

21 July 2010

**Aseana Properties Limited**  
**(“Aseana”)**

**Aseana sells office tower and retail mall at 1 Mont’ Kiara**

Aseana Properties Limited (LSE: ASPL), a leading property developer investing in Malaysia and Vietnam, listed on the Official List of the London Stock Exchange, announces that it has entered into conditional Sale and Purchase Agreements (“SPAs”) with wholly owned subsidiaries of ARA Asia Dragon Fund, to realise its investments in a 20-storey office tower block and a five-storey retail mall, inclusive of car parks (hereafter referred to as, “the Properties”), at a total consideration of RM333 million (approx. US\$104 million).

The Properties are two of three components in 1 Mont’ Kiara, an integrated mixed development located in the heart of Mont’ Kiara, a sought-after residential and commercial address in Kuala Lumpur. 1 Mont’ Kiara is being jointly developed by Aseana Properties and MCDF Investment Pte Ltd. MCDF is a private equity fund managed by CapitaLand Financial Limited. The completion of the SPAs is expected towards the end of 2010 and is conditional upon approval from the relevant authorities and the issuance of a Certificate of Occupation for the development.

The third component of 1 Mont’ Kiara is a 34-storey building consisting of 186 office suites, 185 of which have already been sold to individual buyers. The total gross development value of this component is estimated to be RM196 million (approx. US\$61 million).

Following the sale of the Properties, the overall gross development value of the 1 Mont’ Kiara development (inclusive of office suites) is estimated to be RM529 million (approx. US\$165 million). This transaction is expected to result in net losses of approximately US\$4 million for Aseana, with the 25 percent income tax charge for early disposal accounting for the majority of it. Aseana believes that the soft market for new office space in Kuala Lumpur also contributed to the lower selling price.

Commenting on the sale, Dato’ Mohammed Azlan bin Hashim, Chairman of Aseana Properties, said:

“The Board believes that, given the generally depressed office market in Kuala Lumpur, RM333 million is a respectable price. It decided that to sell the two properties at this stage and return capital to the company, rather than retaining them as investment assets, was in the best interests of Aseana’s shareholders. This strategy also has the additional advantage of avoiding the requirement to refinance loans due for renewal in early 2011.”

Dato’ Mohammed Azlan added: “The Board will consider the various combinations of returning excess cash to shareholders, after taking into consideration both current and ongoing cash requirements, either via dividends or share buyback, or investing in new and current development opportunities that offer higher returns.”

**For further information:**

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| <b>Aseana Properties Limited</b> | Tel: +603 6203 6688   |
| Tan May Lee                      | Email: <a href="mailto:maylee.tan@ireka.com.my">maylee.tan@ireka.com.my</a> |
| <b>Tavistock Communications</b>  | Tel: 020 7920 3150  |
| Jeremy Carey / Simon Hudson      | Email: <a href="mailto:jcarey@tavistock.co.uk">jcarey@tavistock.co.uk</a>   |

**Notes to Editors:**

London-listed Aseana Properties Limited (LSE: ASPL) ("Aseana" or "the Company"), is a property developer in Malaysia and Vietnam.

Aseana typically invests in development projects at pre-construction stage. Investment is made in projects where it is believed there will be a minimum 30% annualised return on equity ("ROE") on investments in Vietnam and a minimum 20% ROE on investments in Malaysia.

Ireka Development Management Sdn Bhd ("IDM") is the exclusive Development Manager for Aseana. It is a wholly-owned subsidiary of Ireka Corporation Berhad, a company listed on the Bursa Malaysia since 1993, which has over 40 years experience in construction and property development. IDM is responsible for the day-to-day management of Aseana's property portfolio and the introduction and facilitation of new investment opportunities.

Fundamentals of Malaysia and Vietnam remain strong for future growth, especially with indications pointing to strong growth in emerging markets this year. In particular, the real estate sectors are likely to flourish due to:

- An increasing standard of living and urbanisation driven by a burgeoning young and middle-class population
- Clear government role in encouraging participation of private sectors in real estate development, as well as encouraging and promoting land and property ownership
- Improving availability of mortgages to encourage property ownership
- Favoured Foreign Direct Investment ("FDI") destinations driving demand for commercial and industrial properties