

INVESTMENT GATEWAY TO MALAYSIA AND VIETNAM



INTRODUCTION

Aseana Properties Limited is a property development company established as an investment gateway to Malaysia and Vietnam. Product innovation and commitment to excellence are hallmarks of Aseana Properties. With a focus on the upmarket segment of the property market, Aseana Properties aims to be the premier investment gateway for investors into Malaysia and Vietnam.

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The RuMa is a collection of luxury residences and hotel suites with the rare combination of vintage charm and city convenience.



The 482-room Aloft Kuala Lumpur Sentral is the first Aloft hotel in Malaysia, which is the largest Aloft hotel in the world to date.



The City International Hospital is strategically located in the Binh Tan District, and is approximately 11 km from District 1, the central business and commercial district of Ho Chi Minh City.

CORPORATE STRATEGY



COVER RATIONALE

2013 was a year for completion of several important assets within Aseana Properties’ portfolio in Malaysia and Vietnam, in collaboration with key partners in both countries. The report card for the year shows that Aseana Properties is making sound progress having completed all its operating assets. In the coming years, the focus is on improving operations, priming the assets for its eventual exit, and ultimately realising the Company’s primary objective of capital return to shareholders.

Aseana Properties Limited (“Aseana Properties”) is a London-listed company incorporated in Jersey focusing on property development opportunities in Malaysia and Vietnam.

Ireka Development Management Sdn. Bhd. (*a wholly-owned subsidiary of Ireka Corporation Berhad*), the Development Manager for Aseana Properties, is responsible for the day-to-day management of its property portfolio as well as the introduction and facilitation of new investment opportunities.

Aseana Properties’ investment objective is to provide shareholders with an attractive overall total return achieved primarily through capital appreciation by investing in properties in Malaysia and Vietnam. Aseana Properties seeks to achieve its investment objective through the acquisition, development and redevelopment of upscale residential, commercial and hospitality projects leveraging on the Development Manager’s experience in these sectors.

Aseana Properties typically invests in development projects at the pre-construction stage. It will also selectively invest in projects under construction and completed projects with the potential for high capital appreciation.

Aseana Properties typically makes investments both as sole principal and, where appropriate, in joint arrangements with third parties, where management control resides with Aseana Properties. Such joint arrangements are only undertaken with parties who have demonstrable relevant experience or local knowledge.

Currently approximately 75% of Aseana Properties’ investment portfolio is allocated to projects in Malaysia and approximately 25% to projects in Vietnam.

KEY FACTS

Exchange London Stock Exchange Main Market	Share Denomination US Dollars
Symbol ASPL	Management Fee 2% of NAV
Lookup Reuters - ASPL:L; Bloomberg - ASPL:LN	Performance Fee 20% of the out performance NAV over a total return hurdle rate of 10%
Domicile Jersey	Admission Date 5 April 2007
Shares Issued 212,025,000	
Voting Share Capital 212,025,000	

ADVISERS & SERVICE PROVIDERS

Development Manager Ireka Development Management Sdn. Bhd.
Corporate Broker N+1 Singer
Auditor KPMG Audit Plc

CHAIRMAN'S STATEMENT

The global economy continued to expand at a modest pace amid a bumpy growth environment across the globe, with growth in emerging markets losing pace while developed nations gained strength. Closer to home for Aseana Properties and its group of companies ("the Group"), both the Malaysian and Vietnamese economies experienced moderate growth in 2013 with Gross Domestic Product ("GDP") growth of 4.7% and 5.4% respectively.

The Malaysian economy, which grew at a slower pace compared to previous year, was largely driven by growth in domestic demand. Despite the weaker external environment in the first half of 2013, domestic demand remained resilient throughout the year, led by robust private sector activity, on the back of public sector spending on large infrastructure projects. However, growth was somewhat tempered by a series of measures implemented by the Malaysian government to ease concern on the national budget deficit. These measures include subsidy cuts to petrol and fuel, resulting in the inflation rate for 2013 rising to its highest level since June 2011, at an annual average rate of 2.1%. In addition, the impending implementation of the Goods and Services Tax ("GST") on 1 April 2015 is expected to be one of the main drivers of rising inflation going forward.

2013 proved to be a more positive year for the Vietnamese economy. Vietnam's GDP grew 5.4% in 2013, slightly above the 5.3% growth recorded in 2012. Its macro-economic outlook is seen to be improving with the most notable achievement being the 6.6% inflation rate, the lowest rise in the last decade. These were seen to be the positive outcome from the Government's successful economic restructuring plans and efforts aimed to boost investment efficiency. To ensure sustainable growth moving forward, the government is focusing on restructuring the banking system and state-owned enterprises, as well as attracting foreign direct investment ("FDI"). FDI continues to be a strong driver of Vietnam's growth with US\$21.6 billion being recorded in year 2013.

The Malaysian property market showed signs of a slowdown with less transactions being recorded in 2013. However, this is contrasted against an increase in the total value of transactions, indicating rising property prices. For a large part of year 2013, the market was affected by the uncertainty over the outcome of the 13th General Election, with investors adopting a cautious, 'wait-and-see' approach. Continuing with its measures to curb property speculation, the Malaysian government has in its 2014 Budget introduced stricter Real Property Gains Tax ("RPGT") rules, the abolishment of the Developer Interest Bearing Scheme ("DIBS") and also the increase in the minimum price for foreigners to purchase properties in the country from RM500,000 to RM1.0 million. Amid these challenging property market conditions, competition among developers is very keen with successful projects thriving on strong track record of the developer, creative marketing strategies and innovative products.

Towards the end of 2013, the Vietnamese property market showed signs of recovery with a rising number of transactions recorded. Leading the way is the affordable homes segment that addresses the primary needs of first-time home buyers in Ho Chi Minh City. The Government has been encouraging home

ownership in this segment with the introduction of a bank loan interest subsidy scheme. There are also tangible signs of increasing confidence among international investors with a number of sizable foreign investments in new township developments and retail projects. This bodes well for Aseana Properties as we look forward to a broader and more sustainable recovery in the property market.

Aseana Properties registered a 23.6% increase in its revenue from US\$23.7 million in 2012 to US\$29.3 million in 2013. The increase is largely attributed to the increased level of sales at SENI Mont' Kiara. Notwithstanding the increase in revenue, the Group recorded a higher net loss before taxation of US\$18.8 million as compared to a net loss of US\$16.6 million in 2012. The increase in losses is mainly attributed to operating losses from Sandakan Harbour Mall and Four Points by Sheraton Sandakan Hotel, pre-opening expenses and operating losses from Aloft Kuala Lumpur Sentral Hotel as well as the City International Hospital which commenced business in March 2013 and September 2013 respectively.

In accordance with the mandate approved by Shareholders, we remain committed to complete these projects which Aseana is already involved with and to dispose of them at a time and at a price intended to optimise returns to shareholders.

PROGRESS OF PROPERTY PORTFOLIO

2013 was another busy year for Aseana Properties with the completion and opening of several key assets within the portfolio. Sales performance of SENI Mont' Kiara picked up during 2013 and continued into 2014, with sales moving from 78.0% at the beginning of the year 2013 to 87.1% for year to date in 2014. The RuMa Hotel and Residences was launched in March 2013 and has made good sales progress of 41.4% to date. The Aloft Kuala Lumpur Sentral Hotel opened for business on 22 March 2013 and had achieved 51.9% occupancy rate at the end of 2013, and has continued to improve in 2014, reaching a high of 78.4% in March 2014. However, progress has been more subdued in Sandakan, the Harbour Mall Sandakan was 47.6% tenanted as at the end of last year, a slight increase from 41.9% in the previous year, while the occupancy of Four Points by Sheraton Hotel remained flat at 35.1% at the end of 2013. The Manager is working closely with the operator and the management team of these assets to improve its performance in the coming year.

City International Hospital ("CIH") in Ho Chi Minh City was physically completed at the end of March 2013. The Hospital commenced operation in September 2013 with limited services and was officially launched on 5th January 2014. Operations of CIH will go through a period of stabilisation under the management of Parkway Health, Asia's leading private healthcare provider. Nam Long Investment Corporation ("Nam Long") in which Aseana owns a strategic minority stake, achieved a significant milestone by listing on the Ho Chi Minh Stock City Exchange in April 2013. Nam Long has subsequently completed a private placement of 25.5 million shares to raise approximately US\$21.8 million in February 2014 to a group of reputable institutional investors



The RuMa Hotel and Residences
Jalan Kia Peng, Kuala Lumpur

including International Finance Corporation, a member of the World Bank Group. The successful placement underlines the Nam Long's strength and resilience as a leading property company in the affordable homes segment.

Further information on each of the Company's properties is set out in the Manager's report on pages 4 to 9.

OUTLOOK

With the completion of all the Company's operating assets over the past two years, the Company is sharpening its focus improving the operations of these assets in preparation for eventual sale in the near future. Continuous efforts on realising the remaining units at SENI Mont' Kiara and The RuMa Hotel and Residences are also the key focus for the Company.

On behalf of the Board of Directors, I would like to extend our sincere appreciation to our Development Manager for their continued commitment and contribution. Our thanks also go out to the Government authorities, financiers, shareholders and business associates who have remained supportive of our business endeavours throughout the year.

MOHAMMED AZLAN HASHIM
Chairman

23 April 2014

DEVELOPMENT MANAGER'S REVIEW



Kuala Lumpur Sentral Office Towers and Aloft Kuala Lumpur Sentral Hotel



SENI Mont' Kiara
Kuala Lumpur

SENI Mont' Kiara won the FIABCI Malaysia Property Award 2013 (High Rise Residential category) and the Asia Pacific Property Awards 2012 (Residential High Rise Development category).

BUSINESS OVERVIEW

Aseana Properties achieved a significant milestone in year 2013 in both Malaysia and Vietnam with the completion of the remaining operating assets within its portfolio. The Aloft Kuala Lumpur Sentral Hotel ("Aloft") commenced business on 22 March 2013 and The City International Hospital ("CIH") in Ho Chi Minh City, the flagship development at the International Hi-Tech Healthcare Park, commenced business on 24 September 2013 with its official opening subsequently being held on 5 January 2014.

In November 2013, SENI Mont' Kiara ("SENI") has done the Group proud by winning the FIABCI Malaysia Property Award 2013 for the Best High Rise Residential Development. The Malaysian Property Award is hailed as the pre-eminent accolade of achievements in the Malaysia property industry, in which winners will compete on the global stage for the FIABCI World Prix d'Excellence Awards. On the

back of this achievement, the Manager has launched a targeted sales effort at realising the remaining units at SENI. Total sales to date is 87.1% with the expectation that the remaining units will be sold by the end of year 2014.

The RuMa Hotel and Residences ("The RuMa") was launched for sale on 8 March 2013 with commendable sales of 41.4% recorded to-date. Construction of the main building at The RuMa commenced in October 2013 and is progressing well, with completion targeted for early 2017. Sales at both SENI and The RuMa are progressing well against the backdrop of the challenging property market outlook in Malaysia due to the introduction of new cooling measures in Budget 2014 by the government.

In Vietnam, Nam Long was listed on the Ho Chi Minh Stock Exchange in April 2013 at a price of VND27,000 (US\$1.296) per share. Subsequently in early 2014, Nam Long successfully completed a placing of 25,500,000 new shares at VND 18,000 (approximately US\$0.855) per share to a prominent list of institutional investors, which includes International Finance Corporation (a member of the World Bank Group), to raise VND 459.0 billion (approximately US\$21.8 million). The challenging market conditions for the high-end property sector in Vietnam have resulted in the Group delaying the launch of Phase 1 of the Waterside Estates, a 37-unit riverside villa development scheme, until clearer signs of a broader recovery of the high-end property market emerge.

MALAYSIA ECONOMIC UPDATE

Despite the sluggish world economic conditions throughout 2013, which appear to be improving as the new year begins, major indicators seem to suggest Malaysia's economy has entered a stabilised phase and the momentum in the economy is picking up after a slow start at the beginning of the year. In the fourth quarter of 2013, the Malaysian economy had expanded by 5.1% year-on-year and the overall growth of the gross domestic product ("GDP") had moderated from 5.6% in 2012 to 4.7% in 2013, meeting the targeted forecast of 4.5% to 5.0%. On top of that, Moody's Investor Service has reviewed the outlook of Malaysia's government bond and issuer ratings from "stable" to "positive" driven by continuous macro economic stability. Growth in the construction sector has remained steady driven by increased infrastructure spending by the public sector and the residential and non-residential activities in the private sector.

Notwithstanding signs of improvement shown in the Malaysian economy towards the end of 2013, inflation in December rose to 3.2% year-on-year and averaged at 2.1% for the year as a whole compared with 1.6% in 2012. The higher inflation was mainly the result of the long-delayed fiscal corrective measures introduced by the Government, resulting in the increase in consumer prices and the rising cost of living coupled with the Ringgit depreciation. Inflation is expected to be higher at least in the next two years contributed by numerous adjustment measures implemented by the Government through subsidy rationalisation and broadening of the tax base from the introduction of the Goods and Services Tax ("GST") which will take effect from 1 April 2015.

The improvement at the macro-economic level is however in contrast with the consumer and business sentiment, which is largely affected by rising prices domestically and the still weak global economic outlook. The Business Conditions Index (“BMI”) by the Malaysian Institute of Economic Research (“MIER”) decreased further to 92.0 points in the fourth quarter of 2013 attributed to the sluggish domestic orders, deterioration of sales performance and fewer export orders. The fourth quarter 2013 Consumer Sentiment Index (“CSI”) plunged to 82.4 points, well below the 100-point threshold for the first time in five years, in tandem with the increase in inflation which has resulted in deterioration of current household income.

In spite of the generally weak consumer and business sentiment, Malaysia achieved its highest-ever foreign direct investment (“FDI”) in 2013 at RM38.8 billion, surging 3.9% past its previous record of RM37.3 billion in 2011 and was also 24.8% higher than RM31.1 billion recorded in 2012. This is in line with the Government’s continued policy to create a conducive environment for the businesses in Malaysia. Malaysia surged to become the 6th easiest place in the world to do business according to World Bank’s “Doing Business Report 2014” and was ranked high as a destination for investments in the Asean region based on the latest survey by the Asean Business Advisory Council (“Asean-BAC”), with 42.0% survey respondents saying they have plans to invest in Malaysia.

VIETNAM ECONOMIC UPDATE

The Vietnamese economy has shown positive signs towards the end of year 2013 and is finally in recovery mode. The gradual improvement in its macro-economic environment is reflected by faster GDP growth, well controlled inflation and stable value of the Vietnamese Dong (“VND”). These are the favourable outcomes from the implementation of the Government’s policies and measures, namely banking reform together with certain stimulus packages for the real estate sector, which encourages home ownership in the affordable segment of the market. Vietnam registered GDP growth of 5.4% in 2013, slightly below the target of 5.5% but higher than the 5.3% recorded in 2012. Inflation has slowed down significantly in 2013 to 6.6% (2012: 9.2%; 2011: 18.6%), the lowest level in the last decade.

In 2013, newly registered and additional FDI in Vietnam reached US\$21.6 billion, up by 54.5% year-on-year with 1,275 new investments licensed with total registered capital of US\$14.3 billion and 472 investments adding US\$7.3 billion to their existing capital. The FDI in 2013 focused mainly on the manufacturing industry with US\$16.6 billion (76.9%) of total registered capital, the power generation and supply industry with US\$2.0 billion (9.4%) and other industries with US\$3.0 billion (13.7%). Strong capital inflows of FDI have helped to create new financing sources to counterbalance the sluggish domestic situation.

Vietnam’s banking sector also saw a number of improvements, particularly the reduction in the refinancing rate by the State Bank of Vietnam (“SBV”) from 9.0% in December 2012 to 6.5% to date. By the end of 2013, commercial interest rates on existing



Four Points by Sheraton Sandakan
Sabah

VND denominated loans were less than 13.0% per annum and approximately 8.0% to 9.0% per annum for new short-term loans. Meanwhile, since the establishment of a national debt restructuring agency, the Vietnam Asset Management Company (“VAMC”) has successfully swapped VND 39.0 trillion (US\$1.8 billion) worth of bad debts from 35 banks, surpassing its target for 2013.

PORTFOLIO REVIEW

MALAYSIA

Property Market Review

In 2013, the volume of property transactions slowed down despite an upward trajectory in value, which indicated the rising prices of properties. Stricter mortgage lending by banks played a major role in the slowdown of new transactions taking place. The deceleration was further aggravated by the cooling measures introduced in October 2013 by the Malaysian Government in the 2014 Budget. The Government has introduced stricter Real Property Gains Tax (“RPGT”) rules in a bid to clamp down on property speculation. Under the new RPGT rules, owners who dispose of their residential properties within the first three years will be charged 30.0% of the transaction value, with RPGT rates going down to 20.0% in the fourth year, 15.0% in the fifth year. A further 5.0% tax will be imposed on corporate and foreign buyers for disposal of properties from the sixth year onwards. In addition, the minimum price of properties that are allowed to be purchased by foreigners has doubled to RM1.0 million. Furthermore, the Developer Interest Bearing Scheme (“DIBS”) which allowed buyers to purchase new properties without having to make any progressive payments over the course of construction has been abolished.

The supply of commercial office space in the Klang Valley increased to 104.2 million sq. ft. contributed by the completion of 13 office buildings in 2013 and overall occupancy rates increased marginally to 80.0%. The market remained stable despite mounting pressure on occupancy and rental rates as supply continues to outstrip demand. Meanwhile, the commercial retail sector in Klang Valley recorded a relatively weak performance in 2013, indicated by a total net take-up rate of 1.138 million sq. ft. for purpose-built retail centre and hypermarkets compared with 2.846 million sq. ft. of take-up recorded in 2012. The outlook for the local retail sector is of cautious optimism as consumers are expected to tighten spending ahead of further government subsidy rationalisation measures.

On the back of strong growth in the Malaysian tourism industry, the hotel sector has remained resilient in 2013. Hotel room inventory increased by 1,114 rooms from 40,158 rooms in 2012 to 41,272 rooms in 2013. Average occupancy rate inched up marginally to 68.5% as compared to 68.3% recorded in 2012. The scheduled opening of the new low-cost regional airport hub, KLIA2 in 2014 is expected to increase flight frequencies and hence tourist arrivals going forward.

Aseana Properties has six development projects in Malaysia, ranging from residential, hotels, commercial offices as well as a retail mall:

DEVELOPMENT MANAGER'S REVIEW *cont'd*

• SENI Mont' Kiara

100.0% owned by Aseana Properties, SENI Mont' Kiara is an upmarket condominium development situated on one of the highest points in Mont' Kiara. Construction was completed in 2011. The project consists of 605 residential units, with two 12-storey blocks and two 40-storey blocks. The majority of the units command impressive views of the city skyline, which includes the 88-storey Petronas Twin Towers and the KL Tower.

Sales at SENI Mont' Kiara have been improving at a rapid pace with 87.1% of sales achieved to date. In November 2013, SENI Mont' Kiara won the much sought after FIABCI Malaysia Property Award 2013 for the Best High Rise Residential Development. On the back of this milestone, the Manager has launched targeted sales drive in an effort to dispose of all remaining units by the end of year 2014.

The development is funded by progressive payments from buyers and a bridging loan facility of RM57.7 million (US\$17.6 million), which was fully drawn down as at 31 December 2011 and fully repaid in 2013.

• Tiffani by i-ZEN

Tiffani by i-ZEN, wholly-owned by Aseana Properties, is a completed luxury condominium project located in Mont' Kiara. 98.5% of the 399 residential units have been sold (as at 31 March 2014). The debt on the project has been fully repaid. The Manager has decided to fully fit out and furnish two remaining units of penthouses and three large units at Tiffani by i-ZEN to offer buyers and dwellers with a hassle-free experience of owning an apartment unit.

• The RuMa Hotel and Residences

This project is strategically located in the heart of Kuala Lumpur City Centre ("KLCC") on Jalan Kia Peng, near neighbouring landmarks such as the Grand Hyatt Kuala Lumpur, KLCC Convention Centre, Suria KLCC shopping mall, KLCC Park and the world famous Petronas Twin Towers. Aseana Properties owns 70.0% of this project and 30.0% is owned by Ireka Corporation Berhad. With a development land area of approximately 43,559 square feet, the Group will be developing 199 units of luxury residences, The RuMa Residences, and a 253-room luxury bespoke hotel, The RuMa Hotel. The RuMa Hotel will be managed by Urban Resort Concepts, a renowned bespoke hotel management company based in Shanghai, which is the creator and operator of the award-winning The Puli Hotel in Shanghai.

Construction work commenced in February 2013 and is estimated to be completed in 2017. The sales launch for The RuMa Hotel and Residences was held on 8 March 2013. To date, sales at The RuMa Hotel and Residences have shown encouraging progress, achieving 41.4% sales to date based on sales and purchase agreements signed. A further 6.6% was booked with deposits paid.

The land was part financed by a term loan facility of RM65.3 million (US\$19.9 million), which was fully drawn down. The development of the project is funded by progressive payments from buyers.



Harbour Mall Sandakan
Sabah

• Kuala Lumpur Sentral Project and Aloft Kuala Lumpur Sentral Hotel

Kuala Lumpur Sentral project is a mixed commercial and hospitality development project consisting of two office towers and a business class hotel, centrally located in Kuala Lumpur's urban transportation hub. The project is owned and developed by Excellent Bonanza Sdn. Bhd. ("EBSB"), which is jointly owned by Aseana Properties and Malaysian Resources Corporation Berhad (a government linked entity) on a 40:60 basis. The two office towers have been sold for approximately RM623.0 million (or US\$190.2 million), and construction was completed in December 2012. The collection of the remaining 90% of the proceeds is expected in December 2015.

At the start of the project, Aseana Properties conditionally agreed to purchase the hotel component from EBSB for a total consideration of approximately RM217.0 million (or US\$66.2 million). Aseana Properties entered into a Management Agreement appointing Starwood Asia Pacific Hotels & Resort Pte Ltd as the operator for Kuala Lumpur Sentral Hotel under the 'Aloft' brand name. The sale and purchase of the 482-room Aloft Kuala Lumpur Sentral Hotel was completed in April 2013 and operations commenced on 22 March 2013.

The purchase of the Aloft Kuala Lumpur Sentral Hotel together with fit-out expenses are financed by guaranteed medium term notes of RM270.0 million (US\$82.4 million) which is part of the RM515.0 million (approximately US\$157.2 million) MTN programme announced in November 2011, of which RM15.0 million was drawn down as at 31 December 2012. The remaining RM254.0 million (US\$77.5 million) was drawn down in April 2013 to complete the acquisition of the Aloft Kuala Lumpur Sentral Hotel.

The Aloft Kuala Lumpur Sentral Hotel has achieved excellent progress since its commencement of business on 22 March 2013. Nook restaurant at the Aloft managed to clinch four awards from The



Four Points by Sheraton Sandakan
Sabah

Four Points by Sheraton Sandakan is the first international four-star hotel in Sandakan while the Harbour Mall Sandakan is the city's modern lifestyle mall.

Malaysian International Gourmet Festival ("MIGF") 2013 in categories such as the Most Innovative Cuisine at the Gala Launch (Judges and People's choice), Most Outstanding Cuisine at the Gala Launch (Judges choice) and Most Creative Food Presentation at the Gala Launch (People's choice). The hotel has also been awarded with the "Best Nightlife Experience: Excellence Award" from the Best of Malaysia Awards 2013 by Expatriate Lifestyle. The hotel recorded an occupancy rate of 67.1% to date, and a high of 78.4% in March 2014 and an Average Daily Rate ("ADR") of RM315.9. The Manager is confident that the hotel will achieve its stabilisation level over the next few quarters of 2014, given the positive improvements shown over the last year since its commencement of business.

• Sandakan Harbour Square

Sandakan Harbour Square, wholly-owned by Aseana Properties, is an urban redevelopment project in the commercial centre of Sandakan, Sabah. Sandakan is a 'Nature City' with a population of approximately 500,000 with eco-tourism and palm oil plantations as

the main drivers of the local economy. The Sandakan Harbour Square project consists of 4 phases, whereby Phases 1 and 2 comprise 129 shop lots that are fully sold, while Phases 3 and 4 consist of the first retail mall (Harbour Mall Sandakan) and the first international four-star hotel in Sandakan, known as the Four Points by Sheraton Sandakan Hotel.

The Harbour Mall Sandakan ("HMS") and Four Points by Sheraton Sandakan Hotel ("FPSS") commenced business in July and May 2012 respectively. The occupancy rate at the Harbour Mall Sandakan is currently recorded at 47.6%. Notable tenants of the mall include Parkwell Departmental Store, Levi's, The Body Shop, GNC and McDonald's and leasing activities at Harbour Mall Sandakan to both local and international retailers are still on-going. Meanwhile, FPSS recorded an occupancy rate of 40.9% as at 31 March 2014, with an ADR of RM194.0. The management of FPSS continues to improve the efficiency of operations, and to work with relevant authorities to improve tourist arrivals to Sandakan. The mall and hotel are expected to go through a period of stabilization before achieving optimal performance. The performance of both HMS and FPSS over the past twelve months has been affected by an incursion by a small group of armed dissidents in early 2013.

The project is funded by guaranteed medium term notes of RM245.0 million (US\$74.8 million) which is part of the RM515.0 million (US\$157.2 million) MTN programme announced in November 2011. The MTNs were fully issued as at 31 December 2011.

• Kota Kinabalu Seafront resort & residences

Facing the South China Sea, this project is a resort-themed development consisting of a boutique resort hotel, resort villas and resort homes at the seaside area in Kota Kinabalu, Sabah. Aseana Properties acquired three adjoining plots of land amounting in aggregate to approximately 80 acres in September 2008 with the intention of developing a hotel, villas and resort homes. The Board has decided to dispose of the land.

VIETNAM

Property Market Review

After a lackluster period of several years for the property market in Vietnam, things are starting to look more positive as indicated by the increasing number of transactions, especially during the last few months of 2013. The proposed deregulation of legislation on foreign ownership of real estate in Vietnam is expected to provide a boost to the market in the near future.

In Vietnam's residential sector, majority of the newly launched units and transactions for condominiums were in the medium low segments resulting in lower average primary price level of US\$781 per square meter. In order to attract buyers, developers have started to offer additional incentives as well as introducing more flexible and longer payment terms. On the commercial retail front, more Western franchises are entering the Vietnamese market. McDonald's has officially opened its first outlet in Ho Chi Minh City in February 2014, with an additional outlet under construction and set to be launched in the second half of 2014. AEON of Japan has also launched



City International Hospital in
International Hi-Tech Healthcare Park
Ho Chi Minh City

*The hospital is managed by Parkway Pantai Ltd,
Asia's leading private healthcare group.*

its first mall, with 50,000 square meters of net leasable area, in Ho Chi Minh City in January 2014. In addition, a French grocery giant, Auchan has become the latest international retailer to announce its investment in Vietnam and is considering investing US\$500.0 million into Vietnam over the next 10 years.

The overall occupancy rate for the office sector has increased to 89.0%, the highest over the past 4 years. The office market has exhibited positive signs in 2013 for the first time in 4 years as new buildings such as Lim Tower, President Place and Empress Tower were able to achieve good pre-commitments for their space. On the hospitality side, Vietnam has recorded approximately 7.5 million visitors in 2013, up 10.6% year-on-year.



City International Hospital in International Hi-Tech Healthcare Park
Ho Chi Minh City

The City International Hospital, the first private international standard general hospital, consists of 320 beds complete with inpatient and outpatient wards with modern facilities.

DEVELOPMENT MANAGER'S REVIEW *cont'd*

Aseana Properties has one equity investment and two development projects in Vietnam - the latter comprising one residential project with its development partner, Nam Long Investment Corporation and an integrated healthcare development. The highlights are as follow:

• International Hi-Tech Healthcare Park and City International Hospital

The International Hi-Tech Healthcare Park ("IHTHP") is a planned mixed development over 37.54 hectares of land comprising world-class private hospitals, mixed commercial, hospitality and residential developments. This development is located in the Binh Tan District, close to Chinatown and is approximately 11 km from District 1, the central business and commercial district of HCMC. Aseana Properties has a 67.2% stake in this development and its joint venture partner, Hoa Lam

Group holds a significant minority stake together with a consortium of investors from Singapore, Malaysia and Vietnam. Approximately 20 hectares will be dedicated to the hospital and commercial developments, and five hectares has been allocated for residential developments.

Construction commenced on the first phase of the 320-bed City International Hospital ("CIH") in May 2010, and was completed in March 2013. CIH commenced business on 24 September 2013 and its official opening was subsequently held on 5 January 2014. CIH is a modern private care hospital of international standards with 320 beds (Phase 1: 168 beds) and is managed by Parkway Pantai Limited, Asia's leading private healthcare group with a network of more than 3,300 beds across Singapore, Malaysia,

the Middle East and India. The operations of CIH are expected to go through a period of stabilisation over next two years before reaching optimal performance.

It is expected that the next phase of development at the IHTHP, consisting of mid-end residential apartments will begin later this year, subject to a broader recovery in the property market in Ho Chi Minh City.

To part finance the payment for the land and working capital, the joint venture companies have secured total loan facilities of US\$29.6 million, of which US\$18.8 million had been drawn down as at 31 December 2013. The development of City International Hospital is funded by a syndicated term loan of US\$43.3 million, of which US\$35.0 million was drawn down as at 31 December 2013.

• Nam Long Investment Corporation

In 2008, Aseana Properties acquired a strategic minority stake in Nam Long Investment Corporation ("Nam Long"), a private property development company in Vietnam with market leadership in the low to medium-end segment of the market. Nam Long was subsequently listed on the Ho Chi Minh Stock Exchange on 8 April 2013. In February 2014, Nam Long completed a placing of 25,500,000 new shares at VND18,000 (approximately US\$0.855) per share to a prominent list of institutional investors, to raise VND459.0 billion (approximately US\$21.8 million). The proceeds will be used as working capital for Nam Long's development projects. The placing, which enlarges Nam Long's outstanding share capital to 121,013,523 shares, saw International Finance Corporation (a member of World Bank Group), Bridger Capital, Probus Asia among other investors join the existing institutional investors in Nam Long such as Nam Viet Ltd (Goldman Sachs Group) and Vietnam Azalea Fund (Mekong Capital). Subsequent to the placing, Aseana Properties' effective stake in Nam Long has reduced to 12.9% from 16.3%.

Nam Long's affordable housing projects, branded as "E-homes", continue to be their main revenue driver. During 2013, Nam Long has successfully launched three affordable homes projects. The Nam Long E-homes are priced in the region of US\$25,000 to US\$60,000 per unit.

Nam Long currently has a land bank of over 560 hectares, mainly in HCMC and its neighbouring provinces, making it one of the largest property developers by land bank in HCMC. Nam Long is currently undertaking a new township development in Long An Province, approximately 25 km south of HCMC. Through this partnership, Aseana Properties is co-developing the Waterside Estates in District 9 of Ho Chi Minh City with Nam Long.



Waterside Estates
Ho Chi Minh City



E-homes by Nam Long
Ho Chi Minh City

• Waterside Estates

On 26 April 2011, Aseana Properties entered into an agreement with Nam Long to develop a residential project on a 56,212 sq m parcel of land in the prime suburban residential area of District 9 in Ho Chi Minh City. The project, consisting of 37 villas (Phase 1) and 460 apartment units (Phase 2), will be developed by Aseana Properties and Nam Long on a 55:45 basis. With its low development density, the villas and apartments will be set in a lush green landscape, with the river-front view of the Rach Chiec River adding a sense of nature and tranquility to the development. The project is expected to have a gross development value of approximately US\$100.0 million. The Investment License for the project was received in

November 2011, and the sales launch of the 37 units of villas has currently been deferred to the second half of 2014 due to the challenging conditions in the high-end real estate market in Vietnam.

The development is expected to be funded by progressive payments from buyers, bank debt and further equity contributions from shareholders of the project.



Aloft Kuala Lumpur Sentral Hotel
Kuala Lumpur

The Aloft Kuala Lumpur Sentral is a bold mix of forward-thinking design, concept and approach.

OUTLOOK

2013 was a milestone year for Aseana Properties with the completion of all operating assets in Malaysia, namely Four Points by Sheraton Sandakan Hotel, Harbour Mall Sandakan and Aloft Kuala Lumpur Sentral Hotel and City International Hospital in Vietnam. The Manager continues to focus on stabilising the operations of these assets to achieve optimum capital value.

In view of the recent stringent measures introduced by the Malaysian government aimed at combatting property speculation, there are looming uncertainties on the outlook of the Malaysian property market for the next few years. Similarly, the current economic condition in Vietnam remains challenging despite signs of improvements towards the end of last year. Nonetheless, the Manager is working closely with the Board to explore every opportunity to realise and divest Aseana's assets in both Malaysia and Vietnam.

I wish to express my utmost gratitude to the Board of Aseana Properties, our advisers and business associates for their support and guidance throughout the year, as we continue to look towards success in 2014 and the years to come.

LAI VOON HON

President / Chief Executive Officer

Ireka Development Management Sdn. Bhd.
Development Manager

23 April 2014



Aloft Kuala Lumpur Sentral Hotel
Kuala Lumpur

Aloft Kuala Lumpur Sentral, a vision of W Hotels, will complement Kuala Lumpur's hospitality industry with its dynamic blend of decor, music, design and technology.

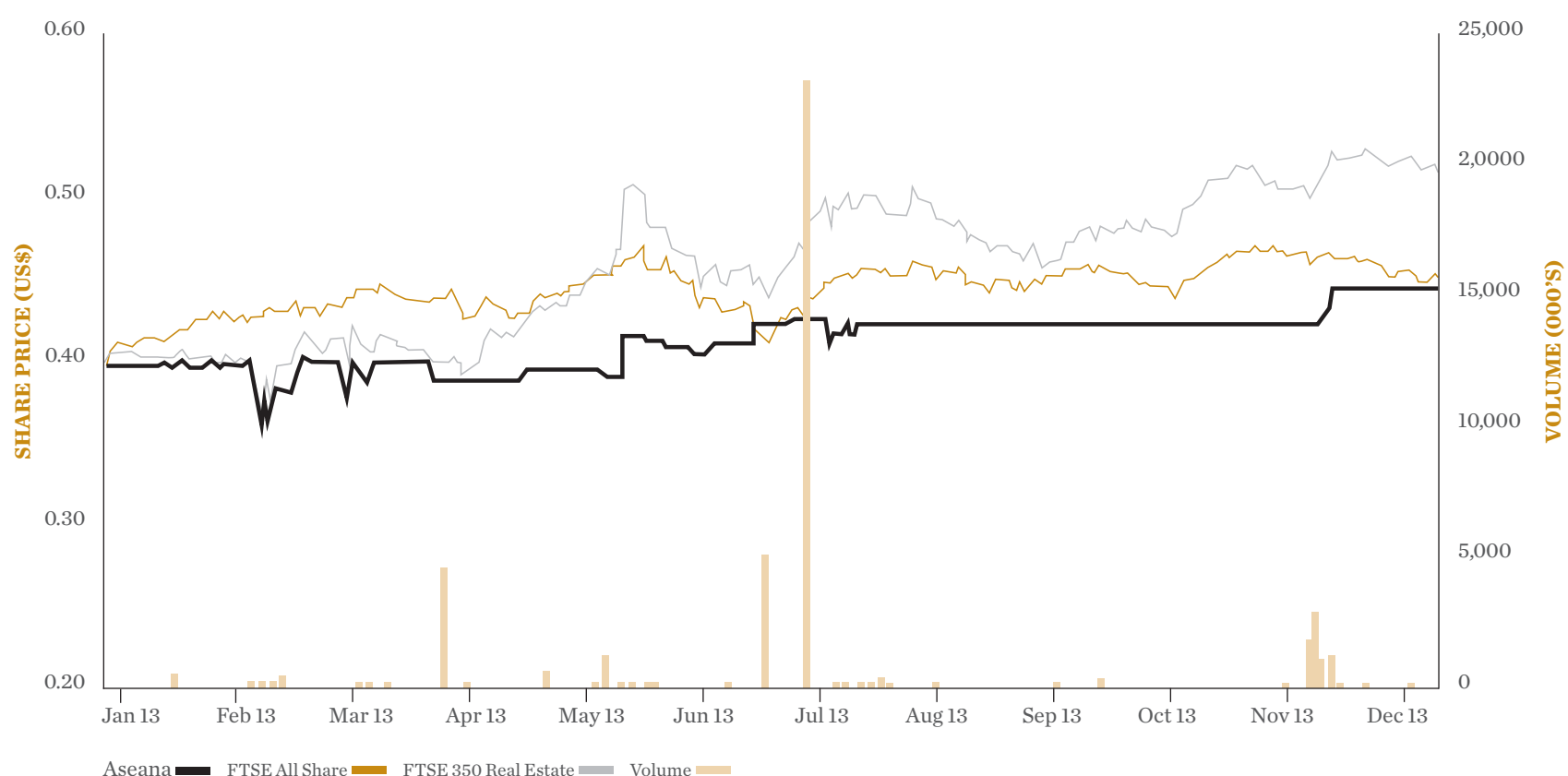
PROPERTY PORTFOLIO

AS AT 31 DECEMBER 2013

Project	Type	Effective Ownership	Approximate Gross Floor Area (sq m)	Approximate Land Area (sq m)	Scheduled completion
COMPLETED PROJECTS					
Tiffani by i-ZEN Kuala Lumpur, Malaysia	Luxury condominiums	100.0%	81,000	15,000	Completed in August 2009
1 Mont’ Kiara by i-ZEN Kuala Lumpur, Malaysia	Office suites, office tower and retail mall	100.0%	96,000	14,000	Completed in November 2010
SENI Mont’ Kiara Kuala Lumpur, Malaysia	Luxury condominiums	100.0%	225,000	36,000	Phase 1: Completed in April 2011 Phase 2: Completed in October 2011
Sandakan Harbour Square Sandakan, Sabah, Malaysia	Retail lots, hotel and retail mall	100.0%	126,000	48,000	Retail lots: Completed in 2009 Retail mall: Completed in March 2012 Hotel: Completed in May 2012
Kuala Lumpur Sentral Office Towers & Hotel Kuala Lumpur, Malaysia	Office towers and a business hotel	40.0%	107,000	8,000	Office Towers: Completed in December 2012 Hotel: Completed in January 2013
Aloft Kuala Lumpur Sentral Hotel Kuala Lumpur, Malaysia	Business-class hotel (a Starwood Hotel)	100.0%	28,000	5,000	Completed in January 2013
Phase 1: City International Hospital, International Hi-Tech Healthcare Park, Ho Chi Minh City, Vietnam	Private general hospital	67.2%*	48,000	25,000	Completed in March 2013
PROJECTS UNDER DEVELOPMENT					
The RuMa Hotel and Residences Kuala Lumpur, Malaysia (formerly KLCC Kia Peng Project)	Luxury residential tower and boutique hotel	70.0%	40,000	4,000	First quarter of 2017
LISTED EQUITY INVESTMENT					
Listed equity investment in Nam Long Investment Corporation, an established developer in Ho Chi Minh City, Vietnam	Listed equity investment	16.3%	n/a	n/a	n/a
PIPELINE PROJECTS					
Waterside Estates Ho Chi Minh City, Vietnam (formerly Phuoc Long B Project)	Villa and high-rise apartments	55.0%	94,000	57,000	n/a
Other developments in International Hi-Tech Healthcare Park, Ho Chi Minh City, Vietnam	Commercial and residential development with healthcare theme	67.2%*	972,000	351,000	n/a
Kota Kinabalu seafront resort & residences Kota Kinabalu, Sabah, Malaysia	i. Boutique resort hotel resort villas ii. Resort homes	100.0% 80.0%	n/a	327,000	n/a

* Shareholding as at 31 December 2013
n/a: Not available / not applicable

SHARE PRICE CHART



PERFORMANCE SUMMARY

Year ended
31 December 2013

Year ended
31 December 2012

TOTAL RETURNS SINCE LISTING

Ordinary share price	-56.00%	-60.25%
FTSE All-share index	8.34%	-7.15%
FTSE 350 Real Estate Index	-49.95%	-57.98%

ONE YEAR RETURNS

Ordinary share price	10.69%	11.97%
FTSE All-share index	16.69%	8.24%
FTSE 350 Real Estate Index	19.10%	25.42%

CAPITAL VALUES

Total assets less current liabilities (US\$ million)	361.63	320.32
Net asset value per share (US\$)	0.75	0.87
Ordinary share price (US\$)	0.44	0.40
FTSE 350 Real Estate Index	469.38	394.09

DEBT-TO-EQUITY RATIO

Debt-to-equity-ratio ¹	134.94%	73.41%
Net debt-to-equity-ratio ²	120.25%	64.19%

EARNINGS PER SHARE

Earnings per ordinary share	- basic (US cents)	-8.96	-7.94
	- diluted (US cents)	-8.96	-7.94

NOTES:

¹ Debt-to-equity ratio = (Total Borrowings ÷ Total Equity) x 100%

² Net debt-to-equity ratio = (Total Borrowings less Cash and Cash Equivalents less Held-For-Trading Financial Instrument ÷ Total Equity) x 100%

FINANCIAL REVIEW

INTRODUCTION

The Group recorded losses for the year ended 31 December 2013, mainly due to operating losses of Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan and pre-opening expenses and operating losses of Aloft Kuala Lumpur Sentral Hotel and City International Hospital, both of which were completed and commenced operation during the year.

STATEMENT OF COMPREHENSIVE INCOME

The Group's revenue increased from US\$23.7 million in 2012 to US\$29.3 million in the year, representing an increase of 23.6%. The revenue in 2013 was mainly attributable to the sales of completed units at SENI Mont' Kiara.

The Group recorded a net loss before taxation of US\$18.8 million, compared to a loss before taxation of US\$16.6 million in 2012. The losses in 2013 were largely due to operating loss of Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan, totalling US\$5.9 million; and pre-opening expenses and operating losses of Aloft Kuala Lumpur Sentral Hotel and City International Hospital of US\$4.4 million and US\$5.9 million respectively. Finance cost for these four operating assets totalled US\$9.2 million.

Net loss attributable to equity holders of the parent was US\$19.0 million in 2013, compared to a net loss of US\$16.8 million in 2012. Tax charge for 2013 was higher at US\$2.9 million (2012: US\$1.8 million) due to corresponding higher revenue.

The consolidated comprehensive loss for the year ended 31 December 2013 was US\$27.7 million compared to a consolidated comprehensive loss of US\$19.9 million in 2012. The former includes a loss arising from foreign currency translation differences for foreign operations of US\$6.2 million (2012: Gain of US\$3.4 million) due to weakening of Ringgit against US Dollars during the year; and an increase in the fair value of shares in Nam Long of US\$0.13 million (2012: Decrease of US\$ 4.8 million). The carrying amount of shares in Nam Long was US\$12.7 million as at 31 December 2013 (2012: US\$ 12.6 million).

Basic and diluted loss per share for the year ended 31 December 2013 were both US cents 8.96 (2012: Loss per share of US cents 7.94).

STATEMENT OF FINANCIAL POSITION

Total assets at 31 December 2013 was US\$494.8 million, compared to US\$409.7 million for 2012, representing an increase of US\$85.1 million. The increase was mainly due to an increase in inventories following the completion of Aloft Kuala Lumpur Sentral Hotel and City International Hospital. Cash and cash equivalents (excluding the impact of deposit pledged) were higher at US\$24.6 million (2012: US\$16.8 million) mainly due to higher sales collection for SENI Mont' Kiara in 2013.

Total liabilities have increased from US\$213.0 million in 2012 to US\$324.8 million in 2013, a rise of US\$111.8 million. The increase was substantially attributable to issuance of Medium Term Notes of US\$77.5 million to fund the purchase of Aloft Kuala Lumpur Sentral Hotel and term loan of US\$17.9 million to fund the City International Hospital.

Net asset value per share at 31 December 2013 was US cents 74.8 (2012: US cents 86.6).

CASH FLOW AND FUNDING

Changes in cash flow in 2013 were positive at US\$8.8 million, compared to the negative cash flow of US\$18.6 million in 2012.

The Group's subsidiaries borrow to fund property development projects. At 31 December 2013, the Group had gross borrowings of US\$229.4 million (2012: US\$144.4 million), an increase of 58.86% over the previous year. Net debt-to-equity ratio increased from 64.19% in 2012 to 120.25% in 2013. Moving forward, the Group will focus on parring down its borrowings.

Finance income remained at US\$0.4 million in 2013. Finance costs increased from US\$4.3 million in 2012 to US\$9.8 million in 2013. The increase was mainly attributable to Aloft Kuala Lumpur Sentral Hotel and City International Hospital.

DIVIDEND

No dividend was paid in 2013.

PRINCIPAL RISKS AND UNCERTAINTIES

A review of the principal risks and uncertainties facing the Group is set out in the Directors' Report.

TREASURY AND FINANCIAL RISK MANAGEMENT

The Group undertakes risk assessments and identifies the principal risks that affect its activities. The responsibility for the management of each key risk has been clearly identified and delegated to the senior management of the Development Manager. The Development Manager's senior management team is involved in the day-to-day operation of the Group.

A comprehensive discussion on the Group's financial risk management policies is included in the notes to the financial statements.

MONICA LAI VOON HUEY

Chief Financial Officer

Ireka Development Management Sdn. Bhd.
Development Manager

23 April 2014

CORPORATE SOCIAL RESPONSIBILITY

The Group strongly believes that adhering to corporate social responsibility obligations through its operations and sustainable development, is integral to business success. The Group strives to operate in an environmentally friendly, safer and more efficient way, in order to create a better life for all. The Group builds this on the following six areas, reflecting current and emerging corporate social responsibility standards:

1. MANAGING CORPORATE RESPONSIBILITY

Aseana Properties believes in responsible business practice and is committed to doing so with integrity and in an open and ethical manner. The Board of Directors is responsible for approving appropriate policies and procedures to govern the manner in which the Group treats its customers, employees and shareholders. Aseana Properties adheres to corporate social responsibility obligations in the development and management of sustainable, commercially viable properties that are attractive to customers and contribute higher returns to its shareholders. It reviews corporate responsibility issues as part of the risk of business, and ensures that the reputation of Aseana Properties is protected and shareholders' values are enhanced.

2. ENVIRONMENTAL MANAGEMENT

Environmental management involves a set of processes and practices that enables an organisation to reduce its environmental impact and increase its operating efficiency. Aseana Properties is committed to environmental protection and to this end, recognises that development activities will have an impact on the environment and therefore always aims to operate in a manner that mitigates environmental impact. For example, Aseana Properties, through its Development Manager, Ireka Development Management Sdn Bhd, works with local authorities and planners to ensure that environmental protection and amenity improvements are key criteria in any project scheme. The Group also works with architects and designers to incorporate natural elements such as water, greenery, light and air into its schemes. Additionally, the Development Manager also works with contractors and suppliers to promote best practice in issues relating to resource conservation and pollution control.

3. HEALTH AND SAFETY

As a property developer, Aseana Properties makes health and safety its top priority. Its Development Manager works closely with all contractors to ensure that they meet legislative and regulatory requirements and that the best practice code is adhered to at all work sites.

Aseana Properties is also committed to the health, safety and welfare of its stakeholders and others affected by its business operations, by providing a safe and healthy work environment.

4. EMPLOYEES

Aseana Properties works closely with its Development Manager to ensure that all employees are treated fairly and with dignity.

5. COMMUNITY

Aseana Properties believes in supporting and participating in community activities that enhance social progress and community welfare. During the year, Aseana Properties participated in various charity events and contributed in the areas of education, arts as well as causes that benefit children.

6. STAKEHOLDERS

Aseana Properties is committed to meaningful dialogue and relevant actions with all stakeholders, through participating in stakeholders' meetings, roadshows, conference calls, briefings, timely release of annual reports and its quarterly magazine, CiTi-ZEN. Aseana Properties also maintains an updated and informative website (www.aseanaproperties.com) that is accessible to stakeholders and members of the public.



City International Hospital in International Hi-Tech Healthcare Park
Ho Chi Minh City

CALENDAR OF EVENTS

JAN
2013FEB
2013MAR
2013APR
2013MAY
2013JUN
201302
FEB

Site Visit to City International Hospital by Ms Nguyen Thi Kim Tien, Vietnam's Minister of Health. The hospital is a flagship development of the International Hi-Tech Healthcare Park ('IHHP'). IHHP is Vietnam's first and only premier international healthcare development, featuring a fully integrated healthcare environment for patients and medical professionals alike.

08
MAR

The RuMa Hotel and Residences ('The RuMa') was officially launched for sale. Strategically located in Kuala Lumpur City Centre, the hotel component will be managed by international bespoke luxury hotel operator, Urban Resort™ Concepts (URC). The RuMa hotel suites are sold off-plan on a sale and lease-back basis for an initial 10 years with a guaranteed rental return of 6% for the first 5 years.

17
till
23
MAR

Aloft Kuala Lumpur Sentral was selected to host the sixth Mercedes-Benz Stylo Fashion Grand Prix 2013 prior to the hotel's opening. Themed 'The Mannequin Fantasies', the annual fashion show served as a platform for ancillary and supporting industries around fashion design.

08
APR

Aseana Properties announced that its investee company, Nam Long Investment Corporation, a real estate developer in Vietnam, in which Aseana Properties holds 16.32% stake, has listed its shares on the Ho Chi Minh Stock Exchange at a price of VND27,000 (approximately US\$1.29) per share, valuing Nam Long at approximately VND2.58 billion (US\$123.82 million).

24
APR

Aseana Properties announced its audited Full Year Results for the financial year ended 31 December 2012.

17
MAY

Aseana Properties issued the Interim Management Statement for the period 1 January 2013 to 16 May 2013.

31
MAY

City International Hospital successfully obtained its operating license from Vietnam's Ministry of Health. This project will address the current shortage of world class, comprehensive healthcare services and facilities in Ho Chi Minh City, serving its estimated 9 million people as well as the surrounding region.

18
JUN

Aseana Properties hosted its 7th Annual General Meeting in Jersey, United Kingdom.

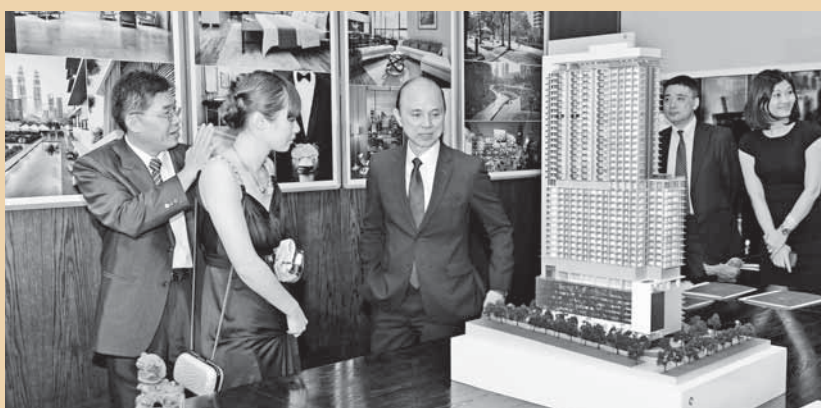
22
MAR

The 482-room Aloft Kuala Lumpur Sentral Hotel, managed and operated by Starwood Asia Pacific Hotels Resort Pte. Ltd. commenced business.



JUL
2013AUG
2013SEP
2013OCT
2013NOV
2013DEC
201312
JUL

The RuMa Hotel and Residences private preview at PuLi Hotel & Spa, Shanghai, China was also attended by renowned Malaysian and world shoe designer, Datuk Jimmy Choo. The RuMa Hotel and Residences sits at Jalan Kia Peng located in the heart of Kuala Lumpur City Centre.

29
AUG

Aseana Properties announced its Half-Year Results for the six-month period ended 30 June 2013.

24
SEP

City International Hospital ('CIH'), a modern private care hospital of international standards with 320 beds, commenced its business. CIH is managed by Parkway Pantai, one of Asia's largest private healthcare services provider. It is also CIH's Patient Recognition Day.

09
NOV

SENI Mont' Kiara won the Asia Pacific Property Awards 2013 – High Rise Residential. SENI Mont' Kiara is a prestigious residential resort located on the highest point of Mont' Kiara, offering majority of its luxury residences impressive views of the Kuala Lumpur city skyline.

19
NOV

Aseana Properties issued the Interim Management Statement for the period 1 July 2013 to 19 November 2013.

28
NOV

Site Visit to City International Hospital by the representatives of the Reward Emulation deputation from different regions in South Vietnam, headed by Ms Tran Thi Ha, Vice President of the Central Board of Emulation, Deputy Minister of Internal Affair. The hospital is installed with the latest equipment for diagnostic imaging, advanced laboratory testing and surgical procedures.

05
DEC

Site Visit to City International Hospital ('CIH') by Mr Dang Ngoc Tung, President of Vietnam General Confederation of Labour. CIH's building layout is oriented to minimize sunlight, where large windows were installed throughout to allow more natural lighting while its extensive landscaping of trees and flowering shrubs help to create a fresh green environment for the staff, patients and visitors.

BOARD OF DIRECTORS



MOHAMMED AZLAN HASHIM
Non-Executive Chairman

Mohammed Azlan Hashim was appointed as Chairman (Non-Executive) of Aseana Properties in March 2007.

In Malaysia, Azlan serves as Chairman of several public entities, listed on the Bursa Malaysia Securities Berhad, including D&O Green Technologies Berhad, SILK Holdings Berhad, Scomi Group Berhad and Deputy Chairman of IHH Healthcare Berhad.

He has extensive experience working in the corporate sector including financial services and investments. Among others, he has served as Chief Executive, Bumiputra Merchant Bankers Berhad, Group Managing Director, Amanah Capital Malaysia Berhad and Executive Chairman, Bursa Malaysia Berhad Group.

Azlan also serves as a Board Member of various government related organisations including Khazanah Nasional Berhad, Labuan Financial Services Authority and is a member of Employees Provident Fund and the Government Retirement Fund Inc. Investment Panels.

Azlan holds a Bachelor of Economics from Monash University, Melbourne and qualified as a Chartered Accountant in 1981. He is a Fellow Member of the Institute of Chartered Accountants, Australia, Malaysian Institute of Directors, Institute of Chartered Secretaries and Administrators, Hon. Member of the Institute of Internal Auditors, Malaysia and Member of the Malaysian Institute of Accountants.



CHRISTOPHER HENRY LOVELL
Non-Executive Director

Christopher Henry Lovell was appointed as Director (Non-Executive) of Aseana Properties in March 2007. He was a partner in Theodore Goddard between 1983 and 1993 before setting up his own legal practice in Jersey. In 2000, he was one of the founding principals of Channel House Trustees Limited, a Jersey regulated trust company, which was acquired by Capita Group plc in 2005, when he became a director of Capita's Jersey regulated trust company until his retirement from Capita in 2010.

Christopher was a director of BFS Equity Income & Bond plc between 1998 and 2004, BFS Managed Properties plc between 2001 and 2005 and Yatra Capital Limited between 2005 and 2010. His current non-executive directorships include Public Service Properties Investments Limited and a number of EMAC Illyrian property funds listed on the Channel Islands Stock Exchange.

Christopher holds an LL.B. (Hons) degree from the London School of Economics and is a member of the Law Society of England & Wales.



DAVID HARRIS
Non-Executive Director

David Harris was appointed as Director (Non-Executive) of Aseana Properties in March 2007. David is currently Chief Executive of InvaTrust Consultancy Ltd, a company that specialises in the provision of investment marketing services to the Financial Services Industry in both the UK and Europe. He was formerly Managing Director of Chantrey Financial Management Ltd, a successful investment and fund management company linked to Chartered Accountants, Chantrey Vellacott. Additionally, he also served as Director of the Association of Investment Companies overseeing marketing and technical training.

He is currently a non-executive director of a number of quoted companies in the UK including Character Group plc, Small Companies Dividend Trust plc, F&C Managed Portfolio Trust plc, Manchester & London Investment Trust plc and Core VCT V plc. He writes regularly for both the national and trade press and appears regularly on TV and Radio as an investment commentator. He is a previous winner of the award "Best Investment Adviser" in the UK.



ISMAIL SHAHUDIN
Non-Executive Director

Ismail Shahudin was appointed as Director (Non-Executive) of Aseana Properties in March 2007. Ismail is chairman of Maybank Islamic Berhad, Opus Group Berhad and also serves as Independent Non-Executive board member of several Malaysia public listed entities, among others, Malayan Banking Berhad which is Malaysia's largest bank, EP Manufacturing Berhad, UEM Group Berhad which is a non-listed wholly-owned subsidiary of Khazanah Nasional Berhad, one of the Malaysia government's investment arms. He is also a Non-Independent Non-Executive Director of Opus International Consultants Limited, a company listed on the New Zealand Stock Exchange and a director of MCB Bank Limited, Pakistan, a company listed on the Karachi Stock Exchange.

Ismail started his career in ESSO Malaysia in 1974 before joining Citibank Malaysia in 1979. He was subsequently posted to Citibank's headquarters in New York in 1984, returning to Malaysia in 1986 as the Vice President & Group Head of Public Sector and Financial Institutions Group. Subsequently, he served as the Deputy General Manager for the then United Asian Bank Berhad before joining Maybank in 1992 in which he had spent 10 years. Ismail subsequently assumed the position of Group CEO of MMC Corporation Berhad in 2002.

Ismail holds a Bachelor of Economics (Hons) degree from University of Malaya.



JOHN LYNTON JONES
Non-Executive Director

John Lynton Jones was appointed as Director (Non-Executive) of Aseana Properties in March 2007. Lynton is Chairman Emeritus of Bourse Consult, a consultancy that advises clients on initiatives relating to exchange trading, regulation, clearing and settlement. He has an extensive background as a chief executive of several exchanges in London, including the International Petroleum Exchange, the OM London Exchange and Nasdaq International (whose operations he set up in Europe in the late 1980s). He was chairman of the Morgan Stanley/OMX joint venture Jiway in 2000 and 2001.

He spent the first 15 years of his career in the British Diplomatic Service where he became private secretary to a minister of state and Financial Services Attaché at the British Embassy in Paris.

He has been a board member of London's Futures and Options Association, of the London Clearing House and of Kenetics Group Limited. He was the founding chairman of the Dubai International Financial Exchange (now known as Nasdaq Dubai) from 2003 until 2006. He is an advisor to the City of London Corporation and a Fellow of the Chartered Institute for Securities and Investments. He was a Trustee of the Horniman Museum in London for 8 years until 2013. He studied at the University of Wales, Aberystwyth, where he took a first class honours in International Politics.



GERALD ONG CHONG KENG
Non-Executive Director

Gerald Ong was appointed as Director (Non-Executive) of Aseana Properties in September 2009. Gerald is Chief Executive Officer of PrimePartners Corporate Finance Group, has over 20 years of corporate finance related experience at various financial institutions providing a wide variety of services from advisory, M&A activities and fund raising exercises incorporating various structures such as equity, equity-linked and derivative-enhanced issues. In June 2007, he was appointed a Director of Metro Holdings Limited which is listed on the Singapore Exchange Securities Trading Limited.

Gerald has been granted the Financial Industry Certified Professional status and is an alumnus of the National University of Singapore, University of British Columbia and Harvard Business School.

DIRECTORS' REPORT

For The Year Ended 31 December 2013

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Group are acquisition, development and redevelopment of upscale residential, commercial, hospitality and healthcare projects in the major cities of Malaysia and Vietnam.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The statement of comprehensive income for the year is set out on pages 27 to 28. A review of the development and performance of the business has been set out in the Chairman's Statement, the Development Manager's Review and the Financial Review reports.

OBJECTIVES AND STRATEGY

The Company's investment objective is to provide shareholders with an attractive overall total return achieved primarily through capital appreciation by investing in properties in Malaysia and Vietnam. The Company intends to achieve its investment objective through acquisition, development and redevelopment of upscale residential, commercial, hospitality and healthcare projects leveraging on the Development Manager's experience in these sectors. The Company will typically invest in development projects at the pre-construction stage. It will also selectively invest in projects under construction and newly completed projects with the potential for high capital appreciation.

The Company will only invest in projects where, at the time the investment is made, both the Company and the Development Manager reasonably believe that there will be a minimum 30% annualised Return on Equity ("ROE") where the Company makes investments in Vietnam and a minimum of 20% ROE where the Company makes investments in Malaysia.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's business is property development in Malaysia and Vietnam. Its principal risks are therefore related to the property market in these countries in general, and also the particular circumstances of the property development projects it is undertaking. More detailed explanations of these risks and the way they are managed are contained under the heading of Financial and Capital Risk Management Objectives and Policies in Note 4 to the financial statements.

Other risks faced by the Group in Malaysia and Vietnam include the following:

ECONOMIC	Inflation, economic recessions and movements in interest rates could affect property development activities.
STRATEGIC	Incorrect strategy, including sector and geographical allocations and use of gearing, could lead to poor returns for shareholders.
REGULATORY	Breach of regulatory rules could lead to suspension of the Company's Stock Exchange listing and financial penalties.
LAW AND REGULATIONS	Changes in laws and regulations relating to planning, land use, development standards and ownership of land could have adverse effects on the business and returns for the shareholders.
TAX REGIMES	Changes in the tax regimes could affect the tax treatment of the Company and/or its subsidiaries in these jurisdictions.
MANAGEMENT AND CONTROL	Changes that cause the management and control of the Company to be exercised in the United Kingdom could lead to the Company becoming liable to United Kingdom taxation on income and capital gains.
OPERATIONAL	Failure of the Development Manager's accounting system and disruption to the Development Manager's business, or that of a third party service providers, could lead to an inability to provide accurate reporting and monitoring leading to a loss of shareholders' confidence.
FINANCIAL	Inadequate controls by the Development Manager or third party service providers could lead to a misappropriation of assets. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations or a qualified audit report.
GOING CONCERN	Failure of property development projects due to poor sales and collection, construction delay, inability to secure financing from banks may result in inadequate financial resources to continue operational existence and to meet financial liabilities and commitments.

The Board seeks to mitigate and manage these risks through continual review, policy setting and enforcement of contractual rights and obligations. It also regularly monitors the economic and investment environment in countries that it operates in and the management of the Group's property development portfolio. Details of the Group's internal controls are described on page 24.

RESULTS AND DIVIDENDS

The results for the year ended 31 December 2013 are set out in the attached financial statements.

No dividends were declared nor paid during the financial year under review.

PURCHASE OF OWN SHARES

The authority to purchase its own shares up to a total aggregate value of 14.99% of the issued ordinary shares capital of the Company was renewed in a resolution at its Annual General Meeting held on 18 June 2013. The authority shall expire 12 months from the date of passing of the resolution unless otherwise renewed, varied or revoked. The Company did not purchase its own shares during the year ended 31 December 2013.

SHARE CAPITAL

No shares have been issued in 2013. All the 500,000 ordinary shares held in treasury were cancelled on 30 December 2013. Following this cancellation, the total number of shares in issue and the voting share capital of the Company is 212,025,000. Further details on share capital are stated in Note 28 to the financial statements.

DIRECTORS

The following were directors of Aseana who held office throughout the financial year and up to the date of this report:

- Mohammed Azlan Hashim – Chairman
- Christopher Henry Lovell
- David Harris
- Ismail Shahudin
- John Lynton Jones
- Gerald Ong Chong Keng

DIRECTORS' INTERESTS

The interests of the directors in the Company's shares at 31 December 2013 and at the date of this report were as follows:

Number of Shares held:

Director	Ordinary Shares of US\$0.05 each
Christopher Henry Lovell	48,000
John Lynton Jones	20,000
David Harris	165,000
Gerald Ong Chong Keng	2,250,000

None of the other directors in office at the end of the financial year had any interest in shares in the Company during the financial year.

MANAGEMENT

The Board has contractually delegated the development management of the property development portfolio to Ireka Development Management Sdn. Bhd. (the "Development Manager"). The Development Manager is a wholly-owned subsidiary of Ireka Corporation Berhad, a company listed on Bursa Malaysia since 1993 which has over 45 years of experience in construction and property development. Under the management contract, the Development Manager will be principally responsible for, inter alia, implementing the real estate strategy for the Company, engaging, managing and coordinating third parties in relation to the development and management of properties to be acquired and lead the negotiation for the acquisition or disposal of assets and the financing of such assets.

SUBSTANTIAL SHAREHOLDERS

The Board was aware of the following direct and indirect interests comprising a significant amount of more than 3% issued share capital of the Company at the latest practicable date before the publication of this Report at 11 April 2014:

	Number of Ordinary Shares Held	Percentage of Issued Share Capital
Ireka Corporation Berhad	48,913,623	23.07%
SIX SIS	40,169,013	18.95%
Legacy Essence Limited	39,086,377	18.43%
LIM Advisors	29,109,160	13.73%
Dr. Thong Kok Cheong	11,090,538	5.23%
Henderson Global Investors	7,570,000	3.57%
Ironsides Partners CFD	7,175,000	3.38%

EMPLOYEES

The Company has no executive directors or employees. Certain subsidiaries of the Group have a total of 790 employees at 31 December 2013. A management agreement exists between the Company and its Development Manager which sets out the role of the Development Manager in managing the operating units of the Company. The Development Manager had sixty-four managerial and technical staff under its employment in Malaysia and Vietnam at 31 December 2013.

GOING CONCERN

The Directors are confident that the Group has adequate financial resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' REPORT *cont'd*

For The Year Ended 31 December 2013

CREDITORS PAYMENT POLICY

The Group's operating companies are responsible for agreeing on the terms and conditions under which business transactions with their suppliers are conducted. It is the Group's policy that payments to suppliers are made in accordance with all relevant terms and conditions. Trade creditors at 31 December 2013 amounted to 16 days (2012: 83 days) of property development cost incurred during the year.

FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise cash balances, balances with related parties, other payables, receivables and loans and borrowings that arise in the normal course of business. The Group's Financial and Capital Risk Management Objectives and Policies are set out in Note 4 to the financial statements.

DIRECTORS' LIABILITIES

Subject to the conditions set out in the Companies (Jersey) Law 1991 (as amended), the Company has arranged appropriate Directors' and Officers' liability insurance to indemnify the directors against liability in respect of proceedings brought by third parties. Such provisions remain in force at the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with International Financial Reporting Standards ("IFRS"), interpretations from the International Financial Reporting Interpretations Committee ("IFRIC") and Companies (Jersey) Law 1991 (as amended).

Jersey Law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Company and of the Group for that year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, comparable, understandable and prudent;
- ensure that the financial statements comply with IFRS; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Jersey Law. The directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for the maintenance and integrity of the Group's website on the internet. However, information is accessible in many different countries where legislation governing the preparation and dissemination of financial statements may differ from that applicable in the United Kingdom and Jersey.

The Directors of the Company confirm that to the best of their knowledge that:

- the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board; and
- the sections of this Report, including the Chairman's Statement, Development Manager's Review, Financial Review and Principal Risks and Uncertainties, which constitute the management report include a fair review of all information required to be disclosed by the Disclosure and Transparency Rules 4.1.8 to 4.1.11 issued by the Financial Services Authority of the United Kingdom.

DISCLOSURE OF INFORMATION TO AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Group's auditors, each director has taken all the steps that he is obliged to take as a director in order to have made himself aware of any relevant audit information and to establish that the auditor is aware of that information.

RE-APPOINTMENT OF AUDITOR

Our auditors, KPMG Audit Plc has instigated an orderly wind down of business. The Board has decided to put KPMG LLP forward to be appointed as auditors and resolution concerning their appointment will be put to the forthcoming Annual General Meeting of the Company.

BOARD COMMITTEES

Information on the Audit Committee, Nomination Committee, Remuneration Committee, Management Engagement Committee and Investment Committee is included in the Corporate Governance section of the Annual Report on pages 22 to 24.

ANNUAL GENERAL MEETING

The tabling of the 2013 Annual Report and Financial Statements to shareholders will be at an Annual General Meeting ("AGM") to be held in June 2014.

During the AGM, investors will be given the opportunity to question the board and to meet with them thereafter. They will be encouraged to participate in the meeting.

On behalf of the Board

MOHAMMED AZLAN HASHIM
Director

CHRISTOPHER HENRY LOVELL
Director

23 April 2014

REPORT OF DIRECTORS' REMUNERATION

DIRECTORS' EMOLUMENTS

The Company has no executive Directors or employees. Since all the Directors are non-executive, the provisions of The UK Corporate Governance Code in respect of the directors' remuneration are not relevant except in so far as they relate specifically to non-executive directors.

The Remuneration Committee of the Board of Directors is responsible for setting the framework and reviewing compensation arrangements for all non-executive Directors before recommending the same to the Board for approval. The Remuneration Committee assesses the appropriateness of the emoluments on an annual basis by reference to comparable market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high calibre Board. No Director participates in any discussion regarding his own remuneration.

During the year, the Directors received the following emoluments in the form of fees from the Company:

	Year ended 31 December 2013 (US\$)	Year ended 31 December 2012 (US\$)
Mohammed Azlan Hashim (Chairman of the Board)	70,000	70,000
Christopher Henry Lovell (Chairman of the Audit Committee)	55,000	55,000
David Harris	48,000	48,000
Ismail Shahudin	48,000	48,000
John Lynton Jones	48,000	48,000
Gerald Ong Chong Keng	48,000	48,000
Total	317,000	317,000

SHARE OPTIONS

The Company did not operate any share option schemes during the year ended 31 December 2013.

SHARE PRICE INFORMATION

- High for the year - US\$0.44
- Low for the year - US\$0.37
- Close for the year - US\$0.44

PENSION SCHEMES

In view of the non-executive nature of the directorships, no pension schemes exist in the Company.

SERVICE CONTRACTS

In view of the non-executive nature of the directorships, there are no service contracts in existence between the Company and any of the Directors. Each Director was appointed by a letter of appointment that states his appointment subject to the Articles of Association of the Company which set out the main terms of his appointment.

JOHN LYNTON JONES
Chairman of the Remuneration Committee

23 April 2014

CORPORATE GOVERNANCE STATEMENT

The Financial Conduct Authority requires all companies with a Premium Listing to comply with The UK Corporate Governance Code (the “Code”). Aseana Properties is a Jersey incorporated company with a Standard Listing on the UK Listing Authority’s Official List and is therefore not subject to the Code. However, the Board recognises the importance and value of good corporate governance and voluntarily seeks to apply the principles of the Code where practical and relevant for a company of Aseana Properties’ size and nature. The following explains how the relevant principles of governance are applied to the Company.

THE BOARD

The Company currently has a Board of six non-executive Directors, including the non-executive Chairman. The brief biographies of the following Directors appear on pages 16 to 17 of the Annual Report 2013:

- Mohammed Azlan Hashim (Non-Executive Chairman)
- Christopher Henry Lovell
- David Harris
- Ismail Shahudin
- John Lynton Jones
- Gerald Ong Chong Keng

The Board did not appoint a Chief Executive or a Senior Independent Director as it did not consider it appropriate given the nature of the Company’s business and that the Company’s property portfolio is externally managed by Ireka Development Management Sdn Bhd (the “Development Manager”).

ROLE OF THE BOARD OF DIRECTORS

The Board’s role is to provide entrepreneurial leadership to the Company, within a framework of prudent and effective controls, enabling risks to be assessed and managed. The Board sets the Company’s strategic objectives, monitors and reviews the Company’s operational and financial performance, ensures the Company has sufficient funding, and examines and approves all major potential investment, acquisitions and disposals. The Board also sets the Company’s values and standards and ensures that its obligations to its shareholders and other stakeholders are met. The implementation of the Company’s strategy is delegated to the Development Manager and its performance is assessed by the Board regularly.

Appropriate level of directors’ and officers’ liability insurance is maintained by the Company.

MEETINGS OF THE BOARD OF DIRECTORS

The Board meets at least four times a year and at such other times as the Chairman shall require. The Board met six times during the year ended 31 December 2013. The meetings were attended by all the Directors except for Ismail Shahudin who was absent once. To enable the Board to discharge its duties effectively, all Directors receive accurate, timely and clear information, in an appropriate form and quality, including Board papers distributed in advance of Board meetings. The Board periodically would receive presentations at Board meetings relating to

the Company’s business and operations, significant financial, accounting and risk management issues. All Directors have access to the advice and services of the Development Manager, Company Secretary and advisors, who are responsible to the Board on matters of corporate governance, board procedures and regulatory compliance.

BOARD BALANCE AND INDEPENDENCE

Being an externally-managed company, the Board consists solely of non-executive directors of which Mohammed Azlan Hashim is the non-executive Chairman. The Board considers that the Directors are independent, being independent of management and also having no business or other relationships which could interfere materially with the exercise of their judgement.

The Chairman is responsible for leadership of the Board, ensuring effectiveness in all aspects of its role and setting its agenda. Matters referred to the Board are considered by the Board as a whole and no individual has unrestricted powers of decision. Together, the Directors bring a wide range of experience and expertise in business, law, finance and accountancy, which are required to successfully direct and supervise the business activities of the Company.

PERFORMANCE APPRAISAL

The Board undertakes an annual evaluation of its own performance and that of its Committees and individual Director’s. In November 2013, the evaluation concluded that the performance of the Board, the Committees and each individual Director was and remains effective and that all Directors demonstrate full commitment in their respective roles. The Directors are encouraged to continually attend training courses at the Company’s expense to enhance their skills and knowledge in matters that are relevant to their role on the Board. The Directors also receive updates on developments of corporate governance, the state of economy, management strategies and practices, laws and regulations, to enable effective functioning of their roles as Directors.

RE-ELECTION OF DIRECTORS

The Company’s Articles of Association states that all Directors shall submit themselves for election at the first opportunity after their appointment, and shall not remain in office for longer than three years since their last election or re-election without submitting themselves for re-election. At the Annual General Meeting held on 18 June 2013, Christopher Henry Lovell and Gerald Ong Chong Keng who retired by rotation as Directors were re-elected to the Board. The remainder of the Board recommended their re-election.

BOARD COMMITTEES

The Board has established Audit, Nomination, Remuneration, Management Engagement and Investment Committees which deal with specific aspects of the Company’s affairs, each of which has written terms of reference which are reviewed annually. Necessary recommendations are then made to the Board for its consideration and decision-making. No one, other than the committee chairman and members of the relevant committee, is entitled to be present at a meeting of board committees, but others may attend at the invitation of the board committees for presenting information concerning their areas of responsibility. Copies of the terms of reference are kept by the Company Secretary and are available on request at the Company’s registered office at 12 Castle Street, St. Helier, Jersey, JE2 3RT, Channel Islands.

AUDIT COMMITTEE

The Audit Committee consists of three members and is chaired by Christopher Henry Lovell. Its other members are Mohammed Azlan Hashim and Ismail Shahudin. The Committee members have no links with the Company’s external auditor and are independent of the Company’s management. The Board considers that collectively the Audit Committee has sufficient recent and relevant financial experience with the ability to discharge its duties properly, through extensive service on the Boards and Audit Committees of other listed companies.

The Committee meets at least twice a year and at such other times as the Chairman of the Audit Committee shall require. Any member of the Audit Committee or the auditor may request a meeting if they consider that one is necessary. The Committee met three times during the year ended 31 December 2013. The meetings were attended by all the committee members. Representatives of the auditors, the Chief Financial Officer and Chief Executive Officer of the Development Manager may attend by invitation.

The Committee is responsible for:

- monitoring, in discussion with the auditor, the integrity of the financial statements of the Company, any formal announcements relating to the Company’s financial performance and reviewing significant financial reporting judgements contained in them;
- reviewing the Company’s internal financial controls and risk management systems operated by the Development Manager;
- making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor to be put to the shareholders for their approval in general meetings;
- reviewing and monitoring the external auditor’s independence and objectivity and effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;

- developing and implementing policy on engagement of the external auditor to supply non-audit services; and
- reporting to the Board any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

Since the start of the financial year ended 31 December 2013, the Audit Committee performed its duties as set out in the terms of reference. The main activities carried out by the Audit Committee encompassed the following:

- reviewing the audit plan with the Company's Auditor;
- reviewing and discussing the Audit Committee Report with the Company's Auditor;
- reviewing the draft Audited Financial Statements as contained in the draft Annual Report together with the Company's Auditor before tabling to the Board for consideration and approval;
- reviewing other published financial information including the half year results, the interim management statements and results announcements before tabling to the Board for consideration and approval;
- considering the independence of the auditor; and
- reviewing the auditor's performance and made a recommendation for the reappointment of the Group's auditor by shareholders.

NOMINATION COMMITTEE

The Nomination Committee is chaired by Mohammed Azlan Hashim. Other committee members are David Harris, John Lynton Jones and Gerald Ong Chong Keng. The Committee meets annually and at any such times as the Chairman of the Nomination Committee shall require. The Committee met once during the year ended 31 December 2013 and the meeting was attended by all committee members and other board members at the invitation of the Nomination Committee.

During the year ended 31 December 2013, the Nomination Committee carried out its functions as set out in its terms of reference which are summarised below:

- regularly reviewing the structure, size and composition (including skills, knowledge and experience) of the Board and making recommendations to the Board with regard to any change;
- considering the re-appointment or re-election of any Directors at the conclusion of their specified term of office or retiring in accordance with the Company's Articles of Association;

- identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise; and
- considering any matter relating to the continuation in office of any Director at any time.

REMUNERATION COMMITTEE

The Remuneration Committee is chaired by John Lynton Jones. Other committee members are David Harris and Ismail Shahudin.

The Committee meets at least once a year and at any such times as the Chairman of the Remuneration Committee shall require. The Committee met once during the year ended 31 December 2013. The meeting was attended by all committee members and other board members at the invitation of the Remuneration Committee.

During the year ended 31 December 2013, the Remuneration Committee carried out its duties as set out in its terms of reference which are summarised below:

- determining and agreeing with the Board the framework for the remuneration of the Directors;
- setting the remuneration for all Directors; and
- ensuring that provisions regarding disclosure of remuneration as set out in the Directors' Remuneration Report Regulations 2002, are fulfilled.

MANAGEMENT ENGAGEMENT COMMITTEE

The Management Engagement Committee is chaired by Mohammed Azlan Hashim. Other committee members are David Harris, John Lynton Jones and Gerald Ong Chong Keng. The Committee meets at least once a year and at any such times as the Chairman of the Management Engagement Committee shall require. The Committee met once during the year ended 31 December 2013. The meeting was attended by all committee members and other Board members at the invitation of the Management Engagement Committee.

During the year ended 31 December 2013, the Management Engagement Committee carried out its duties as set out in its terms of reference which are summarised below:

- monitoring compliance by the Development Manager with the terms of the Management Agreement;
- reviewing the terms of the Management Agreement from time to time to ensure that the terms thereof conform with market and industry practice and remain in the best interest of shareholders;
- from time to time monitor compliance by providers of other services to the Company with the terms of their respective agreements; and
- reviewing and considering the appointment and remuneration of providers of services to the Company.

INVESTMENT COMMITTEE

The Investment Committee is appointed by the Board and comprises four members, being Lai Voon Hon, Mai Xuan Loc, Monica Lai Voon Huey and Dang The Duc. Mai Xuan Loc and Dang The Duc are independent while Lai Voon Hon and Monica Lai are the Chief Executive Officer and the Chief Financial Officer of the Development Manager respectively. The Investment Committee meets at such time as required to review and evaluate potential investments for recommendation to the Board. The Investment Committee is responsible for providing advisory services to the Board to consider investment and disposal recommendations of the Development Manager. The Investment Committee has not met during the year ended 31 December 2013.

FINANCIAL REPORTING

The Board aims to present a fair, balanced and understandable assessment of the Company's position and prospects in all reports to shareholders, investors and regulatory authorities. This assessment is primarily provided in the Annual Report through the Chairman's Statement, Development Manager's Review Statement, Financial Review Statement and Directors' Report.

The Audit Committee has reviewed the significant reporting issues and judgements made in connection with the preparation of the Company's financial statements including significant accounting policies, significant estimates and judgements. The Audit Committee has also reviewed the clarity, appropriateness and completeness of disclosures in the financial statements.

INTERNAL AUDIT

The Board has confirmed that the systems and procedures employed by the Development Manager, including the work carried out by the internal auditor of the Development Manager, provide sufficient assurance that a sound system of risk management and internal control is maintained. An internal audit function specific to the Company is therefore considered not necessary. However, the Directors will continue to monitor if such need required.

AUDITOR

The Audit Committee's responsibilities include monitoring and reviewing the performance and independence of the Company's Auditor, KPMG Audit Plc.

Pursuant to audit and ethical standards, the auditor is required to assess and confirm to the Board their independence, integrity and objectivity. The auditor has carried out assessment and considers themselves to be independent, objective and in compliance with the APB (Auditing Practices Board) Ethical Standards.

CORPORATE GOVERNANCE STATEMENT *cont'd*

RISK MANAGEMENT AND
INTERNAL CONTROL

The Board is responsible for the effectiveness of the Company’s risk management and internal control systems and is supplied with information to enable it to discharge its duties. Such systems are designed to meet the particular needs of the Company and to manage rather than eliminate the risk of failure to meet business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The process is based principally on the Development Manager’s existing risk-based approach to risk management and internal control.

During the year, the Board discharged its responsibility for risk management and internal control through the following key procedures:

- clearly defined delegation of responsibilities to the committees of the Board and to the Development Manager, including authorisation levels for all aspects of the business;
- regular and comprehensive information provided to the Board covering financial performance and key business indicators;
- a detailed system of budgeting, planning and reporting which is approved by the Board and monitoring of results against budget with variances being followed up and action taken, where necessary; and
- regular visits to operating units and projects by the Board.

With the Bribery Act 2010 coming into force on 1 July 2011, the Board has established a framework to comply with the requirement of the Act. The Development Manager had set up a legal and compliance function for the purposes of implementing the anti-corruption and anti-bribery policy. Training and briefing sessions were conducted for the Development Manager’s senior management and employees. Compliance review would be carried out as and when required to ensure the effectiveness of the policy.

RELATIONSHIP WITH
SHAREHOLDERS

The Board is committed to maintaining good communications with shareholders and has designated the Development Manager’s Chief Executive Officer, Chief Financial Officer and designated members of its senior management as the principal spokespersons with investors, analysts, fund managers, the press and other interested parties. The Board is informed of material information provided to shareholders and are advised on their feedback.

The Board has also developed an understanding of the views of major shareholders about the Company through meetings and teleconferences conducted by the financial adviser and the Development Manager. In addition, the Company seeks to regularly update shareholders through stock exchange announcements, press releases and participation in roadshows.

To promote effective communication, the Company has a website, www.aseanaproperties.com that shareholders and investors can access for timely information.

ANNUAL GENERAL MEETING
 (“AGM”)

The AGM is the principal forum for dialogue with shareholders. At and after the AGM, investors are given the opportunity to question the Board and seek clarification on the business and affairs of the Group. All Directors attended the 2013 AGM, held on 18 June 2013.

Notices of the AGM and related papers are sent out to shareholders in good time to allow for full consideration prior to the AGM. Each item of special business included is accompanied by an explanation of the purpose and effect of a proposed resolution. The Chairman declares the number of proxy votes received for, against and withheld in respect of each resolution after the shareholders present have voted on each resolution. An announcement confirming whether all the resolutions have been passed at the AGM is made through the London Stock Exchange.

On behalf of the Board

MOHAMMED AZLAN HASHIM

Director

CHRISTOPHER HENRY LOVELL

Director

23 April 2014

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASEANA PROPERTIES LIMITED

We have audited the group and parent company financial statements of Aseana Properties Limited for the year ended 31 December 2013 which comprise the Consolidated and Company Statements of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 20, the directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify

any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view, in accordance with International Financial Reporting Standards of the state of the group's and parent company's affairs as at 31 December 2013 and of the group's and the parent company's loss for the year then ended; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

BILL HOLLAND
for and on behalf of KPMG Audit Plc
Chartered Accountants and Recognised Auditor
15 Canada Square
London E14 5GL

23 April 2014

Notes:

- The maintenance and integrity of Aseana's website is the responsibility of the directors; the work carried out by auditors does not involve consideration of these matters and accordingly, KPMG Audit Plc accepts no responsibility for any changes that may have occurred to the financial statements or our audit report since 23 April 2014. KPMG Audit Plc has carried out no procedures of any nature subsequent to 23 April 2014 which in any way extends this date.
- Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The directors shall remain responsible for establishing and controlling the process for doing so, and for ensuring that the financial statements are complete and unaltered in any way.

FINANCIAL STATEMENTS



**INVESTMENT
GATEWAY TO
MALAYSIA AND
VIETNAM**

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

Continuing activities	Notes	2013 US\$'000	2012 US\$'000
Revenue	5	29,269	23,732
Cost of sales	6	(22,768)	(21,459)
Gross profit		6,501	2,273
Other income	7	16,122	7,051
Administrative expenses		(1,622)	(2,582)
Decline in fair value of available-for-sale investments	19	–	(4,653)
Foreign exchange (loss)/ gain	8	(1,105)	524
Management fees	9	(3,762)	(3,799)
Marketing expenses		(1,953)	(2,164)
Other operating expenses		(23,635)	(9,389)
Operating loss		(9,454)	(12,739)
Finance income		424	407
Finance costs		(9,766)	(4,299)
Net finance costs	11	(9,342)	(3,892)
Net loss before taxation	12	(18,796)	(16,631)
Taxation	13	(2,854)	(1,798)
Loss for the year		(21,650)	(18,429)
Other comprehensive income/ (expense), net of tax			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		(6,220)	3,407
Increase/ (decrease) in fair value of available-for-sale investments	19	126	(4,828)
Total other comprehensive expense for the year	14	(6,094)	(1,421)
Total comprehensive loss for the year		(27,744)	(19,850)
Loss attributable to:			
Equity holders of the parent		(19,006)	(16,839)
Non-controlling interests		(2,644)	(1,590)
Total		(21,650)	(18,429)
Total comprehensive loss attributable to:			
Equity holders of the parent		(24,971)	(18,419)
Non-controlling interests		(2,773)	(1,431)
Total		(27,744)	(19,850)
Loss per share			
Basic and diluted (US cents)	15	(8.96)	(7.94)

The notes to the financial statements form an integral part of the financial statements.

COMPANY STATEMENT

OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

Continuing activities	Notes	2013 US\$'000	2012 US\$'000
Revenue	5	–	–
Cost of sales	6	–	–
Gross profit		–	–
Administrative expenses		(456)	(656)
Foreign exchange gain/ (loss)	8	198	(278)
Management fees	9	(1,238)	(1,644)
Impairment of investment in subsidiaries	18	(6,305)	–
Impairment of amount due from subsidiaries	26	(12,950)	(1,885)
Other operating expenses		(485)	(603)
Operating loss		(21,236)	(5,066)
Finance income	11	5	59
Net loss before taxation	12	(21,231)	(5,007)
Taxation		–	–
Loss for the year/ Total comprehensive loss for the year		(21,231)	(5,007)

The notes to the financial statements form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2013

	Notes	2013 US\$'000	2012 US\$'000
Non-current assets			
Property, plant and equipment	16	1,146	1,113
Investment in an associate	17	2,252	–
Available-for-sale investments	19	12,697	12,571
Intangible assets	20	13,525	13,845
Deferred tax assets	21	595	–
Total non-current assets		30,215	27,529
Current assets			
Inventories	22	428,609	350,822
Held-for-trading financial instrument	23	375	1,370
Trade and other receivables	24	9,912	12,725
Amount due from an associate	25	853	239
Current tax assets		233	237
Cash and cash equivalents	27	24,585	16,752
Total current assets		464,567	382,145
TOTAL ASSETS		494,782	409,674
Equity			
Share capital	28	10,601	10,626
Share premium	29	218,926	218,926
Capital redemption reserve	30	1,899	1,874
Translation reserve	31	(3,105)	2,986
Fair value reserve	32	126	–
Accumulated losses	33	(69,876)	(50,828)
Shareholders' equity		158,571	183,584
Non-controlling interests		11,429	13,063
Total equity		170,000	196,647
Non-current liabilities			
Amount due to non-controlling interests	35	1,440	1,440*
Loans and borrowings	36	49,309	40,497
Medium term notes	37	140,877	83,175
Total non-current liabilities		191,626	125,112
Current liabilities			
Trade and other payables	34	83,640	56,764
Amount due to non-controlling interests	35	9,008	8,367
Loans and borrowings	36	25,466	20,687
Medium term notes	37	13,739	–
Current tax liabilities		1,303	2,097
Total current liabilities		133,156	87,915
Total liabilities		324,782	213,027
TOTAL EQUITY AND LIABILITIES		494,782	409,674

The financial statements were approved on 23 April 2014 and authorised for issue by the Board and were signed on its behalf by

MOHAMMED AZLAN HASHIM
Director

CHRISTOPHER HENRY LOVELL
Director

* The amount due to non-controlling interests have been reclassified from current liabilities to non-current liabilities to conform with the current year's presentation. The reclassification does not have any material impact to the statement of comprehensive income.

The notes to the financial statements form an integral part of the financial statements.

COMPANY STATEMENT OF
FINANCIAL POSITION

AT 31 DECEMBER 2013

	Notes	2013 US\$'000	2012 US\$'000
Non-current assets			
Investment in subsidiaries	18	74,641	80,946
Total non-current assets		74,641	80,946
Current assets			
Trade and other receivables	24	–	3
Amounts due from subsidiaries	26	161,785	155,280
Cash and cash equivalents	27	1,703	354
Total current assets		163,488	155,637
TOTAL ASSETS		238,129	236,583
Equity			
Share capital	28	10,601	10,626
Share premium	29	218,926	218,926
Capital redemption reserve	30	1,899	1,874
Accumulated losses	33	(43,282)	(22,051)
Total equity		188,144	209,375
Current liabilities			
Trade and other payables	34	1,253	1,677
Amounts due to subsidiaries	26	48,732	25,531
Total current liabilities		49,985	27,208
Total liabilities		49,985	27,208
TOTAL EQUITY AND LIABILITIES		238,129	236,583

The financial statements were approved on 23 April 2014 and authorised for issue by the Board and were signed on its behalf by

MOHAMMED AZLAN HASHIM
 Director

CHRISTOPHER HENRY LOVELL
 Director

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

			Capital				Total Equity Attributable to Equity Holders of the Parent	Non- Controlling Interests	Total Equity
Consolidated	Share Capital US\$'000	Share Premium US\$'000	Redemption Reserve US\$'000	Translation Reserve US\$'000	Fair Value Reserve US\$'000	Accumulated Losses US\$'000	US\$'000	US\$'000	US\$'000
1 January 2012	10,626	219,101	1,874	(262)	4,828	(32,797)	203,370	4,276	207,646
Changes in ownership interests in subsidiaries (Note 40)	-	-	-	-	-	(1,192)	(1,192)	1,192	-
Non-controlling interest contribution	-	-	-	-	-	-	-	9,026	9,026
Loss for the year	-	-	-	-	-	(16,839)	(16,839)	(1,590)	(18,429)
Total other comprehensive expense	-	-	-	3,248	(4,828)	-	(1,580)	159	(1,421)
Total comprehensive loss	-	-	-	3,248	(4,828)	(16,839)	(18,419)	(1,431)	(19,850)
Own shares acquired	-	(175)	-	-	-	-	(175)	-	(175)
At 31 December 2012/ 1 January 2013	10,626	218,926	1,874	2,986	-	(50,828)	183,584	13,063	196,647
Changes in ownership interests in subsidiaries (Note 40)	-	-	-	-	-	(42)	(42)	42	-
Non-controlling interests contribution	-	-	-	-	-	-	-	1,097	1,097
Loss for the year	-	-	-	-	-	(19,006)	(19,006)	(2,644)	(21,650)
Total other comprehensive expense	-	-	-	(6,091)	126	-	(5,965)	(129)	(6,094)
Total comprehensive loss	-	-	-	(6,091)	126	(19,006)	(24,971)	(2,773)	(27,744)
Cancellation of shares	(25)	-	25	-	-	-	-	-	-
Shareholders' equity at 31 December 2013	10,601	218,926	1,899	(3,105)	126	(69,876)	158,571	11,429	170,000

	Share Capital US\$ '000	Share Premium US\$ '000	Capital Redemption Reserve US\$ '000	Accumulated Losses US\$ '000	Total Equity US\$ '000
Company					
1 January 2012	10,626	219,101	1,874	(17,044)	214,557
Loss for the year/ Total comprehensive loss	-	-	-	(5,007)	(5,007)
Own shares acquired	-	(175)	-	-	(175)
At 31 December 2012/ 1 January 2013	10,626	218,926	1,874	(22,051)	209,375
Loss for the year/ Total comprehensive loss	-	-	-	(21,231)	(21,231)
Cancellation of shares	(25)	-	25	-	-
Shareholders' equity at 31 December 2013	10,601	218,926	1,899	(43,282)	188,144

The notes to the financial statements form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 US\$'000	2012 US\$'000
Cash Flows from Operating Activities			
Net loss before taxation		(18,796)	(16,631)
Finance income		(424)	(407)
Finance costs		9,766	4,299
Unrealised foreign exchange loss/ (gain)		1,065	(642)
Reversal of impairment of trade receivables		–	(357)
Impairment of goodwill		320	1,158
Depreciation of property, plant and equipment		114	190
Loss on disposal of property, plant and equipment		–	1
Property, plant and equipment written off		7	31
Decline in fair value of available-for-sale investments		–	4,653
Fair value loss on held-for-trading financial instrument		5	81
Operating loss before working capital changes		(7,943)	(7,624)
Changes in working capital:			
Increase in inventories		(96,690)	(54,318)
Decrease in receivables		2,063	21,117
Increase/ (decrease) in payables		28,884	(14,856)
Cash used in operations		(73,686)	(55,681)
Interest paid		(9,766)	(5,577)
Tax paid		(4,029)	(3,356)
Net cash used in operating activities		(87,481)	(64,614)
Cash Flows from Investing Activities			
Advances from non-controlling interests		1,081	6,801
Issuance of ordinary shares of subsidiaries to non-controlling interests		1,097	2,546
Advances to associate		(630)	(117)
Proceeds from disposal of property, plant and equipment		–	1
Disposal of held-for-trading financial instrument		899	19,933
Purchase of property, plant and equipment		(154)	(279)
Finance income received		424	407
Net cash generated from investing activities		2,717	29,292
Cash Flows from Financing Activities			
Repurchase of own shares		–	(175)
Repayment of loans and borrowings and medium term notes		(17,341)	(12,080)
Drawdown of loans and borrowings and medium term notes		110,860	30,390
Decrease/ (increase) in pledged deposits placed in licensed banks		77	(1,371)
Net cash generated from financing activities		93,596	16,764
Net changes in cash and cash equivalents during the year		8,832	(18,558)
Effect of changes in exchange rates		(248)	1,329
Cash and cash equivalents at the beginning of the year		5,582	22,811
Cash and cash equivalents at the end of the year		14,166	5,582
Cash and Cash Equivalents			
Cash and cash equivalents included in the consolidated statement of cash flows comprise the following consolidated statement of financial position amounts:			
Cash and bank balances	27	11,498	5,152
Short term bank deposits	27	13,087	11,600
		24,585	16,752
Less: Deposits pledged	27	(10,419)	(11,170)
Cash and cash equivalents		14,166	5,582

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of US\$194,000 (2012: US\$312,000) of which US\$40,000 (2012: US\$33,000) was acquired by means of finance leases.

During the financial year, US\$1,097,000 (2012: US\$9,026,000) of ordinary shares of subsidiaries were issued to non-controlling shareholders, of which US\$1,097,000 (2012: US\$2,546,000) was satisfied via cash consideration. The remaining amount of US\$6,480,000 for 2012 was satisfied via contribution of land held for property development by non-controlling interest.

The notes to the financial statements form an integral part of the financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 US\$'000	2012 US\$'000
Cash Flows from Operating Activities			
Net loss before taxation		(21,231)	(5,007)
Impairment of investment in subsidiaries		12,950	–
Impairment of amount due from subsidiaries		6,305	1,885
Finance income		(5)	(59)
Unrealised foreign exchange (gain)/ loss		(151)	256
Operating loss before working capital changes		(2,132)	(2,925)
Changes in working capital:			
Decrease in receivables		3	195
(Decrease)/ increase in payables		(424)	730
Net cash used in operating activities		(2,553)	(2,000)
Cash Flows from Investing Activities			
Advances to subsidiaries		(19,455)	(7,151)
Finance income received		5	59
Net cash used in investing activities		(19,450)	(7,092)
Cash Flows from Financing Activities			
Advances from subsidiaries		23,201	4,689
Repurchase of own shares		–	(175)
Net cash generated from financing activities		23,201	4,514
Net changes in cash and cash equivalents during the year		1,198	(4,578)
Effect of changes in exchange rates		151	(256)
Cash and cash equivalents at the beginning of the year		354	5,188
Cash and cash equivalents at the end of the year	27	1,703	354

The notes to the financial statements form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The principal activities of the Group and the Company are acquisition, development and redevelopment of upscale residential, commercial, hospitality and healthcare projects in the major cities of Malaysia and Vietnam. The Group typically invests in development projects at the pre-construction stage and may also selectively invest in projects in construction and newly completed projects with potential capital appreciation.

2 BASIS OF PREPARATION

2.1 Statement of compliance and going concern

The Group and the Company financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), and IFRIC interpretations issued, and effective, or issued and early adopted, at the date of these financial statements.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The Board has reviewed the accounting policies set out below and considers them to be the most appropriate to the Group’s business activities.

The financial statements have been prepared on the historical cost basis except for available-for-sale investments and held-for-trading financial instrument which are measured at fair value and on the assumption that the Group and the Company are going concerns.

The Group has prepared and considered prospective financial information derived based on assumptions and events that may occur for at least 12 months from the date of approval of the financial statements and the possible actions to be taken by the Group. Prospective financial information includes the Group’s profit and cash flow forecasts for the ongoing projects. In preparing the cash flow forecasts, the Directors have considered the availability of cash and held-for-trading financial instruments, along with the adequacy of bank loans and medium term notes and refinancing of these medium term notes (as described in Notes 36 and 37). The forecasts incorporate current payables, committed expenditure and other future expected expenditure, along with a prudent estimate of sales in addition to the disposal of certain land held for property development and available-for-sale investments.

Based on these forecasts, cash resources and existing credit facilities, the Directors consider that the Group and the Company have adequate resources to continue in business for the foreseeable future. For this reason, the Directors continue to adopt going concern basis in preparing the financial statements.

The Group and the Company have not applied the following new/revised accounting standards that have been issued by International Accounting Standards Board but are not yet effective.

New/ Revised International Financial Reporting Standards		Issued/ Revised	Effective Date
IFRS 10, IFRS 12 and IAS 27	Amendments relating to Investment Entities	October 2012	Annual periods beginning on or after 1 January 2014
IAS 32	Amendments relating to Offsetting Financial Assets and Financial Liabilities	December 2011	Annual periods beginning on or after 1 January 2014
IAS 36	Amendments relating to recoverable amount disclosures for non-financial assets	May 2013	Annual periods beginning on or after 1 January 2014
IFRS 3	Business combinations – classification and measurement of contingent consideration – amendments resulting from Annual Improvements to IFRSs – 2010-2012 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 8	Operating segments – disclosures on the aggregation of operating segments – amendments resulting from Annual Improvements to IFRSs – 2010-2012 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 13	Fair value measurement – measurement of short-term receivables and payables – amendments resulting from Annual Improvements to IFRSs – 2010-2012 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IAS 16	Property, plant and equipment and intangible assets – restatement of accumulated depreciation (amortisation) on revaluation – amendments resulting from Annual Improvements to IFRSs – 2010-2012 Cycle	December 2013	Annual periods beginning on or after 1 July 2014

New/ Revised International Financial Reporting Standards		Issued/ Revised	Effective Date
IAS 24	Related party disclosures – definition of ‘related party’ – amendments resulting from Annual Improvements to IFRSs – 2010-2012 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 1	First-time adoption of International Financial Reporting Standards – IFRS version that a first-time adopter can apply; – amendments resulting from Annual Improvements to IFRSs – 2011-2013 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 3	Business combinations – scope exclusion for the formation of joint arrangements; – amendments resulting from Annual Improvements to IFRSs – 2011-2013 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 13	Fair value measurement – scope of portfolio exception – amendments resulting from Annual Improvements to IFRSs – 2011-2013 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IAS 40	Investment property – inter-relationship of IFRS 3 and IAS 40 – amendments resulting from Annual Improvements to IFRSs – 2011-2013 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 9	Financial Instruments	November 2013	Annual periods beginning on or after 1 January 2018

The Directors anticipate that the adoption of the above standards, amendments and interpretations in future periods will have no material impact on the financial information of the Group or Company. IFRS 9, which becomes mandatory for the Group’s 2018 Consolidation Financial Statements, could change the classification and measurement of financial assets. The Directors are currently determining the impact of IFRS 9.

2.2 Functional and presentation currency

These financial statements are presented in US Dollar (US\$), which is the Company’s functional currency and the Group’s presentation currency. All financial information is presented in US\$ and has been rounded to the nearest thousand, unless otherwise stated.

2.3 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are discussed below:

(a) Net realisable value of inventories

The Group assesses the net realisable value of inventories under development, land held for development and completed properties held for sale according to their recoverable amounts based on the realisability of these properties, taking into account estimated costs to completion based on past experience and committed contracts and estimated net sales based on prevailing market conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts at completion of development may exceed net reliasable value. The assessment requires the use of judgement and estimates.

(b) Impairment of licence contracts and related relationships

Licence contracts and related relationships represent the rights to develop the Hi-Tech Healthcare Park venture with the operation period ending on 9 July 2077.

The Group assesses the recoverable amount of license contracts and related relationships by reference to the reaslisability of the properties of which the license contracts and related relationship is attached (refer Note 2.3(a)).

The Group amortises licence contracts and related relationships when a component of the venture is disposed of.

(c) Impairment of goodwill

The Group assesses the recoverable amount of goodwill by reference to the realisability of the properties of which the goodwill is attached to (refer Note 2.3(a)).

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Consolidation

(a) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity.

Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Acquisitions prior to 1 January 2010

For acquisitions prior to 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

(b) Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The Group adopted IFRS 10, Consolidated Financial Statements in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, controls exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.
- The Group considers it has the *de facto* power over an investee when, despite not having the majority of voting rights it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider *de facto* power in its assessment of control.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of IFRS 10. The adoption of IFRS 10 has had no significant impact on the financial statements of the Group.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale.

(d) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(e) Associates

Associates are those entities in which the Group exercises significant influence, but not control over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% to 50% of the voting power of another entity.

Investments in associated entities are accounted for using the equity method and are recognised initially at cost. The cost of investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's shares of losses exceeds its interest in an associate, the carrying amount of that investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

(f) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but to the extent that there is no evidence of impairment.

3.2 Foreign Currencies

(a) Foreign currency transactions

The Group financial statements are presented in United States Dollar ("US\$"), which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity investments, which are recognised in other comprehensive income.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to US\$ at exchange rates at the reporting date. The income and expenses of foreign operations, are translated to US\$ at exchange rates at the dates of the transactions.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3 SIGNIFICANT ACCOUNTING POLICIES

cont'd

3.2 Foreign Currencies

cont'd

(b) Foreign operations

cont'd

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interest. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

3.3 Revenue Recognition

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

(a) Sale of development properties

Revenue from sales of properties is recognised when effective control of ownership of the properties is transferred to the purchasers which is when the completion certificate or occupancy permit has been issued as described in Note 5.

(b) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(c) Services

Revenue from services rendered is recognised in profit or loss based on the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to work performed.

(d) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income is recognised as other income.

(e) Revenue from hotel, hospital and mall operations

Revenue from hotel, hospital and mall operations have been treated as other income.

3.4 Property, Plant and Equipment

All property, plant and equipment are stated at cost less depreciation unless otherwise stated. Cost includes all relevant external expenditure incurred in acquiring the asset.

The Group selects its depreciation rates carefully and reviews them regularly to take account of any changes in circumstances. When determining expected economic lives, the Group considers the expected rate of technological developments and the intensity at which the assets are expected to be used. All assets are subject to annual review and where necessary, further write-downs are made for any impairment in value.

Property, plant and equipment are recorded at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing parts of such plant and equipment when that cost is incurred if the recognition criteria are met. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life:

Leasehold building	6 - 25 years
Furniture, fittings and equipment	4 - 10 years
Motor vehicles	5 years

The initial cost of equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the equipment has been placed into operation, such as repairs and maintenance and overhaul costs, are normally charged to profit or loss in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of equipment beyond its original assessed standard of performance, the expenditures are capitalised as an additional cost of equipment. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimates amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period the asset is derecognised.

3.5 Leased Assets

Finance leases

Leases where the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest of the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.6 Income Tax

Income tax expense comprises current tax and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3 SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.7 Financial Instruments

(a) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that are created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, cash and cash equivalents and available-for-sale investments.

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

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables.

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank, deposits held at call and short term highly liquid investments that are subject to an insignificant risk of changes in value. Bank overdrafts are included within borrowings in the current liabilities section on the statement of financial position.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are designated as available for sale or are not classified in any of the other categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

(b) Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when the contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into other financial liability category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loan and borrowings, bank overdrafts, and trade and other payables.

Accounting for interest income and finance costs is discussed in Notes 3.3 (b) and 3.12.

(c) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expire. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.8 Intangible Assets

Intangible assets comprise licence contracts and related relationships and goodwill.

(a) Licence Contracts and Related Relationships

On acquisition, value is attributable to non-contractual relationships and other contracts of long-standing to the extent that future economic benefits are expected to flow from the relationships. Acquired licence contracts and related relationships have finite useful lives.

Subsequent measurement

When a component of the project to which the licence contracts and related relationships relate is disposed of, the part of the carrying amount of the licence contracts and related relationships that has been allocated to the component is recognised in profit or loss.

(b) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1(a).

3.9 Inventories

Inventories comprise land held for property development, work-in-progress and stock of completed units.

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated net selling price in the ordinary course of business, less estimated total costs of completion and the estimated costs necessary to make the sale.

Land held for property development consists of reclaimed land, freehold land, leasehold land and land use rights on which development work has not been commenced along with related costs on activities that are necessary to prepare the land for its intended use. Land held for property development is transferred to work-in-progress when development activities have commenced.

Work-in-progress comprises all costs directly attributable to property development activities or that can be allocated on a reasonable basis to these activities.

Upon completion of development, unsold completed development properties are transferred to stock of completed units.

3.10 Impairment

(a) Non-derivative financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event had an impact on the estimated future cash flows of that asset that can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

3 SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.10 Impairment *cont'd*

(a) Non-derivative financial assets *cont'd*

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economics conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

(b) Loans and receivables

The Group considers evidence of impairment for loans and receivables at a specific asset level. All individually significant receivables are assessed for specific impairment.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the loss is recognised in the statement of comprehensive income within administrative expenses. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in profit or loss.

When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. The impairment loss is reversed, to the extent that the debtor's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed.

(c) Impairment of available-for-sale investment

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument are classified as available for sale not reversed through profit or loss.

(d) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax asset) are reviewed at the end of each reporting date to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination. Goodwill is tested for impairment on an annual basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, impairment losses recognised in prior periods are assessed at the

end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(e) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

Where treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the sales consideration is recognised in equity.

Where treasury shares are cancelled, the equivalent will be credited to capital redemption reserves.

3.11 Employee Benefits

(a) Short-term employee benefits

Short term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) State plans

Certain companies in the Group maintain a defined contribution plan in Malaysia and Vietnam for providing employee benefits, which is required by laws in Malaysia and Vietnam respectively. The retirement benefit plan is funded by contributions from both the employees and the companies to the employees' provident fund. The Group's contributions to employees' provident fund are charged to profit or loss in the year to which they relate.

3.12 Finance Costs

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

All other finance costs are recognised in profit or loss in the period in which they are incurred.

3.13 Separately Disclosable Items

Items that are both material in size and unusual and infrequent in nature are presented as separately disclosable items in the statement of comprehensive income or separately disclosed in the notes to the financial statements. The Directors are of the opinion that the separate recording of these items provides helpful information about the Group's underlying business performance.

3 SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.14 Earnings per Ordinary Share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.15 Provisions

Provisions are recognised if, as a result of past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

3.16 Commitments and Contingencies

Commitments and contingent liabilities are disclosed in the financial statements and described in Note 42. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

3.17 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Executive Management of Ireka Development Management Sdn. Bhd. ("IDM"), to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Executive Management of IDM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the Group's administrative functions.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.18 Fair Value Measurements

From 1 January 2013, the Group adopted IFRS 13, *Fair Value Measurement* which prescribed that fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use by selling it to another market participant that would use the asset in its highest and best use.

In accordance with the transitional provision of IFRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of IFRS 13 has not significantly affected the measurements of the Group's assets or liabilities or the financial statements other than the additional disclosures.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial Risk Management Objectives and Policies

The Group's international operations and debt financing arrangements expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk, interest rate risk and price risk). The Group's financial risk management policies and their implementation on a group-wide basis are under the direction of the Board of Aseana Properties Limited.

The Group's treasury policies are formulated to manage the financial impact of fluctuations in interest rates and foreign exchange rates to minimise the Group's financial risks. The Group has not used derivative financial instruments, principally interest rate swaps and forward foreign exchange contracts for hedging transactions. The Group does not envisage using these derivative hedging instruments in the short term as it is the Group's policy to borrow in the currency to match the revenue stream to give it a natural hedge against foreign currency fluctuation. The derivative financial instruments will only be used under the strict direction of the Board. It is also the Group's policy not to enter into derivative transactions for speculative purposes.

4.2 Credit Risk

The Group's credit risk is primarily attributable to deposits with banks and credit exposures to customers. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis. The Group manages its deposits with banks and financial institutions by monitoring credit ratings and limiting the aggregate risk to any individual counterparty. At 31 December 2013, 96% (2012: 93%) of deposits and cash balances were placed at banks and financial institutions with credit ratings of no less than A (Moody's/ Rating Agency Malaysia) and 4% (2012: 7%) with local banks, in the case of Vietnam. Management did not expect any counterparty to fail to meet its obligations.

In respect of credit exposures to customers, the Group receives progress payments from sales of commercial and residential properties to individual customers prior to the completion of transactions. In the event of default by customers, the Group companies undertake legal proceedings to recover the properties. The Group has limited its credit exposure to customers due to secured bank loans taken by the purchasers. At 31 December 2013, there was no significant concentration of credit risk within the Group.

The Group's exposure to credit risk arising from total debtors was set out in Note 24 and totals US\$9.9 million (2012: US\$12.7 million). The Group's exposure to credit risk arising from deposits and balances with banks is set out in Note 27 and totals US\$24.6million (2012: US\$16.8 million).

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by subsidiaries.

At the end of the reporting period, the maximum exposure to credit risk as represented by the outstanding banking and credit facilities of the subsidiaries is as follows:

Company	2013 US\$'000	2012 US\$'000
Financial institutions for bank facilities granted to its subsidiaries	199,196	124,807

At the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

4.3 Liquidity Risk

The Group raises funds as required on the basis of budgeted expenditure and inflows for the next twelve months with the objective of ensuring adequate funds to meet commitments associated with its financial liabilities. When funds are sought, the Group balances the costs and benefits of equity and debt financing against the developments to be undertaken. At 31 December 2013, the Group's borrowings to fund the developments had terms of less than ten years.

Cash flows are monitored on an on-going basis. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long term and short term financial liabilities as well as cash out flows due in its day to day operations while ensuring sufficient headroom on its undrawn committed borrowing facilities at all times so that borrowing limits and covenants are not breached. Capital investments are committed only after confirming the source of funds, e.g. securing financial liabilities.

Management is of the opinion that most of the bank borrowings can be renewed or re-financed based on the strength of the Group's earnings, cash flow and asset base.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

4 FINANCIAL RISK MANAGEMENT

cont'd

4.3 Liquidity Risk

cont'd

The maturity profile of the Group’s and the Company’s financial liabilities at the statement of financial position date, based on the contracted undiscounted payments, were as follows:

Group	Carrying amount US\$'000	Contractual interest rate	Contractual cash flows US\$'000	Under 1 year US\$'000	1 – 2 years US\$'000	2 – 5 years US\$'000	More than 5 years US\$'000
At 31 December 2013							
Finance lease liabilities	56	2.50% - 3.50%	65	16	16	33	–
Interest bearing loans and borrowings	229,335	5.25% - 17.7%	263,163	51,301	84,492	104,520	22,850
Trade and other payables	83,640	–	83,640	83,640	–	–	–
Amount due to non-controlling interests	10,448	–	10,448	9,008	–	–	1,440
	323,479		357,316	143,965	84,508	104,553	24,290
At 31 December 2012							
Finance lease liabilities	30	2.50%	34	7	7	20	–
Interest bearing loans and borrowings	144,329	5.20% - 23%	168,688	30,306	32,013	96,277	10,092
Trade and other payables	56,764	–	56,764	56,764	–	–	–
Amount due to non-controlling interests	9,807	–	9,807	8,367	–	–	1,440
	210,930		235,293	95,444	32,020	96,297	11,532
Company	Carrying amount US\$'000	Contractual interest rate	Contractual cash flows US\$'000	Under 1 year US\$'000	1 – 2 years US\$'000	2 – 5 years US\$'000	More than 5 years US\$'000
At 31 December 2013							
Trade and other payables	1,253	–	1,253	1,253	–	–	–
	1,253		1,253	1,253	–	–	–
At 31 December 2012							
Trade and other payables	1,677	–	1,677	1,677	–	–	–
	1,677		1,677	1,677	–	–	–

The above table excludes current tax liabilities.

4.4 Market Risk

(a) Foreign Exchange Risk

Entities within the Group are exposed to foreign exchange risk from future commercial transactions and net monetary assets and liabilities that are denominated in a currency that is not the entity’s functional currency. The foreign currency exposure is not hedged.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

Management monitors the foreign currency exposure closely and takes necessary actions in consultation with the bankers to avoid unfavourable exposures.

The Group is exposed to foreign currency risk on cash and cash equivalents which are denominated in currencies other than the functional currency of the relevant Group entity.

4 FINANCIAL RISK MANAGEMENT *cont'd*

4.4 Market Risk *cont'd*

(a) Foreign Exchange Risk *cont'd*

The Group's exposure to foreign currency risk on cash and cash equivalents at year end is as follows:

Group	2013 US\$'000	2012 US\$'000
Ringgit Malaysia	1,684	12
Others	25	301
	1,709	313

At 31 December 2013, if cash and cash equivalents denominated in a currency other than the functional currency of the Group entity strengthened/ (weakened) by 10% and all other variables were held constant, the effects on the Group profit and loss and equity expressed in US\$ would have been US\$170,900/ (US\$170,900) (2012: US\$31,300/ (US\$31,300)).

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

Subsequent to year end, there are no significant monetary balances held by group companies that are denominated in a non-functional currency.

(b) Interest Rate Risk

The Group's policy is to minimise interest rate risk on bank loans and borrowings using a mix of fixed and variable rate debts that represent market rates. The Group prefers to maintain flexibility on the desired mix of fixed and variable interest rates as this will depend on the economic environment, the type of borrowings available and the funding requirements of the project when a decision is to be made.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instrument, based on carrying amounts at the end of the reporting period was:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Fixed rate instruments:				
Financial assets	24,585	16,752	1,703	354
Financial liabilities	154,672	83,205	–	–
Floating rate instruments:				
Financial liabilities	74,719	61,154	–	–

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's liabilities with a floating interest rate. The fixed and floating interest rates were not hedged and would therefore expose the Group to cash flow interest rate risk. Borrowings at fixed rate represent 67% (2012: 58%) of the Group's borrowings at 31 December 2013.

Interest rate risk is reported internally to key management personnel via a sensitivity analysis, which is prepared based on the exposure to variable interest rates for non-derivative instruments at the statement of financial position date. For variable-rate borrowings, the analysis is prepared assuming that the amount of liabilities outstanding at the statement of financial position date will be outstanding for the whole year. A 100 basis point increase or decrease is used and represents the management's assessment of the reasonable possible change in interest rate.

Sensitivity analysis for floating rate instrument

At 31 December 2013, if the interest rate had been 100 basis point higher/ lower and all other variables were held constant, this would increase/ (decrease) the Group loss for the year by approximately US\$747,190/ (US\$747,190) (2012: increase/ (decrease) by US\$611,540/ (US\$611,540)).

(c) Price Risk

Equity price risk arises from the Group's investments in quoted shares on the Ho Chi Minh Stock Exchange ("HOSE") which are available-for-sale and held by the Group at fair value at the reporting date. Gains and losses arising from changes in the fair value of available-for-sale investments are recognised in other comprehensive income/expense.

Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Group's equity investment moved in correlation with HOSE.

A 10% (2012: Nil) strengthening of the HOSE at the end of the reporting period would have increased equity by US\$1,269,700 (2012: Nil) for investment classified as available for sale. A 10% (2012: Nil) weakening of the HOSE would have had an equal but opposite effect on equity.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

4 FINANCIAL RISK MANAGEMENT *cont'd*

4.5 Fair Values

The carrying amount of trade and other receivables, amount due from an associate, deposits, cash and cash equivalents, trade and other payables and accruals of the Group and Company approximate their fair values in the current and prior years due to relatively short term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value, along with their carrying amounts shown in the statement of financial position:

2013 Group US\$'000	Level 1	Fair value of financial instruments carried at fair value			Total	Level 1	Fair value of financial instruments not carried at fair value*			Total	Total fair value	Carrying amount
		Level 2	Level 3				Level 2	Level 3				
Financial assets												
Held-for-trading												
financial instrument	-	375	-	375	-	-	-	-	-	375	375	375
Available-for-sale												
investments	-	12,697	-	12,697	-	-	-	-	-	12,697	12,697	12,697
	-	13,072	-	13,072	-	-	-	-	-	13,072	13,072	13,072
Financial liabilities												
Amount due to												
non-controlling interests	-	-	-	-	-	-	-	(10,059)	(10,059)	(10,059)	(10,448)	(10,448)
Bank loan and borrowings	-	-	-	-	-	-	(74,719)	-	(74,719)	(74,719)	(74,719)	(74,719)
Finance lease liabilities	-	-	-	-	-	-	(56)	-	(56)	(56)	(56)	(56)
Medium term notes	-	-	-	-	-	-	(147,381)	-	(147,381)	(147,381)	(154,616)	(154,616)
	-	-	-	-	-	-	(222,156)	(10,059)	(232,215)	(232,215)	(239,839)	(239,839)
2012 Group US\$'000	Level 1	Fair value of financial instruments carried at fair value			Total		Fair value of financial instruments not carried at fair value*			Total	Total fair value	Carrying amount
		Level 2	Level 3									
Financial assets												
Held-for-trading												
financial instrument	-	1,370	-	1,370	-	-	-	-	-	1,370	1,370	1,370
Available-for-sale												
investments	-	-	12,571	12,571	-	-	-	-	-	12,571	12,571	12,571
	-	1,370	12,571	13,941	-	-	-	-	-	13,941	13,941	13,941
Financial liabilities												
Amount due to												
non-controlling interests	-	-	-	-	-	-	(9,354)	-	(9,354)	(9,354)	(9,807)	(9,807)
Bank loan and borrowings	-	-	-	-	-	-	(61,154)	-	(61,154)	(61,154)	(61,154)	(61,154)
Finance lease liabilities	-	-	-	-	-	-	(30)	-	(30)	(30)	(30)	(30)
Medium term notes	-	-	-	-	-	-	(80,048)	-	(80,048)	(80,048)	(83,175)	(83,175)
	-	-	-	-	-	-	(150,586)	-	(150,586)	(150,586)	(154,166)	(154,166)

* Comparative figures have not been analysed by levels, by virtue of transitional provisions in Appendix C2 of IFRS 13.

Policy on transfer between levels

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

Level 1 fair value

Level 1 fair value is derived from a quoted price (unadjusted) in an active market for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

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

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2012: no transfer in either directions).

Transfers between Level 2 and Level 3 fair values

During the financial year, available-for-sale investments with a carrying amount of US\$12,571,000 were transferred from Level 3 to Level 2 as the quoted price in the market for the equity instrument became available following the listing of the instrument on the Ho Chi Minh Stock Exchange (2012: no transfer in either direction).

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. At 31 December 2013, the interest rate used to discount estimated cash flows of the amount due to non-controlling interests and MTN are 6.5% (2012: 6.5%) and 7.44% (2012: 7.32%) respectively.

4 FINANCIAL RISK MANAGEMENT *cont'd*

4.6 Management and Control

Changes that cause the management and control of the Company to be exercised in the United Kingdom could lead to the Company becoming liable to United Kingdom taxation on income and capital gains.

4.7 Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The capital structure of the Group consists of held-for-trading financial instrument, cash and cash equivalents, loans and borrowings, medium term notes and equity attributable to equity holders of the parent, comprising issued share capital and reserves, were as follows:

Group	2013 US\$'000	2012 US\$'000
Capital structure analysis:		
Held-for-trading financial instrument	375	1,370
Cash and cash equivalents	24,585	16,752
Loans and borrowings	(74,775)	(61,184)
Medium term notes	(154,616)	(83,175)
Equity attributable to equity holders of the parent	(158,571)	(183,584)
Total capital	(363,002)	(309,821)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of net debt-to-equity ratio.

Net debt-to-equity ratio is calculated as a total of interest-bearing borrowings less held-for-trading financial instrument and cash and cash equivalents to the total equity.

The net debt-to-equity ratios at 31 December 2013 and 31 December 2012 were as follows:

Group	2013 US\$'000	2012 US\$'000
Total borrowings	229,391	144,359
Less: Held-for-trading financial instrument (Note 23)	(375)	(1,370)
Less: Cash and cash equivalents (Note 27)	(24,585)	(16,752)
Net debt	204,431	126,237
Total equity	170,000	196,647
Net debt-to-equity ratio	1.20	0.64

5 REVENUE AND SEGMENTAL INFORMATION

The gross revenue represents the sales value of development properties where the effective control of ownership of the properties is transferred to the purchasers when the completion certificate or occupancy permit has been issued.

The Company is an investment holding company and has no operating revenue. The Group's operating revenue for the year was mainly attributable to the sale of development properties in Malaysia.

5.1 Revenue recognised during the year as follows:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Sale of development properties	29,269	23,363	–	–
Project management fee	–	369	–	–
	29,269	23,732	–	–

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

5 REVENUE AND SEGMENTAL INFORMATION *cont'd*

5.2 Segmental Information

The Group's assets and business activities are managed by Ireka Development Management Sdn. Bhd. ("IDM") as the Development Manager under a management agreement dated 27 March 2007.

Segmental information represents the level at which financial information is reported to the Executive Management of IDM, being the chief operating decision maker as defined in IFRS 8. The Executive Management consists of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Chief Investment Officer of IDM. Management determines the operating segments based on reports reviewed and used by the Executive Management for strategic decision making and resource allocation. For management purposes, the Group is organised into project units.

The Group's reportable operating segments are as follows:

- (i) Investment Holding Companies – investing activities;
- (ii) Ireka Land Sdn. Bhd. – develops Tiffani by i-ZEN and 1 Mont' Kiara by i-ZEN;
- (iii) ICSD Ventures Sdn. Bhd. – develops Sandakan Harbour Square;
- (iv) Amatir Resources Sdn. Bhd. – develops SENI Mont' Kiara;
- (v) Iringan Flora Sdn. Bhd. – operates Aloft Kuala Lumpur Sentral Hotel; and
- (vi) Hoa Lam-Shangri-La Healthcare Group – develops City International Hospital and Hi-Tech Healthcare Park.

Other non-reportable segments comprise the Group's new development projects. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2013 and 2012.

Information regarding the operations of each reportable segment is included below. The Executive Management monitors the operating results of each segment for the purpose of performance assessments and making decisions on resource allocation. Performance is based on segment gross profit/ (loss) and profit/ (loss) before taxation, which the Executive Management believes are the most relevant in evaluating the results relative to other entities in the industry. Segment assets and liabilities are presented inclusive of inter-segment balances and inter-segment pricing is determined on an arm's length basis.

The Group's revenue generating development projects are currently only in Malaysia since development activities in Vietnam are still at early stages of development and operation.

5.3 Analysis of the group's reportable operating segments is as follows:

Operating Segments - ended 31 December 2013

	Investment Holding Companies US\$'000	Ireka Land Sdn. Bhd. US\$'000	ICSD Ventures Sdn. Bhd. US\$'000	Amatir Resources Sdn. Bhd. US\$'000	Iringan Flora Sdn. Bhd. US\$'000	Hoa Lam- Shangri-La Healthcare Group US\$'000	Total US\$'000
Segment (loss)/ profit before taxation	(2,217)	(323)	(5,927)	4,169	(4,382)	(7,559)	(16,239)
<i>Included in the measure of segment (loss)/ profit are:</i>							
Revenue	–	1,278	433	27,558	–	–	29,269
Cost of acquisition written down	–	(33)	(68)	(5,918)	–	–	(6,019)
Goodwill impairment	–	–	–	(320)	–	–	(320)
Marketing expenses	–	–	–	(711)	–	–	(711)
Depreciation of property, plant and equipment	–	(2)	(10)	(1)	(7)	(91)	(111)
Finance costs	–	–	(4,464)	(252)	(3,841)	(1,209)	(9,766)
Finance income	7	4	301	28	44	27	411
Segment assets	18,273	9,703	105,954	81,743	79,231	110,545	405,449
<i>Included in the measure of segment assets are:</i>							
Addition to non-current assets other than financial instruments and deferred tax assets	–	–	5	–	44	145	194

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items

Statement of comprehensive income	US\$'000
Total loss for reportable segments	(16,239)
Other non-reportable segments	(2,567)
Depreciation	(3)
Finance income	13
Consolidated loss before taxation	(18,796)

5 REVENUE AND SEGMENTAL INFORMATION *cont'd***5.3 Analysis of the group's reportable operating segments is as follows:** *cont'd*

	Investment Holding Companies US\$'000	Ireka Land Sdn. Bhd. US\$'000	ICSD Ventures Sdn. Bhd. US\$'000	Amatir Resources Sdn. Bhd. US\$'000	Iringan Flora Sdn. Bhd. US\$'000	Hoa Lam- Shangri-La Healthcare Group US\$'000	Total US\$'000
Segment (loss)/ profit before taxation	(7,904)	2,199	(8,153)	1,096	(593)	(1,950)	(15,305)
<i>Included in the measure of segment (loss)/profit are:</i>							
Revenue	–	–	852	22,511	–	–	23,363
Cost of acquisition written down	–	(392)	(69)	(3,912)	–	–	(4,373)
Goodwill impairment	–	–	(946)	(212)	–	–	(1,158)
Marketing expenses	–	(54)	(2)	(1,898)	–	–	(1,954)
Depreciation of property, plant and equipment	–	(8)	(86)	(1)	–	(92)	(187)
Finance costs	(31)	–	(3,071)	(731)	(32)	(434)	(4,299)
Finance income	76	18	217	63	12	7	393
Segment assets	13,205	11,164	112,363	102,178	10,721	77,962	327,593
<i>Included in the measure of segment assets are:</i>							
Addition to non-current assets other than financial instruments and deferred tax assets	–	–	273	–	–	27	300

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items

Statement of comprehensive income**US\$'000**

Total loss for reportable segments	(15,305)
Other non-reportable segments	(1,337)
Depreciation	(3)
Finance income	14
Consolidated loss before taxation	(16,631)

2013 US\$'000	Revenue	Depreciation	Finance costs	Finance income	Segment assets	Addition to non-current assets
Total reportable segment	29,269	(111)	(9,766)	411	405,449	194
Other non-reportable segments	–	(3)	–	13	89,333*	–
Consolidated total	29,269	(114)	(9,766)	424	494,782	194

2012 US\$'000	Revenue	Depreciation	Finance costs	Finance income	Segment assets	Addition to non-current assets
Total reportable segment	23,363	(187)	(4,299)	393	327,593	300
Other non-reportable segments	369	(3)	–	14	82,081*	12
Consolidated total	23,732	(190)	(4,299)	407	409,674	312

* Included in segment asset for other non-reportable segments is US\$49,696,000 (2012: US\$39,348,000) in relation to assets of Urban DNA Sdn. Bhd..

NOTES TO THE FINANCIAL STATEMENTS cont'd

5 REVENUE AND SEGMENTAL INFORMATION cont'd

5.3 Analysis of the group's reportable operating segments is as follows: cont'd

Geographical Information – ended 31 December 2013

	Malaysia US\$'000	Vietnam US\$'000	Consolidated US\$'000
Revenue	29,269	–	29,269
Non-current assets	5,741	24,474	30,215

In 2013, no single customer exceeded 10% of the Group's total revenue.

Geographical Information – ended 31 December 2012

	Malaysia US\$'000	Vietnam US\$'000	Consolidated US\$'000
Revenue	23,732	–	23,732
Non-current assets	3,188	24,341	27,529

In 2012, no single customer exceeded 10% of the Group's total revenue.

6 COST OF SALES

	2013 US\$'000	Group 2012 US\$'000	Company 2013 US\$'000	2012 US\$'000
Direct costs attributable to property development	22,768	21,459	–	–

7 OTHER INCOME

Group	2013 US\$'000	2012 US\$'000
Dividend income	15	314
Investment income	92	234
Late payment interest income	9	66
Novation fee (a)	641	–
Rental income	209	554
Revenue from hotel operations (b)	13,498	1,919
Revenue from mall operations (c)	954	638
Revenue from hospital operations (d)	179	–
Reversal of impairment of trade receivables	–	357
Sale of land (e)	–	2,533
Sundry income	525	436
	16,122	7,051

- (a) Novation fee**
The amount relates to income receivable from a third party for assigning the rights, title, interests, benefits and obligation and/or liabilities under a Sales and Purchase Agreement for acquisition of car park bays in Nu Towers by a subsidiary of the Group.
- (b) Revenue from hotel operations**
The revenue relates to the operations of two hotels - Four Points by Sheraton Sandakan Hotel and Aloft Kuala Lumpur Sentral Hotel. The latter is owned by a subsidiary of the Company, Iringan Flora Sdn. Bhd. and commenced operation in March 2013. The revenue earned from hotel operations is included in other income in line with management's intention to dispose of the hotels.
- (c) Revenue from mall operations**
The revenue relates to operation of Harbour Mall Sandakan which is owned by a subsidiary of the Company, ICSD Ventures Sdn. Bhd.. The revenue earned from mall operations is included in other income in line with management's intention to dispose of the mall.
- (d) Revenue from hospital operations**
A subsidiary of the Company, City International Hospital Company Limited (formerly known as Hoa Lam–Shangri-la 1 Liability Ltd Co) has commenced operation of its hospital – City International Hospital in September 2013. The revenue earned from hospital operations is included in other income in line with management's intention to dispose of the hospital.
- (e) Sale of land**
In 2012, a subsidiary of the Company, Ireka Land Sdn. Bhd. sold a piece of land where the show unit of Tiffani by i-ZEN was located for US\$2,533,440 (RM 7,800,000). The cost of the land had been charged to the development of Tiffani by i-ZEN in August 2009.

8 FOREIGN EXCHANGE (LOSS)/ GAIN

	Group		Company	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Foreign exchange (loss)/ gain comprises:				
Realised foreign exchange (loss)/ gain	(40)	(118)	47	(22)
Unrealised foreign exchange (loss)/ gain	(1,065)	642	151	(256)
	(1,105)	524	198	(278)

9 MANAGEMENT FEES

	Group		Company	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Management fees	3,762	3,799	1,238	1,644

The management fees payable to the Development Manager are based on 2% of the Group's net asset value calculated on the last business day of March, June, September and December of each calendar year and payable quarterly in advance. The management fees were allocated to the subsidiaries and Company based on where the service was provided.

In addition to the annual management fee, the Development Manager is entitled to a performance fee calculated at 20% of the out performance of net asset value over a total return hurdle rate of 10%. No performance fee has been paid or accrued during the year (2012: US\$ Nil).

10 STAFF COSTS

Group	2013	2012
	US\$'000	US\$'000
Wages, salaries and others	2,584	1,705
Employees' provident fund, social security and other pension costs	490	113
	3,074	1,818

The Company has no executive directors or employees under its employment. Certain subsidiaries of the Group have a total of 790 (2012: 253) employees.

11 FINANCE (COSTS)/ INCOME

	Group		Company	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income from banks	424	407	5	59
Agency fees	(25)	(27)	–	–
Annual trustees monitoring fee	(7)	(7)	–	–
Bank guarantee commission	(4)	(4)	–	–
Interest on bank loans	(1,460)	(1,189)	–	–
Interest on financial liabilities at amortised cost	(1)	(1)	–	–
Interest on medium term notes	(8,269)	(3,071)	–	–
	(9,342)	(3,892)	5	59

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

12 NET LOSS BEFORE TAXATION

	Group		Company	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Net loss before taxation is stated after charging/(crediting):				
• Auditor's remuneration				
- current year	238	229	120	121
- under provision in prior year	2	10	–	–
• Directors' fees	317	317	317	317
• Decline in fair value of available-for-sale investments	–	4,653	–	–
• Depreciation of property, plant and equipment	114	190	–	–
• Expenses of hotel operations	13,945	3,290	–	–
• Expenses of mall operations	1,659	2,192	–	–
• Expenses of hospital operations	4,538	–	–	–
• Fair value loss on held-for-trading financial instrument	5	81	–	–
• Impairment of amounts due from subsidiaries	–	–	12,950	1,885
• Impairment of investment in subsidiaries	–	–	6,305	–
• Impairment of goodwill	320	1,158	–	–
• Reversal of impairment of trade receivables	–	(357)	–	–
• Loss on disposal of property, plant and equipment	–	1	–	–
• Property, plant and equipment written off	7	31	–	–
• Tax services	11	15	–	–

13 TAXATION

Group	2013	2012
	US\$'000	US\$'000
Current tax expense	3,470	1,087
Deferred tax (credit)/ expense	(616)	711
Total tax expense for the year	2,854	1,798

The numerical reconciliation between the income tax expense and the product of the accounting results multiplied by the applicable tax rate is computed as follows:

Group	2013	2012
	US\$'000	US\$'000
Net loss before taxation	(18,796)	(16,631)
Income tax at a rate of 25%*	(4,699)	(4,158)
Add:		
Tax effect of expenses not deductible in determining taxable profit	4,989	4,329
Movement of unrecognised deferred tax benefits	1,833	1,663
Tax effect of different tax rates in subsidiaries**	960	362
Less:		
Tax effect of income not taxable in determining taxable profit	(377)	(244)
Under/ (Over) provision	148	(154)
Total tax expense for the year	2,854	1,798

* The applicable corporate tax rate in Malaysia and Vietnam is 25%.

** The applicable corporate tax rate in Singapore is 17%. A subsidiary of the Group, Hoa Lam-Shangri-La Healthcare Ltd Liability Co is granted a preferential corporate tax rate of 10% for its profit/ (loss) arising from hospital income. The preferential income tax rate is given by the government of Vietnam due to the subsidiary's involvement in the healthcare and education industries.

The Company is treated as a tax resident of Jersey for the purpose of Jersey tax laws and is subject to a tax rate of 0%.

A Goods and Services Tax was introduced in Jersey in May 2008. The Company has been registered as an International Services Entity so it does not have to charge or pay local GST. The cost for this registration is £200 per annum.

The Directors intend to conduct the Group's affairs such that the central management and control is not exercised in the United Kingdom and so that neither the Company nor any of its subsidiaries carries on any trade in the United Kingdom. The Company and its subsidiaries will thus not be residents in the United Kingdom for taxation purposes. On this basis, they will not be liable for United Kingdom taxation on their income and gains other than income derived from a United Kingdom source.

14 OTHER COMPREHENSIVE EXPENSE

Group	2013 US\$'000	2012 US\$'000
Items that are or may be reclassified subsequently to profit or loss, net of tax		
Foreign currency translation differences for foreign operations	(6,220)	3,407
Fair value of available-for-sale investments	126	(4,828)
	(6,094)	(1,421)

15 LOSS PER SHARE**Basic and diluted loss per ordinary share**

The calculation of basic and diluted loss per ordinary share for the year ended 31 December 2013 was based on the loss attributable to equity holders of the parent and a weighted average number of ordinary shares outstanding, calculated as below:

Group	2013 US\$'000	2012 US\$'000
Loss attributable to equity holders of the parent	(19,006)	(16,839)
Weighted average number of shares	212,025	212,047
Loss per share		
Basic and diluted (US cents)	(8.96)	(7.94)

16 PROPERTY, PLANT AND EQUIPMENT

Group	Furniture, Fittings & Equipment US\$'000	Motor Vehicles US\$'000	Leasehold Building US\$'000	Work In Progress US\$'000	Total US\$'000
Cost					
At 1 January 2013	450	169	854	–	1,473
Exchange adjustments	(8)	(6)	(11)	–	(25)
Additions	31	163	–	–	194
Transfer to inventories	(28)	–	–	–	(28)
Written off	(53)	–	–	–	(53)
At 31 December 2013	392	326	843	–	1,561
Accumulated Depreciation					
At 1 January 2013	171	69	120	–	360
Exchange adjustments	(3)	(3)	(2)	–	(8)
Charge for the year	49	28	37	–	114
Transfer to inventories	(5)	–	–	–	(5)
Written off	(46)	–	–	–	(46)
At 31 December 2013	166	94	155	–	415
Net carrying amount at 31 December 2013	226	232	688	–	1,146
Cost					
At 1 January 2012	595	137	847	3,329	4,908
Exchange adjustments	12	2	7	120	141
Additions	279	33	–	–	312
Disposal	–	(3)	–	–	(3)
Transfer to inventories	(363)	–	–	(3,449)	(3,812)
Written off	(73)	–	–	–	(73)
At 31 December 2012	450	169	854	–	1,473
Accumulated Depreciation					
At 1 January 2012	160	38	81	–	279
Exchange adjustments	4	1	1	–	6
Charge for the year	121	31	38	–	190
Disposal	–	(1)	–	–	(1)
Transfer to inventories	(72)	–	–	–	(72)
Written off	(42)	–	–	–	(42)
At 31 December 2012	171	69	120	–	360
Net carrying amount at 31 December 2012	279	100	734	–	1,113

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of US\$194,000 (2012: US\$312,000) of which US\$40,000 (2012: US\$33,000) was acquired by means of finance lease. Motor vehicles of the Group with a net carrying amount of US\$59,000 (2012: US\$25,000) are held under hire purchase arrangement at year end.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

17 INVESTMENT IN AN ASSOCIATE

The Company, via a wholly-owned subsidiary ASPL M3A Limited, has a 40% equity interest in a company known as Excellent Bonanza Sdn. Bhd., a company incorporated in Malaysia, which is a vehicle set up to undertake a commercial development in Kuala Lumpur, Malaysia.

Group	2013 US\$'000	2012 US\$'000
At cost - unquoted shares	611	611
Share of post-acquisition reserves	1,641	(611)
	2,252	–

A summary of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the associate is as follows:

Group	2013 US\$'000	2012 US\$'000
Statement of Financial Position		
Non-current assets	148,041	11,345
Current assets	5,281	378,270
Total Assets	153,322	389,615
Non-current liabilities	3,239	–
Current liabilities	144,452	390,224
Total Liabilities	147,691	390,224
Equity	5,631	(609)
Total Equity and Liabilities	153,322	389,615

Statement of Comprehensive Income		
Revenue	218,452	–
Finance income	1,627	–
Cost of sales, expenses including finance costs and taxation	(213,880)	899
Profit	6,199	899

During the financial year, the Group's share of results from its associate was reduced by the share of unrealised profit arising from sale of Aloft Kuala Lumpur Sentral Hotel by the associate to a subsidiary of the Group.

In 2012, the amount of unrecognised share of profit for the year and share of loss cumulatively is US\$ 339,000 and US\$ 228,000 respectively.

18 INVESTMENT IN SUBSIDIARIES

Company	2013 US\$'000	2012 US\$'000
Unquoted shares, at cost	66,428	66,428
Discount on loans to subsidiaries	14,518	14,518
Less: Impairment loss	(6,305)	–
	74,641	80,946

A list of the main operating subsidiaries is provided in Note 41.

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests (“NCI”) are as follows:

2013	Hoa Lam Services Co Ltd US\$'000	Shangri-La Healthcare Investment Pte Ltd US\$'000	ASPL PLB- Nam Long Ltd Liability Co US\$'000	Urban DNA Sdn. Bhd. US\$'000	Other individually immaterial subsidiaries US\$'000	Total US\$'000
NCI percentage of ownership interest and voting interest	49%	26%	45%	30%		
Carrying amount of NCI	2,648	3,787	6,352	(592)	(766)	11,429
Comprehensive loss allocated to NCI	(812)	(1,226)	(102)	(619)	(14)	(2,773)
Summarised financial information before intra-group elimination						
As at 31 December						
Non-current assets	22,568	50,653	4	–		
Current assets	33,939	79,190	15,292	49,694		
Non-current liabilities	(11,788)	(27,506)	–	(41,692)		
Current liabilities	(26,246)	(58,090)	(1,181)	(9,974)		
Net assets/ (liabilities)	18,473	44,247	14,115	(1,972)		

18 INVESTMENT IN SUBSIDIARIES *cont'd***Non-controlling interests in subsidiaries** *cont'd*

	Hoa Lam Services Co Ltd US\$'000	Shangri-La Healthcare Investment Pte Ltd US\$'000	ASPL PLB- Nam Long Ltd Liability Co US\$'000	Urban DNA Sdn. Bhd. US\$'000	Other individually immaterial subsidiaries US\$'000	Total US\$'000
2013						
Year ended 31 December						
Revenue	–	–	–	–		
Loss for the year	(1,618)	(4,543)	(70)	(2,126)		
Total comprehensive loss	(1,659)	(4,734)	(226)	(2,063)		
Cash flows from operating activities	35	(4,451)	(333)	(77)		
Cash flows from investing activities	(15,284)	(31,826)	(13)	–		
Cash flows from financing activities	15,715	37,362	229	1,284		
Net increase/ (decrease) in cash and cash equivalents	466	1,085	(117)	1,207		
2012						
NCI percentage of ownership interest and voting interest	49%	26%	45%	30%		
Carrying amount of NCI	3,467	3,958	6,454	27	(843)	13,063
Comprehensive loss allocated to NCI	(278)	(571)	(21)	(65)	(496)	(1,431)
Summarised financial information before intra-group elimination						
As at 31 December						
Non-current assets	17,051	37,815	8	–		
Current assets	21,694	50,440	15,438	39,346		
Non-current liabilities	(6,533)	(15,245)	–	(18,695)		
Current liabilities	(17,481)	(41,104)	(1,104)	(20,560)		
Net assets	14,731	31,906	14,342	91		
Year ended 31 December						
Revenue	–	–	–	–		
Loss for the year	(639)	(2,233)	(106)	(226)		
Total comprehensive loss	(567)	(2,155)	(47)	(217)		
Cash flows from operating activities	(4,549)	(6,925)	(1,107)	(4,108)		
Cash flows from investing activities	(39,430)	(41,708)	(26)	–		
Cash flows from financing activities	39,337	44,307	690	4,170		
Net (decrease)/ increase in cash and cash equivalents	(4,642)	(4,326)	(443)	62		

19 AVAILABLE-FOR-SALE INVESTMENTS

The available-for-sale investments represents the investment in shares of Nam Long Investment Corporation (“Nam Long”) which the Group acquired over four tranches in 2008 and 2009.

Group 2013	Quoted shares US\$'000
1 January – fair value	12,571
Recognised in other comprehensive income	126
At 31 December – fair value	12,697

NOTES TO THE

FINANCIAL STATEMENTS

cont'd

19 AVAILABLE-FOR-SALE INVESTMENTS

cont'd

Group 2012	Unquoted shares US\$'000
1 January – fair value	22,052
Recognised in other comprehensive income	(4,828)
Recognised in profit or loss	(4,653)
At 31 December – fair value	12,571

At 31 December 2013, an increase in fair value of US\$0.126 million (2012: decrease in fair value of US\$4.8 million) has been recognised in other comprehensive income. In 2012, impairment loss of US\$4.7 million was recognised in the profit or loss of the Group. The Directors have considered various prevailing factors at year end, including the economic conditions and market conditions of the Ho Chi Minh Stock Exchange (“the Exchange”) (Nam Long was listed in the Exchange on 8 April 2013) in assessing the fair value of the investment.

20 INTANGIBLE ASSETS

Group	Licence Contracts and Related Relationships US\$'000	Goodwill US\$'000	Total US\$'000
Cost			
At 1 January 2012 / 31 December 2012 / 31 December 2013	10,695	6,479	17,174
Accumulated impairment losses			
At 1 January 2012	–	2,171	2,171
Impairment loss	–	1,158	1,158
At 31 December 2012 / 1 January 2013	–	3,329	3,329
Impairment loss	–	320	320
At 31 December 2013	–	3,649	3,649
Carrying amounts			
At 31 December 2012	10,695	3,150	13,845
At 31 December 2013	10,695	2,830	13,525

The licence contracts and related relationships represents the rights to develop the International Hi-Tech Healthcare Park. In 2013, other than Phase 1 of City International Hospital, the rest of the projects have not commenced development.

For the purpose of impairment testing, goodwill and licence contracts and related relationships are allocated to the Group’s operating divisions which represent the lowest level within the Group at which the goodwill and licence contracts and related relationships are monitored for internal management purposes.

The aggregate carrying amounts of intangible assets allocated to each unit are as follows:

Group	2013 US\$'000	2012 US\$'000
<i>Licence, contracts and related relationships</i>		
International Hi-Tech Healthcare Park	10,695	10,695
<i>Goodwill</i>		
SENI Mont’ Kiara	883	1,203
Sandakan Harbour Square	1,947	1,947
	2,830	3,150

The recoverable amount of licence, contracts and related relationships has been tested based on the fair value less cost to sell of the Land Use Rights (“LUR”) owned by the subsidiaries. The key assumption used is the expected market value of the LUR. The Group believes that any reasonably possible changes in the above key assumptions applied is not likely to materially cause the recoverable amount to be lower than its carrying amount.

Impairment losses of US\$320,000 (2012: US\$212,000) and US\$Nil (2012: US\$946,000) in relation to the SENI Mont’ Kiara and Sandakan Harbour Square projects have been recognised as the recoverable amount of the cash generating units, estimated based on fair value less costs to sell is below their carrying amount.

The recoverable amount of goodwill has been tested by reference to underlying profitability of the developments using discounted cash flow projections.

21 DEFERRED TAX ASSETS

Group	2013 US\$'000	2012 US\$'000
At 1 January	–	691
Exchange adjustments	(21)	20
Deferred tax credit/ (charge) relating to origination and reversal of temporary differences during the year	616	(711)
At 31 December	595	–

The deferred tax assets comprise:

Group	2013 US\$'000	2012 US\$'000
Taxable temporary differences between accounting profit and taxable profit of property development units sold	595	–
At 31 December	595	–

Deferred tax assets have not been recognised in respect of unused tax losses of US\$22,983,000 (2012: US\$15,500,000) and other tax benefits which includes temporary differences between net carrying amount and tax written value of property, plant and equipment and accrual of construction costs of US\$29,000 (2012: US\$180,000) which are available for offset against future taxable profits. Deferred tax assets have not been recognised due to the uncertainty of the recovery of the losses.

22 INVENTORIES

Group	Notes	2013 US\$'000	2012 US\$'000
Land held for property development	(a)	24,403	24,912
Work-in-progress	(b)	73,134	116,876
Stock of completed units, at cost		330,475	209,034
Consumables		597	–
At 31 December		428,609	350,822

(a) Land held for property development

Group	2013 US\$'000	2012 US\$'000
At 1 January	24,912	23,525
Exchange adjustments	(1,036)	564
Additions	1,344	823
Transfer to stock of completed units	(817)	–
At 31 December	24,403	24,912

(b) Work-in-progress

Group	2013 US\$'000	2012 US\$'000
At 1 January	116,876	148,024
Add:		
Work-in-progress incurred during the year	112,390	64,272
Contribution from non-controlling interest	–	6,480
Transfer from property, plant and equipment	–	3,740
Transfer to stock of completed units	(151,889)	(108,342)
Exchange adjustments	(4,243)	4,121
	73,134	118,295
Less:		
Costs recognised as expenses in the statement of comprehensive income during the year	–	(1,419)
At 31 December	73,134	116,876

The above amounts included borrowing costs capitalised during the year of US\$2,446,000 (2012: US\$1,278,000).

NOTES TO THE

FINANCIAL STATEMENTS

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23 HELD-FOR-TRADING FINANCIAL INSTRUMENT

The financial asset represents a placement in a money market fund (“Fund”), which is held as a trading instrument. The market value and the market price per unit of the Fund at 31 December 2013 were US\$375,000 (2012: US\$1,370,000) and US\$0.31 (2012:US\$0.33) respectively. During the year, the Group recognised a fair value loss of US\$5,000(2012: US\$81,000) in relation to the investment.

The Fund is permitted under the Deed to invest in the following:

- (i)

Bank deposits;
- (ii)

Money market instruments such as treasury bills, bankers acceptance, negotiable certificates of deposits, Bank Negara Malaysia bills, Bank Negara Malaysia negotiable notes, Negotiable Instruments of Deposit and Negotiable Islamic Debt Certificate with maturities not exceeding one (1) year; and
- (iii)

Malaysian Government Securities and/or securities guaranteed by the Government of Malaysia and/or notes/securities issued by Bank Negara Malaysia with maturity not exceeding two (2) years.

24 TRADE AND OTHER RECEIVABLES

Group	2013 US\$'000	2012 US\$'000
Trade receivables	1,482	4,100
Other receivables	7,772	7,623
Sundry deposits	400	219
Prepayments	258	783
	9,912	12,725

Company	2013 US\$'000	2012 US\$'000
Other receivables	–	3

Trade receivables represents progress billings receivable from the sale of development properties, which are generally due for settlement within 21 days from the date of invoice and are recognised and carried at the original invoice amount less allowance for any uncollectible amounts. They are recognised at their original invoice amounts which represent their fair values on initial recognition less provision for impairment where it is required.

The ageing analysis of trade receivables past due is set out below. These relate to a number of independent customers for whom there is no recent history of default.

Group 2013 US\$'000	Gross	Individual Impairment	Net
Within credit terms	376	–	376
Stakeholder sums	938	–	938
Past due			
0 – 60 days	–	–	–
61 –120 days	–	–	–
More than 120 days	168	–	168
	1,482	–	1,482

Group 2012 US\$'000	Gross	Individual Impairment	Net
Within credit terms	–	–	–
Stakeholder sums	3,966	–	3,966
Past due			
0 – 60 days	–	–	–
61 –120 days	–	–	–
More than 120 days	134	–	134
	4,100	–	4,100

Included in the stakeholder sums is approximately US\$0.17 million (2012: US\$3.0 million) in respect of SENI Mont’ Kiara which is receivable upon the expiry of 6 months and 18 months from the date of vacant possession. It also includes stakeholder sums of approximately US\$0.76 million (2012: US\$1.0 million) receivable from 1MK Retail Sdn. Bhd. and 1MK Office Sdn. Bhd., receivable upon the issuance of strata titles from land office.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers whose property purchases are mainly secured by personal bank financing. No allowance for impairment loss of trade receivables has been made for the remaining past due receivables as the Group monitors the repayment of the customers regularly and are confident of the ability of the customers to repay the balances outstanding.

25 AMOUNT DUE FROM AN ASSOCIATE

The amount due from an associate is unsecured, interest free and repayable on demand.

26 AMOUNTS DUE FROM / (TO) SUBSIDIARIES

Company	2013 US\$'000	2012 US\$'000
Due from subsidiaries (Current portion)	192,211	172,756
Less : Impairment loss	(30,426)	(17,476)
	161,785	155,280
Due to subsidiaries (Current portion)	(48,732)	(25,531)

The amounts due from / (to) subsidiaries are current, unsecured and repayable on demand.

At the end of the reporting period, inter-company balances that were assessed to be irrecoverable were impaired by US\$12,950,000 (2012: US\$1,885,000).

27 CASH AND CASH EQUIVALENTS

Group	2013 US\$'000	2012 US\$'000
Cash and bank balances	11,498	5,152
Short term bank deposits	13,087	11,600
	24,585	16,752
Company	2013 US\$'000	2012 US\$'000
Cash and bank balances	726	354
Short term bank deposits	977	–
	1,703	354

Included in short term bank deposits is US\$10,419,000 (2012: US\$11,170,000) pledged for banking facilities granted to subsidiaries.

The interest rate on cash and cash equivalents, excluding deposits placed with licensed bank of US\$10,419,000 (2012: US\$11,170,000) pledged for banking facilities granted to subsidiaries, ranges from 2.55% to 3.15% per annum (2012: 2.55% to 3.00% per annum) and the maturity period ranges from 1 day to 1 month (2012: 1 day to 1 month).

The interest rate on short term bank deposits pledged for banking facilities granted to subsidiaries ranges from 0.5% to 7% per annum (2012: 0.5% to 3.15% per annum) and the maturity period range from 1 month to 1 year (2012: 1 month to 1 year).

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

28 SHARE CAPITAL

Group & Company	2013 Number of Shares'000	2012 Number of Shares'000
Authorised Share Capital	2,000,000	2,000,000
Issued Share Capital		
At 1 January	212,525	212,525
Cancellation of shares (Note 38)	(500)	–
At 31 December	212,025	212,525

Group & Company	2013 US\$'000	2012 US\$'000
Authorised Share Capital of US\$0.05 each	100,000	100,000
Issued Share Capital of US\$0.05 each		
At 1 January	10,626	10,626
Cancellation of shares (Note 38)	(25)	–
At 31 December	10,601	10,626

29 SHARE PREMIUM

Share premium represents the excess of proceeds raised on the issuance of shares over the nominal value of those shares. The costs incurred in issuing shares were deducted from the share premium.

Group & Company	2013 US\$'000	2012 US\$'000
At 1 January	218,926	219,101
Own shares acquired	–	(175)
At 31 December	218,926	218,926

In January 2012, the Company purchased 500,000 of its ordinary shares of US\$0.05 each at prices between US\$0.3375 and US\$0.35. The shares repurchased were subsequently cancelled in 2013.

30 CAPITAL REDEMPTION RESERVE

The capital redemption reserve was incurred after the Company cancelled its 37,475,000 and 500,000 ordinary shares of US\$0.05 per share in 2009 and 2013 respectively.

31 TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

32 FAIR VALUE RESERVE

The fair value reserve comprises the cumulative change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

33 ACCUMULATED LOSSES

Group	2013 US\$'000	2012 US\$'000
At 1 January	(50,828)	(32,797)
Loss attributable to equity holders of the parent	(19,006)	(16,839)
Changes in ownership interests in subsidiaries	(42)	(1,192)
At 31 December	(69,876)	(50,828)

Company	2013 US\$'000	2012 US\$'000
At 1 January	(22,051)	(17,044)
Loss attributable to equity holders of the parent	(21,231)	(5,007)
At 31 December	(43,282)	(22,051)

34 TRADE AND OTHER PAYABLES

Group	2013 US\$'000	2012 US\$'000
Trade payables	10,389	22,761
Other payables	17,950	7,588
Progress billings	27,775	2,837
Deposits refundable	8,278	1,713
Accruals	19,248	21,865
	83,640	56,764

Company	2013 US\$'000	2012 US\$'000
Other payables	1,135	1,425
Accruals	118	252
	1,253	1,677

Trade payables represent trade purchases and services rendered by suppliers as part of the normal business transactions of the Group. The credit terms granted by trade suppliers range from 30 to 90 days.

Progress billings represent the proceeds received from purchasers for disposal of two plots of undeveloped land in Vietnam and development properties i.e. SENI Mont' Kiara, Tiffani by i-ZEN and The RuMa Hotel and Residences which are pending for transfer of vacant possession.

Deposits and accruals are from normal business transactions of the Group.

35 AMOUNT DUE TO NON-CONTROLLING INTERESTS

Group	2013 US\$'000	2012 US\$'000
Non-current		
Minority Shareholders of Shangri-La Healthcare Investment Pte Ltd:		
- Tran Thi Lam	533	533
- Econ Medicare Centre Holdings Pte Ltd	632	632
- Value Energy Sdn. Bhd.	189	189
- Thang Shieu Han	72	72
- Nguyen Quang Duc	14	14
	1,440	1,440
Current		
Minority Shareholder of Bumiraya Impian Sdn. Bhd.:		
- Global Evergroup Sdn. Bhd.	1,514	1,621
Minority Shareholders of Hoa Lam Services Co Ltd:		
- Tran Thi Lam	1,613	1,567
- Tri Hanh Consultancy Co Ltd	1,191	541
- Hoa Lam Development Investment Joint Stock Company	89	41
- Duong Ngoc Hoa	60	27
Minority Shareholders of Urban DNA Sdn. Bhd.:		
- Ireka Corporation Berhad	4,541	4,570
	9,008	8,367
	10,448	9,807

The current amount due to non-controlling interests amounting to US\$9,008,000 (2012: US\$8,367,000) is unsecured, interest free and repayable on demand.

The non-current amount due to non-controlling interests amounting to US\$1,440,000 (2012: US\$1,440,000) is unsecured, interest free and shall only be repayable to the respective minority shareholders if the minority shareholders cease to be a shareholder in Shangri-La Healthcare Investment Pte Ltd.

NOTES TO THE
FINANCIAL STATEMENTS

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36 LOANS AND BORROWINGS

Group	2013 US\$'000	2012 US\$'000
Non-current		
Bank loans	49,267	40,473
Finance lease liabilities	42	24
	49,309	40,497
Current		
Bank loans	25,452	20,681
Finance lease liabilities	14	6
	25,466	20,687
	74,775	61,184

The effective interest rates on the bank loans and hire purchase arrangement for the year ranged from 5.25% to 17.7% (2012: 5.20% to 23%) per annum and 2.5% to 3.5% (2012: 2.5%) per annum respectively.

Borrowings are denominated in Ringgit Malaysia, United States Dollars and Vietnam Dong.

Bank loans are repayable by monthly, quarterly or semi-annually instalments.

Bank loans are secured by land held for property development, work-in-progress, operating assets of the Group, pledged deposits and some by the corporate guarantee of the Company.

Included in the current bank loans is a loan of US\$9,974,000 which is due in April 2014. Subsequent to year end, the bank has approved the deferment of repayment of the amount from April 2014 to April 2015.

Finance lease liabilities are payable as follows:

Group	Future minimum lease payment 2013 US\$'000	Interest 2013 US\$'000	Present value of minimum lease payment 2013 US\$'000	Future minimum lease payment 2012 US\$'000	Interest 2012 US\$'000	Present value of minimum lease payment 2012 US\$'000
Within one year	16	2	14	7	1	6
Between one and five years	49	7	42	27	3	24
	65	9	56	34	4	30

37 MEDIUM TERM NOTES

Group	2013 US\$'000	2012 US\$'000
Outstanding medium term notes	156,924	85,020
Net transaction costs	(2,308)	(1,845)
Less:		
Repayment due within twelve months	(13,739)	–
Repayment due after twelve months	140,877	83,175

37 MEDIUM TERM NOTES *cont'd***2013**

The medium term notes were issued by a subsidiary to fund two development projects known as Sandakan Harbour Square and Aloft Kuala Lumpur Sentral Hotel in Malaysia. US\$74.8 million had been drawn down in 2011 for Sandakan Harbour Square. US\$4.6 million had been drawn down in 2012 for Aloft Kuala Lumpur Sentral Hotel and the remaining US\$77.5 million has been drawn down in 2013. The weighted average interest rate of the loan was 5.51% per annum at the statement of financial position date. The effective interest rates of the medium term notes and their outstanding amounts are as follows:

	Maturity Dates	Interest rate % per annum	US\$'000
Series 1 Tranche FG 001	8 December 2014	5.38	7,633
Series 1 Tranche BG 001	8 December 2014	5.33	6,106
Series 1 Tranche FG 002	8 December 2015	5.46	13,738
Series 1 Tranche BG 002	8 December 2015	5.41	9,159
Series 2 Tranche FG 001	8 December 2015	5.46	21,371
Series 2 Tranche BG 001	8 December 2015	5.41	16,791
Series 3 Tranche FG 001	1 October 2015	5.40	3,053
Series 3 Tranche BG 001	1 October 2015	5.35	1,527
Series 3 Tranche FG 002	29 January 2016	5.50	4,579
Series 3 Tranche BG 002	29 January 2016	5.45	3,053
Series 3 Tranche FG 003	8 April 2016	5.65	39,384
Series 3 Tranche BG 003	8 April 2016	5.58	30,530
			156,924

The medium term notes are secured by way of:

- (i) bank guarantee from two financial institutions in respect of the BG Tranches;
- (ii) financial guarantee insurance policy from Danajamin Nasional Berhad in respect to the FG Tranches;
- (iii) a first fixed and floating charge over the present and future assets and properties of Silver Sparrow Berhad, ICSD Ventures Sdn. Bhd. and Iringan Flora Sdn. Bhd. by way of a debenture;
- (iv) a third party first legal fixed charge over ICSD Ventures Sdn. Bhd.'s assets and land;
- (v) assignment of all Iringan Flora Sdn. Bhd.'s present and future rights, title, interest and benefits in and under the Sales and Purchase Agreement to purchase the Aloft Kuala Lumpur Sentral Hotel from Excellent Bonanza Sdn. Bhd.;
- (vi) first fixed land charge over the Aloft Kuala Lumpur Sentral Hotel and the Aloft Kuala Lumpur Sentral Hotel's land (to be executed upon construction completion);
- (vii) a corporate guarantee by Aseana Properties Limited;
- (viii) letter of undertaking from Aseana Properties Limited to provide financial and other forms of support to ICSD Ventures Sdn. Bhd. to finance any cost overruns associated with the development of the Sandakan Harbour Square;
- (ix) assignment of all its present and future rights, interest and benefits under the ICSD Ventures Sdn. Bhd.'s and Iringan Flora Sdn. Bhd.'s Put Option Agreements and the proceeds from the Harbour Mall Sandakan, Four Points by Sheraton Sandakan Hotel and Aloft Kuala Lumpur Sentral Hotel;
- (x) assignment over the disbursement account, revenue account, operating account, sales proceed account, debt service reserve account and sinking fund account of Silver Sparrow Berhad; revenue account of ICSD Ventures Sdn. Bhd. and escrow account of Ireka Land Sdn. Bhd.;
- (xi) assignment of all ICSD Ventures Sdn. Bhd.'s and Iringan Flora Sdn. Bhd.'s present and future rights, title, interest and benefits in and under the insurance policies; and
- (xii) a first legal charge over all the shares of Silver Sparrow Berhad, ICSD Ventures Sdn. Bhd. and Iringan Flora Sdn. Bhd. and any dividends, distributions and entitlements.

38 PURCHASE OF OWN SHARES AND CANCELLATION OF SHARES

The Company renewed its authority to purchase its own shares up to a total aggregate value of 14.99% of the issued ordinary shares capital in a resolution at its Annual General Meeting held on 18 June 2013. The authority shall expire 12 months from the date of passing of the resolution unless otherwise renewed, varied or revoked. The Company did not purchase its own shares during the year ended 31 December 2013.

For the financial year ended 31 December 2012, the Company repurchased 500,000 of its issued share capital of US\$0.05 at prices between US\$0.3375 and US\$0.35.

Subsequent cancellation of treasury shares

The shares repurchased were cancelled in 2013 and an amount equivalent to their nominal value was transferred to the capital redemption reserve in accordance with the requirement of Section 61 of the Companies (Jersey) Law 1991. The transfer to capital redemption reserve on the shares repurchased were made as a reduction of share capital.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

39 RELATED PARTY TRANSACTIONS

Transactions between the Group and the Company with Ireka Corporation Berhad (“ICB”) and its group of companies are classified as related party transactions based on ICB's 23.07% shareholding in the Company. ICB's relationship with the Group is also mentioned on page 19 of the Directors' Report under the heading 'Management'.

Group	2013 US\$'000	2012 US\$'000
Accounting and financial reporting services fee charged by an ICB subsidiary	53	53
Construction progress claims charged by an ICB subsidiary	11,035	31,048
Management fees charged by an ICB subsidiary	3,762	4,231
Marketing commission charged by an ICB subsidiary	330	350
Office rental and deposit charged by ICB	–	11
Project management fee for interior fit out works charged by an ICB subsidiary	90	124
Project staff costs reimbursed to an ICB subsidiary	682	776
Remuneration of key management personnel - Salaries	40	39
Sales and administrative fee charged by an ICB subsidiary	50	207
Secretarial and administrative services fee charged by an ICB subsidiary	53	53

Company	2013 US\$'000	2012 US\$'000
Accounting and financial reporting services fee charged by an ICB subsidiary	53	53
Management fees charged by an ICB subsidiary	1,238	1,644
Secretarial and administrative services fee charged by an ICB subsidiary	53	53

Transactions between the Group with other significant related parties are as follows:

Group	2013 US\$'000	2012 US\$'000
Non-controlling interests		
Advances – non-interest bearing (Note 35)	1,081	6,801
Associate – Excellent Bonanza Sdn. Bhd.		
Advances – non-interest bearing	630	117
Settlement of purchase consideration of Aloft Kuala Lumpur Sentral Hotel	63,867	–

The above transactions have been entered into in the normal course of business and have been established under negotiated terms.

The outstanding amounts due from/ (to) ICB and its group of companies as at 31 December 2013 and 31 December 2012 are as follows:

Group	2013 US\$'000	2012 US\$'000
Amount due to an ICB subsidiary for accounting and financial reporting services fee	53	26
Amount due to an ICB subsidiary for construction progress claims charged net of LAD's recoverable of US\$6,046,000 (2012: US\$6,046,000)	965	6,043
Amount due to an ICB subsidiary for management fees	2,343	3,345
Amount due to an ICB subsidiary for reimbursement of project staff costs	488	420
Amount due to an ICB subsidiary for marketing commissions	151	153
Amount due to an ICB subsidiary for secretarial and administrative services fee	80	26

Company	2013 US\$'000	2012 US\$'000
Amount due to an ICB subsidiary for accounting and financial reporting services fee	53	26
Amount due to an ICB subsidiary for management fees	948	1,212
Amount due to an ICB subsidiary for secretarial and administrative services fee	80	26

The outstanding amounts due from/(to) the other significant related parties as at 31 December 2013 and as at 31 December 2012 are as follows:

Group	2013 US\$'000	2012 US\$'000
Non-controlling interests		
Advances – non-interest bearing (Note 35)	(10,448)	(9,807)
Associate – Excellent Bonanza Sdn. Bhd.		
Advances – non-interest bearing	853	239

Transactions between the parent company and its subsidiaries are eliminated in these consolidated financial statements. A list of the main operating subsidiaries is provided in Note 41.

40 ACQUISITION OF BUSINESS

During the financial year, the Group increased its equity interest in Shangri-La Healthcare Investment Pte Ltd (“SHIPL”) from 73.5% to 74.1% (2012: 51.0% to 73.5%) resulting from an issue of new shares in the subsidiary. Consequently, the effective equity interest in Hoa Lam – Shangri-La Healthcare Ltd Liability Co, City International Hospital Company Limited (formerly known as Hoa Lam – Shangri-la 1 Liability Ltd Co), Hoa Lam – Shangri-la 2 Ltd Liability Co, Hoa Lam – Shangri-la 3 Liability Ltd Co, subsidiaries of SHIPL, increased to 67.2% (2012: 66.8%).

The Group recognised an increase in non-controlling interests of US\$42,000 (2012: US\$1,192,000) and an increase in accumulated losses of US\$42,000 (2012: US\$1,192,000) resulting from the increase in equity interest in the above subsidiaries. The transaction was accounted for using the purchase method of accounting.

41 INVESTMENT IN PRINCIPAL SUBSIDIARIES AND ASSOCIATE

Name	Country of incorporation	Principal activities	Effective ownership interest	
			2013	2012
Principal subsidiaries				
Ireka Land Sdn. Bhd.	Malaysia	Property development	100%	100%
Bumijaya Mawar Sdn. Bhd.	Malaysia	Property development	100%	100%
Bumijaya Mahligai Sdn. Bhd.	Malaysia	Property development	100%	100%
Amatir Resources Sdn. Bhd.	Malaysia	Property development	100%	100%
ICSD Ventures Sdn. Bhd.	Malaysia	Hotel and mall ownership and operation	100%	100%
Priority Elite Sdn. Bhd.	Malaysia	Project management services	100%	100%
Iringan Flora Sdn. Bhd.	Malaysia	Hotel ownership and operation	100%	100%
Legolas Capital Sdn. Bhd.*	Malaysia	Project and finance management and supervisory services	100%	100%
Silver Sparrow Berhad	Malaysia	Participating in the transactions contemplated under the Guaranteed MTN Programme	100%	100%
Bumiraya Impian Sdn. Bhd.	Malaysia	Property development	80%	80%
The RuMa Hotel KL Sdn. Bhd.	Malaysia	Investment holding	70%	70%
Urban DNA Sdn. Bhd.	Malaysia	Property development	70%	70%
Aseana-BDC Co Ltd	Vietnam	Investment holding	65%	65%
ASPL PLB-Nam Long Ltd Liability Co	Vietnam	Property development	55%	55%
Hoa Lam Services Co Ltd	Vietnam	Investment holding	51%	51%
Shangri-La Healthcare Investment Pte Ltd and its subsidiaries	Singapore	Investment holding	74%	74%
Hoa Lam-Shangri-La Healthcare Ltd Liability Co	Vietnam	Property development	67%	67%
City International Hospital Co Ltd (Formerly known as Hoa Lam-Shangri-la 1 Liability Ltd Co)	Vietnam	Hospital ownership and operation	67%	67%
Hoa Lam-Shangri-la 2 Ltd Liability Co	Vietnam	Property development	67%	67%
Hoa Lam-Shangri-la 3 Liability Ltd Co	Vietnam	Property development	67%	67%
Associate				
Excellent Bonanza Sdn. Bhd.**	Malaysia	Property development	40%	40%

* The subsidiary was dissolved in 2014

** Not audited by KPMG

Principal subsidiaries and associate are those which materially affect the results or assets of the Group.

The shareholdings in the principal subsidiaries and associate are held through subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

42 COMMITMENTS AND CONTINGENCIES

The Group and Company do not have any contingencies at the statement of financial position date except as follows:

Debt service reserve account

Under the medium term notes programme of up to US\$157 million, Silver Sparrow Berhad (“SSB”) had opened a Malaysian Ringgit debt service reserve account (“DSRA”) and shall ensure that an amount equivalent to RM30.0 million (US\$9.20 million) (the “Minimum Deposit”) be maintained in the DSRA at all times. In the event the funds in the DSRA falls below the Minimum Deposit, SSB shall within five (5) Business Days from the date of receipt of written notice from the facility agent or upon SSB becoming aware of the shortfall, whichever is earlier, deposit such sums of money into the DSRA to ensure the Minimum Deposit is maintained.

43 EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

In February 2014, Nam Long Investment Corporation (“Nam Long”) completed a placement of 25,500,000 new ordinary shares at VND18,000 (approximately US\$0.855) per share. Subsequent to the placement, the Group’s effective stake in Nam Long has reduced to 12.88% from 16.32%.

Copies of the Annual Report

Copies of the annual report will be available on the Company’s website at www.aseanaproperties.com and from the Company’s registered office, 12 Castle Street, St. Helier, Jersey, JE2 3RT, Channel Islands.

CORPORATE INFORMATION

NON-EXECUTIVE CHAIRMAN

Mohammed Azlan Hashim

NON-EXECUTIVE DIRECTORS

Christopher Henry Lovell

David Harris

Ismail Shahudin

John Lynton Jones

Gerald Ong Chong Keng

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Aloft Kuala Lumpur Sentral Hotel
Kuala Lumpur



THE RUMA

HOTEL AND RESIDENCES

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Artist's Impression Only



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An Exclusive Joint Venture Development Between



Developer



Hotel Operator



Development Manager



Developer's License Number: 12024-1/10-2015/1390 • Validity Period: 12.10.2012 – 16.10.2015 • Advertising & Sales Permit No.: 12024-1/160/2014/01 • Validity Date: 12/01/2013 – 16/01/2014 • Approving Authority: Dewan Bandaraya Kuala Lumpur • Building Plan Reference No.: BP T3 OSC 2012 2058 • Land Tenure: Freehold • Total No. of Units: 200 unit • Expected Completion Date: January 2017 • Built-up Area: 915sf – 3,692sf • Land Encumbrances: Nil • Selling Price: Type A – RM 2,090,400(min) – RM 2,291,980(max), Type A1 – RM 2,252,280(min) – RM 2,410,560(max), Type B – RM 4,008,000(min) – RM 4,159,080(max), Type C – RM 2,962,600(min) – RM 3,140,280(max), Type D – RM 2,112,000(min) – RM 2,270,280(max), Type P1 – RM 9,630,000, Type P2 – RM 7,560,000(min) – RM 7,920,000(max) • 5% Bumiputera Discount

by

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