

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused the content of this Circular in relation to the Proposed Exemption (as defined herein). Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

The Securities Commission Malaysia ("**SC**") had on 7 August 2018 notified that it has no further comments to the contents of the independent advice letter ("**IAL**") for the Proposed Exemption (as defined herein) pursuant to Paragraph 4.08 of the Rules on Take-overs, Mergers and Compulsory Acquisitions. However, such notification shall not be taken to suggest that the SC agrees with the recommendation of the independent adviser or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the IAL.



SYMPHONY LIFE BERHAD

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO

PART A

- (I) **PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 416,969,559 NEW ORDINARY SHARES IN SYMPHONY LIFE BERHAD ("SYMLIFE") ("SYMLIFE SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING SYMLIFE SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE"); AND**
- (II) **PROPOSED EXEMPTION UNDER PARAGRAPH 4.08 OF THE RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS ("RULES") TO TAN SRI MOHAMED AZMAN BIN YAHYA ("TSMAY") AND PERSON ACTING IN CONCERT WITH HIM IN ACCORDANCE WITH SECTION 216 OF CAPITAL MARKETS AND SERVICES ACT 2007 FROM THE OBLIGATION TO UNDERTAKE A MANDATORY OFFER FOR THE REMAINING SYMLIFE SHARES AND OUTSTANDING WARRANTS 2013/2020 ("WARRANTS B") IN SYMLIFE NOT ALREADY OWNED BY THEM UPON COMPLETION OF THE PROPOSED RIGHTS ISSUE ("PROPOSED EXEMPTION")**

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

PART B

INDEPENDENT ADVICE LETTER FROM MERCURY SECURITIES SDN BHD TO THE NON-INTERESTED SHAREHOLDERS OF SYMLIFE IN RELATION TO THE PROPOSED EXEMPTION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



**AFFIN HWANG
CAPITAL**

Affin Hwang Investment Bank Berhad

(Company No.: 14389-U)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser



Mercury Securities Sdn Bhd

(Company No.: 113193-W)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting of SymLife ("**EGM**") which is scheduled to be held at the Cenderawasih Ballroom A, Glenmarie Golf & Country Club, No. 3, Jalan Usahawan U1/8, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 29 August 2018 at 10.30 a.m. or immediately following the conclusion or adjournment of the 55th Annual General Meeting of the Company to be held at the same venue and on the same date at 9.30 a.m., together with the Form of Proxy are enclosed herewith in this Circular.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. In such event, you must complete and lodge the Form of Proxy for the EGM at the registered office of the Company at Level 9, Symphony House, Dana 1 Commercial Centre, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than twenty-four (24) hours before the time appointed for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 28 August 2018 at 10.30 a.m.

Date and time of the EGM : Wednesday, 29 August 2018 at 10.30 a.m.

This Circular is dated 10 August 2018

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

- “Act” : Companies Act, 2016
- “Additional Undertaking” : A written irrevocable undertaking from TSMAY dated 28 May 2018 to apply for an additional 102,548,571 Rights Shares not taken up by the Entitled Shareholders and/or their renounee(s) by way of Excess Rights Shares application
- “Additional Warrants B” : Up to 42,017,800 additional Warrants B to be issued pursuant to the adjustments made in accordance with the provisions of Deed Poll as a result of the Proposed Rights Issue
- “Affin Group” : Affin Bank Berhad (the ultimate holding company of Affin Hwang IB) and its related and associated companies
- “Affin Hwang IB” or “Principal Adviser” : Affin Hwang Investment Bank Berhad (14389-U)
- “Board” : Board of Directors of SymLife
- “Bursa Depository” or “Depository” : Bursa Malaysia Depository Sdn Bhd (165570-W)
- “Bursa Securities” : Bursa Malaysia Securities Berhad (635998-W)
- “Circular” : This circular to the shareholders of SymLife dated 10 August 2018
- “Deed Poll” : The deed poll dated 17 October 2013, constituting Warrants B
- “EGM” : Extraordinary General Meeting
- “Entitled Shareholder(s)” : The shareholders of SymLife whose names appear in the Record of Depositors of the Company on the Entitlement Date
- “Entitlement Date” : The date as at the close of business (to be determined and announced later by the Board) on which shareholders of SymLife must be registered as a member and whose names appear in the Records of Depositors of the Company for the purpose of determining the Entitled Shareholders’ entitlement under the Proposed Rights Issue
- “Entitlement Undertakings” : The written irrevocable undertakings from TSMAY and GCSB dated 28 May 2018 to subscribe in full for their respective entitlements under the Proposed Rights Issue
- “EPS” : Earnings per Share
- “ESTS Trust” : Employee Share Trust Scheme, a trust established by the Company for the benefit of its eligible executives
- “Excess Rights Shares” : Rights Shares which are not taken up or validly subscribed by the Entitled Shareholders and/or their renounee(s)
- “FPE” : Financial period ended

DEFINITIONS (CONT'D)

“FYE”	: Financial year ended / ending, as the case may be
“GCSB”	: Gajahrimau Capital Sdn Bhd (572576-X)
“GDV”	: Gross development value
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 9 July 2018, being the latest practicable date prior to the printing of this Circular
“Mandatory Offer”	: The obligation of TSMAY and his PAC, namely, GCSB, to undertake a mandatory take-over offer to acquire all the remaining SymLife Shares and Warrants B in SymLife not already held by them pursuant to Paragraph 4.01(a) of the Rules upon completion of the Proposed Rights Issue
“Maximum Scenario”	: None of the treasury shares held by the Company are resold in the open market of Bursa Securities, all of the outstanding Warrants B are exercised prior to the Entitlement Date and all the Rights Shares are fully subscribed
“Mercury Securities” or “Independent Adviser”	: Mercury Securities Sdn Bhd (113193-W)
“Minimum Scenario”	: None of the treasury shares held by the Company are resold in the open market of Bursa Securities, none of the outstanding Warrants B are exercised prior to the Entitlement Date and the Proposed Rights Issue is undertaken on a Minimum Subscription Level basis
“Minimum Subscription Level”	: The minimum subscription of 171,428,571 Rights Shares by TSMAY and GCSB raising minimum gross proceeds of RM60.00 million pursuant to the Entitlement Undertakings and Additional Undertaking as set out in Section 2.1.6 of Part A of this Circular
“NA”	: Net assets
“PAC”	: GCSB, being a person acting in concert having the meaning given in Section 216 of the Capital Markets and Services Act 2007
“PBT”	: Profit before tax
“Proposals”	: Proposed Rights Issue and Proposed Exemption, collectively
“Proposed Exemption”	: Proposed exemption under Paragraph 4.08 of the Rules to TSMAY and his PAC from the obligation to undertake the Mandatory Offer
“Proposed Rights Issue”	: Proposed renounceable rights issue of up to 416,969,559 Rights Shares on the basis of one (1) Rights Share for every one (1) existing SymLife Share held on the Entitlement Date
“Record of Depositors”	: A record of depositors established by Bursa Depository under the Rules of Bursa Depository
“Rights Share(s)”	: Up to 416,969,559 new SymLife Shares to be issued pursuant to the Proposed Rights Issue
“RM” and “sen”	: Ringgit Malaysia and sen, respectively

DEFINITIONS (CONT'D)

“Rules”	:	Rules on Take-overs, Mergers and Compulsory Acquisitions
“SC”	:	Securities Commission Malaysia
“Shareholder(s)”	:	Shareholders of SymLife
“SymLife” or “Company”	:	Symphony Life Berhad (5572-H)
“SymLife Group” or “Group”	:	SymLife and its subsidiaries, collectively
“SymLife Share(s)” or “Share(s)”	:	Ordinary share(s) in SymLife
“TSMAY”	:	Tan Sri Mohamed Azman bin Yahya
“VAMP”	:	Volume weighted average market price
“Warrant(s) B”	:	107,407,888 outstanding warrants 2013/2020 in SymLife as at the LPD, constituted by the Deed Poll

References to “we”, “us”, “our” and “ourselves” are to our Company, and where the context otherwise requires, our subsidiaries. All references to “you” are to our shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

Any reference to persons shall include a corporation, unless otherwise specified. Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time or date in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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PART A

**LETTER TO THE SHAREHOLDERS OF SYMLIFE
IN RELATION TO THE PROPOSALS**



SYMPHONY LIFE BERHAD

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

Registered Office

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

10 August 2018

Board of Directors

Tan Sri Mohamed Azman bin Yahya (*Non-Independent Executive Chairman*)
Dato' Robert Teo Keng Tuan (*Independent Non-Executive Director*)
Chin Jit Pyng (*Non-Independent Non-Executive Director*)
Puan Sri Datuk Seri Rohani Parkash binti Abdullah (*Independent Non-Executive Director*)
Dato' Jasmy bin Ismail (*Independent Non-Executive Director*)
Phang Tuck Keong (*Independent Non-Executive Director*)

To: The Shareholders of Symphony Life Berhad

Dear Sir/Madam,

- (I) PROPOSED RIGHTS ISSUE; AND**
 - (II) PROPOSED EXEMPTION**
-

1. INTRODUCTION

On 9 April 2018 and 26 July 2018, Affin Hwang IB, on behalf of the Board, announced the Proposed Rights Issue and the Proposed Exemption.

On 3 August 2018, Affin Hwang IB, on behalf of the Board, announced that Bursa Securities had vide its letter dated 3 August 2018, resolved to approve the following:

- (a) listing of and quotation for up to 416,969,559 Rights Shares;
- (b) listing of and quotation for up to 42,017,800 Additional Warrants B; and
- (c) listing of and quotation for up to 42,017,800 new SymLife Shares to be issued arising from the exercise of the Additional Warrants B,

on the Main Market of Bursa Securities, subject to the conditions as set out in Section 8 of Part A of this Circular.

In conjunction with the Proposed Rights Issue, TSMAY and his PAC intend to seek an exemption from the SC under Paragraph 4.08 of the Rules from the obligation to undertake the Mandatory Offer.

Pursuant to the above, Mercury Securities has been appointed as the Independent Adviser for the Proposed Exemption.

Further details of the Proposals are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR TOGETHER WITH APPENDICES IS TO PROVIDE THE SHAREHOLDERS OF SYMLIFE WITH THE RELEVANT INFORMATION PERTAINING TO THE PROPOSALS TOGETHER WITH THE RECOMMENDATION OF THE BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY. THE NOTICE OF THE EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH APPENDICES OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Rights Issue

2.1.1 Details of the Proposed Rights Issue

The Proposed Rights Issue entails an issuance of up to 416,969,559 Rights Shares at an issue price of RM0.35, on the basis of one (1) Rights Share for every one (1) existing SymLife Share held by the Entitled Shareholders on the Entitlement Date.

As at the LPD, SymLife has:

- (a) an issued share capital of RM310,000,000 comprising 310,000,000 SymLife Shares (including 438,329 treasury shares); and
- (b) 107,407,888 outstanding Warrants B.

The Company has resolved not to resell the treasury shares prior to the Entitlement Date. The Proposed Rights Issue is to be undertaken on a Minimum Subscription Level basis, which would entail a minimum issuance of 171,428,571 Rights Shares to raise minimum gross proceeds of RM60.00 million.

On the basis that none of the treasury shares are resold in the open market, all the outstanding Warrants B are exercised prior to the Entitlement Date and all the Rights Shares are fully subscribed, the Proposed Rights Issue would entail a maximum issuance of up to 416,969,559 Rights Shares thereby raising maximum gross proceeds of approximately RM145.94 million.

In summary, the effects of the Proposed Rights Issue will be illustrated based on the following two (2) scenarios:

- Minimum Scenario : None of the treasury shares held by the Company are resold in the open market, none of the outstanding Warrants B are exercised prior to the Entitlement Date and the Proposed Rights Issue is undertaken on a Minimum Subscription Level basis
- Maximum Scenario : None of the treasury shares held by the Company are resold in the open market, all of the outstanding Warrants B are exercised prior to the Entitlement Date and all the Rights Shares are fully subscribed

The Rights Shares will be provisionally allotted to the Entitled Shareholders on the Entitlement Date after obtaining the approvals from all relevant authorities and the Shareholders. In determining the entitlement of the Entitled Shareholders under the Proposed Rights Issue, fractional entitlements, if any, will be disregarded and dealt with in such a manner and on such terms and conditions as the Board deems fit and/or expedient and in the best interest of the Company.

The actual number of the Rights Shares to be issued pursuant to the Proposed Rights Issue would depend on the issued share capital of SymLife on the Entitlement Date and the subscription level for the Proposed Rights Issue.

2.1.2 Renunciation of the Proposed Rights Issue

The Proposed Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders may subscribe for and/or renounce their respective entitlements under the Proposed Rights Issue in full or in part.

The Rights Shares which are not taken up or validly subscribed shall be made available for Excess Rights Shares application by the other Entitled Shareholders and/or their renounee(s).

The basis for allotment of the Excess Rights Shares is set out below:

- (a) first, to minimise the incidence of odd lots;
- (b) 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 in SymLife as at the Entitlement Date;
- (c) thirdly, for allocation to the Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares application; and
- (d) finally, for allocation to the renounee(s) who have applied for the Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares application.

The Board reserves the right to allot the Excess Rights Shares applied for by the Entitled Shareholders and/or their renounee(s) for the Proposed Rights Issue in such manner as the Board deems fit and/or expedient and in the best interest of the Company, subject always to such allocation being made on a fair and equitable manner and that the intention of the Board as set out in paragraphs (a) to (d) above is achieved.

2.1.3 Basis and justification of arriving at the issue price of the Rights Share

The Board has fixed the issue price at RM0.35 per Rights Share after taking into consideration of the following:

- (a) a discount of approximately 39.00% to the theoretical ex-rights price of RM0.58, based on the 5-day VAMP of SymLife Shares up to and including 6 April 2018, being the last trading day of SymLife Shares immediately preceding the announcement of the Proposals;
- (b) the prevailing market conditions which include, among others, market sentiment and volatility of the Malaysian stock market; and
- (c) the funding requirements of SymLife Group.

The Board is of the view that the issue price of RM0.35 per Rights Share which represents a discount of approximately 39.00% to the theoretical ex-rights price of RM0.58 is sufficient to enhance the attractiveness of the Proposed Rights Issue and entice the Entitled Shareholders to subscribe for their respective entitlements of the Rights Shares.

2.1.4 Ranking of the Rights Shares and new SymLife Shares to be issued pursuant to the exercise of Additional Warrants B

The Rights Shares and the new SymLife Shares to be issued pursuant to the exercise of Additional Warrants B, shall, upon allotment and issuance, rank equally in all respects with the then existing SymLife Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other form of distribution that may be declared, made or paid, where the entitlement date precedes the date of allotment and issuance of the Rights Shares and the new SymLife Shares to be issued pursuant to the exercise of Additional Warrants B.

2.1.5 Listing of the Rights Shares, Additional Warrants B and new SymLife Shares to be issued pursuant to the exercise of Additional Warrants B

The approval from Bursa Securities was obtained vide its letter dated 3 August 2018 for the listing of and quotation for the Rights Shares, Additional Warrants B and the new SymLife Shares to be issued pursuant to the exercise of Additional Warrants B on the Main Market of Bursa Securities.

2.1.6 Minimum Subscription Level, shareholders' undertakings and underwriting for the Proposed Rights Issue

The Proposed Rights Issue is to be undertaken on a Minimum Subscription Level basis. The Minimum Subscription Level was determined by the Board after taking into consideration, the minimum level of funds that the Company wishes to raise from the Proposed Rights Issue that will be channelled towards the proposed utilisation as set out in Section 3 of Part A of this Circular.

In order to achieve the Minimum Subscription Level, the Company has procured:

- (a) a written irrevocable undertaking from TSMAY dated 28 May 2018 to subscribe in full for his entitlement under the Proposed Rights Issue, and to apply for an additional 102,548,571 Rights Shares not taken up by the Entitled Shareholders and/or their renouncee(s) by way of Excess Rights Shares application; and
- (b) a written irrevocable undertaking from GCSB dated 28 May 2018 to subscribe in full for its entitlement under the Proposed Rights Issue.

The details of the Entitlement Undertakings and Additional Undertaking are set out as follows:

	Direct shareholdings as at the LPD ⁽¹⁾		Entitlement Undertakings ⁽²⁾		Additional Undertaking ⁽²⁾		Total Undertakings ⁽²⁾	
	No. of SymLife Shares	%	No. of SymLife Shares	%	No. of SymLife Shares	%	No. of SymLife Shares	%
TSMAY	8,715,000	2.82	8,715,000	2.09	102,548,571	24.59	111,263,571	26.68
GCSB	60,165,000	19.44	60,165,000	14.43	-	-	60,165,000	14.43
Total	68,880,000	22.26	68,880,000	16.52	102,548,571	24.59	171,428,571	41.11

Notes:

- (1) Computed based on the issued share capital of SymLife excluding 438,329 treasury shares as at the LPD.
- (2) Computed based on the maximum number of Rights Shares available for subscription of 416,969,559.

In relation to the Entitlement Undertakings and Additional Undertaking as mentioned above, both TSMAY and GCSB have confirmed that they have sufficient financial resources to subscribe in full for their respective entitlements for the Rights Shares as specified in the Entitlement Undertakings and Additional Undertaking respectively, and such confirmations have been verified by Affin Hwang IB.

On the basis that both the Entitlement Undertakings and Additional Undertaking are procured, SymLife does not intend to procure any underwriting arrangement for the remaining Rights Shares not subscribed for by the other Entitled Shareholders and/ or their renounee(s) pursuant to the Proposed Rights Issue.

Further, the Entitlement Undertakings and Additional Undertaking from TSMAY and GCSB demonstrate their commitment and support towards the Company.

2.2 Proposed Exemption

As at the LPD, TSMAY and his PAC, namely GCSB, collectively hold 68,880,000 SymLife Shares, representing approximately 22.26% of the issued share capital of SymLife.

Assuming none of the Rights Shares are taken up by the Entitled Shareholders save for TSMAY and GCSB pursuant to their Entitlement Undertakings and the Additional Undertaking, the direct shareholdings of TSMAY and his PAC will increase to above 33.00% of the enlarged issued share capital of SymLife, and both TSMAY and his PAC will then be obligated to undertake the Mandatory Offer.

TSMAY and his PAC do not intend to undertake the Mandatory Offer. As such, an application for exemption from the obligation to undertake a Mandatory Offer pursuant to Paragraph 4.08(1)(b) of the Rules will be submitted to the SC after obtaining the approval of the non-interested shareholders for the Proposed Exemption at the EGM to be convened.

3. UTILISATION OF PROCEEDS

Based on the issue price of RM0.35 for each Rights Share, the Proposed Rights Issue is expected to raise gross proceeds of:

- (a) RM60.00 million under the Minimum Scenario; and
- (b) up to approximately RM145.94 million under the Maximum Scenario.

The Company intends to utilise the proceeds arising from the Proposed Rights Issue in the following manner:

Details of Utilisation	Minimum Scenario (RM)	Maximum Scenario (RM)	Estimated timeframe for the utilisation of the proceeds ⁽ⁱ⁾
Repayment of bank borrowings ⁽ⁱⁱ⁾	28,300,000	50,000,000	Within 12 months
Property development projects ⁽ⁱⁱⁱ⁾	21,700,000	86,100,000	Within 12 months
Working capital ^(iv)	8,750,000	8,589,346	Within 12 months
Estimated expenses in relation to the Proposals ^(v)	1,250,000	1,250,000	Upon completion of the Proposals
Total	60,000,000	^(vi) 145,939,346	

Notes:

- (i) From the date of completion of the Proposed Rights Issue.
- (ii) As at the LPD, the total bank borrowings of the Group is approximately RM507.01 million and is mainly comprised of term loans and revolving credits.

SymLife has been utilising its internal funds and bank borrowings to fund property development costs, marketing and promotional expenses as well as general working capital relating to the on-going property development projects as detailed in Section 5.3 of Part A of this Circular, to avoid any potential delays in the progress of the development projects.

The proceeds allocated and channelled towards the repayment of bank borrowings will result in the Group having a lower gearing level. The lower gearing level as illustrated in Section 6.2 of Part A of this Circular, would allow the Group to have greater flexibility in sourcing for funding alternatives in the future, if required.

The repayment of bank borrowings is expected to result in interest savings as follows:

	Minimum Scenario (RM)	Maximum Scenario (RM)
Repayment of bank borrowings	28,300,000	50,000,000
Interest rate (%)*	5.08	5.43
Interest savings per annum	1,437,640	2,715,000

* This represents the effective interest rate for the bank borrowings to be repaid.

- (iii) The proceeds shall be allocated to fund the Company's on-going property development projects below, which include construction costs as well as promotional and marketing expenses relating to the said development projects:

Property development project	Minimum Scenario RM'000	Maximum Scenario RM'000
Union Suites @ Bandar Sunway, Selangor [#]	6,000	39,800
TWY, Mont' Kiara [^]	15,700	46,300
Total	21,700	86,100

Property type	Estimated GDV RM' million	Launch date	Status as at the LPD
# 626 units of condominium	479.15	April 2017	The construction progress of the project is 15.88% and currently at the stage of piling and substructure works.
^ 484 units of duplex condominium	434.68	December 2014	The construction progress of the project is 33.50% and currently at the stage of constructing the structural works of the building.

The actual utilisation of gross proceeds for the abovementioned projects will depend on the actual funding requirement of the projects and the timing of completion of the Proposed Rights Issue. Any amount not utilised for the specific projects above will be utilised for other on-going property development projects currently undertaken or future property development projects to be undertaken.

- (iv) The proceeds allocated for working capital will be utilised to finance the day-to-day operations of the existing business of the Group, such as staff costs, rental, upkeep of office premises and general administrative expenses as and when the need arises. The breakdown of proceeds to be utilised for each component of working capital has not been determined at this juncture and will depend on the operating and funding requirements of the Group at the time of utilisation.
- (v) Estimated expenses relating to the Proposals, including professional fees, estimated fees payable to the relevant authorities, printing cost, expenses relating to convening of EGM and advertising. If the actual expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual expenses are lower than budgeted, the excess will be utilised for working capital purposes.
- (vi) As at the LPD, the outstanding Warrants B are out-of-money. If they are not exercised prior to the Entitlement Date, the total gross proceeds raised will be reduced by RM37.59 million to RM108.35 million pursuant to the Proposed Rights Issue.

Pending utilisation of the proceeds from the Proposed Rights Issue for the above purposes, the proceeds are intended to be placed in deposits with financial institutions or short-term money market instruments as the Board may deem fit. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of the Group.

Any variation in the actual proceeds to be raised from the Proposed Rights Issue above RM60.00 million, which is dependent on the subscription level of the Proposed Rights Issue, and the consequential changes to the actual utilisation of proceeds will be adjusted in the following order:

- (a) repayment of bank borrowings; and
- (b) property development projects.

4. RATIONALE FOR THE PROPOSALS

4.1 Proposed Rights Issue

After due consideration of the various methods of fund raising available, the Board is of the view that the Proposed Rights Issue is the most appropriate avenue to raise the necessary funding for SymLife Group for the intended purposes as set out in Section 3 of Part A of this Circular after taking into consideration of the following:

- (a) The Proposed Rights Issue will strengthen the financial position and capital base of SymLife and hence improving its gearing level as illustrated in Section 6.2 of Part A of this Circular. In addition, a portion of the funds raised to be utilised for repayment of bank borrowings will result in annual interest savings of approximately RM1.44 million (under the Minimum Scenario) or approximately RM2.72 million (under the Maximum Scenario) as detailed in Section 3 of Part A of this Circular, and this is expected to contribute positively towards the future earnings of the Group;
- (b) The Proposed Rights Issue will enable the issuance of new SymLife Shares on a pro-rata basis without diluting existing shareholders' equity interest, assuming that all Entitled Shareholders subscribe in full for their respective entitlements under the Proposed Rights Issue; and
- (c) The Proposed Rights Issue will provide all Entitled Shareholders with an opportunity to further increase their equity participation in the prospects and future growth of SymLife Group.

4.2 Proposed Exemption

The Proposed Exemption will relieve TSMAY and his PAC from the obligations to undertake the Mandatory Offer upon completion of the Proposed Rights Issue as TSMAY and his PAC do not intend to undertake the Mandatory Offer.

In addition, as the Proposed Rights Issue and Proposed Exemption are inter-conditional upon each other, the Proposed Exemption is required to enable TSMAY and his PAC to provide their Entitlement Undertakings and Additional Undertaking to ensure the Company achieves the Minimum Subscription Level.

5. INDUSTRY OUTLOOK AND FUTURE PROSPECTS

5.1 Overview and outlook of Malaysian economy

The Malaysian economy expanded by 5.4% in the first quarter of 2018 (4Q 2017: 5.9%), driven by continued growth in private sector spending (5.2%; 4Q 2017: 7.4%) and strong growth in net exports (62.4%; 4Q 2017: 2.3%). On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.4% (4Q 2017: 1.0%).

Domestic demand recorded a moderate growth of 4.1% (4Q 2017: 6.2%), due to lower growth of private sector expenditure (5.2%; 4Q 2017: 7.4%) and a marginal decline in public sector spending (-0.1%; 4Q 2017: +3.4%).

Private consumption registered a sustained growth of 6.9% (4Q 2017: 7.0%), supported by continued strength in wage and employment growth.

Growth of private investment moderated to 0.5% (4Q 2017: 9.2%). Private investment was weighed down by lower capital spending in structures, particularly in residential and commercial properties, and machinery and equipment during the quarter. On a sectoral basis, private investment was supported mainly by the services sector, particularly the education and healthcare sub-sectors.

Public consumption growth was lower at 0.4% (4Q 2017: 6.8%) on account of lower expenditure on supplies and services.

Public investment continued to decline in the first quarter (-1.0%; 4Q 2017: -1.4%), attributed to the contraction in spending on fixed assets by public corporations. The lower capital spending by public corporations was due mainly to the near completion of a few large-scale projects.

(Source: Quarterly Bulletin: Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2018, Bank Negara Malaysia)

5.2 Overview and outlook of the property development industry in Malaysia

In the housing market, both total housing transaction volume and value increased by 1.6% and 9.7%, respectively in 4Q 2017 (3Q 2017: -4.2% and 8.7%, respectively). The improvement was driven largely by transactions of houses priced between RM500,000 and RM1 million. House prices (as measured by the Malaysian House Price Index) grew by 6.5% in 3Q 2017 (2Q 2017: 6.8%; 4Q 2017 preliminary: 5.8%). A similar upward trend was observed across almost all house types and states.

Banks continued to extend loans for the purchase of residential property to eligible borrowers, including to first-time house buyers. Outstanding loans extended by banks for house financing were sustained at 8.9% on an annual basis in 1Q 2018 (4Q 2017: 8.9%). Loan approval rates for houses priced below RM500,000 stood at 71.5%, with most major states recording housing loans approval rates above 70%.

Demand for financing for speculative house purchases continued to be low. During the quarter, the share of the number of housing loans settled within three years (the typical duration required to complete construction after a property is acquired) stood at 7.5% of total settled housing loans (4Q 2017: 7.9%). The annual growth in the number of borrowers with three or more outstanding housing loans (a proxy for speculative buyers) remained low at 0.8% (4Q 2017: 0.9%). The credit quality for overall housing loans remained sound, with both impairment and delinquency ratios remaining low at 1.1% of total bank loans (4Q 2017: 1% and 1.3%, respectively).

The oversupply situation in the office space and shopping complex segment continued to persist despite some pickup in rental rates for selected shopping complexes in choice locations. Direct risks to banks from end-financing exposures to the office space and shopping complex segments have been small at 3.1% of total bank loans. Banks continue to maintain sound underwriting and valuation practices, even though excess supply in these segments were apparent. Banks remained cautious in extending lending to these segments as reflected in the lower loan approval rates for the construction and purchase of such properties (1Q 2018: 62% and 71.3% respectively; 4Q 2017: 66.9% and 74.7% respectively). The delinquency and impairment ratios for the non-residential property segment remained low at 0.6% and 1.3%, respectively (4Q 2017: 0.7% and 1.2%, respectively).

Growth in the construction sector moderated in the quarter. While growth of the civil engineering sub-sector was stronger, supported by the transportation, petrochemical and power plant projects, the sector's performance was affected by weaker activity in the residential and non-residential sub-sectors. This is consistent with the significant number of unsold residential properties and the ongoing weaknesses in the commercial property segment (oversupply of office spaces and shopping complexes).

(Source: Quarterly Bulletin: Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2018, Bank Negara Malaysia)

5.3 Future prospects and outlook of SymLife Group

The current market trend for property development is affordable housing and many large property developers have shifted their focus towards this segment of the market. While the Group is operating in a predominantly higher end market, it is also innovating its products to make them more attractive to customers in the affordable housing space. The Group is also accelerating lower and mid-range projects such as the development of township settlements in Bandar Amanjaya, Sungai Petani, Kedah. In addition, the Group's pipeline projects located in strategic locations such as the projects along Jalan Cheras, second phase of TWY, U10, Shah Alam and Jalan Lapangan Terbang Subang are also intended to cater for this market segment. These pipeline projects are expected to provide earnings visibility for the next three (3) to five (5) years.

The Group has several projects to be launched in the year 2019 and 2020 with an estimated GDV of about RM2.66 billion, subject to the market and economic conditions as well as the approval from the relevant authorities. The three (3) major projects expected to be launched are as follows:

- (a) Cheras, Kuala Lumpur – This is a mixed development of shop offices and two (2) blocks of service apartments with an estimated GDV of RM453.46 million;
- (b) Signal Hill, Kota Kinabalu, Sabah – This project which is SymLife Group's maiden foray into Sabah, consists of two (2) tower blocks of luxury condominiums and 3-storey landed luxury villas on a 10-acre piece of land with an estimated GDV of RM589.90 million; and
- (c) Tijani Raja Dewa, Kota Bharu, Kelantan (Phase 2) – Further to Phase 1 of the Group's joint venture project launched in April 2015, the Group plans to develop Phase 2 of Tijani Raja Dewa with an estimated GDV of about RM650.00 million.

The Group's one third share in the Lembah Ledang project covering a total area of 19 acres in Damansara Heights area with an initial estimated GDV of RM7.00 billion should further provide earnings visibility for at least another ten (10) years.

The Board expects the current market to remain subdued for the next twelve (12) to twenty-four (24) months. Hence, the Group will continue to monitor and re-plan the projects to better suit the target customers.

Based on the aforementioned on-going and pipeline projects, the Group will have a spread of property development projects at various stages of development, varying construction duration and phasing completion and launching time to ensure business sustainability and continuous revenue.

Innovative sales methods and promotions play a big role for the Group to attract customers. The sales team has come up with many innovative marketing and sale packages to attract purchasers. These initiatives include rent-to-buy packages, attractive rebates, sales incentives and competitive financing packages such as deferred payment schemes for down payments. In addition, tailoring the Group's future launches like Union Suites @ Bandar Sunway, to the specific needs of the Group's targeted customers such as families, investors and students is also an exercise the Group has embarked on and the Group hopes to launch similar types of developments in the future.

Barring unforeseen circumstances, the Board is confident on the future prospects of the Group. The Proposed Rights Issue to be undertaken will strengthen the Group's financial position which enables the Group to be well prepared for the challenges facing the property development industry and allows SymLife Group to expand its business activities after having considered the outlook of the property development industry in Malaysia as set out in Section 5.2 of Part A of this Circular, together with the Group's on-going and pipeline projects, innovative sales methods and promotions undertaken by the Group. Premised on the above-mentioned and the Group's on-going efforts, the future prospects of the Group in terms of financial performance are expected to be favourable moving forward.

(Source: Management of SymLife)

6. EFFECTS OF THE PROPOSALS

The Proposed Exemption will not have any effect on SymLife's issued share capital, NA, NA per Share, gearing, earnings, EPS, substantial shareholders' shareholdings and convertible securities of SymLife Group.

The pro forma effects of the Proposed Rights Issue on SymLife's issued share capital, NA, NA per Share, gearing, earnings, EPS, substantial shareholders' shareholdings and convertible securities of SymLife Group are set out below.

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6.1 Issued share capital

The pro forma effects of the Proposed Rights Issue on the issued share capital of SymLife are set out as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	310,000,000	310,000,000	310,000,000	310,000,000
Less: Treasury shares as at the LPD	(438,329)	(360,948)	(438,329)	(360,948)
	309,561,671	309,639,052	309,561,671	309,639,052
New Shares to be issued pursuant to full exercise of Warrants B	-	-	107,407,888	⁽ⁱ⁾ 118,148,677
	309,561,671	309,639,052	416,969,559	427,787,729
Rights Shares to be issued pursuant to the Proposed Rights Issue	171,428,571	⁽ⁱⁱ⁾ 60,000,000	416,969,559	⁽ⁱⁱ⁾ 145,939,346
Enlarged share capital	480,990,242	369,639,052	833,939,118	573,727,075

Notes:

(i) Based on the exercise price of RM1.10 per Warrant B.

(ii) Based on the issue price of RM0.35 per Rights Share.

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6.2 NA, NA per Share and gearing

Based on the latest audited consolidated statements of financial position of SymLife as at 31 March 2018, the pro forma effects of the Proposed Rights Issue on the audited consolidated NA per Share and gearing of SymLife Group are set out as follows:

Minimum Scenario

Group level	Audited as at 31 March 2018 RM	After the Proposed Rights Issue RM
Share capital	310,000,000	⁽ⁱ⁾ 370,000,000
Treasury shares	(360,948)	(360,948)
Capital reserve	30,815,190	30,815,190
Other reserve	(30,413,629)	(30,413,629)
Retained profits	349,661,623	⁽ⁱⁱ⁾ 348,411,623
Shares held under ESTS Trust	(25,444,411)	(25,444,411)
Shareholders' equity/NA	634,257,825	693,007,825
No. of Shares	⁽ⁱⁱⁱ⁾ 281,999,172	⁽ⁱⁱⁱ⁾ 453,427,743
NA per Share (RM)	2.25	1.53
Borrowings (RM)	458,872,254	^(iv) 430,572,254
Gearing (times)	0.72	^(iv) 0.62

Notes:

- (i) Based on the issue price of RM0.35 per Rights Share.
- (ii) After deducting estimated expenses relating to the Proposed Rights Issue of RM1.25 million.
- (iii) Excluding 438,329 treasury shares held by the Company and 27,562,499 Shares held under ESTS Trust as at the LPD.
- (iv) Assuming the proceeds of RM28.30 million from the Proposed Rights Issue will be utilised for repayment of the Group's bank borrowings.

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Maximum Scenario

Group level	Audited as at 31 March 2018 RM	(I) Assuming no resale of treasury shares but full exercise of Warrants B RM	(II) After (I) and the Proposed Rights Issue RM
Share capital	310,000,000	⁽ⁱ⁾ 428,148,677	⁽ⁱⁱ⁾ 574,088,023
Treasury shares	(360,948)	(360,948)	(360,948)
Capital reserve	30,815,190	30,815,190	30,815,190
Other reserve	(30,413,629)	(30,413,629)	(30,413,629)
Retained profits	349,661,623	349,661,623	⁽ⁱⁱⁱ⁾ 348,411,623
Shares held under ESTS Trust	(25,444,411)	(25,444,411)	(25,444,411)
Shareholders' equity/NA	634,257,825	752,406,502	897,095,848
No. of Shares	^(iv) 281,999,172	^(iv) 389,407,060	^(iv) 806,376,619
NA per Share (RM)	2.25	1.93	1.11
Borrowings (RM)	458,872,254	458,872,254	^(v) 408,872,254
Gearing (times)	0.72	0.61	^(v)0.46

Notes:

- (i) Assuming full exercise of 107,407,888 Warrants B at the exercise price of RM1.10 per Warrant B.
- (ii) Based on the issue price of RM0.35 per Rights Share.
- (iii) After deducting estimated expenses relating to the Proposals of RM1.25 million.
- (iv) Excluding 438,329 treasury shares held by the Company and 27,562,499 Shares held under ESTS Trust.
- (v) Assuming the proceeds of RM50.00 million from the Proposed Rights Issue will be utilised for repayment of the Group's bank borrowings.

6.3 Earnings and EPS

The Proposed Rights Issue is not expected to have any material effect on the earnings of SymLife Group for the FYE 31 March 2019 as it is only expected to be completed in the fourth quarter of 2018. However, the EPS of the Group may be diluted as a result of the increase in the number of SymLife Shares in issue upon the completion of the Proposed Rights Issue.

The proceeds to be raised from the Proposed Rights Issue will allow SymLife to repay its bank borrowings which is expected to result in an annual interest savings of approximately RM1.44 million under Minimum Scenario and RM2.72 million under Maximum Scenario.

Barring unforeseen circumstances, the Proposed Rights Issue is expected to contribute positively to the future earnings of the Group upon the utilisation of proceeds raised as detailed in Section 3 of Part A of this Circular.

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6.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Rights Issue on the substantial shareholders' shareholdings are as follows:

Minimum Scenario

Substantial shareholders	As at the LPD			After the Proposed Rights Issue			
	Direct		Indirect	Direct		Indirect	
	No. of SymLife Shares	%		No. of SymLife Shares	%		No. of SymLife Shares
GCSB	60,165,000	19.44	-	120,330,000	25.02	-	-
TSMAY	8,715,000	2.82	(ii)60,165,000	119,978,571	24.94	(ii)120,330,000	25.02
RHB Trustees Berhad ⁽ⁱ⁾	27,562,499	8.90	-	27,562,499	5.73	-	-
Lembaga Tabung Haji	22,609,000	7.30	-	22,609,000	4.70	-	-
Chin Jit Pyng	12,570,270	4.06	(iii)8,820,000	12,570,270	2.61	(iii)8,820,000	1.83

Notes:

- (i) Shares held by the appointed trustee for the purpose of administering the ESTS Trust.
- (ii) Deemed interested by virtue of his interest in GCSB pursuant to Section 8 of the Act.
- (iii) Deemed interested by virtue of his interest in Billion Inspiration Sdn Bhd pursuant to Section 8 of the Act.

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Maximum Scenario

	As at the LPD			(i) Assuming full exercise of Warrants B		
	Direct		Indirect	Direct		Indirect
	No. of SymLife Shares	%	No. of SymLife Shares	%	No. of SymLife Shares	%
Substantial shareholders						
GCSB	60,165,000	19.44	-	-	72,706,250	17.44
TSMAY	8,715,000	2.82	(ii)60,165,000	19.44	25,893,749	6.21
RHB Trustees Bhd ⁽ⁱ⁾	27,562,499	8.90	-	-	27,562,499	6.61
Lembaga Tabung Haji	22,609,000	7.30	-	-	22,609,000	5.42
Chin Jit Pyng	12,570,270	4.06	(iii)8,820,000	2.85	14,788,832	3.55
					(iii)9,420,000	2.26

	(ii) After (i) and the Proposed Rights Issue		
	Direct		Indirect
	No. of SymLife Shares	%	No. of SymLife Shares
Substantial shareholders			
GCSB	145,412,500	17.44	-
TSMAY	51,787,498	6.21	(ii)145,412,500
RHB Trustees Bhd ⁽ⁱ⁾	55,124,998	6.61	-
Lembaga Tabung Haji	45,218,000	5.42	-
Chin Jit Pyng	29,577,664	3.55	(iii)18,840,000
			2.26

Notes:

- (i) Shares held by the appointed trustee for the purpose of administering the ESTS Trust.
- (ii) Deemed interested by virtue of his interest in GCSB pursuant to Section 8 of the Act.
- (iii) Deemed interested by virtue of his interest in Billion Inspiration Sdn Bhd pursuant to Section 8 of the Act.

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6.5 Convertible securities

As at the LPD, save for the outstanding Warrants B, the Company does not have any other convertible securities.

The Proposed Rights Issue will give rise to adjustments to the exercise price and number of outstanding Warrants B held by each holder of the Warrants B pursuant to the provisions of the Deed Poll ("**Adjustments**"). The actual adjustments to the exercise price and number of outstanding Warrants B will only be determined later. A notice will be despatched to the holders of Warrants B in relation to such Adjustments.

Save for the potential Adjustments mentioned above, the other rights and obligations of the holders of the Warrants B shall remain unchanged.

The Additional Warrants B are not expected to have any immediate effect on the issued share capital, NA, NA per Share, gearing, earnings, EPS and substantial shareholders' shareholdings of SymLife until such time when the Additional Warrants B are exercised into new SymLife Shares.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of SymLife Shares as traded on Bursa Securities for the past twelve (12) months from August 2017 to July 2018 are set out below:

Month	High RM	Low RM
2017		
August	0.96	0.83
September	0.89	0.88
October	0.89	0.86
November	0.88	0.77
December	0.77	0.70
2018		
January	0.78	0.72
February	0.81	0.75
March	0.81	0.77
April	0.81	0.71
May	0.75	0.61
June	0.63	0.59
July	0.64	0.57
Last transacted market price on 6 April 2018 (being the latest trading date prior to the announcement of the Proposals)		RM0.80
Last transacted market price on the LPD		RM0.57

(Source: Bloomberg)

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8. APPROVALS REQUIRED

The Proposals are subject to and conditional upon approvals being obtained from the following:

- (a) Bursa Securities, which approval was obtained vide its letter dated 3 August 2018 for the following:
- (i) listing of and quotation for up to 416,969,559 Rights Shares;
 - (ii) listing of and quotation for up to 42,017,800 Additional Warrants B; and
 - (iii) listing of and quotation for up to 42,017,800 new SymLife Shares to be issued arising from the exercise of the Additional Warrants B,

on the Main Market of Bursa Securities.

The approval from Bursa Securities for the abovementioned is subject to the following conditions:

No.	Conditions	Status of compliance
1	SymLife and Affin Hwang IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Rights Issue;	Noted.
2	SymLife and Affin Hwang IB to inform Bursa Securities upon the completion of the Proposed Rights Issue;	To be complied.
3	SymLife and Affin Hwang IB to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at the forthcoming general meeting for the Proposed Rights Issue;	To be complied.
4	SymLife and Affin Hwang IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue is completed; and	To be complied.
5	If applicable, payment of additional listing fee based on the final issue price together with a copy of the details of the computation of the amount of listing fees payable.	Noted.

- (b) the shareholders of SymLife for the Proposals at the forthcoming EGM to be convened;
- (c) the SC for the Proposed Exemption; and
- (d) any other relevant authorities and/or parties, if required.

9. INTER-CONDITIONALITY

The Proposed Rights Issue and Proposed Exemption are inter-conditional upon each other.

The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

The Proposed Rights Issue is available to all shareholders of SymLife, including directors and/or major shareholders and/or person connected to them, on the same terms and entitlement basis, including the rights to apply for Excess Rights Shares.

TSMAY and his PAC are interested in the Proposed Exemption. As the Proposed Rights Issue and Proposed Exemption are inter-conditional, TSMAY and his PAC are deemed interested in the Proposals.

Save as disclosed above, none of the directors and/ or major shareholders of SymLife and/or any persons connected to them have any interest, whether direct or indirect, in the Proposals.

TSMAY had and will continue to abstain from deliberation and voting on the Proposals at all Board meetings as well as at the EGM to be convened for the Proposals. TSMAY and his PAC will also ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings in SymLife on the resolutions pertaining to the Proposals to be tabled at the EGM to be convened.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

In view that TSMAY is deemed interested in the Proposals, TSMAY has abstained from expressing an opinion and making any recommendation on the resolutions pertaining to the Proposals.

The Board (save for TSMAY), after having considered all aspects of the Proposals including but not limited to the rationale and effects for the Proposals as well as the utilisation of the proceeds raised from the Proposed Rights Issue, is of the opinion that the Proposals are in the best interest of the Company.

Accordingly, the Board (save for TSMAY) recommends that the Shareholders vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM of the Company.

12. ESTIMATED TIME FRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposals are expected to be completed by fourth quarter of 2018.

The tentative timetable for the implementation of the Proposals is set out below:

Month	Events
29 August 2018	EGM
Early September 2018	Submission of the Proposed Exemption application to the SC
End September 2018	<ul style="list-style-type: none">• Announcement of the Entitlement Date• Announcement on the Adjustments
Early October 2018	<ul style="list-style-type: none">• Entitlement Date• Issuance of abridged prospectus in relation to the Proposed Rights Issue
End October 2018	Closing date of acceptances and applications for the Rights Shares
Early November 2018	Listing of and quotation for the Rights Shares and the Additional Warrants B on the Main Market of Bursa Securities

13. CORPORATE EXERCISES ANNOUNCED BUT NOT YET COMPLETED

Save for the Proposals, the Board confirms that there is no other outstanding corporate exercise which has been announced but not yet completed as at the LPD.

14. EGM

The EGM, notice of which is enclosed with this Circular, is scheduled to be held at the Cenderawasih Ballroom A, Glenmarie Golf & Country Club, No. 3, Jalan Usahawan U1/8, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 29 August 2018 at 10.30 a.m. or immediately following the conclusion or adjournment of the 55th Annual General Meeting of the Company to be held at the same venue and on the same date at 9.30 a.m., for the purpose of considering and if thought fit, passing, *inter alia*, with or without modification, the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein to be deposited at the Registered Office of the Company at Level 9, Symphony House, Dana 1 Commercial Centre, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than twenty-four (24) hours before the time appointed for holding the EGM or at any adjournment thereof.

The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

15. FURTHER INFORMATION

Shareholders are advised to refer to the attached appendices for further information.

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

DATO' ROBERT TEO KENG TUAN
Independent Non-Executive Director

PART B

**INDEPENDENT ADVICE LETTER FROM MERCURY SECURITIES SDN BHD
TO THE NON-INTERESTED SHAREHOLDERS OF SYMLIFE
IN RELATION TO THE PROPOSED EXEMPTION**

EXECUTIVE SUMMARY

All definitions used in this Executive Summary shall have the same meanings as defined in the "Definitions" section of the Circular, except where the context otherwise requires or is otherwise defined herein.

All references to "we", "us" and "our" are to Mercury Securities, being the Independent Adviser for the Proposed Exemption. All references to "you" and "your" are to SymLife's non-interested shareholders.

THIS EXECUTIVE SUMMARY SUMMARISES THE INDEPENDENT ADVICE LETTER IN RELATION TO THE PROPOSED EXEMPTION ("IAL") DETAILED IN PART B OF THE CIRCULAR. YOU ARE ADVISED TO READ AND UNDERSTAND THE IAL IN ITS ENTIRETY, TOGETHER WITH THE LETTER FROM THE BOARD IN PART A OF THE CIRCULAR AND THE ACCOMPANYING APPENDICES FOR OTHER RELEVANT INFORMATION AND NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE FORMING AN OPINION ON THE PROPOSED EXEMPTION.

YOU ARE ALSO ADVISED TO CONSIDER CAREFULLY THE RECOMMENDATIONS CONTAINED IN BOTH THE IAL AND THE LETTER FROM THE BOARD BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED EXEMPTION TO BE TABLED AT SYMLIFE'S FORTHCOMING EGM.

IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

1. INTRODUCTION

On 9 April 2018, Affin Hwang IB had, on behalf of the Board announced that the Company proposed to undertake the Proposed Rights Issue which will be undertaken on a Minimum Subscription Level basis and the Proposed Exemption.

In order to achieve the Minimum Subscription Level, the Company has procured the Entitlement Undertakings from TSMAY and his PAC, namely GCSB, as well as the Additional Undertaking from TSMAY.

Under the Minimum Scenario, the Entitlement Undertakings and Additional Undertaking will result in the collective shareholdings of TSMAY and his PAC in SymLife to increase to above 33%, that is from 22.26% to 49.96% of the enlarged issued share capital of SymLife upon completion of the Proposed Rights Issue.

Both TSMAY and his PAC will then be obligated to undertake the Mandatory Offer pursuant to Paragraph 4.01(a) of the Rules.

As it is not the intention of TSMAY and his PAC to undertake the Mandatory Offer, approval for the Proposed Exemption, pursuant to Paragraph 4.08(1)(b) of the Rules, is being sought from you and thereafter from the SC.

In this respect, on 9 April 2018, Mercury Securities was appointed as the Independent Adviser to advise you and the non-interested Directors on the Proposed Exemption.

Please refer to Section 1 of this IAL for further details.

2. EVALUATION OF THE PROPOSED EXEMPTION

In arriving at our conclusion and recommendation, we have assessed and evaluated the Proposed Exemption on a holistic basis in accordance with Schedule 2: Part III of the Rules.

In our evaluation of the Proposed Exemption, we have considered the following (see Section 5 of this IAL for further details):

Section in the IAL	Consideration Factors	Our Evaluation
Section 5.1	Rationale for the Proposals	<p><u>Proposed Rights Issue</u></p> <p>The Board is of the view that the Proposed Rights Issue is the most appropriate avenue to raise the necessary funding, after considering various methods of fund raising available, as the Proposed Rights Issue will, amongst others:</p> <p>(i) provide funding for development costs of the Group's projects without increasing its gearing level and incurring additional interest expenses.</p> <p>The proceeds to be raised from the Proposed Rights Issue will allow the Group to expedite the Projects' construction progress in order to hand over vacant possession to the buyers in accordance with contracted delivery schedule(s). This will mitigate any potential claim for liquidated damages due to late delivery of the Projects. At the same time, the Group will be able to recognise unbilled sales of up to RM434.0 million as at the LPD as well as any future sales based on the percentage of completion of the Projects.</p> <p>Thus, the Proposed Rights Issue is expected to contribute positively to the Group's earnings and all Entitled Shareholders will have an opportunity to further participate in the prospects and future growth of the Group via their respective entitlements to the Rights Shares as well as any potential dividend payments; and</p> <p>(ii) allow the Group to improve its gearing level which will improve its credit rating and debt capacity as well as strengthen the capital structure of the Group.</p> <p><u>Proposed Exemption</u></p> <p>The Proposed Exemption will relieve TSMAY and his PAC from the obligation to undertake the Mandatory Offer upon completion of the Proposed Rights Issue as TSMAY and his PAC do not intend to undertake the Mandatory Offer.</p>

Section in the IAL	Consideration Factors	Our Evaluation
		<p>The entitlements to the Rights Shares are renounceable and will be provisionally allotted on a proportionate basis to the shareholdings of the Entitled Shareholders and are fair to all shareholders. Moreover, Entitled Shareholders have the opportunity to sell their rights entitlements in the open market when quoted on Bursa Securities, should you decide to take this course of action.</p> <p>Given that the Proposed Rights Issue and Proposed Exemption are inter-conditional upon each other, the approval for the Proposed Exemption is crucial to ensure the successful implementation of the Proposed Rights Issue.</p> <p>Premised on the above, we are of the view that the rationale for the Proposals is justifiable.</p>
Section 5.2	Issue Price of the Rights Shares	<p>We note that the issue price of RM0.35 per Rights Share ("Issue Price") represents:</p> <ul style="list-style-type: none"> (i) discounts ranging from 24.06% to 38.48% to the theoretical ex-rights price ("TERP") based on the closing market price as well as the 5-day, 1-month, 3-month, 6-month and 12-month VAMP of SymLife Shares up to the LPD; (ii) discount of up to 39.13% to the TERP based on the closing market price and 5-day VAMP of SymLife Shares up to and including 6 April 2018, being the last trading day prior to the announcement of the Proposals ("Announcement") ("LTD"); and (iii) discount of 84.44% to the audited consolidated NA per Share of RM2.25 as at 31 March 2018. <p>Although the Issue Price is at a deep discount to the consolidated NA per Share, the Issue Price is reasonable as there is no assurance that SymLife will be able to realise the consolidated NA per Share at its full value, taking into consideration the illiquid nature of a substantial amount of the Group's assets in the form of land cost capitalised, property development cost capitalised and non-current assets, which may not be readily realised and converted into cash or cash equivalents.</p> <p>Based on the analyses above, the Issue Price is considered to be attractive for the subscription of the Rights Shares by the Entitled Shareholders and/or their renounee(s) in view that it is at a discount to the TERP of the Shares as well as to the consolidated NA per Share.</p>

EXECUTIVE SUMMARY (Cont'd)

Section in the IAL	Consideration Factors	Our Evaluation																				
		<p>You should also take note that the Issue Price is the same for both TSMAY and his PAC and all the other Entitled Shareholders and/or their renouncee(s). Hence, all Entitled Shareholders and/or their renouncee(s) will have the opportunity to subscribe for the Rights Shares at the same price.</p> <p>Premised on the above, we are of the view that the basis and justification for the Issue Price are justifiable.</p>																				
Section 5.3	Effects of the Proposals	<p><u>Issued share capital</u></p> <p>The issued share capital of SymLife will increase from 309.6 million Shares (excluding 0.4 million treasury shares) to up to 833.9 million Shares pursuant to the Proposed Rights Issue following the issuance of the Rights Shares.</p> <p><u>NA, NA per Share and gearing</u></p> <table border="1" data-bbox="719 954 1390 1402"> <thead> <tr> <th></th> <th>Audited as at 31 March 2018 RM'000</th> <th>Minimum Scenario RM'000</th> <th>Maximum Scenario RM'000</th> </tr> </thead> <tbody> <tr> <td>Shareholders' equity/NA</td> <td>634,258</td> <td>693,008</td> <td>897,096</td> </tr> <tr> <td>NA per Share (RM)</td> <td>2.25</td> <td>1.53</td> <td>1.11</td> </tr> <tr> <td>Borrowings</td> <td>458,872</td> <td>430,572</td> <td>408,872</td> </tr> <tr> <td>Gearing (times)</td> <td>0.72</td> <td>0.62</td> <td>0.46</td> </tr> </tbody> </table> <p>The dilution in the Group's NA per Share is mainly due to the issuance of the Rights Shares at the Issue Price. The improvement in gearing is mainly due to part repayment of bank borrowings amounting to approximately RM28.30 million and RM50.00 million under the Minimum Scenario and Maximum Scenario respectively.</p> <p><u>Earnings and EPS</u></p> <p>For the FYE 31 March 2018, the Group recorded a profit after taxation and minority interests ("PATAMI") of RM33.15 million and EPS of 11.76 sen. As a result of the increase in the number of SymLife Shares in issue upon completion of the Proposed Rights Issue, there will be a dilution in the EPS of the Group.</p>		Audited as at 31 March 2018 RM'000	Minimum Scenario RM'000	Maximum Scenario RM'000	Shareholders' equity/NA	634,258	693,008	897,096	NA per Share (RM)	2.25	1.53	1.11	Borrowings	458,872	430,572	408,872	Gearing (times)	0.72	0.62	0.46
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Gearing (times)	0.72	0.62	0.46																			

EXECUTIVE SUMMARY (Cont'd)

Section in the IAL	Consideration Factors	Our Evaluation
		<p>Nevertheless, the Proposed Rights Issue is expected to contribute positively to the Group's earnings in view of the proposed utilisation as set out in Section 3 of Part A of the Circular.</p> <p><u>Substantial shareholders' shareholdings</u></p> <p>Under the Minimum Scenario, the collective shareholdings of TSMAY and his PAC in SymLife will increase from 22.26% to 49.96% of the enlarged issued share capital upon completion of the Proposed Rights Issue. Under such scenario, if other Entitled Shareholders decide not to subscribe for their entitlements pursuant to the Proposed Rights Issue, their percentage shareholdings would be diluted accordingly. Your collective shareholdings could potentially decrease from 77.74% to 50.04% of the enlarged issued share capital upon completion of the Proposed Rights Issue.</p> <p>In the event where only TSMAY and his PAC exercise all their outstanding Warrants B prior to the Entitlement Date and the Proposed Rights Issue is undertaken on a Minimum Subscription Level basis, the collective shareholdings of TSMAY and his PAC in SymLife will increase from 22.26% to 52.88% of the enlarged issued share capital upon completion of the Proposed Rights Issue.</p> <p>Under the Maximum Scenario, the collective shareholdings of TSMAY and his PAC in SymLife will increase from 22.26% to 23.62% of the enlarged issued share capital upon completion of the Proposed Rights Issue due to assumed exercise of their holdings of Warrants B.</p> <p>Notwithstanding the dilution in the Group's NA per Share and EPS as set out above, it is pertinent to note that the entitlements for the Proposed Rights Issue are provisionally allotted on a proportionate basis to the respective shareholdings of the Entitled Shareholders on the Entitlement Date.</p> <p>Premised on the above, we are of the view that the effects of the Proposals are not detrimental to your interest in SymLife.</p>
Section 5.4	Industry outlook and future prospects of the Group	In the housing market, both total housing transaction volume and value increased by 1.6% and 9.7%, respectively in 4Q 2017. The improvement was driven largely by transactions of houses priced between RM500,000 and RM1 million.

EXECUTIVE SUMMARY (Cont'd)

Section in the IAL	Consideration Factors	Our Evaluation
		<p>On the demand-side, banks continued to extend loans for the purchase of residential property to eligible borrowers, including to first-time house buyers. Outstanding loans extended by banks for house financing were sustained at 8.9% on an annual basis in 1Q 2018.</p> <p>Most of the projects in Klang Valley remain the biggest contributor to the Group's revenue in the FYE 31 March 2018, namely Elevia, Star Residences, Union Suites and TWY. Union Suites had contributed a revenue of RM15.9 million with most of its smaller fully-furnished units taken up from its previous units released for sale, whilst TWY was the highest contributor to revenue with RM37.4 million in the FYE 31 March 2018 with a take-up rate of more than 98%.</p> <p>In view of the positive take-up rates for the Group's current projects and the Group's commitment to improving its sales through launching of projects in strategic locations, we are of the view that the prospects of the Group are expected to be positive.</p>
Section 5.5	Implications of the Proposed Exemption	<p><u>If you VOTE IN FAVOUR of the Proposed Exemption</u></p> <p>Should you vote in favour of the Proposed Exemption and the Proposals are approved at the forthcoming EGM, the SC would be able to consider the application for the Proposed Exemption.</p> <p>Your approval of the Proposed Exemption will imply that you have agreed to waive your rights by exempting TSMAY and his PAC from the obligation to undertake the Mandatory Offer (which shall not be lower than the highest price paid by TSMAY and his PAC for SymLife Shares in the past 6-month period before the incurrence of such obligation to undertake the Mandatory Offer).</p> <p>Voting in favour of the Proposed Exemption does not in any way impede your rights to participate in the Proposed Rights Issue. However, should you decide not to subscribe for your entitlement under the Proposed Rights Issue, your percentage shareholdings in SymLife will be diluted accordingly.</p> <p>In view of the conditionality of the Proposals as set out in Section 9 of Part A of the Circular, without the Proposed Exemption, the Proposed Rights Issue will not be implemented. Therefore, voting in favour of the Proposed Exemption will enable the Company to potentially benefit from the Proposed Rights Issue.</p>

Section in the IAL	Consideration Factors	Our Evaluation
		<p><u>If you VOTE AGAINST the Proposed Exemption</u></p> <p>In the event that you vote against the Proposed Exemption and the Proposed Exemption is not approved at the forthcoming EGM, the SC would not be able to consider the application by TSMAY and his PAC for the Proposed Exemption.</p> <p>The Proposed Rights Issue will also not be implemented due to the inter-conditionality with the Proposed Exemption. Consequently, SymLife would not be able to raise funds from the Proposed Rights Issue and thus, would not be able to realise the potential benefits arising therefrom. Hence, the Board may have to deliberate on other possible alternatives including new borrowings to raise funds for its property development projects and to meet the debt service obligations obtain from any new borrowings.</p>

3. CONCLUSION AND RECOMMENDATION

You should carefully consider the merits and demerits of the Proposed Exemption based on all relevant and pertinent factors including those set out in this IAL as well as those highlighted by the Board in its letter to shareholders of SymLife in relation to the Proposals as set out in Part A of the Circular before voting on the ordinary resolution in respect of the Proposed Exemption at the forthcoming EGM.

We have assessed and evaluated the Proposed Exemption holistically, taking into consideration the various factors set out in this IAL. In arriving at our conclusion and recommendation on the Proposed Exemption, we have taken into consideration various factors discussed in this IAL of which the advantages and disadvantages of the Proposed Exemption, if granted, are summarised as below:

Potential Advantages	
(i)	<p>The Proposed Rights Issue will enable SymLife to raise funds <i>via</i> equity capital to:</p> <ul style="list-style-type: none"> • repay some of its existing bank borrowings which will result in interest savings for the Group; and • finance SymLife's property development cost without increasing its gearing level and incurring additional interest expenses. <p>As such, the utilisation of the proceeds from the Proposed Rights Issue will allow the Group to expedite the Projects' construction progress in order to hand over vacant possession to the buyers in accordance with contracted delivery schedule(s) which will mitigate any potential claim for liquidated damages due to late delivery of the Projects. At the same time, the Group will be able to recognise unbilled sales of up to RM434.0 million as at the LPD as well as any future sales based on the percentage of completion of the Projects. Thus, the Proposed Rights Issue is expected to contribute positively to the Group's earnings and all Entitled Shareholders will have an opportunity to further participate in the prospects and future growth of the Group <i>via</i> their respective entitlements to the Rights Shares as well as any potential dividend payments.</p>
(ii)	<p>Upon completion of the Proposed Rights Issue, the Group will have a stronger balance sheet with a larger NA base and therefore, strengthen the Group's financial position.</p>

Potential Advantages

- (iii) The Proposed Exemption will allow the Group to raise capital *via* the Proposed Rights Issue without further burdening its debt servicing obligations arising from any new borrowings or debt funding. However, the weighted average cost of capital (“**WACC**”) of the Group will increase from 5.24% to 5.95% upon completion of the Proposed Rights Issue as compared to Debt Funding Scenario, the WACC of the Group will decrease from 5.24% to 5.11%. Nevertheless, this will be outweighed by the benefits of equity financing, whereby the Proposed Rights Issue will strengthen the Group’s capital base and reduce its gearing from 0.72 times to 0.46 times, which is expected to improve the credit rating and debt capacity of the Group, as well as provide the Group with increased financial flexibility in the event the Group intends to source for additional funds and/or gear up in the future.
- (iv) TSMAY and his PAC are currently the largest shareholder group of SymLife with an equity interest of 22.26%. The support from TSMAY and his PAC *via* the Entitlement Undertakings and Additional Undertaking demonstrate their continued interest and commitment in SymLife. Further, such support provides certainty to SymLife in raising the necessary funding *via* the Proposed Rights Issue. Due to the inter-conditionality of the Proposals, the Proposed Exemption will enable the implementation of the Proposed Rights Issue.

Potential Disadvantages

- (i) Should you decide not to subscribe for your entitlements pursuant to the Proposed Rights Issue, your percentage shareholdings will be diluted accordingly. Depending on the eventual subscription rate of the Rights Shares by you, the collective shareholdings of TSMAY and his PAC in SymLife could potentially increase from 22.26% to 49.96% and conversely, your collective shareholdings will be diluted from 77.74% to 50.04%. You should note that these maximum potential holdings of TSMAY and his PAC as indicated above are purely illustrative and may not materialise.
- (ii) The issuance of additional SymLife Shares pursuant to the Proposed Rights Issue is expected to result in a dilution to the Group’s audited NA per Share as at 31 March 2018 from RM2.25 to RM1.53 and RM1.11 per Share under the Minimum Scenario and Maximum Scenario respectively.
- (iii) The Proposed Exemption could potentially allow TSMAY and his PAC to obtain control in SymLife without a control premium being paid to you as the Issue Price will be issued at a discount of between 24.06% and 38.48% to the TERP based on the closing market price as well as the 5-day, 1-month, 3-month, 6-month and 12-month VAMP of SymLife Shares up to the LPD.

Premised on the above and our evaluation of the Proposed Exemption on a holistic basis, we are of the opinion that, on the basis of the information available to us, the Proposed Exemption is **fair and reasonable**.

Accordingly, we recommend that you **VOTE IN FAVOUR** of the ordinary resolution in respect of the Proposed Exemption to be tabled at the forthcoming EGM.

However, you should take note that should you decide not to subscribe for the Rights Shares, your percentage shareholdings in the Company will be diluted accordingly. The substantial dilutive effect on your collective shareholdings from 77.74% to 50.04% as stated above would cause a transfer of value in the form of Rights Shares as follows:

- (i) discount of 24.89% to the TERP based on the 5-day VAMP up to the LPD; and
- (ii) discount of 77.12% and 68.47% to the pro forma consolidated NA per Share of RM1.53 and RM1.11 as at 31 March 2018 under the Minimum Scenario and Maximum Scenario respectively,

from the non-participating shareholders to the participating shareholders. This is detrimental to the interest of shareholders who do not subscribe for the Rights Shares. Entitled Shareholders who do not take up the Rights Shares will have the opportunity to sell their rights entitlements in the market. However, there is no assurance that the market price of the rights entitlements may trade at least at the intrinsic value of the Rights Shares.

We have not taken into consideration any specific investment objectives, financial situations, risk profile or particular need required by you. We recommend that if you require an advice in relation to the Proposed Exemption in the context of your investment objectives, financial situations, risk profile or particular needs, consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

YOU ARE ADVISED TO READ BOTH THIS IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES AND CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED EXEMPTION TO BE TABLED AT THE FORTHCOMING EGM.



Headquarters:
Ground, 1st, 2nd, 3rd Floor
Wisma UMNO
Lorong Bagan Luar Dua
12000 Butterworth
Seberang Perai
Penang

10 August 2018

To: The Non-Interested Shareholders of Symphony Life Berhad

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER IN RELATION TO THE PROPOSED EXEMPTION (“IAL”)

This IAL has been prepared for inclusion in the Circular. Unless otherwise stated, the definitions used in this IAL shall have the same meanings as defined in the “Definitions” section of the Circular, except where the context otherwise requires or is otherwise defined herein.

All references to “we”, “us” and “our” are to Mercury Securities, being the Independent Adviser for the Proposed Exemption. All references to “you” and “your” are to SymLife’s non-interested shareholders.

1. INTRODUCTION

On 9 April 2018, Affin Hwang IB had, on behalf of the Board announced that the Company proposed to undertake the Proposed Rights Issue and Proposed Exemption, whereby the Proposed Rights Issue will be undertaken on a Minimum Subscription Level basis.

In order to achieve the Minimum Subscription Level, the Company has procured the Entitlement Undertakings from TSMAY and his PAC, namely GCSB, and the Additional Undertaking from TSMAY (hereinafter collectively referred to as the “**Total Undertakings**”) as follows:

	Direct shareholdings as at the LPD		Entitlement Undertakings	Additional Undertaking	Total Undertakings
	No. of Shares	% ⁽¹⁾	No. of Shares	No. of Shares	No. of Shares
TSMAY	8,715,000	2.82	8,715,000	102,548,571	111,263,571
GCSB	60,165,000	19.44	60,165,000	-	60,165,000
Total	68,880,000	22.26	68,880,000	102,548,571	171,428,571

Note:

(1) Computed based on the issued share capital of SymLife, excluding 438,329 treasury shares, as at the LPD.

Under the Minimum Scenario, the Total Undertakings will result in the collective shareholdings of TSMAY and his PAC in SymLife to increase to above 33%, that is from 22.26% to 49.96% of the enlarged issued share capital of SymLife upon completion of the Proposed Rights Issue.

Consequently, TSMAY and his PAC will be obligated to undertake the Mandatory Offer pursuant to Paragraph 4.01(a) of the Rules. As it is not the intention of TSMAY and his PAC to undertake the Mandatory Offer, approval for the Proposed Exemption, pursuant to Paragraph 4.08(1)(b) of the Rules, is being sought from you and the SC.

In this respect, on 9 April 2018, Mercury Securities was appointed as the Independent Adviser to advise you and the non-interested Directors on the Proposed Exemption. On 11 April 2018, in accordance with the Rules, we had declared our independence from conflict of interests to the SC, to act as the Independent Adviser for the Proposed Exemption.

The SC had *vide* its letter dated 7 August 2018 notified us that it has no further comments on the contents of this IAL. However, such notification shall not be taken to suggest that the SC agrees with our recommendation or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAL.

An application will be submitted to the SC after your approval for the Proposed Exemption has been obtained by SymLife at the forthcoming EGM. In the event the Proposed Exemption is not approved by you or the SC, the Proposed Rights Issue will not be implemented as the Proposed Exemption and the Proposed Rights Issue are inter-conditional upon each other.

The purpose of this IAL is to provide you our independent evaluation of the Proposed Exemption together with our recommendation on whether to vote in favour of the Proposed Exemption, subject to the scope and limitations specified herein. Nevertheless, you should rely on your own evaluation of the merits and demerits of the Proposed Exemption before making a decision on the course of action to be taken at SymLife's forthcoming EGM.

THIS IAL IS PREPARED SOLELY FOR YOU TO CONSIDER THE MERITS AND DEMERITS OF THE PROPOSED EXEMPTION AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY OR FOR ANY OTHER PURPOSE WHATSOEVER.

YOU ARE ADVISED TO READ AND UNDERSTAND THIS IAL AND THE LETTER FROM THE BOARD AS SET OUT IN PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES, AND TO CONSIDER CAREFULLY THE RECOMMENDATIONS CONTAINED IN BOTH THIS IAL AND THE LETTER FROM THE BOARD BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED EXEMPTION TO BE TABLED AT SYMLIFE'S FORTHCOMING EGM.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. SCOPE AND LIMITATIONS TO OUR EVALUATION OF THE PROPOSED EXEMPTION

We were not involved in the formulation, deliberation and negotiation of the terms and conditions of the Proposed Exemption. Our scope as the Independent Adviser is limited to expressing an independent opinion on the terms of the Proposed Exemption based on information and documents provided or are available to us, including the following:

- (i) information contained in Part A of the Circular and the accompanying appendices;
- (ii) other relevant information, documents, confirmations and/or representations furnished to us by the management of SymLife; and
- (iii) other relevant publicly available information.

We have relied on the Company, its Board and management to take due care to ensure that all information, documents, confirmations and representations provided to us by them and the advisers of SymLife for the Proposals to facilitate our evaluation are accurate, valid and complete in all material aspects. Nonetheless, after making all reasonable enquiries, we are satisfied that sufficient information has been obtained and we have no reason to believe that the aforesaid information provided to us is unreliable, incomplete, misleading and/or inaccurate as at the LPD.

In rendering our advice, we have taken into consideration pertinent factors which we believe are of relevance and of importance to you for an assessment of the Proposed Exemption and therefore, of general concern to you. We have not taken into consideration any individual or specific group's specific investment objectives, financial situations, risk profile or particular needs. We recommend that any of you who require specific advice in relation to the Proposed Exemption, in the context of your individual investment objectives, financial situations, risk profile or particular needs, to consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Our advice should be considered in the context of the entirety of this IAL. Our evaluation and opinion as set out in this IAL are based on, amongst others, equity capital market, economic, industry, regulatory and other conditions prevailing on, and the information/documents made available to us as at the LPD. Such conditions may change significantly over a period of time. Accordingly, our evaluation and opinion expressed herein do not take into account the information, events or conditions arising after the LPD.

We shall immediately notify you by way of announcement if, after despatching this IAL, as guided by Paragraph 11.07(1) of the Rules, we become aware that this IAL:

- (i) contains a material statement which is false or misleading;
- (ii) contains a statement from which there is a material omission; or
- (iii) does not contain a statement relating to a material development.

If circumstances require, we shall send a supplementary IAL to you in accordance with Paragraph 11.07(2) of the Rules.

3. DETAILS OF THE PROPOSALS

The details of the Proposals are set out in the following sections in Part A of the Circular and should be read in its entirety by you:

(i) Proposed Rights Issue	Section 2.1
(ii) Proposed Exemption	Section 2.2

4. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

The details of interests of TSMAY, being the interested Director and major shareholder, and his PAC (together with their respective course of actions) in relation to the Proposals are set out in Section 10 of Part A of the Circular.

Save as disclosed in Section 10 of Part A of the Circular, none of the directors and/or major shareholders of SymLife and/or any persons connected to them have any interest, whether direct or indirect, in the Proposals.

5. EVALUATION OF THE PROPOSED EXEMPTION

In arriving at our conclusion and recommendation, we have assessed and evaluated the Proposed Exemption on a holistic basis in accordance with Schedule 2: Part III of the Rules.

In our evaluation of the Proposed Exemption, we have considered the following:

(i) Rationale for the Proposals	Section 5.1
(ii) Issue Price of the Rights Shares	Section 5.2
(iii) Effects of the Proposals	Section 5.3
(iv) Industry Outlook and Future Prospects of the Group	Section 5.4
(v) Implications of the Proposed Exemption	Section 5.5

5.1 Rationale for the Proposals

5.1.1 Proposed Rights Issue

As stated in Section 4.1 of Part A of the Circular, the Board is of the view that the Proposed Rights Issue is the most appropriate avenue to raise the necessary funding for the intended purposes as set out in Section 3 of Part A of the Circular, after considering various methods of fund raising available.

The Proposed Rights Issue is expected to raise approximately RM60.00 million of gross proceeds under the Minimum Scenario or up to RM145.94 million under the Maximum Scenario, which will be utilised as follows:

Details of Utilisation	Minimum Scenario	Maximum Scenario	Estimated timeframe for utilisation of proceeds from the Proposed Rights Issue's completion date
	RM'million	RM'million	
Repayment of bank borrowings	28.30	50.00	Within 12 months
Property development projects	21.70	86.10	Within 12 months
Working capital	8.75	8.59	Within 12 months
Estimated expenses in relation to the Proposals	1.25	1.25	Upon completion of the Proposals
Total	60.00	145.94	

Our comments on the rationale of the Proposed Rights Issue are set out as follows:

(i) **Provide funding for development costs of the Group's projects**

Up to RM86.10 million of the proceeds from the Proposed Rights Issue has been earmarked to fund the remaining development costs of Project 1 and Project 2 (as defined below) (collectively "**Projects**"), the details of which are as follows:

Property development projects	Property type	Launch date	Target completion date	Estimated GDV RM'million	As at the LPD	
					Construction progress	Estimated remaining gross development cost RM'million
Union Suites @ Bandar Sunway, Selangor (" Project 1 ")	626 units of condominium	Apr 2017	Oct 2020	479.15	16%	235.02
TWY (Phase 1), Mont' Kiara (" Project 2 ")	484 units of duplex condominium	Dec 2014	Dec 2019	434.68	34% ⁽¹⁾	185.53
Total						420.55

Note:

- (1) *Project 2's construction progress is behind schedule due to the main contractor's inability to manage the construction works effectively. However, the Group had taken measures such as introducing an additional contractor to manage the delay of Project 2's development. The delay in Project 2's construction progress has slowed down the Group's sales recognition from Project 2 and strained the Group's working capital management in the development of Project 2.*

We note that the credit facilities available for the Projects as at the LPD are as follows:

Project	Type of credit facilities RM'million	As at the LPD	
		Utilised RM'million	Available RM'million
Project 1	Term loan	46.56	-
	Bridging loan	35.00	15.00
	Overdrafts	2.00	0.15
	Letter of guarantee	10.00	3.97
Project 2	Term loan	15.00	-
	Bridging loan	25.00	-
	Overdrafts	2.00	2.00
	Letter of guarantee	2.00	2.00
Total	137.56	114.44	23.12

In addition, we note that the breakdown of the Group's cash and cash equivalents as at 31 March 2018 is as follows:

Cash and cash equivalents	RM'million
Housing Development Accounts (subject to Section 7A of the Housing Development (Control and Licensing) Act 1966)	15.19
Pledged to financial institution and not available for general use	0.09
Available for general use (including funding the Projects)	21.77
Total	37.05

Based on the above, the Group has limited flexibility to fully utilise its existing cash resources to fund the Projects. In addition, the credit facilities available for the Projects and existing cash resources of the Group are insufficient to ensure timely completion of the Projects.

Hence, part of the proceeds from the Proposed Right Issue is proposed to fund the Projects which will allow the Group to expedite the Projects' construction progress in order to hand over vacant possession to the buyers in accordance with contracted delivery schedule(s). This will mitigate any potential claim for liquidated damages due to late delivery of the Projects. At the same time, the Group will be able to recognise unbilled sales of up to RM434.0 million as at the LPD as well as any future sales based on the percentage of completion of the Projects.

Thus, such utilisation of the proceeds from the Proposed Rights Issue is expected to contribute positively to the Group's earnings and all Entitled Shareholders will have an opportunity to further participate in the prospects and future growth of the Group via their respective entitlements to the Rights Shares as well as any potential dividend payments.

(ii) Gearing level and interest savings

As at the LPD, the total bank borrowings of the Group is approximately RM507.01 million and is mainly comprised of term loans and revolving credits, of which approximately RM141.76 million of the credit facilities are either subject to annual renewal or are to be repaid within the next 12 months.

Therefore, part of the proceeds from the Proposed Rights Issue is intended to repay the Group's existing bank borrowings, which will result in the Group having a lower gearing level and interest savings.

We have assessed the changes in the WACC and gearing of the Group for the following scenarios:

Existing Scenario	Based on the Group's existing capital structure
Rights Issue Scenario	Based on the Group's capital structure after the Proposed Rights Issue under the Maximum Scenario
Debt Funding Scenario	Based on the Group's capital structure assuming the Group uses borrowings to raise up to RM95.94 million, being the proceeds to be raised under the Maximum Scenario net of repayment of bank borrowings

The WACC of the Group is derived as follows:

$$WACC = \frac{E}{D + E} (k_e) + \frac{D}{D + E} (k_d)(1 - t)$$

Where:

- E* - Market value of SymLife's equity as follows:
- | | |
|---|--|
| <i>Existing and Debt Funding Scenario</i> | : <i>Based on the 5-day VAMP of SymLife Shares up to and including the LPD of RM0.5821 and the issued share capital of SymLife as at the LPD of 309,561,671 SymLife Shares (excluding 438,329 treasury shares)</i> |
| <i>Rights Issue Scenario</i> | : <i>Based on the TERP of RM0.4661 computed based on the 5-day VAMP of SymLife Shares up to and including the LPD of RM0.5821 and the enlarged issued share capital of SymLife of 833,939,118 SymLife Shares</i> |
- D* - Market value of SymLife's debt, which is based on the Group's interest-bearing borrowings as at 31 March 2018.
- k_e* - Cost of equity, representing the rate of return required by an investor on the cash flow streams generated by the Group given, amongst others, the risks associated with the cash flows. This is derived using the Capital Asset Pricing Model below:

$$k_e = R_f + \beta(R_m - R_f)$$

Where:

- R_f* : *Risk-free rate of return, representing the expected rate of return from a risk-free investment and is derived based on the yield of the 10-year Malaysian Government Securities as at the LPD of 4.10%.*
- β* : *Beta, representing the sensitivity of an asset's returns to the changes in the market returns. It measures the correlation of systematic risk between the said asset and the market. A beta of more than 1 signifies that the asset is riskier than the market and vice versa.*
- The re-levered beta of SymLife of 0.910 was derived from the average unlevered beta of selected comparable companies with similar principal activities and re-levered based on the capital structure of SymLife after the recapitalisation exercise.*
- R_m* : *Expected market rate of return, representing the expected rate of return for investing in a portfolio consisting of a weighted sum of assets representing the entire equity market.*
- We have adopted the historical annual equity market return of Malaysia for the past 10 years up to and including the LPD of 8.09% based on FTSE Bursa Malaysia Top 100 Index as extracted from Bloomberg.*
- k_d* - Pre-tax cost of debt, representing the rate of return required by the lenders which is based on the weighted interest rate derived from all interest-bearing borrowings of the Group of 5.60% as at 31 March 2018.
- t* - Corporate tax rate, which is based on the latest Malaysian statutory tax rate of 24%.

The WACC and gearing of the Group assuming the Group's existing k_e and k_d remain unchanged for the scenarios mentioned above are as follows:

	WACC %	Gearing Times
Existing Scenario	5.24	0.72
Rights Issue Scenario	5.95	0.46
Debt Funding Scenario	5.11	0.87

As illustrated above, the WACC of the Group will be lower at 5.11% under the Debt Funding Scenario compared to 5.95% under the Rights Issue Scenario. The lower k_d as compared to the k_e , as well as the tax shield on interest expenses incurred for borrowings has resulted in the lower WACC under the Debt Funding Scenario.

Notwithstanding the above, the gearing of the Group will be higher at 0.87 times under the Debt Funding Scenario as compared to 0.46 times under the Rights Issue Scenario.

The total interest expenses incurred by the Group for the FYE 31 March 2018 were approximately RM23.85 million (including capitalised interest). The part repayment of bank borrowings will result in interest savings for the Group. For illustration purposes, based on the Group existing effective interest rate of 5.43% per annum for the RM50.00 million bank borrowings to be repaid, the repayment of the said bank borrowings will result in interest savings (before taxation) of RM2.72 million per annum.

In summary, the Proposed Rights Issue will allow SymLife to improve its gearing level as well as savings in interest expenses which will contribute positively to the financial position and performance of the Group.

(iii) Strengthen capital structure

The Proposed Rights Issue would enable SymLife Group to strengthen its capital base, which will contribute to an increase of up to RM145.94 million in SymLife's issued share capital under the Maximum Scenario.

The increase in the Group's pro forma consolidated NA and the improvement in gearing level is expected to improve the credit rating and debt capacity of the Group, which in turn would provide the Group with increased financial flexibility in the event the Group intends to source for additional funds and/or gear up in the future to fund potential acquisitions of land bank and/or its property development projects and/or any potential investment opportunities which may arise. For the past 5 financial years, the Group has maintained its gearing below 0.8 times. Prior to procuring any additional borrowings, the Group will consider its ability to generate sufficient cash flows from its operations not only to fund its working capital requirements but also to meet the debt service obligations obtain from any new borrowings.

Premised on the above, we are of the view that the rationale for the Proposed Rights Issue is justifiable.

5.1.2 Proposed Exemption

The rationale for the Proposed Exemption is set out in Section 4.2 of Part A of the Circular.

The Proposed Exemption will relieve TSMAY and his PAC from the obligation to undertake the Mandatory Offer upon completion of the Proposed Rights Issue as TSMAY and his PAC do not intend to undertake the Mandatory Offer.

The entitlements to the Rights Shares are renounceable and will be provisionally allotted on a proportionate basis to the shareholdings of the Entitled Shareholders and are fair to all shareholders. Moreover, Entitled Shareholders have the opportunity to sell their rights entitlements in the open market when quoted on Bursa Securities, should you decide to take this course of action.

Should all the Entitled Shareholders and/or their renounee(s) subscribe in full for their entitlements under the Proposed Rights Issue, there will not be any excess Rights Shares to be subscribed by TSMAY pursuant to his Additional Undertaking. You should note that should you resolve not to subscribe for your entitlement to the Rights Shares or resolve to renounce your entitlement pursuant to the Proposed Rights Issue, your existing percentage shareholdings in SymLife would be diluted accordingly.

Given that the Proposed Rights Issue and Proposed Exemption are inter-conditional upon each other, the approval for the Proposed Exemption is crucial to facilitate and ensure the successful implementation of the Proposed Rights Issue.

Without the Proposed Exemption, SymLife would not be able to implement the Proposed Rights Issue and accordingly, the Group will continue to incur interest expenses of RM2.72 million per annum based on the Group's existing effective interest rate of 5.43% per annum for the RM50.00 million bank borrowings to be repaid. In addition, the Group will also need to raise the necessary funding required to complete the Projects *via* borrowings or other means, which may result in higher development cost due to additional interest expenses and thus, lowering the return from the Projects.

Premised on the above, we are of the view that the rationale for the Proposed Exemption is justifiable.

5.2 Issue Price of the Rights Shares

The basis and justification for the Issue Price are set out in Section 2.1.3 of Part A of the Circular. The Issue Price was determined after taking into consideration the following factors:

- (i) a discount of approximately 39.12% to the TERP of RM0.5749, based on the 5-day VAMP of SymLife Shares up to and including the LTD of RM0.7998;
- (ii) the prevailing market conditions which include, among others, market sentiment and volatility of the Malaysian stock market; and
- (iii) the funding requirements of SymLife Group.

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In evaluating the Issue Price, we have considered the following:

(i) Discount over closing market prices and VAMPs

We note that the Issue Price represents a discount to the TERP of SymLife Shares based on the following closing market prices and VAMPs:

	Closing price / VAMP RM	TERP based on the Issue Price RM	Discount of the Issue Price to the TERP	
			RM	%
Up to and including the LPD:				
• Closing market price	0.5718	0.4609	0.1109	24.06
• 5-day VAMP	0.5821	0.4661	0.1160	24.89
• 1-month VAMP	0.5951	0.4726	0.1225	25.92
• 3-month VAMP	0.6774	0.5137	0.1637	31.87
• 6-month VAMP	0.7329	0.5415	0.1914	35.35
• 12-month VAMP	0.7878	0.5689	0.2189	38.48
Up to and including the LTD:				
• Closing market price	0.8000	0.5750	0.2250	39.13
• 5-day VAMP	0.7998	0.5749	0.2249	39.12

(Source: Bloomberg)

Based on the table above, we note that the Issue Price represents the following:

- (i) discounts ranging from 24.06% to 38.48% to the TERP based on the closing market price as well as the 5-day, 1-month, 3-month, 6-month and 12-month VAMP of SymLife Shares up to the LPD; and
- (ii) discount of up to 39.13% to the TERP based on the closing market price and 5-day VAMP of SymLife Shares up to the LTD.

(ii) Discount over Group NA per Share

We also note that the Issue Price represents a discount to the Group's NA per Share as follows:

	RM	Discount of the Issue Price to NA per Share	
		RM	%
Based on the audited consolidated NA per Share as at 31 March 2018	2.25	1.90	84.44
Based on the pro forma audited consolidated NA per Share as at 31 March 2018 under the Minimum Scenario	1.53	1.18	77.12
Based on the pro forma audited consolidated NA per Share as at 31 March 2018 under the Maximum Scenario	1.11	0.76	68.47

Based on the table above, we note that the Issue Price represents the following:

- (i) discount of 84.44% to the audited consolidated NA per Share of RM2.25 as at 31 March 2018; and
- (ii) discount of 77.12% and 68.47% to the pro forma consolidated NA per Share of RM1.53 and RM1.11 as at 31 March 2018 under the Minimum Scenario and Maximum Scenario respectively.

Although the Issue Price is at a deep discount to the consolidated NA per Share, the Issue Price is reasonable as there is no assurance that SymLife will be able to realise the consolidated NA per Share at its full value, taking into consideration the illiquid nature of substantial amount of the Group's assets in the form of land cost capitalised, property development cost capitalised and non-current assets, which may not be readily realised and converted into cash or cash equivalents.

Based on the analyses above, the Issue Price is considered to be attractive for the subscription of the Rights Shares by the Entitled Shareholders and/or their renounee(s) in view that it is at a discount to the TERP of the Shares as well as to the consolidated NA per Share. The Entitled Shareholders and/or their renounee(s) would need to incur cash outlay to subscribe for the Rights Shares, and thus are entitled for the discount stated above.

You should also take note that the Issue Price is the same for both TSMAY and his PAC and all the other Entitled Shareholders and/or their renounee(s). Hence, all Entitled Shareholders and/or their renounee(s) will have the opportunity to subscribe for the Rights Shares at the same price.

Premised on the above, we are of the view that the basis and justification for the Issue Price are justifiable.

5.3 Effects of the Proposals

On a standalone basis, the Proposed Exemption will have no effects on SymLife's issued share capital, NA, NA per Share, gearing, earnings and EPS of the Group and substantial shareholders' shareholdings of the Company.

The Proposed Exemption is essential to give certainty to achieve the Minimum Subscription Level for the Proposed Rights Issue, which in turn will affect SymLife's issued share capital, substantial shareholders' shareholdings, NA, NA per Share, gearing, earnings and EPS of the Group. As the Proposed Rights Issue is inter-conditional with the Proposed Exemption, we have also considered the effects of the Proposed Rights Issue in our comments below.

5.3.1 Issued share capital

The increase in the issued share capital of SymLife upon completion of the Proposed Rights Issue is set out as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares '000	RM'000	No. of Shares '000	RM'000
Issued share capital as at the LPD*	309,562	309,639	309,562	309,639
Enlarged issued share capital after the Proposed Rights Issue*	480,990	369,639	833,939	573,727

Note:

* Excluding 438,329 treasury shares.

5.3.2 NA, NA per Share and gearing

We note from Section 6.2 of Part A of the Circular that the Proposed Rights Issue is expected to increase the Group's NA and reduce its gearing as follows:

	Audited as at 31 March 2018 RM'000	Minimum Scenario RM'000	Maximum Scenario RM'000
Shareholders' equity/NA	634,258	693,008	897,096
Group NA per Share (RM)	2.25	1.53	1.11
Borrowings	458,872	430,572	408,872
Gearing (times)	0.72	0.62	0.46

The above dilution in the Group's NA per Share is mainly due to the issuance of the Rights Shares at the Issue Price. Based on the Issue Price, the Proposed Rights Issue is expected to raise gross proceeds of approximately RM60.00 million and RM145.94 million under the Minimum Scenario and Maximum Scenario respectively. The improvement in gearing is mainly due to part repayment of bank borrowings amounting to approximately RM28.30 million and RM50.00 million under the Minimum Scenario and Maximum Scenario respectively.

5.3.3 Earnings and EPS

The Proposed Rights Issue is expected to contribute positively to the Group's earnings by:

- (i) reducing the indebtedness of the Group and thereby reduce interest expenses of up to RM2.72 million per annum as detailed in the Section 3 note (ii) of Part A of the Circular; and
- (ii) fund the development cost of the Projects, and therefore is expected to facilitate recognition of unbilled sales as well as any future sales under the Projects.

As a result of the increase in the number of SymLife Shares in issue upon completion of the Proposed Rights Issue, there will be a dilution in the EPS of the Group.

For illustration purposes, assuming the Proposed Rights Issue has been completed at the beginning of the financial year, the pro forma effects of the Proposed Rights Issue on the consolidated earnings and EPS of the Group for the FYE 31 March 2018 are as follows:

	Audited FYE 31 March 2018	Minimum Scenario	Maximum Scenario
	RM'000	RM'000	RM'000
Profit attributable to equity holders of the Company	33,157	33,157	33,157
Interest savings ⁽¹⁾	-	1,093	2,064
	33,157	34,250	35,221
No. of SymLife Shares ('000)	281,999 ⁽²⁾	453,428 ⁽³⁾	806,377 ⁽³⁾
EPS (sen)	11.76	7.55	4.37

Notes:

- (1) *Interest savings arising from the part repayment of bank borrowings, net of taxation, from the Proposed Rights Issue proceeds.*
- (2) *Based on the number of ordinary shares excluding treasury shares and shares held by the ESTS Trust.*
- (3) *Based on the enlarged issued shares excluding treasury shares and shares held by the ESTS Trust after the Proposed Rights Issue.*

The above illustration has not taken into account the unbilled sales of RM434.0 million as well as any future sales from the Projects that will be recognised progressively over the duration of the Projects based on the percentage of completion, which in turn would result in an increase in the Group's earnings.

5.3.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Rights Issue on the substantial shareholders' shareholdings are set out in Section 6.4 of Part A of the Circular.

Under the Minimum Scenario, the collective shareholdings of TSMAY and his PAC in SymLife will increase from 22.26% to 49.96% of the enlarged issued share capital upon completion of the Proposed Rights Issue. Under such scenario, if you decide not to subscribe for your entitlements pursuant to the Proposed Rights Issue, your percentage shareholdings would be diluted accordingly. Your collective shareholdings could potentially decrease from 77.74% to 50.04% of the enlarged issued share capital upon completion of the Proposed Rights Issue.

In addition, assuming only TSMAY and his PAC exercise all their outstanding Warrants B prior to the Entitlement Date and the Proposed Rights Issue is undertaken on a Minimum Subscription Level basis, the collective shareholdings of TSMAY and his PAC in SymLife will increase from 22.26% to 52.88% of the enlarged issued share capital upon completion of the Proposed Rights Issue.

Under the Maximum Scenario, the collective shareholdings of TSMAY and his PAC in SymLife will increase from 22.26% to 23.62% of the enlarged issued share capital upon completion of the Proposed Rights Issue due to assumed exercise of their holdings in Warrants B. Your collective shareholdings could potentially decrease from 77.74% to 76.38% of the enlarged issued share capital upon completion of the Proposed Rights Issue under such scenario.

Nonetheless, you should take note that should you choose not to subscribe for the Rights Shares, your existing percentage shareholdings would be diluted accordingly.

Notwithstanding the dilution in the Group's NA per Share and EPS as set out above, it is pertinent to note that the entitlements for the Proposed Rights Issue are allotted on a proportionate basis to the respective shareholdings of the Entitled Shareholders on the Entitlement Date.

Premised on the above, we are of the view that the effects of the Proposals are not detrimental to your interest in SymLife.

5.4 Industry Outlook and Future Prospects of the Group

We note the industry overview and prospects as set out in Section 5 of Part A of the Circular.

The key highlight for the 1Q 2018 was the rapid expansion in the global economy and high volatility in financial markets as well as the robust export growth supported by broad-based improvements in global demand that has contributed to the Malaysian economy which recorded a robust growth of 5.4% (4Q 2017: 5.9%). Domestic demand recorded a moderate growth of 4.1% due to lower growth of 5.2% in private sector expenditure and a marginal decline of -0.1% in public sector spending.

Private consumption registered a sustained growth of 6.9% supported by continued strength in wage and employment growth. Growth of private investment moderated to 0.5%. Private investment was weighed down by lower capital spending in structures, particularly in residential and commercial properties, and machinery and equipment during the quarter. On a sectoral basis, private investment was supported mainly by the services sector, particularly the education and healthcare sub-sectors.

In the housing market, both total housing transaction volume and value increased by 1.6% and 9.7%, respectively in 4Q 2017. The improvement was driven largely by transactions of houses priced between RM500,000 and RM1 million. House prices (as measured by the Malaysian House Price Index) grew by 6.5% in 3Q 2017. A similar upward trend was observed across almost all house types and states.

On the demand-side, banks continued to extend loans for the purchase of residential property to eligible borrowers, including to first-time house buyers. Outstanding loans extended by banks for house financing were sustained at 8.9% on an annual basis in 1Q 2018. Loan approval rates for houses priced below RM500,000 stood at 71.5%, with most major states recording housing loans approval rates above 70%.

(Source: Quarterly Bulletin: Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2018, Bank Negara Malaysia)

We note that for the FYE 31 March 2018, the Group reported a decrease in revenue by more than 47% to RM123.0 million from RM232.7 million in the FYE 31 March 2017. However, the Group recorded a higher PATAMI of RM33.2 million in the FYE 31 March 2018, an increase by more than 4% from RM31.8 million in the FYE 31 March 2017. This increase was mainly due to higher contribution from Star Residences, a joint venture project that contributed an increase in profit after tax of RM50.6 million in the FYE 31 March 2018 as compared to RM20.9 million in the FYE 31 March 2017.

Most of the projects in Klang Valley remain the biggest contributor to the Group's revenue in the FYE 31 March 2018, namely Elevelia, Star Residences and the Projects. Project 1 had contributed a revenue of RM15.9 million with most of its smaller fully-furnished units taken up from its previous units released for sale, whilst Project 2 was the highest contributor to revenue with RM37.4 million in the FYE 31 March 2018 with a take-up rate of more than 98%. In addition, the first two towers of the RM3.0 billion Star Residences project were almost sold out, whilst the Signature Retail commercial component is more than 80% sold. Currently, the Group is aggressively promoting the last tower of the Star Residences project in the overseas market, especially in China, Hong Kong and Taiwan.

Further, the Group has also obtained the Development Order for the *Majlis Kebajikan dan Sukan Anggota-Anggota Kerajaan Malaysia* (“**MAKSAK**”) Headquarters building in Putrajaya and has since commenced construction. The construction of this building is expected to be completed by the middle of 2019, after which the Group will be allowed to redevelop MAKSAK’s strategically located land measuring 3 acres along Jalan Cheras, Kuala Lumpur.

As such, the Group will be planning to launch more offerings in strategic locations where their current landbanks are, namely the MAKSAK land along Jalan Cheras in Kuala Lumpur, the second phase of TWY in Mont Kiara and next to Kwasa Land in Subang. These products are expected to generate good sales and revenue for the Group for the next 3-5 years.

(Source: SymLife’s Annual Report 2018)

In view of the positive take-up rates for the Group’s current projects and the Group’s commitment to improving its sales through launching of projects in strategic locations, we are of the view that the prospects of the Group are expected to be positive.

5.5 Implications of the Proposed Exemption

You should note that the SC will only consider the application for the Proposed Exemption if TSMAY and his PAC have satisfied amongst others, the following conditions pursuant to Paragraph 4.08(2) of the Rules:

- (i) there has been no acquisition of shares or instruments convertible into shares and options in respect of shares by TSMAY and his PAC during the 6-month period prior to 9 April 2018, being the date of the Announcement (“**Disqualifying Transaction**”) but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors of the Company in relation to the Proposed Rights Issue until completion of the subscription; and
- (ii) approval has been obtained from independent holders of voting shares or voting rights of SymLife at a meeting of the holders of the relevant class of voting shares or voting rights to waive their rights to receive the Mandatory Offer from TSMAY and his PAC. The voting at the meeting shall be conducted by way of a poll.

Any exemption granted will be invalidated if TSMAY and his PAC have engaged or engages in a Disqualifying Transaction.

The implications of your voting outcome on the ordinary resolution to give effect to the Proposed Exemption to be tabled at the forthcoming EGM are set out in the ensuing sections.

5.5.1 If you VOTE IN FAVOUR of the Proposed Exemption

Should you vote in favour of the Proposed Exemption and the Proposals are approved at the forthcoming EGM, the SC would be able to consider the application for the Proposed Exemption. The approval from the SC for the Proposed Exemption would then exempt TSMAY and his PAC from the obligation to undertake the Mandatory Offer upon completion of the Proposed Rights Issue.

Based on the Minimum Subscription Level, the maximum potential shareholdings of TSMAY and his PAC in SymLife are as follows:

Minimum Scenario A : Assuming the Proposed Rights Issue is undertaken on a Minimum Subscription Level basis and no Warrants B is exercised prior to the Entitlement Date

Minimum Scenario B : Assuming only TSMAY and his PAC exercise their Warrants B prior to the Entitlement Date and the Proposed Rights Issue is undertaken on a Minimum Subscription Level basis

Maximum potential holdings of TSMAY and his PAC

	As at the LPD		Minimum Scenario A		Minimum Scenario B							
	Direct	Indirect	Direct	Indirect	Direct	Indirect						
	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%						
TSMAY	8,715	2.82	60,165	19.44	119,979	24.94	120,330	25.02	137,157	26.86	132,871	26.02
GCSB	60,165	19.44	-	-	120,330	25.02	-	-	132,871	26.02	-	-
Total	68,880	22.26	60,165	19.44	240,309	49.96	120,330	25.02	270,028	52.88	132,871	26.02

Pursuant to Paragraph 4.01(a) of the Rules, a mandatory offer shall apply where the acquirer has obtained an acquisition of more than 33% of the voting shares or voting rights of the company. TSMAY and his PAC may therefore trigger such mandatory offer obligation.

As illustrated above, TSMAY and his PAC are the Company's major shareholders collectively holding 22.26% of the total number of the Company's issued shares prior to the Proposed Rights Issue. After completion of the Proposed Rights Issue, their aggregate equity interests may increase from 22.26% to 49.96% after the issuance of the Rights Shares under the Minimum Scenario A.

In addition, assuming only TSMAY and his PAC exercise all their outstanding Warrants B prior to the Entitlement Date and the Proposed Rights Issue is undertaken on a Minimum Subscription Level basis, the collective shareholdings of TSMAY and his PAC in SymLife will increase from 22.26% to 52.88% of the enlarged issued share capital upon completion of the Proposed Rights Issue under the Minimum Scenario B.

The shareholding limit to be established for the exemption sought by TSMAY and his PAC from the obligation to undertake the Mandatory Offer will be based on the actual number and percentage of voting rights that TSMAY and his PAC will hold individually and/or collectively upon completion of the Proposed Rights Issue ("**Shareholding Limit**"). If TSMAY and his PAC cross the Shareholding Limit, they would be obliged to observe the requirement of the Rules.

Your approval of the Proposed Exemption will imply that you have agreed to waive your rights by exempting TSMAY and his PAC from the obligation to undertake the Mandatory Offer (which shall not be lower than the highest price paid by TSMAY and his PAC for SymLife Shares in the past 6-month period before the incurrence of such obligation to undertake the Mandatory Offer).

Voting in favour of the Proposed Exemption does not in any way impede your rights to participate in the Proposed Rights Issue. However, should you decide not to subscribe for your entitlement under the Proposed Rights Issue, your percentage shareholdings in SymLife will be diluted accordingly.

Should TSMAY and his PAC cross the Shareholding Limit, TSMAY and his PAC would be obliged to observe the requirement of the Rules. This means that unless otherwise exempted (up to the Shareholding Limit), in the event after the completion of the Proposals:

- (i) the individual shareholding of TSMAY and his PAC ("**PAC Group**") in the Company is below 33%, an obligation to undertake a mandatory offer would be triggered if any member of the PAC Group increases his/its shareholding in the Company to above 33% ("**33% Threshold**");
- (ii) the collective shareholding of the PAC Group is below 33%, the PAC Group is subject to the 33% Threshold;
- (iii) the collective shareholding of the PAC Group is more than 33% but less than 50%, an obligation to undertake a mandatory offer would be triggered if the shareholding of the PAC Group, both individually and collectively, increases by more than 2% in any 6-month period; and
- (iv) the collective shareholding of the PAC Group is more than 50%, any further increase in their collective shareholding would not trigger an obligation to undertake a mandatory offer provided that the PAC Group do not trigger such mandatory offer obligation on an individual basis (i.e. individually breaching the 33% Threshold).

The Issue Price represents discounts ranging between 24.06% and 38.48% to the TERP based on the closing market price as well as the 5-day, 1-month, 3-month, 6-month and 1-year VAMPs of SymLife Shares up to and including the LPD. It also represents a discount of 77.12% and 68.47% to the pro forma consolidated NA per Share of RM1.53 and RM1.11 as at 31 March 2018 under the Minimum Scenario and Maximum Scenario respectively. This would mean that TSMAY and his PAC may obtain control over the Company at a discount.

In view of the conditionality of the Proposals as set out in Section 9 of Part A of the Circular, without the Proposed Exemption, the Proposed Rights Issue will not be implemented. Therefore, voting in favour of the Proposed Exemption will enable the Company to potentially benefit from the Proposed Rights Issue (if the Proposed Rights Issue is approved by you as TSMAY and his PAC will need to abstain from voting on the resolutions of the Proposals).

5.5.2 If you VOTE AGAINST the Proposed Exemption

In the event that you vote against the Proposed Exemption and the Proposed Exemption is not approved at the forthcoming EGM, the SC would not be able to consider the application by TSMAY and his PAC for the Proposed Exemption.

The Proposed Rights Issue will not be implemented due to the inter-conditionality with the Proposed Exemption. Consequently, SymLife would not be able to raise funds from the Proposed Rights Issue and also would not be able to realise the potential benefits arising therefrom. Hence, the Board may have to deliberate on other possible alternatives including new borrowings to raise funds for its property development projects and to meet the debt service obligations obtain from any new borrowings.

6. DECLARATIONS AND CONFIRMATIONS

Pursuant to Schedule 2: Part II of the Rules, the following declarations have been made in respect of the Proposed Exemption as at LPD:

6.1 Declarations by TSMAY and his PAC

- (i) TSMAY has no intention to effect any major changes to:
 - (a) the continuation of the business of the Group;
 - (b) the business of the Group, including plans to liquidate any of the companies within the Group, dispose of or re-deploy any fixed assets of the Group or make any major changes to the corporate structure of the Group; and
 - (c) the continued employment of the employees of the Group or its employment policies,

except where such changes are considered by the Group to be necessary to improve, amongst others, its business, profitability, operation and/or market position and in the best interest of the Group;
- (ii) TSMAY's commercial justification for the Proposed Exemption is to ensure a smooth implementation of the Proposed Rights Issue to facilitate the Group to raise the necessary funds without TSMAY and his PAC having to undertake the Mandatory Offer;
- (iii) save for the Total Undertakings, there is no agreement, arrangement or understanding that exists between TSMAY or his PAC and any of the Directors or recent Directors of SymLife, existing or recent holders of voting shares or voting rights of SymLife having any connection with or dependence upon the Proposals;
- (iv) save for the Total Undertakings, TSMAY and his PAC do not have any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature with any person relating to SymLife Shares which may be an inducement to deal or refrain from dealing;
- (v) within the knowledge of TSMAY and his PAC, as at the LPD, there has not been any material changes in the financial position or prospects of the Group since 31 March 2018, being the latest audited consolidated financial statements of the Group;
- (vi) TSMAY and his PAC have not borrowed or lent any SymLife Shares; and
- (vii) TSMAY and his PAC have not dealt in SymLife Shares during the 6-month period prior to 9 April 2018, being the date of the Announcement up to the LPD.

Premised on the above, having considered the above confirmations and barring unforeseen circumstances, we note that there will not be any major disruption to the operations of the business of the Group. Further, the above confirmations and the Total Undertakings by the major shareholders of the Group, namely TSMAY and his PAC reflect their continued commitment and confidence in the prospects of the Group.

6.2 Declaration by the Directors

- (i) The Directors of SymLife (save for TSMAY who has and will continue to abstain from voting on the Proposed Rights Issue and Proposed Exemption) have confirmed that they will **vote in favour** of the Proposed Exemption in respect of their beneficial holdings in SymLife, if any, at the forthcoming EGM. Save for Chin Jit Pyng and Dato' Robert Teo Keng Tuan whose interests are as disclosed in Section 4 of Attachment I, none of the Directors have any direct or indirect holdings of SymLife Shares or Warrants B as at the LPD.
- (ii) Save as disclosed below, none of the Directors or proposed Directors of SymLife has any existing service contracts with the Company or any of its subsidiaries, which has been entered into or amended within 6 months prior to 9 April 2018, being the date of the Announcement or which are fixed term contracts with more than 12 months to run:
 - (a) SymLife had, on 28 March 2016, entered into a service agreement with TSMAY to appoint TSMAY as its Executive Chairman for a duration of 3 years.
- (iii) Save for the Total Undertakings, there is no agreement, arrangement or understanding that exists between TSMAY and his PAC and any of the Directors or recent Directors of SymLife, existing or recent holders of voting shares or voting rights of the Group having any connection with or dependence upon the Proposals.
- (iv) There are no payments or benefits which will be made or given to any Director of SymLife as compensation for loss of office or otherwise in connection with the Proposals.
- (v) There is no agreement or arrangement between any Director of SymLife and any other person which is conditional on or dependent upon the outcome of the Proposals.
- (vi) None of the Directors of SymLife has any personal interest in any material contract entered into by TSMAY or his PAC.

7. RESPONSIBILITY STATEMENT

The Board has seen, reviewed and accepted this IAL. The Board, collectively and individually, accepts full responsibility for the accuracy of the information contained in this IAL (save for the assessment, evaluation and opinion of Mercury Securities) and confirms, after having made all reasonable enquiries, that to the best of their knowledge, there are no other facts not contained in this IAL, the omission of which would make any information in this IAL misleading.

The responsibility of the Board in respect of:

- (i) the information relating to TSMAY and his PAC (as provided by TSMAY and his PAC) is limited to ensuring that such information is accurately reproduced in this IAL; and
- (ii) the independent advice and expression of opinion by Mercury Securities in relation to the Proposed Exemption is limited to ensuring that accurate information in relation to the SymLife Group was provided to Mercury Securities for its evaluation of the Proposed Exemption and to ensure that all information in relation to the SymLife Group that are relevant to Mercury Securities' evaluation of the Proposed Exemption has been completely disclosed to Mercury Securities and that there is no material fact, the omission of which would make any information provided to Mercury Securities false or misleading.

8. FURTHER INFORMATION

We advise you to refer to Part A of the Circular as well as the attached appendices for further information.

9. CONCLUSION AND RECOMMENDATION

You should carefully consider the merits and demerits of the Proposed Exemption based on all relevant and pertinent factors including those set out in this IAL as well as those highlighted by the Board in its letter to shareholders of SymLife in relation to the Proposals as set out in Part A of the Circular before voting on the ordinary resolution in respect of the Proposed Exemption at the forthcoming EGM.

We have assessed and evaluated the Proposed Exemption holistically, taking into consideration the various factors set out in Section 5 of this IAL. In arriving at our conclusion and recommendation on the Proposed Exemption, we have taken into consideration various factors discussed in this IAL of which the advantages and disadvantages of the Proposed Exemption, if granted, are summarised as below:

Potential Advantages	
(i)	<p>The Proposed Rights Issue will enable SymLife to raise funds <i>via</i> equity capital to</p> <ul style="list-style-type: none">• repay some of its existing bank borrowings which will result in interest savings for the Group; and• finance SymLife's property development cost without increasing its gearing level and incurring additional interest expenses. <p>As such, the utilisation of the proceeds from the Proposed Rights Issue will allow the Group to expedite the Projects' construction progress in order to hand over vacant possession to the buyers in accordance with contracted delivery schedule(s) which will mitigate any potential claim for liquidated damages due to late delivery of the Projects. At the same time, the Group will be able to recognise unbilled sales of up to RM434.0 million as at the LPD as well as any future sales based on the percentage of completion of the Projects. Thus, the Proposed Rights Issue is expected to contribute positively to the Group's earnings and all Entitled Shareholders will have an opportunity to further participate in the prospects and future growth of the Group <i>via</i> their respective entitlements to the Rights Shares as well as any potential dividend payments.</p>
(ii)	<p>Upon completion of the Proposed Rights Issue, the Group will have a stronger balance sheet with a larger NA base, and therefore strengthen the Group's financial position.</p>
(iii)	<p>The Proposed Exemption will allow the Group to raise capital <i>via</i> the Proposed Rights Issue without further burdening its debt servicing obligations arising from any new borrowings or debt funding. However, the WACC of the Group will increase from 5.24% to 5.95% upon completion of the Proposed Rights Issue as compared to Debt Funding Scenario, the WACC of the Group will decrease from 5.24% to 5.11%. Nevertheless, this will be outweighed by the benefits of equity financing, whereby the Proposed Rights Issue will strengthen the Group's capital base, reduce its gearing from 0.72 times to 0.46 times, which is expected to improve the credit rating and debt capacity of the Group, as well as to provide the Group with increased financial flexibility in the event the Group intends to source for additional funds and/or gear up in the future.</p>
(iv)	<p>TSMAY and his PAC are currently the largest shareholder group of SymLife with an equity interest of 22.26%. The support from TSMAY and his PAC <i>via</i> the Entitlement Undertakings and Additional Undertaking demonstrate their continued interest and commitment in SymLife. Further, such support provides certainty to SymLife in raising the necessary funding <i>via</i> the Proposed Rights Issue. Due to the inter-conditionality of the Proposals, the Proposed Exemption will enable the implementation of the Proposed Rights Issue.</p>

Potential Disadvantages

- (i) Should you decide not to subscribe for your entitlements pursuant to the Proposed Rights Issue, your percentage shareholdings will be diluted accordingly. Depending on the eventual subscription rate of the Rights Shares by you, the collective shareholdings of TSMAY and his PAC in SymLife could potentially increase from 22.26% to 49.96% and conversely, your collective shareholdings will be diluted from 77.74% to 50.04%. You should note that these maximum potential holdings of TSMAY and his PAC as indicated above are purely illustrative and may not materialise.
- (ii) The issuance of additional SymLife Shares pursuant to the Proposed Rights Issue is expected to result in a dilution to the Group's audited NA per Share as at 31 March 2018 from RM2.25 to RM1.53 and RM1.11 per Share under the Minimum Scenario and Maximum Scenario respectively.
- (iii) The Proposed Exemption could potentially allow TSMAY and his PAC to obtain control in SymLife without a control premium being paid to you as the Issue Price will be issued at a discount of between 24.06% and 38.48% to the TERP based on the closing market price as well as the 5-day, 1-month, 3-month, 6-month and 12-month VAMP of SymLife Shares up to the LPD.

Premised on the factors discussed above and our evaluation of the Proposed Exemption based on the information made available to us, we are of the view that the Proposed Exemption is **fair and reasonable**.

Accordingly, we recommend you **VOTE IN FAVOUR** of the ordinary resolution pertaining to the Proposed Exemption to be tabled at the forthcoming EGM.

However, you should take note that should you decide not to subscribe for the Rights Shares, your percentage shareholdings in the Company will be diluted accordingly. The substantial dilutive effect on your collective shareholdings from 77.74% to 50.04% as stated above would cause a transfer of value in the form of Rights Shares as follows:

- (i) discount of 24.89% to the TERP based on the 5-day VAMP up to the LPD; and
- (ii) discount of 77.12% and 68.47% to the pro forma consolidated NA per Share of RM1.53 and RM1.11 as at 31 March 2018 under the Minimum Scenario and Maximum Scenario respectively,

from the non-participating shareholders to the participating shareholders. This is detrimental to the interest of shareholders who do not subscribe for the Rights Shares. Entitled Shareholders who do not take up the Rights Shares will have the opportunity to sell the rights entitlements in the market. However, there is no assurance that the market price of the rights entitlements may trade at least at the intrinsic value of the Rights Shares.

We have not taken into consideration any specific investment objectives, financial situations, risk profile or particular need required by you. We recommend that if you require an advice in relation to the Proposed Exemption in the context of your investment objectives, financial situations, risk profile or particular needs, consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

YOU ARE ADVISED TO READ BOTH THIS IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES AND CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED EXEMPTION TO BE TABLED AT THE FORTHCOMING EGM.

Yours faithfully,
for and on behalf
MERCURY SECURITIES SDN BHD

CHEW SING GUAN
Managing Director

WINNIE LAU
Director, Corporate Finance

1. HISTORY AND PRINCIPAL ACTIVITIES

SymLife (formerly known as Bolton Berhad) is one of the oldest and most established property developers in Malaysia and was incorporated in Malaysia under the Act on 15 July 1964.

SymLife and its subsidiaries are principally involved in the business of property development and investment, quarrying and construction, property management and investment holdings.

2. SHARE CAPITAL

2.1 Issued share capital

The issued share capital of SymLife as at the LPD (including 438,329 treasury shares) are as follows:

	No. of Shares	RM
Issued share capital	310,000,000	310,000,000

As at the LPD, there is only 1 class of shares in SymLife i.e. the SymLife Shares. All the SymLife Shares rank *pari passu* in terms of voting rights and entitlements to any dividends, rights, allotments and/or distributions which may be declared, made or paid to shareholders.

2.2 Changes in issued share capital

There are no changes in the issued share capital of SymLife since the end of last financial year up to the LPD.

2.3 Convertible Securities

As at the LPD, save for the 107,407,888 outstanding Warrants B, SymLife does not have any other convertible securities.

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the shareholders of SymLife holding 5% or more of the total number of SymLife Shares and their respective shareholdings in SymLife based on the register of substantial shareholders of SymLife are as follows:

	Direct		Indirect	
	No. of Shares '000	%	No. of Shares '000	%
TSMAY	8,715	2.82	⁽ⁱⁱⁱ⁾ 60,165	19.44
GCSB	60,165	19.44	-	-
RHB Trustees Berhad ⁽ⁱ⁾	27,562	8.90	-	-
Lembaga Tabung Haji	22,609	7.30	-	-
Chin Jit Pyng	12,570	4.06	⁽ⁱⁱⁱ⁾ 8,820	2.85

Notes:

(i) Shares held by the appointed trustee for the purpose of administering the ESTS Trust.

(ii) Deemed interested by virtue of his interest in GCSB pursuant to Section 8 of the Act.

(iii) Deemed interested by virtue of his interest in Billion Inspiration Sdn Bhd pursuant to Section 8 of the Act.

ATTACHMENT I – INFORMATION ON SYMLIFE (Cont'd)

4. DIRECTORS

As at the LPD, the Directors of SymLife (all Malaysians) and their shareholdings in SymLife are as follows:

Name / Designation	Address	Direct		Indirect		Direct		Indirect	
		No. of Shares '000	%	No. of Shares '000	%	No. of Warrants B '000	%	No. of Warrants B '000	%
Tan Sri Mohamed Azman bin Yahya (Non-Independent Executive Chairman)	No. 1, Jalan Setiabakti 2 Damansara Heights 50490 Kuala Lumpur	8,715	2.82	60,165	19.44	17,179	15.99	12,541	11.68
Chin Jit Pyng (Non-Independent Non-Executive Director)	No. 42 Jalan Polo 10/3 Selangor Polo & Country Club Kota Damansara 47810 Petaling Jaya	12,570	4.06	8,820	2.85	2,219	2.07	600	0.56
Dato' Robert Teo Keng Tuan (Independent Non-Executive Director)	Selangor Darul Ehsan No. 80, Lorong Buluh Perindu 2, Taman SA Damansara Heights 59000 Kuala Lumpur	-	-	11	*	-	-	3	*
Dato' Jasmy bin Ismail (Independent Non-Executive Director)	No. 22, Jalan 16/6 46350 Petaling Jaya Selangor Darul Ehsan	-	-	-	-	-	-	-	-
Phang Tuck Keong (Independent Non-Executive Director)	33, Jalan Keruing Bukit Bandaraya 59100 Kuala Lumpur	-	-	-	-	-	-	-	-
Puan Sri Datuk Rohani Parkash binti Abdullah (Independent Non-Executive Director)	No. 55, Jalan SS21/36 Damansara Utama 474000 Petaling Jaya Selangor Darul Ehsan	-	-	-	-	-	-	-	-

Note:

* Less than 0.01%.

5. SUBSIDIARIES AND ASSOCIATED COMPANY

The details of the subsidiaries and associated companies of SymLife as at the LPD are as follows:

Name of company	Country of incorporation	Principal activities	Effective equity interest (%)
Held directly			
Symphony Management Services Sdn Bhd (previously known as Goldenprop Management Sdn Bhd)	Malaysia	Management services	100
Kenneison Brothers Sdn Bhd	Malaysia	Investment holding	100
Langkawi Fair Sdn Bhd	Malaysia	Rental of property	100
Midah Jaya Realty Sdn Bhd	Malaysia	Property investment	100
Noble Senawang Sdn Bhd	Malaysia	Shares trading	100
Prima Istimewa Sdn Bhd	Malaysia	Investment holding	100
Primtrax Sdn Bhd	Malaysia	Investment holding	100
Symphony Estates Sdn Bhd	Malaysia	Investment holding	100
Tijani (Bukit Tunku) Sdn Bhd	Malaysia	Property development	100
Alpine Return Sdn Bhd	Malaysia	Property development	50
Alpine Land Sdn Bhd	Malaysia	Property development	50
PJS Damansara Sdn Bhd (previously known as Jakel Land Sdn Bhd)	Malaysia	Property development	33
Marak Unggul Sdn Bhd	Malaysia	Dormant	20
Held through Symphony Estates Sdn Bhd			
Brilliant Armada Sdn Bhd	Malaysia	Property development	51
Cahadinar Sdn Bhd	Malaysia	Investment holding	100
Dexview Sdn Bhd	Malaysia	Property development	50+1 share
Gaya Arena Sdn Bhd	Malaysia	Property trading and property development	100
GLM Property Development Sdn Bhd	Malaysia	Property development	100
Keat Ann Realty Sdn Bhd	Malaysia	Property development	100
Kejora Harta Development Sdn Bhd	Malaysia	Property development	100
Kejora Harta Properties Sdn Bhd	Malaysia	Property development	100
Ketapang Realty Sdn Bhd	Malaysia	Property development	100
Majestic Focus Sdn Bhd	Malaysia	Investment holding	100
Midah Istimewa Sdn Bhd	Malaysia	Property development	100
Midahmas Realty Sdn Bhd	Malaysia	Property investment	100
Parkrose Holdings Sdn Bhd	Malaysia	Property development and property investment	100
Prestige Capital Sdn Bhd	Malaysia	Property investment	100
Prima Panorama (M) Sdn Bhd	Malaysia	Property development	100
Senawang Mewah Sdn Bhd	Malaysia	Property development	100

ATTACHMENT I – INFORMATION ON SYMLIFE (Cont'd)

Name of company	Country of incorporation	Principal activities	Effective equity interest (%)
Symphony Union Suites Sdn Bhd	Malaysia	Property development	100
Symphony Assets Management Sdn Bhd	Malaysia	Property management services	100
Symphony Projects Management Sdn Bhd	Malaysia	Project management services	100
Symphony Sales & Marketing Sdn Bhd	Malaysia	Marketing services	100
TWY Development Sdn Bhd	Malaysia	Property development	100
Vistayu Sdn Bhd	Malaysia	Property investment and property development	75
Vital Capacity Sdn Bhd	Malaysia	Property development	51
Winmin Builders Sdn Bhd	Malaysia	Property development	100
51G Development Sdn Bhd	Malaysia	Property development	50+1 share
Held through Cahadinar Sdn Bhd			
Kejora Harta Bhd	Malaysia	Property development and investment holding	100
Held through Langkawi Fair Sdn Bhd			
Vista Wirama Sdn Bhd	Malaysia	Dormant	100
Held through Majestic Focus Sdn Bhd			
Prima Nova Harta Development Sdn Bhd	Malaysia	Property development	100
Held through Prima Istimewa Sdn Bhd			
Skyline Concepts Sdn Bhd	Malaysia	Ceased operations	100
Held through Primtrax Sdn Bhd			
Pele Development Limited	Myanmar	Dormant	100
Pele Investment Holdings Limited	Myanmar	Dormant	100
Held through Kenneison Brothers Sdn Bhd			
Innovative Pavement Technology Sdn Bhd	Malaysia	Ceased operations	100
Kenneison Brothers Construction Sdn Bhd	Malaysia	Civil engineering and construction works	100
Kenneison Quarries Sdn Bhd	Malaysia	Ceased operations	100
Power Gas Systems Sdn Bhd	Malaysia	Ceased operations	98.2
Held through Kenneison Brothers Construction Sdn Bhd			
Kenneison Engineering Sdn Bhd	Malaysia	Construction works	100
Held through Power Gas Systems Sdn Bhd			
LPG System Sdn Bhd	Malaysia	Ceased operations	98.2

6. PROFIT AND DIVIDEND RECORD

A summary of the Group's results based on the audited consolidated financial statements of SymLife for the FYE 31 March 2016 to FYE 31 March 2018 are as follows:

	Audited		
	FYE 31 March 2016 RM'000	FYE 31 March 2017 RM'000	FYE 31 March 2018 RM'000
Revenue	144,279	232,690	122,956
PBT	17,581	33,911	37,969
Profit attributable to equity holders of the Company	13,194	31,822	33,154
Net dividend	5,640	9,288	-
Basic EPS (sen)	4.68	11.28	11.76
Dividend per share (sen)	2.00	3.00	-

There is no contingent or other liability that has become enforceable or is likely to become enforceable which will or may affect the ability of the Group to meet their obligations as and when they fall due. In addition, there is no item, transaction or event of a material and unusual nature that has arisen in the interval of the audited consolidated financial statements of SymLife for the past 3 financial years up to the FYE 31 March 2018.

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7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of SymLife based on its audited consolidated financial statements for the FYE 31 March 2016 to FYE 31 March 2018 are as follows:

	Audited As at 31 March		
	2016 RM'000	2017 RM'000	2018 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	79,684	96,595	15,456
Land held for property development	213,079	221,775	226,215
Investment properties	41,100	40,215	166,967
Land use rights	28	18	18
Goodwill	10,327	10,327	10,327
Investment in jointly controlled entities	20,855	46,715	117,325
Investment securities	12,897	10,504	8,753
Other receivables	18,519	-	-
Deferred tax assets	9,960	12,509	11,342
	406,449	438,658	556,403
Current assets			
Property development costs	367,788	342,699	409,768
Inventories	34,351	82,211	103,251
Investment securities	190	188	170
Trade and other receivables	154,871	209,957	112,897
Other current assets	54,557	58,436	78,628
Tax recoverable	15,269	16,170	15,673
Cash and bank balances	101,880	44,746	37,049
	728,906	754,407	757,436
TOTAL ASSETS	1,135,355	1,193,065	1,313,839
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	310,000	310,000	310,000
Treasury shares	(337)	(351)	(361)
Capital reserve	30,815	30,815	30,815
Other reserves	(29,913)	(30,414)	(30,414)
Retained profits	298,785	324,967	349,662
Shares held by ESTS Trust	(25,444)	(25,444)	(25,444)
Shareholders' equity	583,906	609,573	634,258
Non-controlling interests	(673)	(1,673)	(2,783)
Total equity	583,233	607,900	631,475

ATTACHMENT I – INFORMATION ON SYMLIFE (Cont'd)

	Audited As at 31 March		
	2016 RM'000	2017 RM'000	2018 RM'000
Non-current liabilities			
Borrowings	288,940	246,285	357,627
Deferred income	45,609	41,792	35,618
	334,549	288,077	393,245
Current liabilities			
Trade and other payables	130,766	159,187	180,696
Other current liabilities	14,720	-	408
Borrowings	65,685	132,189	101,245
Current tax payable	6,402	5,712	6,770
	217,573	297,088	289,119
Total liabilities	552,122	585,165	682,364
TOTAL EQUITY AND LIABILITIES	1,135,355	1,193,065	1,313,839

As at the LPD, there is no known material change in the financial position or prospects of SymLife subsequent to the latest audited consolidated financial statements for the FYE 31 March 2018.

Within the knowledge of TSMAY, there has been no material change in the financial position or prospects of SymLife since 31 March 2018, being the date of the last audited consolidated financial statements of SymLife laid before SymLife's shareholders.

8. BORROWINGS

As at the LPD, SymLife has total outstanding borrowings of approximately RM507.01 million, as follows:

	RM'000
Bank overdrafts	3,997
Revolving credits	160,300
Term loans	342,717
Total Borrowings	507,014

9. CONTINGENT LIABILITIES

The details on contingent liabilities of the SymLife Group are as set out in Section 5 of Appendix II of the Circular.

10. MATERIAL LITIGATION

The details on material litigation relating to the SymLife Group are as set out in Section 3 of Appendix II of the Circular.

11. MATERIAL CONTRACTS

SymLife has not entered into any material contracts (not being contract entered into in the ordinary course of business) within the 2 years prior to 6 April 2018, being the LTD prior to the Announcement up to the LPD.

12. ACCOUNTING POLICIES

The audited consolidated financial statements of SymLife for the 31 March 2016, 31 March 2017 and 31 March 2018 have been prepared in accordance with approved Malaysian accounting standards and there was no audit qualification for SymLife’s financial statements for the respective years under review.

There is no change in the accounting standards adopted by SymLife which would result in a material variation to the comparable figures for the audited consolidated financial statements of SymLife for the 31 March 2016, 31 March 2017 and 31 March 2018.

13. HISTORICAL PRICES OF SYMLIFE SHARES

The monthly lowest and highest market prices of SymLife Shares traded on Bursa Securities for the past 12 months up to the LPD are as follows:

Month	Closing market price		
	Low RM	High RM	At end of the month RM
2017			
July	0.945	1.010	0.923
August	0.825	0.960	0.875
September	0.875	0.890	0.885
October	0.855	0.890	0.870
November	0.765	0.875	0.770
December	0.695	0.770	0.720
2018			
January	0.715	0.780	0.770
February	0.745	0.810	0.800
March	0.765	0.810	0.800
April	0.710	0.805	0.710
May	0.610	0.750	0.615
June	0.585	0.630	0.600

Closing market price from 6 months preceding the LTD until the LPD:

- Highest (on 6 October 2017) 0.885
- Lowest (on 9 July 2018) 0.565

ATTACHMENT II – INFORMATION ON TSMAY AND HIS PAC

1. INFORMATION ON TSMAY

TSMAY, aged 54, a Malaysian, was appointed to the Board on 23 June 2005 as a Non-Independent Executive Chairman of SymLife. He is a major shareholder of Symphony Life Berhad and a Director and shareholder of GCSB.

He has several other public companies directorships, namely, Ranhill Holdings Berhad (Chairman), Khazanah Nasional Berhad (Director), Ekuiti Nasional Berhad (Director), and AIA Group Limited (Director).

2. INFORMATION ON GCSB**2.1 History and Principal Activities**

GCSB (formerly known as Symphony Advisory Services Sdn Bhd) was incorporated in Malaysia under the Act on 1 March 2002.

GCSB is principally involved in investment holdings.

2.2 Share Capital

The issued share capital of GCSB as at LPD are as follows:

	No. of shares	RM
Issued share capital	20,000	20,000

2.3 Substantial Shareholders

As at the LPD, the shareholders of GCSB holding 5% or more of the total number of GCSB shares and their respective shareholdings in GCSB based on the register of substantial shareholders of GCSB are as follows:

	No. of shares	%
TSMAY	19,999	>99.99

2.4 Directors

As at the LPD, the Directors of GCSB (all Malaysians) and their shareholdings in GCSB are as follows:

Name / Designation	Address	Direct		Indirect	
		No. of shares	%	No. of shares	%
Tan Sri Mohamed Azman bin Yahya (Director)	No. 1, Jalan Setiabakti 2 Damansara Heights 50490 Kuala Lumpur	19,999	>99.99	-	-
Puan Sri Normah binti Hashim (Director)	No. 1, Jalan Setiabakti 2 Damansara Heights 50490 Kuala Lumpur	-	-	-	-

2.5 Subsidiaries and Associated Company

As at the LPD, GCSB has no subsidiary or associated company.

2.6 Profit and Dividend Record

A summary of the GCSB's results based on its audited financial statements for the FYE 31 December 2015, FYE 31 December 2016 and FYE 31 December 2017 is as follows:

	Audited FYE 31 December		
	2015	2016	2017
	RM'000	RM'000	RM'000
Revenue	3,008	1,203	1,805
Profit / (loss) before tax	(4,878)	(3,024)	1,785
Profit / (loss) after taxation	(4,861)	(3,024)	1,785
Net dividend	-	-	-
Minority interests	-	-	-

There is no material exceptional item in the audited financial statements of GCSB for the FYE 31 December 2017.

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2.7 Statement of Assets and Liabilities

The statement of assets and liabilities of GCSB based on its audited financial statements for the FYE 31 December 2017 is as follows:

	Audited as at 31 December	
	2016 RM'000	2017 RM'000
Non-current assets		
Investments	43,319	43,319
Current assets		
Receivables	982	1,472
Cash and bank balances	5	7
Total current assets	987	1,479
TOTAL ASSETS	44,306	44,798
Equity		
Share capital	20	20
Retained profits	14,177	15,961
Contribution by shareholder	20,000	20,000
Total equity	34,197	35,981
Current liabilities		
Amount due to a Director	10,100	8,814
Payables	9	3
Total liabilities	10,109	8,817
TOTAL EQUITY AND LIABILITIES	44,306	44,798

As at the LPD, there is no known material change in the financial position or prospects of GCSB subsequent to the latest audited financial statements for the FYE 31 December 2017.

2.8 Accounting Policies

The audited financial statements of GCSB for the FYE 31 December 2017 have been prepared in accordance with approved Malaysian accounting standards and there was no audit qualification for GCSB's financial statements for the respective years under review.

There is no change in the accounting standards adopted by GCSB which would result in a material variation to the comparable figures for the audited financial statements of GCSB for the FYE 31 December 2017.

ATTACHMENT III – FUTURE INFORMATION

1. DISCLOSURE OF INTERESTS AND DEALINGS IN SHARES**1.1 By TSMAY and his PAC****(a) Interest in SymLife**

Save as disclosed below, TSMAY and his PAC does not have any direct or indirect holdings of SymLife Shares or Warrants B as at the LPD:

	Direct		Indirect	
	No. of Shares '000	%	No. of Shares '000	%
TSMAY	8,715	2.82	60,165	19.44
GCSB	60,165	19.44	-	-
Total	68,880	22.25	60,165	19.44
	No. of Warrants B '000	%	No. of Warrants B '000	%
TSMAY	17,179	15.99	12,541	11.68
GCSB	12,541	11.68	-	-
Total	29,720	27.67	12,541	11.68

(b) Dealings in the securities SymLife

As set out in Section 6.1 of this IAL, TSMAY and his PAC has not dealt, directly or indirectly, in any SymLife Shares and Warrants B during the 6-months period prior to 9 April 2018, being the date of the Announcement up to the LPD.

1.2 By SymLife**(a) Interests in GCSB**

SymLife does not have any direct or indirect holdings of any voting shares or convertible securities of GCSB as at the LPD.

(b) Dealing in the securities of GCSB

SymLife have not dealt, directly or indirectly, in any voting shares or convertible securities of GCSB during the 6-month period prior to 9 April 2018, being the date of the Announcement up to the LPD.

(c) Dealing in the securities of SymLife

SymLife have not dealt, directly or indirectly, in any voting shares or convertible securities of SymLife during the 6-month period prior to 9 April 2018, being the date of the Announcement up to the LPD.

1.3 By the Directors of SymLife**(a) Interest in SymLife**

Save for Chin Jit Pyng and Dato' Robert Teo Keng Tuan whose interests are disclosed in Section 4 of Attachment I, none of the Directors have any direct or indirect holdings of SymLife Shares or Warrants B as at the LPD.

(b) Dealing in the securities of SymLife

The Directors of SymLife have not dealt, directly or indirectly, in any SymLife Shares or Warrants B during the 6-month period prior to 9 April 2018, being the date of the Announcement up to the LPD.

(c) Interest in GCSB

Save for TSMAY whose interests are disclosed in Section 2.4 of Attachment II, none of the Directors have any direct or indirect holdings of voting shares or convertible securities of GCSB as at the LPD.

(d) Dealing in the securities of GCSB

The Directors of SymLife have not dealt, directly or indirectly, in any voting shares or convertible securities of GCSB during the 6-month period prior to 9 April 2018, being the date of the Announcement up to the LPD.

1.4 By the persons who have irrevocably committed themselves to vote in favour or against the Proposals

As at the LPD, there are no persons who have irrevocably committed themselves to vote in favour or against the Proposals.

1.5 By the persons with whom TSMAY or any persons acting in concert with him has borrowed or lent

As at the LPD, TSMAY and his PAC has not borrowed or lent any voting shares or convertible securities of SymLife.

1.6 By the persons with whom TSMAY or any persons acting in concert with him has any arrangement

As at the LPD, there are no persons with whom TSMAY or any persons acting in concert with him has entered into any arrangement, including any arrangement involving rights over SymLife Shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to SymLife Shares which may be an inducement to deal or to refrain from dealing.

1.7 By the persons with whom SymLife or any persons acting in concert with it has borrowed or lent

As at the LPD, there are no persons with whom SymLife or any persons acting in concert with it has borrowed or lent any voting shares or convertible securities of SymLife.

1.8 By the persons with whom SymLife or any persons acting in concert with it has any arrangement

As at the LPD, there are no persons with whom SymLife or any persons acting in concert with it has entered into any arrangement, including any arrangement involving rights over SymLife Shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to SymLife Shares which may be an inducement to deal or to refrain from dealing.

1.9 By Mercury Securities and funds whose investments are managed by Mercury Securities on a discretionary basis (“Discretionary Funds”)

(i) Disclosure of interests in SymLife

Mercury Securities and its Discretionary Funds do not have any interest, whether direct or indirect, in any voting shares of SymLife as at the LPD.

(ii) Dealing in the securities of SymLife

Mercury Securities and its Discretionary Funds have not dealt, directly or indirectly, in SymLife Shares during the period commencing 6 months before Announcement and ending on the LPD.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SYMLIFE GROUP AS AT 31 MARCH 2018 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON



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REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Prepared for inclusion in the Circular to be dated 10 August 2018)

3 August 2018

The Board of Directors
 Symphony Life Berhad
 Level 9, Symphony House
 Dana 1 Commercial Centre
 Jalan PJU 1A/46
 47301 Petaling Jaya
 Selangor Darul Ehsan

Dear Sirs/ Madam

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018 IN CONNECTION WITH A RENOUNCEABLE RIGHTS ISSUE OF UP TO 416,969,559 NEW ORDINARY SHARES IN SYMPHONY LIFE BERHAD ("SYMLIFE") ("SYMLIFE SHARE(S)") ("RIGHTS SHARE(S)") 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")

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of Symphony Life Berhad and its subsidiaries (collectively referred to as the "Group") and the related notes as set out on Appendix I of the Circular to shareholders of SymLife to be dated 10 August 2018 in connection with the Proposed Rights Issue.

The Pro Forma Consolidated Statements of Financial Position are compiled by the Directors of SymLife based on the applicable criteria as specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ("SC") and the notes to the Pro Forma Consolidated Statements of Financial Position in Attachment III.

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Directors of SymLife to illustrate the impacts of the Proposed Rights Issue on the Group's financial position as at 31 March 2018. As part of this process, information about the financial position has been extracted by the Directors of SymLife from the audited financial statements of SymLife for the financial year ended 31 March 2018.

The Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis of the applicable criteria.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SYMLIFE GROUP AS AT 31 MARCH 2018 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)



Our Responsibilities

Our responsibility is to express an opinion, as required by the SC, about whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis of the applicable criteria.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of Pro Forma Consolidated Statements of Financial Position included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial position of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted statement of financial position.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SYMLIFE GROUP AS AT 31 MARCH 2018 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)



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

Opinion

In our opinion, the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria.

Emphasis of Matter

We draw attention to Maximum Scenario of the Pro Forma Consolidated Statements of Financial Position. The market price of SymLife Shares on close of business on 9 July 2018 (being the latest practicable date prior to printing of Circular) is RM0.565 per share. Based on this current market price the existing Warrants B of SymLife may not be converted to SymLife Shares as the implied conversion price of the instrument is above the current market price of SymLife Shares. The Pro Forma Consolidated Statement of Financial Position under the Maximum Scenario is prepared solely to illustrate the effects on the total number of share capital of SymLife should this instrument be fully converted. Our opinion is not qualified in respect of this matter.

Other Matters

This letter is issued for the sole purpose of inclusion in the Circular of Shareholders of SymLife. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Proposed Rights Issue described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Proposed Rights Issue.

Yours faithfully

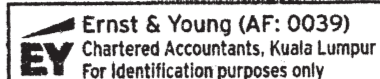
A handwritten signature in black ink, appearing to be 'S. L.', is written over a light blue horizontal line.

Ernst & Young
AF: 0039
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Kua Choo Kai', is written over a light blue horizontal line.

Kua Choo Kai
No. 02030/03/2020 J
Chartered Accountant

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SYMLIFE GROUP AS AT 31 MARCH 2018 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)



**Symphony Life Berhad ("SymLife")
Pro Forma Consolidated Statements of Financial Position As At 31 March 2018
Minimum Scenario**

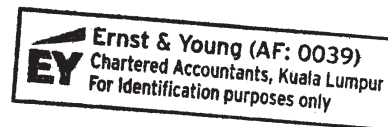
Attachment I

The Pro Forma Consolidated Statements of Financial Position set out below are provided for illustrative purposes only to show the effects on the audited consolidated statements of financial position of SymLife as at 31 March 2018 had the Proposed Rights Issue been effected on that date:

	Audited as at 31 March 2018 RM	Dr RM	Adjustments	Cr RM	After the Proposed Rights Issue RM
Assets					
Non-current assets					
Property, plant and equipment	15,455,686				15,455,686
Land held for property development	226,215,129				226,215,129
Investment properties	166,967,332				166,967,332
Land use rights	16,853				16,853
Goodwill	10,327,210				10,327,210
Investment in jointly controlled entities	117,325,200				117,325,200
Investment securities	8,752,930				8,752,930
Deferred tax assets	11,341,879				11,341,879
	<u>556,402,219</u>				<u>556,402,219</u>
Current assets					
Property development costs	409,768,432				409,768,432
Inventories	103,250,731				103,250,731
Investment securities	169,977				169,977
Trade and other receivables	112,897,595				112,897,595
Other current assets	78,627,904				78,627,904
Tax recoverable	15,672,860				15,672,860
Cash and bank balances	37,049,369 (1)	60,000,000 (2)		29,550,000	67,499,369
	<u>757,436,868</u>				<u>787,886,868</u>
Total assets	<u>1,313,839,087</u>				<u>1,344,289,087</u>
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	310,000,000		(1)	60,000,000	370,000,000
Treasury shares	(360,948)				(360,948)
Capital reserve	30,815,190				30,815,190
Other reserves	(30,413,629)				(30,413,629)
Retained profits	349,661,623 (2)	1,250,000			348,411,623
Shares held by ESTS Trust	(25,444,411)				(25,444,411)
Shareholders' equity	<u>634,257,825</u>				<u>693,007,825</u>
Non-controlling interests	(2,782,805)				(2,782,805)
Total equity	<u>631,475,020</u>				<u>690,225,020</u>
Non-current liabilities					
Borrowings	357,626,633				357,626,633
Deferred income	35,617,907				35,617,907
	<u>393,244,540</u>				<u>393,244,540</u>
Current liabilities					
Trade and other payables	180,696,006				180,696,006
Other current liabilities	407,984				407,984
Borrowings	101,245,621 (2)	28,300,000			72,945,621
Current tax payable	6,769,916				6,769,916
	<u>289,119,527</u>				<u>260,819,527</u>
Total liabilities	<u>682,364,067</u>				<u>654,064,067</u>
Total equity and liabilities	<u>1,313,839,087</u>				<u>1,344,289,087</u>
Number of shares in issue	281,999,172				453,427,743 (i)
Net Assets/ Shareholders' equity	634,257,825				693,007,825
Net Assets per share	2.25				1.53
Total borrowings	458,872,254				430,572,254
Gearing ^	0.72				0.62

[^] Gearing ratio = Total borrowings/Shareholders' equity

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SYMLIFE GROUP AS AT 31 MARCH 2018 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)



Adjustments:

- (1) Assume 171,428,571 Rights Shares are issued at an issue price of RM0.35 per share.
 (2) Assume proceeds from the Proposed Rights Issue of RM60 million are utilised as follow:

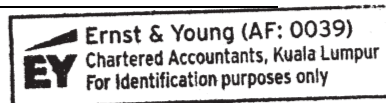
	RM
Repayment of bank borrowings	28,300,000
Funding for property development projects	21,700,000 *
Working capital	8,750,000 *
Estimated expenses relating to the Proposals	1,250,000
	<u>60,000,000</u>

* Not illustrated in the Pro Forma Consolidated Statements of Financial Position above

Workings - Number of shares of rights issue:-

(i) Number of shares in issue	310,000,000
less: treasury shares	(438,329)
shares held under ESTS Trust	(27,562,499)
	<u>281,999,172</u>
Number of shares issued under Proposed Rights Issue	171,428,571
	<u>453,427,743</u>

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SYMLIFE GROUP AS AT 31 MARCH 2018 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)



Symphony Life Berhad ("SymLife")

Pro Forma Consolidated Statements of Financial Position As At 31 March 2018

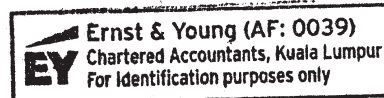
Maximum Scenario

Attachment II

	Audited as at 31 March 2018 RM	Adjustments		(I) Assuming no resale of treasury shares and full exercise of Warrants B RM	Adjustments		(II) After (I) and the Proposed Rights Issue RM
		Dr RM	Cr RM	Dr RM	Cr RM		
Assets							
Non-current assets							
Property, plant and equipment	15,455,686			15,455,686			15,455,686
Land held for property development	226,215,129			226,215,129			226,215,129
Investment properties	166,967,332			166,967,332			166,967,332
Land use rights	16,853			16,853			16,853
Goodwill	10,327,210			10,327,210			10,327,210
Investment in jointly controlled entities	117,325,200			117,325,200			117,325,200
Investment securities	8,752,930			8,752,930			8,752,930
Deferred tax assets	11,341,879			11,341,879			11,341,879
	<u>556,402,219</u>			<u>556,402,219</u>			<u>556,402,219</u>
Current assets							
Property development costs	409,768,432			409,768,432			409,768,432
Inventories	103,250,731			103,250,731			103,250,731
Investment securities	169,977			169,977			169,977
Trade and other receivables	112,897,595			112,897,595			112,897,595
Other current assets	78,627,904			78,627,904			78,627,904
Tax recoverable	15,672,860			15,672,860			15,672,860
Cash and bank balances	37,049,369 (1)	118,148,677		155,198,046 (2)	145,939,346 (3)	51,250,000	249,887,392
	<u>757,436,868</u>			<u>875,585,545</u>			<u>970,274,891</u>
Total assets	<u>1,313,839,087</u>			<u>1,431,987,764</u>			<u>1,526,677,110</u>
Equity and liabilities							
Equity attributable to equity holders of the Company							
Share capital	310,000,000	(1)	118,148,677	428,148,677	(2)	145,939,346	574,088,023
Treasury shares	(360,948)			(360,948)			(360,948)
Capital reserve	30,815,190			30,815,190			30,815,190
Other reserves	(30,413,629)			(30,413,629)			(30,413,629)
Retained profits	349,661,623			349,661,623 (3)	1,250,000		348,411,623
Shares held by ESTS Trust	(25,444,411)			(25,444,411)			(25,444,411)
Shareholders' equity	634,257,825			752,406,502			897,095,848
Non-controlling interests	(2,782,805)			(2,782,805)			(2,782,805)
Total equity	<u>631,475,020</u>			<u>749,623,697</u>			<u>894,313,043</u>
Non-current liabilities							
Borrowings	357,626,633			357,626,633			357,626,633
Deferred income	35,617,907			35,617,907			35,617,907
	<u>393,244,540</u>			<u>393,244,540</u>			<u>393,244,540</u>
Current liabilities							
Trade and other payables	180,696,006			180,696,006			180,696,006
Other current liabilities	407,984			407,984			407,984
Borrowings	101,245,621			101,245,621 (3)	50,000,000		51,245,621
Current tax payable	6,769,916			6,769,916			6,769,916
	<u>289,119,527</u>			<u>289,119,527</u>			<u>239,119,527</u>
Total liabilities	<u>682,364,067</u>			<u>682,364,067</u>			<u>632,364,067</u>
Total equity and liabilities	<u>1,313,839,087</u>			<u>1,431,987,764</u>			<u>1,526,677,110</u>
Number of shares in issue	281,999,172 (i)			389,407,060 (i)			806,376,619 (i)
Net Assets/ Shareholders' equity	634,257,825			752,406,502			897,095,848
Net Assets per share	2.25			1.93			1.11
Total borrowings	458,872,254			458,872,254			408,872,254
Gearing ^	0.72			0.61			0.46

^ Gearing ratio = Total borrowings/Shareholders' equity

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SYMLIFE GROUP AS AT 31 MARCH 2018 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)



Adjustments:

- (1) Assume full exercise of 107,407,888 Warrants B at an exercise price of RM1.10 per Warrant B.
- (2) Assume 416,969,559 Rights Shares are issued at an issue price of RM0.35 per share
- (3) Assume proceeds from the Proposed Rights Issue of RM145.94 million are utilised as follow:

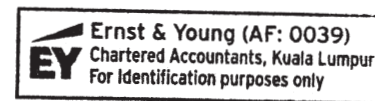
	RM
Funding for property development projects	86,100,000 *
Repayment of bank borrowings	50,000,000
Working capital	8,589,346 *
Estimated expenses relating to the Proposals	<u>1,250,000</u>
	<u>145,939,346</u>

* Not illustrated in the Pro Forma Consolidated Statements of Financial Position above

Workings - Number of shares of rights issue:-

(i) Number of shares in issue	310,000,000
less: treasury shares	(438,329)
shares held under ESTS Trust	<u>(27,562,499)</u>
	281,999,172
Number of shares issued upon exercised of warrants	<u>107,407,888</u>
	389,407,060
Adjustment for shares held under ESTS Trust	<u>27,562,499</u>
	416,969,559
Number of shares issued under Proposed Rights Issue	416,969,559
less: shares held under ESTS Trust	<u>(27,562,499)</u>
	<u>806,376,619</u>

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SYMLIFE GROUP AS AT 31 MARCH 2018 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)



Symphony Life Berhad ("SymLife")
Notes to the Pro Forma Consolidated Statements of Financial Position
As At 31 March 2018

1. Basis of preparation:

The Pro Forma Consolidated Statements of Financial Position as at 31 March 2018 of SymLife have been prepared by the Directors of SymLife, for illustrative purposes, in connection with the following transaction:

- a renounceable rights issue of up to 416,969,559 new ordinary shares in Symphony Life Berhad ("SymLife") ("SymLife Share(s)") ("Rights Share(s)") 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 Pro Forma Consolidated Statements of Financial Position as at 31 March 2018 of SymLife and its subsidiaries ("SymLife Group") have been prepared based on the audited consolidated statements financial position of SymLife Group as at 31 March 2018 and on a basis consistent with both the format of the audited financial statements and the accounting policies adopted by SymLife Group in the preparation of the audited consolidated financial statements of SymLife Group for the financial year ended 31 March 2018, which is in accordance with Financial Reporting Standards in Malaysia, to show the effects had the Rights Issue been completed on that date. The Directors of SymLife are responsible for the preparation of the Pro Forma Consolidated Statements of Financial Position of SymLife Group as at 31 March 2018 for inclusion in the Circular to Shareholders ("Circular") of SymLife to be dated 10 August 2018.

The Pro Forma Consolidated Statements of Financial Position do not purport to predict the future financial position of SymLife Group.

For illustrative purposes, the effects of the Rights Issue shall be based on the followings 2 scenarios:

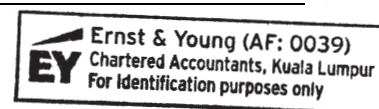
Minimum scenario:

None of the treasury shares held by the Company are resold in the open market and none of the outstanding Warrants B are exercised prior to the Entitlement Date and the Proposed Rights Issue is undertaken on a Minimum Subscription Level basis

Maximum scenario:

None of the treasury shares held by the Company are resold in the open market and all of the outstanding Warrants B are exercised prior to the Entitlement Date and all the Rights Shares are fully subscribed

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SYMLIFE GROUP AS AT 31 MARCH 2018 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)



Attachment III

**Symphony Life Berhad ("SymLife")
Notes to the Pro Forma Consolidated Statements of Financial Position
As At 31 March 2018**

2. Pro forma adjustments

For the purposes of preparing Pro Forma Consolidated Statements of Financial Position, it is assumed that the Rights Shares will be issued at an issue price of RM0.35 per Rights Share.

The effects of the Proposed Rights Issue are summarised as below:

(i)	Share capital	Minimum scenario Amount RM	Maximum scenario Amount RM
	Audited as at 31 March 2018	310,000,000	310,000,000
	Issuance of Rights Shares	60,000,000	145,939,346
	Exercise of Warrants B	-	118,148,677
	As per pro forma	<u>370,000,000</u>	<u>574,088,023</u>
	Number of shares	Minimum scenario	Maximum scenario
	Audited as at 31 March 2018	310,000,000	310,000,000
	Issuance of Rights Shares	171,428,571	416,969,559
	Exercise of Warrants B	-	107,407,888
	Less:		
	Treasury shares	(438,329)	(438,329)
	ESTS Trust	(27,562,499)	(27,562,499)
	As per pro forma	<u>453,427,743</u>	<u>806,376,619</u>

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SYMLIFE GROUP AS AT 31 MARCH 2018 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)



Attachment III

**Symphony Life Berhad ("SymLife")
Notes to the Pro Forma Consolidated Statements of Financial Position
As At 31 March 2018**

2. Pro forma adjustments (cont.d)

(ii) Retained earnings	Minimum scenario Amount RM	Maximum scenario Amount RM
Audited as at 31 March 2018	349,661,623	349,661,623
Estimated expenses	(1,250,000)	(1,250,000)
As per pro forma	<u>348,411,623</u>	<u>348,411,623</u>
(iii) Borrowings (current)	Minimum scenario Amount RM	Maximum scenario Amount RM
Audited as at 31 March 2018	101,245,621	101,245,621
Repayment of existing borrowings	(28,300,000)	(50,000,000)
As per pro forma	<u>72,945,621</u>	<u>51,245,621</u>
(iv) Cash and bank balances	Minimum scenario Amount RM	Maximum scenario Amount RM
Audited as at 31 March 2018	37,049,369	37,049,369
Proceeds from conversion of warrants	-	118,148,677
Proceeds from Rights Issue	60,000,000	145,939,346
Utilisation of proceeds from the Rights Issue for repayment of existing borrowings	(28,300,000)	(50,000,000)
Utilisation of proceeds from the for estimated expenses	(1,250,000)	(1,250,000)
	<u>67,499,369</u>	<u>249,887,392</u>

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved the contents of this Circular, and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular. They confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein false or misleading.

2. CONSENT AND DECLARATION OF CONFLICT OF INTEREST**2.1 Affin Hwang IB**

Affin Hwang IB, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

As at the LPD, Affin Group has extended credit facilities / services to SymLife Group, its directors and its shareholders. Affin Group may also in the future extend credit facilities / services to SymLife Group, its directors and its 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 the Company in relation to the Proposals.

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

- (a) Affin Group is a diversified financial group and are 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 the Company and/or the Company's affiliates, in addition to the roles set out in this Circular. 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 the SymLife Group, shareholders of SymLife, and/or affiliates of SymLife and/or any other entity or person, holding long or short term positions in securities issued by SymLife and/or the affiliates of SymLife, 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 SymLife Group and/or the affiliates of SymLife. 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 SymLife 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;

FURTHER INFORMATION (CONT'D)

- (b) the said credit facilities / services, where relevant, have been extended by Affin Group in its ordinary course of business;
- (c) the conduct of Affin Group in its banking business is strictly regulated by the Financial Services Act 2013, the Islamic Financial Services Act 2013, the Capital Markets and Services Act 2007 and Affin Group's own internal controls and checks;
- (d) as at the LPD, SymLife Group has existing credit facilities of RM188.03 million with Affin Group. The outstanding amount of the credit facilities extended by Affin Group to SymLife Group is not material compared to the latest audited NA of Affin Group as at 31 December 2017 of RM8.27 billion.
- (e) 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 approximately 10.76% of the proceeds to be raised under the Maximum Scenario and approximately 8.35% of the total credit facilities extended to the Company; and
- (f) save for the professional advisory fees to be received by Affin Hwang IB as the Principal Adviser to the Company for the Proposals and the utilisation of proceeds from the Proposed 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 Proposals.

Accordingly, the 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 the Company in relation to the Proposals.

2.2 Ernst & Young

Ernst & Young, being the Reporting Accountants for the Proposed Rights Issue, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its letter, name and all references thereto in the form and context in which they so appear in this Circular.

Ernst & Young has confirmed that it is not aware of any conflict of interest that exist or likely to exist in its capacity as the Reporting Accountants to the Company for the Proposed Rights Issue.

2.3 Mercury Securities

Mercury Securities, being the Independent Adviser to the non-interested directors and non-interested shareholders of SymLife, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its letter, name and all references thereto in the form and context in which they so appear in this Circular.

Mercury Securities has confirmed that it is not aware of any conflict of interest that exist or likely to exist in its capacity as the Independent Adviser to the non-interested directors and non-interested shareholders of SymLife for the Proposed Exemption.

FURTHER INFORMATION (CONT'D)

3. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and does not have any knowledge of any proceedings pending or threatened against the Group, or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group:

- (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 arisen 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.

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:

- (i) Outstanding final value for works done in the sum of RM900,316.73;
- (ii) Release of Retention in the sum of RM1,616,450;
- (iii) Losses from Prolongation in the sum of RM2,216,989.26;
- (iv) Late payment interest in the sum of RM331,183.52;
- (v) Cost of consultants and experts in the sum of RM159,000.00;
- (vi) Wrongful deduction of liquidated damages in the sum of RM2,970,000.00; and
- (vii) Wrongful set-offs in the sum of RM936,180.34.

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

- (i) 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
- (ii) 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-August 2018.

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.

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FURTHER INFORMATION (CONT'D)

4. MATERIAL COMMITMENTS

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group that has not been provided for which, upon becoming enforceable, may have a material effect on the business or financial position of the Group.

5. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material effect on the business or financial position of the Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours (except for Saturday, Sunday and public holidays) from the date of this Circular up to and including the date of the forthcoming EGM at the Registered Office of the Company at Level 9, Symphony House Dana 1 Commercial Centre, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan:

- (a) Constitution of the Company;
- (b) Audited consolidated financial statements of SymLife Group for the past two (2) financial years up to 2018;
- (c) The pro forma consolidated statements of financial position of SymLife Group as at 31 March 2018 together with the reporting accountants' letter thereon, as set out in Appendix I of this Circular;
- (d) The letters of consent and declarations of interest referred to in Section 2 above, respectively;
- (e) The relevant cause papers in respect of the material litigation referred to in Section 3 above; and
- (f) 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 as referred to in Section 2.1.6 of Part A of this Circular.

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SYMPHONY LIFE BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Symphony Life Berhad ("**SymLife**" or the "**Company**") will be held at the Cenderawasih Ballroom A, Glenmarie Golf & Country Club, No. 3, Jalan Usahawan U1/8, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 29 August 2018 at 10.30 a.m. or immediately following the conclusion or adjournment of the 55th Annual General Meeting of the Company to be held at the same venue and on the same date at 9.30 a.m., for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 416,969,559 NEW ORDINARY SHARES IN SYMLIFE ("SYMLIFE SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING SYMLIFE SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE")

"THAT, subject to the passing of Ordinary Resolution 2 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Board of Directors of SymLife ("**Board**") be and is hereby authorised to provisionally allot and issue by way of a renounceable rights issue of up to 416,969,559 Rights Shares to the shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board, on the basis of one (1) Rights Share for every one (1) existing SymLife Share held at an issue price of RM0.35 for each Rights Share;

THAT the Board be and is hereby authorised to issue and allot any additional warrants ("**Additional Warrants B**") as may be required or permitted to be issued as consequence of any adjustments in accordance with the provisions of Deed Poll dated 17 October 2013 pursuant to the Proposed Rights Issue;

THAT the Board be and is hereby authorised to deal with any fractional entitlements arising from the Proposed Rights Issue in such manner as the Board shall in its absolute discretion deem fit, expedient, and in the best interest of the Company;

THAT the proceeds from the Proposed Rights Issue be utilised for the purposes as set out in the Circular, and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may at its absolute discretion deem fit, necessary, expedient and in the best interest of the Company, subject to the approval of the relevant authorities, where required;

THAT the Rights Shares and the new SymLife Shares to be issued arising from the exercise of Additional Warrants B, shall, upon allotment and issuance, rank equally in all respects with the then existing SymLife Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such the Rights Shares and the new SymLife Shares to be issued arising from the exercise of Additional Warrants B; and

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give full effect to the Proposed Rights Issue with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they may deem fit, necessary and/ or expedient to implement, finalise and give full effect to the Proposed Rights Issue.”

ORDINARY RESOLUTION 2

PROPOSED EXEMPTION UNDER PARAGRAPH 4.08 OF THE RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS (“RULES”) TO TAN SRI MOHAMED AZMAN BIN YAHYA (“TSMAY”) AND PERSON ACTING IN CONCERT WITH HIM IN ACCORDANCE WITH SECTION 216 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 FROM THE OBLIGATION TO UNDERTAKE A MANDATORY OFFER FOR THE REMAINING SYMLIFE SHARES AND OUTSTANDING WARRANTS 2013/2020 (“WARRANTS B”) IN SYMLIFE NOT ALREADY OWNED BY THEM UPON COMPLETION OF THE PROPOSED RIGHTS ISSUE (“PROPOSED EXEMPTION”)

“**THAT** subject to the passing of Ordinary Resolution 1 and the relevant approvals from the Securities Commission Malaysia (“**SC**”) and/or any other relevant authorities and/or parties being obtained including such conditions as may be imposed by the SC, approval be and is hereby given for TSMAY and the person acting in concert with TSMAY under the Rules to be exempted from the obligation to undertake a mandatory offer to acquire all the remaining SymLife Shares and outstanding Warrants B not already owned by them upon completion of the Proposed Rights Issue pursuant to Paragraph 4.08(1)(b) of the Rules; and

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give full effect to the Proposed Exemption with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they may deem fit, necessary and/ or expedient to implement, finalise and give full effect to the Proposed Exemption.”

BY ORDER OF THE BOARD

ALAN CHAN CHEE MING (LS 0009838)
SOO YIN KHENG (MAICSA 7020973)
Secretaries

10 August 2018
Selangor Darul Ehsan

Notes:

1. A proxy may but need not be a member. There shall be no restriction as to the qualification of the proxy.
2. The Form of Proxy, duly completed must be deposited at the registered office of the Company not less than twenty-four (24) hours before the time appointed for holding the meeting or at any adjournment thereof. Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of Extraordinary General Meeting to be put to vote by poll.
3. In the event a member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy. You can also appoint the Chairman of the meeting as your proxy.
4. A member entitled to attend and vote at the meeting is entitled to appoint more than one (1) proxy as his/her proxy or proxies to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of the member’s shareholding to be represented by each proxy.
5. Where a member is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**Omnibus Account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of more than one (1) proxy in respect of any particular Omnibus Account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
6. If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.
7. For the purpose of determining a member who shall be entitled to attend the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors (“**ROD**”) as at 21 August 2018. Only a depositor whose name appears on the ROD as at 21 August 2018 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote on such depositor’s behalf.
8. The lodging of the Form of Proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so.

FORM OF PROXY



SYMPHONY LIFE BERHAD

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

CDS Account No.	
No. of Shares Held	
Current Contact/Tel. No.	

I/We* (NRIC No.) of
(Full name in capital letters)

.....
(Full address)

being a member(s) of **Symphony Life Berhad** (“SymLife” or “Company”) hereby appoint:-

Full Name (in capital letters)	NRIC/Passport No.	No. of Shares
Address		
and/or *		
Full Name (in capital letters)	NRIC/Passport No.	No. of Shares
Address		

or failing him/her*, the Chairman of the meeting* as my/our* proxy/proxies* to vote for me/us* and on my/our* behalf at the Extraordinary General Meeting of the Company to be held at the Cenderawasih Ballroom A, Glenmarie Golf & Country Club, No. 3, Jalan Usahawan U1/8, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 29 August 2018 at 10.30 a.m. or immediately following the conclusion or adjournment of the 55th Annual General Meeting of the Company to be held at the same venue and on the same date at 9.30 a.m..

NO.	RESOLUTIONS	FOR	AGAINST
1.	PROPOSED RIGHTS ISSUE		
2.	PROPOSED EXEMPTION		

Please indicate with an “X” in the appropriate space how you wish your vote to be cast. If you do not do so, the proxy/proxies* will vote in accordance with his/her* discretion.

As witness my/our* hand(s) this day of 2018

Signature/Seal

* Strike out whichever is not applicable.

Notes:

1. A proxy may but need not be a member. There shall be no restriction as to the qualification of the proxy.
2. The Form of Proxy, duly completed must be deposited at the registered office of the Company not less than twenty-four (24) hours before the time appointed for holding the meeting or at any adjournment thereof. Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of Extraordinary General Meeting to be put to vote by poll.
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8. The lodging of the Form of Proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretaries
SYMPHONY LIFE BERHAD (5572-H)
Level 9, Symphony House
Dana 1 Commercial Centre
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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