

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2022

| | Individual quarter ended | | Cumulative quarter ended | |
|---|--------------------------|----------------------|--------------------------|----------------------|
| | 31/12/22 | 31/12/21 | 31/12/22 | 31/12/21 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 43,770 | 216,087 | 93,401 | 283,076 |
| Cost of sales | (30,023) | (178,689) | (61,368) | (231,842) |
| Gross profit | <u>13,747</u> | <u>37,398</u> | <u>32,033</u> | <u>51,234</u> |
| Other income | 3,209 | 52,517 | 6,559 | 53,463 |
| Employee benefits expense | (5,106) | (5,077) | (15,904) | (19,272) |
| Depreciation and amortisation | (1,771) | (1,748) | (5,255) | (5,482) |
| Other expenses | (5,336) | (4,653) | (14,413) | (12,424) |
| Profit from operations | <u>4,743</u> | <u>78,437</u> | <u>3,020</u> | <u>67,519</u> |
| Finance costs | (2,183) | (2,990) | (6,715) | (9,709) |
| Other investing activities results | - | - | - | (352) |
| Share of results of jointly controlled entities | (2,230) | (3,540) | (7,787) | (11,370) |
| Profit/(Loss) before taxation | <u>330</u> | <u>71,907</u> | <u>(11,482)</u> | <u>46,088</u> |
| Taxation | (1,376) | (10,124) | (2,940) | (11,150) |
| (Loss)/Profit for the period | <u>(1,046)</u> | <u>61,783</u> | <u>(14,422)</u> | <u>34,938</u> |
| Other comprehensive income | - | - | - | - |
| Total comprehensive (expense)/income for the period | <u><u>(1,046)</u></u> | <u><u>61,783</u></u> | <u><u>(14,422)</u></u> | <u><u>34,938</u></u> |
| (Loss)/Profit attributable to : | | | | |
| Equity holders of the Company | 298 | 63,427 | (9,218) | 40,017 |
| Non-controlling interests | (1,344) | (1,644) | (5,204) | (5,079) |
| | <u>(1,046)</u> | <u>61,783</u> | <u>(14,422)</u> | <u>34,938</u> |
| Total comprehensive (expense)/income attributable to : | | | | |
| Equity holders of the Company | 298 | 63,427 | (9,218) | 40,017 |
| Non-controlling interests | (1,344) | (1,644) | (5,204) | (5,079) |
| | <u>(1,046)</u> | <u>61,783</u> | <u>(14,422)</u> | <u>34,938</u> |
| | sen | sen | sen | sen |
| Earnings per share attributable to equity holders of the Company: | | | | |
| Basic | <u>0.05</u> | <u>9.71</u> | <u>(1.41)</u> | <u>6.54</u> |

Notes: -

Share of results of jointly controlled entities is before tax. Taxation includes share of tax of jointly controlled entities.

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the year ended 31 March 2022 and the accompanying notes attached to the interim financial statements)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

| | Unaudited As at 31/12/22 RM'000 | Audited As at 31/3/22 RM'000 |
|--|--|---------------------------------------|
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 14,536 | 15,261 |
| Inventories - Land held for property development | 73,026 | 72,340 |
| Investment properties | 177,526 | 181,426 |
| Right-of-use assets | 122 | 135 |
| Land use rights | 16 | 17 |
| Goodwill | 10,327 | 10,327 |
| Investment in jointly controlled entities | 264,925 | 253,053 |
| Investment securities | 2,516 | 2,516 |
| Trade and other receivables | 4,164 | 6,664 |
| Other non-current assets | 135 | 79 |
| Deferred tax assets | 40,136 | 38,898 |
| | 587,429 | 580,716 |
| Current Assets | | |
| Inventories - Property development costs | 300,337 | 295,214 |
| Inventories - Completed properties | 102,534 | 145,467 |
| Trade and other receivables | 138,561 | 148,197 |
| Contract cost assets | 1,650 | 267 |
| Other current assets | 4,245 | 3,261 |
| Tax recoverable | 11,150 | 8,840 |
| Cash and bank balances | 137,204 | 168,315 |
| | 695,681 | 769,561 |
| TOTAL ASSETS | 1,283,110 | 1,350,277 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 477,854 | 477,854 |
| Treasury shares | (361) | (361) |
| Capital reserve | 2,500 | 2,500 |
| Other reserve | (32,689) | (32,689) |
| Retained profits | 582,451 | 591,669 |
| Shares held by ESTS Trust | (37,358) | (37,358) |
| Shareholders' equity | 992,397 | 1,001,615 |
| Non-controlling interests | (28,838) | (23,634) |
| Total equity | 963,559 | 977,981 |
| Non-current Liabilities | | |
| Borrowings | 139,724 | 164,685 |
| Lease liabilities | 58 | 61 |
| Trade and other payables | 13,863 | 18,958 |
| Deferred tax liabilities | 158 | 6 |
| | 153,803 | 183,710 |
| Current Liabilities | | |
| Trade and other payables | 111,433 | 107,549 |
| Other current liabilities | - | 34 |
| Borrowings | 48,878 | 76,387 |
| Lease liabilities | 63 | 60 |
| Current tax payable | 5,374 | 4,556 |
| | 165,748 | 188,586 |
| Total Liabilities | 319,551 | 372,296 |
| TOTAL EQUITY AND LIABILITIES | 1,283,110 | 1,350,277 |
| Net Assets per share attributable to Equity Holders of the Company (RM) | 1.51 | 1.53 |

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2022 and the accompanying notes attached to the interim financial statements)

SYMPHONY LIFE BERHAD

(Company No. 196401000264 (5572-H))
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022**

| | -----Attributable to Equity Holders of the Company-----> | | | | | | | | |
|---|--|--------------------------------------|--------------------------------------|------------------------------------|--|---------------------------------------|---|--|-----------------------------------|
| | <-----Non-distributable Reserves-----> | | | | Distributable | | | | |
| | <u>Share Capital</u> RM'000 | <u>Treasury Shares</u> RM'000 | <u>Capital Reserve</u> RM'000 | <u>Other Reserve</u> RM'000 | <u>Shares held by ESTS Trust</u> RM'000 | <u>Retained Profits</u> RM'000 | <u>Shareholders' Equity</u> RM'000 | <u>Non-controlling interests</u> RM'000 | <u>Total Equity</u> RM'000 |
| <u>9 months ended 31.12.2021</u> | | | | | | | | | |
| Balance at 1 April 2021 | 433,301 | (361) | 2,500 | (32,689) | (36,191) | 575,998 | 942,558 | (25,610) | 916,948 |
| Effects on adoption of IFRIC Agenda Decision | - | - | - | - | - | (4,611) | (4,611) | (339) | (4,950) |
| Balance at 1 April 2021 (restated) | 433,301 | (361) | 2,500 | (32,689) | (36,191) | 571,387 | 937,947 | (25,949) | 911,998 |
| Profit for the period | - | - | - | - | - | 40,017 | 40,017 | (5,079) | 34,938 |
| Change in ownership interests in subsidiaries | - | - | - | - | - | 1,712 | 1,712 | 6,178 | 7,890 |
| Shares issued through private placement | 34,446 | - | - | - | - | - | 34,446 | - | 34,446 |
| Shares issued through Dividend Reinvestment Plan | 10,107 | - | - | - | - | - | 10,107 | - | 10,107 |
| Dividend | - | - | - | - | - | (11,883) | (11,883) | - | (11,883) |
| Subscription of shares via Dividend Reinvestment Plan | - | - | - | - | (1,167) | - | (1,167) | - | (1,167) |
| Balance at 31 December 2021 | <u>477,854</u> | <u>(361)</u> | <u>2,500</u> | <u>(32,689)</u> | <u>(37,358)</u> | <u>601,233</u> | <u>1,011,179</u> | <u>(24,850)</u> | <u>986,329</u> |
| <u>9 months ended 31.12.2022</u> | | | | | | | | | |
| Balance at 1 April 2022 | 477,854 | (361) | 2,500 | (32,689) | (37,358) | 591,669 | 1,001,615 | (23,634) | 977,981 |
| Loss for the period | - | - | - | - | - | (9,218) | (9,218) | (5,204) | (14,422) |
| Balance at 31 December 2022 | <u>477,854</u> | <u>(361)</u> | <u>2,500</u> | <u>(32,689)</u> | <u>(37,358)</u> | <u>582,451</u> | <u>992,397</u> | <u>(28,838)</u> | <u>963,559</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 2022 and the accompanying notes attached to the interim financial statements)

SYMPHONY LIFE BERHAD

(Company No. 196401000264 (5572-H))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

| | Period ended 31/12/2022 RM'000 | Period ended 31/12/2021 RM'000 |
|---|---|---|
| Loss before tax | (11,482) | 46,088 |
| Adjustment for non-cash flow:- | | |
| Depreciation and amortisation | 5,255 | 5,482 |
| Share of results of associates and jointly controlled entities | 7,787 | 11,370 |
| Allowance for doubtful debts | 2,500 | - |
| Allowance for doubtful debts no longer required | (23) | - |
| Property, plant and equipment written off | - | 1,012 |
| Loss on disposal of other investments | - | 352 |
| Gain on disposal of property, plant and equipment | - | (50,750) |
| Other non-operating items (which are investing and financing) | 3 | (214) |
| Operating loss before changes in working capital | <u>4,040</u> | <u>13,340</u> |
| Changes in working capital | | |
| Net change in current assets | 45,046 | 23,646 |
| Net change in current liabilities | (1,232) | (24,287) |
| Land held for property development | (686) | (3,989) |
| Taxation paid | (7,277) | (12,441) |
| Net cash flows from operating activities | <u>39,891</u> | <u>(3,731)</u> |
| Investing Activities | | |
| - Property, plant and equipment | (72) | 68 |
| - Investment properties | (512) | (2) |
| - Jointly controlled entities | (17,900) | 36,180 |
| - Acquisition of additional interest in a subsidiary | - | (1,994) |
| - Other investment | - | (521) |
| | <u>(18,484)</u> | <u>33,731</u> |
| Financing Activities | | |
| - Bank borrowings | (52,151) | (51,847) |
| - Lease payment | (50) | (143) |
| - Proceeds from allotment of shares to third party | - | 7,500 |
| - Proceeds from private placement | - | 34,446 |
| - Dividends paid | - | (2,943) |
| - Uplift of deposits with licensed bank | 205 | 1,300 |
| | <u>(51,996)</u> | <u>(11,687)</u> |
| Net Change in Cash and Cash Equivalents | (30,589) | 18,313 |
| Cash and Cash Equivalents at beginning of the period | 165,251 | 60,861 |
| Cash and Cash Equivalents at end of the period | <u>134,662</u> | <u>79,174</u> |
| Analysis of cash and cash equivalents at end of the financial period: | | |
| Cash and bank balances | 37,704 | 83,492 |
| Deposits with licensed financial institutions | 99,500 | 201 |
| | <u>137,204</u> | <u>83,693</u> |
| Less: Deposits pledged with licensed financial institutions | (1,840) | (2,041) |
| Bank overdrafts | (702) | (2,478) |
| | <u>134,662</u> | <u>79,174</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 2022 and the accompanying notes attached to the interim financial statements)

SYMPHONY LIFE BERHAD

(Company No. 196401000264 (5572-H))

(Incorporated in Malaysia)

Unaudited interim report for the period ended 31 December 2022

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 2022, which have been prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) and the Companies Act 2016.

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 new standards, amendments and interpretation which came into effect from 1 January 2022 as set out below:

Description

Amendments to MFRS 3 : Reference to the Conceptual Framework

Amendments to MFRS 116 : Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137 : Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvement to MFRS Standards 2018-2020

The adoption of these standards, amendments and interpretation did not result in material impact to the interim financial statements of the Group.

The following are new standards, amendments and interpretations that have been issued by the MASB but have not been early adopted by the Group:

Effective for annual periods beginning on or after 1 January 2023:**Description**

MFRS 17 : Insurance Contracts

Amendments to MFRS 17 : Insurance Contracts

Amendments to MFRS 17 : Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 Comparative Information

Amendments to MFRS 101 : Classification of Liabilities as Current or Non-current

Amendments to MFRS 101 : Disclosure of Accounting Policies

Amendments to MFRS 108 : Definition of Accounting Estimates

Amendments to MFRS 112 : Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual periods beginning on or after 1 January 2024:**Description**

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Non-current Liabilities with Covenants

Effective date deferred to a date to be determined by MASB:**Description**

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

A3. Audit Qualification

The audit report of the Group's most recent annual audited financial statements for the year ended 31 March 2022 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. Unusual items due to their Nature, Size or Incidence

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence in the current quarter under review.

SYMPHONY LIFE BERHAD

(Company No. 196401000264 (5572-H))

(Incorporated in Malaysia)

Unaudited interim report for the period ended 31 December 2022**A6. Changes in estimates**

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

A7. 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 31 December 2022, the total number of shares purchased amounted to 438,329 ordinary shares with an average price of RM0.82 per share. These shares are retained as treasury shares.

A8. Dividends Paid

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

A9. Segmental Reporting

<----- Period ended 31/12/2022 ----->

| Business segments | Property Development RM'000 | Property Investment RM'000 | Quarry & Construction RM'000 | Other Operations RM'000 | Total RM'000 |
|---|-----------------------------------|----------------------------------|------------------------------------|-------------------------------|------------------------|
| Revenue | 79,356 | 14,711 | 8,031 | 5,735 | 107,833 |
| Less : Eliminations of inter-segment | | | | | (14,432) |
| Total revenue | | | | | <u>93,401</u> |
| Continuing operations | | | | | |
| Segment results from continuing operations | 8,603 | 4,983 | (864) | (3,941) | 8,781 |
| Head office expenses | | | | | <u>(5,761)</u> |
| Profit from operations | | | | | 3,020 |
| Finance costs | | | | | (6,715) |
| Other investing activities results | | | | | - |
| Share of results of jointly controlled entities | | | | | <u>(7,787)</u> |
| Loss before taxation | | | | | (11,482) |
| Taxation | | | | | (2,940) |
| Loss for the period | | | | | <u><u>(14,422)</u></u> |

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

A10. Valuation of property, plant and equipment

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

SYMPHONY LIFE BERHAD

(Company No. 196401000264 (5572-H))

(Incorporated in Malaysia)

Unaudited interim report for the period ended 31 December 2022**A11. Subsequent Events**

There were no material events from the current quarter ended 31 December 2022 to the date of this announcement, except for the following:

(a) On 16 January 2023, the Company announced that its wholly-owned subsidiary, Symphony Estates Sdn. Bhd. ("SESB"), Mobuild Sdn. Bhd. ("MSB") and Brilliant Armada Sdn. Bhd. ("BASB") have entered into a Settlement Agreement and a Supplement Agreement to the Project Development Agreement ("PDA") between BASB and MSB in relation to the settlement of the Proposed Joint Venture Settlement. The Parties agree that BASB to fully take over the development of four (4) pieces of contiguous country lease land, all of which are located in Daerah Kota Kinabalu, Sabah ("the Lands") upon the Parties' completion/compliance of the following:

(i) MSB's forty-nine thousand (49,000) ordinary shares in BASB, being duly transferred and registered in favour of SESB at the consideration sum of RM10 only;

(ii) the Lands duly transferred and registered in favour of BASB or its nominee at the New Landowner Entitlement totalling of RM44,800,000 only; and

subject to full payment of RM10 and the full settlement of the balance of New Landowner Entitlement totalling RM11,800,000, consequential to the reduction of RM33,000,000 received by MSB from BASB prior to the Settlement Agreement and subject to an agreed discount of RM200,000 as the Balance of Landowner Entitlement; and upon the completion/compliance thereof, the Shareholders' Agreement and the PDA shall be and hereby rescinded.

A12. Changes in the Composition of the Group

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

A13. Changes in contingent liabilities and contingent assets

As at 31 December 2022, there were no contingent assets and no material changes in contingent liabilities since the last annual audited statement of financial position as at 31 March 2022 except that the Group received legal claims for liquidated ascertained damages ("LAD") amounting to RM15.84 million for three of its residential projects.

The Group has been advised by its legal counsel that based on the distinguishing fact patterns of the Group's legal position against these claims, it is only possible, but not probable that there will be an outflow of resources at this juncture. Accordingly, no provision for any liability has been made in the financial statements.

The proceedings in respect of these claims are, as at the date of this announcement, still on-going.

SYMPHONY LIFE BERHAD

(Company No. 196401000264 (5572-H))

(Incorporated in Malaysia)

Unaudited interim report for the period ended 31 December 2022**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 | | |
|---|--------------------------|--------------------|-------------------|--------------------------|--------------------|-------------------|
| | 31/12/22 RM'000 | 31/12/21 RM'000 | Changes RM'000 | 31/12/22 RM'000 | 31/12/21 RM'000 | Changes RM'000 |
| Revenue | 43,770 | 216,087 | (172,317) | 93,401 | 283,076 | (189,675) |
| Gross profit | 13,747 | 37,398 | (23,651) | 32,033 | 51,234 | (19,201) |
| Share of results of jointly controlled entities | (2,230) | (3,540) | 1,310 | (7,787) | (11,370) | 3,583 |
| Profit/(Loss) before tax | 330 | 71,907 | (71,577) | (11,482) | 46,088 | (57,570) |
| (Loss)/Profit after tax | (1,046) | 61,783 | (62,829) | (14,422) | 34,938 | (49,360) |
| Profit/(Loss) attributable to equity holders of the Company | 298 | 63,427 | (63,129) | (9,218) | 40,017 | (49,235) |

(a) Performance of Current Quarter Compared to the Preceding Year's Corresponding Quarter

The main contributors to the earnings of the Group for the period under review are Union Suites @ Bandar Sunway and Amanjaya projects.

For the quarter ended 31 December 2022, the Group reported revenue of RM43.77 million, which is RM172.32 million lower than the preceding year's corresponding quarter. This is mainly due to the disposal of industrial development lands located within Mukim of Ulu Langat ("Sg Long land") amounting to RM180.28 million in the previous year's corresponding quarter.

The Group reported lower gross profit of RM13.75 million, which is RM23.65 million lower compared to the preceding year's corresponding quarter as a result of the recognition of profit from disposal of Sg Long land in the preceding year's corresponding quarter, offset by higher sales from Union Suites @ Bandar Sunway in the current quarter.

Lower share of losses from jointly controlled entities for the current quarter was mainly due to higher sales achieved for Star Residences project coupled with contribution from Ascott Star KLCC operation.

The Group recorded lower profit before tax of RM0.33 million during the current quarter, which is RM71.58 million lower compared to the preceding year's corresponding quarter as a result of higher revenue, gross profit and gain on disposal contributed from disposal of Sg Long land.

(b) Performance of Current Year-To-Date ("YTD") Compared to the Preceding YTD

The Group registered lower revenue of RM93.4 million for current YTD as compared to RM283.08 million for the preceding YTD mainly due to disposal of Sg Long land in preceding YTD, offset by higher sales achieved for Union Suites @ Bandar Sunway project.

Lower gross profit reported for current YTD is mainly due to disposal of Sg Long land in preceding YTD, cushioned by higher rental income contribution from property investment segment, higher contribution from Union Suites @ Bandar Sunway project and recognition of RM4.5 million losses arising from the outcome of arbitration for Arata at Bukit Tunku project in preceding YTD.

Lower share of losses from jointly controlled entities during current YTD is mainly due to higher sales achieved for Star Residences project as opposed to termination of sales amounting to RM15.3 million in preceding YTD coupled with contribution from Ascott Star KLCC operation.

The Group also reported loss before tax of RM11.48 million for current YTD as compared to profit before tax of RM46.09 million for the preceding YTD mainly due to lower gross profit achieved, gain on disposal of Sg Long land recorded in preceding YTD and RM2.5 million provision of doubtful debts made during current YTD.

SYMPHONY LIFE BERHAD

(Company No. 196401000264 (5572-H))

(Incorporated in Malaysia)

Unaudited interim report for the period ended 31 December 2022**B2. Material Changes in the Quarterly Results as Compared to the Immediate Preceding Quarter**

| | Individual quarter ended | | |
|---|---------------------------------|----------------|----------------|
| | 31/12/22 | 30/9/22 | Changes |
| | RM'000 | RM'000 | RM'000 |
| Revenue | 43,770 | 27,269 | 16,501 |
| Gross profit | 13,747 | 9,808 | 3,939 |
| Share of results of jointly controlled entities | (2,230) | (3,123) | 893 |
| Profit/(Loss) before tax | 330 | (6,154) | 6,484 |
| Loss after tax | (1,046) | (7,089) | 6,043 |
| Profit/(Loss) attributable to equity holders of the Company | 298 | (5,745) | 6,043 |

The Group reported higher revenue and gross profit for the current quarter compared to the preceding quarter mainly due to higher contribution from Union Suites @ Bandar Sunway project.

Share of losses from jointly controlled entities has reduced from preceding quarter of RM3.12 million to RM2.23 million mainly due to higher sales achieved for Star Residences project.

The Group recorded profit before tax of RM0.33 million for the current quarter compared to losses of RM6.15 million for preceding quarter mainly due to higher revenue and gross profit achieved, lower share of losses from jointly controlled entities and RM2.5 million provision of doubtful debts made in preceding quarter.

B3. Prospects for the financial year ending 31 March 2023

The financial year ending 31 March 2023 is expected to remain tough and challenging due to the uncertainties of the global economic outlook and Malaysia's economic recovery. Inflationary pressure, labour shortage, geopolitical conflicts and continued monetary policy tightening will likely create headwinds for the Malaysia property market.

The conclusion of General Elections 15 and the formation of a unity government will hopefully put a stop to domestic political uncertainty. The unity government will revamp and table Budget 2023 in February to drive economic growth and national development as well as to deal with the cost of living pressures and impact of inflation.

Bank Negara Malaysia has raised the Overnight Policy Rate ("OPR") four times in 2022 to 2.75%. Further hikes in OPR are expected given that pre-pandemic interest rates ranged between 3.25% and 3.5%. Any further hike in OPR may dent buyer's affordability and sentiment.

On a positive note, the property sector is expected to benefit from the provision of a RM2 billion guarantee through the Housing Credit Guarantee Scheme to facilitate loans for those without proof of steady income and 100% stamp duty exemption for first-time homeowners of properties priced RM500,000 and below through the Keluarga Malaysia Home Ownership Initiative (i-MILIKI) from June 2022 till December 2023. The introduction of the RPGT waiver for property disposal from the sixth year onwards will also be a boon for stimulating property upgrades.

The Group will continue to take measures in cost efficiencies, especially in the environment where shortage of labour and supply chain disruption have resulted in price escalation of construction materials. In addition, the Group is committed to establish a brand differentiation in customer service experience, quality build and design innovation.

B4. Profit Forecast/Profit Guarantee

Not applicable

SYMPHONY LIFE BERHAD

(Company No. 196401000264 (5572-H))

(Incorporated in Malaysia)

Unaudited interim report for the period ended 31 December 2022**B5. Profit Before Tax**

| | Individual quarter ended 31/12/22 RM'000 | Cumulative quarter ended 31/12/22 RM'000 |
|--|--|--|
| Profit before tax is arrived at after charging/(crediting):- | | |
| Depreciation and amortisation | 1,771 | 5,255 |
| Interest income | (1,148) | (2,575) |
| Dividend income | - | - |
| Interest expenses | 2,183 | 6,715 |
| Allowance for doubtful debts | - | 2,500 |
| Allowance for doubtful debts no longer required | - | (23) |
| Bad debts written off | - | - |
| Impairment loss on inventories | - | - |
| Inventories written off | - | - |
| (Gain)/Loss 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 | - | - |
| - Loss on disposal of other investments | - | - |
| - Fair value adjustment of investment securities | - | - |
| - Fair value adjustment of unquoted investment | - | - |
| | <hr/> | <hr/> |

B6. Taxation

Taxation comprises the following :-

| | Individual quarter ended 31/12/22 RM'000 | Cumulative quarter ended 31/12/22 RM'000 |
|---|--|--|
| Current taxation | 1,771 | 5,785 |
| Deferred taxation | 164 | (1,086) |
| Share of tax of jointly controlled entities | (559) | (1,759) |
| | <hr/> | <hr/> |
| | 1,376 | 2,940 |

The effective tax rate of the Group for the period under review is higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purpose and losses from some subsidiaries which cannot be off-set against taxable profits of other subsidiaries.

B7. Status of Corporate Proposals

(a) On 23 November 2021, the Company announced that its wholly-owned subsidiary, Symphony ORIC Development Sdn. Bhd. ("ORIC") and Open Road Asia Sdn. Bhd. ("ORASB") have mutually agreed to extend the conditional period for the fulfilment of the following conditions precedent as stated in the Joint Development Agreement ("JDA") dated 28 April 2021:

- (i) Legal and financial due diligence on the feasibility on the proposed joint development to 31 December 2021; and
- (ii) Conditions precedent to be fulfilled by ORASB for a further period from 27 April 2022 to 30 June 2022.

On 30 June 2022, ORIC and ORASB have mutually agreed to extend the conditional period for fulfilment of the conditions precedent for a further period from 1 July 2022 to 30 December 2022.

Save for the above, all corporate proposals announced are completed as at the date of this announcement.

SYMPHONY LIFE BERHAD

(Company No. 196401000264 (5572-H))

(Incorporated in Malaysia)

Unaudited interim report for the period ended 31 December 2022**B8. Group Borrowings and Debt Securities**

The Group's borrowings and debt securities as at 31 December 2022 and 31 December 2021 were as follows:

| | Type | Weighted average interest rate | As at 31 December 2022 | | Total RM'000 |
|-------------------|----------|--------------------------------|------------------------|-------------------|----------------|
| | | | Long term RM'000 | Short term RM'000 | |
| Secured | | | | | |
| Bank overdrafts | Floating | 5.47% | - | 702 | 702 |
| Revolving credits | Floating | 4.85% | 20,000 | 20,000 | 40,000 |
| Term loans | Floating | 5.43% | 119,724 | 28,176 | 147,900 |
| | | | <u>139,724</u> | <u>48,878</u> | <u>188,602</u> |
| | Type | Weighted average interest rate | As at 31 December 2021 | | Total RM'000 |
| Secured | | | | | |
| Bank overdrafts | Floating | 5.50% | - | 2,478 | 2,478 |
| Revolving credits | Floating | 3.71% | 23,000 | 80,300 | 103,300 |
| Term loans | Floating | 4.24% | 221,055 | 44,191 | 265,246 |
| | | | <u>244,055</u> | <u>126,969</u> | <u>371,024</u> |

All borrowings are denominated in Ringgit Malaysia.

B9. Off Balance Sheet Financial Instruments

There are no financial instruments with off balance sheet risks as at the date of this report.

B10. Material Litigation

As at the date of this report, the Group has the following material litigations:

- (a) TWY Development Sdn. Bhd. ("TWY" or "Defendant"), a wholly-owned subsidiary of SymLife had on 23 August 2018 terminated the services of Top International Engineering (Malaysia) Sdn Bhd ("TIE" or "Plaintiff"), the main contractor appointed for a residential development in Mont Kiara known as TWY Mont' Kiara due to the Plaintiff's default and failure to proceed regularly and/or diligently with the contracted works. Following the termination, TWY had on the same date, made a written demand to RHB Bank Berhad to claim for the sum of RM9,093,400 under a performance bond provided by TIE ("Bank Guarantee").

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

- an interim injunction order restraining TWY 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 TWY from transferring, utilising or dealing howsoever with the said proceeds, until the final disposal of the action; and
- an interim injunction to restrain TWY from making any further demand under the Bank Guarantee until the final disposal of the action.

On 28 August 2018, TIE obtained an ex-parte interim injunction from the High Court restraining TWY from receiving payment under the Bank Guarantee pending disposal of the action.

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

- damages in the form of interest at the rate of 8.00% per annum on the Bank Guarantee sum from the date of the interim injunction until a date to be determined by the High Court; and/or
- an order for the assessment of damages suffered by TWY resulting from the interim injunction.

The hearing of the Originating Summons, the inter-partes injunction application and the setting aside application was fixed on 22 October 2018 and was subsequently adjourned to 31 October 2018 pending the outcome of a Court assisted mediation of the matter. TWY and TIE had on 16 November 2018, entered into a Consent Order and thereafter referred the matter to arbitration.

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The arbitration hearing commenced on 19 January 2021 with hearings in the months of February, March and September 2021. The final arbitration hearing date fixed on 8 March 2022 has been postponed to 30 May 2022. The hearing had been concluded on 30 May 2022. The parties have been directed by the arbitrator to file their respective written submissions on scheduled dates and the award is expected to be published in the first quarter of 2023.

B11. Dividends Proposed

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

B12. Earnings per share

| | Individual quarter ended | | Cumulative quarter ended | |
|--|--------------------------|----------|--------------------------|----------|
| | 31/12/22 | 31/12/21 | 31/12/22 | 31/12/21 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit/ (Loss) for the period attributable to the ordinary equity holders of the Company | 298 | 63,427 | (9,218) | 40,017 |
| Weighted average number of ordinary shares excluding treasury shares and shares held by Employees' Share Trust Scheme ('000) | 655,176 | 652,893 | 655,176 | 611,538 |
| Basic earnings per share (sen) for : | | | | |
| Loss for the period | 0.05 | 9.71 | (1.41) | 6.54 |

The diluted earnings per share is not presented as the Company has no 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 February 2023