

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Individual quarter ended		Cumulative quarter ended	
	31/12/18 RM'000	(Restated) 31/12/17 RM'000	31/12/18 RM'000	(Restated) 31/12/17 RM'000
Continuing operations				
Revenue	74,813	31,038	138,599	99,640
Cost of sales	(55,364)	(24,905)	(109,293)	(76,378)
Gross profit	<u>19,449</u>	<u>6,133</u>	<u>29,306</u>	<u>23,262</u>
Other income	3,488	4,277	10,023	8,330
Employee benefits expense	(5,570)	(5,688)	(17,408)	(16,697)
Depreciation and amortisation	(467)	(532)	(1,402)	(1,523)
Other expenses	(5,739)	(4,922)	(14,676)	(15,559)
Profit/(loss) from operations	<u>11,161</u>	<u>(732)</u>	<u>5,843</u>	<u>(2,187)</u>
Finance costs	(2,956)	(2,603)	(9,802)	(7,033)
Other investing activities results	(94)	(47)	1,870	7,796
Share of results of jointly controlled entities	14,633	17,135	53,917	33,307
Profit before taxation	<u>22,744</u>	<u>13,753</u>	<u>51,828</u>	<u>31,883</u>
Taxation	(1,462)	(1,909)	1,479	(2,618)
Profit for the period	<u>21,282</u>	<u>11,844</u>	<u>53,307</u>	<u>29,265</u>
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>21,282</u>	<u>11,844</u>	<u>53,307</u>	<u>29,265</u>
Profit attributable to :				
Equity holders of the Company	21,549	11,828	53,209	29,821
Non-controlling interests	(267)	16	98	(556)
	<u>21,282</u>	<u>11,844</u>	<u>53,307</u>	<u>29,265</u>
Total comprehensive income attributable to :				
Equity holders of the Company	21,549	11,828	53,209	29,821
Non-controlling interests	(267)	16	98	(556)
	<u>21,282</u>	<u>11,844</u>	<u>53,307</u>	<u>29,265</u>
Earnings per share attributable to equity holders of the Company:	sen	sen	sen	sen
Basic	<u>5.24</u>	<u>4.19</u>	<u>16.36</u>	<u>10.57</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)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Unaudited As at 31/12/2018 RM'000	(Restated) Audited As at 31/03/2018 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	15,187	15,456
Inventories - Land held for property development	227,916	226,215
Investment properties	194,901	166,967
Land use rights	18	18
Goodwill	10,327	10,327
Investment in jointly controlled entities	189,010	135,093
Investment securities	3,306	8,753
Deferred tax assets	19,011	10,859
	659,676	573,688
Current Assets		
Inventories - Property development costs	423,610	406,711
Inventories - Completed properties	78,213	103,251
Contract assets	83,109	83,209
Investment securities	126	170
Trade and other receivables	120,518	113,386
Tax recoverable	12,234	15,673
Cash and bank balances	88,208	37,049
	806,018	759,449
TOTAL ASSETS	1,465,694	1,333,137
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	408,100	310,000
Treasury shares	(361)	(361)
Capital reserve	30,815	30,815
Other reserve	(30,414)	(30,414)
Retained profits	422,169	368,960
Shares held by ESTS Trust	(35,088)	(25,444)
Shareholders' equity	795,221	653,556
Non-controlling interests	(2,685)	(2,783)
Total equity	792,536	650,773
Non-current Liabilities		
Borrowings	349,550	357,627
Deferred income	29,633	35,618
	379,183	393,245
Current Liabilities		
Trade and other payables	140,406	180,696
Contract liability	408	408
Borrowings	150,982	101,245
Current tax payable	2,179	6,770
	293,975	289,119
Total Liabilities	673,158	682,364
TOTAL EQUITY AND LIABILITIES	1,465,694	1,333,137
Net Assets per share attributable to Equity Holders of the Company (RM)	1.49	2.32

(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)

SYMPHONY LIFE BERHAD

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	-----Attributable to Equity Holders of the Company-----								
	-----Non-distributable Reserves-----					Distributable			Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Capital Reserve RM'000	Other Reserve RM'000	Shares held by ESTS Trust RM'000	Retained Profits RM'000	Shareholders' Equity RM'000	Non-controlling Interests RM'000	
9 months ended 31.12.2017									
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	-	(9)	-	-	-	-	(9)	-	(9)
Dividend	-	-	-	-	-	(8,459)	(8,459)	-	(8,459)
Profit for the period	-	-	-	-	-	29,821	29,821	(556)	29,265
Balance at 31 December 2017	<u>310,000</u>	<u>(360)</u>	<u>30,815</u>	<u>(30,414)</u>	<u>(25,444)</u>	<u>364,097</u>	<u>648,694</u>	<u>(2,229)</u>	<u>646,465</u>
9 months ended 31.12.2018									
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
Rights issue	98,098	-	-	-	-	-	98,098	-	98,098
Conversion of Warrant B	2	-	-	-	-	-	2	-	2
Purchase in respect of ESTS Share	-	-	-	-	(9,644)	-	(9,644)	-	(9,644)
Profit for the period	-	-	-	-	-	53,209	53,209	98	53,307
Balance at 31 December 2018	<u>408,100</u>	<u>(361)</u>	<u>30,815</u>	<u>(30,414)</u>	<u>(35,088)</u>	<u>422,169</u>	<u>795,221</u>	<u>(2,685)</u>	<u>792,536</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)

SYMPHONY LIFE BERHAD

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Period ended 31/12/2018 RM'000	(restated) Period ended 31/12/2017 RM'000
Profit before tax	51,828	31,883
Adjustment for non-cash flow:-		
Depreciation and amortisation	1,402	1,523
Share of results of associates and jointly controlled entities	(53,917)	(33,307)
Fair value adjustments on investment securities	203	184
Reversal of impairment on other investment	(17)	-
Gain on disposal of investment securities	(2,125)	-
Loss on disposal of other investment	69	-
Gain on disposal of property, plant and equipment	(5)	-
Gain on disposal of a subsidiary	-	(7,980)
Other non-operating items (which are investing and financing)	(315)	(152)
Operating profit before changes in working capital	<u>(2,877)</u>	<u>(7,849)</u>
Changes in working capital		
Net change in current assets	1,107	32,934
Net change in current liabilities	(46,270)	(21,175)
Land held for property development	(1,701)	(21,763)
Taxation paid	(7,825)	(2,974)
Net cash flows from operating activities	<u>(57,566)</u>	<u>(20,827)</u>
Investing Activities		
- Property, plant and equipment	(119)	(35,261)
- Investment properties	(28,948)	-
- Dividends	315	152
- Other investment	7,358	-
- Jointly controlled entities	-	(20,000)
	<u>(21,394)</u>	<u>(55,109)</u>
Financing Activities		
- Bank borrowings	43,489	71,361
- Rights Issue proceeds	98,098	-
- Conversion of Warrant B	2	-
- Purchase of ESTS Shares	(9,644)	-
- Dividends	-	(8,459)
- Equity investment	-	(9)
	<u>131,945</u>	<u>62,893</u>
Net Change in Cash and Cash Equivalents	52,985	(13,043)
Cash and Cash Equivalents at beginning of the period	33,089	42,086
Cash and Cash Equivalents at end of the period	<u>86,074</u>	<u>29,043</u>
Analysis of cash and cash equivalents at end of the financial period:		
Cash and bank balances	27,873	26,502
Deposits with licensed financial institutions	60,335	5,088
	<u>88,208</u>	<u>31,590</u>
Less: Deposits pledged with licensed financial institutions	(94)	(91)
Bank overdrafts	(2,040)	(2,456)
	<u>86,074</u>	<u>29,043</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)

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;

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 statement of financial position as at 31 December 2017:

	Unaudited as at 12/31/2017 RM'000	Effect of MFRS 15 RM'000	Restated as at 12/31/2017 RM'000
Condensed consolidated statement of financial position			
Assets			
Investment in jointly controlled entities	100,070	16,952	117,022
Deferred tax assets	11,000	(407)	10,593
Inventories - Property development costs	370,639	(2,841)	367,798
Contract assets	-	76,910	76,910
Other current assets - accrued billings	72,374	(72,374)	-
Equity			
Retained profits	345,857	18,240	364,097

Impact on condensed consolidated statement of comprehensive income for quarter ended 31 December 2017:

	As previously reported 12/31/2017 RM'000	Effect of MFRS 15 RM'000	Restated as at 12/31/2017 RM'000
Revenue	30,462	576	31,038
Cost of sales	(24,542)	(363)	(24,905)
Taxation	(1,858)	(51)	(1,909)
Share of results of a jointly controlled entity	17,257	(122)	17,135
Net impact on profit or loss attributable to equity holders of the parent	11,788	40	11,828

iii. Impact on basic earnings per share for quarter ended 31 December 2017:

	Increase/(Decrease)
Earnings per share attributable to equity holders of the Company:	
- Basic (sen)	0.01

A2. Changes in Accounting Policies (contd.)**iv. Impact on condensed consolidated statement of comprehensive income for the 9 months period ended 31 December 2017:**

	As previously reported 12/31/2017 RM'000	Effect of MFRS 15 RM'000	Restated 12/31/2017 RM'000
Revenue	97,950	1,690	99,640
Cost of sales	(75,371)	(1,007)	(76,378)
Taxation	(2,454)	(164)	(2,618)
Share of results of a jointly controlled entity	33,354	(47)	33,307
Net impact on profit or loss attributable to equity holders of the parent	29,349	472	29,821

v. Impact on condensed consolidated statement of cash flows and basic EPS for the 9 months period ended 31 December 2017:

There is no material impact on the consolidated statement of cash flows for the 9 months period ended 31 December 2017.
The impact on basic EPS is as follow:

	Increase/(Decrease)
Earnings per share attributable to equity holders of the Company:	
- Basic (sen)	<u>0.16</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 save and except as follows:

- i. The Company had completed the Rights Issue exercise on 15 November 2018 with the listing and quotation of 280,280,263 Rights Shares at the issued price of RM0.35 per share and 41,885,858 Additional Warrants B on the Main Market of Bursa Securities.
- ii. Conversion of 1,378 Warrant B at RM1.10 per share on 9 October 2018.

As at 31 December 2018, 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.

A7. Dividends Paid

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

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Unaudited interim report for the period ended 31 December 2018

A8. Segmental Reporting

<----- Period ended 31/12/2018 ----->

Business segments	Property Development RM'000	Property Investment RM'000	Quarry & Construction RM'000	Other Operations RM'000	Total RM'000
Revenue	132,899	5,343	51	306	138,599
Less : Eliminations of inter-segment					-
Total revenue					<u>138,599</u>
Continuing operations					
Segment results from continuing operations	6,788	1,566	(309)	9,085	17,130
Head office expenses					<u>(11,287)</u>
Operating profit					5,843
Finance costs					(9,802)
Other investing activities results					1,870
Share of results of jointly controlled entities					53,917
Profit before taxation					<u>51,828</u>
Taxation					1,479
Profit for the period					<u><u>53,307</u></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

There were no material events subsequent from the current quarter ended 31 December 2018 to the date of this announcement.

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 31 December 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 31 December 2018.

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Unaudited interim report for the period ended 31 December 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		
	31/12/18 RM'000	(Restated) 31/12/17 RM'000	Changes RM'000	31/12/18 RM'000	(Restated) 31/12/17 RM'000	Changes RM'000
Revenue	74,813	31,038	43,775	138,599	99,640	38,959
Gross profit	19,449	6,133	13,316	29,306	23,262	6,044
Share of results - joint ventures	14,633	17,135	(2,502)	53,917	33,307	20,610
Profit before interest and tax	25,700	16,356	9,344	61,630	38,916	22,714
Profit before tax	22,744	13,753	8,991	51,828	31,883	19,945
Profit after tax	21,282	11,844	9,438	53,307	29,265	24,042
Profit attributable to equity holders of the Company	21,549	11,828	9,721	53,209	29,821	23,388

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

The largest contributor to the earnings of the Group for the period under review and for the next two financial years is and will be our joint-venture project, Star Residences. However, our share of the joint-venture is 50% held through our 50% shareholding in Alpine Return Sdn Bhd and the results are not consolidated into our income statement, but shown as a line item 'share of results - joint ventures'. A fairer reflection of the Group's performance is thus the profit before interest and tax ('PBIT').

The Group achieved a PBIT of RM25.700 million compared to RM16.356 million for the preceding year's corresponding quarter, mainly due to better contribution from existing on-going developments.

Excluding the results from joint-ventures, the Group achieved revenue of RM74.81 million for the quarter ended 31 December 2018, which is RM43.78 million higher compared to the preceding year's corresponding quarter. The Group also reported a higher gross profit of RM19.45 million, which is RM13.32 million higher compared to the preceding year's corresponding quarter. This is mainly contributed by higher progress of work done for TWY Mont' Kiara and Union Suites @ Bandar Sunway projects and higher sales achieved by Union Suites @ Bandar Sunway. The launching of Phase 2 Industrial land in Amanjaya also contributed to the higher revenue and gross profit.

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

- TWY Mont' Kiara (484 units of condominiums in Mont' Kiara);
- Union Suites (626 units of condominium in Bandar Sunway);
- 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); and
- Industrial 2 Phase 2 (29 units of bungalow lots and 14 units of semi-detached lots in Amanjaya, Sungai Petani).

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

The Group achieved a PBIT of RM61.630 million for current YTD compared to RM38.916 million for the preceding YTD, mainly due to better contribution from Star Residences.

Excluding the results from joint-ventures, the higher revenue and gross profit recorded during the current YTD compared to preceding YTD is mainly due to better contribution from the existing on-going developments i.e. TWY Mont' Kiara, Union Suites @ Bandar Sunway and Tijani Raja Dewa in Kota Bharu.

SYMPHONY LIFE BERHAD

(Company No. 5572-H)

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Unaudited interim report for the period ended 31 December 2018

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

	Individual quarter ended		Changes RM'000
	31/12/18 RM'000	30/9/18 RM'000	
Revenue	74,813	21,805	53,008
Gross profit	19,449	747	18,702
Share of results - joint venture	14,633	20,104	(5,471)
Profit before interest and tax	25,700	15,540	10,160
Profit before tax	22,744	12,420	10,324
Profit after tax	21,282	16,512	4,770
Profit attributable to equity holders of the Company	21,549	16,251	5,298

The revenue and gross profit for the current quarter is higher than that of the immediate preceding quarter mainly due to better contribution from Property Division.

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 affordable and deliver better value for money. The current take up rates 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 (RT 2) have achieved sales of 97% and 84% respectively. The signature retail (SR) has also been well received and has achieved sales of 89%. The Residential Tower 3 (RT 3), which was launched in October 2017, is offered as Ascott Residences and Ascott Serviced Apartments and has since 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. The Group had terminated the previous main contractor and appointed a reputable and experienced main contractor to take over the construction of the project to minimise the delays.

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- Tijani Raja Dewa in Kota Bharu offers a combination of terrace and semi-detached houses and a block of condominiums with a GDV of RM185 million in the 1st phase of development. Sales have recently picked up as the development is completed. This project achieved sales of close to 44% as at the end of this quarter compared to 30% as at the last financial year end.
- Union Suites@ Bandar Sunway offers 626 units of mainly small-sized apartments with a GDV of RM479 million. As the project is near to several established universities, colleges and medical centres in the Bandar Sunway area, the project is focused on students' accommodation and investors. The take up rate of this project is 60% 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 to date achieved a take up rate of 78%.
- Industrial lots in Amanjaya, Sungai Petani with a GDV of RM15 million, offers 29 units of industrial bungalow lots and 14 units of industrial semi-detached lots and was launched in Q2 of FY 2019. It has to date achieved a take up rate of 67%.

Prospects going forward for the Group remain positive with unbilled sales of RM794 million (including our 50% share in Star Residences) as at 31 December 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 31/12/18 RM'000	Cumulative quarter ended 31/12/18 RM'000
Profit before tax is arrived at after charging/(crediting):-		
Depreciation and amortisation	467	1,402
Interest income	(1,182)	(3,649)
Dividend income	(8)	(315)
Interest expenses	2,956	9,802
Allowance for doubtful debts	-	-
Allowance for doubtful debts no longer required	-	(2)
Bad debts written off	-	-
Impairment loss on inventories	-	-
Inventories written off	-	-
Gain on disposal of property, plant and equipment	(1)	(5)
Property, plant and equipment written off	-	-
Impairment on assets	-	-
Gain/Loss on foreign exchange	-	-
Gain/Loss on derivatives	-	-
Included in other investing results were :-		
- Gain on disposal of investment securities	(2,125)	(2,125)
- Loss on disposal of other investment	(2)	69
- Fair value adjustment of investment securities	96	203
- Reversal of impairment on other investment	-	(17)

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B6. Taxation

Taxation comprises the following :-

	Individual quarter ended 31/12/18 RM'000	Cumulative quarter ended 31/12/18 RM'000
Current taxation	2,735	6,109
Current taxation - prior year	564	564
Deferred taxation	(1,837)	(8,152)
	<u>1,462</u>	<u>(1,479)</u>

The effective tax rate of the Group for the period under review is lower than the statutory tax rate mainly due to the recognition of deferred tax assets.

B7. Status of Corporate Proposals

All corporate proposals announced are completed as at the date of this announcement.

As at 31 December 2018, the status of utilisation of proceeds raised from the rights issue is as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Intended timeframe for utilisation from completion date
Repayment of borrowings	50,000	(31,300)	18,700	Within 12 months
Property development projects	38,098	(8,872)	29,226	Within 12 months
Working capital	8,750	(8,750)	-	Within 12 months
Estimated expenses in relation to the Corporate Exercise	1,250	(1,106)	144	Upon completion of the Rights Issue
	<u>98,098</u>	<u>(50,028)</u>	<u>48,070</u>	

B8. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 31 December 2018 and 31 December 2017 were as follows:

	Type	Weighted average interest rate	As at 31 December 2018		
			Long term RM'000	Short term RM'000	Total RM'000
Secured					
Bank overdrafts	Floating	5.36%	-	2,041	2,041
Revolving credits	Floating	5.29%	81,000	62,500	143,500
Term loans	Floating	5.82%	268,550	86,441	354,991
			<u>349,550</u>	<u>150,982</u>	<u>500,532</u>
As at 31 December 2017					
			Long term RM'000	Short term RM'000	Total RM'000
Secured					
Bank overdrafts	Floating	6.18%	-	2,456	2,456
Revolving credits	Floating	5.13%	-	162,300	162,300
Term loans	Floating	5.59%	280,146	4,820	284,966
			<u>280,146</u>	<u>169,576</u>	<u>449,722</u>

All borrowings are denominated in Ringgit Malaysia.

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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

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 known as Arata at Bukit Tunku. This includes 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 against the claim and submitted a counterclaim against the Claimant seeking, amongst others, liquidated damages in the sum of RM3.88million and other 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 middle of March 2019. 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.

- (b) **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 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:-

- (i) 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
- (ii) 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:-

- (i) 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
- (ii) 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 the salient details of the Consent Order are summarised as follows:

- (i) TIE to pay TWY an upfront cash payment of RM6.0 million within 28 days from the date of the Consent Order, the amount of which shall be accounted for in the Arbitral Award between both parties;
- (ii) The Performance Bond dated 23.8.2016 shall be extended by TIE until 3 months after Arbitral Award between both parties is published and in the event that the Performance Bond cannot be extended, TIE shall provide a new performance bond within 56 days of the Consent Order which shall be valid until 3 months after the Arbitral Award;
- (iii) TIE shall not commence any payment claim and adjudication proceedings under the Construction Industry Payment and Adjudication Act 2012 against TWY;
- (iv) TIE agrees to allow TWY to retain the retention sum of RM4,594,830.71 certified under Payment Certificate No. 23 pending outcome of arbitration proceedings;

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- (v) In respect of the balance payment of RM1,013,754.51 due under Payment Certificate No. 23, TIE authorises and TWY agrees to pay the balance payment by way of direct payments to domestic sub-contractors and suppliers of the project as per Annexure "A";
- (vi) All the disputes between the parties arising from and in connection with the Contract shall be referred to and resolved in the arbitration proceedings;
- (vii) TWY agrees to deposit RM500,000.00 with Messrs Azman Davidson & Co within 28 days after TIE satisfies the terms under the Consent Order and Messrs Azman Davidson & Co shall hold this sum as a stakeholder pending the outcome of the arbitration proceedings;
- (viii) In the event TIE fails to comply with any of the terms in the Consent Order, TWY shall immediately be entitled to demand on the Performance Bond. In addition, if TIE fails to comply with any of the terms in the Consent Order, TWY shall be released and discharged of its obligations under the terms of the Consent Order.

In respect of the proposed arbitration between TWY and TIE, the parties were not able to agree on the appointment of the arbitrator and on 11 January 2019, the parties requested for the Director of the Asian International Arbitration Centre (AIAC) to appoint an arbitrator pursuant to the Arbitration Act 2015. On 25 January 2019, the AIAC notified the parties of the appointment of Mr. Chong Thaw Sing as the arbitrator. The appointed arbitrator has not given any directive on the arbitration proceedings and is expected to convene a meeting for the said purpose soon.

The arbitration hearing has been fixed for April, May and June of 2020.

B11. Dividends Proposed

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

B12. Earnings per share

	Individual quarter ended (Restated)		Cumulative quarter ended (Restated)	
	31/12/18 RM'000	31/12/17 RM'000	31/12/18 RM'000	31/12/17 RM'000
Profit for the period attributable to the ordinary equity holders of the Company	21,549	11,828	53,209	29,821
Weighted average number of ordinary shares excluding treasury shares and shares held by Employees' Share Trust Scheme ('000)	411,106	281,999	325,191	282,001
Basic earnings per share (sen) for : Profit for the period	5.24	4.19	16.36	10.57

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: 27 February 2019