

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

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

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

SYMPHONY LIFE BERHAD

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

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

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

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

SYMPHONY LIFE BERHAD

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

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

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

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

SYMPHONY LIFE BERHAD

(Company No. 5572-H)

(Incorporated in Malaysia)

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

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

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

SYMPHONY LIFE BERHAD

(Company No. 5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the period ended 30 June 2018

Explanatory Notes

A1. Basis of Preparation

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

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

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

A2. Changes in Accounting Policies

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

Description

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

MFRS 9: Financial Instruments

MFRS 15: Revenue from Contracts with Customers

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

Annual Improvements to MFRS Standards 2014 - 2016 Cycle

IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

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

MFRS 9: Financial Instruments

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

MFRS 15: Revenue from Contracts with Customers

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

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

A2. Changes in Accounting Policies (contd.)

MFRS 15: Revenue from Contracts with Customers (contd.)

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

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

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

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

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

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

A2. Changes in Accounting Policies (contd.)

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

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

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

There is no material impact on the consolidated statement of cash flows for the 3 months period ended 30 June 2017. The impact on basic EPS is as follows:

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

A3. Audit Qualification

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

A4. Seasonality or Cyclical Factors

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

A5. Changes in estimates

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

A6. Debt and Equity Securities

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

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

A7. Dividends Paid

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

A8. Segmental Reporting

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

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

A9. Valuation of property, plant and equipment

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

A10. Subsequent Events

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

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

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

A11. Changes in the Composition of the Group

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

A12. Changes in contingent liabilities and contingent assets

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

SYMPHONY LIFE BERHAD

(Company No. 5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the period ended 30 June 2018**ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS.****B1. Review of Performance**

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

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

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

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

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

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

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

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

SYMPHONY LIFE BERHAD

(Company No. 5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the period ended 30 June 2018**B3. Prospects for the financial year ending 31 March 2019**

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

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

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

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

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

B4. Profit Forecast/Profit Guarantee

Not applicable

B5. Profit Before Tax

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

SYMPHONY LIFE BERHAD

(Company No. 5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the period ended 30 June 2018**B5. Profit Before Tax (contd.)**

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

B6. Taxation

Taxation comprises the following :-

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

B7. Corporate Developments

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

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

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

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

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

SYMPHONY LIFE BERHAD

(Company No. 5572-H)

(Incorporated in Malaysia)

Unaudited interim report for the period ended 30 June 2018**B7. Corporate Developments (contd.)**

(b) (contd.)

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

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

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

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

B8. Group Borrowings and Debt Securities

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

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

All borrowings are denominated in Ringgit Malaysia.

B9. Off Balance Sheet Financial Instruments

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

B10. Material Litigation

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

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

The Claimant served its Statement of Claim claiming loss and damages for a total sum of RM9.13million. Tijani defended the claim and submitted a counterclaim against the Claimant seeking, amongst others, liquidated damages in the sum of RM3.88million and damages suffered by Tijani in the sum of RM1.1million.

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

B11. Dividends Proposed

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

B12. Earnings per share

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

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

ALAN CHAN CHEE MING
 SOO YIN KHENG
 Secretaries

Petaling Jaya, Selangor
 Date: 28 August 2018