ASEANA PROPERTIES LIMITED

2015

ANNUAL REPORT

INVESTMENT GATEWAY TO
MALAYSIA AND VIETNAM

Aseana Properties Limited enters a new chapter in year 2015 with the continuation vote approved and the adoption of a new divestment investment policy. This new strategy magnifies the Company's focus on realising its investments in Malaysia and Vietnam over the past eight years, with the ultimate objective of delivering timely and optimum returns to shareholders.

Aloft Kuala Lumpur Sentral Hotel kicked-off its second anniversary in style with a special "You Only Turn Two Once" campaign.

Professor Dr Luong Ngoc Khue from the Ministry of Health, Vietnam delivering a speech in celebration of City International Hospital's second birthday.

Aseana Properties Limited's investee company, Nam Long Investment Corporation welcoming its new strategic partner, Keppel Land (Singapore).

CONTENTS

CORPORATE STRATEGY

KEY FACTS

EXCHANGE
London Stock Exchange Main Market

SYMBOL
ASPL

LOOKUP
Reuters - ASPL.L; Bloomberg - ASPL:LN

DOMICILE
Jersey

SHARES ISSUED
212,025,002

VOTING SHARE CAPITAL
212,025,002

SHARE DENOMINATION
US Dollars

MANAGEMENT FEE
2% of NAV

PERFORMANCE FEE
20% of the out performance NAV over a total return hurdle rate of 10%

ADMISSION DATE
5 April 2007

ADVISERS & SERVICE PROVIDERS

DEVELOPMENT MANAGER
Ireka Development Management Sdn. Bhd.

CORPORATE BROKER
N+1 Singer

AUDITOR
KPMG LLP

The RuMa Hotel and Residences
Kuala Lumpur

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.

Aseana Properties Limited ("Aseana Properties" or "the Company") 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 70% of Aseana Properties' investment portfolio is allocated to projects in Malaysia and approximately 30% to projects in Vietnam.

CHAIRMAN'S STATEMENT

In 2015, global growth was moderate and again largely fell short of general expectations, with the growth rate decreasing to 2.4% from 2.6% in 2014. The lacklustre performance was mainly caused by continued deceleration of economic activity in emerging and developing economies amid weakening global trade, commodity prices and capital flows. While tumbling commodity prices took the shine off the big emerging markets such as Russia and Brazil, other emerging economies like India and Vietnam surprised on the upside. Growth in advanced economies remains modest and is expected to continue to be uneven. There are currently three key transitions or events of uncertainties, which will continue to influence the global outlook. These include essentially the gradual slowdown and rebalancing of economic activity in China, away from investment and manufacturing, towards domestic consumption and services. The second transition being the steep drop in crude oil and commodities prices and the third, being the tightening of monetary policy in the United States ("US"), in the context of a resilient US recovery, whilst several other major advanced economies continue to ease monetary policy to promote growth.

Meanwhile, Malaysia grappled with severe headwinds on the economic front against a backdrop of unanticipated global commodity and currency shocks, shrinking government revenues and domestic political upheavals during the year. The drastic drop in the oil and gas prices had a huge impact on Malaysia's revenue as petroleum contributes almost 40.0% of the country's total revenue. Additionally, the Ringgit was battered by declining exports and the sudden reversal of capital flows in anticipation of the long-awaited increase in the US Federal Funds Rate. Being China's largest trading partner in Southeast Asia, the Malaysian economy has also been stirred by the impact of a decline in the Chinese economy and stock markets. Malaysia's gross domestic product ("GDP") growth stood at 4.5% in the last quarter of 2015 and at 5.0% for the whole of 2015. However, as a buffer, the weaker Ringgit should provide a boost to the deflating export sector as this will translate to a price advantage for Malaysian based exporters.

In Vietnam, the economy has grown at its fastest pace in five years, despite a global trade recession and a slower-growing China, which adversely impacted economic growth in most parts of Southeast Asia. Stronger domestic demand, robust export performance, low inflation and improved confidence had enabled Vietnam to establish firmer foundations for mid-term growth. Vietnam's surging foreign investment and strong exports represent the main factors that fueled economic growth, with its GDP soaring to 6.7% in 2015, surpassing the government's target of 6.2%. During the year, the State Bank of Vietnam devalued the Vietnamese Dong on three occasions, a total reduction of 3.0% over the year, in a bid to remain competitive against the Chinese exports, which received a boost from the devalued Yuan. Alongside this, several key trade deals were signed, including the landmark Trans-Pacific Partnership Agreement ("TPPA"), which is expected to favour Vietnam. This will set the scene for the country to strengthen bilateral ties with regional and international partners. In parallel with Vietnam's improving performance, the National Assembly of Vietnam has approved a resolution on the socio-economic development plan for 2016, which sets the goal of a 6.7% increase in the country's GDP and aims to maintain annual inflation at below 5.0%.

In line with the overall Malaysian economy, the performance of the property market in Malaysia was soft during 2015. Demand for residential properties has slowed considerably and is evidenced by the drop in the number of loans applied for such properties in the period from June to December 2015. The number of loan applications declined 16.0% year-on-year and the value of loans applied for residential properties were down 25.0% year-on-year to RM17.5 billion in December 2015. Similarly, there was a 3.5% drop in the number of property transactions during the first half of 2015 compared to the same period in 2014. Despite this slowdown nationwide, average property prices are still on the rise albeit at a slower pace. A number of property developers had downsized their launches as well as sales targets, and are focusing on the affordable housing market. The property market is expected to remain cautious and challenging in 2016 as demand continues to be sluggish as a result of rising cost of living, slump in crude oil prices, the weakened Ringgit as well as depressed consumer sentiment. However, as of the date of this report, the Ringgit has rebounded against the backdrop of a dovish tone from Federal Reserve and better economic data from China. The Ringgit closed at RM3.9/US$1.0 on 15 April 2016 versus RM4.3/US$1.0 on 31 December 2015.

On the other hand, the Vietnamese property market has witnessed early signs of recovery, with considerable improvement in 2015. Majority of the development activities focused around the residential sector in both Hanoi and Ho Chi Minh City. One of the key growth drivers is the increased availability of housing credit, to both developers and homebuyers. More attractive interest rates, longer grace periods and higher loan-to-value ratios offered by the banks have also helped to facilitate an overall improvement in purchasers' confidence, thus alleviating the property market. The office, retail and industrial sectors have all reported improved leasing momentum in 2015 too. With the relaxation of the foreign ownership rules with effect from 1 July 2015, volume of transactions has increased as the law allows foreign entities and individuals with valid visas to own properties in Vietnam. However, there are fears that the rapid growth of the housing and credit market will pose threats of a property bubble and a rise in bad debts as previously experienced.

As for the performance of the Group, Aseana Properties registered a significant decrease in revenue from US$85.1 million to US$22.1 million, largely due to the lack of sales of major assets during the year, coupled with lower sales revenue from SENI Mont' Kiara ("SENI") and Tiffani due to the dampened Malaysian property market. The Group recorded a net loss before taxation of US$20.7 million compared to a net profit of US$15.4 million in 2014. The losses are mainly attributed to the operating losses and financing cost of US$12.3 million on City International Hospital ("CIH") and US$4.6 million on Four Points by Sheraton Sandakan Hotel ("FPSS") and Harbour Mall Sandakan ("HMS"), together with US$4.6 million of impairment relating to FPSS. In addition, Aseana Properties recorded a loss on foreign currency translation differences of US$15.9 million compared to a loss of US$7.4 million in 2014, as a result of the weakening of Ringgit against US Dollars from RM3.5/US$1.0 as at 31 December 2014 to RM4.3/US$1.0 as at 31 December 2015. As highlighted in the paragraph above, the Ringgit has since strengthened to RM3.9/US$1.0, which will result in a gain on foreign currency translation differences if this trend continues to the next financial reporting period.

PROGRESS OF PROPERTY PORTFOLIO

Reflecting Malaysia's economic performance and sluggish property market, sales of properties at SENI and The RuMa Hotel and Residences ("The RuMa") have been progressing at a slower pace, amidst depressed consumer and investment sentiments. Sales at SENI to date progressed to approximately 96.7%. Meanwhile, sales at The RuMa inched marginally to 52.4% to date, based on sales and purchase agreements signed. In addition, the business environment and tourism in Sabah have remained subdued as a result of a series of kidnapping incidents and the disastrous earthquake which struck Ranau, near the capital of Kota Kinabalu. FPSS recorded an occupancy rate of 36.4% for the year ended 31 December 2015, and slid further to 33.9% to date. The tenancy rate of HMS stands at 63.6% to date. The outlook for HMS is positive with the signing of a number of new tenants, including a large bookstore chain, a national cinema chain, and more recently, a local mid-market chain of supermarkets and a household product retailer. The construction of the cinema is underway with its opening planned for May 2016. In March 2016, following the commendable results of the Aloft Kuala Lumpur Sentral Hotel ("Aloft"), Aseana Properties agreed to dispose of the Aloft hotel to Prosper Group Holdings Limited for a gross transaction value of RM418.7 million (approx. US$104.6 million). At the current exchange rates, Aseana Properties will record a gain of approximately US$35.9 million from the disposal and the transaction is expected to complete in Q3 2016. This disposal of one of the key investments in the Company's portfolio represents a significant milestone in the divestment investment policy approved by shareholders on 22 June 2015, pursuant to which the Company is seeking to realise the Company's assets in controlled, orderly and timely manner.

During the year, Aseana Properties has also divested its 55.0% stake in ASPL PLB-Nam Long Ltd Liability Co, the developer of the Waterside Estates residential project in Vietnam, to Nam Long Investment Corporation ("Nam Long") and Nam Khang Construction Investment Development Limited Liability Company ("Nam Khang") for a cash consideration of US$8.2 million and a repayment of shareholder's loan to ASPL PLB Limited of US$1.0 million. The shareholder's loan was an interest free advance provided by the Group to ASPL PLB-Nam Long Ltd Liability Co in previous financial years for working capital purposes. The shareholder's loan was undertaken by the buyer as part of the disposal arrangement. Apart from this, Aseana Properties has also successfully realised a total of VND118.6 billion (US$5.4 million) of its investment in Nam Long through a placement of 5.8 million shares of Nam Long as at end of 2015. In April 2016, Aseana Properties has successfully disposed of a further 2.0 million Nam Long shares at VND22,800 per share, raising a further US$2.0 million. Following a subsequent entry of another strategic investor and the disposals to date, Aseana Properties' stake in Nam Long now stands at 5.5%. On the back of its continuous success in the affordable homes market, Nam Long shares have been on a gradual upward trend closing at VND22,600 per share on 15 April 2016. On the operations side, the performance of CIH has seen steady improvement over the year, with a 74.7% increase in outpatient volumes, and 79.1% increase in inpatient volumes compared to 2014. In line with the Manager's long-term strategy to improve cost effectiveness and to increase doctors and patients engagement, Parkway Pantai Limited ceased to be the operator of CIH with effect from the end of 2015 and Dr. Le Quoc Su, an experienced Chief Executive Officer with a proven track record in the Vietnamese healthcare sector, has been appointed to lead the operations team at CIH.

Further information on each of the Company's properties is set out in the Manager's report on pages 7 to 9.

FIRST DISTRIBUTION UPDATE

The Company continues to liaise with its lenders in respect of the first intended capital distribution of US$10.0 million. Following completion of the disposal of the Aloft hotel, expected in Q3 2016, the Manager and the Company will engage further with the lenders to seek necessary consents for the capital distribution. Consideration will then be given to make further capital distributions based on the availability of surplus cash within the Company and the receipt of consents from the lenders. A further announcement will be made when there is further clarity on the progress and timeline of obtaining these consents.

OUTLOOK

2015 has been yet another challenging year for the Company. Although we are not spared the unfavourable economic and political conditions in Malaysia, we have nevertheless continued to improve the performance of the operating assets of the Company to prepare them for divestment in the near future.

The Company has achieved a significant milestone in its divestment strategy with the recent announcement of the sale of the Aloft hotel. This transaction underlines the Company's commitment to divest its remaining assets at the right time and in the right manner. Following the completion of this divestment, the net gearing position of the Company will reduce from 1.3 to 0.5, placing the Group in a stronger financial position to better withstand any uncertainties in the economic situation going forward.

On a personal note, I would like to take this opportunity to thank my fellow Directors and the Manager for their invaluable commitment and support throughout the year. I would also like to extend my sincere gratitude to the Government authorities, financiers, shareholders and business associates for being supportive of our business endeavours.

MOHAMMED AZLAN HASHIM
Chairman

26 April 2016

DEVELOPMENT MANAGER'S REVIEW

BUSINESS OVERVIEW

2015 was another challenging year for Aseana Properties. The slowdown of the Malaysian property market is evident in the declining volume of transactions, amidst poor overall economic conditions and the lingering political uncertainties. In addition, the waning demand for commodities during the year which caused a sharp decline in revenues from key exports, particularly the oil and gas along with the weakening of the Malaysian Ringgit against the United States ("US") Dollar and other major currencies, have both affected Malaysia's business confidence and investment sentiments. Despite these economic headwinds, the Board and the Manager of Aseana Properties remain strongly committed to working towards realising the Group's assets, in line with the impending cash distributions to shareholders in 2016.

During the year, the Aloft Kuala Lumpur Sentral Hotel ("Aloft") was awarded the Gold Winner of the International Real Estate Federation ("FIABCI") World Prix d'Excellence Awards 2015 in the hotel category. On the back of strong operating performance for the past three years since its opening, Aseana Properties had received numerous offers from prospective buyers. In March 2016, Aseana Properties entered into an agreement to dispose of the Aloft hotel to Prosper Group Holdings Limited. The gross transaction value of the sale is RM418.7 million (approximately US$104.6 million), which includes the purchase of the entire issued share capital of ASPL M3B Limited and Iringan Flora Sdn. Bhd. (the "Aloft Companies"), and assumption of certain debts, assets and liabilities of the Aloft Companies. At the current exchange rate, Aseana Properties will record a gain of approximately US$35.9 million on completion of the disposal. The transaction is expected to complete in Q3 2016. The disposal represents a significant milestone in the divestment policy of the Company which was approved by Shareholders on 22 June 2015, pursuant to which the Company is seeking to realise the Company's assets in a controlled, orderly and timely manner.

However, in line with the broader market, the sales of the Group's other development properties were affected by the slower paced economy. Sales of properties at SENI Mont' Kiara ("SENI") progressed to approximately 96.7% to date. Meanwhile, sales at The RuMa Hotel and Residences ("The RuMa") progressed marginally to 52.4% to date based on signed sales and purchase agreements.

In Vietnam, Aseana Properties through its 100.0% owned subsidiary, disposed of its 55.0% stake in ASPL PLB-Nam Long Ltd Liability Co to Nam Long Investment Corporation ("Nam Long") and Nam Khang Construction Investment Development Limited Liability Company ("Nam Khang"), for a cash consideration of US$8.2 million and a repayment of shareholder's loan to ASPL PLB Limited of US$1.0 million. The shareholder's loan was an interest free advance provided by the Group to ASPL PLB-Nam Long Ltd Liability Co in previous financial years for working capital purposes. The shareholder's loan was undertaken by the buyer as part of the disposal arrangement. ASPL PLB-Nam Long, a 55:45 joint venture company between Aseana Properties and Nam Long, is the developer of the Waterside Estates residential project in District 9, Ho Chi Minh City, Vietnam. Separately, Aseana Properties has to date, successfully realised VND164.2 billion (US$7.5 million) of its investment in Nam Long, through the placement of 7.8 million shares of Nam Long. Aseana Properties' stake in Nam Long has reduced from 6.9% (as at 31 December 2015) to 5.5% (to date), subsequent to the disposal of 2.0 million shares in April 2016. The disposal reflects Aseana Properties' on-going effort to strategically divest its holding in Nam Long at the appropriate time and price.

Above:
Aloft Kuala Lumpur Sentral Hotel
Kuala Lumpur

Right:
The RuMa Hotel and Residences
Kuala Lumpur

During the year, shareholders of Aseana Properties approved the proposals for the continuation of Aseana Properties for the next three years to June 2018, adoption of a new divestment policy and its intention to make capital distributions to shareholders. Shareholders' approval on the compulsory redemption mechanism to return cash has also been obtained and the Manager has submitted applications for lenders' consents over the first distribution of US$10.0 million. Consents from certain lenders for the first distribution remain outstanding at the date of this publication as a result of the uncertain economic condition and outlook in Malaysia. Following the announcement of the disposal of Aloft, the Company continues to liaise with its lenders in respect of the first intended capital distribution of US$10.0 million. Consideration will then be given to make further capital distributions depending on the availability of surplus cash within the Company and the receipt of consents from the lenders. A further announcement will be made when there is further clarity on the progress and timeline of obtaining these consents.

MALAYSIA ECONOMIC UPDATE

Malaysia had a tumultuous year in 2015 with the seemingly bottomless decline in oil prices and also the dim global economic outlook. With contracting growth, rising inflation, continuous high levels of capital flight, declining currency as well as poor consumer and investor's confidence, the outlook for the year ahead does seem to be a gloomy one. The Malaysian economy grew at a moderate pace achieving a 4.5% gross domestic product ("GDP") growth for the last quarter of 2015 and a 5.0% growth for the whole of 2015. This is 1.0% lower than the GDP growth of 6.0% recorded back in 2014. In this economic environment, the Malaysian economy is expected to experience more moderate growth in 2016. In tandem with the declining GDP growth, the Ringgit has been crippled by contracting exports and capital flight in anticipation of the Federal Reserve rate hike as well as the slowdown in China. The Ringgit experienced its biggest annual drop since 1997, falling 19.0% in 2015 to RM4.3/US$1.0. This has further been exacerbated by the political headwinds in the country due to the widely publicised issues at 1MDB's sovereign investment fund. However, the Ringgit has rebounded, closing at RM3.9/US$1.0 on 15 April 2016 versus RM4.3/US$1.0 on 31 December 2015. On a side note, the implementation of the Goods and Services Tax ("GST") in April 2015 and the removal of the fuel subsidy system during the year were actually blessings in disguise for the country as they provided strong fiscal safeguards and acted as built-in stabilisers for the country's economy. On the back of a slower economic growth, the Malaysian Government has recently announced a revised 2016 Budget in a bid to optimise the country's development and operational expenditures.

Despite the headwinds faced by the economy, Fitch Ratings has affirmed Malaysia's Long-Term Foreign- and Local-Currency Issuer Default Ratings ("IDRs") at "A-" and "A" respectively, with "Stable Outlooks". Likewise, Moody's Investors Service has also affirmed Malaysia's issuer and senior unsecured bond ratings at "A3". However, Moody's has cut the outlook on the sovereign rating to "stable" from "positive", due to the negative impact of changes in the external environment on the growth of the nation's economy.

Malaysia has recently signed the Trans-Pacific Partnership Agreement ("TPPA") which involves 12 Pacific Rim countries. The TPPA is aimed at promoting economic integration through liberalisation of trade and investment as well as to spur economic growth and social benefits. Among other things, the agreement contains measures to lower trade barriers such as tariffs and measures to establish an investor-state dispute settlement mechanism. The TPPA will provide Malaysian-owned businesses wider access to international markets and it will support the objective of the government of Malaysia to attract more foreign direct investment ("FDI") going forward. Malaysia is currently the third largest recipient of foreign direct investment in the Association of Southeast Asian Nations ("ASEAN") and in 2015, the net inflow from FDI amounted to a total of RM39.5 billion as compared to RM35.3 billion last year.

VIETNAM ECONOMIC UPDATE

In contrast to most of the sub-regional economies, the recovery in the Vietnamese economy gained noticeable momentum in 2015, with solid GDP growth of 6.7%. The robust growth exceeded the target of 6.2% and is the highest growth recorded over the past five years. This has been supported by the record-high foreign investment, buoyant domestic consumption and strong exports which rose 8.1% to achieve a turnover of US$162.4 billion in 2015. Additionally, decisive efforts and remedial measures taken by the Vietnamese Government have indeed helped to solidify the macroeconomic stability in spite of the turbulence in the external environment. In 2015, Vietnam signed four significant trade pacts which are expected to bring great benefits to the country's export market. The deals include the TPPA with the United States and ten other nations in the Pacific Rim, the free trade agreement with the Russia-led Eurasian Economic Union and the trade accords with the European Union and South Korea. The TPPA is expected to bring significant benefits to Vietnam once the deal takes effect and will serve as a critical anchor for the next phase of structural reforms in Vietnam.

DEVELOPMENT MANAGER'S REVIEW cont'd

Vietnam's consumer price index ("CPI") posted a year-on-year rise of 0.6% in 2015, marking the lowest increase in 14 years, largely as a result of tumbling crude oil prices. This also underlines the effectiveness of measures taken by the Vietnamese Government to ensure macroeconomic stability over the last few years. Benign inflation leads to low interest rates and will curb pressures for inflation-linked wage increases. These in turn will aid to shape a stable economic environment that is appealing to foreign investors. Furthermore, the aggressive move by the State Bank of Vietnam ("SBV") to devalue the Dong by 1.0% against the US Dollar for the third time in 2015, has been seen as an attempt to keep the country's exports competitive in the wake of the surprise devaluation of the Chinese Yuan. Despite the devaluations in 2015, the Vietnamese Dong has been one of the more resilient emerging market currencies in Asia, most of which have been experiencing downward trends in recent months.

Additionally, Vietnam is also getting a lift from its record high FDI in 2015, underpinned by the country's burgeoning attractiveness as an investment destination in view of its geographic advantage, low labour and operating costs as well as Vietnam's participation in the various trade pacts. In 2015, Vietnam successfully attracted foreign investments of US$22.8 billion and a total disbursed capital of US$14.5 billion. This represents a surge of 12.5% and 17.4% respectively compared to 2014. The manufacturing and processing sector emerged as the most attractive sector to foreign investors, taking a 67.0% share of the total registered FDI, followed by the energy production and distribution sector at 12.4% and the real estate sector at 10.5%.

PORTFOLIO REVIEW

MALAYSIA

Property Market Review

Plagued by domestic and external headwinds, it is understandable that the performance of the Malaysian property market in almost all regions was lacklustre during the year. Despite the falling number of transactions and flat market sales, property prices continued to increase, albeit at a slower rate, driven by higher costs and also as a result of the implementation of GST in April 2015. The country's property market has been further softened by the weak Ringgit and plunging oil and commodity prices. The once resilient market has now turned into a market filled with hesitancy as many potential buyers and investors are adopting the "wait and see" approach. As a result of various cooling measures, softening demand and a slowdown in the economy, market sentiment for residential properties remains cautious going forward.

On the flip side, the challenging market conditions have brought greater levels of creativeness in marketing strategies and product innovations with more projects offering 'easy' or installment payment schemes to purchasers to boost sales. The on-going and upcoming infrastructure works that include the Light Rail Transit ("LRT") extension lines and Mass Rail Transit ("MRT") lines will aid more transit oriented developments along these transportation routes. Furthermore, Kuala Lumpur City Hall ("DBKL") has announced a 50.0% discount on development charges for high-density projects commencing September 2015. This discount will serve as an incentive to encourage developers to continue building in the city despite the unfavourable economy and market conditions. In order to obtain the discount, developers are required to fulfill two qualifying criteria which include an increase in allowable density, whereby the approved development's density or plot ratio must be more than the standard set in the Kuala Lumpur Draft Plan 2020, and an upgrade in land use zoning, which involves the change of land use to a higher status in the zoning hierarchy.

The retail market was soft in 2015 as consumer sentiment weakened following the implementation of the GST in April 2015, coupled with the weak local currency and road toll hikes. Occupancy rates for the last quarter of 2015 fell to 82.5% while the market rentals and prices remained stable. The majority of retailers are adopting a cautious approach in their expansion plans amid poor sales performance and reduced profitability.

Meanwhile, the hospitality sector of Malaysia experienced a slump in 2015 due to the slowdown in the global and local economies, which resulted in numerous companies reducing their business travelling, meetings and seminars. In addition, the adverse economic conditions have also affected the holiday patterns of Malaysians with a large proportion cutting back on travelling budgets. During the first ten months of 2015, Malaysia recorded a total of 21.1 million tourists, representing a decrease of 7.6% compared to the same period in 2014. In a bid to boost the country's tourism industry, the Malaysian Government will be introducing new measures such as e-visa applications and increasing promotional activities in target markets. Furthermore, the Government has also launched a visa-free entry programme for tourists from China since October 2015. With slow demand and a healthy pipeline of future supply, in February 2016, the Government decreed that DBKL will no longer issue licences for construction

In March 2016, Aseana Properties announced that it agreed to dispose of the Aloft hotel to Prosper Group Holdings Limited for a gross transaction value of RM418.7 million (approximately US$104.6 million), which included the purchase of the entire issued share capital of ASPL M3B Limited and Iringan Flora Sdn. Bhd.

of new hotels in the federal capital until further notice. The ruling applies to all types of hotels ranging from the 6-star establishments to budget hotels. However, hotels that have already received planning permission but have yet to start construction will not be affected.

Aseana Properties has six investments in Malaysia, ranging from residential properties, hotels, commercial offices to a retail mall:

- **SENI Mont' Kiara**
  Owned 100.0% 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 two 12-storey blocks and two 40-storey blocks, comprising 605 residential units. The majority of units command impressive views of the city skyline including the 88-storey Petronas Twin Towers and the KL Tower.

  Sales at SENI Mont' Kiara have progressed to 96.7% to date.

  The bridging loan for the project was 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. To date, 99.7% of the 399 residential units have been sold. The debt on the project has been fully repaid.

- **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. The project consists of 199 units of luxury residences, The RuMa Residences, and a 253-room luxury bespoke hotel, The RuMa Hotel, on the 43,559 sq ft of development land. The RuMa Hotel will be managed by Urban Resort Concepts, a renowned bespoke hotel management company based in Shanghai, which created and now operates the award-winning The Puli Hotel in Shanghai.

  Construction of the main building is underway and completion is expected in Q3 2017. The sales launch for The RuMa Hotel and Residences was held on 8 March 2013. Sales at The RuMa Hotel and Residences have been affected by the cooling measures imposed by the Government to curb property speculation. To date, the total sales at both The RuMa Hotel and Residences have increased marginally to approximately 52.4% based on the sales and purchase agreements signed. A further 3.1% has been booked with deposits paid. The Manager has conducted various marketing and advertising campaigns during the year to boost sales, both locally and internationally and is now planning for more similar activities in 2016.

  The land was part financed by a term-loan facility of RM65.3 million (US$15.2 million), which was fully drawn down. RM29.4 million (US$6.8 million) of the term loan was repaid during 2015 thus reducing the outstanding loan to RM35.9 million (US$8.4 million) as at 31 December 2015. The development of the project is funded by progressive payments from buyers.

- **Aloft Kuala Lumpur Sentral Hotel**
  The Aloft Kuala Lumpur Sentral Hotel ("Aloft") is part of the Kuala Lumpur Sentral project which consists of two office towers and a business class hotel, centrally located in Kuala Lumpur's urban transportation hub and was jointly developed by Aseana Properties and Malaysian Resources Corporation Berhad ("MRCB") on a 40:60 basis. The 482-room Aloft hotel is managed by Starwood Asia Pacific Hotels & Resort Pte Ltd under the 'Aloft' brand name and operations of the hotel commenced on 22 March 2013.

  During the year, the Aloft hotel bagged several awards signifying its notable performance such as the Gold Award at the FIABCI World Prix d'Excellence Awards 2015 in the hotel category, Malaysia's Expatriate Lifestyle Magazine Best Short Stay and Best Hotel Experience Excellence Awards 2015, TripAdvisor's Certificate of Excellence Winner 2015 and TripAdvisor's Travellers' Choice Winner 2015.

  In March 2016, Aseana Properties announced that it agreed to dispose of the Aloft hotel to Prosper Group Holdings Limited for a gross transaction value of RM418.7 million (approximately US$104.6 million), which included the purchase of the entire issued share capital of ASPL M3B Limited and Iringan Flora Sdn. Bhd. (the "Aloft Companies"), and assumption of certain debts, assets and liabilities of the Aloft Companies. Aseana Properties will be recording a gain of approximately US$35.9 million on the completion of the disposal and the proceeds from the disposal will be used to fully repay the Medium Term Note ("MTN") issued for the Aloft hotel, and to partly repay the MTNs issued for Harbour Mall Sandakan ("HMS") and Four Points by Sheraton Sandakan ("FPSS"). The transaction is expected to complete in Q3 2016.

- **Sandakan Harbour Square**
  Sandakan Harbour Square, which is 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 consisted of four phases, whereby Phases one and two comprised 129 shop lots that are now fully sold, while Phases three and four 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.

  HMS and FPSS commenced business in July and May 2012 respectively. The occupancy rate at the Harbour Mall Sandakan is currently recorded at 63.6%. Notable tenants in the mall include Popular Bookstore, Levi's, The Body Shop, Watson's and McDonald's amongst others. In addition, a national cinema chain, Lotus Five Star, is also due to open its first cinema in Sandakan at HMS in May 2016. The Manager has also recently secured the tenancies of TKS Grocer, a local mid-market chain of supermarkets and Mr. DIY, a household product retailer. Leasing activities at Harbour Mall Sandakan to both local and international retailers are still ongoing. Meanwhile, FPSS recorded an occupancy rate of 33.9% to date, with an ADR of RM222.9.
  The management of FPSS continues to improve the efficiency of its operations and to work with the relevant authorities to improve tourist arrivals to Sandakan. The business condition in Sabah continues to suffer from a number of unfortunate events during the year. The disastrous earthquake which struck Ranau, near the capital city of Kota Kinabalu and also a number of kidnapping incidents have brought on negative sentiments to Sabah's business environment and tourism. These events have affected the performance of both HMS and FPSS during the past twelve months.

Left:
E-homes by Nam Long
Ho Chi Minh City

Below:
SENI Mont' Kiara
Kuala Lumpur

DEVELOPMENT MANAGER'S REVIEW cont'd

The project is funded by guaranteed medium term notes of RM245.0 million (US$57.1 million) which is part of the RM515.0 million (US$119.9 million) MTN programme announced in November 2011. The MTNs were fully issued as at 31 December 2011. It is envisaged that approximately RM125.0 million (US$29.1 million) from the disposal proceeds of Aloft hotel will be used to settle a portion of the MTN of Sandakan Harbour Square, upon completion of the Aloft hotel sale transaction in Q3 2016.

- **Kota Kinabalu Seafront resort & residences**
  Facing the South China Sea, this project is intended to be 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. Marketing efforts to dispose of the land are on-going. However, similar to the Sandakan Harbour Square properties, the prospects have been affected by the subdued business environment and tourism in Sabah.

VIETNAM

Property Market Review

The Vietnamese property market has achieved significant growth in the last year, as reflected in the rising number of successful transactions, new projects, decreasing inventories and availability of credit. Driven largely by the strong domestic growth and steady progress in restructuring the economy, the recent developments in the market are undoubtedly positive. In addition, with the implementation of the 2014 Law on Housing and Real Estate Business on 1 July 2015, foreign individuals and companies are able to buy and own residential property in the country as long as they have a valid visa. However, due to the rapid growth of real estate loans, the SBV has issued a guideline to all banks and credit institutions to enforce greater scrutiny on loans given to property purchasers to safeguard the quality of credit growth.

The residential market showed remarkable recovery in 2015, with numerous property launches, positive sales volume and improved prices, particularly for the mid-to-high end properties in both Hanoi and Ho Chi Minh City ("HCMC"). 2015 saw more than 41,787 units of condominium being launched from 78 projects mostly in the East (47.0%) and the South (27.0%) of HCMC, an increase of 122.0% year-on-year. Meanwhile, in Hanoi, more than 28,300 units of apartment were up for sale in 2015, an increase of 70.0% compared to 2014. The overall market sentiment remained encouragingly positive throughout the year. 2015 ended with a record high sales volume with an estimated 36,160 units being sold in HCMC, up by 98.0% year-on-year, and more than 21,200 units were sold in Hanoi.

Likewise, the Vietnamese office market's average occupancy peaked at 94.0% in the last quarter of 2015, its best performance in the last five years. In addition, total supply of offices increased by 4.0% quarter-on-quarter and 8.0% year-on-year to 1.6 million square metres. The increase in demand reflects growth in the country's GDP and FDI capital which were helped by the introduction of the revised real estate law and the signing of trade agreements. On the retail front, retail stock in HCMC increased by 7.0% quarter-on-quarter as a result of the opening of a few shopping centres, namely the Pearl Plaza at Binh Thanh District and Vincom MegaMall Thao Dien at District 2. In parallel with rising FDI, foreign retailing giants are establishing large shopping centres and are offering aggressive rents which raised the occupancy rate to approximately 94.0%. However, average rental rate in the last quarter of 2015 dropped by 6.0% quarter-on-quarter due to the entrance of new projects offering competitive rents. With the easing tariffs under the TPPA, Vietnam's attractiveness to international retailers will be further enhanced.

Vietnam welcomed 7.9 million international visitors in 2015, a slight drop of 0.2% as compared to the same period last year. The lingering concerns over the anti-Chinese protests back in 2014 together with a slowing Chinese economy have caused a drop in the number of visitors from Vietnam's largest single tourist market, China. However, the Vietnamese Government introduced its visa exemption policy on 1 July 2015, offering waivers to 22 countries in Europe and Asia, including Britain, France, Germany, Russia and the nine other ASEAN member states, for visits of 15 days or less. Additionally, the government will be looking to further relax visa regulations via regional cooperation agreements to boost tourist arrivals.

Above:
Four Points by Sheraton Sandakan
Sabah

Below:
Harbour Mall Sandakan
Sabah

Right:
City International Hospital in International Healthcare Park
Ho Chi Minh City

Aseana Properties currently has three investments in Vietnam. The highlights are as follow:

- **International Healthcare Park and City International Hospital**
  The International Healthcare Park ("IHP") is a planned mixed development over 37.5 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 71.1% 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 have been allocated for residential developments. Out of a total of 19 plots of land, to date three plots have been sold.

  Construction commenced with the first phase of the 320-bed City International Hospital ("CIH") in May 2010 and 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 conforming to international standards with 320 beds (Phase 1: 168 beds). Parkway Pantai Limited has ceased to be the operator of CIH with effect from 31 December 2015. This is in line with the Manager's long-term strategy to localise the management of the hospital to optimise operating costs and to improve doctors and patients engagement for CIH. The hospital has appointed Dr. Le Quoc Su as the Chief Executive Officer ("CEO") to lead the operations team. Prior to joining CIH, Dr. Su was the Group CEO of Hoan My Medical Corporation, Vietnam's largest healthcare group.

  To part finance the payment for the land and working capital, the joint venture companies have secured total loan facilities of US$24.7 million, of which US$19.4 million had been drawn down and remains outstanding as at 31 December 2015. The development of City International Hospital is funded by a syndicated term loan of US$43.3 million and a revolving credit facility of US$1.0 million, of which US$41.6 million remains outstanding as at 31 December 2015.

- **Nam Long Investment Corporation**
  In 2008, Aseana Properties acquired a strategic minority stake in 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. To date, Aseana Properties has successfully realised VND164.2 million (US$7.5 million) of its investment in Nam Long, through the placement of 7.8 million shares of Nam Long. Aseana Properties' stake in Nam Long has reduced from 6.9% (as at 31 December 2015) to 5.5% (to date), subsequent to the disposal of 2.0 million shares in April 2016. The other notable foreign shareholders in Nam Long are Keppel Land, Goldman Sachs, Mekong Capital and International Finance Corporation.

  The business performance of Nam Long continues to be on a positive track with the "E-homes" being its main revenue driver. Nam Long is one of the pioneer developers of affordable housing in Vietnam and "E-homes" is a well recognised brand for affordable apartments in Vietnam. Nam Long achieved a year-on-year net profit increase of 113.0% and has also successfully sold 691 units of affordable housing during last quarter of 2015, raking in a total of 1,969 units of total sales in 2015 which represents an increase of 47.0% compared to 2014. On 14 January 2016, the Board of Directors of Nam Long approved the issuance of convertible bonds to strategic investors to fund its land bank and project expansion. For the year ended 2015, Nam Long reported an unaudited revenue of VND1,258.5 billion (US$55.9 million) and its unaudited net profit after tax stood at VND208.5 billion (US$9.3 million).

- **Waterside Estates**
  The Waterside Estates was initially planned as a low density development comprising 37 villas (Phase 1) and 460 apartment units (Phase 2) set in a lush green landscape, with the river-front view of the Rach Chiec River. As part of the realisation plan announced in 2015, Aseana Properties disposed of its 55.0% stake in the project for a cash consideration of US$8.2 million and a repayment of shareholder's loan to ASPL PLB Limited of US$1.0 million, with a gain of US$0.7 million. The shareholder's loan was an interest free advance provided by the Group to ASPL PLB-Nam Long Ltd Liability Co in previous financial years for working capital purposes. The shareholder's loan was undertaken by the buyer as part of the disposal arrangement.

OUTLOOK

Despite a tough 2015, the Manager, together with the Board of Directors of Aseana Properties, continued to remain focused on divesting investments in its portfolio and enhancing the value of its operating assets through diligent management. The Board of Directors and Manager are strongly committed to returning capital to shareholders, as iterated earlier, as soon as lenders' consents are received.

The market conditions in Malaysia are expected to remain sluggish due to a number of factors, namely the falling Ringgit, political uncertainty as well as reducing oil and commodity prices. The pace of the economy in both the external and internal markets is affecting all economic sectors and the property sector is no exception. In line with the lacklustre 2016 Budget and with continuous cautious lending practices by local banks, most property developers will foresee a somewhat bleak property market this year. On the flip side, the conditions in Vietnam have been recovering well and 2015 has marked a new turning point for Vietnam's economy, hence creating a solid foundation for the country towards achieving greater and more sustainable growth. This will hopefully benefit Aseana Properties' investments in Vietnam as we look to divest them in a timely and strategic manner.

In closing, we would like to thank the Board of Aseana Properties, our advisers and business associates for their support and guidance throughout 2015.

LAI VOON HON
President / Chief Executive Officer
Ireka Development Management Sdn. Bhd.
Development Manager

26 April 2016

PROPERTY PORTFOLIO

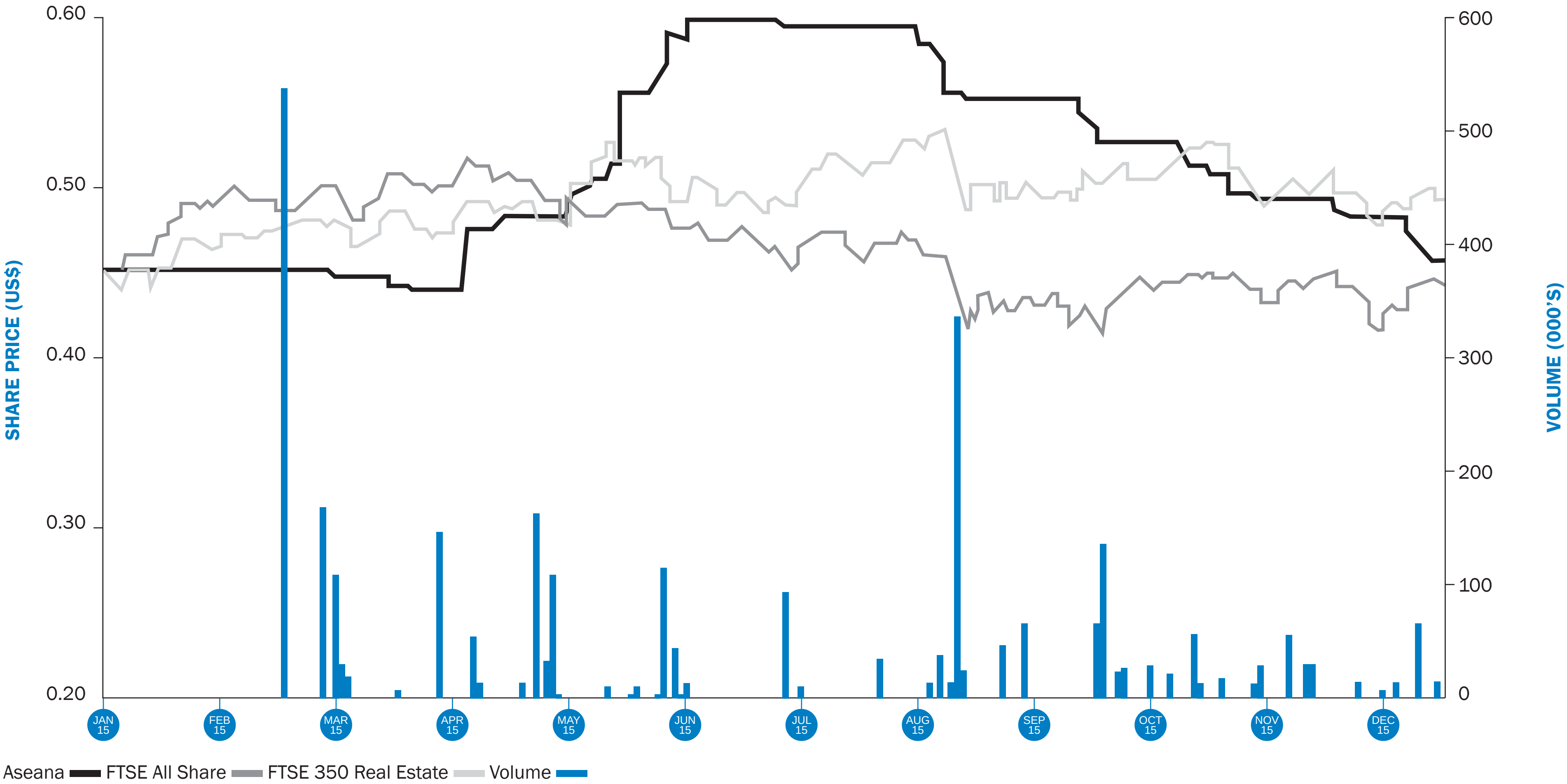
AS AT 31 DECEMBER 2015

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
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 Healthcare Park, Ho Chi Minh City, Vietnam	Private general hospital	71.1%*	48,000	25,000	Completed in March 2013
PROJECT UNDER DEVELOPMENT					
The RuMa Hotel and Residences Kuala Lumpur, Malaysia	Luxury residential tower and boutique hotel	70.0%	40,000	4,000	Third 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	6.9%	n/a	n/a	n/a
UNDEVELOPED PROJECTS					
Other developments in International Healthcare Park, Ho Chi Minh City, Vietnam (formerly International Hi-Tech Healthcare Park)	Commercial and residential development with healthcare theme	71.1%*	972,000	351,000	n/a
Kota Kinabalu Seafront resort & residences Kota Kinabalu, Sabah, Malaysia	i. Boutique resort hotel and resort villas ii. Resort homes	100.0% 80.0%	n/a	327,000	n/a
DIVESTED PROJECTS					
Waterside Estates Ho Chi Minh City, Vietnam	Villa and high-rise apartments	55.0%	94,000	57,000	n/a
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

*Shareholding as at 31 December 2015

n/a: Not available / not applicable

SHARE PRICE CHART



PERFORMANCE SUMMARY

	YEAR ENDED 31 DECEMBER 2015	YEAR ENDED 31 DECEMBER 2014
TOTAL RETURNS SINCE LISTING		
Ordinary share price	**-55.00%**	-55.00%
FTSE All-share index	**3.38%**	6.03%
FTSE 350 Real Estate Index	**-37.33%**	-42.09%
ONE YEAR RETURNS		
Ordinary share price	**0.00%**	2.27%
FTSE All-share index	**-2.50%**	-2.13%
FTSE 350 Real Estate Index	**8.22%**	15.72%
CAPITAL VALUES		
Total assets less current liabilities (US$ million)	**197.75**	310.16
Net asset value per share (US$)	**0.61**	0.76
Ordinary share price (US$)	**0.45**	0.45
FTSE 350 Real Estate Index	**587.81**	543.17
DEBT-TO-EQUITY RATIO		
Debt-to-equity ratio [1]	**142.74%**	127.64%
Net debt-to-equity ratio [2]	**125.28%**	110.04%
EARNINGS PER SHARE		
Earnings per ordinary share – basic (US cents)	**(7.44)**	4.29
– diluted (US cents)	**(7.44)**	4.29

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 comprehensive losses for the financial year ended 31 December 2015, mainly due to losses of its operating assets and foreign currency translation differences for foreign operations.

STATEMENT OF COMPREHENSIVE INCOME

The Group registered a decrease in revenue from US$85.1 million in 2014 to US$22.1 million in 2015; and a net loss before taxation of US$20.7 million as compared to a net profit before taxation of US$15.4 million in 2014. The net loss included operating losses attributable to City International Hospital of about US$12.3 million, Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan totalling about US$4.6 million, together with impairment loss on cost of acquisition and goodwill in relation to Four Points by Sheraton Sandakan Hotel totalling US$4.6 million.

Net loss attributable to equity holders of the parent was US$15.8 million in 2015, compared to a net profit of US$9.1 million in 2014. Tax charge for 2015 was lower at US$1.3 million (2014: US$9.4 million) due to corresponding lower revenue.

The consolidated comprehensive loss for the year ended 31 December 2015 was US$35.7 million compared to a consolidated comprehensive loss of US$1.2 million in 2014. The former included losses arising from foreign currency translation differences for foreign operations of US$15.9 million (2014: Loss of US$7.4 million) due to weakening of Ringgit against US Dollars from 3.4965 as at 31 December 2014 to 4.2937 as at 31 December 2015; and an increase in the fair value of shares in Nam Long Investment Corporation ("Nam Long") of US$2.19 million (2014: Increase of US$0.13 million). The carrying amount of shares in Nam Long was US$9.9 million as at 31 December 2015 (2014: US$12.8 million), following the disposal of 5,800,000 number of shares for a consideration of US$5,359,000, recording a gain on disposal of US$806,000.

Basic and diluted loss per share for the year ended 31 December 2015 were both US cents 7.44 (2014: Earnings per share of US cents 4.29).

STATEMENT OF FINANCIAL POSITION

Total assets at 31 December 2015 were US$368.9 million, compared to US$445.4 million for 2014, representing a decrease of US$76.5 million. The decrease was mainly due to a decrease in inventories following the disposal of completed units of SENI Mont' Kiara and Tiffani, the disposal of the ASPL PLB Limited's 55% equity interest in ASPL PLB-Nam Long Ltd Liability Co, a subsidiary of the Group owning the Waterside Estates project, the disposal of some shares in Nam Long and translation effect due to weaker Ringgit against US Dollars. Cash and cash equivalents were lower at US$23.0 million (2014: US$26.0 million). Included in the other receivables at 31 December 2015 is US$6.4 million representing the balance of consideration receivable for the disposal of the Group's 55% equity interest in ASPL PLB-Nam Long Ltd Liability Co, a subsidiary of the Group. Other receivables also includes an interest free advance of US$1.0 million which was provided by the Group to ASPL PLB-Nam Long Ltd Liability Co in previous financial years in the form of a shareholder's loan for working capital purposes. The shareholder's loan was undertaken by the buyer as part of the disposal arrangement.

The balance of consideration receivable of US$6.4 million was subsequently received on 13 January 2016, while US$0.9 million out of the US$1.0 million shareholder's loan was received on 3 March 2016.

Total liabilities have decreased from US$274.7 million in 2014 to US$237.4 million in 2015, a decrease of US$37.3 million. This was mainly due to translation differences for the Medium Term Notes ("MTNs") due to weakening of Ringgit against US Dollars during the financial year. Net Asset Value per share at 31 December 2015 was US cents 61.4 (2014: US cents 75.7).

CASH FLOW AND FUNDING

Cash flow from operation was negative at US$10.9 million in 2015, compared to a negative cash flow of US$3.5 million in 2014. The negative cash flow was attributable to losses recorded in the year, mainly by City International Hospital, Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan.

During the year, the Group generated net cash flow of US$8.9 million (2014: US$3.1 million) from investing activities, mainly due to disposal of 5,800,000 number of shares in Nam Long.

The Group's subsidiaries borrow to fund property development projects. At 31 December 2015, the Group had gross borrowings of US$187.8 million (2014: US$217.9 million), a decrease of 13.8% over the previous year. However, net debt-to-equity ratio increased from 110.0% in 2014 to 125.0% in 2015 basing on a reduced shareholders' funds due to losses incurred during the year.

Finance income was US$0.4 million in 2015 compared to US$0.6 million in 2014. Finance costs decreased from US$13.8 million in 2014 to US$11.0 million in 2015. The financing costs were mainly attributable to City International Hospital, Aloft Kuala Lumpur Sentral Hotel ("Aloft"), Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan.

EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

Subsequent to year end, the Group entered into a sale and purchase agreement to dispose of the Aloft hotel to Prosper Group Holdings Limited ("Prosper Group"). The gross transaction value is approximately RM418.70 million (US$104.60 million), which includes the purchase of the entire issued share capital of ASPL M3B Limited and Iringan Flora Sdn. Bhd. ("Aloft Companies"), and assumption of certain debts, assets and liabilities of the Aloft Companies. The transaction, which is expected to complete in Quarter 3, 2016, is conditional upon satisfactory completion of a due diligence review by Prosper Group, and certain consents being obtained from Starwood Asia Pacific Hotels & Resorts Pte Ltd, the operator of the Aloft hotel, and consents from the Company's financiers for the Aloft hotel. All proceeds received from the sale will be used to repay the MTNs issued for the Aloft hotel and to partly repay the MTNs issued for the Harbour Mall Sandakan and Four Points Sheraton Sandakan Hotel. This will significantly reduce the gearing of the Group.

DIVIDEND

No dividend was declared or paid in 2015.

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

26 April 2016

CORPORATE SOCIAL RESPONSIBILITY

Aseana Properties believes that being socially and environmentally responsible is good for people and the planet, and essential for the long-term sustainability of its business. As a company, Aseana Properties works hard to take account of its economic, social and environmental impact in the way it conducts its business. The following 6 core principles define the essence of corporate citizenship for the Company.

Free consultations for war invalids, veteran.

MANAGING CORPORATE RESPONSIBILITY

At Aseana Properties, corporate social responsibility is part of its essence. It is committed to achieving its vision while also doing what is right for the environment, the communities it works in, for the staff and business partners. Basically, it reviews corporate responsibility issues as part of risk management and ensures the reputation of Aseana Properties is protected and shareholders' values are enhanced.

ENVIRONMENTAL MANAGEMENT

The sustainability challenges faced today are complex and requires collaboration with all its suppliers, contractors and partners to solve. Aseana Properties is committed to environmental protection and can only achieve this in partnership and not as a single company. This enables it to focus its efforts on making progress in those areas where the company sees the most critical needs and where it can have the most influence. For example, Aseana Properties, through its Development Manager, works with local authorities and planners to ensure that environmental protection and amenity improvements are key criteria in the project schemes. It works with architects and designers to incorporate natural elements such as water, greenery and light into its schemes.

EMPLOYEES

Aseana Properties wants to attract and keep the best people and develop the best team today for tomorrow. It is about making the connections between people, processes and data. To this end, Aseana Properties works hand-in-hand with its Development Manager to ensure that all employees are treated fairly and with dignity to get the best out of them.

HEALTH AND SAFETY

Aseana Properties recognizes that it is the staff who delivers its business goals and so the company attaches great importance to ensuring the continued health, safety, welfare and development of its workforce. It works hard to minimize distress caused by injuries and work related illnesses. Therefore, it aims to provide a positive health and safety culture by ensuring that:

- Equipment, plant and systems at work to ensure a healthy working environment.
- Safe places of work and safe access to it.
- Sufficient information, instruction, training and supervision to enable all employees to avoid hazards and contribute positively to their own health and safety at work for safe performance at work.

STAKEHOLDERS

Aseana Properties works collaboratively with its stakeholders to improve services. The Group is committed to meaningful dialogue and encourages stakeholder participation through stakeholder meetings, roadshows, conference calls, briefings, timely release of annual reports and publication of 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 staff visited the orphans at Tu Hanh pagoda.

COMMUNITY

Aseana Properties is about strengthening communities and empowering lives. Through its social investments, the Company is able to empower the communities it works with and addresses their health challenges in particular. Whether creating better access to health care or helping with fundraising initiatives, it intends to bring about positive social change. Throughout the year, City International Hospital has offered free health checks for children, seniors and war veterans both in the city and in villages. They have also organized health seminars on breast cancer, respiratory problems in children and other topics as part of the healthy living series. City International Hospital has also sponsored a charity walk for Dioxin victims.

CALENDAR OF EVENTS

25 JANUARY

As part of its Corporate Social Responsibility programme, City International Hospital ("CIH") organised a free health check program to about 300 people in Hoa Dinh village, Tien Giang Province.

22 MARCH

Aloft Kuala Lumpur Sentral Hotel ("Aloft") celebrated its 2nd anniversary with a special campaign called "YOTTO" (You Only Turn Two Once). Aloft collaborated with BMW in a series of roadshow events with Mini Coopers resplendent in stylish Aloft branding throughout the month of March.

28 APRIL

Aseana Properties announced its Audited Full Year Results for the financial year ended 31 December 2014.

22 MAY

Aseana Properties announced and published a circular putting forward proposals regarding the future of the Company, stating its commitment to realising the Company's assets in a controlled, orderly and timely manner with a view to achieving a balance between returning cash to shareholders and maximising the realisation value of the Company's investments. The proposals would be tabled at an Extraordinary General Meeting ("EGM") of the Company.

Aseana Properties announced its Board's recommendation to shareholders to vote against the Discontinuation Resolution to be proposed at the Company's Annual General Meeting (as required under the Company's Articles of Association) ("AGM"), held immediately after the EGM, to allow a policy of orderly realisation of the Company's assets over a period of up to three years in order to maximise the value of the Company's assets and returns to shareholders, both up to and upon the eventual liquidation of the Company.

30 MAY

Aloft won the World Gold Winner of FIABCI World Prix d'Excellence Awards 2015 under the Hotel Category.

08 JUNE

Aseana Properties realised VND40 billion (approximately US$1.83 million) on the sale of 2.0 million shares in Nam Long Investment Corporation ("Nam Long"), a real estate developer in Vietnam listed on the Ho Chi Minh Stock Exchange, at VND20,000 (approximately US$0.917) per share. Following the sale, Aseana Properties' effective stake in Nam Long is reduced from 11.63% to 10.14%.

22 JUNE

Aseana Properties convened an EGM and followed by its 9th AGM at its registered office in Jersey, Channel Islands. All the resolutions tabled were passed at the meetings except for the Discontinuation Resolution, in which the shareholders supported the Board's recommendation to vote against it.

Aseana Properties announced the appointment of two additional directors namely Nicholas John Paris (a representative of LIM Advisors) and Ferheen Mahomed (a representative of Legacy Essence Limited) as non-independent, non-executive directors of the Company.

18 SEPTEMBER

A signing ceremony between CIH and Vinh Long Provincial General Hospital of a collaboration agreement for mutual technical assistance and referral of patients to CIH. CIH also provided free health consultation and distributed medicine and commodities to the underprivileged community in Vinh Long City.

06 AUGUST

Aseana Properties' investee company, Nam Long issued 7.1 million shares, representing 5% of its paid up capital, to its strategic partner, Ibeworth Pte. Ltd., a member of Keppel Land (Singapore) via private placement at VND19,800 per share.

07 AUGUST

Aseana Properties announced and published a circular putting forward recommended proposals regarding the introduction of a compulsory redemption mechanism to return cash to shareholders, to be considered at an EGM.

09 AUGUST

CIH staff participated and sponsored a charity walk for victim of dioxin (Agent Orange) to raise awareness about helping people with disabilities caused by Agent Orange in the community.

27 AUGUST

Aseana Properties convened an EGM at its registered office in Jersey, Channel Islands. All the resolutions tabled were passed at the meeting.

28 AUGUST

Aseana Properties announced its Half-Year Results for the 6-month period ended 30 June 2015.

24 SEPTEMBER

Aseana Properties' wholly-owned subsidiary, ASPL PLB Limited, has entered into an agreement with Nam Long and Nam Khang Construction Investment Development Limited Liability Company to dispose of its 55 per cent stake in ASPL PLB-Nam Long Limited Liability Company ("ASPL PLB-Nam Long") for a cash consideration of US$8.2 million and a repayment of shareholder's loan to ASPL PLB Limited of US$1.0 million. The shareholder's loan was an interest free advance provided by the Group to ASPL PLB-Nam Long in previous financial years for working capital purposes. The shareholder's loan was undertaken by the buyer as part of the disposal arrangement. The joint venture company was formed to develop the Waterside Estates residential project in District 9 in Ho Chi Minh City ("HCMC"), Vietnam.

CIH, a modern private care hospital of international standards with 320 beds in HCMC, marked its 2nd anniversary of commencement of business.

25 SEPTEMBER

City International Clinic ("CIC") Grand Opening and Primary Care Card Launching, the opening of CIC provides easier access to international-standard healthcare services of CIH to people in the central business district with the added convenience of the prepaid Primary Care Card.

17 OCTOBER

CIH sponsored the campaign 'Screening for breast cancer when turning 40 years old' organised by the Ministry of Health and The Supportive Fund for Cancer Patients – Bright Future, by providing free breast cancer screenings to about 700 women at CIH and CIC.

24 OCTOBER

As part of Healthy Living Series for the community awareness, CIH organised a seminar on Early Detection & Prevention of Cancers which presented by Dr Sue Lo from Singapore.

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. Currently he is also a non-executive director of Public Service Properties Investment Limited, listed on AIM market of the London Stock Exchange.

Christopher holds a 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 and Manchester & London Investment Trust 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, UEM Edgenta 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 and was appointed Executive Director in 1997. Ismail subsequently assumed the position of Group CEO of MMC Corporation Berhad in 2002, until his retirement in 2007.

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 chairman of Digiservex plc, an adviser 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 Aberystwyth, where he took a first class honours in International Politics. He is now chairman of the University's Development Advisory Board.

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.

NICHOLAS JOHN PARIS
Non-Executive Director

Nicholas John Paris was appointed as Director (Non-Executive) of Aseana Properties in June 2015. Nicholas is a portfolio manager for LIM Advisors ("LIM"), an Asian-focused investment management firm, headquartered in Hong Kong, and he specialises in investing in closed ended investment funds. He is based in London and graduated from Newcastle University with a Bachelor of Science degree with Honours in Agricultural Economics. He is also a Chartered Accountant and a Chartered Alternative Investment Analyst. He worked with Rothschild Asset Management from 1986 until 1994, launching specialist investment products before becoming a corporate adviser and broker in closed ended investment funds with a particular focus on those investing in emerging markets. In this role, he worked between 1994 and 2001 at Baring Securities, Peregrine Securities and then Credit Lyonnais Asia Securities. He then joined the hedge fund industry in a series of sales roles before founding Purbeck Advisers in 2006, which is his own advisory and sales business. He has been advising LIM on investing in Asian closed end funds for five years and is a director of their London-based investment management subsidiary.

He has been a non-executive director of Global Resources Investment Trust plc (listed on the main market of the London Stock Exchange), TAU Capital plc (listed on the AIM market of the London Stock Exchange) and The India IT Fund Limited (previously listed on the Channel Islands Stock Exchange).

FERHEEN MAHOMED
Non-Executive Director

Ferheen Mahomed was appointed as Director (Non-Executive) of Aseana Properties in June 2015. Ferheen is currently Executive Vice President - Business Development for Pacific Century Group. She was group general counsel for CLSA Asia Pacific Markets for four years after spending 14 years as Asia Pacific General Counsel for Societe Generale. Ferheen is both a UK and Hong Kong qualified lawyer having previously worked at Slaughter and May in Hong Kong and London. She is a law graduate from the University of Hong Kong and Rhodes Scholar to St. John's College Oxford, holding Bachelor of Civil Law Degree from Oxford.

Ferheen is heavily involved in the financial community and is a member of the product advisory committee of the Securities and Futures Commission of Hong Kong, member of the Asia Pacific legal and regulatory Committee of ISDA and vice chairman of the banking and finance committee of the French chamber of commerce.

DIRECTORS' REPORT
For The Year Ended 31 December 2015

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2015.

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.

On 22 June 2015, the shareholders of the Company approved the proposals for the continuation of the Company for the next three years to June 2018, adoption of a new divestment policy, pursuant to which the Company is seeking to realise the Company's assets in a controlled, orderly and timely manner and its intention to make capital distributions to shareholders.

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 2015 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 has expired on 25 June 2015. The Company did not purchase its own shares during the year ended 31 December 2015.

SHARE CAPITAL

On 27 August 2015, the Company increased its authorised share capital from US$100,000,000 to US$100,000,000.50 by the creation of an additional 10 management shares of US$0.05 each.

The Company also increased its issued and paid-up share capital from US$10,601,250 to US$10,601,250.10 by way of an allotment of 2 new management shares of US$0.05 each at par via cash consideration. Further details on share capital are stated in Note 27 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
- Nicholas John Paris (Appointed on 22 June 2015)
- Ferheen Mahomed (Appointed on 22 June 2015)

DIRECTORS' INTERESTS

The interests of the directors in the Company's shares at 31 December 2015 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

Nicholas John Paris, appointed to the Board on 22 June 2015, is the managing director of LIM Advisors, one of the substantial shareholders of the Company and is deemed interested in the Company by virtue of his directorship in the substantial shareholder.

Ferheen Mahomed, appointed to the Board on 22 June 2015, is connected to the shareholder of Legacy Essence Limited, one of the substantial shareholders of the Company and is deemed interested in the Company by virtue of her indirect interests in the substantial shareholder.

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 2016:

	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF ISSUED SHARE CAPITAL
IREKA CORPORATION BERHAD	48,913,623	23.07%
LIM ADVISORS	39,114,026	18.45%
SIX SIS	38,649,662	18.23%
LEGACY ESSENCE LIMITED	31,269,102	14.75%
DR. THONG KOK CHEONG	12,775,532	6.03%
RELATED PARTIES OF IREKA CORPORATION BERHAD	7,817,275	3.69%
KROHNE CAPITAL	6,650,708	3.14%

EMPLOYEES

The Company has no executive directors or employees. The subsidiaries of the Group have a total of 856 employees at 31 December 2015. 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 66 managerial and technical staff under its employment in Malaysia and Vietnam at 31 December 2015.

GOING CONCERN

The Group has prepared and considered prospective financial information 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, along with the adequacy of bank loans and medium term notes and refinancing of these medium term notes (as described in Notes 35 and 36).

Subsequent to year end, the Group entered into a sale and purchase agreement in relation to the sale of a completed inventory for a consideration of approximately US$104.60 million (RM418.70 million). The consideration receivable from the sale of the completed inventory will be used to repay a significant portion of medium term notes of the Group.

The Directors expect to "roll-over" the remaining medium term notes which are due to expire in the next 12 months, as the notes are rated AAA (a highly sought after investment in Malaysia) and are backed by two remaining completed inventories of the Group with carrying amount of US$78.24 million as at 31 December 2015. Included in the terms of the medium term notes programme is an option for the Group to refinance the notes as provided on the onset of the programme. The option is available until 2021. The forecasts also incorporate current payables, committed expenditure and other future expected expenditure, along with substantial sales of completed inventories, in addition to the disposal of certain land held for property development and available-for-sale investments. In the event that the Group disposes any of the two remaining completed inventories that guaranteed the medium term notes, the proceeds from the disposal will be used to expire the notes.

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 the going concern basis in preparing the financial statements.

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 2015 amounted to 67 days (2014: 73 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

The auditor, KPMG LLP, has expressed their willingness to continue in office. A resolution proposing their re-appointment will be tabled at the forthcoming Annual General Meeting.

BOARD COMMITTEES

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

ANNUAL GENERAL MEETING

The tabling of the 2015 Annual Report and Financial Statements to shareholders will be at an Annual General Meeting ("AGM") to be held in June 2016.

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

26 April 2016

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.

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

DIRECTORS	YEAR ENDED 31 DECEMBER 2015 (US$)	YEAR ENDED 31 DECEMBER 2014 (US$)
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
Nicholas John Paris	–	–
Ferheen Mahomed	–	–
TOTAL	**317,000**	**317,000**

SHARE OPTIONS

The Company did not operate any share option schemes during the year ended 31 December 2015.

SHARE PRICE INFORMATION

- High for the year - US$0.5900
- Low for the year - US$0.4387
- Close for the year - US$0.4538

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

26 April 2016

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 eight 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 2015:

- Mohammed Azlan Hashim (Non-Executive Chairman)
- Christopher Henry Lovell
- David Harris
- Ismail Shahudin
- John Lynton Jones
- Gerald Ong Chong Keng
- Nicholas John Paris (appointed on 22 June 2015)
- Ferheen Mahomed (appointed on 22 June 2015)

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 eight times during the year ended 31 December 2015. Except for Mohammed Azlan Hashim, Christopher Henry Lovell, David Harris and Gerald Ong Chong Keng, who were absent once, and Ismail Shahudin, who was absent twice, the meetings were attended by all the Directors. Nicholas John Paris and Ferheen Mahomed, who were appointed during the year, attended all meetings following their respective appointments. 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 will 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 advisers, 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. Notwithstanding the appointment of Nicholas John Paris and Ferheen Mahomed as the non-independent non-executive directors in June 2015, the representatives of LIM Advisors and Legacy Essence Limited respectively, the Board considers the Directors to be independent, being independent of management and also having no business 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 Directors. In November 2015, the evaluation concluded that the performance of the Board, its 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. The two directors appointed during the year received an induction on joining the Board.

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 22 June 2015, David Harris and Ismail Shahudin, who retired by rotation as Directors, were re-elected to the Board. The remainder of the Board recommended their re-election following an evaluation which concluded that their performance continued to be effective and they demonstrated commitment to their roles.

BOARD COMMITTEES

The Board has established Audit, Nomination, Remuneration and Management Engagement 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 2015. The meetings were attended by all the committee members. Representatives of the auditor, 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 2015, 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 Group's Auditor;

- reviewing and discussing the Audit Committee Report with the Group's Auditor;

- reviewing the draft Audited Financial Statements as contained in the draft Annual Report together with the Group's Auditor before tabling to the Board for consideration and approval;

- reviewing other published financial information including the half year results 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 twice during the year ended 31 December 2015 and the meetings were attended by all committee members and other Board members at the invitation of the Nomination Committee.

During the year ended 31 December 2015, 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 2015. 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 2015, 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 2015. 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 2015, 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 monitoring 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.

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 half-yearly report and 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 is required.

AUDITOR

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

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 this 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.

In compliance with the Bribery Act 2010 (the "Act"), 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 will 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 spokepersons with investors, analysts, fund managers, the press and other interested parties. The Board is informed of material information provided to shareholders and is 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 through which shareholders and investors can access relevant 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 2015 AGM, held on 22 June 2015 at the Company's registered office.

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 votes received for, against and withheld in respect of each resolution after the shareholders and proxies 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

26 April 2016

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 2015 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 2015 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.

RICHARD KELLY
for and on behalf of KPMG LLP
Chartered Accountants and Recognised Auditor
15 Canada Square
London E14 5GL

26 April 2016

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 LLP accepts no responsibility for any changes that may have occurred to the financial statements or our audit report since 26 April 2016. KPMG LLP has carried out no procedures of any nature subsequent to 26 April 2016 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**

CONTENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 31 December 2015

CONTINUING ACTIVITIES	Notes	2015 US$'000	2014 US$'000
Revenue	5	**22,096**	85,102
Cost of sales	6	**(21,612)**	(51,821)
Gross profit		**484**	33,281
Other income	7	**29,561**	27,369
Administrative expenses		**(1,787)**	(1,193)
Foreign exchange (loss)/ gain	8	**(2,915)**	716
Management fees	9	**(3,115)**	(3,344)
Marketing expenses		**(288)**	(823)
Other operating expenses		**(31,916)**	(32,715)
Operating (loss)/ profit		**(9,976)**	23,291
Finance income		**355**	577
Finance costs		**(11,031)**	(13,760)
Net finance costs	11	**(10,676)**	(13,183)
Gain on disposal of investment in associate	17	**–**	5,641
Share of loss of equity-accounted associate, net of tax	17	**–**	(335)
Net (loss)/ profit before taxation	12	**(20,652)**	15,414
Taxation	13	**(1,278)**	(9,387)
(Loss)/ profit for the year		**(21,930)**	6,027
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		**(15,920)**	(7,388)
Increase in fair value of available-for-sale investments	19	**2,190**	125
Total other comprehensive expense for the year	14	**(13,730)**	(7,263)
Total comprehensive loss for the year		**(35,660)**	(1,236)
(Loss)/ profit attributable to:			
Equity holders of the parent		**(15,784)**	9,091
Non-controlling interests	18	**(6,146)**	(3,064)
Total		**(21,930)**	6,027
Total comprehensive loss attributable to:			
Equity holders of the parent		**(29,748)**	2,074
Non-controlling interests		**(5,912)**	(3,310)
Total		**(35,660)**	(1,236)
(Loss)/ earnings per share			
Basic and diluted (US cents)	15	**(7.44)**	4.29

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 2015

CONTINUING ACTIVITIES	Notes	2015 US$'000	2014 US$'000
Revenue		**–**	–
Cost of sales		**–**	–
Gross profit		**–**	–
Administrative expenses		**(519)**	(533)
Foreign exchange gain	8	**4,118**	979
Management fees	9	**(1,257)**	(1,180)
Impairment of investment in subsidiaries	18	**(6,284)**	(124)
Impairment of amount due from subsidiaries	25	**(8,223)**	(15,103)
Other operating expenses		**(878)**	(499)
Operating loss		**(13,043)**	(16,460)
Finance income	11	**17**	21
Net loss before taxation	12	**(13,026)**	(16,439)
Taxation		**–**	–
Loss for the year/ Total comprehensive loss for the year		**(13,026)**	(16,439)
Loss per share			
Basic and diluted (US cents)	15	**(6.14)**	(7.75)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	2015 US$'000	2014 US$'000
Non-current assets			
Property, plant and equipment	16	**861**	1,018
Investment in an associate	17	**–**	–
Available-for-sale investments	19	**9,917**	12,822
Intangible assets	20	**7,233**	8,798
Deferred tax assets	21	**1,337**	1,683
Total non-current assets		**19,348**	24,321
Current assets			
Inventories	22	**307,328**	381,778
Held-for-trading financial instrument	23	**–**	4,041
Trade and other receivables	24	**17,741**	8,359
Prepayments		**218**	337
Current tax assets		**1,360**	513
Cash and cash equivalents	26	**22,978**	26,011
Total current assets		**349,625**	421,039
TOTAL ASSETS		**368,973**	445,360
Equity			
Share capital	27	**10,601**	10,601
Share premium	28	**218,926**	218,926
Capital redemption reserve	29	**1,899**	1,899
Translation reserve	30	**(26,401)**	(10,247)
Fair value reserve	31	**2,441**	251
Accumulated losses	32	**(77,301)**	(60,932)
Shareholders' equity		**130,165**	160,498
Non-controlling interests	18	**1,433**	10,187
Total equity		**131,598**	170,685
Non-current liabilities			
Amount due to non-controlling interests	34	**–**	1,120
Loans and borrowings	35	**55,823**	53,364
Medium term notes	36	**10,330**	84,993
Total non-current liabilities		**66,153**	139,477
Current liabilities			
Trade and other payables	33	**37,336**	40,510
Amount due to non-controlling interests	34	**10,014**	10,222
Loans and borrowings	35	**13,500**	19,274
Medium term notes	36	**108,190**	60,237
Current tax liabilities		**2,182**	4,955
Total current liabilities		**171,222**	135,198
Total liabilities		**237,375**	274,675
TOTAL EQUITY AND LIABILITIES		**368,973**	445,360

Included in the other receivables at 31 December 2015 is US$6,400,000 representing the balance of consideration receivable for the disposal of the Group's 55% equity interest in ASPL PLB-Nam Long Ltd Liability Co, a subsidiary of the Group. Other receivables also includes an interest free advance of US$1,000,000 which was provided by the Group to ASPL PLB-Nam Long Ltd Liability Co in previous financial years in the form of a shareholder's loan for working capital purposes. The shareholder's loan was undertaken by the buyer as part of the disposal arrangement.

The balance of consideration receivable of US$6,400,000 was subsequently received on 13 January 2016, while US$880,000 out of the US$1,000,000 shareholder's loan was received on 3 March 2016.

The financial statements were approved on 26 April 2016 and authorised for issue by the Board and were signed on its behalf by

MOHAMMED AZLAN HASHIM
Director

CHRISTOPHER HENRY LOVELL
Director

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

COMPANY STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	2015 US$'000	2014 US$'000
Non-current asset			
Investment in subsidiaries	18	**68,233**	74,517
Total non-current asset		**68,233**	74,517
Current assets			
Trade and other receivables	24	**–**	18
Amounts due from subsidiaries	25	**157,566**	161,255
Cash and cash equivalents	26	**9,094**	6,454
Total current assets		**166,660**	167,727
TOTAL ASSETS		**234,893**	242,244
Equity			
Share capital	27	**10,601**	10,601
Share premium	28	**218,926**	218,926
Capital redemption reserve	29	**1,899**	1,899
Accumulated losses	32	**(72,747)**	(59,721)
Total equity		**158,679**	171,705
Current liabilities			
Trade and other payables	33	**185**	146
Amounts due to subsidiaries	25	**76,029**	70,393
Total current liabilities		**76,214**	70,539
Total liabilities		**76,214**	70,539
TOTAL EQUITY AND LIABILITIES		**234,893**	242,244

The financial statements were approved on 26 April 2016 and authorised for issue by the Board and were signed on its behalf by

MOHAMMED AZLAN HASHIM
Director

CHRISTOPHER HENRY LOVELL
Director

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

STATEMENTS OF CHANGES IN EQUITY

For The Year Ended 31 December 2015

Consolidated	Redeemable Ordinary Shares US$'000	Management Shares US$'000	Share Premium US$'000	Capital Redemption Reserve US$'000	Translation Reserve US$'000	Fair Value Reserve US$'000	Accumulated Losses US$'000	Total Equity Attributable to Equity Holders of the Parent US$'000	Non-Controlling Interests US$'000	Total Equity US$'000
1 January 2014	10,601	–	218,926	1,899	(3,105)	126	(69,876)	158,571	11,429	170,000
Changes in ownership interests										
in subsidiaries (Note 39)	–	–	–	–	–	–	(147)	(147)	147	–
Non-controlling interests contribution	–	–	–	–	–	–	–	–	1,921	1,921
Profit for the year	–	–	–	–	–	–	9,091	9,091	(3,064)	6,027
Total other comprehensive expense	–	–	–	–	(7,142)	125	–	(7,017)	(246)	(7,263)
Total comprehensive loss	–	–	–	–	(7,142)	125	9,091	2,074	(3,310)	(1,236)
At 31 December 2014/ 1 January 2015	**10,601**	**–**	**218,926**	**1,899**	**(10,247)**	**251**	**(60,932)**	**160,498**	**10,187**	**170,685**
Issuance of management shares (Note 27)	–	–*	–	–	–	–	–	–	–	–*
Changes in ownership interests										
in subsidiaries (Note 39)	–	–	–	–	–	–	(585)	(585)	(5,340)	(5,925)
Non-controlling interests contribution	–	–	–	–	–	–	–	–	2,498	2,498
Loss for the year	–	–	–	–	–	–	(15,784)	(15,784)	(6,146)	(21,930)
Total other comprehensive expense	–	–	–	–	(16,154)	2,190	–	(13,964)	234	(13,730)
Total comprehensive loss	–	–	–	–	(16,154)	2,190	(15,784)	(29,748)	(5,912)	(35,660)
Shareholders' equity at 31 December 2015	**10,601**	**–***	**218,926**	**1,899**	**(26,401)**	**2,441**	**(77,301)**	**130,165**	**1,433**	**131,598**

Company	Redeemable Ordinary Shares US$'000	Management Shares US$'000	Share Premium US$'000	Capital Redemption Reserve US$'000	Accumulated Losses US$'000	Total Equity US$'000
1 January 2014	10,601	–	218,926	1,899	(43,282)	188,144
Loss for the year/ Total comprehensive loss	–	–	–	–	(16,439)	(16,439)
At 31 December 2014/ 1 January 2015	**10,601**	**–**	**218,926**	**1,899**	**(59,721)**	**171,705**
Issuance of management shares (Note 27)	–	–*	–	–	–	–*
Loss for the year/ Total comprehensive loss	–	–	–	–	(13,026)	(13,026)
Shareholders' equity at 31 December 2015	**10,601**	**–***	**218,926**	**1,899**	**(72,747)**	**158,679**

* represents 2 management shares at US$0.05 each

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 2015

	Notes	2015 US$'000	2014 US$'000
Cash Flows from Operating Activities			
Net (loss)/ profit before taxation		**(20,652)**	15,414
Finance income		**(355)**	(577)
Finance costs		**11,031**	13,760
Unrealised foreign exchange loss/ (gain)		**2,544**	(291)
Impairment of goodwill		**1,565**	4,727
Depreciation of property, plant and equipment		**105**	122
Gain on disposal of available-for-sale investments		**(806)**	–
Gain on disposal of investment in an associate		**–**	(5,641)
Gain on disposal of property, plant and equipment		**–**	(3)
Gain on disposal of a subsidiary		**(675)**	–
Share of loss of equity-accounted associate, net of tax		**–**	335
Fair value loss/ (gain) on amount due to non-controlling interests		**320**	(320)
Fair value gain on held-for-trading financial instrument		**–**	(39)
Operating (loss)/ profit before changes in working capital		**(6,923)**	27,487
Changes in working capital:			
Decrease in inventories		**8,245**	29,437
(Increase)/ Decrease in trade and other receivables and prepayments		**(4,105)**	647
Increase/ (Decrease) in trade and other payables		**7,249**	(40,615)
Cash generated from operations		**4,466**	16,956
Interest paid		**(11,031)**	(13,760)
Tax paid		**(4,321)**	(6,679)
Net cash used in operating activities		**(10,886)**	(3,483)
Cash Flows from Investing Activities			
Repayment from associate		**–**	853
Proceeds from disposal of available-for-sale investments		**5,359**	–
Net cash outflow from disposal of a subsidiary	39	**(146)**	–
Proceeds from disposal of investment in an associate		**–**	5,306
Proceeds from disposal of property, plant and equipment		**–**	12
Disposal/ (purchase) of held-for-trading financial instrument		**3,291**	(3,651)
Purchase of property, plant and equipment		**–**	(20)
Finance income received		**355**	577
Net cash generated from investing activities		**8,859**	3,077
Cash Flows from Financing Activities			
Advances from non-controlling interests		**1,067**	1,635
Issuance of ordinary shares of subsidiaries to non-controlling interests (ii)		**1,058**	1,921
Issuance of management shares		**–***	–
Repayment of loans and borrowings		**(15,854)**	(16,858)
Drawdown of loans and borrowings		**16,046**	17,108
Increase in pledged deposits placed in licensed banks		**(1,537)**	–
Net cash generated from financing activities		**780**	3,806
Net changes in cash and cash equivalents during the year		**(1,247)**	3,400
Effect of changes in exchange rates		**(1,632)**	(1,355)
Cash and cash equivalents at the beginning of the year (i)		**16,211**	14,166
Cash and cash equivalents at the end of the year (i)		**13,332**	16,211
(i) 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	26	**9,143**	12,057
Short term bank deposits	26	**13,835**	13,954
		22,978	26,011
Less: Deposits pledged	26	**(9,646)**	(9,800)
Cash and cash equivalents		**13,332**	16,211

(ii) During the financial year, US$2,498,000 (2014: US$1,921,000) of ordinary shares of subsidiaries were issued to non-controlling shareholders, of which US$1,058,000 (2014: US$1,921,000) was satisfied via cash consideration. The remaining amount of US$1,440,000 was satisfied via capitalisation of amount due to non-controlling interests.

* represents 2 management shares of US$0.05 each

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 2015

	Notes	2015 US$'000	2014 US$'000
Cash Flows from Operating Activities			
Net loss before taxation		**(13,026)**	(16,439)
Impairment of investment in subsidiaries		**6,284**	124
Impairment of amount due from subsidiaries		**8,223**	15,103
Finance income		**(17)**	(21)
Unrealised foreign exchange gain		**(4,345)**	(1,175)
Operating loss before changes in working capital		**(2,881)**	(2,408)
Changes in working capital:			
Decrease/ (Increase) in receivables		**18**	(18)
Increase/ (Decrease) in payables		**39**	(1,107)
Net cash used in operating activities		**(2,824)**	(3,533)
Cash Flows from Investing Activities			
Advances to subsidiaries		**(15,266)**	(17,933)
Finance income received		**17**	21
Net cash used in investing activities		**(15,249)**	(17,912)
Cash Flows from Financing Activities			
Advances from subsidiaries		**20,679**	26,205
Issuance of management shares		**–***	–
Net cash generated from financing activities		**20,679**	26,205
Net changes in cash and cash equivalents during the year		**2,606**	4,760
Effect of changes in exchange rates		**34**	(9)
Cash and cash equivalents at the beginning of the year		**6,454**	1,703
Cash and cash equivalents at the end of the year	26	**9,094**	6,454

* represents 2 management shares of US$0.05 each

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 the 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 instruments 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 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, along with the adequacy of bank loans and medium term notes and refinancing of these medium term notes (as described in Notes 35 and 36).

Subsequent to year end, the Group entered into a sale and purchase agreement in relation to the sale of a completed inventory for a consideration of approximately US$104.60 million (RM418.70 million). The consideration receivable from the sale of the completed inventory will be used to repay a significant portion of medium term notes of the Group.

The Directors expect to "roll-over" the remaining medium term notes which are due to expire in the next 12 months, as the notes are rated AAA (a highly sought after investment in Malaysia) and are backed by two remaining completed inventories of the Group with carrying amount of US$78.24 million as at 31 December 2015. Included in the terms of the medium term notes programme is an option for the Group to refinance the notes as provided on the onset of the programme. The option is available until 2021. The forecasts also incorporate current payables, committed expenditure and other future expected expenditure, along with substantial sales of completed inventories, in addition to the disposal of certain land held for property development and available-for-sale investments. In the event that the Group disposes any of the two remaining completed inventories that guaranteed the medium term notes, the proceeds from the disposal will be used to expire the notes.

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 the 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 5 Non-current Assets Held for Sale and Discontinued Operations	Amendments resulting from September 2014 Annual Improvements to IFRSs	September 2014	Annual periods beginning on or after 1 January 2016
IFRS 7 Financial Instruments: Disclosures	Amendments resulting from September 2014 Annual Improvements to IFRSs	September 2014	Annual periods beginning on or after 1 January 2016
IFRS 9 Financial Instruments	Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	July 2014	Effective for annual periods beginning on or after 1 January 2018
IFRS 10 Consolidated Financial Statements	Amendments regarding applying the consolidation exception	December 2014	Annual periods beginning on or after 1 January 2016
IFRS 10 Consolidated Financial Statements	Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	December 2015	Deferred indefinitely
IFRS 11 Joint Arrangements	Amendments regarding the accounting for acquisitions of an interest in a joint operation	May 2014	Annual periods beginning on or after 1 January 2016
IFRS 12 Disclosure of Interests in Other Entities	Amendments regarding applying the consolidation exception	December 2014	Annual periods beginning on or after 1 January 2016
IFRS 14 Regulatory Deferral Accounts	Original Issue	January 2014	Annual periods beginning on or after 1 January 2016
IFRS 15 Revenue from Contracts with Customers	IASB defers effective date to annual periods beginning on or after 1 January 2018	April 2016	Applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2018
IFRS 16 Leases	Original Issue	January 2016	Annual periods beginning on or after 1 January 2019
IAS 1 Presentation of Financial Statements	Amendments resulting from the disclosure initiative	December 2014	Annual periods beginning on or after 1 January 2016
IAS 7 Statement of Cash Flows	Amendments resulting from the disclosure initiative	January 2016	Annual periods beginning on or after 1 January 2017
IAS 12 Income Taxes	Amendments regarding the recognition of deferred tax assets for unrealised losses	January 2016	Annual periods beginning on or after 1 January 2017
IAS 16 Property, Plant and Equipment	Amendments regarding the clarification of acceptable methods of depreciation and amortisation	May 2014	Annual periods beginning on or after 1 January 2016
IAS 16 Property, Plant and Equipment	Amendments bringing agriculture bearer plants from the scope of IAS 41 into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment	June 2014	Annual periods beginning on or after 1 January 2016
IAS 19 Employee Benefits	Amendments resulting from September 2014 Annual Improvements to IFRSs	September 2014	Annual periods beginning on or after 1 January 2016
IAS 27 Separate Financial Statements (as amended in 2011)	Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	August 2014	Annual periods beginning on or after 1 January 2016
IAS 28 Investments in Associates and Joint Ventures	Amendments regarding the application of the consolidation exception	December 2014	Annual periods beginning on or after 1 January 2016
IAS 28 Investments in Associates and Joint Ventures	Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	December 2015	Deferred indefinitely

2 BASIS OF PREPARATION cont'd

2.1 Statement of compliance and going concern cont'd

New/Revised International Financial Reporting Standards		Issued/ Revised	Effective Date
IAS 38 Intangible Assets	Amendments regarding the clarification of acceptable methods of depreciation and amortisation	May 2014	Annual periods beginning on or after 1 January 2016
IAS 41 Agriculture	Amendments bringing agriculture bearer plants from the scope of IAS 41 into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment	June 2014	Annual periods beginning on or after 1 January 2016

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 except as mentioned below.

a. IFRS 9, Financial instruments

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.

b. IFRS 15, Revenue from contracts with customers

IFRS 15 replaces the guidance in IFRS 11, Construction Contracts, IFRS 18, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfer of Assets from Customers and IC Interpretation 131, Revenue – Barter Transactions Involving Advertising Services. The Directors are currently determining the impact of IFRS 15.

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 realisable value. The assessment requires the use of judgement and estimates in relation to factors such as sales prices, comparable market transactions, occupancy levels, projected growth rates, and discount rates.

b. Impairment of licence contracts and related relationships

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

The Group assesses the recoverable amount of licence contracts and related relationships by reference to the realisability of the properties of which the licence contracts and related relationship is attached (refer Note 2.3(a)). The assessment requires the use of judgement and estimates in relation to factors such as sales prices and comparable market transactions.

The Group deregconises 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)).

d. Classification of assets as inventory

The Group continues to classify its completed developments, namely the hotels, mall and hospital as inventories not investment properties, as the Group's intention is to dispose these assets rather than hold them for rentals or capital appreciation. The Group operates these inventories temporarily to stabilise its operation while seeking for a potential buyer.

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.

3 SIGNIFICANT ACCOUNTING POLICIES cont'd

3.1 Basis of Consolidation cont'd

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 controls an entity when it 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. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has 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.

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 share 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 the Group's 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.

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 and Other Income

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. 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.

d. Revenue from hotel, hospital and mall operations

Revenue from hospital operations which include healthcare support services and medicine and medical services is recognised in the profit or loss net of service tax and discounts as and when services are rendered. Revenue from hospital operations is recognised as other income.

Revenue from the hotel operations, which include provision of rooms, food and beverage, other departments sales and laundry service fees are recognised when services are rendered. Revenue from hotel operations is recognised as other income.

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

3 SIGNIFICANT ACCOUNTING POLICIES cont'd

3.3 Revenue Recognition and Other Income cont'd

d. Revenue from hotel, hospital and mall operations cont'd

Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date the lease commencement to the earliest termination date. Revenue from mall operations is recognised 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 criterias 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:

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

3.7 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.

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, 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.

3 SIGNIFICANT ACCOUNTING POLICIES cont'd

3.7 Financial Instruments cont'd

a. Non-derivative financial assets cont'd

iii. 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 loans and borrowings, bank overdrafts, and trade and other payables.

Accounting for interest income and finance cost is discussed in Note 3.3 (b) and 3.13.

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 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 and are used by the Group and the Company in the management of their short term commitments. Bank overdrafts are included within borrowings in the current liabilities section on the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3.9 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 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).

3.10 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.

3.11 Impairment

a. Non-derivative financial assets

A financial asset not classified as 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.

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, economic 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.

3 SIGNIFICANT ACCOUNTING POLICIES cont'd

3.11 Impairment cont'd

b. Loans and receivables cont'd

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 redeemable only at the Company's options and are classified as equity. Distributions thereon are recognised as distributions within equity.

ii. Management shares

Management shares are classified as equity and are non-redeemable.

iii. Issue expenses

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

iv. 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.

3.12 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.

3.13 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 using the effective interest method.

3.14 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.

3.15 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 SIGNIFICANT ACCOUNTING POLICIES cont'd

3.16 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.

3.17 Commitments and Contingencies

Commitments and contingent liabilities are disclosed in the financial statements and described in Note 41. 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.

3.18 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.

3.19 Fair Value Measurements

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 asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

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 2015, 99.00% (2014: 99.80%) 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 1.00% (2014: 0.20%) with local banks, in the case of Vietnam. Management does 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 2015, 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$17.7 million (2014: US$8.4 million). The Group's exposure to credit risk arising from deposits and balances with banks is set out in Note 26 and totals US$23.0 million (2014: US$26.0 million).

Financial guarantees

The Company provides unsecured financial guarantee to banks in respect of banking facilities granted to certain 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	2015 US$'000	2014 US$'000
Financial institutions for bank facilities granted to its subsidiaries	**161,286**	195,305

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 in the Statement of Financial Position 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 2015, 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.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at a significantly different amount.

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 2015							
Finance lease liabilities	**21**	**2.50% - 3.50%**	**24**	**12**	**11**	**1**	**–**
Interest bearing loans and borrowings	**187,822**	**5.25% - 12.50%**	**206,661**	**130,776**	**24,349**	**51,536**	**–**
Trade and other payables	**37,336**	**–**	**37,336**	**37,336**	**–**	**–**	**–**
Amount due to non-controlling interests	**10,014**	**–**	**10,014**	**10,014**	**–**	**–**	**–**
	235,193	**–**	**254,035**	**178,138**	**24,360**	**51,537**	**–**
At 31 December 2014							
Finance lease liabilities	38	2.50% - 3.50%	45	15	15	15	–
Interest bearing loans and borrowings	217,830	5.25% - 17.70%	241,610	92,649	93,344	33,742	21,875
Trade and other payables	40,510	–	40,510	40,510	–	–	–
Amount due to non-controlling interests	11,342	–	11,662	10,222	–	1,440	–
	269,720	–	293,827	143,396	93,359	35,197	21,875

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 2015							
Financial guarantees	**161,286**	**–**	**161,286**	**161,286**	**–**	**–**	**–**
Trade and other payables	**185**	**–**	**185**	**185**	**–**	**–**	**–**
	161,471	**–**	**161,471**	**161,471**	**–**	**–**	**–**
At 31 December 2014							
Financial guarantees	195,305	–	195,305	195,305	–	–	–
Trade and other payables	146	–	146	146	–	–	–
	195,451	–	195,451	195,451	–	–	–

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 exposure.

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

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

Group	2015 US$'000	2014 US$'000
Ringgit Malaysia	**144**	490
Sterling Pound	**1**	571
Others	**30**	90
	175	1,151

At 31 December 2015, 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 or loss and equity expressed in US$ would have been US$17,500/ (US$17,500) (2014: US$115,100/ (US$115,100)).

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	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Fixed rate instruments:				
Financial assets	**13,835**	13,954	**3,005**	–
Financial liabilities	**119,329**	146,260	**–**	–
Floating rate instruments:				
Financial liabilities	**68,514**	71,608	**–**	–

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 64% (2014: 67%) of the Group's borrowings at 31 December 2015.

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 2015, if the interest rate had been 100 basis point lower/ higher and all other variables were held constant, this would (decrease)/ increase the Group loss for the year by approximately (US$685,000)/US$685,000 (2014: increase/ (decrease) the Group profit for the year by US$716,000/ (US$716,000)).

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 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% (2014: 10%) strengthening of the HOSE at the end of the reporting period would have increased equity by US$992,200 (2014: US$1,282,200) for investment classified as available-for-sale. A 10% (2014:10%) weakening of the HOSE would have had equal but opposite effect on equity.

4 FINANCIAL RISK MANAGEMENT cont'd

4.5 Fair Values

The carrying amount of trade and other receivables, 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:

2015 Group US$'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Total fair value	Carrying amount
Financial assets										
Available-for-sale investments	**9,917**	**–**	**–**	**9,917**	**–**	**–**	**–**	**–**	**9,917**	**9,917**
	9,917	**–**	**–**	**9,917**	**–**	**–**	**–**	**–**	**9,917**	**9,917**
Financial liabilities										
Amount due to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**(10,014)**	**(10,014)**	**(10,014)**	**(10,014)**
Bank loans and borrowings	**–**	**–**	**–**	**–**	**–**	**–**	**(69,302)**	**(69,302)**	**(69,302)**	**(69,302)**
Finance lease liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**(21)**	**(21)**	**(21)**	**(21)**
Medium term notes	**–**	**–**	**–**	**–**	**–**	**–**	**(114,452)**	**(114,452)**	**(114,452)**	**(118,520)**
	–	**–**	**–**	**–**	**–**	**–**	**(193,789)**	**(193,789)**	**(193,789)**	**(197,857)**

2014 Group US$'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Total fair value	Carrying amount
Financial assets										
Held-for-trading financial instrument	–	4,041	–	4,041	–	–	–	–	4,041	4,041
Available-for-sale investments	–	12,822	–	12,822	–	–	–	–	12,822	12,822
	–	16,863	–	16,863	–	–	–	–	16,863	16,863
Financial liabilities										
Amount due to non-controlling interests	–	–	–	–	–	–	(11,342)	(11,342)	(11,342)	(11,342)
Bank loans and borrowings	–	–	–	–	–	–	(72,600)	(72,600)	(72,600)	(72,600)
Finance lease liabilities	–	–	–	–	–	–	(38)	(38)	(38)	(38)
Medium term notes	–	–	–	–	–	–	(139,746)	(139,746)	(139,746)	(145,230)
	–	–	–	–	–	–	(223,726)	(223,726)	(223,726)	(229,210)

Policy on transfer between levels
The fair value on 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 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
During the financial year, the available-for-sale financial assets representing the Group's investment in shares of Nam Long Investment Corporation ("Nam Long") with a carrying amount of US$9,917,000 were transferred from Level 2 to Level 1 because the shares in Nam Long were actively traded in the Ho Chi Minh Stock Exchange ("HOSE") as compared to the previous financial year. In order to determine the fair value of the available-for-sale financial assets, the Group relied on the share price of Nam Long which was actively traded in the HOSE.

There has been no other transfer between Level 1 and 2 fair values during the financial year (2014: no transfer in either direction).

Transfers between Level 2 and Level 3 fair values
There has been no transfer in either direction during the financial year (2014: 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 2015, the interest rate used to discount estimated cash flows of the medium term notes is 7.94% (2014: 7.51%). At 31 December 2014, the interest rate used to discount estimated cash flows of the amount due to non-controlling interests is 6.5%.

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 consisted 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	2015 US$'000	2014 US$'000
Capital structure analysis:		
Held-for-trading financial instrument	**–**	4,041
Cash and cash equivalents	**22,978**	26,011
Loans and borrowings and finance lease liabilities	**(69,323)**	(72,638)
Medium term notes	**(118,520)**	(145,230)
Equity attributable to equity holders of the parent	**(130,165)**	(160,498)
Total capital	**(295,030)**	(348,314)

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 debts.

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 2015 and 31 December 2014 were as follows:

Group	2015 US$'000	2014 US$'000
Total borrowings and finance lease liabilities	**187,843**	217,868
Less: Held-for-trading financial instrument (Note 23)	**–**	(4,041)
Less: Cash and cash equivalents (Note 26)	**(22,978)**	(26,011)
Net debt	**164,865**	187,816
Total equity	**131,598**	170,685
Net debt-to-equity ratio	**1.25**	1.10

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 completed units in Malaysia.

5.1 Revenue recognised during the year as follows:

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Sale of completed units	**22,096**	55,762	**–**	–
Sale of land held for property development	**–**	29,340	**–**	–
	22,096	85,102	**–**	–

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, the Chief Financial Officer, Chief Operating Officer and Chief Investment Officer of IDM. The 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;
iii. ICSD Ventures Sdn. Bhd. – owns and operates Harbour Mall Sandakan and Four Points by Sheraton Sandakan Hotel;
iv. Amatir Resources Sdn. Bhd. – develops SENI Mont' Kiara;
v. Iringan Flora Sdn. Bhd. – owns and operates Aloft Kuala Lumpur Sentral Hotel;
vi. Urban DNA Sdn. Bhd. – develops The RuMa Hotel and Residences; and
vii. Hoa Lam-Shangri-La Healthcare Group – master developer of International Healthcare Park; owns and operates City International Hospital.

Other non-reportable segments comprise the Group's development projects. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2015 and 2014.

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 in Malaysia and Vietnam.

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

Operating Segments – ended 31 December 2015

	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$'000	Urban DNA Sdn. Bhd. US$'000	Hoa Lam-Shangri-La Healthcare Group US$'000	Total US$'000
Segment profit/ (loss) before taxation	**(297)**	**79**	**(9,168)**	**4,156**	**1,621**	**(863)**	**(16,090)**	**(20,562)**
Included in the measure of segment profit/ (loss) are:								
Revenue	–	1,322	–	20,774	–	–	–	22,096
Revenue from hotel operations	–	–	3,701	–	18,314	–	–	22,015
Revenue from mall operations	–	–	1,033	–	–	–	–	1,033
Revenue from hospital operations	–	–	–	–	–	–	4,244	4,244
Cost of acquisition written down #	–	(103)	(3,199)	(3,089)	–	–	–	(6,391)
Impairment of goodwill	–	–	(1,397)	(168)	–	–	–	(1,565)
Marketing expenses	–	–	–	(57)	–	(231)	–	(288)
Expenses from hotel operations	–	–	(4,256)	–	(12,351)	–	–	(16,607)
Expenses from mall operations	–	–	(1,401)	–	–	–	–	(1,401)
Expenses from hospital operations	–	–	–	–	–	–	(11,110)	(11,110)
Depreciation of property, plant and equipment	–	–	(7)	–	(7)	–	(90)	(104)
Finance costs	–	–	(3,635)	–	(4,133)	–	(3,263)	(11,031)
Finance income	19	2	268	19	4	7	34	353
Segment assets	**26,589**	**3,903**	**80,392**	**22,271**	**62,112**	**56,776**	**98,362**	**350,405**
Included in the measure of segment assets are:								
Addition to non-current assets other than financial instruments and deferred tax assets	–	–	–	–	–	–	–	–

Cost of acquisition relates to the fair value adjustment in relation to the inventories upon the acquisition of certain subsidiaries of the Group. The cost of acquisition written down is charged to profit or loss as part of cost of sales upon the sales of these inventories.

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

Profit or loss	US$'000
Total loss for reportable segments	(20,562)
Other non-reportable segments	(91)
Depreciation	(1)
Finance cost	–
Finance income	2
Consolidated loss before taxation	**(20,652)**

5 REVENUE AND SEGMENTAL INFORMATION cont'd

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

Operating Segments – ended 31 December 2014

	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$'000	Urban DNA Sdn. Bhd. US$'000	Hoa Lam-Shangri-La Healthcare Group US$'000	Total US$'000
Segment profit/ (loss) before taxation	3,100	99	(5,436)	16,607	569	(1,474)	1,366	14,831
Included in the measure of segment profit/ (loss) are:								
Revenue	–	4,839	–	50,923	–	–	29,340	85,102
Revenue from hotel operations	–	–	4,323	–	18,171	–	–	22,494
Revenue from mall operations	–	–	1,027	–	–	–	–	1,027
Revenue from hospital operations	–	–	–	–	–	–	2,525	2,525
Cost of acquisition written down #	–	(150)	–	(8,329)	–	–	–	(8,479)
Impairment of goodwill	–	–	–	(451)	–	–	(4,276)	(4,727)
Marketing expenses	–	–	–	(266)	–	(557)	–	(823)
Expenses from hotel operations	–	–	(4,507)	–	(12,499)	–	–	(17,006)
Expenses from mall operations	–	–	(1,789)	–	–	–	–	(1,789)
Expenses from hospital operations	–	–	–	–	–	–	(9,702)	(9,702)
Depreciation of property, plant and equipment	–	–	(10)	–	(9)	–	(99)	(118)
Finance costs	–	–	(4,328)	–	(4,906)	–	(4,526)	(13,760)
Finance income	24	11	312	115	20	14	81	577
Segment assets	19,471	5,150	100,570	45,938	76,447	58,587	101,643	407,806
Included in the measure of segment assets are:								
Addition to non-current assets other than financial instruments and deferred tax assets	–	–	–	–	–	1	19	20

Cost of acquisition relates to the fair value adjustment in relation to the inventories upon the acquisition of certain subsidiaries of the Group. The cost of acquisition written down is charged to profit or loss as part of cost of sales upon the sales of these inventories.

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

Profit or loss	US$'000
Total profit for reportable segments	**14,831**
Other non-reportable segments	**587**
Depreciation	**(4)**
Consolidated profit before taxation	**15,414**

2015 US$'000	Revenue	Depreciation	Finance costs	Finance income	Segment assets	Addition to non-current assets
Total reportable segment	**22,096**	**(104)**	**(11,031)**	**353**	**350,405**	**–**
Other non-reportable segments	**–**	**(1)**	**–**	**2**	**18,568**	**–**
Consolidated total	**22,096**	**(105)**	**(11,031)**	**355**	**368,973**	**–**

2014 US$'000	Revenue	Depreciation	Finance costs	Finance income	Segment assets	Addition to non-current assets
Total reportable segment	85,102	(118)	(13,760)	577	407,806	20
Other non-reportable segments	–	(4)	–	–	37,554	–
Consolidated total	85,102	(122)	(13,760)	577	445,360	20

Geographical Information – ended 31 December 2015

	Malaysia US$'000	Vietnam US$'000	Consolidated US$'000
Revenue	**22,096**	**–**	**22,096**
Non-current assets	**2,172**	**17,176**	**19,348**

In 2015, no single customer exceeded 10% of the Group's total revenue.

5 REVENUE AND SEGMENTAL INFORMATION cont'd

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

Geographical Information – ended 31 December 2014

	Malaysia US$'000	Vietnam US$'000	Consolidated US$'000
Revenue	55,762	29,340	85,102
Non-current assets	4,104	20,217	24,321

For the year ended 31 December 2014, one customer exceeded 10% of the Group's total revenue as follows:

	US$'000	Segments
AEON Vietnam Co. Ltd.	22,991	Hoa Lam-Shangri-La Healthcare Group

6 COST OF SALES

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Direct costs attributable to:				
Completed units	**20,047**	36,856	**–**	–
Land held for property development	**–**	10,238	**–**	–
Impairment of intangible assets (Note 20)	**1,565**	4,727	**–**	–
	21,612	51,821	**–**	–

7 OTHER INCOME

Group	2015 US$'000	2014 US$'000
Dividend income	**293**	409
Fair value gain on amount due to non-controlling interests	**–**	320
Fair value gain on held-for-trading financial instrument	**–**	39
Gain on disposal of available-for-sale investments	**806**	–
Gain on disposal of property, plant and equipment	**–**	3
Gain on disposal of subsidiary (a)	**675**	–
Late payment interest income	**5**	52
Rental income	**115**	196
Revenue from hotel operations (b)	**22,015**	22,494
Revenue from mall operations (c)	**1,033**	1,027
Revenue from hospital operations (d)	**4,244**	2,525
Sundry income	**375**	304
	29,561	27,369

(a) Gain on disposal of a subsidiary

The Group entered into an agreement with Nam Long Investment Corporation and Nam Khang Construction Investment Development One Member Ltd Liability Co on 10 September 2015 to dispose of ASPL PLB Limited's 55% equity interest in ASPL PLB-Nam Long Ltd Liability Co, a subsidiary of the Group for a consideration of US$8,227,000 (VND185,165,679,414). A gain on disposal of US$675,000 was recognised from the disposal of the subsidiary (see Note 39).

(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, which are owned by subsidiaries of the Company, ICSD Ventures Sdn. Bhd. and Iringan Flora Sdn. Bhd. respectively. 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 the 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

The revenue relates to the operation of City International Hospital which is owned by a subsidiary of the Company, City International Hospital Company Limited. The revenue earned from hospital operations is included in other income in line with management's intention to dispose of the hospital.

8 FOREIGN EXCHANGE (LOSS)/ GAIN

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Foreign exchange (loss)/ gain comprises:				
Realised foreign exchange (loss)/ gain	**(371)**	425	**(227)**	(196)
Unrealised foreign exchange (loss)/ gain	**(2,544)**	291	**4,345**	1,175
	(2,915)	716	**4,118**	979

9 MANAGEMENT FEES

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Management fees	**3,115**	3,344	**1,257**	1,180

The management fees payable to the Development Manager are based on 2% per annum of the Group's net asset value calculated on the last business day of June 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 net asset value over a total compounded return hurdle rate of 10% per annum. No performance fee has been paid or accrued during the year (2014: US$ Nil).

10 STAFF COSTS

Group	2015 US$'000	2014 US$'000
Wages, salaries and others	**11,774**	12,090
Employees' provident fund, social security and other pension costs	**626**	548
	12,400	12,638

The Company has no executive directors or employees under its employment. The subsidiaries of the Group have a total of 856 (2014: 941) employees.

11 FINANCE (COSTS)/ INCOME

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Interest income from banks	**355**	577	**17**	21
Agency fees	**(83)**	(104)	**–**	–
Annual trustees monitoring fee	**–**	(5)	**–**	–
Bank guarantee commission	**(49)**	–	**–**	–
Interest on bank loans	**(3,214)**	(4,526)	**–**	–
Interest on financial liabilities at amortised cost	**(2)**	(2)	**–**	–
Interest on medium term notes	**(7,683)**	(9,123)	**–**	–
	(10,676)	(13,183)	**17**	21

12 NET (LOSS)/ PROFIT BEFORE TAXATION

	Group 2015 US$'000	Group 2014 US$'000	Company 2015 US$'000	Company 2014 US$'000
Net (loss)/ profit before taxation is stated after charging/(crediting):				
• Auditor's remuneration				
– current year	**226**	244	**119**	122
• Directors' fees	**317**	317	**317**	317
• Depreciation of property, plant and equipment	**105**	122	**–**	–
• Expenses of hotel operations	**16,607**	17,006	**–**	–
• Expenses of mall operations	**1,401**	1,789	**–**	–
• Expenses of hospital operations	**11,110**	9,702	**–**	–
• Fair value loss/ (gain) on amount due to non-controlling interests	**320**	(320)	**–**	–
• Fair value gain on held-for-trading financial instrument	**–**	(39)	**–**	–
• Impairment of amount due from subsidiary	**–**	–	**8,223**	15,103
• Impairment of investment in subsidiary	**–**	–	**6,284**	124
• Unrealised foreign exchange loss/ (gain)	**2,544**	(291)	**(4,345)**	(1,175)
• Realised foreign exchange loss/ (gain)	**371**	(425)	**227**	196
• Impairment of goodwill	**1,565**	4,727	**–**	–
• Gain disposal of available-for-sale investments	**(806)**	–	**–**	–
• Gain on disposal of property, plant and equipment	**–**	(3)	**–**	–
• Gain on disposal of a subsidiary	**(675)**	–	**–**	–
• Tax services	**15**	25	**–**	–

13 TAXATION

Group			2015 US$'000	2014 US$'000
Current tax expense	– Current year		**1,468**	9,008
	– Prior year		**(227)**	1,579
Deferred tax expense/ (credit)	– Current Year		**678**	654
	– Prior year		**(641)**	(1,854)
Total tax expense for the year			**1,278**	9,387

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

Group	2015 US$'000	2014 US$'000
Net (loss)/ profit before taxation	**(20,652)**	15,414
Income tax at a rate of 25%	**(5,163)**	3,853
Add :		
Tax effect of expenses not deductible in determining taxable profit	**3,689**	2,819
Curent year losses and other tax benefits for which no deferred tax asset was recognised	**2,449**	2,621
Tax effect of different tax rates in subsidiaries	**2,703**	1,784
Less :		
Tax effect of income not taxable in determining taxable profit	**(1,532)**	(1,415)
(Over)/ under provision in respect of prior years	**(868)**	(275)
Total tax expense for the year	**1,278**	9,387

The applicable corporate tax rate in Malaysia is 25%.

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%.

The applicable corporate tax rates in Singapore and Vietnam are 17% and 22% respectively.

A subsidiary of the Group, City International Hospital Co Ltd is granted preferential corporate tax rate of 10% for the results of the hospital operations. The preferential income tax is given by the government of Vietnam due to the subsidiary's involvement in the healthcare industry.

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 Items that are or may be reclassified subsequently to profit or loss, net of tax	2015 US$'000	2014 US$'000
Foreign currency translation differences for foreign operation		
Loss arising during the year	**(15,374)**	(7,388)
Reclassification to profit or loss on disposal of subsidiary	**(546)**	–
	(15,920)	(7,388)
Fair value of available-for-sale investment		
Gain arising during the year	**2,680**	125
Reclassification adjustments for gain on disposal included in profit or loss	**(490)**	–
	2,190	125
	(13,730)	(7,263)

15 (LOSS)/ EARNINGS PER SHARE

Basic and diluted (loss)/ earnings per ordinary share
The calculation of basic and diluted (loss)/ earnings per ordinary share for the year ended 31 December 2015 was based on the (loss)/ profit attributable to equity holders of the parent and a weighted average number of ordinary shares outstanding, calculated as below:

Group	2015 US$'000	2014 US$'000
(Loss)/ profit attributable to equity holders of the parent	**(15,784)**	9,091
Weighted average number of shares	**212,025**	212,025
(Loss)/ earnings per share		
Basic and diluted (US cents)	**(7.44)**	4.29

Company	2015 US$'000	2014 US$'000
Loss for the year	**(13,026)**	(16,439)
Weighted average number of shares	**212,025**	212,025
Loss per share		
Basic and diluted (US cents)	**(6.14)**	(7.75)

16 PROPERTY, PLANT AND EQUIPMENT

Group	Furniture, Fittings & Equipment US$'000	Motor Vehicles US$'000	Leasehold Building US$'000	Total US$'000
Cost				
At 1 January 2015	**366**	**299**	**846**	**1,511**
Exchange adjustments	**(18)**	**(29)**	**(42)**	**(89)**
At 31 December 2015	**348**	**270**	**804**	**1,422**
Accumulated Depreciation				
At 1 January 2015	**187**	**115**	**191**	**493**
Exchange adjustments	**(10)**	**(16)**	**(11)**	**(37)**
Charge for the year	**36**	**32**	**37**	**105**
At 31 December 2015	**213**	**131**	**217**	**561**
Net carrying amount at 31 December 2015	**135**	**139**	**587**	**861**
Cost				
At 1 January 2014	392	326	843	1,561
Exchange adjustments	(5)	(10)	(11)	(26)
Additions	1	5	14	20
Disposal	–	(22)	–	(22)
Written off	(22)	–	–	(22)
At 31 December 2014	366	299	846	1,511
Accumulated Depreciation				
At 1 January 2014	166	94	155	415
Exchange adjustments	(2)	(5)	(2)	(9)
Charge for the year	45	39	38	122
Disposal	–	(13)	–	(13)
Written off	(22)	–	–	(22)
At 31 December 2014	187	115	191	493
Net carrying amount at 31 December 2014	179	184	655	1,018

Motor vehicles of the Group with net carrying amount of US$20,000 (2014: US$40,000) is held under finance lease arrangement at year end.

17 INVESTMENT IN AN ASSOCIATE

Group	2015 US$'000	2014 US$'000
At cost – unquoted shares	–	611
Share of post-acquisition reserve	–	1,306
Disposal of associate	–	(1,917)
At 31 December	–	–

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

In the previous financial year, the Group entered into a Sale and Purchase Agreement on 20 June 2014 to dispose of ASPL M3A Limited's interest in EBSB. The sale consideration was US$5,306,000.

The condition precedent for the completion of the disposal of EBSB was met on 20 August 2014, when the transfer of shares was effected and payment of the sale proceeds were received.

The Group recognised a gain on disposal of US$5,641,000 from the sale of the associate. The details are as follows:

	2014 US$'000
Sales consideration	5,306
Carrying value of associate as at 20 August 2014	(1,917)
Realisation of previously unrealised profit in relation to sale of Aloft Kuala Lumpur Sentral Hotel	2,252
Gain on disposal	5,641

The unrealised profit of US$2,252,000 in relation to the sale of Aloft Kuala Lumpur Sentral Hotel to a subsidiary of the Group was realised as EBSB is no longer an associate of the Group.

18 INVESTMENT IN SUBSIDIARIES

Company	2015 US$'000	2014 US$'000
Unquoted shares, at cost	**66,428**	66,428
Discount on loans to subsidiaries	**14,518**	14,518
Less: Impairment loss	**(12,713)**	(6,429)
	68,233	74,517

A list of the main operating subsidiaries is provided in Note 40.

Non-controlling interests in subsidiaries
The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

2015	Hoa Lam Services Co Ltd US$'000	Shangri-La Healthcare Investment Pte Ltd US$'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%**	**20.24%**	**30%**		
Carrying amount of NCI	**(1,524)**	**4,009**	**(1,026)**	**(26)**	**1,433**
Loss allocated to NCI	**(3,028)**	**(2,851)**	**(259)**	**(8)**	**(6,146)**
Summarised financial information before intra-group elimination					
As at 31 December					
Non-current assets	**36,487**	**82,824**	**1,023**		
Current assets	**31,035**	**74,229**	**55,752**		
Non-current liabilities	**(16,744)**	**(39,069)**	**–**		
Current liabilities	**(25,322)**	**(32,184)**	**(60,196)**		
Net assets/ (liabilities)	**25,456**	**85,800**	**(3,421)**		
Year ended 31 December					
Revenue	**–**	**–**	**–**		
Loss for the year	**(6,180)**	**(14,085)**	**(863)**		
Total comprehensive loss	**(5,741)**	**(13,431)**	**(191)**		
Cash flows used in operating activities	**(4,509)**	**(10,612)**	**(4,221)**		
Cash flows used in investing activities	**(6,743)**	**(16,363)**	**–**		
Cash flows from financing activities	**11,018**	**26,445**	**3,879**		
Net decrease in cash and cash equivalents	**(234)**	**(530)**	**(342)**		

During the financial year, the Group disposed of its entire equity interest in ASPL PLB-Nam Long Ltd Liability Co, a subsidiary of the Group, resulting in the derecognition of non-controlling interests of ASPL PLB – Nam Long Ltd Liability Co.

18 INVESTMENT IN SUBSIDIARIES cont'd

Non-controlling interests in subsidiaries cont'd

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

2014	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%	24.62%	45%	30%		
Carrying amount of NCI	1,391	4,102	6,265	(969)	(602)	10,187
Loss allocated to NCI	(849)	(1,737)	(24)	(442)	(12)	(3,064)
Summarised financial information before intra-group elimination						
As at 31 December						
Non-current assets	28,911	65,380	15,056	833		
Current assets	35,081	82,283	62	57,752		
Non-current liabilities	(13,198)	(30,796)	–	(9,344)		
Current liabilities	(27,106)	(52,377)	(1,195)	(52,472)		
Net assets/ (liabilities)	23,688	64,490	13,923	(3,231)		
Year ended 31 December						
Revenue	8,802	20,538	–	–		
Loss for the year	(1,733)	(7,056)	(53)	(1,474)		
Total comprehensive loss	(1,942)	(7,639)	(193)	(1,259)		
Cash flows used in operating activities	(10,883)	(27,692)	(26,617)	(5,181)		
Cash flows (used in)/from investing activities	(17)	8,226	52	–		
Cash flows from financing activities	10,546	18,628	36,557	4,942		
Net (decrease)/increase in cash and cash equivalents	(354)	(838)	9,992	(239)		

19 AVAILABLE-FOR-SALE INVESTMENTS

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

Group 2015	Quoted Shares US$'000
1 January – fair value	**12,822**
Disposal	**(4,553)**
Exchange adjustments	**(542)**
Recognised in other comprehensive income	**2,190**
At 31 December – fair value	**9,917**

Group 2014	Quoted Shares US$'000
1 January – fair value	12,697
Recognised in other comprehensive income	125
At 31 December – fair value	12,822

During the financial year, the Group disposed of 5,800,000 number of shares in Nam Long for a consideration of US$5,359,000 at a market price of US$0.92 per share. The Group recognised a gain on disposal of US$806,000.

At 31 December 2015, an increase in fair value of US$2.19 million (2014: US$0.125 million) has been recognised in other comprehensive income. The Directors have considered various prevailing factors at year end, including the economic and market conditions of Vietnam 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 2014 / 31 December 2014 / 31 December 2015	**10,695**	**6,479**	**17,174**
Accumulated impairment losses			
At 1 January 2014	–	3,649	3,649
Impairment loss	4,276	451	4,727
At 31 December 2014 / 1 January 2015	**4,276**	**4,100**	**8,376**
Impairment loss	–	1,565	1,565
At 31 December 2015	**4,276**	**5,665**	**9,941**
Carrying amounts			
At 31 December 2014	6,419	2,379	8,798
At 31 December 2015	**6,419**	**814**	**7,233**

The licence contracts and related relationships represents the rights to develop the International Healthcare Park. Other than Phase 1 of City International Hospital, the rest of the projects have not commenced development. In 2014, the Group sold its undeveloped land in International Healthcare Park consisted of Lot D1, PT1, BV5 and BV6 to third party purchasers.

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	2015 US$'000	2014 US$'000
Licence contracts and related relationships		
International Healthcare Park	**6,419**	6,419
Goodwill		
SENI Mont' Kiara	**264**	432
Sandakan Harbour Square	**550**	1,947
	814	2,379

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 amounts.

Impairment losses of US$1,397,000 (2014: US$Nil), US$168,000 (2014: US$451,000) and US$Nil (2014: US$4,276,000) in relation to the Four Points by Sheraton Sandakan Hotel, SENI Mont' Kiara and International Healthcare Park 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 amounts.

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

Impairment losses - Four Points by Sheraton Sandakan Hotel ("FPSS")

The recoverable amount of FPSS was based on the valuation by an external, independent valuer with appropriate recognised professional qualification. The carrying amount of FPSS including the attached goodwill was determined to be higher than its recoverable amount of US$40,949,000 and impairment losses of US$1,397,000 and US$3,200,000 in relation to the goodwill and inventory amounts were recognised. The impairment losses were included in cost of sales.

The valuation of FPSS was determined by discounting the future cash flows expected to be generated from the continuing operations of FPSS and was based on the following key assumptions:

1. Cash flows were projected based on past experience, actual operating results in 2015 and the 10 years budget of FPSS adjusted by the valuer;

2. Cash flows for a further 76 years were based on an optimum occupancy level of 78% in 2026 onwards;

3. Projected gross margin reflects the average historical gross margin, adjusted for projected market and economic conditions and internal resources efficiency; and

4. Pre-tax discount rate of 9% was applied in discounting the cash flows. The discount rate takes into the prevailing trend of the hotel industry in Malaysia.

Sensitivity analysis

The above estimates are particularly sensitive in an increase/(decrease) of the discount rate used. A 1% point increase/(decrease) in the discount rate used would have (decreased)/increased the recoverable amount by approximately (US$5,598,000)/US$5,598,000.

21 DEFERRED TAX ASSETS

Group	2015 US$'000	2014 US$'000
At 1 January	**1,683**	595
Exchange adjustments	**(309)**	(112)
Deferred tax credit relating to origination and reversal of temporary differences during the year	**(37)**	1,200
At 31 December	**1,337**	1,683

The deferred tax assets comprise:

Group	2015 US$'000	2014 US$'000
Taxable temporary differences between accounting profit and taxable profit of property development units sold	**1,337**	1,683
At 31 December	**1,337**	1,683

Deferred tax assets have not been recognised in respect of unused tax losses of US$55,000,000 (2014: US$35,288,000) and other tax benefits which includes temporary differences between net carrying amount and tax written down value of property, plant and equipment, accrual of construction costs and other deductible temporary differences of US$3,100,000 (2014: US$3,462,000) 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	Note	2015 US$'000	2014 US$'000
Land held for property development	(a)	**23,223**	40,560
Work-in-progress	(b)	**53,182**	55,332
Stock of completed units, at cost		**230,436**	285,234
Consumables		**487**	652
At 31 December		**307,328**	381,778

a. Land held for property development

Group	2015 US$'000	2014 US$'000
At 1 January	**40,560**	24,403
Add :		
Exchange adjustments	**(3,466)**	(849)
Additions	**451**	2,710
Transfer from work-in-progress	**–**	24,534
Disposal of subsidiary (Note 39)	**(14,322)**	–
	23,223	50,798
Less:		
Costs recognised as expenses in the statement of comprehensive income during the year	**–**	(10,238)
At 31 December	**23,223**	40,560

b. Work-in-progress

Group	2015 US$'000	2014 US$'000
At 1 January	**55,332**	73,134
Add :		
Exchange adjustments	**(10,273)**	(3,464)
Work-in-progress incurred during the year	**8,123**	10,196
Transfer to land held for property development #	**–**	(24,534)
At 31 December	**53,182**	55,332

The above amounts included borrowing cost capitalised at interest rate ranging from 5.50% to 10.00% per annum (2014: 7.53% to 12.62% per annum) of US$1,670,000 during the financial year (2014: US$1,799,000).

The land was reclassified as land held for property development from work-in-progress in line with the Group's intention to dispose of the land held.

23 HELD-FOR-TRADING FINANCIAL INSTRUMENT

In the previous financial year, the financial asset represents a placement in money market fund ("Fund"), which was held as a trading instrument. The market value and the market price per unit of the Fund at 31 December 2014 were US$4,041,000 and US$0.29 respectively.

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	2015 US$'000	2014 US$'000
Trade receivables	**2,901**	2,977
Other receivables	**14,489**	5,030
Sundry deposits	**351**	352
	17,741	8,359

Company	2015 US$'000	2014 US$'000
Other receivables	**–**	18

Trade receivables represent progress billings receivable from the sale of completed units and land held for property development. Progress billings receivable from the sale of completed units 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 are set out below. These relate to a number of independent customers for whom there is no recent history of default.

Group 2015	Gross US$'000	Individual Impairment US$'000	Net US$'000
Within credit terms	**602**	**–**	**602**
Stakeholder sums	**404**	**–**	**404**
Past due			
0 – 60 days	**1**	**–**	**1**
61 –120 days	**1**	**–**	**1**
More than 120 days	**1,893**	**–**	**1,893**
	2,901	**–**	**2,901**

Group 2014	Gross US$'000	Individual Impairment US$'000	Net US$'000
Within credit terms	715	–	715
Stakeholder sums	2,127	–	2,127
Past due			
0 – 60 days	–	–	–
61 –120 days	1	–	1
More than 120 days	134	–	134
	2,977	–	2,977

Included in trade receivables is an amount of US$1,840,000 (2014: US$Nil) due from a subsidiary of Ireka Corporation Berhad in relation to the acquisition of three units of SENI Mont' Kiara. As at 31 December 2015, these receivables are aged more than 120 days (2014: Nil).

As at 31 December 2015, the stakeholder sums represent an amount receivable from AEON Vietnam Co Ltd of US$0.4 million (2014: US$2.13 million).

As at 31 December 2015, approximate 63% (2014: 71%) of the Group's trade receivables are from a customer with sound financial standing. Other than the abovementioned customer, the Group has a large number of customers whose property purchases are mainly secured by personal bank financing.

Included in other receivables are sums of US$1,997,000 (2014: US$1,430,000) and US$1,415,000 (2014: US$1,162,000), due from a subsidiary of Ireka Corporation Berhad for advance payment to its contractors and due from Ireka Corporation Berhad for rental expenses paid on behalf.

Included in the other receivables at 31 December 2015 is US$6,400,000 representing the balance of consideration receivable for the disposal of the Group's 55% equity interest in ASPL PLB-Nam Long Ltd Liability Co, a subsidiary of the Group. Other receivables also includes an interest free advance of US$1,000,000 which was provided by the Group to ASPL PLB-Nam Long Ltd Liability Co in previous financial years in the form of a shareholder's loan for working capital purposes. The shareholder's loan was undertaken by the buyer as part of the disposal arrangement.

The balance of consideration receivable of US$6,400,000 was subsequently received on 13 January 2016, while US$880,000 out of the US$1,000,000 shareholder's loan was received on 3 March 2016.

The maximum exposure to credit risk is represented by the carrying amount in the statement of financial position. 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 balance outstanding.

25 AMOUNTS DUE FROM/ (TO) SUBSIDIARIES

Company	2015 US$'000	2014 US$'000
Due from subsidiaries (Current portion)	**211,318**	206,784
Less: Impairment loss	**(53,752)**	(45,529)
	157,566	161,255
Due to subsidiaries (Current portion)	**(76,029)**	(70,393)

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

As at the end of the reporting period, inter-company balances that were assessed to be irrecoverable were impaired by US$8,223,000 (2014: US$15,103,000).

26 CASH AND CASH EQUIVALENTS

Group	2015 US$'000	2014 US$'000
Cash and bank balances	**9,143**	12,057
Short term bank deposits	**13,835**	13,954
	22,978	26,011
Less: Deposits pledged	**(9,646)**	(9,800)
	13,332	16,211

Included in short term bank deposits is US$9,646,000 (2014: US$9,800,000) pledged for banking facilities granted to its subsidiaries.

Company	2015 US$'000	2014 US$'000
Cash and bank balances	**6,089**	6,454
Short term bank deposits	**3,005**	–
	9,094	6,454

The interest rate on cash and cash equivalents, excluding deposit pledged with licensed bank of US$9,646,000 (2014: US$9,800,000) pledged for banking facilities granted to subsidiaries, ranges from 0.20% to 2.80% per annum (2014: 2.65% to 2.80% per annum) and the maturity period is on daily basis (2014: 1 day to 7 days).

The interest rate on short term bank deposits pledged for banking facilities granted to subsidiaries ranges from 3.15% to 4.70% per annum (2014: 0.20% to 4.70% per annum) and the maturity period ranges from 1 month to 1 year (2014: 3 months to 1 year).

27 SHARE CAPITAL

Group and Company	Number of shares 2015 '000	Amount 2015 US$'000	Number of shares 2014 '000	Amount 2014 US$'000
Authorised Share Capital				
Ordinary shares of US$0.05 each	**2,000,000**	**100,000**	2,000,000	100,000
Management shares of US$0.05 each	**–***	**–***	–	–
	2,000,000	**100,000**	2,000,000	100,000
Issued Share Capital				
Ordinary shares of US$0.05 each	**212,025**	**10,601**	212,025	10,601
Management shares of US$0.05 each	**–#**	**–#**	–	–
	212,025	**10,601**	212,025	10,601

* represents 10 management shares at US$0.05 each

represents 2 management shares at US$0.05 each

On 27 August 2015, the shareholders of the Company approved the creation and issuance of management shares by the Company as well as a compulsory redemption mechanism that was proposed by the Board.

The Company increased its authorised share capital from US$100,000,000 to US$100,000,000.50 by the creation of 10 management shares of US$0.05 each for cash.

The Company also increased its issued and paid-up share capital from US$10,601,250 to US$10,601,250.10 by way of an allotment of 2 new management shares of US$0.05 each at par via cash consideration.

In accordance with the compulsory redemption scheme, the Company's ordinary shares were converted into redeemable ordinary shares.

27 SHARE CAPITAL cont'd

The ordinary shares and the management shares shall have attached thereto the rights and privileges, and shall be subjected to the limitations and restrictions, as are set out below:

a. Distribution of dividend:

   i. The ordinary shares carry the right to receive all the profits of the Company available for distribution by way of interim or final dividend at such times as the directors may determine from time to time; and

   ii. The management shares carry no right to receive dividends out of any profits of the Company.

b. Winding-up or return of capital:

   i. The holders of the management shares shall be paid an amount equal to the paid-up capital on such management shares; and

   ii. Subsequent to the payment to holders of the management shares, the holders of the ordinary shares shall be repaid the surplus assets of the Company available for distribution.

c Voting rights:

   i The holders of the ordinary shares and management shares shall have the right to receive notice of and to attend and vote at general meetings of the Company; and

   ii Each holder of ordinary shares and management shares being present in person or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall have one vote in respect of every full paid share held by him.

28 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	2015 US$'000	2014 US$'000
At 1 January/31 December	**218,926**	218,926

29 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.

30 TRANSLATION RESERVE

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

31 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.

32 ACCUMULATED LOSSES

Group	2015 US$'000	2014 US$'000
At 1 January	**(60,932)**	(69,876)
(Loss)/ profit attributable to equity holders of the parent	**(15,784)**	9,091
Changes in ownership interests in subsidiaries	**(585)**	(147)
At 31 December	**(77,301)**	(60,932)

Company	2015 US$'000	2014 US$'000
At 1 January	**(59,721)**	(43,282)
Loss for the year	**(13,026)**	(16,439)
At 31 December	**(72,747)**	(59,721)

33 TRADE AND OTHER PAYABLES

Group	2015 US$'000	2014 US$'000
Trade payables	**2,094**	3,083
Other payables	**6,526**	8,278
Progress billings	**23,199**	22,514
Deposits refundable	**1,337**	1,193
Accruals	**4,180**	5,442
	37,336	40,510

Company	2015 US$'000	2014 US$'000
Other payables	**62**	4
Accruals	**123**	142
	185	146

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 development properties i.e. SENI Mont' Kiara 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.

34 AMOUNT DUE TO NON-CONTROLLING INTERESTS

Group	2015 US$'000	2014 US$'000
Non-current		
Minority Shareholders of Shangri-La Healthcare Investment Pte Ltd:		
- Tran Thi Lam	**–**	415
- Econ Medicare Centre Holdings Pte Ltd	**–**	491
- Value Energy Sdn. Bhd.	**–**	147
- Thang Shieu Han	**–**	56
- Nguyen Quang Duc	**–**	11
	–	1,120
Current		
Minority Shareholder of Bumiraya Impian Sdn. Bhd.:		
- Global Evergroup Sdn. Bhd.	**1,155**	1,418
Minority Shareholders of Hoa Lam Services Co Ltd:		
- Tran Thi Lam	**1,727**	1,725
- Tri Hanh Consultancy Co Ltd	**3,257**	2,510
- Hoa Lam Development Investment Joint Stock Company	**244**	188
- Duong Ngoc Hoa	**163**	126
Minority Shareholder of The RuMa Hotel KL Sdn. Bhd.:		
- Ireka Corporation Berhad	**1**	–
Minority Shareholder of Urban DNA Sdn. Bhd.:		
- Ireka Corporation Berhad	**3,467**	4,255
	10,014	10,222
	10,014	11,342

The current amount due to non-controlling interests amounting to US$10,014,000 (2014: US$10,222,000) is unsecured, interest free and repayable on demand.

During the financial year, amount due to non-controlling interests amounting to US$1,440,000 was capitalised as share capital of Shangri-La Healthcare Investment Pte Ltd.

In 2014, the non-current amount due to non-controlling interests amounting to US$1,120,000 was 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.

35 LOANS AND BORROWINGS

Group	2015 US$'000	2014 US$'000
Non-current		
Bank loans	**55,813**	53,338
Finance lease liabilities	**10**	26
	55,823	53,364
Current		
Bank loans	**13,489**	19,262
Finance lease liabilities	**11**	12
	13,500	19,274
	69,323	72,638

35 LOANS AND BORROWINGS cont'd

The effective interest rates on the bank loans and finance lease arrangement for the year ranged from 5.25% to 12.50% (2014: 5.25% to 17.70%) per annum and 2.50% to 3.50% (2014: 2.50% to 3.50%) per annum respectively.

Borrowings are denominated in Ringgit Malaysia, United State 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.

Finance lease liabilities are payable as follows:

Group	Future minimum lease payment 2015 US$'000	Interest 2015 US$'000	Present value of minimum lease payment 2015 US$'000	Future minimum lease payment 2014 US$'000	Interest 2014 US$'000	Present value of minimum lease payment 2014 US$'000
Within one year	**12**	**1**	**11**	15	3	12
Between one and five years	**12**	**2**	**10**	30	4	26
	24	**3**	**21**	45	7	38

36 MEDIUM TERM NOTES

Group	2015 US$'000	2014 US$'000
Outstanding medium term notes	**119,711**	147,004
Net transaction costs	**(1,191)**	(1,774)
Less:		
Repayment due within twelve months *	**(108,190)**	(60,237)
Repayment due after twelve months	**10,330**	84,993

* Includes net transaction costs in relation to medium term notes due within twelve months of US$1.04 million (2014: US$1.25 million).

The medium term notes ("MTN") were issued pursuant to a programme with a tenure of ten (10) years from the first issue date of the notes. The MTN were issued by a subsidiary, to fund two development projects known as Sandakan Harbour Square and Aloft Kuala Lumpur Sentral Hotel in Malaysia. US$57.06 million (RM245.00 million) was drawn down in 2011 for Sandakan Harbour Square. US$3.49 million (RM15.00 million) was drawn down in 2012 for Aloft Kuala Lumpur Sentral Hotel and the remaining US$59.16 million (RM254 million) in 2013. The Group secured a rollover of MTN amounting US$3.49 million (RM15 million) and US$46.58 million (RM200 million) which were due for repayment on 1 October 2015 and 8 December 2015 to be repaid on 30 September 2016 and 7 December 2016 respectively. Subsequent to year end, the Group secured a rollover of MTN amounting to US$5.82 million (RM25 million) and US$53.33 million (RM229 million) which were due for repayment on 29 January 2016 and 8 April 2016 to be repaid on 31 January 2017 and 10 April 2017 respectively.

No repayments were made in the current financial year.

The weighted average interest rate of the MTN was 5.88% per annum at the statement of financial position date. The effective interest rates of the MTN and their outstanding amounts are as follows:

	Maturity Dates	Interest rate % per annum	US$'000
Series 1 Tranche FG 003	8 December 2017	5.90	5,823
Series 1 Tranche BG 003	8 December 2017	5.85	4,658
Series 1 Tranche FG 004	7 December 2016	6.25	10,480
Series 1 Tranche BG 004	7 December 2016	6.15	6,987
Series 2 Tranche FG 002	7 December 2016	6.25	16,303
Series 2 Tranche BG 002	7 December 2016	6.15	12,809
Series 3 Tranche FG 004	30 September 2016	6.03	2,329
Series 3 Tranche BG 004	30 September 2016	6.00	1,165
Series 3 Tranche FG 002	29 January 2016	5.50	3,494
Series 3 Tranche BG 002	29 January 2016	5.45	2,329
Series 3 Tranche FG 003	8 April 2016	5.65	30,044
Series 3 Tranche BG 003	8 April 2016	5.58	23,290
			119,711

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 Sale 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;

36 MEDIUM TERM NOTES cont'd

The medium term notes are secured by way of: (cont'd)

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, sale proceed account, debt service reserve account and sinking fund account of Silver Sparrow Berhad; revenue account of ICSD Venture 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.

37 PURCHASE OF OWN SHARES AND CANCELLATION OF SHARES

There was no repurchase of issued share capital in the current financial year.

Cancellation of treasury shares

The shares repurchased in the prior years were cancelled 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 and the premium paid on the shares repurchased were made out of the share premium.

38 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 headings of 'Management'.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

Group	2015 US$'000	2014 US$'000
ICB Group of Companies		
Accounting and financial reporting services fee charged by an ICB subsidiary	**50**	53
Advance payment to the contractors of an ICB subsidiariy	**833**	1,430
Construction progress claims charged by an ICB subsidiary	**6,423**	13,912
Acquisition of SENI Mont' Kiara units by an ICB subsidiary	**2,008**	–
Management fees charged by an ICB subsidiary	**3,115**	3,344
Marketing commission charged by an ICB subsidiary	**281**	1,226
Project staff costs reimbursed to an ICB subsidiary	**289**	544
Rental expenses charged by an ICB subsidiary	**4**	31
Rental expenses paid on behalf of ICB	**512**	588
Secretarial and administrative services fee charged by an ICB subsidiary	**50**	53
Key management personnel		
Remuneration of key management personnel - Directors' fees	**317**	317
Remuneration of key management personnel - Salaries	**49**	49

Company	2015 US$'000	2014 US$'000
ICB Group of Companies		
Accounting and financial reporting services fee charged by an ICB subsidiary	**50**	53
Management fees charged by an ICB subsidiary	**1,257**	1,180
Secretarial and administrative services fee charged by an ICB subsidiary	**50**	53
Key management personnel		
Remuneration of key management personnel - Directors' fees	**317**	317

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

Group	2015 US$'000	2014 US$'000
Non-controlling interests		
Advances – non-interest bearing (Note 34)	**1,067**	1,635
Capitalisation of amount due to non-controlling interests as share capital	**1,440**	–

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

38 RELATED PARTY TRANSACTIONS cont'd

The outstanding amounts due from/ (to) ICB and its group of companies as at 31 December 2015 and 31 December 2014 are as follows:

Group	Note	2015 US$'000	2014 US$'000
Amount due from an ICB subsidiary for advance payment to its contractors	(ii)	**1,997**	1,430
Amount due to an ICB subsidiary for construction progress claims charged	(i)	**(38)**	(891)
Amount due from an ICB subsidiary for acquisition of SENI Mont' Kiara units	(i)	**1,840**	–
Amount due from an ICB subsidiary for management fees	(ii)	**25**	–
Amount due to an ICB subsidiary for marketing commissions	(ii)	**(43)**	(34)
Amount due to an ICB subsidiary for reimbursement of project staff costs	(ii)	**(24)**	(60)
Amount due to an ICB subsidiary for rental expenses	(ii)	**(3)**	(2)
Amount due from ICB for rental expenses paid on behalf	(ii)	**1,415**	1,162

Company	Note	2015 US$'000	2014 US$'000
Amount due to an ICB subsidiary for management fees	(ii)	**(52)**	(10)

(i) These amounts are trade in nature and subject to normal trade terms.

(ii) These amounts are non-trade in nature and are unsecured, interest-free and repayable on demand.

The outstanding amounts due from/ (to) the other significant related parties as at 31 December 2015 and 31 December 2014 are as follows:

Group	2015 US$'000	2014 US$'000
Non-controlling interests		
Advances – non-interest bearing (Note 34)	**(10,014)**	(11,342)

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 40.

39 BUSINESS COMBINATION

Change in equity interest in subsidiaries

During the financial year, the Group increased its equity interest in Shangri-La Healthcare Investment Pte Ltd ("SHIPL") from 75.38% to 79.76% (2014: 74.11% to 75.38%) arising from an issue of new shares in the subsidiary for cash consideration of US$5.3 million and capitalisation of loan from ASPL V7 Limited amounting to US$9.6 million. Consequently, the Group's effective equity interest in Hoa Lam – Shangri-La Healthcare Ltd Liability Co, City International Hospital Co Ltd, Hoa Lam – Shangri-La 3 Ltd Liability Co and Morningstar International Preschool Ltd Liability Co (Formerly known as Hoa Lam – Shangri-La 4 Ltd Liability Co), subsidiaries of SHIPL, increased to 71.13% (2014: 68.07%).

The Group recognised an increase in non-controlling interests of US$585,000 (2014: US$147,000) and an increase in accumulated losses of US$585,000 (2014: US$147,000) resulting from the increase in equity interest in the above subsidiaries. The transaction was accounted for using the purchase method of accounting.

Disposal of a subsidiary

The Group entered into an agreement with Nam Long Investment Corporation and Nam Khang Construction Investment Development One Member Ltd Liability Co on 10 September 2015 to dispose of ASPL PLB Limited's 55% equity interest in ASPL PLB-Nam Long Ltd Liability Co, a subsidiary of the Group for a consideration of US$8,227,000 (VND185,165,679,414) and repayment of the shareholder's loan of US$1,000,000 (VND20,732,443,120). The shareholder's loan was an interest free advance provided by the Group to ASPL PLB-Nam Long Ltd Liability Co in previous financial years for working capital purposes. The shareholder's loan was undertaken by the buyer as part of the disposal arrangement.

The condition precedent for the completion of the disposal of ASPL PLB-Nam Long Ltd Liability Co was met on 10 December 2015 when the transfer of shares was effected.

The disposal of ASPL PLB-Nam Long Ltd Liability Co has no significant impact on the results of the Group other than the gain on disposal of US$675,000 recognised during the year.

The details of the gain/ (loss) are as follows:

Analysis of assets and liabilities over which control was lost:

	Notes	2015 US$'000
Current assets		
Inventories - Land held for property development	22	**14,322**
Trade and other receivables		**38**
Cash and cash equivalents		**1,663**
Current liabilities		
Trade and other payables		**(2,856)**
Net assets disposed of		**13,167**
Gain on disposal of a subsidiary		
Consideration receivable		**8,227**
Incidental expenses		**(310)**
Net consideration receivable		**7,917**
Net assets disposed of		**(13,167)**
Non-controlling interests		**5,925**
Gain on disposal		**675**
Net cash outflow on disposal of a subsidiary		
Consideration received*		**1,517**
Cash and cash equivalent disposed of		**(1,663)**
		(146)

39 BUSINESS COMBINATION cont'd

Analysis of assets and liabilities over which control was lost: (cont'd)

* Out of the total consideration receivable of US$7,917,000, US$1,517,000 has been received as at the financial year end. The remaining outstanding consideration receivable of US$6,400,000 was received on 13 January 2016.

In the previous financial year, the Group disposed of its entire interests in Hoa Lam-Shangri-La 2 Ltd Liability Co, a subsidiary of the Group for a consideration of US$500,000 (VND10.50 billion). The disposal of Hoa Lam-Shangri-La 2 Ltd Liability Co had no significant impact on the results of the Group.

40 INVESTMENT IN PRINCIPAL SUBSIDIARIES

Name	Country of incorporation	Principal activities	Effective ownership interest 2015	2014
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%
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%
Hoa Lam Services Co Ltd	Vietnam	Investment holding	**51%**	51%
Shangri-La Healthcare Investment Pte Ltd and its subsidiaries	Singapore	Investment holding	**80%**	75%
Hoa Lam-Shangri-La Healthcare Ltd Liability Co	Vietnam	Property development	**71%**	68%
City International Hospital Co Ltd	Vietnam	Hospital ownership and operation	**71%**	68%
Hoa Lam-Shangri-La 3 Ltd Liability Co	Vietnam	Property development	**71%**	68%
Morningstar International Preschool Ltd Liability Co (Formerly known as Hoa Lam-Shangri-La 4 Ltd Liability Co)	Vietnam	Property development	**71%**	68%

** The entire shareholding was disposed of in 2015*

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

The shareholdings of the principal subsidiaries are held through subsidiaries.

41 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$119.71 million, Silver Sparrow Berhad ("SSB") had opened a Ringgit Malaysia debt service reserve account ("DSRA") and shall ensure that an amount equivalent to RM30.0 million (US$6.99 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.

42 EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

Subsequent to year end, the Group entered into a sale and purchase agreement to dispose of the Aloft Kuala Lumpur Sentral Hotel ("Aloft") to Prosper Group Holdings Limited ("Prosper Group"). The gross transaction value for the purchase of the entire issued share capital of ASPL M3B Limited and Iringan Flora Sdn. Bhd. (the "Aloft Companies") is approximately US$104.60 million (RM418.70 million).

The transaction, which is expected to be completed in Quarter 3, 2016, is conditional upon satisfactory completion of a due diligence review by Prosper Group, and certain consents being obtained from Starwood Asia Pacific Hotels & Resorts Pte Ltd, the operator of the Aloft hotel, and consents from the Company's financiers for the Aloft hotel.

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

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Kuala Lumpur

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NON-EXECUTIVE DIRECTORS
Christopher Henry Lovell
David Harris
Ismail Shahudin
John Lynton Jones
Gerald Ong Chong Keng
Nicholas John Paris (appointed on 22 June 2015)
Ferheen Mahomed (appointed on 22 June 2015)

COMPANY SECRETARY AND REGISTERED OFFICE
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