad*) ("**Trustee**") pursuant to the Trust Deed dated 24 September 2007 entered into between OSK Trustees Berhad (*presently known as RHB Trustees Berhad*) and our Company. The ESTS Trust commenced on 1 October 2007 and shall be in force for a period of three (3) years. Nonetheless, the ESTS Trust was further extended and revised via the following supplemental deeds and is due to expire on 30 September 2020 ("**ESTS Period**"):
 - (i) First Supplemental Deed dated 10 February 2009;
 - (ii) Second Supplemental Deed dated 12 March 2009;
 - (iii) Third Supplemental Deed dated 18 September 2012;
 - (iv) Fourth Supplemental Deed dated 12 November 2013; and
 - (v) Fifth Supplemental Deed dated 29 September 2017.

Upon the agreed terms and conditions, the Trustee will be entitled to accept financial assistance from our Company to purchase the Shares from the open market for the purpose of ESTS Trust. Our Board had on 28 April 2011, further resolved that the aggregate number of shares to be purchased under ESTS Trust shall not exceed twenty-five (25) million of the issued ordinary shares of our Company and the amount required to purchase such shares shall not exceed RM27.00 million.

The beneficiaries of the ESTS Trust are the eligible employees who are the full-time employees under the category of executives of our Group and thus, may include executive directors of our Company who have been in employment with our Company for at least six (6) months and are on payroll of our Group during the ESTS Period.

APPENDIX VII – ADDITIONAL INFORMATION (CONT'D)**2. CONSTITUTION**

The provisions in our Company's Constitution in relation to the remuneration of our Directors are as follows:

Article 92

The Directors shall be paid by way of fees for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine. PROVIDED ALWAYS that:

- (a) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum, and not by a commission on or a percentage of profits or turnover.
- (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting.
- (d) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 93

- (a) The Directors shall be paid all their travelling, hotel and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors of the Company.
- (b) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or a percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

Article 118(1)

Each Director shall have power from time to time to nominate a person (not being a Director) to act as his alternate Director and at his discretion remove such alternate Director, but the appointment of such alternate Director shall not take effect until approved by a majority of the other Directors PROVIDED ALWAYS that any fee paid by the Company to an alternate Director shall be deducted from that Director's remuneration.

Article 120

The remuneration of a Director holding an executive office pursuant to these Articles shall subject to Article 92 be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover.

APPENDIX VII – ADDITIONAL INFORMATION (CONT'D)**3. CONSENTS**

The written consents of the Company Secretaries, Principal Adviser, Solicitors, Share Registrar, Principal Bankers and Bloomberg Finance L.P to the inclusion in this Abridged Prospectus of their names in in the form, manner and context in which they appear have been given and have not been subsequently withdrawn before the issuance of this Abridged Prospectus.

The written consents of Auditors/Reporting Accountants to the inclusion in this Abridged Prospectus of its name, Reporting Accountants' letter accompanying the pro forma consolidated statements of financial position of our Group as at 31 March 2018 and the auditors' report accompanying the audited consolidated financial statements of our Group for the FYE 31 March 2018 in the form, manner and context in which they appear have been given and have not been subsequently withdrawn before the issuance of this Abridged Prospectus.

4. CONFLICT OF INTEREST

As at the LPD, Affin Group has extended credit facilities / services to our Group, our directors and our shareholders. Affin Group may also in the future extend credit facilities / services to our Group, our directors and our shareholders.

Notwithstanding the above, Affin Hwang IB hereby declares that there is no situation of conflict of interest that exists or is likely to exist in relation to the role of Affin Hwang IB as the Principal Adviser to our Company in relation to the Corporate Exercises.

Affin Hwang IB has considered the factors involved and believes its objective and independence as the Principal Adviser to our Company in relation to the Corporate Exercises are maintained at all times notwithstanding the aforementioned roles and services performed as these are mitigated by the following:

- (i) Affin Group is a diversified financial group and is engaged in a wide range of investment and commercial banking, brokerage, securities trading asset and funds management and credit transaction services businesses. Affin Group has engaged and may in the future, engage in transactions with and perform services for our Group and/or our affiliates, in addition to the roles set out in this Abridged Prospectus. In addition, in the ordinary course of business, any member of Affin Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders, and/or our affiliates and/or any other entity or person, holding long or short term positions in securities issued by us and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of Affin Group generally acting independently of each other and accordingly there may be situations where parts of Affin Group and/or its customers now have or in the future, may have interest or take actions that may conflict the interests of our Group.

Nonetheless, Affin Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese Walls between different business divisions;

- (ii) the said credit facilities / services, where relevant, have been extended by Affin Group in its ordinary course of business;
- (iii) the conduct of Affin Group in its banking business is strictly regulated by the FSA, the Islamic Financial Services Act 2013, the CMSA and Affin Group's own internal controls and checks;

APPENDIX VII – ADDITIONAL INFORMATION (CONT'D)

- (iv) as at the LPD, our Group has existing credit facilities of RM166.20 million with Affin Group. The outstanding amount of the credit facilities extended by Affin Group to our Group is not material compared to the latest audited NA of Affin Group as at 31 December 2017 of RM8.27 billion.
- (v) none of the existing credit facilities with Affin Group will be repaid under the Minimum Scenario. However, under the Maximum Scenario, a repayment amount of RM15.70 million to Affin Bank Berhad (which forms part of Affin Group) will be made. This amount represents up to approximately 10.76% of the proceeds to be raised under the Maximum Scenario and approximately 9.45% of the total credit facilities extended to our Company; and
- (vi) save for the professional advisory fees to be received by Affin Hwang IB as the Principal Adviser to our Company for the Corporate Exercises and the utilisation of proceeds from the Rights Issue (under Maximum Scenario) for the repayment of RM15.70 million bank borrowings extended by Affin Bank Berhad (which forms part of Affin Group), there is no other direct interest to be derived by Affin Group. Further, Affin Hwang IB is neither interested in nor affected by the outcome of the Corporate Exercises.

Accordingly, our Board has been fully informed and is aware of the roles of Affin Hwang IB mentioned above and is agreeable to the role of Affin Hwang IB as the Principal Adviser to our Company in relation to the Corporate Exercises.

5. MATERIAL CONTRACTS

Save as disclosed below, neither our Company nor our subsidiary companies have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the date of this Abridged Prospectus:

- (i) Share Sale Agreement dated 13 October 2017 entered into between our Company and Octane Capital Sdn Bhd to acquire 65,029 ordinary shares, representing the entire equity interest in Midah Jaya Realty Sdn Bhd ("**MJRSB**"), for a total cash consideration of RM9,030,756.00 only. The aforementioned acquisition was completed on 24 November 2017. As at the LPD, MJRSB is the wholly-owned subsidiary of our Company.
- (ii) Share Sale Agreement dated 23 June 2017 entered into between our Company and Octane Capital Sdn Bhd to dispose 65,029 ordinary shares, representing the entire equity interest in MJRSB, the wholly-owned subsidiary of our Company, for a total cash consideration of RM9,030,756.00 only. The aforementioned disposal was completed on 24 July 2017.
- (iii) Shareholders' Agreement dated 29 December 2016 entered into between our Company, Permodalan Nasional Berhad and JBIZ Development Sdn Bhd in relation to their participation in PJS Damansara Sdn Bhd (*formerly known as Jakel Land Sdn Bhd*) to carry on the business of developing, completing and marketing the development of property including commercial, retail and residential components on all that piece of freehold land with a commercial title measuring 77,450 square metres under GRN 78883, Lot 481123 Mukim Kuala Lumpur, Daerah Kuala Lumpur.
- (iv) Subscription Agreement dated 14 December 2016 entered into between our Company and PJS Damansara Sdn Bhd (*formerly known as Jakel Land Sdn Bhd*) for our Company to subscribe for 5,000,000 ordinary shares in PJS Damansara Sdn Bhd (*formerly known as Jakel Land Sdn Bhd*) for an aggregate cash consideration of RM5,000,000.00 only.

APPENDIX VII – ADDITIONAL INFORMATION (CONT'D)

- (v) Development Agreement dated 8 October 2015 entered into between our Company and Majlis Kebajikan Dan Sukan Anggota-Anggota Kerajaan Malaysia ("**Development Agreement**") to develop a parcel of leasehold land measuring approximately 13,595 square metres held under PN 2297, Lot 51867, Mukim and District of Kuala Lumpur, for a total consideration of RM100.081 million only. The parties have via a letter dated 12 March 2018 mutually agreed to further extend the conditional period of the Development Agreement for a further period of six (6) months to expire on 7 October 2018. As at the LPD, the parties are still in the midst of fulfilling the conditions precedent as stated in the Development Agreement.

6. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may materially and adversely affect the financial position or business of our Group:

- (i) Tijani (Bukit Tunku) Sdn Bhd ("**Tijani**" or "**Respondent**"), a wholly-owned subsidiary of SymLife, had on 20 August 2015 received a Notice of Arbitration served by T.J. Civil & Structural Contractor Sdn Bhd ("**Claimant**") to seek redress on the disputes arisen from a project, including among others Tijani and its servants, agents or consultants had failed, neglected and/or refused to grant the Claimant extension of time, thereby causing delay on the part of the Claimant in completing the contracted works.

On 2 February 2016, the Claimant served its Statement of Claim claiming loss and damages for a total sum of RM9,130,119.85, the details of which are as follows:

- (a) Outstanding final value for works done in the sum of RM900,316.73;
- (b) Release of Retention in the sum of RM1,616,450;
- (c) Losses from Prolongation in the sum of RM2,216,989.26;
- (d) Late payment interest in the sum of RM331,183.52;
- (e) Cost of consultants and experts in the sum of RM159,000.00;
- (f) Wrongful deduction of liquidated damages in the sum of RM2,970,000.00; and
- (g) Wrongful set-offs in the sum of RM936,180.34.

Tijani defended the claim and submitted a counterclaim against the Claimant seeking, amongst others:

- (a) Liquidated damages in the sum of RM3,880,665.27 or alternatively in the sum of RM2,530,665.27, after deducting the amount payable by Tijani to the Claimant based on the Re-Amended Statement of Defence and Counterclaim dated 11.04.2017; and
- (b) Damages suffered by Tijani in the sum of RM1,102,272.49.

As at the LPD, the arbitration proceedings is still on-going and the next hearing before the arbitrator is scheduled in mid-March 2019.

The Respondent has been advised by its solicitors from the facts of its case, that Tijani has a fair chance of success in the arbitration proceedings.

APPENDIX VII – ADDITIONAL INFORMATION (CONT'D)

- (ii) TWY Development Sdn Bhd (“**TWY**” or “**Defendant**”), a wholly-owned subsidiary of SymLife has on 23 August 2018 terminated the services from Top International Engineering (Malaysia) Sdn Bhd’s (“**Plaintiff**”) on the account that the Plaintiff’s default and failure to proceed regularly and/or diligently with the contracted works. Following the termination, the Defendant has on the even date, made a written demand to RHB Bank Berhad to claim for the sum of RM9,093,400.00 under a performance bond (i.e. Bank Guarantee No. TCXG887261CG dated 23 August 2016 issued by RHB Bank Berhad in favour of Defendant) (“**Bank Guarantee**”).

On 27 August 2018, the Plaintiff filed an Originating Summons accompanied with a Notice of Application for an *ex-parte* interim injunction seeking, amongst others:

- (a) An interim injunction order restraining the Defendant from receiving proceeds of any demand made under the Bank Guarantee, or in the event that the said proceeds have been received, an order restraining the Defendant from transferring, utilising or dealing howsoever with the said proceeds, until the final disposal of this action; and
- (b) An interim injunction to restrain the Defendant from making any further demand under the Bank Guarantee until the final disposal of this action.

On 28 August 2018, the Plaintiff obtained an *ex-parte* interim injunction from the High Court of Malaya restraining the Defendant from receiving payment under the performance bond pending the disposal of this action.

On 7 September 2018, the Defendant filed a Notice of Application to set aside the *ex-parte* interim injunction dated 28 August 2018 and seeking, amongst others:

- (a) Damages in the form of interest at the rate of 8.00% per annum on the sum of RM9,093,400.00 under a performance bond from the date of the interim injunction until a date to be determined by the High Court of Malaya; and/or
- (c) An order for the assessment of damages suffered by the Defendant resulting from the interim injunction.

The hearing of the Originating Summons, the *inter-partes* injunction application and the setting aside application is fixed on 22 October 2018.

The Defendant has been advised by its solicitors from the facts of its case, that TWY has a fair chance of success in this Originating Summons, the *inter-partes* injunction application and the setting aside application.

7. GENERAL

- (i) Save as disclosed below, there are no existing or proposed service contracts entered or to be entered into by our Company with any Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of issuance of this Abridged Prospectus:
- (a) SymLife had on 28 March 2016 entered into a service contract with TSMAY to appoint TSMAY as an Executive Chairman of SymLife for a fixed period of three (3) years until such service contract is terminated by either SymLife or TSMAY with a notice of not less than three (3) months or by either party paying to the other salary in lieu of such notice.

APPENDIX VII – ADDITIONAL INFORMATION (CONT'D)

- (ii) Save as disclosed in Sections 6 and 9 of this Abridged Prospectus and to the best of knowledge of our Board, the financial conditions and operations of our Group are not affected by the following:
 - (a) material information including special trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group;
 - (b) known trends, demands, commitments, events or uncertainties that will result in or are likely to materially increase or decrease our Group's liquidity;
 - (c) material commitments for capital expenditure;
 - (d) substantial increase in revenue;
 - (e) unusual, infrequent events or transactions or any significant economic changes that materially affect the amount of reported income from the operations of our Group; and
 - (f) known trends or uncertainties that will or likely to have a material favourable or unfavourable impact on revenues or operating income of our Group.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at Level 9, Symphony House, Dana 1 Commercial Centre, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from 9.00a.m. to 6.00p.m. from Mondays to Fridays (excluding public holidays) for a period of twelve (12) months from the date of this Abridged Prospectus:

- (i) Constitution of our Company (Memorandum and Articles of Association as adopted before the commencement of the Act);
- (ii) Audited consolidated financial statements of our Group for the past two (2) financial years up to 2018 and the latest unaudited quarterly result of our Group for the three (3)-month FPE 30 June 2018;
- (iii) The pro forma consolidated statements of financial position of our Group as at 31 March 2018 together with the Reporting Accountants' letter thereon, as set out in Appendix III of this Abridged Prospectus;
- (iv) The Directors' Report referred to in Appendix VI of this Abridged Prospectus;
- (v) The letters of consent and declarations of interest referred to in Sections 3 and 4 of this Appendix, respectively;
- (vi) The material contracts referred to in Section 5 of this Appendix;
- (vii) The relevant cause papers in respect of the material litigation referred to in Section 6 of this Appendix;
- (viii) The service contract dated 28 March 2018 entered into between our Company and TSMAY referred to in Section 7 of this Appendix;
- (ix) The irrevocable and unconditional undertaking letters dated 28 May 2018 in relation to the Entitlement Undertakings by TSMAY and GCSB and Additional Undertaking by TSMAY referred to in Section 3 of this Abridged Prospectus; and

APPENDIX VII – ADDITIONAL INFORMATION (CONT'D)

- (x) The Trust Deed dated 24 September 2007 entered into between OSK Trustees Berhad (*presently known as RHB Trustees Berhad*) and our Company together with First Supplemental Deed dated 10 February 2009; Second Supplemental Deed dated 12 March 2009; Third Supplemental Deed dated 18 September 2012; Fourth Supplemental Deed dated 12 November 2013 and Fifth Supplemental Deed dated 29 September 2017.

9. RESPONSIBILITY STATEMENT

Our Board has seen and approved the Abridged Prospectus with the accompanying documents relating to the Rights Issue. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement in these Documents false or misleading.

Affin Hwang IB being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

NOTICE OF PROVISIONAL ALLOTMENT OF RIGHTS SHARES

All terms defined in the abridged prospectus dated 17 October 2018 ("Abridged Prospectus") issued by Symphony Life Berhad shall have the same meanings when used in this Notice of Provisional Allotment ("NPA") unless stated otherwise.

The Provisional Rights Shares as contained in this NPA are prescribed securities pursuant to Section 14(5) of the SICDA as amended from time to time. Therefore, all dealings in the Provisional Rights Shares will be subject to SICDA and Rules of Bursa Depository.



SYMPHONY LIFE BERHAD

(Company No. 5572-H)
(Incorporated in Malaysia under the Companies Ordinances 1940-1946 and deemed registered under the Companies Act, 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 416,969,559 NEW ORDINARY SHARES IN SYMPHONY LIFE BERHAD ("SYMLIFE") ("SYMLIFE SHARE(S)") ("RIGHTS SHARE(S)") AT AN ISSUE PRICE OF RM0.35 PER RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING SYMLIFE SHARE HELD AS AT 5.00 P.M. ON 17 OCTOBER 2018 ("RIGHTS ISSUE")

Principal Adviser



AFFIN HWANG INVESTMENT BANK BERHAD

(Company No. 14389-U)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

To: The Entitled Shareholders of SymLife

Dear Sirs,

Our Board has provisionally allotted to you the number of Rights Shares as indicated below, in accordance with the resolution passed by the Shareholders at the Extraordinary General Meeting convened on 29 August 2018 and the approval of Bursa Securities via its letter dated 3 August 2018.

We wish to advise you that the following Provisional Rights Shares allotted to you has been confirmed by Bursa Depository and upon acceptance will be credited into your CDS Account(s) as stated below, subject to the terms and conditions stated in the Abridged Prospectus and the RSF issued by our Company.

The Provisional Rights Share is allotted subject to the provisions in the Abridged Prospectus by our Company. Bursa Securities has already prescribed our Company's securities listed on the Main Market of Bursa Securities and to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and as such, all dealings in the Provisional Rights Shares will be by way of book entry through CDS Account(s) and will be governed by the SICDA and the Rules of Bursa Depository.

ALL RIGHTS SHARES TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES INTO THE CDS ACCOUNT(S) OF THE ENTITLED SHAREHOLDERS AND/ OR THEIR RENOUNCEE(S)/ TRANSFEREE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED TO THE ENTITLED SHAREHOLDERS AND/ OR THEIR RENOUNCEE(S)/ TRANSFEREE(S) (IF APPLICABLE).

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to the Entitled Shareholders and/or their renounee(s)/ transferee(s) who have applied for the Excess Rights Shares in the following priority:

- (i) first, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to the Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lots, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, for allocation to the Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Application; and
- (iv) finally, for allocation to the renounee(s)/ transferee(s) (if applicable) who have applied for Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Application.

In the event of any Excess Rights Shares balance after the above allocations are completed, the balance will be allocated again through the same sequence of allocations as set out in (ii) to (iv) above.

Nonetheless, our Board reserves the right to allot the Excess Rights Shares applied for under Part I(B) of the RSF by the Entitled Shareholders and/or their renounee(s)/ transferee(s) in such manner as our Board deems fit and/or expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable manner and that the intention of our Board as set out in (i) to (iv) above is achieved.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER

NUMBER OF SYMLIFE SHARES HELD AT 5.00 P.M. ON 17 OCTOBER 2018	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.35 PER RIGHTS SHARE (RM)

IMPORTANT RELEVANT DATES AND TIMES	
Entitlement date	Wednesday, 17 October 2018 at 5.00 P.M.
Last date and time for sale of Provisional Rights Shares	Wednesday, 24 October 2018 at 5.00 P.M.
Last date and time for transfer of Provisional Rights Shares	Monday, 29 October 2018 at 4.00 P.M.
Last date and time for acceptance and payment	Thursday, 1 November 2018 at 5.00 P.M.
Last date and time for Excess Application and payment	Thursday, 1 November 2018 at 5.00 P.M.

By order of the Board
Alan Chan Chee Ming (LS 0009838)
Soo Yin Kheng (MAICSA 7020973)
Company Secretaries

Share Registrar
Symphony Share Registrars Sdn Bhd (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya, Selangor

Tel. no. : 03-7849 0777
Fax. no. : 03-7841 8151/8152

RIGHTS SUBSCRIPTION FORM

TERMS DEFINED IN THE ABRIDGED PROSPECTUS DATED 17 OCTOBER 2018 ("ABRIDGED PROSPECTUS") SHALL HAVE THE SAME MEANINGS WHEN USED IN THIS RIGHTS SUBSCRIPTION FORM ("RSF") AND THE NOTES AND INSTRUCTIONS FOR COMPLETING THIS RSF UNLESS STATED OTHERWISE. THIS RSF IS ISSUED FOR THE PURPOSE OF ACCEPTING THE RIGHTS SHARES AND APPLYING FOR EXCESS RIGHTS SHARES PURSUANT TO THE RIGHTS ISSUE. THE LAST TIME AND DATE FOR ACCEPTANCE AND PAYMENT IS 5.00 P.M. ON 1 NOVEMBER 2018. THIS RSF IS ONLY APPLICABLE TO PERSONS WHO HAVE PROVISIONAL RIGHTS SHARES STANDING TO THE CREDIT OF HIS/ HER RESPECTIVE CDS ACCOUNT.



SYMPHONY LIFE BERHAD

(Company No. 5572-H)
(Incorporated in Malaysia under the Companies Ordinances 1940-1946 and deemed registered under the Companies Act, 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 416,969,559 NEW ORDINARY SHARES IN SYMPHONY LIFE BERHAD ("SYMLIFE") ("SYMLIFE SHARE(S)") ("RIGHTS SHARE(S)") AT AN ISSUE PRICE OF RM0.35 PER RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING SYMLIFE SHARE HELD AS AT 5.00 P.M. ON 17 OCTOBER 2018 ("RIGHTS ISSUE")

NAME AND ADDRESS OF APPLICANT
(in block letters as per Bursa Depository's record)

NRIC NO. / PASSPORT NO.
(STATE COUNTRY) /
COMPANY NO. *

CDS ACCOUNT NO.

NUMBER OF SYMLIFE SHARES HELD AT 5.00 P.M. ON 17 OCTOBER 2018	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.35 PER RIGHTS SHARE (RM)

Note: If you have subsequently purchased additional Provisional Rights Shares from the open market, you should indicate your acceptance of the total Provisional Rights Shares that you have standing to the credit in your CDS account under Part I(A) below.

To: The Board of Directors of SymLife ("Board")

PART I - ACCEPTANCE OF RIGHTS SHARES AND APPLICATION FOR EXCESS RIGHTS SHARES

In accordance with the terms of this RSF and the Abridged Prospectus, I / we* hereby irrevocably:

- a) *accept the number of Rights Shares as stated below, which were provisionally allotted / transferred / renounced to me / us*;
- b) *apply for the number of Excess Rights Shares as stated below in addition to the above;

in accordance with and subject to the Constitution of SymLife.

I / We* enclose herewith the appropriate remittance(s)/reference(s) for the payment stated below, in favour of the respective account stated below and crossed "ACCOUNT PAYEE ONLY", being the full amount payable for the said number of Rights Shares accepted / applied for, and hereby request for the said Rights Shares and Excess Rights Shares to be credited into my / our* valid and subsisting CDS account as stated below:

NUMBER OF RIGHTS SHARES ACCEPTED / EXCESS RIGHTS SHARES APPLIED	AMOUNT PAYABLE BASED ON RM0.35 PER RIGHTS SHARE (RM)	BANKER'S DRAFT / CASHIER'S ORDER / MONEY ORDER / POSTAL ORDER NO.	PAYABLE TO
(A) ACCEPTANCE			SYMLIFE RIGHTS SHARES ACCOUNT
(B) EXCESS			SYMLIFE EXCESS RIGHTS SHARES ACCOUNT

I / We* authorise you to refund without interest, the full or the balance (as the case may be) amount of my / our* application money (without interest) for the Provisional Rights Shares and/or the Excess Rights Shares if such application is unsuccessful or late or partially successful (as the case may be) to me / us* at my / our* address in Malaysia as shown in the Record of Depositors by ordinary post at my / our* own risk.

PART II – DECLARATION

I / We* hereby confirm and declare that:

- (i) All information provided by me / us* is true and correct;
- (ii) All information is identical with the information in the records of Bursa Depository and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of my / our* rights may be rejected; and
 - * I am 18 years of age or over.
 - * I am / We* are resident(s) of Malaysia.
 - * I am / We* are resident(s) of (country) and having citizenship.
 - * I am / We* are "nominee(s) of a person who is a *Bumiputera / *Non-Bumiputera / *Non Citizen resident in(country) and having citizenship.

I / We* consent to the Company and the Share Registrar collecting the information and personal data (collectively, "Data") required herein, to process and disclose such Data to any person for the purposes of implementing the Rights Issue and storing such Data in any servers located in Malaysia or outside Malaysia in accordance with the relevant laws and regulations.

I / We* hereby accept all the terms and conditions set out in this RSF and the Abridged Prospectus and further confirm compliance with all requirements for acceptance and payment as set out therein.

Signature / Authorised signatory(ies)
(Corporate Bodies must affix their Common Seal)



Date

Contact telephone number during office hours / Mobile no.

LAST DATE AND TIME FOR:	
Acceptance and payment for Provisional Rights Shares	Thursday, 1 November 2018 at 5.00 p.m.
Excess Application and payment	Thursday, 1 November 2018 at 5.00 p.m.

* Please delete whichever is not applicable.

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS RSF

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT. IN ACCORDANCE WITH THE CAPITAL MARKETS AND SERVICES ACT, 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. ALL ENQUIRIES CONCERNING THE RIGHTS ISSUE SHOULD BE ADDRESSED TO OUR SHARE REGISTRAR, SYMPHONY SHARE REGISTRARS SDN BHD, LEVEL 6, SYMPHONY HOUSE, PUSAT DAGANGAN DANA 1, JALAN PJU 1A/46, 47301 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA (TEL: +603 7849 0777). YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS TO WHICH THIS RSF RELATES TO BEFORE COMPLETING THIS RSF.

The Abridged Prospectus is issued in compliance with the laws of Malaysia only. The Abridged Prospectus, together with the NPA and RSF (collectively, the "Documents"), are despatched only to our shareholders whose names appear on our Record of Depositors as at 5.00 p.m. on 17 October 2018 ("Entitled Shareholders") at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 17 October 2018. The Documents are not intended to (and will not be made to) comply with the laws of any countries or jurisdictions other than the laws of Malaysia, are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue in any jurisdictions other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. Entitled Shareholders and/or their renounee(s)/ transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue, application for Excess Rights Shares, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue would result in the contravention of any law of such countries or jurisdictions.

Neither our Company nor Affin Hwang IB and other experts shall accept any responsibility or liability whatsoever to any party in the event that any acceptance, renunciation (as the case may be) made by any Entitled Shareholders and/or their renounee(s)/ transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/or their renounee(s)/ transferee(s) (if applicable) is a resident.

The Abridged Prospectus has been registered by the SC. The registration of the Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in the Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has also been lodged with the Companies Commission of Malaysia who takes no responsibility for the contents of the Documents.

The approval for the Rights Issue has been obtained from our shareholders at the EGM convened on 29 August 2018. Approval from Bursa Securities has also been obtained vide a letter dated 3 August 2018 for amongst other, the listing of and quotation for all the Rights Shares on the Main Market of Bursa Securities. The official listing of and quotation for the Rights Shares will commence after receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/ or their renounee(s)/ transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Our Board has seen and approved all the documentation relating to the Rights Issue. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statements in the Documents false or misleading.

Unless otherwise stated, the unit of currency used in this RSF is RM and sen. Terms defined in the Abridged Prospectus shall have the same meanings when used in this Documents unless stated otherwise.

INSTRUCTIONS:

(i) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

This RSF is valid for acceptance until 5.00 p.m. on Thursday, 1 November 2018.

(ii) FULL OR PART ACCEPTANCE OF THE RIGHTS SHARES

The Rights Issue is renounceable in full or in part. If you wish to accept all or part of the Provisional Rights Shares allotted to you, please complete Parts I(A) and II of this RSF in accordance with the notes and instructions contained herein and submit this RSF together with the appropriate remittance made in RM for the full amount payable for the Rights Issue accepted in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia, must be made payable to "SYMLIFE RIGHTS SHARES ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name in block letters and your CDS account number, and must be received by our Share Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia by **5.00 p.m. on Thursday, 1 November 2018**, being the last date and time for acceptance and payment. Cheques or other mode(s) of payment not prescribed herein are not acceptable. If acceptance of and payment for the Provisional Rights Shares are not received by our Share Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia by **5.00 p.m. on Thursday, 1 November 2018**, the provisional allotment to you will be deemed to have been declined and will be cancelled. The Board will then have the right to allot such Rights Shares not taken up to the applicants applying for Excess Rights Shares in the manner as set out in item (iii) below.

The payment must be made for the exact amount payable for the Rights Shares accepted. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. No acknowledgment will be issued for the receipt of this RSF or application monies in respect of the Rights Issue. However, if your application is successful, a notice of allotment will be despatched to you and/or your renounee(s)/ transferee(s) by ordinary post to the address as shown on Bursa Depository's record at your own risk within eight (8) market days from the last date of acceptance and payment for the Provisional Rights Shares or such other period as may be prescribed by Bursa Securities. Applications shall not be deemed to have accepted by reason of the remittance being presented for payment.

In respect of unsuccessful or partially accepted applications, the full amount or the surplus application monies, as the case may be, will be refunded without interest by ordinary post to the address as shown on Bursa Depository's record at your own risk within fifteen (15) market days from the last date of acceptance and payment for the Rights Shares.

(iii) EXCESS RIGHTS SHARES APPLICATION

If you wish to apply for additional Rights Shares in excess of those provisionally allotted to you, you may do so by completing Part I(B) of this RSF (in addition to Parts I(A) and II of this RSF) and return this RSF, together with a separate remittance in RM made in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia must be made payable to "SYMLIFE EXCESS RIGHTS SHARES ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name in block letters and your CDS account number, and must be received by our Share Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia by **5.00 p.m. on Thursday, 1 November 2018**. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

The payment must be made for the exact amount payable for the Excess Rights Shares applied for. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. No acknowledgment will be issued for the receipt of the Excess Rights Shares application or application monies in respect thereof. However, if your application is successful, a notice of allotment will be despatched to you and/or your renounee(s)/ transferee(s) by ordinary post to the address as shown on Bursa Depository's record at your own risk within eight (8) market days from the last date of application and payment of the Excess Rights Shares or such other period as may be prescribed by Bursa Securities.

In respect of unsuccessful or partially successful Excess Rights Shares applications, the full amount or the surplus application monies, as the case may be, will be refunded without interest by ordinary post to the address as shown on Bursa Depository's record at your own risk within fifteen (15) market days from the last date of application and payment of the Excess Rights Shares.

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to the Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) who have applied for the Excess Rights Shares in the following priority:

- (i) first, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to the Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lots, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, for allocation to the Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Application; and
- (iv) finally, for allocation to the renounee(s)/ transferee(s) (if applicable) who have applied for Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Application.

In the event of any Excess Rights Shares balance after the above allocations are completed, the balance will be allocated again through the same sequence of allocations as set out in (ii) to (iv) above.

Nonetheless, our Board reserves the right to allot the Excess Rights Shares applied for under Part I(B) of the RSF by the Entitled Shareholders and/or their renounee(s)/ transferee(s) in such manner as our Board deems fit and/or expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable manner and that the intention of our Board as set out in (i) to (iv) above is achieved.

(iv) SALE OR TRANSFER OF PROVISIONAL RIGHTS SHARES

Should you wish to sell or transfer all or part of your entitlement to the Provisional Rights Shares to one (1) or more persons, you may do so through your stockbroker for the period up to the last date and time for sale or transfer of the Provisional Rights Shares (in accordance with the Rules of Bursa Depository) without first having to request our Company for a split of the Provisional Rights Shares standing to the credit of your CDS account. To sell or transfer all or part of your entitlement to the Provisional Rights Shares, you may sell such entitlement on the open market for the period up to the last date and time for sale of the Provisional Rights Shares (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository for the period up to the last date and time for transfer of the Provisional Rights Shares (in accordance with the Rules of Bursa Depository).

In selling or transferring all or part of your Provisional Rights Shares, you are not required to deliver any document, including this RSF to your stockbroker in respect of the portion of the Provisional Rights Shares sold or transferred. You are however advised to ensure that you have sufficient number of Provisional Rights Shares standing to the credit of your CDS account before selling or transferring.

Transferee(s) and/ or renounee(s) may obtain a copy of the Abridged Prospectus and this RSF from his/ her/ their stockbroker(s), our registered office in Malaysia, our Share Registrar or Bursa Securities' website at www.bursamalaysia.com.

If you have sold or transferred only part of the Provisional Rights Shares, you may still accept the balance of the Provisional Rights Shares by completing Parts I(A) and II of this RSF.

(v) GENERAL INSTRUCTIONS

- (a) All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seal.
- (b) A Malaysian Revenue Stamp (NOT POSTAGE STAMP) of RM10.00 must be affixed on this RSF.
- (c) The Rights Shares subscribed by the Entitled Shareholders and/ or their renounee(s)/ transferee(s) (if applicable) will be credited into their respective CDS accounts as stated in this RSF.
- (d) Any interest or other benefit accruing on or arising from or in connection with any remittances shall be for the benefit of our Company and our Company shall not be under any obligation to account for such interest or other benefit to you.
- (e) The contract arising from the acceptance of the Provisional Rights Shares by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract arising therefrom.
- (f) Our Board reserves the right to accept or reject any acceptance and/or application if the instructions above are not strictly adhered to or which are illegible.
- (g) Entitled Shareholders and/ or their renounee(s)/ transferee(s) should note that any RSF and remittances lodged with our Share Registrar shall be irrevocable and shall not be subsequently withdrawn.