

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000, who specialises in advising on the acquisition of shares and other securities.

A copy of this document, which comprises a prospectus relating to the Company, prepared in accordance with the Listing Rules and the Prospectus Rules, has been filed with the FSA in accordance with Rule 3.2 of the Prospectus Rules. This document is a prospectus for the purposes of the Companies (Jersey) Law 1991 (as amended) and the Companies (General Provisions) (Jersey) Order 2002 (“GPO”).

The Directors of the Company, whose names appear on page 12 of this document, and the Company accept responsibility for all the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made to the UK Listing Authority for the Shares, issued and to be issued pursuant to the Placing, to be admitted to a secondary listing on to the Official List and to the London Stock Exchange for the same to be admitted to trading on the London Stock Exchange’s market for listed securities. It is expected that Admission will take place, and dealings in the Ordinary Shares will commence on 5 April 2007.

The Company will be listed under Chapter 14 of the Listing Rules on the basis of European Directive requirements and as a consequence the additional standards under Chapter 15 of the Listing Rules will not apply to the Company. See the section headed “Consequences of a secondary listing” in Part 1 for further information.

The whole text of this document should be read and in particular, your attention is drawn in particular to the section entitled “Risk Factors” in Part 1 of this document.



ASEANA PROPERTIES LIMITED

(Incorporated and registered in Jersey with registered number 94592)

**Placing of 162,000,000 Ordinary Shares of US\$0.05 each at US\$1.00 per Share
and the Issue of up to 88,000,000 Ordinary Shares of US\$0.05 each at
US\$1.00 per Share pursuant to completion of the acquisition of the Initial Portfolio**

Financial Adviser and Placing Agent
Fairfax I.S. PLC

Fairfax I.S. PLC, which is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange, is acting exclusively for the Company and no-one else in connection with the Placing and the proposed Admission. Fairfax I.S. PLC will not regard any other person as its customer or be responsible to any other person for providing the protections afforded to customers of Fairfax I.S. PLC nor for providing advice in relation to the transactions or arrangements detailed in this document. Fairfax I.S. PLC is not making any representation or warranty, express or implied, as to the contents of this document and accordingly without limiting the statutory rights of any recipient of this document, no liability is accepted by Fairfax I.S. PLC for the accuracy of any information or opinions contained in this document or for any omission of any material information for which it is not responsible.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular the Shares offered by this document have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “Securities Act”) or registered or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, Malaysia, the Republic of the South Africa or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia or Japan. Neither this document nor any copy of it may be distributed directly or indirectly to any persons with addresses in Canada, Australia, Malaysia, the Republic of South Africa or Japan, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement. The Company will not be registered as an investment company under the US Investment Company Act of 1940, as amended. This document and the Shares have not been recommended, approved or disapproved by any US federal or state securities commission or regulatory authority. Furthermore, none of such authorities has passed on the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence.

A copy of this document has been delivered to the Registrar of Companies in Jersey in accordance with Article 5 of the GPO, and he has given, and has not withdrawn, his consent to its circulation. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of securities in the Company. It must be distinctly understood that, in giving these consents, neither the Registrar of Companies in Jersey nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Company or the correctness of any statements made, or opinions expressed, with regard to it. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, lawyer, accountant or other financial adviser. The Directors of the Company have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the directors accept responsibility accordingly. It should be remembered that the price of securities and the income from them can go down as well as up.

Important Notice

The Placing Shares described herein may not, directly or indirectly, be offered or acquired in the Netherlands and this document may not be circulated in the Netherlands as part of initial distribution or any time thereafter, except to or by individuals or entities whose ordinary business or profession:

- (a) is to trade or invest in securities; or
- (b) involves the acquisition and disposal of real estate;

in either case within the meaning of Article 1(1) of the Exemption Regulation pursuant to the Act on the supervision of collective investment schemes (Vrijstellingsregeling Wet Toezicht Beleggingsinstellingen).

The Placing Shares have not been and will not be offered or sold to the public in France (“appel public à l’épargne”), and no offering or marketing materials relating to the Placing Shares may be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in the Republic of France.

The Placing Shares may only be offered or sold in France to qualified investors (“investisseurs qualifiés”), to a limited group of investors (“cercle restreint d’investisseurs”), and/or to providers of investment services relating to portfolio management for the account of third parties, as defined in and in accordance with articles L.411-1, L.411-2, D.411-1 and D.411-2 of the French Code monétaire et financier.

Prospective investors are informed that:

- (a) this document has not been submitted for clearance to the French financial market authority (Autorité des Marchés Financiers);
- (b) in compliance with articles L.411-1; L.411-2, D.411-1 through D.411-4 of the French Code monétaire et financier, any investors subscribing for the Placing Shares should be acting for their own account; and
- (c) the direct and indirect distribution or sale to the public of the Placing Shares acquired by them may only be made in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 of the French Code monétaire et financier.

CONTENTS

	<i>Page</i>
Summary	4
Placing Statistics	8
Expected Timetable	8
Definitions	9
Directors and Advisers	12
Part 1 Risk Factors	13
Part 2 The Company	25
Introduction	25
Investment Strategy	25
Initial Portfolio	26
Our Partners	28
Future Prospects in Vietnam	28
Competitive Strengths	29
Investment Process	29
Dividend Policy	29
Financial Consequences of the Placing and Acquisition	30
Use of Proceeds	30
Life of the Company	30
Borrowings	30
Currency Issues	30
Purchase of Ordinary Shares by the Company	31
Further Issues of Ordinary Shares	31
Lock-in Arrangements	31
Part 3 Management, Advice and Administration	32
Board of Directors	32
Manager	33
Investment Committee	37
Corporate Governance	37
Relationship with Ireka Corporation Berhad	37
Conflicts Management	38
Valuations	38
Financial information and reports	38
Administration and Secretarial	38
Registrar	39
Part 4 Placing, Admission and related matters	40
The Placing and use of Proceeds	40
CREST	40
Part 5 Background to Malaysian and Vietnamese Real Estate Markets	41
Part 6 Valuation Report	47
Part 7 Financial Information	52
Part 8 Taxation	89
UK Taxation	89
Jersey Taxation	90
Malaysia Taxation	90
Vietnam Taxation	91

Part 9	Additional Information	93
	Directors' Responsibility	93
	The Company and its Share Capital	93
	Directors' and Other Interests	94
	Articles of Association	102
	Overseas Investors	114
	Material Contracts	114
	Working Capital	120
	Miscellaneous	120
	Availability of this Document	122

SUMMARY

The following information should be read as an introduction to this document. Any investment decision relating to the Placing should be based on the consideration of this prospectus as a whole. Where a claim relating to information contained in this document is brought before a Court, a claimant investor might, under the national legislation of the EEA states, have to bear the costs of translating this document before legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translations of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with other parts of this document.

Introduction

Aseana Properties Limited is a newly incorporated Jersey registered company established to take advantage of potential property development opportunities in Malaysia and Vietnam.

The Company has appointed Ireka Development Management as manager to be responsible for the day-to-day management of its Property Portfolio and the introduction and facilitation of new investment opportunities.

The Company is seeking to raise US\$162 million (before expenses) pursuant to the Placing. The Company will issue one class of USD denominated Ordinary Shares for which application has been made for admission to the Official List and admission to trading on the London Stock Exchange.

Investment Strategy

The Company's investment objective is to provide Shareholders with an attractive overall total return achieved primarily through capital appreciation by investing in property in Vietnam and Malaysia. The Company intends to achieve its investment objective through the acquisition, development and redevelopment of upscale residential, commercial and hospitality projects leveraging on the 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-in-construction and newly completed projects with the potential for high capital appreciation.

The Company anticipates making investments both as sole principal and, where appropriate, in joint arrangements with third parties, where management control resides with the Company. It is the intention that such joint arrangements will only be undertaken with other parties having, in the Manager's opinion, demonstrable relevant experience or local knowledge.

It is the current intention of the Directors, subject to market conditions, for the Net Proceeds of the Placing to be fully invested in accordance with the Company's investment policy within 12 months of Admission. Pending investment, the Net Proceeds of the Placing will be held in cash and/or money market instruments to be managed by an internationally recognised bank.

The Company anticipates that initially between 30 per cent. to 40 per cent. of funds raised pursuant to the Placing will be allocated to prospective projects in Malaysia and between 60 per cent. to 70 per cent. will be allocated to prospective projects in Vietnam. Thereafter the Board will invest in both Vietnam and Malaysia where it believes the best returns can be achieved at that time.

The Company will only invest in projects where at the time the investment is made both the Company and the Manager reasonably believe that there will be a minimum 30 per cent. annualised ROE where the Company makes investments in Vietnam and a minimum 20 per cent. ROE where the Company makes investments in Malaysia.

The Company will adhere to the following investment policies and restrictions:

- (a) **Sector-** residential, commercial and hospitality.
- (b) **Geographical Location-** primary focus on locations within the major cities of Malaysia and Vietnam such as Kuala Lumpur, Ho Chi Minh City and Hanoi.

- (c) **Types of Investments-** typically projects at the pre-construction stage where the Company can add value through the Manager's experience in designing and conceptualising development projects. May also consider investing in projects in construction and newly completed projects where the Manager can nurture the capital appreciation potential through the sound operation and management of the projects.
- (d) **Realisation of Investments-** primarily through the sale of the development units to end buyers. Where the development properties are income generating in nature, the Company may use its discretion to hold the developments upon completion in order to achieve optimum capital appreciation for these properties.
- (e) **Investment Restrictions-** it is anticipated that, once fully invested, no one underlying single asset will account for more than 20 per cent. of the gross assets of the Company at the time of investment.

Investment Rationale

The Directors believe that the following common characteristics should provide sustainable growth in the real estate sectors of both Malaysia and Vietnam:

- 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") destination driving demand for commercial and industrial properties.

Malaysia and Vietnam are generally at different maturity stages of economic growth but there is significant demand for real estate that meets the lifestyle needs and living standards of consumers in both countries. The Directors believe that the maturity of Malaysia's property market will provide relatively stable returns on investments providing a natural balance for what the Directors believe to be a more dynamic and potentially higher yielding Vietnamese real estate market.

Initial Portfolio

The Company's Initial Portfolio, four properties of which will be acquired pursuant to the Acquisition Agreement with a fifth property being the subject of the Exclusivity Agreement, consists of properties located in Malaysia offering a mix of residential and commercial projects in various stages of development. It is estimated that the total cost of acquiring the Initial Portfolio will be RM444.7 million (U.S.\$128.9 million). In keeping with the Company's investment policy, it is envisaged that each of the properties within the Initial Portfolio will generate an annualised ROE in excess of 20 per cent.

Future Prospects in Vietnam

A memorandum of agreement has been entered with a Vietnamese developer for exclusive rights in developing a mixed commercial development comprising office suites and a retail podium to cater for the high population concentration within Ho Chi Minh City. In addition, the Manager is actively pursuing development opportunities in Vietnam. It has entered into memoranda of understanding in respect of sites in both Hanoi and Ho Chi Minh City. These include office, hotel and residential developments.

Dividend Policy

The Company's objective is to provide Shareholders with an attractive overall return to be achieved primarily through capital appreciation. To the extent that the Company has realisable profits, the Directors intend to achieve an appropriate balance between re-investing capital for future growth in accordance with the Company's investment strategy and paying dividends to Shareholders. Notwithstanding, following the fifth anniversary of Admission, the Company will only re-invest capital with the sanction of an ordinary resolution in general meeting of the Company.

Assuming that profits from the Initial Portfolio arise when currently expected, the Company is targeting paying a dividend for the year ended 31 December 2009. It must be emphasised that there can be no guarantee that this target will be achieved and the Directors will update investors on the timing of dividend payments.

The Company expects to declare any dividends in US Dollars.

Life of the Company

The Board considers it desirable that Shareholders should have an opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends to propose an ordinary resolution at the annual general meeting of the Company in 2015 that the Company cease to continue as presently constituted. For so long as the Management Agreement has not been terminated, neither the Manager nor any member of the Ireka Group nor any of their respective directors, officers, agents or employees shall exercise the votes attached to Shares held by any of them at the time of any such continuation vote. If the resolution is not passed, the Board intends that a similar resolution will be proposed at every third annual general meeting thereafter. If the resolution is passed, the Directors will be required to formulate proposals to be put to Shareholders to re-organise or reconstruct the Company or for the Company to be wound up. The Board may at its discretion prior to 2015 convene an extraordinary general meeting to propose a special resolution to wind up the Company and distribute surplus assets to Shareholders if during this time it concludes that an early liquidation of the Company's property portfolio will be to the advantage of Shareholders.

Borrowings

The Company intends to make use of debt facilities for initial investment purposes, during the development phase and after the completion of projects. The Directors, on the advice of the Manager, will decide on the terms of bank borrowings on a project by project basis. It is anticipated that property acquisitions will be made primarily through SPVs and that borrowing will also be undertaken separately by each SPV. It is anticipated that the average borrowings for each development will typically be in the region of 70 per cent. of the total GDC. However the Directors will retain the flexibility to borrow up to 80 per cent. of the total GDC. In addition, the Directors may in due course, secure general Group debt facilities if they consider that there will be an advantage to the Company in doing so.

Manager

The Manager is a wholly-owned subsidiary of Ireka Corporation Berhad, a company listed on Bursa Malaysia since 1993 which has 40 years of experience in construction and property development. Some of the recent landmark projects completed by the Ireka Group include The Westin Hotel Kuala Lumpur, Malaysia, i-Zen@Kiara II, Kuala Lumpur, Malaysia, OCBC Bank Corporate Office, Kuala Lumpur, Malaysia and AIG Head Office, Kuala Lumpur, Malaysia.

Under the Management Agreement, the 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 management or development of properties to be acquired and lead the negotiation for the acquisition or disposal of assets and the financing of such assets.

Investment Committee

Upon Admission, the Company will establish an Investment Committee consisting of local experts in each of Malaysia and Vietnam that will act in an advisory capacity to the Company to consider investment and disposal proposal recommendations of the Manager.

Relationship with Ireka Corporation Berhad

Following completion of the Acquisition Agreement and completion of an acquisition agreement in respect of the shares the subject of the Exclusivity Agreement, Ireka and its related parties will be interested in 88 million Ordinary Shares, representing 35.2 per cent. of the issued Ordinary Share capital of the Company. Ireka will enter into a controlling shareholder agreement with the Company.

Conflicts Management

The Management Agreement prohibits the Manager (without the Company's prior consent) from undertaking any property acquisition and/or development activities in respect of property assets in Malaysia and Vietnam without offering the Company a right of first refusal in respect of the same or acting as sponsor or manager of any public or private property fund with regards to property assets in Malaysia or Vietnam without offering the Company a right of first refusal to participate in such property fund until at least 85 per cent. of the proceeds of the Placing, plus related debt, has been invested or committed for investment.

Summary Risk Factors

The Placing will be marketed to institutional and sophisticated investors. An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which might result from such an investment. Investment in the Company should be regarded as long term in nature and may not be suitable as a short term investment.

There can be no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment. There can be no guarantee that the investment objectives of the Company will be met. There is no guarantee that the market price of the Shares will fully reflect their underlying Net Asset Value.

The Company is new and has no operating history. The Company's ability to implement its investment policy will depend on the Manager's ability to identify, analyse, invest in projects, operate and dispose of projects and secure finance for those projects that meet the Company's investment criteria. The Company is subject to the risk that the Manager will terminate the Management Agreement and that no suitable replacement will be found.

The Group will make investments in currencies other than US Dollars, the base currency of the Company. The Company's Net Asset Value will be reported in US Dollars with dividends expected to be paid in US Dollars. Changes in rates of exchange may have an adverse effect on the value, price or income of such investments.

The Company will use borrowings in relation to its investments. The use of borrowings in that event may enhance the Net Asset Value per Share where the value of the Company's underlying assets is rising. It may have the opposite effect where the underlying asset value is falling.

The operations of the Company may be adversely affected by general economic conditions in Malaysia and/or Vietnam, including changes in interest rates and inflation, by conditions within the markets in which it will operate or by the particular financial condition of developers and other parties doing business with the Company. The Company, as a real estate developer, and third parties with whom the Company deals, will need to comply with the laws and regulations relating to planning, land use and development standards. Changes in law relating to ownership of land could have an adverse effect on the value of the Shares. The tax regimes applying in Malaysia, Vietnam and Jersey may change, thereby affecting the tax treatment of the Company and/or its SPVs in these jurisdictions.

The Acquisition Agreement is subject to a number of conditions, including Admission. While the Company and its counterparties have taken all reasonable steps to ensure that, subject to the Placing and Admission, the Acquisition Agreement will be completed, for reasons outside the control of the Company and its counterparties, there can be no guarantee that the Acquisition Agreement will be completed or will be completed within the timeframe contemplated by the Company. The Exclusivity Agreement provides the Company with the exclusive right to negotiate with the vendor for the acquisition of the Seni Mont' Kiara Development during the exclusivity period. However, the Company is not bound to buy and the vendor is not bound to sell the Seni Mont' Kiara Development. There can be no guarantee that the acquisition of the Seni Mont' Kiara Development will be completed by the parties upon the terms contemplated under the Exclusivity Agreement or at all.

The returns on the Shares will be subject to the risks associated with the development of real estate projects. These risks include the risk relating to project financing; the risk that planning consents or building permits are not obtained, or are delayed significantly, or are granted subject to uneconomic conditions; and the risk that laws are introduced, which may be retrospective and affect existing building consents, which restrict development.

PLACING STATISTICS

Placing Price	US\$1.00
Number of Shares being issued pursuant to the Placing	162 million
Estimated expenses of the Placing payable by the Company	US\$8.8 million
Estimated net proceeds of the Placing receivable by the Company	US\$153.2 million
Market capitalisation at the Placing Price	US\$162 million
Market capitalisation at the Placing Price assuming completion of the acquisition of the Initial Portfolio	US\$250 million

EXPECTED TIMETABLE

	<i>2007</i>
Payment from Placees in uncertificated form through CREST	5 April
Dealings expected to commence in Shares issued pursuant to the Placing	5 April
CREST stock accounts credited (as applicable)	5 April

DEFINITIONS

“Act”	the Companies Act 1985 of the United Kingdom (as amended)
“Acquisition”	the acquisition of the Initial Portfolio
“Acquisition Agreement”	the sale and purchase agreement between the Company and Ireka in connection with the acquisition of the four properties known as “i-Zen@Kiara1”, “Tiffani by i-Zen”, “One Mont’ Kiara by i-Zen” and “Sandakan Harbour Square”, further particulars of which are set out in Part 9 of this document
“Admission”	the admission of the Shares, issued and to be issued pursuant to the Placing, to the Official List and to trading on the London Stock Exchange
“Administrator”	Walkers Secretaries Limited, or such other administrator as may be appointed by the Company from time to time
“Articles”	the articles of association of the Company
“Board” or “Directors”	the board of directors of the Company including a duly constituted committee thereof
“Combined Code”	the Combined Code on Corporate Governance published by the Financial Reporting Council and applicable for all accounting periods beginning on or after 1 November 2003
“Company”	Aseana Properties Limited
“City Code” or “Code”	the City Code on Takeovers and Mergers
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form
“CRESTCo”	CRESTCo Limited, a company incorporated under the laws of England and Wales and the operator of CREST
“CREST Regulations”	the Uncertificated Securities Regulations 2001 of the United Kingdom (SI 2001 No. 3755) and the Companies (Uncertificated Securities) (Jersey) Order 1999
“Dong”	Dong, the lawful currency of Vietnam
“Exclusivity Agreement”	the exclusivity agreement dated 27 March 2007 entered into between the Company and Legacy Essence Sdn Bhd, more particularly described in Part 9 of this document
“Fairfax”	Fairfax I.S. PLC
“FSA”	Financial Services Authority
“GDC”	gross development cost
“GDP”	gross domestic product
“GDV”	gross development value

“Gross Asset Value”	the Net Asset Value plus an amount equal to long term borrowings invested by the Company and its subsidiaries from time to time
“Group”	the Company and its subsidiaries from time to time
“IFRS”	International Financial Reporting Standards
“Initial Portfolio”	the four properties to be acquired pursuant to the Acquisition Agreement and the one property subject of the Exclusivity Agreement, more particularly described in Part 2 of this document
“Ireka” or “Ireka Corporation”	Ireka Corporation Berhad, the holding company of the Manager
“Ireka Group”	Ireka and its subsidiaries from time to time
“Law”	the Companies (Jersey) Law 1991 (as amended)
“Listing Rules”	the listing rules of the UKLA
“London Stock Exchange”	the London Stock Exchange plc
“Management Agreement”	the agreement dated 27 March 2007 between the Company and the Manager, as described in paragraph 6 of Part 9 of this document
“Manager” or “Ireka Development Management”	Ireka Development Management Sdn Bhd
“Net Asset Value” and “Net Asset Value per Share”	respectively the net asset value of the Company and the net asset value per Share
“Net Proceeds of the Placing”	the gross proceeds of the Placing less the expenses of Admission
“Official List”	the official list of the UKLA
“Placees”	those persons to whom Placing Shares are allotted and issued pursuant to the Placing
“Placing”	the placing by Fairfax of the Placing Shares at the Placing Price pursuant to the Placing Agreement and as described in this document
“Placing Agreement”	the conditional agreement dated 27 March 2007 between the Company, Fairfax, the Manager and the Directors relating to the Placing, as described in paragraph 6 of Part 9 of this document
“Placing Price”	US\$1.00 per Share
“Placing Shares”	162 million Shares to be issued pursuant to the Placing
“£” or “Pound”	pounds sterling, being the lawful currency of the UK
“Property Portfolio”	the portfolio of property investments from time to time held by the Company whether directly or indirectly
“Registrar”	Computershare Investor Services (Channel Islands) Limited, a company incorporated in Jersey or such other registrar as may be appointed by the Company from time to time
“Regulatory Information Service”	a service provided by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained at the London Stock Exchange’s website

“Return on Equity” or “ROE”	a measure of the profitability of equity invested, calculated by dividing the dividends paid out by the Company over a specified period by the aggregate of the value of the Placing Shares and the value of the shares issued in connection with the Acquisition
“RM”	Malaysian Ringgit, the lawful currency of Malaysia
“Sellers”	Ireka and/or Legacy Essence Sdn Bhd as the case may require
“Seni Mont’ Kiara Development”	the development as detailed in the Exclusivity Agreement
“Shares” or “Ordinary Shares”	ordinary shares of US\$0.05 each in the share capital of the Company
“Shareholders”	holders of Shares
“Subsidiaries”	Ireka Land Sdn Bhd, ICSD Ventures Sdn Bhd and Amair Resources Sdn Bhd
“SPV”	special purpose vehicle
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“UKLA” or “UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part 8 of the Financial Services and Markets Act 2000 of the United Kingdom
“VAT”	value added tax
“\$” or “US\$” or “USD”	United States Dollars, the lawful currency of the United States of America

Throughout this document, exchange rates of US\$1:00 = RM3.45 and US\$1.00 = £0.5 have been used.

DIRECTORS AND ADVISERS

Directors

Dato' Mohammed Azlan bin Hashim (*Chairman*)
Dato' Ismail bin Shahudin
John Lynton Jones
David Harris
Christopher Henry Lovell

all of:

44 Esplanade, St. Helier, Jersey JE4 8PN
Telephone: +44 (0)1534 700 700
Fax: +44 (0)1534 700 800

Administrator and Company Secretary Registered Office

Walkers Secretaries Limited
44 Esplanade
St. Helier
Jersey JE4 8PN
Channel Islands

Manager

Ireka Development Management Sdn Bhd
32 Medan Setia Dua
Plaza Damansara
Bukit Damansara
50490 Kuala Lumpur
Malaysia

Financial Adviser and Placing Agent

Fairfax I.S. PLC
46 Berkeley Square
Mayfair
London W1J 5AT

English Legal Adviser to the Company

Stephenson Harwood
One, St. Paul's Churchyard
London EC4M 8SH

US Legal Adviser to the Company

Morrison & Foerster MNP
CityPoint
One Ropemaker Street
London EC2Y 9AW

Jersey Legal Adviser to the Company

Walkers
44 Esplanade
St. Helier
Jersey JE4 8PN
Channel Islands

Malaysia Legal Adviser to the Company

Foong & Partners
Suite 21.08
Level 21
Plaza 138
138 Jalan Ampang
50450 Kuala Lumpur
Malaysia

Vietnam Legal Adviser to the Company

Vilaf-Hong Duc
Suite 505-507
Sai Gon Tower
29 Le Duan Street
Ho Chi Minh City
Vietnam

Reporting Accountants, Auditors and Tax Adviser

MRI Moores Rowland LLP
3 Sheldon Square
London W2 6PS

Registrar

Computershare Investor Services
(Channel Islands) Limited
Ordnance House
31 Pier Road
St. Helier
Jersey JE4 8PW
Channel Islands

Financial Adviser to the Company

CCB International Capital Limited
Suites 2815-21, 28/F
Two Pacific Place
88 Queensway
Admiralty
Hong Kong

Solicitor to the Placing

McDermott Will & Emery UK LLP
7 Bishopsgate
London EC2N 3AR

PART 1 RISK FACTORS

In addition to the other relevant information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. This is a high risk investment and investors may lose a substantial proportion or even all of the money they invest in the Company. If you are in any doubt about the contents of this document or the action you should take, you should consult an appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

The Directors currently consider the following risks and other factors to be the most significant for potential investors in the Company but the risks below do not purport to be an exhaustive list. Additional risks and uncertainties not currently known to the Directors, or that the Directors currently do not consider to be material, may also have an adverse effect on the Company's business.

Any persons considering whether to acquire Shares should take their own tax advice as to the consequences of their owning Shares in the Company as well as receiving returns from it. Tax commentary in this document is provided for information only and no representation or warranty, express or implied, is given to any recipient of this document as to the tax consequences of acquiring, owning or disposing of Shares and neither the Company, the Directors, the Manager nor Fairfax will be responsible for any tax consequences of any investment in the Company.

Investor Profile

The Placing will be marketed to institutional and sophisticated investors. An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which might result from such an investment (taking into account the fact that those losses may be equal to the whole amount invested). An investment in the Company will not be suitable for investors seeking an index-linked return on their investment. The typical investor for whom the Company is designed will be an institutional investor. Investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an investment in the Company. Investment in the Company should be regarded as long term in nature and may not be suitable as a short term investment.

General

There can be no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment. There can be no guarantee that the investment objectives of the Company will be met. Meeting its objectives is a target but the existence of such objectives should not be considered as an assurance or guarantee that they can or will be met in relation to the Company's portfolio in general or in relation to any part of it. The Company is new and has no operating history. The Manager is recently formed and has no operating history. The value of the Shares and income derived from them (if any) can fluctuate. There is no guarantee that the market price of the Shares will fully reflect their underlying Net Asset Value.

Consequences of Secondary Listing

The Company will be listed under Chapter 14 of the Listing Rules on the basis of European Directive requirements and as a consequence the additional standards under Chapter 15 of the Listing Rules will not apply to the Company. Shareholders in the Company will therefore not receive the full protections of the Listing Rules. See "Consequences of a secondary listing" at the end of this Part 1 for further information.

RISKS RELATED TO THE COMPANY

No guarantee as to future performance

The Company is a newly formed entity that does not have an operating history upon which its performance and prospects may be evaluated. There can be no assurance that the Company will be able to achieve the returns referred to in this document. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise including the risk that the Company will not achieve its investment objective and that the value of a Shareholder's investment in the Company could decline substantially.

Volatility of the value of the Shares

Investors should be aware that the value of the Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment. In addition, the price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. These factors could include the performance of the Company's operations, large purchases or sales of Shares, liquidity (or absence of liquidity) in the Shares, currency fluctuations, legislative or regulatory or taxation changes and general economic conditions. The value of the Shares will therefore fluctuate and may not reflect their underlying Net Asset Value.

Taxation

There may, in certain circumstances, be withholding or other taxes on the profits or other returns derived from the projects in which the Company has an investment which may change from time to time and which could have a material and adverse effect on the Company's performance.

The tax regimes applying in Malaysia, Vietnam and Jersey may change, thereby affecting the tax treatment of the Company and/or its SPVs in these jurisdictions. For further information, please refer to Part 8 of this document.

Competition

The Company may become subject to increased competition in seeking investments. Some of the Company's competitors may have greater resources and the Company may not be able to compete successfully for investments. Furthermore, competition for investments may lead to the price of such investments increasing which may further limit the Company's ability to generate its desired returns.

Joint arrangement risk

A number of the Company's investments may be held through joint arrangements with third parties, meaning that the ownership and control of such assets is shared with such third parties. As a result, certain decisions relating to the assets and operation, including the making of distributions, may depend upon the consent or approval of such third parties. Disputes may arise between the Company and third party partners which could mean that the Company is not able to manage or deal with a particular investment in the way it would wish and this may adversely affect the Company's results of operations.

In addition, projects may require finance to be provided by a joint arrangement to which the Company is party. If one of the Company's partners to a joint arrangement failed to provide its share of such finance when required, the Company may be forced to make up such shortfall out of its own resources to avoid additional cost of delay to the project and this may impact the Company's operating profit for the relevant period.

The Company may be liable for the actions of its joint arrangement partners.

Controlling person liability

The Company may have controlling interests in certain of its investments in special purpose companies or other entities or may own such investments directly. The exercise of control over an entity (or the investment itself) can impose additional risks of liability for environmental damage, failure to supervise management, violation of Government regulations (including securities laws) or other types of liability in which the limited liability characteristic of business ownership may be ignored. If these liabilities were to arise, the Company might suffer a significant loss.

Counterparty risk

The Group may enter into transactions in relation to the development and construction of projects, including financing transactions, which would expose the Company to the credit risk of its counterparties and their ability to satisfy the terms of such contract. In the event of a bankruptcy or insolvency of such a counterparty, the Company could experience significant losses, declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

Currency risk

The Group will make investments in currencies other than US Dollars, the base currency of the Company. The Company's Net Asset Value will be reported in US Dollars with dividends expected to be paid in US Dollars. Changes in rates of exchange may have an adverse effect on the value, price or income of such investments. A change in foreign currency exchange rates may adversely impact returns on the Company's non-US Dollar denominated investments to the extent that the Company does not hedge against such exchange movements.

Gearing

The Company will use borrowings in relation to its investments. The debt to equity ratio is expected to be between 60 per cent. and 80 per cent. of the total GDC. The extent of the borrowings and the terms thereof will depend on the Company's ability to obtain credit facilities and the lenders' estimate of the attractiveness of the development. Delay or failure in obtaining suitable or adequate financing from time to time may affect the Company's cash flow.

The use of borrowings in that event may enhance the Net Asset Value per Share where the value of the Company's underlying assets is rising. It may have the opposite effect where the underlying asset value is falling. To the extent that the Company incurs floating rate indebtedness, changes in interest rates may increase its cost of borrowing, impacting on its profitability and having an adverse effect on the Company's ability to pay dividends to Shareholders. The Company does not intend to hedge against interest rate risks. Furthermore, the Company's cash available for distribution to Shareholders may be reduced to the extent that changes in market conditions, increases in interest rates and/or levels of amortisation imposed by its lenders cause the Company's cost of borrowing to increase relative to the income that can be derived from its portfolio of properties.

Furthermore, should any fall in the underlying asset value result in the Company breaching the financial covenants contained in any loan facility, the Company may be required to repay such borrowings forthwith in whole or in part together with any attendant costs. In having to realise assets in a short time frame to repay borrowings, the Company may not obtain the best price when disposing of such assets. Loans and related costs outstanding in the event of liquidation will rank in priority to repayments to Shareholders.

Bridging loan facilities used by the Company for its real estate developments will typically limit drawdown until the Company has achieved certain sales target. Failure to achieve the requisite sales target would affect the cash flow of the Company.

Legal risk

Any changes to the laws and regulations relating to real estate in the relevant jurisdictions may have an adverse effect on the capital value and/or the rental income of the Company's investment portfolio.

The legal systems of the various countries in which the Group invests may also not afford the Company the same level of certainty in relation to issues such as title to property-related rights as may be achieved in more developed markets. Enforcement of legal rights may prove expensive and difficult to achieve. Additionally, each country in which the Group may invest has different laws and regulations (as well as tax provisions) relating to land and property ownership by foreign companies. There can be no guarantee that in the future such countries will not adopt laws and regulations which may adversely impact on the Group's ability to own and/or invest in real estate. Accordingly, in such circumstances the returns to the Company may be materially and adversely affected.

Investments may be subject to obtaining planning consents. There can be no guarantee that such planning consents will be provided and if consent is not granted, this may materially adversely affect the Company's business.

Jersey law

The Company is a public limited par value company incorporated under the Law. Jersey law does not make material distinction between private and public companies and some of the protections and safeguards that investors may expect to find in relation to a public company under the Act are not provided for under Jersey law.

Dividends

The Company's objective is to provide Shareholders with an attractive overall return to be achieved primarily through capital appreciation. To the extent that the Company has realisable profits, the Directors intend to achieve an appropriate balance between reinvesting capital for future growth in accordance with the Company's investment strategy and paying dividends to Shareholders.

On the basis of certain assumptions and, in the absence of any unforeseen circumstances, the Company is targeting paying a dividend for the year ended 31 December 2009.

Payment of a dividend is dependent on, *inter alia*, the timing and speed of the Company's real estate developments, the ability of the Company to manage its costs effectively and the ability of the Company to generate sufficient sales in a timely manner.

There is no guarantee that the Company will be fully invested within the 12 month time frame indicated.

Uninsured losses

The Manager will aim to ensure that all of the Group's property assets are adequately insured. However, changes in the cost or availability of insurance or acts of God could expose the Group to uninsured losses. In the event that any of the investments incurs a loss that is not fully covered by insurance, the value of the Group's property assets will be reduced by the amount of that uninsured loss. In addition, the Group may have no source of funding to repair or reconstruct damaged investments, and it cannot be certain that any of those sources of funding will be available to it for such purposes in the future. There may be additional risks associated with investments in real estate including certain types of loss and destruction which may not be insurable.

Relationship with Ireka Corporation Berhad

Following completion of the Acquisition Agreement and completion of an acquisition agreement in respect of the shares the subject of the Exclusivity Agreement, Ireka and its related parties will be interested in 88 million Ordinary Shares, representing 35.2 per cent. of the issued Ordinary Share capital of the Company. Whilst Ireka will enter into a controlling shareholder agreement with the Company which shall provide that the Company shall at all times be capable of operating its business independently of Ireka and that all transactions and relationships between the Company and Ireka (and its related parties) will be at arm's length and on normal commercial terms, due to its controlling shareholding in the Company, Ireka may, in breach of the terms of the controlling shareholder agreement, influence the business of the Company which may in turn have an adverse effect on the Company's business.

RISKS RELATED TO THE COMPANY'S INVESTMENTS

Possible adverse economic and/or political conditions and emerging market risks

The operations of the Company may be adversely affected by general economic conditions in Malaysia and/or Vietnam, including changes in interest rates and inflation, by conditions within the markets in which it will operate or by the particular financial condition of developers and other parties doing business with the Company. In particular, changes in the economic outlook of Malaysia and/or Vietnam may affect the timing and rate of disposal of its development assets and therefore affect the Company's cash flow. The returns, the Company's income and capital value and the value of its investments within individual countries will be materially affected by the political and economic climate in such country. The returns on Shares may also be materially adversely affected by acts of terrorism in such countries, regime change, political or religious revolution, retrospective legal or administrative action or expropriation.

Impact of law and Governmental regulation

The Company, as a real estate developer, and third parties with whom the Company deals, will need to comply with the laws and regulations relating to planning, land use and development standards. The institution and enforcement of such laws and regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Company's investments. Changes in law relating to ownership of land could have an adverse effect on the value of the Shares. New laws may be introduced, which may be retrospective and affect environmental planning, land use and development regulations.

Changes in law relating to ownership of land could have an adverse effect on the value of the Shares. New laws may be introduced which may be retrospective and affect environmental planning, land use and development regulations.

The profitability of the Company will be in part dependent upon the continuation of a favourable regulatory climate with respect to its investments. The failure to obtain or to continue to comply with all necessary approvals, licences or permits, including renewals thereof or modifications thereto, may adversely affect the Company's performance, as could delays caused in obtaining such consents due to objections from third parties.

Ability to acquire suitable investments

The ability of the Company to implement its investment policy effectively and achieve returns for Shareholders may be limited by its ability to source appropriate investments in which to invest the Net Proceeds of the Placing. The investment opportunities referred to in this document cannot be guaranteed and it may be the case that only some or even none of these come to fruition. There can be no assurance that, upon realisation of a given investment, that the Company will be able to make a further investment.

Acquisition of the Initial Portfolio may not be completed

The Acquisition Agreement is subject to a number of conditions, including Admission. While the Company and its counterparties have taken all reasonable steps to ensure that, subject to the Placing and Admission, the Acquisition Agreement will be completed, for reasons outside the control of the Company and its counterparties, there can be no guarantee that the Acquisition Agreement will be completed or will be completed within the timeframe contemplated by the Company.

The Exclusivity Agreement provides the Company with the exclusive right to negotiate with the vendor for the acquisition of the Seni Mont' Kiara Development during the exclusivity period. However, the Company is not bound to buy and the vendor is not bound to sell the Seni Mont' Kiara Development. There can be no guarantee that the acquisition of the Seni Mont' Kiara Development will be completed by the parties upon the terms contemplated under the Exclusivity Agreement or at all.

If the acquisition of the Initial Portfolio is not completed, there is likely to be a delay in investing the funds raised as the Manager seeks alternative real estate investments and the amount and timing of dividend payments, as described in this document, may be adversely affected. In such event, the Company will seek to invest in assets of a similar nature and intends that 30 per cent. to 40 per cent. of funds raised pursuant to the Placing will be allocated to projects in Malaysia and between 60 per cent. to 70 per cent. will be allocated to projects in Vietnam.

Impact of foreign investment guidelines

Pursuant to the Guidelines on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests ("FIC Guidelines") issued by the Foreign Investment Committee of Malaysia ("FIC"), the prior approval of the FIC is required, for *inter alia*:

- (a) any proposed acquisition of 15 per cent. or more of the voting rights of any local companies or businesses in Malaysia by a foreign interest; or
- (b) any proposed acquisition of an aggregate of 30 per cent. or more of the voting rights in such companies or businesses by an associated or non-associated group of foreign interests; or

- (c) any acquisition of property (which includes, land, land with building, commercial or residential units) by a foreign interest. Any acquisition of residential units for a purchase price exceeding RM250,000 per unit would not require the approval of the FIC.

A foreign interest means any interest, associated group of interests or parties acting in concert which comprises (a) individuals who are not Malaysian citizens including permanent residents (b) companies or institutions incorporated outside Malaysia and (c) local companies or institutions in Malaysia whereby the parties as stated in (a) and/or (b) hold more than 50 per cent. of the voting rights.

Conditions which may be imposed by the FIC under the FIC Guidelines include the condition that at least 30 per cent. of the equity in the subject company to be acquired or 30 per cent. of the equity of the company acquiring the subject property must be held by Bumiputeras (Malay individuals or aborigines as defined under the Federal Constitution of Malaysia). Equity conditions imposed, if any, are expected to be complied with within 2 years from the date of obtaining the FIC approval, and this compliance period may be extended based on the merit of the case. The FIC does not require the divestment of the local company in Malaysia to be done at an undervalue. If the foreign interest has used its best endeavours to sell or divest the local company at a fair price but failed to do so, this would be a fair reason for applying for an extension from the FIC.

Although the FIC Guidelines do not have the force of law (as they are not legislation passed by Parliament or regulations under any existing laws) and do not impose any penalty for non-compliance, the FIC Guidelines are recognised by other Governmental authorities or bodies in Malaysia (such as the immigration department and land offices or registries). These authorities or bodies may take into account compliance with the conditions imposed by the FIC in granting other or any future approvals, licences or permits that may be required under Malaysian law relating to the operations of such companies.

On 12 February 2007, unconditional approval was received from the FIC in respect of the acquisition on the Acquisition Agreement which does not require dilution of a foreign interest by Bumiputeras equity.

Nature of the Company's investments

Investments in real estate are relatively illiquid and are typically significantly more difficult to realise than bonds or equities.

The Company will be subject to the general risks incidental to the ownership of real estate, including those associated with the general economic climate, local real estate conditions, changes in the supply of or demand for competing real estate in an area, various uninsurable and insurable risks – for which the Company may not be adequately insured – natural disasters, Government regulations, changes in taxes and planning laws, credit risks and environmental factors. The marketability and value of investments held by the Company will, therefore, depend on many factors beyond the control of the Company.

The marketability and value of any real estate developments owned by the Company will depend on many factors beyond the control of the Company such as changes in interest rates, availability of mortgage, changes in real estate related tax rates. There is no assurance that there will be either a ready market for any of the Company's real estate developments or that the developments will be sold at a profit or will yield a positive cash flow.

Land and real estate ownership rights

Whilst the Company will use its reasonable endeavours to perform real estate developments within real estate owning structures that comply with the laws and regulations of Malaysia and Vietnam, as well as with a view to mitigating the tax effect of local tax regulations, there can be no guarantee that in the future Malaysia and/or Vietnam will not adopt laws and regulations which adversely impact on the Company's ability to own, develop and sell properties. In such circumstances, the Company's returns may be materially and adversely affected.

Difficulty of identifying and securing suitable real estate developments

The Company will be competing for real estate development opportunities with other real estate developers, real estate investment vehicles as well as individuals, financial institutions and other institutional investors.

There can be no assurance that the Company will be able to identify and secure real estate development opportunities that satisfy its rate of return objective or realise the investments in these developments in a timely manner. There is also no assurance that the Company will be able to fully invest its available capital within 12 months of Admission as stated in this document or at all.

Development risk

The returns on the Shares will be subject to the risks associated with the development of real estate projects. These risks include:

- (i) the risk relating to project financing. The release of bank financing will be staged and conditional on milestones in a development being reached. In the event that a development does not proceed as expected (due to factors such as landslip, accident, supplier default, planning or title disputes), the bank may refuse to provide further financing. If the Company is unable to arrange alternative financing, it may not be possible to complete the development;
- (ii) the risk that planning consents or building permits are not obtained, or are delayed significantly, or are granted subject to uneconomic conditions;
- (iii) the risk that laws are introduced, which may be retrospective and affect existing building consents, which restrict development;
- (iv) the risk that a development is significantly delayed or costs exceed budget;
- (v) the risk of title disputes, legal disputes with neighbouring land owners and legal disputes with architects, project managers and suppliers including contractors and construction companies;
- (vi) the risk that building methods or materials prove to be defective;
- (vii) the risk that a construction company used on a development fails to execute its obligations on a timely basis or becomes insolvent, in which case it may prove impossible to recover compensation; and
- (viii) the risk of fraud on the part of service providers or suppliers used on a development.

Potential environmental liabilities

Under local laws and regulations, an owner of property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws may impose such liability without regard to whether the owner knew of such substances. The owner's liability as to any property may not be limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the property or to borrow funds using such property as security, which could have an adverse effect on the Company's return from such investment. Local laws and regulations may become more stringent over time.

Valuation risk

Real estate is inherently difficult to value as there is no liquid market or pricing mechanism. As a result, valuations are subject to substantial uncertainty and consequently there is also a risk that goodwill, intangibles or impairment testing procedures may be subject to the judgmental nature resulting from valuation processes. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the date of the valuation.

Concentration risk

The Company expects to participate in a limited number of investments and, as a consequence, the aggregate return of the Company may be substantially adversely affected by the unfavourable performance of even a single investment. The Company does not anticipate that any single property will

comprise more than 20 per cent. of the Property Portfolio once fully invested. Investors have no assurance as to the degree of diversification in the Company's investments, either by geographic region or asset type.

Corruption

Corruption is perceived as a problem in certain of the jurisdictions in which the Company will operate. Corrupt practices may have an adverse impact on the development of real estate in respect of which the Company invests. Corruption may also effect the ability of the Company to enforce legal rights.

Environmental Considerations

Adverse environmental conditions may result in damage or delay in development or an accelerated deterioration of a property. In such circumstances, returns to Shareholders may be adversely affected. Whilst the Company intends to maintain appropriate insurance arrangements in relation to the Group's assets, there is no guarantee that the Company would receive the full value represented by any deterioration of its assets by reason of adverse environmental conditions.

RISKS RELATING TO THE MANAGER

Dependence on the Manager

The Company's ability to implement its investment policy will depend on the Manager's ability to identify, analyse, invest in projects, operate and dispose of projects and secure finance for those projects that meet the Company's investment criteria. The Manager has significant discretion as to the implementation of the Company's operating policies and strategies. Accordingly, failure by the Manager to find projects meeting the Company's investment objectives and to manage investments effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company is subject to the risk that the Manager will terminate the Management Agreement and that no suitable replacement will be found.

The Company's ability to meet its investment objective is substantially dependent on the services of key personnel of the Manager. The loss of such key personnel could have an adverse effect on the Company's performance and prospects. There is no guarantee that the personnel of the Manager identified in this document will be involved in the management of the Company's assets beyond the term of their respective contractual obligations to the Manager.

Conflicts of interest

The Manager is wholly-owned by Ireka. The Ireka Group is a construction and property based group and invest in property investments and developments with similar objectives to that of the Company. In the future, the Manager or its affiliates may also establish other property investment vehicles whose investment objectives are similar to those of the Company which may lead to conflicts of interest. Such conflicts of interest may result in the Manager acting otherwise than in the best interests of the Company, which may in turn have a material adverse affect on the performance of the Company.

The Management Agreement prohibits the Manager (without the Company's prior consent) from undertaking any property acquisition and/or development activities in respect of property assets in Malaysia and Vietnam without offering the Company a right of first refusal in respect of the same or acting as sponsor or manager of any public or private property fund with regards to property assets in Malaysia or Vietnam without offering the Company a right of first refusal to participate in such property fund until at least 85 per cent. of the proceeds of the Placing, plus related debt, has been invested or committed for investment. However, once such level of proceeds have been invested or committed for investment, the Manager will manage its duties to the Company and to other companies for whom it and its affiliates act pursuant to the terms of the Management Agreement and any other contracts which they may have entered into with such other companies. The Management Agreement contains provisions dealing with conflicts management. Should investment opportunities meet the investment objective and criteria of both the Company and any other companies within the Ireka Group or under the control of the Manager, such opportunities will be allocated between them subject to the Manager's allocation process. The Manager's allocation process is designed to reduce potential conflicts of interest and is

intended to ensure that all parties, including the Company, will have fair access to new investment opportunities made available to the Manager or its affiliates but it may result in the Company's not being afforded the opportunity to invest in certain investment opportunities which may in turn have a material adverse affect on the performance of the Company.

Additionally, the fact that the Manager and its officers engage in other business activities may reduce the time the Manager spends managing the Company's investments. The Manager's decision to spend time on other activities besides the management of the Company's investments could be influenced by a variety of factors, including the compensation structure of any other investment vehicles and/or business activities as compared to that of the Company.

See the section entitled "Conflicts Management" in Part 3 of this document for further information.

Compensation Structure

In addition to its management fee, the Manager is entitled under the Management Agreement to receive a performance fee based upon the extent to which the Net Asset Value per Share exceeds a benchmark index (a summary of the fee arrangements is set out in Part 3 of this document). In evaluating investments and other management strategies, the opportunity to earn a performance fee may encourage the Manager to invest in high risk investments.

Additionally, any increases in Net Asset Value may not be realised and in such circumstances the Manager will be under no obligation to repay any performance fee earned. For further details on the performance fee, refer to Part 3 of this document.

Term of Management Agreement

The Manager's appointment pursuant to the Management Agreement is intended to be long term. The Company may terminate the Management Agreement by giving the Manager not less than 12 months' prior notice in writing, such notice not to expire prior to the fifth anniversary of Admission.

The Company will not be able to terminate the Management Agreement at shorter notice than described above unless the Manager has committed certain "cause" events, as set out in paragraph 6.1 of Part 9 of this document or it makes a payment in lieu of the management fees and the performance fees that the Manager would have earned. Poor investment performance would not of itself constitute an event allowing the Management Agreement to be terminated on short notice.

The Manager may receive a performance fee in respect of periods when the Company is unable to pay a dividend

The Company's ability to pay dividends may be restricted as a matter of applicable law or regulation, including to the extent that dividends are not covered by income received in the relevant period from underlying investments. Accordingly, there may be periods in respect of which the Manager is paid a performance fee but a dividend cannot be paid on the Shares, for example, where, as a result of losses or expenses, there are no profits available for distribution in the period.

Forward-looking Statements

All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to shareholder returns, dividends or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance, achievements of or dividends paid by, the Company to be materially different from future results, performance or achievements, or dividend payments expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

These forward-looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

The potential investment opportunities referred to in this document cannot be guaranteed and it may be the case that only some or even none of these come to fruition.

The foregoing factors are currently considered by the Directors to be the most significant for potential investors in the Company but do not purport to be exhaustive. Accordingly and as noted above, additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company's business.

CONSEQUENCES OF SECONDARY LISTING

Application will be made for the Shares to be admitted to a listing on the Official List pursuant to Chapter 14 of Listing Rules, which sets out the requirements for secondary listings. The Company intends to comply with the Listing Principles set out in Chapter 7 of the Listing Rules which would otherwise apply to an investment company such as the Company if it were to obtain a “primary” listing on the Official List. The Company is not, however, subject to such Listing Principles and will not be required to comply with them.

In addition, the Company will not be required to comply with the provisions of Chapter 15 of the Listing Rules, the key provisions of which currently are:

- Listing Rule 15.2.2(2)-The Company is not required to have an adequate spread of investment risk. Whilst the Manager cannot say for certain how many investments will be made, it is anticipated that, once fully invested, no one underlying single asset will account for more than 20 per cent. of the gross assets of the Company at the time of investment.
- Listing Rule 15.2.4(2) and 15.5.3-The Company is not required to comply with the requirement imposed by the rule that its Directors and Manager have sufficient and satisfactory experience in the management of investments of the type in which the Company proposes to invest.
- Listing Rules 15.2.6 to 15.2.9 and 15.5.4-The Company is not required to comply with the corporate governance requirements imposed by these Listing Rules, which include requirements for the Directors to demonstrate that they will act independently of the Company’s investment manager, for a majority of the Directors to be independent, for no more than one Director to be non-independent and for the Chairman of the Directors to be independent. However, the Company is currently in compliance with these rules and currently intends to comply with these rules.
- Listing Rules 15.2.10(3)-The Company is not required to comply with the requirement that no more than 20 per cent. of the total assets of the Company may be invested in securities of any one company at the time the investment is made. Whilst the Manager cannot say for certain how many investments will be made, it is anticipated that, once fully invested, no one underlying single asset will account for more than 20 per cent. of the gross assets of the Company at the time of investment.
- Listing Rule 15.4.3-The Company is not required to comply with the Model Code on Directors’ dealings in shares of the Company set out in Chapter 9 of the Listing Rules. However, the Company has adopted a share dealing code that is consistent with the provisions of the Model Code.
- Listing Rule 15.4.9-The Company is not required to comply with the requirements that an investment company may not make a material change to its investment policies without the approval of its shareholders. However the Company shall not make a material change to its investment policies without the approval of its shareholders by ordinary resolution.
- Listing Rule 15.4.12-The Company may not comply with this rule which requires certain specific disclosures in an issuer’s annual report and accounts, but it will prepare financial statements on an annual and semi-annual basis in accordance with IFRS, the Companies (Jersey) Law, 1991 and the Listing Rules, the Disclosure Rules and the Transparency Rules. Further details on the Company’s financial reporting policy is contained in Part 3 of this document.
- Listing Rule 15.4.23-The Company is not required to comply with this rule which in certain circumstances prohibits the issue of further shares of the same class of the existing shares at a price below the net asset value of those shares.
- Listing Rule 15.5.5-The Company is not required to comply with the requirement that no single property can at the time of Admission constitute more than 15 per cent. of the total assets of the Company. Whilst the Manager cannot say for certain how many investments will be made, it is anticipated that, once fully invested, no one underlying single asset will account for more than 20 per cent. of the gross assets of the Company at the time of investment.

- Listing Rule 15.5.17- The Company is not required to comply with the requirement that a property investment company's annual accounts must state whether Listing Rule 15.5.15 has been met throughout the accounting period, provide an explanation for any failure to meet Listing Rule 15.5.15 throughout the accounting period and include a summary of a valuation prepared in accordance with Listing Rule 15.5.18 of the property investment company's portfolio.

It should be noted that the requirements of Chapter 15 are currently the subject of revision and certain of the requirements above are unlikely to continue to apply to Chapter 15 companies following the implementation of the new rules, which is expected to take effect in the third quarter of 2007. However, the Company will not comply with certain provisions of Chapter 15 as currently proposed to be revised.

In addition, the Company is not required, and does not intend, to appoint a listing sponsor under Chapter 8 of the Listing Rules to guide the Company in understanding and meeting its responsibilities under the Listing Rules or comply with Chapter 10 of the Listing Rules relating to significant transactions.

The Company is not required to comply with the provisions of Chapter 11 of the Listing Rules regarding related party transactions. Nonetheless, the Company has adopted a related party policy which shall apply to any transaction which it may enter into with the Manager or any of its affiliates which would constitute a "related party transaction" as defined in, and to which would apply, Chapter 11 of the Listing Rules. In accordance with its related party policy, the Company shall not enter into any such related party transaction without first obtaining (i) the approval of a majority of the independent directors, and (ii) a fairness opinion or third-party valuation (as appropriate) in respect of such related party transaction from an appropriately qualified independent adviser. This policy may only be modified pursuant to a Shareholder vote.

The Company is not required to comply with the provisions of Chapter 12 of the Listing Rules regarding market repurchases by the Company of its Shares. Nonetheless, the Company has adopted a policy consistent with the provisions of the Listing Rules 12.4.1 and 12.4.2, whereby (i) the Board will seek annual renewal of the Shareholder authority to purchase in the market up to 14.99 per cent. of each class of Shares in issue from time to time; (ii) unless a tender offer is made to all holders of the relevant class of Shares, the maximum price to be paid per Share pursuant to any such repurchase must not be more than the higher of: (1) 105 per cent. of the average of the middle market quotations for a Share taken from the London Stock Exchange's main market for listed securities for the five Business Days before the purchase is made; and (2) the higher of the price of the last independent trade and the highest current independent bid at the time of purchase; and (iii) any repurchase by the Company of 15 per cent. or more of any class of its Shares (excluding Shares of that class held in treasury) will be effected by way of a tender offer to all Shareholders of that class.

It should be noted that the UK Listing Authority will not have the authority to monitor the Company's voluntary compliance with the Listing Rules applicable to companies listed under Chapter 15 (and will not do so) nor impose sanctions in respect of any breach of such requirements by the Company.

PART 2 THE COMPANY

Introduction

Aseana Properties Limited is a newly incorporated Jersey registered company established to take advantage of potential property development opportunities in Malaysia and Vietnam.

The Company has appointed Ireka Development Management as manager to be responsible for the day-to-day management of its Property Portfolio and the introduction and facilitation of new investment opportunities. The Manager will be responsible for, among others, coordinating with other professionals for the sourcing, design, construction, leasing and eventual sale of the Company's real estate assets. Further details on the Manager are described in Part 3 of this document.

The Company is seeking to raise US\$162 million (before expenses) pursuant to the Placing. The Company will issue one class of USD denominated Ordinary Shares for which application has been made for admission to the Official List and admission to trading on the London Stock Exchange.

Investment Strategy

The Company's investment objective is to provide Shareholders with an attractive overall total return achieved primarily through capital appreciation by investing in property in Vietnam and Malaysia.

The Company intends to achieve its investment objective through the acquisition, development and redevelopment of upscale residential, commercial and hospitality projects leveraging on the 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-in-construction and newly completed projects with the potential for high capital appreciation.

The Company anticipates making investments both as sole principal and, where appropriate, in joint arrangements with third parties, where management control resides with the Company. It is the intention that such joint arrangements will only be undertaken with other parties having, in the Manager's opinion, demonstrable relevant experience or local knowledge.

It is the current intention of the Directors, subject to market conditions, for the Net Proceeds of the Placing to be fully invested in accordance with the Company's investment policy within 12 months of Admission. Pending investment, the Net Proceeds of the Placing will be held in cash and/or money market instruments to be managed by an internationally recognised bank.

The Company anticipates that initially between 30 per cent. to 40 per cent. of funds raised pursuant to the Placing will be allocated to prospective projects in Malaysia and between 60 per cent. to 70 per cent. will be allocated to prospective projects in Vietnam. Thereafter the Board will invest in both Vietnam and Malaysia where it believes the best returns can be achieved at that time.

The Company will only invest in projects where at the time the investment, both the Company and the Manager reasonably believe that there will be a minimum 30 per cent. annualised ROE where the Company makes investments in Vietnam and a minimum 20 per cent. ROE where the Company makes investments in Malaysia.

The Company will primarily target a mixture of upscale residential, commercial and hospitality development projects in Malaysia and Vietnam.

The Company will adhere to the following investment policies and restrictions:

(a) Sector

The Company will invest in the following sectors:

- Residential including apartments, condominiums, serviced residences, landed properties and houses.

- Commercial including offices and retail developments.
- Hospitality including hotels, executive residences, serviced apartments and resorts.

(b) Geographical Location

The Company's primary focus will be on locations within the major cities of Malaysia and Vietnam such as Kuala Lumpur, Ho Chi Minh City and Hanoi.

(c) Types of Investments

The Company will typically invest in projects at the pre-construction stage where the Company can add value through the Manager's experience in designing and conceptualising development projects. The Company may also consider investing in projects in construction and newly completed projects where the Manager can nurture the capital appreciation potential through the sound operation and management of the projects. The Company will participate in these investments through a combination of equity and/or mezzanine loan financing where appropriate.

(d) Realisation of Investments

The investments of the Company will be realised primarily through the sale of the development units to end buyers. Where the development properties are income generating in nature, for example hotel, serviced apartments, office or retail developments, the Company may use its discretion to hold the developments upon completion in order to achieve optimum capital appreciation for these properties.

(e) Investment Restrictions

Whilst the Manager cannot say for certain how many investments will be made, it is anticipated that, once fully invested, no one underlying single asset will account for more than 20 per cent. of the gross assets of the Company at the time of investment.

Initial Portfolio

The Company's Initial Portfolio will consist of five properties located in Malaysia offering a mix of residential and commercial projects in various stages of development. In keeping with the Company's investment policy, it is envisaged that each of the properties within the Initial Portfolio will generate an annualised ROE in excess of 20 per cent.

Under the terms of the Acquisition Agreement (further details of which are contained in Part 9 of this document), the Company will be acquiring i-Zen@Kiara 1, Tiffani by i-Zen, One Mont Kiara by i-Zen and Sandakan Harbour Square from the Ireka Group. Under the terms of the Exclusivity Agreement (further details of which are contained in Part 9 of this document), the Company has the exclusive right to negotiate with Legacy Essence, a company owned by the majority Shareholders of Ireka Group, for the acquisition of the Seni Mont' Kiara Development. It is the Company's current firm intention to purchase the Seni Mont' Kiara Development and is not aware of any facts which shall prevent it from so doing. It is also Legacy Essence's firm intention to sell the Seni Mont' Kiara Development provided that, at the relevant time of sale, the Company is not a subsidiary of Ireka and the Board of the Company is independent of Ireka. Upon Admission and the completion of the Placing both of these conditions would be fulfilled.

i-Zen@Kiara 1 (Kuala Lumpur, Malaysia)

i-Zen@Kiara 1 is a 35-storey luxury condominium tower located in Mont' Kiara designed to offer its 302 residents a wide range of services including concierge, security, housekeeping and lease management. i-Zen@Kiara 1 is wholly owned by Ireka Land and has a GDV of approximately US\$38 million. The project is currently under construction and due for completion at the end of 2007. Sales of condominiums currently stand at approximately 62 per cent. of the total project.

Tiffani by i-Zen (Kuala Lumpur, Malaysia)

Tiffani by i-Zen is a luxury condominium development located in Mont' Kiara. This luxurious development comprises three adjacent blocks – two 36-storey blocks housing 318 units and a 28-storey block housing 81 units. Tiffani by i-Zen has a GDV of approximately US\$96 million. The project was

launched in July 2006 and is expected to be completed in November 2008. Sales of condominiums currently stand at approximately 71 per cent. of the total project. Marketing and project management of Tiffani by i-Zen is undertaken in collaboration with CapitaLand.

One Mont' Kiara by i-Zen (Kuala Lumpur, Malaysia)

One Mont' Kiara by i-Zen is a mixed commercial development project in the Mont' Kiara area adjacent to i-Zen@Kiara I and i-Zen@Kiara II. This development comprises a 17-storey office tower, a 33-storey office suite block and a 5-storey retail complex. A development order was obtained from the Kuala Lumpur City Council and earthworks on site commenced in November 2006. One Mont' Kiara is a 50/50 joint venture with CapitaLand and has a GDV of approximately US\$132 million, with completion expected in mid-2010.

Located at the top of Jalan Mont Kiara (Mont Kiara Street), this development is strategically positioned as a commercial hub for the growing population of Mont Kiara and its vicinity.

Seni Mont' Kiara (Kuala Lumpur, Malaysia)

Seni Mont' Kiara is a 605-unit luxury condominium development located in Mont' Kiara. This project sits on 8.83 acres of freehold land with plans to develop two 46-storey tower blocks and two 16-storey low rise blocks with a total saleable area of over 1.9m square feet.

Seni Mont' Kiara is a joint venture between Legacy Essence (a company owned by the major shareholders of Ireka Group) and CapitaLand whereby the effective ownership structure is split 64 per cent., Legacy Essence and 36 per cent., CapitaLand and OCBC Bank (Malaysia) Berhad. Development order for this development has been obtained from the Kuala Lumpur City Council. Earthworks for this approximately US\$286 million GDV project commenced in November 2006 with completion expected in June 2010. Sales are anticipated to commence in the first quarter of 2007.

Sandakan Harbour Square, (Sandakan, Sabah, East Malaysia)

Sandakan Harbour Square is an urban redevelopment project in Sandakan, Sabah, East Malaysia. It is a project being jointly developed by the Municipal Council of Sandakan, Ireka Corporation Berhad and Geofusion Sdn Bhd. The objective of the project is not only to stimulate economic growth and be a catalyst for modernisation and business opportunities in this once former capital of North Borneo but also to rejuvenate the socioeconomic dynamics in the 'new heart' of Sandakan.

The project has an estimated GDV of US\$136 million. Phase 1 consisting of 61 shop units (89 per cent. sold) has been completed. Construction work on Phase 2 consisting of 68 shop units is expected to commence in March 2007 with 36 per cent. having been pre-sold off-plan. Phases 3 & 4 – comprising a retail and hotel development, respectively – are expected to commence in the 1st quarter of 2007.

Pursuant to the Acquisition Agreement, the consideration payable by the Company for the acquisition of the sale shares will be the sum of RM218.8 million (US\$63.4 million) adjusted following a post completion audit. For the purpose of determining the consideration payable certain assets of ILSB and ICSD are to be valued on a discounted cash flow basis (as at the date of the Acquisition Agreement) and certain projects are to be valued on an NAV basis (as at the date of completion of the Acquisition Agreement). Which basis is used will be determined by the independent valuer in consultation with the Company and Ireka.

On the completion date the consideration shall be paid to Ireka in cash in the amount of no less than RM39.0 million and the Company will allot and issue to Ireka (or to such person(s) as it shall nominate) consideration shares up to a value of RM110.0 million at the Placing Price, credited as fully paid.

An amount of RM31.5 million shall be deferred and payable subject to the entering in to of construction contracts in respect of the Sandakan Harbour Square development and the One Mont' Kiara by i-Zen development. In the event that the costs incurred pursuant to the contracts exceed amounts set out in the Acquisition Agreement the amount of the deferred consideration shall be reduced accordingly. The deferred consideration shall be paid in cash to a value of RM11.0 million and by the allotment of Ordinary Shares to a value of RM20.5 million in the Company. Further details of the Acquisition Agreement are set out in paragraph 6 of Part 9 of this document.

A post completion audit will be conducted within 30 days of the completion. On the basis that there will be no adjustments to the estimated aggregate consideration payable pursuant to the Acquisition Agreement, likely to be approximately RM218.8 million following the post completion audit, additional consideration shares to a value of RM38.3 million will be allotted and issued to the Seller.

Pursuant to the Exclusivity Agreement, Legacy Essence has agreed to negotiate exclusively with a view to the Company acquiring the entire interest held by Legacy Essence in the share capital of Amahir Resources Sdn Bhd (“Amahir”) which owns the Seni Mont’ Kiara Development. The total consideration payable by the Company for the acquisition of the shares in Amahir will not exceed the sum of RM226.0 million adjusted following a post completion audit. The consideration shall be paid in cash and by the allotment and issue by the Company to Legacy Essence (or to such person(s) as it shall nominate) of consideration shares up to value of RM134.8 million at the Placing Price, credited as fully paid.

Further details of the Exclusivity Agreement are set out in paragraph 6 of Part 9 of this document.

Our Partners

CapitaLand Limited

CapitaLand Limited (“CapitaLand”) is a Singapore based company listed in Asia with core businesses in property, hospitality and real estate financial services focusing in cities in Asia Pacific, Europe and the Middle East. CapitaLand’s property and hospitality portfolio spans 80 cities in nearly 20 countries and it leverages its real estate asset base and market knowledge to develop real estate financial products and services in Singapore and the region.

CapitaLand is partners with Ireka and Legacy Essence in the developments of Tiffani by i-Zen, One Mont Kiara by i-Zen and Seni Mont Kiara.

CapitaLand’s subsidiaries and associates include:

- The Ascott Group – large serviced residence provider in Asia-Pacific and Europe
- Raffles Holdings – listed on the Singapore Exchange
- CapitaMall Trust – Singapore’s first Real Estate Investment Trust (“REIT”)
- CapitaCommercial Trust – Singapore’s first commercial REIT
- Ascott Residence Trust – Singapore’s first pan-Asian serviced residence REIT

Geo Fusion Resources Sdn. Bhd

Geo Fusion Resources Sdn. Bhd (“Geo Fusion”) is a privately held development company based in East Malaysia with over 10 years’ experience in the property development and construction industry and is a joint venture partner with Ireka in the development of the Sandakan Harbour Square.

The head of Geo Fusion is Mr. Kenneth K.Y. Tiong who has previously been involved in a number of property development projects in Malaysia including Sarawak State Stadium in Kuching, Hilton Hotel in Seremban, The Magellan Sutera Hotel in Kota Kinabalu, Righa Royal Hotel (now Marriott Hotel) in Miri and the Hock Lee Centre in Kuching.

Future Prospects in Vietnam

5,000 m2 Land, corner Ba Thang Hai Street and Le Dai Hanh Street, District 11, Ho Chi Minh City, Vietnam

A memorandum of agreement was entered into by Ireka on 8 June 2006 with a Vietnamese developer for exclusive rights in developing a mixed commercial development comprising office suites and a retail podium to cater for the high population concentration within Districts 5 and 11 in Ho Chi Minh City. Preliminary design and feasibility studies have been completed. This project is estimated to have a potential GDV of between US\$70m to US\$100m.

The site is located approximately 15 minutes from the city centre and adjacent to the current Saigon Horseracing Track and the Phu Tho SEA Games sports complex. It is also in close proximity to District 5, Ho Chi Minh City’s bustling Chinatown district.

Others

The Manager is actively pursuing development opportunities in Vietnam. As at the date of this document, it has entered into 5 memoranda of understanding in respect of sites in both Hanoi and Ho Chi Minh City. These include office, hotel and residential developments.

Competitive Strengths

Local market knowledge

The Company will leverage on the Manager's strengths to harness development opportunities in Malaysia and Vietnam, using well established existing relationships to shorten project gestation period and facilitate project management in Malaysia and Vietnam.

Established relationships

The board and senior management of the Manager have established relationships with individuals and institutions, including financial institutions, active in the real estate markets in Malaysia and Vietnam. Such relationships are expected to provide the Company with access to potential acquisitions, facilitate the execution of transactions and help with property development and management. The Directors consider that these relationships will provide the Company with a key competitive advantage.

Experience of the Manager in property developments

The senior management of the Manager have a proven track record of sourcing, conceptualising, planning, executing and generating substantial returns on invested equity from real estate development projects. The Directors consider such investment skills and hands-on real estate experience to be invaluable as the Company seeks to extend its presence in its existing markets and establish a presence and execute its strategy in the newer Vietnamese market.

Investment Process

The investment process undertaken by the Manager will be broadly as follows:

Sourcing Investments

The Manager will source investment opportunities through its network of industry contacts and the third party relationships maintained by its staff. The sourcing of investment opportunities will be undertaken in accordance with the procedure set out below.

Transaction Proposal and Approval

For each investment prospect the Manager will prepare a transaction proposal which shall include an outline term sheet for the proposed acquisition supported by an outline business plan, and will evaluate, *inter alia*, yield, growth and risk criteria, and will in addition assess any potential additional strategic benefits that may result from a particular investment.

The transaction proposal shall be submitted by the Manager to the Board for approval. Based on the transaction proposal, the Board will determine whether it should proceed to detailed due diligence.

If approved, such due diligence will include a comprehensive review of the opportunity, the key risk areas and likely exit routes. Depending on the outcome of such further work, the Manager will obtain an independent valuation and draw up a comprehensive final proposal presenting the commercial case for investment. The Board will perform a final review of the complete proposal and approve or reject the investment.

Monitoring and disposals

A hands-on, pro-active, post investment process will enable the Manager to monitor investments closely and be well positioned to provide strategic advice to achieve a timely exit for the Group.

The Board will also review all proposals for the disposal of investments.

Dividend Policy

The Company's objective is to provide Shareholders with an attractive overall return to be achieved primarily through capital appreciation. To the extent that the Company has realisable profits, the Directors intend to achieve an appropriate balance between re-investing capital for future growth in accordance with the Company's investment strategy and paying dividends to Shareholders. Notwithstanding, following the fifth anniversary of Admission, the Company will only re-invest capital with the sanction of an ordinary resolution in general meeting of the Company.

Assuming that profits from the Initial Portfolio arise when currently expected, the Company is targeting paying a dividend for the year ended 31 December 2009. It must be emphasised that there can be no guarantee that this target will be achieved and the Directors will update investors on the timing of dividend payments.

The Company expects to declare any dividends in US Dollars.

Financial Consequences of the Placing and the Acquisition

As at the date of this document, the Company has a issued share capital of four Shares of US\$0.05 each which are issued and fully paid and immediately prior to Admission the Company will have net assets of US\$0.20. Following completion of the Placing and the Acquisition of the Initial Portfolio, the Company is expected to have net assets of approximately US\$241.3 million comprising Net Proceeds of the Placing and the Net Asset Value of the Initial Portfolio less costs associated with the Acquisition and other pre-incorporation expenses.

Use of Proceeds

The Company intends to acquire the Initial Portfolio following Admission and anticipates that initially between 30 per cent. to 40 per cent. of funds raised pursuant to the Placing will be allocated to prospective projects in Malaysia and between 60 per cent. to 70 per cent. will be allocated to prospective projects in Vietnam. Thereafter the Board will invest in both Vietnam and Malaysia where it believes the best returns can be achieved at that time. In the event that the Company does not acquire some or all of the Initial Portfolio, the Company still anticipates that between 30 per cent. and 40 per cent. of funds raised pursuant to the Placing will be allocated to projects in Malaysia and between 60 per cent. to 70 per cent. will be allocated to projects in Vietnam.

Life of the Company

The Board considers it desirable that Shareholders should have an opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends to propose an ordinary resolution at the annual general meeting of the Company in 2015 that the Company cease to continue as presently constituted. For so long as the Management Agreement has not been terminated, neither the Manager nor any member of the Ireka Group nor any of their respective directors, officers, agents or employees shall exercise the votes attached to Shares held by any of them at the time of any such continuation vote. If the resolution is not passed, the Board intends that a similar resolution will be proposed at every third annual general meeting thereafter. If the resolution is passed, the Directors will be required to formulate proposals to be put to Shareholders to re-organise or reconstruct the Company or for the Company to be wound up. The Board may at its discretion prior to 2015 convene an extraordinary general meeting to propose a special resolution to wind up the Company and distribute surplus assets to Shareholders if during this time it concludes that an early liquidation of the Company's property portfolio will be to the advantage of Shareholders.

Borrowings

The Company intends to make use of debt facilities for initial investment purposes, during the development phase and after the completion of projects.

The Directors, on the advice of the Manager, will decide on the terms of bank borrowings on a project by project basis. It is anticipated that property acquisitions will be made primarily through SPVs and that borrowing will also be undertaken separately by each SPV. It is anticipated that the average borrowings for each development will typically be in the region of 70 per cent. of the total GDC. However the Directors will retain the flexibility to borrow up to 80 per cent. of the total GDC. In addition, the Directors may in due course, secure general Group debt facilities if they consider that there will be an advantage to the Company in doing so.

Currency Issues

The Company does not currently intend to hedge exchange rate risks between USD and other currencies. However, the Company will seek to reduce the currency risk by funding investments in the same currency as the relevant investment where commercially practical.

Purchase of Ordinary Shares by the Company

If the Directors, at their absolute discretion, consider it to be in the best interests of the Shareholders as a whole to do so, the Company may purchase its own Shares for cancellation. Any such repurchases will be subject to the provisions of Jersey law, the Articles, any applicable insider dealing rules, any financial covenants set out in any relevant loan agreement, the Listing Rules (as described in the section headed “Consequences of a secondary listing” in Part 1 of this document) and other applicable legislation.

A special resolution, expressed to take effect on Admission, has been passed by written resolution granting the Company the authority to make market purchases of up to 14.99 per cent. of its own issued Shares in issue on Admission and the Company will seek annual (or, if required, more frequent) renewal of this authority from Shareholders in respect of the 14.99 per cent. of the then issued Shares.

The Company has passed a special resolution by written resolution cancelling the amount which will stand to the credit of its share premium account following the issue of the Shares. In accordance with Jersey law, the Directors intend to apply to the Royal Court in Jersey for an order confirming such cancellation of the share premium account immediately following Admission. Subject to any undertaking given to the Royal Court in Jersey, the reserve created on such cancellation will be available as a distributable reserve to be used for all purposes permitted by Jersey Law, including the buyback of Shares.

For the avoidance of doubt, purchases will be made only through the market and at prices below the prevailing Net Asset Value per Share, where the Directors believe such purchases will enhance Shareholder value and assist in narrowing any discount to Net Asset Value at which the Shares may trade. Under the Listing Rules, the maximum price that may currently be paid by the Company on the repurchase of Shares is 105 per cent. of the average of the middle market quotations for the Shares for the five business days immediately preceding the date of repurchase or, if higher, that stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC No 2273/2003).

The making and timing of any purchases will always be at the absolute discretion of the Board. Any purchases of Shares will be made only out of the available cash resources of the Company.

Shares which are purchased by the Company may be held as treasury shares provided that the aggregate number of Ordinary Shares held as treasury stock does not exceed 10 per cent. of the total number of the issued Ordinary Shares at that time. Ordinary Shares purchased by the Company in excess of this limit will be cancelled.

Further Issues of Ordinary Shares

The Board has the authority to issue Shares for cash other than *pro rata* to existing Shareholders.

Unless authorised by Shareholders, the Directors do not intend to issue further Shares for cash at a price that is below the prevailing Net Asset Value per Share unless the Shares are first offered *pro rata* to existing Shareholders.

There are no mandatory provisions of Jersey law or pursuant to the Articles providing pre-emption rights for existing Shareholders on the allotment of equity securities for cash.

Lock-in Arrangements

Each Director will agree not to sell, transfer or otherwise dispose of any Shares held by him or his associates on Admission for a period of 12 months from Admission, subject to certain exceptions.

In addition, the Manager and each partner, officer or employee of the Manager who subscribes for Shares under the Placing, will also be required to enter into a lock-in deed in similar terms to the Directors.

For the period of 12 months after the expiry of such period, the Directors, the Manager and each partner, officer, or employee of the Manager have agreed that any sale or disposal of Shares shall require the prior written consent of Fairfax, and any sale must be effected through Fairfax save in certain circumstances, to preserve an orderly market in the Shares.

PART 3

MANAGEMENT, ADVICE AND ADMINISTRATION

Board of Directors

The Board consists of 5 non-executive directors, as follows:

Dato' Mohammed Azlan bin Hashim (aged 49), Non-executive Chairman

Dato' Azlan currently sits on the Board of Directors of Khazanah Nasional Berhad (Malaysian Government's investment arm) and Employees Provident Fund, and is also the Chairman of Proton Holdings Berhad (holding company of Malaysia's national carmaker). Prior to this Dato' Azlan was the Executive Chairman of Bursa Malaysia Berhad Group (the Malaysian Bourse formerly known as The Kuala Lumpur Stock Exchange) and has held a number of senior positions, including Group Managing Director of Amanah Capital Malaysia Berhad and Chief Executive Officer of Bumiputra Merchant Bankers Berhad. He has also held a number of key public service positions, including Chairman of both the Bursa Malaysia Depository Sdn Bhd and the Labuan International Financial Exchange Inc. He was a member of the Second National Economic Council and Financial Reporting Foundation. He is also an independent director of AIM-listed Genesis Malaysia Maju Fund Limited. Dato' Azlan received a bachelor of Economics from the University of Monash, Australia. He is also a member of the Institute of Chartered Accountants, Australia.

Dato' Ismail bin Shahudin (aged 56), Non-executive Director

Dato' Ismail bin Shahudin is currently the Non-Executive Chairman of Bank Muamalat (a full-fledged Islamic banking group in Malaysia), a position he has held since March 2004. Dato' Ismail was previously the Group CEO of MMC Corporation Berhad, a large diversified conglomerate in Malaysia until March 2006. Prior to that, Dato' Ismail spent 10 years in Malayan Banking Berhad ("Maybank"), Malaysia's largest bank with assets of over RM190 billion, holding the position of Executive Director before leaving Maybank in 2002. Dato' 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. Dato' Ismail holds a bachelor of Economics (Hons) degree from University of Malaya.

John Lynton Jones (aged 62), Non-executive Director

Lynton has an extensive background as a chief executive of several exchanges in London, including the International Petroleum Exchange, the OM London Exchange, Jiway and Nasdaq International (whose operations he set up in Europe in the late 1980s). He also ran public affairs for the London Stock Exchange at the time of 'Big Bang'. 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 concluded this stage of his career with responsibility for promoting financial services at the British Embassy in Paris. He spent several years as a board member of London's Futures and Options Association and of the London Clearing House. He serves on the panel of City experts created by the Corporation of the City of London and is a non-executive director (and former chairman) of the Dubai International Financial Exchange. He studied at the University of Wales, Aberystwyth, where he took a first class honours in International Politics.

David Harris (aged 56), Non-executive Director

David Harris is Chief Executive of InvaTrust which specialises in marketing issues relating to the investment and financial services industry. He writes articles regularly for the national and trade press on investment matters. He is currently a non-executive director of the Character Group plc and a director of Small Companies Dividend Trust Plc, Premier Absolute Income and Growth Trust plc, Osprey Smaller Companies Income Fund Ltd and COBRA Holdings Ltd.

Christopher Lovell (aged 53), Non-executive Director

Christopher Lovell is a solicitor and has practiced since 1979. He was a Partner with Theodore Goddard between 1983 and 1993 before setting up his own firm. He became a Partner and Director of Channel House Trustees Limited, a Jersey regulated trust company, in 2000. Channel House Trustees was acquired

by Capita Group Plc in September 2005. He was a Director of BFS Equity Income and Bond PLC between 1998 and 2004 and Chairman of BFS Managed Properties between 2001 and 2005. Mr Lovell is currently a director of Capita Fiduciary Group and in addition to a number of funds for which Capita provides administrative services and is also a director of Dawnay, Day Treveria PLC and Yatra Capital Limited.

Manager

Profile of the Manager

Ireka Development Management Sdn. Bhd. (the “Manager”), a newly incorporated company incorporated in Malaysia on 9 January 2007 by the Companies Commission in Malaysia with registered number 758499H, is the property development manager for the Company. The Manager is a wholly-owned subsidiary of Ireka Corporation Berhad, a company listed on Bursa Malaysia since 1993 which has 40 years of experience in construction and property development. The senior management of the Manager, as described below under the heading “Key Individuals”, constitute the senior management of Ireka Corporation Berhad.

Ireka Corporation Berhad has played a major role in Malaysia’s nation building process, participating in the construction of major infrastructure projects such as the Malaysia North-South Highway, and the Kuala Lumpur International Airport. In 1992, Ireka Corporation Berhad diversified into property development, subsequently creating the i-Zen brand of properties. The i-Zen brand is a recognisable brand that strives to offer the 5S Concept in each and every of its development – Style, Service, Security, Sophistication and Soul.

Some of the recent projects in development and building construction completed by the Ireka Group include:

<i>Name of Project</i>	<i>Location</i>	<i>Description</i>	<i>Project Type</i>
The Westin Kuala Lumpur	Kuala Lumpur, Malaysia	Award winning Luxury 5-star hotel, sold at Malaysian record price of RM455m	Development
i-Zen @ Kiara II	Mont Kiara, Malaysia	Upscale Serviced residences in the exclusive Mont Kiara area	Development
i-Zen @ Villa Aseana	Mont Kiara, Malaysia	Upscale Town houses in a gated and enclosed compound in the exclusive Mont Kiara area	Development
Luyang Perdana	Kota Kinabalu, Malaysia	Upscale Town houses in a gated and enclosed compound in the exclusive Luyang area	Development
OCBC Bank Corporate Office	Kuala Lumpur, Malaysia	Office tower for the new corporate headquarters of OCBC Bank, Singapore’s longest established bank with S\$144 billion (US\$93.6 billion) in assets	Construction
Ministry of Natural Resources and Environment	Putrajaya, Malaysia	An award winning Office tower to house the ministry in Malaysia’s new administrative capital of Putrajaya	Design & Construction

<i>Name of Project</i>	<i>Location</i>	<i>Description</i>	<i>Project Type</i>
AIG Head Office	Kuala Lumpur, Malaysia	Office Tower for the new corporate headquarters of American International Group, Inc in Malaysia	Construction
Cineleisure Damansara Entertainment Centre	Kuala Lumpur, Malaysia	A one-stop entertainment and lifestyle centre was developed by the Cathay Group of Singapore consisting of cinema screens and retail outlets	Construction
Technology Park Malaysia	Kuala Lumpur, Malaysia	High-technology park office complex housing one of the world's most advanced and comprehensive centres for research and development of knowledge-based industries.	Construction
Kuala Lumpur City Centre District Cooling Plant	Kuala Lumpur, Malaysia	Building housing the district cooling plant serving the Kuala Lumpur City Centre development, which includes the iconic 88-storeys Petronas Twin Towers	Construction
Shell Training Centre	Shah Alam, Selangor, Malaysia	New training centre for the Malaysian operations of Royal Dutch Shell	Construction
Lembaga Tabung Haji Head Office	Kuala Lumpur, Malaysia	Office tower for Lembaga Tabung Haji ("Pilgrims Fund Corporation"), a state-owned investment fund	Design & Construction
Yayasan Selangor Building	Kuala Lumpur, Malaysia	Office tower for Yayasan Selangor, a state foundation for the State of Selangor	Design & Construction
IT & Training Centre for RHB Bank Berhad	Bangi, Selangor, Malaysia	Information technology and training complex housing internal facilities for RHB Bank Berhad, Malaysia's fourth largest bank, RM89 billion (US\$25 billion) in assets	Design & Construction

<i>Name of Project</i>	<i>Location</i>	<i>Description</i>	<i>Project Type</i>
Sungei Petani Hospital	Sungei Petani, Kedah, Malaysia	A government owned Hospital providing health amenities to Sungai Petani, the second largest town in the state of Kedah	Construction
Embassy of Brunei Darussalam	Beijing, China	Modern office complex housing the embassy operations of Brunei Darussalam in China	Design & Construction
Ministry of Youth & Sports	Putrajaya, Malaysia	Office tower to house the ministry in Malaysia's new administrative capital of Putrajaya	Design & Construction
Digi Telecommunications Head Office (D'House)	Shah Alam, Selangor, Malaysia	Office complex housing the operations of Digi Telecommunications, Malaysia's third largest mobile service providers, and a subsidiary of Telenor of Norway	Construction

Functions of the Manager

The Company has entered into the Management Agreement (details of which are set out in paragraph 6.1 in Part 9 of this document) with the Manager under which the Manager is responsible, *inter alia*, for the day to day management of the Company's Property Portfolio. The Manager will have discretionary authority to invest and divest in respect of all investments, subject to approval by the Board (as described in 'The Investment Process' in Part 2 of this document).

Key Individuals

The senior management of the Manager, who will be responsible for managing the Property Portfolio and subsequent acquisitions, are:

Lai Voon Hon – Chief Executive Officer

Aged 42, currently Chief Executive Officer/President of Ireka Land and Executive Director of Ireka Corporation. An architect by profession, he practised in London, Hong Kong and Malaysia prior to joining Ireka. He graduated from University College London, with a BSc (Hons) Degree in Architecture in 1987 and took a post-graduate Diploma in Architecture (Dip-Arch) in 1989. He has a MBA (Distinction) from Ashridge Management College.

Monica Lai Voon Huey – Chief Financial Officer

Aged 40, currently Chief Financial Officer of Ireka Land and Executive Director of Ireka Corporation. She practised as an accountant with Ernst & Young and KPMG in London and Hong Kong respectively prior to joining Ireka. She is a fellow member of the Institute of Chartered Accountants, England and Wales, the Malaysian Institute of Accountants and the Malaysian Institute of Taxation. She graduated from City University, London, with a BSc (Hons) Degree in Accountancy & Economics.

Lim Ech Chan – Chief Operating Officer

Aged 54, currently Chief Operating Officer Ireka Land and Chief Executive Officer of Legacy Essence Sdn. Bhd. He has previously worked as the Assistant Director of Planning for City Hall of Kuala Lumpur, as a general manager of a publicly listed property development company, and as a Director of GDP Planners, a premier architectural firm in KL. He is a registered Professional Town Planner in Malaysia and a member of Royal Town Planning Institute, London. He graduated from Glasgow School of Art with a Post-graduate Diploma in Town Planning (Dip. Town Planning) in 1978.

John Lou – Senior Vice President, Projects

Aged 43, currently Senior Vice President of Projects for Ireka Land. An architect by profession, he has spearheaded the implementation of the i-Zen brand in Ireka Land's maiden Kiara II and Villa Aseana developments. He is registered Professional Architect with the Board of Architects, Malaysia. He graduated from the University of New South Wales, Australia with a degree in Bachelor of Architecture in 1990.

Lawrence Har – Senior Vice President, Projects

Aged 46, currently Senior Vice President of Projects for Ireka Land. He has over 25 years of experience in property development and the construction industry, including working in the UK as the representative for a Malaysian property developer. He has also led Ireka's property ventures in East Malaysia, Sabah and more recently in Vietnam. He graduated from Central State University of Oklahoma, USA with an Honours Degree in Business Administration (majoring in Finance & General Business).

Lim Kian Teng – Senior Vice President, Finance

Aged 46, currently Senior Vice President of Finance in Ireka Land. He practised as an accountant with Ernst & Young and held senior positions in various listed companies in Malaysia. He has also been instrumental in listing two companies on the Malaysia Bourse. He is a member of the Malaysian Institute of Accountants, Malaysian Institute of Taxation and Financial Planning Association of Malaysia. He graduated from the University of Malaya with a Bachelor of Accounting Degree.

Leonard Yee – Senior Vice President, Strategy & Operations

Aged 42, currently Group General Manager of Ireka Corporation. Worked as a Surety and Financial Lines Underwriter with American International Group, Inc in London and New York before returning to Malaysia. He was previously an Executive Director of a local construction company and a managing director of an equities research firm before joining Ireka. He graduated from University of Kingston, Kingston-Upon-Thames, England with a Bachelor of Arts (Hons) Degree in Industrial Social Sciences.

Chan Chee Kian – Vice President, Strategy & Operations

Aged 30, currently Manager, Strategy & Corporate Development of Ireka Corporation. He was previously a management & strategy consultant with Accenture in Singapore, Bangkok and Kuala Lumpur where he advised a broad range of clients including large multi-national companies, Government linked agencies and Local Enterprises throughout Asia Pacific on strategic and operational issues. He graduated from the University of Bristol, England with a First Class Honours, Master of Engineering Degree in Civil Engineering in 2000.

Management Agreement

Under the Management Agreement, the Manager will be principally responsible for implementing the real estate strategy for the Company, engaging, managing and coordinating third parties in relation to the management or development of properties to be acquired and lead the negotiation for the acquisition or disposal of assets and the financing of such assets.

The Manager will be paid (i) a quarterly management fee in advance calculated at 2 per cent. per annum of the Company's Net Asset Value, and (ii) a performance fee calculated as 20 per cent. of the extent to which the Net Asset Value per Ordinary Share (with dividends and other distributions added back and ignoring any accrued performance fee) as at the end of each performance fee period of the Company exceeds a benchmark equal to the Placing Price increased at a compound rate of 10 per cent. per annum multiplied by the time weighted average number of Ordinary Shares in issue during that period. The first performance fee period will end on 31 December 2009 the second anniversary of Admission and each subsequent performance fee period will terminate annually thereafter. No performance fee shall be paid where the relevant Net Asset Value per Ordinary Share on which a performance fee would ordinarily be paid in respect of a performance period is lower than the Net Asset Value per Ordinary Share (ignoring the effect of any relevant performance fee paid) at the end of a previous performance period.

Performance fees will be accrued on the basis set out above. If the Manager becomes entitled to a performance fee in respect of a performance period, the Company will only be required to settle such liability to the Manager in respect of any performance fee earned to the extent that, and only when and

if, the Company has realised profits on any investments. For the avoidance of doubt, unless an asset has been disposed of within six months of the relevant Calculation Date, in which case the calculation of the performance fee will be adjusted by using the actual disposal price of the property instead of the valuation of the property, any difference between the Net Asset Value per Ordinary Share used for calculating whether any performance fee becomes payable and the actual amount of realised profit of any investments shall be ignored for the purposes of determining the amount of any performance fee payable to the Manager. If the Management Agreement terminates for any reason, the parties will agree the amount of deemed realised profit of the Company's investments for the purposes of determining any performance fee payable to the Manager at the date of termination.

The Management Agreement is subject to termination, *inter alia*, on 12 months' notice by either party, such notice not to expire before the fifth anniversary of Admission. The Company is entitled to terminate the Management Agreement if the Manager becomes insolvent or commits a material breach of the Agreement which remains un-remedied.

The terms of the Management Agreement are set out in more detail in paragraph 6 of Part 9 of this document.

Investment Committee

Upon Admission, the Company will establish an Investment Committee consisting of local experts in each of Malaysia and Vietnam that will act in an advisory capacity to the Company to consider investment and disposal proposal recommendations of the Manager.

Corporate Governance

The Directors recognise the importance of sound corporate governance and intend to comply with the Combined Code. In addition, the Company will comply with the corporate governance guidelines applicable to a company registered in Jersey.

In particular, the Directors are responsible for overseeing the effectiveness of the internal controls of the Company designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made, and which is issued for publication, is reliable and that the assets of the Company are safeguarded.

The Board will establish an audit committee with formally delegated duties and responsibilities, comprising not less than two offshore members of the Board. The audit committee will meet at least twice a year and will be responsible for ensuring that the financial performance of the Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies.

The Board will also establish remuneration, management engagement and nomination committees with formally delegated duties and responsibilities, comprising not less than two offshore members of the Board. The role of the committees will be, *inter alia*, to monitor and review with the Board the performance of the Manager, the terms of the Management Agreement and the framework for the remuneration of the non-executive directors, if applicable.

The Company has adopted and will operate a share dealing code governing the share dealings of the Directors and applicable employees during close periods and which is in accordance with Annex 1 to Chapter 9 of the Listing Rules.

Relationship with Ireka Corporation Berhad

Following completion of the Acquisition Agreement and completion of an acquisition agreement in respect of the shares the subject of the Exclusivity Agreement, Ireka and its related parties will be interested in 88 million Ordinary Shares, representing 35.2 per cent. of the issued Ordinary Share capital of the Company. Ireka will enter into a controlling shareholder agreement with the Company. Under the terms of the controlling shareholder agreement the Company shall at all times be capable of operating its business independently of Ireka and all transactions and relationships between the Company and Ireka (and its related parties) will be at arm's length and on normal commercial terms. Further details of this agreement are set out in paragraph 6.12 of Part 9 of this document.

Conflicts Management

The Manager is wholly-owned by Ireka. The Ireka Group is a construction and property based group and invest in property investments and developments with similar objectives to that of the Company. In the future, the Manager or its affiliates may also establish other property investment which investment objectives are similar to those of the Company.

In providing its services, information which is used by the Manager to manage the Group's property assets may also be used by the Manager or its affiliates, either for the benefit of the Ireka Group or provide similar services to other clients.

The Manager will manage its duties to the Company and to other companies for whom it and its affiliates act pursuant to the terms of the Management Agreement and any other contracts which they may have entered into with such other companies. The Management Agreement contains provisions dealing with conflicts management. Should investment opportunities meet the investment objective and criteria of both the Company and any other companies within the Ireka Group or under the control of the Manager, such opportunities will be allocated between them subject to the Manager's allocation process. The Manager's allocation process is designed to reduce potential conflicts of interest and is intended to ensure that all parties, including the Company, will have fair access to new investment opportunities made available to the Manager or its affiliates.

The Management Agreement prohibits the Manager (without the Company's prior consent) from undertaking any property acquisition and/or development activities in respect of property assets in Malaysia and Vietnam without offering the Company a right of first refusal in respect of the same or acting as sponsor or manager of any public or private property fund with regards to property assets in Malaysia or Vietnam without offering the Company a right of first refusal to participate in such property fund until at least 85 per cent. of the proceeds of the Placing, plus related debt, has been invested or committed for investment.

The Company does not believe that there are any potential conflicts of interest between the Directors' duties and their private interests.

Valuations

The Company will appoint one or more internationally recognised firms of surveyors as property valuers. It is the Directors' intention that the Company's Property Portfolio will be independently valued on a semi-annual basis. The Net Asset Value will be calculated by the Administrator on a quarterly basis. The making of valuations will only be suspended in certain circumstances. In the event of suspension, the Company will notify shareholders via a regulatory information service.

Financial information and reports

The Group's financial statements will be prepared in accordance with IFRS and reported in US Dollars.

The first accounting period of the Company will run until 31 December 2007 and, thereafter, accounting periods will end on 31 December in each year. It is expected that the audited annual accounts will be sent to Shareholders within five months of the year end to which they relate. Unaudited half yearly reports, made up to 30 June, are expected to be announced within three months thereof. The first audited yearly report will cover the period from incorporation to 31 December 2007.

The audited annual accounts and half yearly reports will also be available at the registered office of the Administrator and the Company.

Administration and Secretarial

The Administrator is Walkers Secretaries Limited. The Administrator is a private limited company established under the laws of Jersey. Its registration number is 88295.

The Administrator has been appointed to provide administration and secretarial services to the Company as set out in the Administration Agreement. For these standard services the Administrator will be paid a basic annual fee of £2,000. In addition, certain activity fees apply for services in addition to the standard services. The Administration Agreement is terminable by either party giving not less than 3 months' notice.

Further details of the agreement between the Company and the Administrator are set out in paragraph 6 of Part 9 of this document.

Registrar

The Company has appointed Computershare Investor Services (Channel Islands) Limited to provide registrar services in respect of the Company. Further details of the agreement between the Company and the Registrar are set out in paragraph 6 of Part 9 of this document.

PART 4

PLACING, ADMISSION AND RELATED MATTERS

The Placing and use of Proceeds

Fairfax has undertaken to use its reasonable endeavours to place with investors 162 million Shares, as agent for the Company, at the Placing Price.

The Placing, which is not being underwritten, is conditional upon the admission of the Shares to the Official List and to trading on the London Stock Exchange by 5 April 2007, or such later time as Fairfax and the Company may agree, but in any event not later than 4 May 2007.

The Placing of the Shares on behalf of the Company is intended to raise approximately US\$162 million before expenses. The expenses of Admission and the Placing payable by the Company are estimated at approximately US\$8.8 million, assuming the Placing is fully subscribed, so that the Net Proceeds of the Placing of the Shares on behalf of the Company are estimated to be approximately US\$153.2 million.

The Company intends to use the Net Proceeds of the Placing to provide working capital for the operations of the Company and to invest principally in Malaysia and Vietnam. Based on current market conditions, and in the absence of unforeseen circumstances, the Manager anticipates that the Company should be fully invested within 12 months of Admission, although there can be no guarantee of this. The Board will monitor progress closely and will consider all options for the Company based on its initial investment progress. Pending investment, money will be invested in cash or short term liquid investments.

Proceeds of the Placing should be received by Fairfax on or before 5 April 2007. CREST accounts will be credited on the date of Admission and it is anticipated that certificates in respect of the Shares will be despatched within 10 business days of such date, in the week commencing 23 April 2007. Pending receipt by Shareholders of definitive share certificates, the Registrar will certify any instruments of transfer against the register.

The Placing cannot be revoked after dealings in the Shares have commenced.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the CREST Regulations. The Articles permit the holding of Shares under the CREST system. All the Shares will be in registered form and no temporary documents of title will be issued.

The Company has applied for the Shares to be admitted to CREST and it is expected that the Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. It is expected that Admission will become effective and dealings in Shares will commence on 5 April 2007. Accordingly, settlement of transactions in Shares following Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and holders of Shares who wish to receive and retain share certificates will be able to do so.

PART 5

BACKGROUND TO MALAYSIAN AND VIETNAMESE REAL ESTATE MARKETS

Certain information from this Part 5 has been sourced from third parties. The Company confirms that this information has been accurately reproduced and, as far as the Company is aware, and is able to ascertain from information published by such said parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Directors believe that the following common characteristics should provide sustainable growth in the real estate sectors of both Malaysia and Vietnam:

- ***An increasing standard of living and urbanisation driven by a burgeoning young and middle class population***

Around two thirds of both countries' populations are under the age of 35 (Malaysia: 66 per cent., Vietnam: 67 per cent.), giving a large pool of consumers that will go through the typical Asian cycle of moving out from family homes; owning the first home; trading up for bigger homes; and eventually buying secondary properties for investment and/or as 'parental gifts' for their children.

- ***Clear Government role in encouraging participation of private sectors in real estate development, as well as encouraging and promoting land and property ownership***

In Malaysia, the private sector has played a pivotal role in development of the property sector from the mid-70s by partnering the Government in building low cost housing, to current private ventures in high-end developments. Private ownership of land and property is encouraged through a systematic title system, granting tenure ranging from 30 years to perpetual freehold.

In Vietnam, the passing of the new land law in 2004 saw the first auction of land for development purposes by the Government. In the same year, a Governmental decree enabled foreign developers to build apartments for sale (previously, foreign developers were only allowed to build and lease to a restricted community). Ownership of land and property are administered through a "land use rights" system under which Vietnamese nationals are granted effective freehold ownership, whilst foreigners are given 50 years of land use rights, extendable to 70 years.

- ***Improving availability of mortgages to encourage property ownership***

Backed by a well developed financial and legal system, and increasing income of consumers, the mortgage market in Malaysia has thrived over recent years, offering consumers up to 95 per cent. lending on property value over a period of up to 30 years.

Whilst mortgage structures in Vietnam remain conservative in comparison to developed countries, there has been significant progression over the last 3 years. Currently banks will consider lending up to 70 per cent. of the property value over a loan period of 10 years. This trend is expected to increase significantly over the next few years in line with Vietnam's economic growth.

- ***Favoured Foreign Direct Investment ("FDI") destination driving demand for commercial and industrial properties***

With a stable economic and political backdrop, Malaysia continues to be a favoured FDI destination. FDI amounted to approximately US\$5.0 billion in 2005, a 35 per cent. growth from 2004. Since the late 1990s, the Malaysian Government has implemented various programmes to attract foreign investment such as the Multimedia Super Corridor, a zoned high-tech area aimed at creating conducive environment for technology companies to operate in. Such programmes often offer tax incentives, relaxed labour laws and easy access to real estate properties.

FDI for Vietnam amounted to approximately US\$3.3 billion in 2005, 14 per cent. growth from 2004. Intel's commitment in early 2006 to build a US\$300 million assembly and test facility in Ho Chi Minh City is a testament to Vietnam's growing popularity as an FDI destination. Vietnam's accession to the World Trade Organisation ("WTO") on 7 November 2006 is expected to continue to drive FDI growth.

The Investment Case for Malaysia

The Directors believe the following factors to be particularly important in creating a positive environment for investment in Malaysia:

Resilient economy with steadfast vision: Malaysia has significant rich natural resources including oil and gas, tin, timber, palm oil and rubber. Against this backdrop, Malaysia has progressed from a country dependent on agriculture and primary commodities to an export-driven economy spurred by high technology, knowledge-based and capital-intensive industries. In 1990, the Malaysian Government made a declaration, Vision 2020, which envisages Malaysia becoming a developed nation in its own mould by year 2020. Malaysia has shown great strides since then in realising this vision.

Over the past 15 years, the Malaysian economy achieved average annual growth rates of about 6.5 per cent. while GDP more than quadrupled to reach a US\$130.8 billion in 2005. Exports and imports have also more than quadrupled to reach RM534 billion (US\$154.8 billion) and RM434 billion (US\$125.8 billion) respectively in 2005, placing Malaysia among the world's top 20 trading nations. Government measures, in particular capital and exchange controls and diversification of the economy following the 1997 Asian financial crisis, have helped steer the economy back to recovery within a short time period, as evidenced by Malaysia recording an average GDP growth of 5.36 per cent. since 1999.

Strong financial and capital markets: Malaysia has achieved significant progress in strengthening the foundations of its financial and capital markets. Malaysia possesses a sound corporate governance framework, strong network of capital market intermediaries, as well as a diversified and thriving bond market, including an internationally recognised Islamic capital market. In 2005, gross funds of RM 38.73 billion (US\$11.23 billion) were raised in the capital markets, of which 52 per cent. were raised by the private sector and 48 per cent. by the public sector.

The Bursa Malaysia, or Malaysian Bourse, is one of the largest stock exchanges in South East Asia with a market capitalisation of RM733 billion (US\$212.5 billion) and with 1,025 companies listed on three exchanges – Main Board, Second Board and MESDAQ (data as of 31st March 2006). With the re-introduction of guidelines for listing Real Estate Investment Trusts (REITs) in 2005 resulting in more favourable investment requirements and tax incentives, a total of RM 1,358 million (US\$393.6 million) was raised in the market through the listing of 6 REITs on the Malaysian Bourse since August 2005; other Malaysian REITs are expected. This trend is expected to increase in the coming years. The Directors see this as an opportunity for the Company as it provides an attractive option for the Company to exit its developments and investments.

Established and open real estate sector: Malaysia's property market grew strongly in the nineties (average GDP growth of 9.2 per cent. from 1990 to 1997), which promoted home ownership and trading-up of homes by middle income buyers. Initially following the Asian economic crisis property prices fell but renewed GDP growth and a combination of Government policy, consumer confidence and property prices have recovered, driving a second wave of growth in the property market.

One underlying factor that has enabled this healthy growth in the industry lies with strong legal and commercial framework of the sector. Malaysia, being a Commonwealth nation, has similar land systems to that of United Kingdom. Ownership of real estate is clearly defined through a centralised registered title system, where subsequent transactions are registered against the title. Home buyers are afforded ample protection through the Housing Development (Control and Licensing) Act, which governs the collection of payments from buyers by the developers. In addition, the Strata Titles Act legislate the subdivision of properties for high-rise or community type livings, as well as the management of the subdivided properties by the management company.

International confidence in the Malaysian property market is evident in the arrival of established, international real estate investors and developers in Malaysia over the past two years such as CapitaLand and Mapletree of Singapore, TCC Land of Thailand, Macquarie Global Property Investments of Australia and Kuwait Finance House.

Klang Valley (defined as Kuala Lumpur plus Selangor state), with a population of 6.49 million, continues to be the focus of economic activities, including property development. In the residential sector, areas such as Mont' Kiara, Hartamas and Bangsar continue to be favoured by upper-middle to high-end buyers.

The Kuala Lumpur City Centre has received a lot of attention in the past two years driven by interests in high-end luxury condominiums. To cater for the growth in urban living among Malaysians, the retail sector in Malaysia is characterised by various sizeable malls catering from low to high-end demands. Notable malls are Mid Valley Mega Mall (158,000 sq. m), One Utama (149,000 sq. m) and Suria KLCC (97,000 sq. m). The office sector is seeing a gradual move of companies away from the heart of Kuala Lumpur to more decentralised locations such as Menara Telekom, Menara HP and Menara IGB. Emerging trends also include sales & lease-back of corporate offices, as well as development of REITs for commercial and hospitality developments.

The Directors believe that in the next phase of growth, the maturity and sophistication of consumers and property buyers, both individuals and corporate, calls for developers to adopt innovative concepts in developing, marketing and operating the property products.

Country Profile

<i>Population:</i>	25.61 million
<i>Land Area:</i>	329,740 km ²
<i>GDP (2005):</i>	US\$ 130.8 billion
<i>Major City:</i>	Kuala Lumpur (capital), Petaling Jaya, Johor Bahru
<i>Credit Rating (S&P):</i>	A+/Stable/A-1
<i>Main Languages:</i>	Bahasa Malaysia, English, Chinese, Tamil
<i>Currency:</i>	Ringgit Malaysia
<i>Economic Communities:</i>	Asia Pacific Economic Co-operation, Association of South-East Asian Nations, WTO
<i>GDP Sources:</i>	7.4 per cent. agriculture, 33.8 per cent. industry, 58.8 per cent. services
<i>Political Environment:</i>	Constitutional monarchy with appointed Senate and an elected House of Representatives. Gained independence in 1957 and has been ruled by a coalition Government known as the Barisan Nasional. The prime minister is Datuk Seri Abdullah Badawi who replaced Tun Mahathir Mohamad in October 2003 after 22 years in power.
<i>Foreign Trade:</i>	Major Exports: Electronic equipment, petroleum and liquefied natural gas, chemicals, palm oil and textiles. Leading Export Markets: United States, Singapore, Japan.
<i>Taxation:</i>	Corporate Tax: 27 per cent. (effective 2007) Individual Tax: Progressive rates up to 28 per cent. Capital Gains: Gains on real property are taxed at rates between 0 per cent. and 30 per cent. Indirect Tax: 10 per cent. Sales Tax for manufacturers and importers with certain exemptions, 5 per cent. Service Tax for services for certain goods or services,.

Source: Deloitte Country Snapshot, Standard & Poor's, Company Commission

The Investment Case for Vietnam

Vietnam has a population of over 83 million and a land area of 331,690 sq km. A young population, coupled with high literacy rates (90.3 per cent., comparable to that of Singapore of 92.5 per cent.) underlines the economic potential of Vietnam. Although GDP per head was only in the region of US\$612 in 2005, GDP is projected to grow at an average of 7.4 per cent over the next two years (2006 and 2007), second only to China in Asia Pacific.

The Directors believe that ongoing reforms in the country's socio-economic and geopolitical environment, combined with the economic potential of Vietnam, have created significant opportunities for foreign investors to participate in potentially attractive investment opportunities.

Rapid and significant economic reforms: Since the mid-1990s, the Government has gradually moved away from a centrally-planned economy to a mixed and more market-driven system. The shift away from the centrally planned system ends decades long of reliance on the Soviet and Eastern bloc countries for trades and technology transfer. The Vietnam economy is now instead guided by the early Tiger economies in general (Singapore, Malaysia, Taiwan, Thailand), but more specifically by the successful reforms of China. The economic reforms of Vietnam are taking place on various planes. In January 2007, Vietnam joined the World Trade Organisation.

Socio-economic and geo-political stability: At over 83 million, Vietnam has large population by South East Asian standards. Since the war in 1970s, the Government has brought about an era of stability. Government measures in controlling inflation, exchange rate stability and control state borrowing has allowed and encouraged Vietnamese citizens to focus on increasing their incomes and livelihood through a thriving domestic economy. The young population coupled with high-literacy rates, with a strong cultural and ethnicity link to China has generally created a nation of people that are determined, hard-working with strong work ethics and entrepreneurial spirit.

In recent years, as a result of the Government's 'open-arm' policies, overseas Vietnamese ("*Viet kieu*"), whom majority left during the Vietnam War, are returning to Vietnam, seeking for investment and employment opportunities. *Viet kieu* in general has brought about an interesting socio-economic shift, where numerous business ideas and models from developed nations are hatched and developed at rapid speed. For example companies such as VinaCapital (Vietnam's leading investment bank and fund management company) and VinaGame (Vietnam's first online gaming company) are growing rapidly. This healthy trend has thus created employment opportunities and fuelled the growth of the domestic economy.

As such, in the real estate sector, the Directors believe that there are ample opportunities for the Company to introduce development concepts that are not visible yet in Vietnam through superior product quality, lifestyle concepts as well as innovative marketing and branding of real estate products.

Development of financial & capital markets: The Vietnam Stock Exchange, established in 2000 as the Ho Chi Minh City Securities Trading Centre, has grown from 2 listed companies with a combined market value of US\$17 million to, as at 31 December 2006, 106 companies with a combined market capitalisation of US\$9 billion. The Vietnam Stock Index rose 144 per cent. during the 12 month period to 31 December 2006. In the debt markets, Vietnam successfully issued its first dollar-denominated bond offering in October 2005, selling \$750 million in 10-year bonds, with up to US\$4.6 billion orders placed at offering. The bond issue is a significant step in the development of deeper bond markets in Vietnam and its reception signals foreign investors' confidence in the Vietnamese economy. More recently, in May 2006, the state-run Bank for Investment and Development of Vietnam ("*BIDV*") raised a total of 2.2 trillion Dong (US\$137.5 million), setting a new benchmark for the country's domestic bond market.

The development of the real estate sector in Vietnam is a classic case of emergence of a market driven economy from a socialist nation, similar to the developments in China as well as some Eastern bloc countries. With the benefit of learning from the successful reform policies of China, Vietnam has made great strides since the 1997 Asian financial crisis.

Vietnam's economic growth has resulted in burgeoning middle-class consumers, with an increased amount of disposable income. Coupled with the growth of tourism and multinational companies setting up manufacturing facilities and representative offices in Vietnam, demand for real estate has risen across the residential, commercial and hospitality sectors. As part of the "*Doi Moi*" (renovation) reform

policy, the Government recognised that the real estate sector must be allowed to develop with participation from the private sector. This has resulted in a policy shift towards the ownership of real estate properties.

In recent years, the Government has made rapid and specific changes to the laws and regulations governing the real estate sector to guide the industry towards a path of sustainable growth. Key changes include the following:

- New land law enabling increased foreign investment and increased ability of financial institutions to provide lending on property assets;
- First auction of Government land for real estate development purposes;
- Improved mortgage market of up to 10 years and up to 70 per cent. of the current valuation of the property;
- Continuing development of compulsory purchase and compensation regulations;
- Joint-venture developers can build apartments for sale, subject to approval from the Prime Minister. Prior to this regulation foreign developers could only build apartments for lease to the small expatriate community; and
- Ongoing drafting of real estate law to increase transparency as well the establishment of land registries at provincial and district levels for registrations of land use, issuance of land use right certificates, and management of real estate assets.

Along with these regulatory changes, a number of other drivers are stimulating real estate development. The beginning of large scale urban infrastructure projects, an increasing standard of living, a young, well educated population and the emergence of the availability of mortgages are all applying pressure on a limited supply of real property. Ho Chi Minh City (“HCMC”), with a population of over 6 million, and Hanoi of over 3 million, continues to be the major focus of property development activities.

Against the backdrop of a growing population, strong economic growth and buoyant property market, the Directors believe that the timing is right to participate in the development of the real estate sector in Vietnam.

Country Profile	
<i>Population:</i>	82.97 million
<i>Land Area:</i>	331,690 km ²
<i>GDP (2005):</i>	US\$ 50.9 billion
<i>Major City:</i>	Hanoi (Capital), Ho Chi Minh City
<i>Credit Rating (S&P):</i>	BB+/Stable/B
<i>Main Languages:</i>	Vietnamese, English
<i>Currency:</i>	Dong
<i>Economic Communities:</i>	Asia Pacific Economic Co-operation, Association of South-East Asian Nations
<i>GDP Sources:</i>	20.62 per cent. agriculture, 41.25 per cent. industry, 38.13 per cent. services
<i>Political Environment:</i>	Vietnam is a one-party state, run by a collective leadership comprising the Communist Party of Vietnam’s General Secretary, Nong Duc Manh, the Prime Minister, Nguyen Tan Dung, and the State President, Nguyen Minh Triet.

Foreign Trade:

Major Exports: Crude oil, garments and textiles, seafood, electric cables and wires, footwear and rice.

Leading Export Markets: Japan, the EU and the US.

Taxation:

Corporate Tax: 28 per cent.

Individual Tax: Progressive rates up to 40 per cent.

Capital Gains: Capital gains of companies taxed at corporate tax rate

Indirect Tax: Value-added tax rate of 10 per cent. applied for most transactions

Source: Deloitte Country Snapshot, Standard & Poor's, Company Commission

PART 6
VALUATION REPORT



13 February 2007

The Board of Directors
Aseana Properties Limited
44 Esplanade, St Helier
Jersey JE4 8PN
Channel Islands

Horwath *AF No 1018*
Kuala Lumpur Office
Chartered Accountants
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
603.2166.0000 Main
603.2166.1000 Fax
horwath@po.jaring.my

The Directors
Fairfax I.S. PLC
46 Berkeley Square
Mayfair
London W1J 5AT

Dear Sirs / Madam

INDEPENDENT VALUATION OF THE DEVELOPMENT PROJECTS IN WHICH INTERESTS ARE TO BE ACQUIRED BY ASEANA PROPERTIES LIMITED

In accordance with our engagement letter with Aseana Properties Limited (“the Company”), we have pleasure in reporting to you as follows:-

1. SCOPE OF INSTRUCTIONS

In conjunction with the proposed placing of the Company’s ordinary shares and the admission to the Official List and to trading on the London Stock Exchange, the Company has proposed to acquire the entire equity interests in Ireka Land Sdn Bhd (“ILSB”) and Amahir Resources Sdn Bhd (“ARSB”), and a sixty per cent (60 per cent.) equity interest in ICSD Ventures Sdn Bhd (“ICSD”).

In connection with the Company’s proposed acquisition of ILSB, ARSB and ICSD, we have been instructed to carry out an independent valuation of the development projects (each a “Project” and together the “Projects”) undertaken by each of the aforesaid companies.

The Projects which are the subject matter for this valuation are briefly described in Section 7 of this valuation report.

We have considered the above Projects, in order to advise you of our opinion of their market values as at 31 August 2006. Each Project has been valued individually and not as part of a portfolio.

The valuations have been performed in accordance with International Valuation Standards (“IVS”) promulgated by the International Valuation Standards Committee.

2. PURPOSE OF THE VALUATION REPORT

This valuation report has been prepared for the purpose of providing the directors of the Company with the Market Values (“as defined below”) of the Projects and for inclusion in the prospectus to be issued in respect of the admission of the ordinary shares of the Company to the Official List and to trading on the London Stock Exchange, which investors will rely on in making their decision to invest in the Company.

We also understand that this valuation report will be relied upon by the directors of the Company and Fairfax I.S. PLC.

3. BASIS OF VALUATION

As instructed and in accordance with the provisions of IVS, the valuations have been prepared on the basis of Market Value. For the purpose of this valuation report, “Market Value” means:-

“the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.”

Market Value, in the context of this Report, excludes any taxes; whether corporate, personal, real property or otherwise; that the owner(s) of the Projects may have to pay. In arriving at the Market Value of the Projects, we have assumed that the development costs are substantially financed by bank borrowings based on the terms negotiated between the financial institutions and the respective companies that are undertaking the development projects.

4. VALUATION METHODOLOGY

We have valued the Projects on the basis of the discounted cash flows (“DCF”) method. Our reasons for adopting the aforementioned methodology include the following:-

- (a) capitalisation of cash flows is a suitable methodology to adopt in the case of relatively new projects, without significant operating history;
- (b) the capitalisation of dividends methodology is not considered appropriate as the valuation required is that of the Projects as a whole because the companies undertaking the Projects have no history of regularly declaring dividends out of the profits earned from the Projects. Further, the Projects, the context of this Report, are valued on a before tax basis whilst dividends are usually declared on after tax profits;
- (c) we have been advised that the companies undertaking the Projects would not be required to procure any equipment or machinery as the construction will be undertaken by sub-contractors. Therefore a valuation of the Projects based on the orderly realisation of assets would not be applicable;
- (d) we have been advised by the directors of Aseana Properties that, save for the proposed acquisition of ILSB, ARSB and ICSD by Aseana Properties, no other offers (either written or verbal) have been received for the acquisition of the companies or the Projects whether in part or in whole. Accordingly, the market approach which takes into account the amount which an acquirer might be prepared to pay is not applicable; and
- (e) whilst the Projects are expected to be profitable, the capitalisation of earnings is not considered appropriate because of the difficulties associated with obtaining an appropriate price-earnings (“PE”) multiple to be used for the computation of the value under the capitalisation of earnings methodology.

5. KEY ASSUMPTIONS

In the context of this report, “assumptions” are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuations, we have made a number of assumptions and have relied on certain sources of information. Where appropriate, the Company has confirmed that the assumptions are correct so far as they are aware. In the event that any of these assumptions prove to be incorrect then this may have a significant impact on the values here reported. The general assumptions we have made for the purpose of our valuation are as follows:-

- (i) There will be no change in the statutory, legal and regulatory environments which would have a material adverse effect on the Projects or the companies which are undertaking the Projects;

- (ii) There will be no significant change to the prevailing industrial, political or economic conditions in Malaysia;
- (iii) There will be no material change in the competitive environment in which the companies (which are undertaking the Projects) operate;
- (iv) There will be no material litigation or disputes involving the Projects;
- (v) There will be adequate and timely supply of labour and materials that are required to complete the Projects within their respective projected time frames;
- (vi) There will be no significant disputes with the contractors and sub-contractors which would have a material adverse effect on the Projects;
- (vii) There will be no material revocation of commitments by the buyers of the properties encompassed in the Projects;
- (viii) The Projects are substantially financed by bank borrowings under the terms negotiated between the financial institutions and the respective companies undertaking the Projects;
- (ix) There will be no significant fluctuation in the cost of borrowings;
- (x) The projected monthly cash flows closely approximate the monthly profit projections of the Projects; and
- (xi) The repayment of bank borrowings (the principal amounts) closely reflect the realisation of the land and building costs for which the credit facilities have been procured. Realisation in this context means the recognition of land and building costs in the income statement based on the stage of completion of the projects, which is in turn measured by reference to the proportion of property development costs incurred bear to the estimated total property development cost.

In performing our valuations, we have relied principally on the profit projections of each Project provided by the respective management of ILSB, ARSB and ICSD.

6. DISCLOSURE

Horwath has prepared a full valuation report of the Projects concurrent with these instructions and permitted by the Company to use these valuations for internal purposes.

In relation to the preceding financial year of Horwath, the proportion of the total fees payable by the addressees of this valuation report to the total income of the firm is less than five per cent. (5 per cent.).

We also confirm that we do not have any material interest in the Company or any of the Projects.

7. VALUATION

Subject to the foregoing, and based on values as at 31 August 2006, we are of the opinion that the Market Values of each of the Projects are as follows:-

<i>Name of Project</i>	<i>Description</i>	<i>Undertaken by</i>	<i>Status*</i>	<i>Median values* RM'000</i>
1. i-zen @ Kiara 1	One 35-storey tower – 302 units of condominiums	ILSB	Construction has commenced and is due for completion at the end of 2007	14,768
2. Tiffani by i-zen	Two 36-storey tower – 318 units of condominiums One 28-storey tower – 81 units of condominiums	ILSB	Construction has commenced and is due for completion at the end of 2008	56,409
3. One Mont Kiara by i-zen	Retail podium, office suites and office tower – total net saleable area of approximately 831,272 sq ft	ILSB	Construction has commenced and is due for completion in mid 2010	117,451
	Value attributable to joint-venture partners ¹			(38,222)
				79,229
4. Sandakan Harbour Square	68 shop-offices, combined hotel and commercial complex	ICSD	Construction has commenced and is due for completion in mid 2010	113,910
	Value attributable to minority shareholders of ICSD ²			(45,564)
				68,346
5. Seni Mont Kiara	Two 40-storey towers – 234 units each of condominiums One 12-storey tower – 46 units of condominiums One 12-storey tower – 91 units of condominiums	ARSB	Construction has commenced and is due for completion in mid 2010	296,131
	Value attributable to joint-venture partners ³			(70,157)
				225,974
Total Market Value of Projects attributable to the Company				444,726

* –The values represent the median of the low and high values of the Projects as appraised in the full valuation report mentioned in Section 6 above, and are presented for illustrative purposes only.

Notes:

- The value attributable to the joint-venture partner arises from the proposed Investment Agreement and Development Agreement between ILSB and Legolas Capital Sdn. Bhd. (“Legolas”) which is expected to be executed in January 2007, which provides that in consideration of Legolas’s contribution to the Project, ILSB agrees and undertakes to pay 50 per cent. of the Profit (taken to mean after tax profit) on the development project. Taking into consideration the terms governing the date of payment of the Profit, the management expects that the Profit shall be determined and payable in the month in which the development project is completed.*
- The Company shall be acquiring only 60 per cent. of the equity interest in ICSD and the remaining 40 per cent. equity interest shall remain with the existing minority shareholders of ICSD.*
- The value attributable to the joint-venture partners arises from the subscription and shareholders’ agreement (“SSA”) between Legacy Essence Sdn Bhd, Heliconia Investment Private Limited (“HIPL”), ARSB and Binaderas Sdn Bhd (“BSB”) on 13 May 2004; and the loan agreement between OCBC Bank (Malaysia) Berhad (“OCBC”), ARSB and BSB on 13 May 2004. The SSA provides that in consideration of HIPL’s commitment to grant the concessional loan for the development project, HIPL shall be entitled to 35/45 x 36 per cent. of the after tax profit (“Profit”) of ARSB whilst the loan agreement provides that in consideration for OCBC’s commitment to grant a loan for the development project, OCBC shall be entitled to 10/45 x 36 per cent. of the Profit of ARSB.*

8. CONFIDENTIALITY

This valuation report may only be used for inclusion in the prospectus concerning the admission of the ordinary shares in the Company to the Official List and to trading on the London Stock Exchange. Before this valuation report or any part of its contents are reproduced or referred to in any other document, circular or statement or disclosed orally to a third party, our written approval as to the form and content of such publication or disclosure must first be obtained. For the avoidance of doubt, such approval is required whether or not our firm is referred to by name and whether or not our valuation report is combined with others.

We confirm consent has been given for the inclusion of this valuation report in the prospectus in the form and context herein.

Yours faithfully

Horwath

Kuala Lumpur Office

Mok Yuen Lok

Partner

PART 7
FINANCIAL INFORMATION

PART 7 (a)
ACCOUNTANTS' REPORT ON THE COMPANY



The Directors
Aseana Properties Limited
44 Esplanade
St Helier
Jersey JE4 8PN

MRI Moores Rowland LLP
3 Sheldon Square
London
W2 6PS

The Directors
Fairfax I.S. PLC
46 Berkeley Square
Mayfair
London W1J 5AT

29 March 2007

Dear Sirs

Introduction

We report on the audited financial information set out below. This financial information has been prepared for inclusion in the Prospectus (the 'Document') to be dated 29 March 2007 of Aseana Properties Limited (the 'Company'), on the basis of the accounting policies set out in Note 3 below. This report is required by item 20 of Annex I of the Commission Regulation on Prospectuses No. 809/2004 (the 'Prospectus Directive') and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in Note 3 to the financial information and in accordance with applicable International Financial Reporting Standards.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Document, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information underlying the financial statements and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Document dated 29 March 2007, a true and fair view of the state of affairs of the Company as at the date stated in accordance with the basis of preparation set out in Note 2 below and in accordance with International Financial Reporting Standards.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Item 1.2 of Annex I of the Prospectus Directive.

Yours faithfully

MRI Moores Rowland LLP

Chartered Accountants

BALANCE SHEET

The balance sheet of the Company as at 31 December 2006 is set out below:

	<i>Notes</i>	<i>2006 US\$000</i>
Current assets		
Cash and cash equivalents		—
Total Assets		—
Shareholders' funds		
Ordinary shares, US\$0.05 par value; 2 shares issued 1,000,000,000 shares authorised		—
Total liabilities and shareholders' funds	4	—

STATEMENT OF CASH FLOWS

The statements of cash flows of the Company for the period ended 31 December 2006 is as follows:

	<i>2006 US\$000</i>
Cash flows from financing activities	
Issue of share	—
Net cash provided by financing activities	—
Net increase in cash and cash equivalents	—
Cash and cash equivalents, beginning of period	—
Cash and cash equivalents, end of period	—

NOTES TO THE FINANCIAL INFORMATION

1. Business of the Company

The Company was incorporated on 22 September 2006 under the laws of Jersey. In the period to 31 December 2006 the Company did not trade.

2. Presentation Currency

The financial information has been presented in US Dollars (“US\$”) and rounded to the nearest thousand.

3. Accounting policies

Basis of preparation

The financial information has been prepared in accordance with the historical cost convention and in accordance with currently applicable International Financial Reporting Standards.

Comparative figures

No comparative figures have been presented as the period from incorporation on 22 September 2006 to 31 December 2006 was the Company’s first non-statutory accounting period.

Cash and cash equivalents

The Company considers cash on short-term deposits and other short-term investments to be cash equivalents.

4. Reconciliation of movement in shareholders’ equity

	<i>Ordinary Shares of US\$0.05 each US\$000</i>
Balance on incorporation	—
Issued during the period	—
Balance at 31 December 2006	—

5. Post balance sheet events

Under the terms of an Acquisition Agreement the Company will acquire the entire issued share capital of Ireka Land Sdn Bhd and 60 per cent. of the issued share capital of ICSD Ventures Sdn Bhd for the sum of RM218.8 million adjusted following a post completion audit and under the terms of an Exclusivity Agreement dated 27 March 2007 the Company will negotiate to acquire the issued share capital held by Legacy Essence Sdn Bhd in Amatir Resources Sdn Bhd. Each of the Company and Ireka Corporation Berhad has signed the Acquisition Agreement and has deposited the signed original with its legal advisers to be held in escrow with irrevocable instructions to such advisers authorising them to date the Acquisition Agreement and exchange the same no later than the day immediately preceding the date of Admission.

6. Nature of financial information

The financial information presented above does not constitute statutory accounts for the period ended 31 December 2006.

PART 7 (b)

ACCOUNTANTS' REPORT ON THE SUBSIDIARIES

The information contained in the accountant's report below provides historical information in relation to the activities undertaken by Ireka Land Sdn. Bhd ("Ireka Land"), ICSD Ventures Sdn. Bhd ("ICSD") and Amair Resources Sdn. Bhd over the accounting reference period. Historically, each of Ireka Land and ICSD have undertaken property development activities in relation to the property assets held by them which have been reflected in the accounting information presented below. Amair's only assets to date comprise land and the development contracts associated with land at Seni Mont Kiara and it has not to date undertaken any trading activity.

The terms agreed with Ireka in relation to the acquisition of Ireka Land and ICSD included the removal from those companies of all activities not directly related to the development of the properties being acquired. Ireka Land and ICSD have each undertaken an internal reorganisation to remove from those companies all employees and other assets that do not specifically relate to the properties.

Your attention is drawn to note 17 of the accountant's report which highlights those activities that are deemed non-recurring following the production of the 30 September 2006 accounts. The Directors believe that the non-recurring expenditure is immaterial in the overall context of the transaction and that, should the Acquisition Agreement and Exclusivity Agreement become unconditional in all respects, the accounts reproduced below are representative of the Company going forward.



The Directors
Aseana Properties Limited
44 Esplanade
St Helier
Jersey JE4 8PN

MRI Moores Rowland LLP
3 Sheldon Square
London
W2 6PS

The Directors
Fairfax I.S. PLC
46 Berkeley Square
Mayfair
London W1J 5AT

29 March 2007

Dear Sirs

We report on the audited financial information set out below on Ireka Land Sdn. Bhd ('Ireka Land'), ICSD Ventures Sdn. Bhd ('ICSD') and Amair Resources Sdn. Bhd ('Amair') (together 'the Subsidiaries') which has been prepared for inclusion in the Prospectus ('the Document') dated 29 March 2007 of Aseana Properties Limited (the 'Company') on the basis of the principal accounting policies set out in Note 2 to the financial information. This report is required by Item 20 of Annex I of the Commission Regulation on Prospectuses No. 809/2004 ("the Prospectus Directive") and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the Company on the basis set out below and in accordance with applicable International Financial Reporting Standards.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information underlying the financial statements and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion the financial information gives, for the purposes of the Document dated 29 March 2007, a true and fair view of the state of affairs of the Subsidiaries as at the dates stated and of its revenues and cash flows for the periods then ended in accordance with the basis of preparation set out below and in accordance with International Financial Reporting Standards and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Item 1.2 of Annex I of the Prospectus Directive.

Yours faithfully

MRI Moores Rowland LLP
Chartered Accountants

Balance Sheets

The aggregated Balance Sheets of the Subsidiaries at the end of each of the three years ending 31 March 2006 and at 30 September 2006 are set out below:

		<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>30 September</i>
	<i>Notes</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2006</i>
		<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Non-current assets					
Property, plant & equipment	5	621	552	514	625
Land and development expenditure	6	143,515	116,530	129,213	68,317
Investment in subsidiary	7	—	—	500	500
		<u>144,136</u>	<u>117,082</u>	<u>130,227</u>	<u>69,442</u>
Current assets					
Inventories	8	—	—	—	12,558
Development properties	9	45,838	93,750	110,660	183,288
Trade and other receivables	10	3,759	8,022	23,440	18,185
Amounts due from related companies	13	265	29,891	126	5,128
Deposits, cash and bank balances	11	3,591	3,777	2,261	6,144
		<u>53,453</u>	<u>135,440</u>	<u>136,487</u>	<u>225,303</u>
Total assets		<u>197,589</u>	<u>252,522</u>	<u>266,714</u>	<u>294,745</u>
Equity attributable to equity holders					
Share capital	12	6,251	6,251	6,251	6,251
Retained profits		<u>3,790</u>	<u>12,620</u>	<u>21,581</u>	<u>23,628</u>
Shareholders' equity		<u>10,041</u>	<u>18,871</u>	<u>27,832</u>	<u>29,879</u>
Non-current liabilities					
Term loan	13	81,361	85,671	107,483	127,133
Amounts due to related companies	13	7,596	7,600	7,600	7,440
Hire purchase creditors	14	276	214	137	213
Deferred taxation	15	21	60	58	58
		<u>89,254</u>	<u>93,545</u>	<u>115,278</u>	<u>134,844</u>
Current liabilities					
Trade and other payables	16	27,518	21,003	12,482	21,036
Amount due to ultimate holding company	13	44,939	52,017	4,511	2,267
Amounts due to related companies	13	593	433	38,079	38,194
Amounts due to shareholders/directors	13	5,639	5,752	5,616	5,616
Hire purchase creditors	14	69	63	69	78
Term loan	13	18,506	56,046	55,140	54,487
Taxation		<u>1,030</u>	<u>4,792</u>	<u>7,707</u>	<u>8,344</u>
		<u>98,294</u>	<u>140,106</u>	<u>123,604</u>	<u>130,022</u>
Total liabilities		<u>187,548</u>	<u>233,651</u>	<u>238,882</u>	<u>264,866</u>
Total equity and liabilities		<u>197,589</u>	<u>252,522</u>	<u>266,714</u>	<u>294,745</u>

Income statements

The aggregated Income Statements of the Subsidiaries for each of the three years ending 31 March 2006 and for the six months ended 30 September 2006, are set out below:

		<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>30 September</i>
		<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2006</i>
	<i>Note</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Revenue		22,361	97,510	94,652	36,168
Cost of sales		<u>(18,072)</u>	<u>(78,941)</u>	<u>(79,420)</u>	<u>(31,956)</u>
		4,289	18,569	15,232	4,212
Gross profit					
Other operating income		46	123	113	347
Administration expense		(60)	(677)	(827)	(1,329)
Other operating expenses		(80)	(1,722)	(1,477)	(233)
Sales & promotion expenses		<u>—</u>	<u>(1,504)</u>	<u>(835)</u>	<u>(330)</u>
Net profit from ordinary activities before taxation					
	17	4,195	14,789	12,206	2,667
Interest expense		(46)	(13)	(13)	(7)
Interest income		18	40	182	23
Taxation	19	<u>(1,183)</u>	<u>(4,096)</u>	<u>(3,414)</u>	<u>(636)</u>
Net profit from ordinary activities after taxation					
		<u>2,984</u>	<u>10,720</u>	<u>8,961</u>	<u>2,047</u>
Net profit for the period					
		<u><u>2,984</u></u>	<u><u>10,720</u></u>	<u><u>8,961</u></u>	<u><u>2,047</u></u>
Earnings per share					
From continuing operations					
Basic and diluted	20	RM0.75	RM2.68	RM2.24	RM0.51

Statement of Changes in Equity

	<i>Share Capital RM'000</i>	<i>Retained Profit RM'000</i>	<i>Total RM'000</i>
Balance at 1 April 2003	6,250	806	7,056
Net profit for the year	1	2,984	2,985
Balance at 31 March 2004	6,251	3,790	10,041
Net profit for the year	—	10,720	10,720
Dividend paid	—	(1,890)	(1,890)
Balance at 31 March 2005	6,251	12,620	18,871
Net profit for the year	—	8,961	8,961
Balance at 31 March 2006	6,251	21,581	27,832
Net profit for the period	—	2,047	2,047
Balance 30 September 2006	6,251	23,628	29,879

Dividends paid

The dividend paid in the year ended 31 March 2005 of RM1,890,000 equated to a dividend of RM0.76 per Ordinary share.

Cash flow statement

The aggregated cash flow statements of the Subsidiaries for each of the three years ending 31 March 2006 and for the six months ended 30 September 2006 are as follows:

	<i>31 March</i> 2004	<i>31 March</i> 2005	<i>31 March</i> 2006	<i>30 September</i> 2006
<i>Notes</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Cash flow from operating activities				
Net profit from ordinary activities before taxation	4,195	14,789	12,206	2,667
Adjustments for				
Unrealised foreign exchange gain	—	—	—	(160)
Property, plant & equipment – depreciation	5 112	132	144	86
Property, plant & equipment – loss on disposal	5	—	—	—
Operating profit before working capital changes	4,312	14,921	12,350	2,593
Development properties	(5,566)	(4,397)	(27,280)	(584)
Inventories	—	—	—	9,028
Receivables	(1,137)	(4,263)	(1,428)	(12,558)
Payables	(14,882)	(5,973)	62	5,305
Amount due to holding company	4,149	254	28	(3,247)
Amount due to/from fellow subsidiaries	79	(119)	38	1,582
Amount due to corporate shareholder	2,566	86	(136)	(2,589)
Amounts due from/to related company	(8,014)	(30,182)	61,369	—
Cash (used in)/from operations	(18,493)	(29,673)	45,003	(470)
Income tax paid	(252)	(294)	(500)	—
Net cash flow used in operating activities	(18,745)	(29,967)	44,503	(470)
Cash flow from investing activities				
Investment in subsidiary	—	—	(500)	—
Interest received	18	40	182	23
Land and development expenditure	(28,770)	(5,132)	(7,719)	(6,512)
Property, plant & equipment – additions	(142)	(64)	(106)	(17)
Net cash used in investing activities	(28,894)	(5,156)	(8,143)	(6,506)
Cash flow from financing activities				
Drawdown of bank borrowing	62,421	72,932	85,376	30,250
Repayments of bank borrowing	(4,485)	(31,078)	(64,470)	(11,252)
Repayments of hire purchase creditors	(45)	(69)	(70)	(95)
Repayments to ultimate holding company	(9,281)	—	(47,536)	(3,381)
Proceeds from issuance of shares	1	—	—	—
Advance from Directors	2,997	—	—	—
Amounts from ultimate holding company	3,740	6,832	—	—
Interest paid	(46)	(13)	(13)	(7)
Dividend paid	—	(1,890)	—	—
Borrowing cost capitalised	(9,349)	(11,405)	(11,163)	(4,656)
Net cash flow generated from financing activities	45,953	35,309	(37,876)	10,859
Net (decrease)/increase in cash and cash equivalents	(1,686)	186	(1,516)	3,883
Cash and cash equivalents:				
– at start of period	5,277	3,591	3,777	2,261
– at end of period	3,591	3,777	2,261	6,144

1. Principal activity

The principal activity of the Subsidiaries is property development. The Subsidiaries were all incorporated in Malaysia.

2. Presentation currency

The financial information has been presented in Ringgit Malaysia ('RM') and rounded to the nearest thousand.

3. Financial risk management objective and policies

The main areas of financial risks faced by the Subsidiaries are interest rate risk, credit risk, market risk, liquidity and cash flow risk. The Subsidiaries overall financial risk management objective is to ensure that the Subsidiaries enhance shareholders' value. The Subsidiaries establishes and operates within financial risk management policies approved by the Board of Directors to ensure that adequate financial resources are available for the development of the Subsidiaries businesses whilst managing these risks. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Subsidiaries financial risk management policies.

a. *Interest rate risk*

The Subsidiaries policy is to borrow principally on the floating rate basis but to retain a portion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates whilst enabling benefits to be enjoyed if interest rates fall.

b. *Credit risk*

Credit risk is controlled by ensuring that sales of services and products are made to customers with an appropriate credit history and the application of credit limits and monitoring procedures. The Subsidiaries also seeks to invest cash assets prudently and profitably.

c. *Market risk*

The Subsidiaries faces exposure to the risk from changes in debt and equity prices. However, the management regularly reviews these risks and take proactive measures to mitigate the potential impact of such risks. For key product purchases, the Subsidiaries establish floating and fixed price levels that the Subsidiaries considers appropriate.

d. *Liquidity and cash flow risks*

The Subsidiaries actively manages its debt maturity profile, operating cash flows and the availability of funds so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Subsidiaries maintain sufficient levels of cash to meet its working capital requirements.

4. Significant accounting policies

Basis of preparation

The financial information on the Subsidiaries has been prepared on the historical cost convention, unless otherwise indicated in this summary of significant accounting policies. The financial information represents the aggregation of the financial statements for each of the companies comprising the Subsidiaries for each of the three years ended 31 March 2006 and for the six months ended 30 September 2006, on the assumption that they formed a separate sub-group of companies within the Ireka Corporation Berhard Group.

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS').

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulate depreciation and impairment losses.

Property, plant and equipment are depreciated on a reducing balance basis to write off the cost of each asset over its estimated useful life. The principal annual rates of depreciation used are as follows:

	<i>per cent.</i>
Computer equipment	25
Office equipment	10 – 25
Furniture and fittings	10
Motor vehicles	20

Additions of property, plant and equipment during the year are depreciated proportionately to the Month's in use.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operation.

Land and development expenditure

Freehold land is not depreciated. Land and development expenditure are stated at the lower of cost and net realisable value and comprise cost of land, interest capitalised, direct and incidental expenditure relating to development and construction of residential and commercial development projects.

The land held for property development is classified as a non-current asset where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. It is carried at cost less accumulated impairment losses.

The land is reclassified as a current asset at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Development properties

Development properties comprise all costs associated with the acquisition of land and those that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Unsold units of development properties not recognised as an expense are stated at the lower of cost and net realisable value.

Where revenue recognised in the income statement exceed billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in the income statement, the balance is shown as progress billings under payables (within current liabilities).

Borrowing costs

Interest costs on borrowings to finance the landed properties are capitalised as part of the cost of the assets during the year or time that is required to complete and prepare the assets for their intended use.

Trade and other receivables

Trade and other receivables are carried at anticipated realisable value. An estimate is made for doubtful debts based on a review of outstanding amounts at the year end. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank, deposits and short term investments which are readily convertible to a known amount of cash which are subject to an insignificant risk of change in value.

Leases

A lease is recognised as a finance lease if it transfers substantially to the Company all the risks and rewards incident to ownership. All other leases are classified as operating leases.

Finance leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for lease assets is in accordance with that for depreciable property, plant and equipment.

Operating leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

Impairment assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statement for items of property, plant and equipment and intangible assets carried at cost. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash generating unit.

Any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. To the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

Taxation

Current Taxation

The taxation charge in the income statement is calculated at the current tax rate based on the estimated taxable income for the period.

Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on property, plant and equipment, revaluations of certain financial assets and liabilities and tax losses carried forward and, in relation to acquisitions, on the difference between the fair value of the net assets acquired and their tax bases. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax benefits are recognised to the extent that it is probably that future taxable profit will be available against which the temporary differences can be utilised.

Employee benefit

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

Pension obligations

The Company operates a defined contribution pension plan. The assets of the pension plan are held in a separate Government administered fund. The defined contribution pension plan is funded by contributions from employees and by the company.

The company's contributions to the defined contribution pension plan are expensed as incurred.

Revenue recognition

Property development

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method. The stage of completion is measured by reference to the proportion that property development costs incurred bear to the estimated total costs for the property development.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probably to be recoverable; property development costs on the development until sold are recognised when incurred.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probably that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

Other income

Interest income is recognised on accrual basis unless collectibility is in doubt in which case the recognition of such is suspended.

Foreign currencies

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at the exchange rate ruling at that date. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined. All exchange rate differences are taken to the income statement.

Financial instruments

Financial instruments recognised on the balance sheet include cash and bank balances, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to financial instruments classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fair value estimation for disclosure purposes

The fair values of the financial assets and liabilities maturing within 12 months are assumed to approximate their carrying value as at the balance sheet date.

5. Property, plant and equipment

<i>Cost</i>	<i>Furniture & Fittings RM'000</i>	<i>Office Equipment RM'000</i>	<i>Computer Equipment RM'000</i>	<i>Plant, Machinery & Equipment RM'000</i>	<i>Total RM'000</i>
At 1 April 2003	76	200	6	—	282
Additions	31	49	6	447	533
Disposals	—	(5)	—	—	(5)
At 31 March 2004	107	244	12	447	810
Additions	6	52	5	—	63
Disposals	—	(1)	—	—	(1)
At 31 March 2005	113	295	17	447	872
Additions	31	38	37	—	106
At 31 March 2006	144	333	54	447	978
Additions	—	12	4	180	196
At 30 September 2006	144	345	58	627	1,174
Depreciation					
At 1 April 2003	(6)	(70)	—	—	(76)
Charge	(8)	(30)	(2)	(73)	(113)
At 31 March 2004	(14)	(100)	(2)	(73)	(189)
Charge	(8)	(32)	(3)	(88)	(131)
At 31 March 2005	(22)	(132)	(5)	(161)	(320)
Charge	(11)	(35)	(8)	(90)	(144)
At 31 March 2006	(33)	(167)	(13)	(251)	(464)
Charge	(6)	(16)	(7)	(56)	(85)
At 30 September 2006	(39)	(183)	(20)	(307)	(549)
NBV					
At 31 March 2004	93	144	10	374	621
At 31 March 2005	91	163	12	286	552
At 31 March 2006	111	166	41	196	514
At 30 September 2006	105	162	38	320	625

6. Land and development expenditure

	<i>Cost RM'000</i>	<i>Borrowing costs capitalised RM'000</i>	<i>Other indirect costs RM'000</i>	<i>Total RM'000</i>
Freehold land				
At 1 April 2003	85,754	8,116	1,773	95,643
Additions	20,505	857	1,035	22,397
Reclassification	(10,394)	(48)	—	(10,442)
At 31 March 2004	95,865	8,925	2,808	107,598
Additions	15,984	175	24	16,183
Reclassification	(40,826)	(1,924)	(900)	(43,650)
At 31 March 2005	71,023	7,176	1,932	80,131
Additions	1,583	122	114	1,819
Reclassification	(6,938)	588	129	(6,221)
At 31 March 2006	65,668	7,886	2,175	75,729
Additions	648	43	—	691
Reclassification	(41,424)	(194)	(498)	(42,116)
At 30 September 2006	24,892	7,735	1,677	34,304
Development & Construction costs				
At 1 April 2003	—	10,644	17,501	28,145
Additions	—	5,400	5,744	11,144
Reclassification	—	(304)	(3,068)	(3,372)
At 31 March 2004	—	15,740	20,177	35,917
Additions	—	5,238	3,209	8,447
Reclassification	—	(3,567)	(4,399)	(7,966)
At 31 March 2005	—	17,411	18,987	36,399
Additions	—	4,582	6,024	10,646
Reclassification	—	1,767	4,713	6,480
At 31 March 2006	—	23,760	29,724	53,484
Additions	—	1,535	5,843	7,378
Reclassification	—	(8,097)	(18,752)	(26,849)
At 30 September 2006	—	17,198	16,815	34,013
Total				
30 September 2006	24,892	24,933	18,492	68,317
31 March 2006	65,668	31,646	31,899	129,213
31 March 2005	71,023	24,587	20,919	116,530
31 March 2004	95,865	24,665	22,985	143,515

The freehold land, costing RM 88,994,000 (31 March 2006 - RM149,890,000; 2005 – RM137,207,000 2004 – RM139,120,000), has been charged to financial institutions as security against the facilities granted to the Subsidiaries.

7. Investments in subsidiaries

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Unquoted shares at cost	—	—	500	500

Details of the subsidiary are as follows:

<i>Name of subsidiary</i>	<i>Country of Incorporation</i>	<i>Equity interest</i>			<i>Principal activity</i>
		<i>2004</i>	<i>2005</i>	<i>2006</i>	
Sandakan Harbour Square Sdn Bhd	Malaysia	—	—	100	Dormant

8. Inventories

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Unsold completed units, at cost	—	—	—	12,558

9. Development properties

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Freehold Land				
At Cost	12,535	48,966	47,347	89,187
Development and Construction				
Borrowing costs capitalised	8,706	20,756	24,860	35,282
Direct and incidental costs	48,975	127,348	221,193	286,073
	57,681	148,104	246,053	321,355
	70,216	197,070	293,400	410,542
Less: Costs recognised as expense in Income Statement				
– Previous year	(6,306)	(24,378)	(95,857)	(156,290)
– Current year	(18,072)	(78,942)	(86,883)	(58,406)
Less: Costs charged to inventories				
– Current year	—	—	—	(12,558)
	45,838	93,750	110,660	183,288

10. Trade and other receivables

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Trade receivables	866	7,236	8,538	11,884
Other receivables	452	160	150	5,343
Accrued billing in respect of property development	1,775	—	13,990	—
Deposits	616	613	702	892
Prepayments	50	13	60	66
	3,759	8,022	23,440	18,185

Normal trade credit terms range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

11. Deposits, cash and bank balances

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Deposits with licensed banks	156	731	190	365
Cash and bank balances	3,435	3,046	2,071	5,779
	<u>3,591</u>	<u>3,777</u>	<u>2,261</u>	<u>6,144</u>

12. Share capital

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Authorised –				
Ireka Land				
5,000,000 ordinary shares of RM1 each	5,000	5,000	5,000	5,000
ICSD				
1,000,000 ordinary shares of RM1 each	1,000	1,000	1,000	1,000
Amatir				
550,000 ordinary shares of RM1 each	550	550	550	550
444,999,900 Class B non-convertible redeemable preference shares of RM0.01 each	4,450	4,450	4,450	4,450
	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>
Issued and fully paid –				
Ireka Land				
2,500,000 ordinary shares of RM1 each	2,500	2,500	2,500	2,500
ICSD				
1,000,000 ordinary shares of RM1 each	1,000	1,000	1,000	1,000
Amatir				
500,001 ordinary shares of RM1 each	500	500	500	500
225,000,000 Class B non-convertible redeemable preference shares of RM0.01 each	2,250	2,250	2,250	2,250
Issued and partly paid –				
Amatir				
500 ordinary shares to RM0.01 each	1	1	1	1
	<u>6,251</u>	<u>6,251</u>	<u>6,251</u>	<u>6,251</u>

Under IAS32, the Class A non-convertible irredeemable preference shares ('Class A preference share(s)') are accounted for as a long term liability. They do not appear on the balance sheet due to the rounding of assets and liabilities to the nearest RM1,000. The Class A preference shares confer on their holders the following rights:

- the right to a cumulative dividend equivalent to that detailed in Amatir's Subscription and Shareholders' Agreement dated 13 May 2004;
- Amatir shall not be entitled to redeem the Class A preference shares;

- in the event that the cumulative dividend cannot be satisfied out of distributable reserves, the holders of the Class A preference shares shall be entitled to exercise all their rights to recover any unpaid dividend;
- the receipt of the cumulative dividend shall constitute an absolute discharge of Amahir in respect of the Class A preference shares;
- save as provided above, the Class A preference shares shall not entitle the holders to any further participation in the assets or profits of Amahir;
- there is no entitlement to convert into ordinary shares of Amahir and no right to subscribe for new ordinary shares issued by Amahir;
- no right to receive notice of and to attend and to vote at any general meeting of Amahir, other than in respect of any of the following resolutions: and
 - any resolution proposed for the purpose of a reduction of the share capital of Amahir;
 - any resolution is proposed for the winding-up of Amahir; and
 - any resolution is proposed which abrogates or varies the special rights and privileges attaching the Class A preference shares.
- the Class A preference shares and all rights, title and interests attached shall not be transferred without the prior written consent of Amahir.

The Class B non-convertible redeemable preference shares ('Class B preference share(s)') confer on their holders the following rights:

- the right to a cumulative preferential dividend at a rate of interest determined by the Directors of Amahir;
- on a return of capital on liquidation or otherwise (but not on redemption), payments of:
 - an amount equal to the paid-up nominal value of the shares;
 - an amount equal to the premium paid-up on the shares;
 - any arrears, whether earned or declared or not, of the cumulative preferential dividends to the date of repayment of capital.

In priority to the holders of the ordinary shares provided that there shall be no further right to participate in the surplus assets or profits of Amahir;

- the right to receive notice of and to attend and to vote at any general meeting of Amahir if:
 - any resolution is proposed for the purpose of a reduction of the share capital of Amahir;
 - any resolution is proposed for the winding-up of Amahir;
 - any resolution is proposed which abrogates or varies the special rights and privileges attaching the Class B preference shares.
- Amahir shall have the right to redeem all the Class B preference shares at the redemption amount of RM0.01 per Class B preference share; and
- there shall be no entitlement to conversion into ordinary shares.

13. Term loans and borrowings

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Short-term borrowings				
Secured:				
Term loans	18,506	56,046	55,140	54,487
Hire purchase liabilities	69	63	69	78
Unsecured:				
Due to related companies	51,171	58,202	48,206	46,077
	<u>69,746</u>	<u>114,311</u>	<u>103,415</u>	<u>100,642</u>
Long-term borrowings				
Secured:				
Term loans	81,361	85,671	107,483	127,133
Hire purchase liabilities	276	214	137	213
Due to related companies	7,596	7,600	7,600	7,440
	<u>89,233</u>	<u>93,485</u>	<u>115,220</u>	<u>134,786</u>
Total borrowings				
Term loans	99,867	141,717	162,623	181,620
Hire purchase liabilities	345	277	206	291
Due to related companies	58,767	65,802	55,806	53,517
	<u>158,979</u>	<u>207,796</u>	<u>218,635</u>	<u>235,428</u>
Maturity				
Within one year	69,746	114,311	103,415	100,642
Between 1 and 5 years	63,607	66,466	85,192	103,582
More than 5 years	25,626	27,019	30,028	31,204
	<u>158,979</u>	<u>207,796</u>	<u>218,635</u>	<u>235,428</u>

The Ireka Land term loan of RM 116,846,000 (31 March 2006: RM103,904,000; 2005: RM95,791,000, 2004: RM80,337,000) bear interest ranging from 7.75 per cent. to 8.4 per cent. (31 March 2006: 7.75 per cent. to 8.5 per cent., 2005: 7.5 per cent. to 8.4 per cent., 2004: 7.5 per cent. to 8.4 per cent.) per annum. The term loan is secured over all landed properties of Ireka Land and a corporate guarantee by Ireka Corporation Bhd.

The ICSD term loan of RM 41,010,000 (31 March 2006: RM36,291,000, 2005: RM26,508,000, 2004: RM1,500,000) bear interest at 9.0 per cent. (31 March 2006: 8.75 per cent., 2005: 8.75 per cent., 2004: 8.2 per cent.) per annum. The term loan is secured over a third party fixed charge on the project at Sandakan Harbour Square and a corporate guarantee by Ireka Corporation Bhd.

The Amatir term loans of RM 23,764,000 (31 March 2006: RM30,027,000, 2005: RM27,019,000, 2004: RM25,626,000) bear interest ranging from 6.75 per cent. to 8.5 per cent. (31 March 2006: 6.75 per cent. to 8.5 per cent., 2005: 6.75 per cent. to 8.5 per cent., 2004: 6.75 per cent. to 8.5 per cent.) per annum. The term loans are secured over all landed properties of Amatir and by personal guarantees by certain Directors of Amatir.

The security and interest on the hire purchase liabilities are detailed in note 14.

The amounts due to related companies are unsecured, have no fixed terms of repayment and bear interest at rates ranging from 0 per cent. to 7.15 per cent. (31 March 2006: 0 per cent. to 7.15 per cent., 2005: 0 per cent. to 7.15 per cent., 2004: 0 per cent. to 7.21 per cent.) per annum. Related companies are subsidiary companies of the ultimate holding company, Ireka Corporation Berhad.

Within amounts due in more than one year to related companies is an amount of RM7,440,000 (31 March 2006: RM7,600,000, 2005: RM7,600,000, 2004: 7,596,000). The loan was obtained from a shareholder of Amatir, Heliconia Investment Private Ltd, for working capital purposes. The loan is secured over all landed properties of Amatir and by personal guarantees by certain Directors of Amatir and is interest free and repayable on the last day of 72 months from the date of the drawing which was 25 June 2004.

14. Capital commitments

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Obligation on property development:				
– Kiara II and Villa Aseana	89,161	120,750	81,775	232,558
Obligation under finance leases:				
Not later than 1 year	83	76	69	96
Between 1 and 2 years	76	69	69	95
Between 2 and 5 years	262	194	116	149
	421	339	254	340
Future finance charges on hire purchase liability	(76)	(62)	(48)	(48)
Net present value of hire purchase liability	345	277	206	292
Analysed as:				
Current	69	63	69	78
Non-current	276	214	137	214
	345	277	206	292
	89,506	121,027	81,981	232,850

The hire purchase liability is secured on the associated assets.

The hire purchase liabilities attracted interest during the periods of between 3.45 per cent. to 4.75 per cent. (31 March 2006: 6.8 per cent. and 9.25 per cent., 2005: 6.8 per cent. and 9.25 per cent., 2004: 6.8 per cent. and 9.25 per cent.).

15. Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Deferred tax liability	<u>(21)</u>	<u>(60)</u>	<u>(58)</u>	<u>(58)</u>
B/fwd	(1)	(21)	(60)	(58)
Charged/(credited) to income statement				
Property, plant and equipment	(50)	(18)	2	—
Tax losses	7	(7)	—	—
Others	<u>23</u>	<u>(14)</u>	<u>—</u>	<u>—</u>
C/fwd	<u>(21)</u>	<u>(60)</u>	<u>(58)</u>	<u>(58)</u>
Subject to income tax				
Deferred tax liabilities				
Property, plant and equipment	(51)	(39)	(37)	(37)
Tax losses	—	(7)	(7)	(7)
Others	<u>—</u>	<u>(14)</u>	<u>(14)</u>	<u>(14)</u>
	(51)	(60)	(58)	(58)
Offsetting	<u>30</u>	<u>—</u>	<u>—</u>	<u>—</u>
Deferred tax liabilities (after offsetting)	<u>(21)</u>	<u>(60)</u>	<u>(58)</u>	<u>(58)</u>

16. Trade and other payables

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Trade	2,595	3,097	4,466	8,269
Property development progress billings	2,273	3,429	1,257	4,843
Accruals	10,836	382	241	355
Other payables	<u>11,814</u>	<u>14,095</u>	<u>6,518</u>	<u>7,569</u>
	<u>27,518</u>	<u>21,003</u>	<u>12,482</u>	<u>21,036</u>

The normal trade credit term granted to the Subsidiaries range from 30 to 90 days.

17. Net profit from ordinary activities before taxation

The following items have been charged/(credited) in arriving at net profit from ordinary activities before taxation:

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Auditor's remuneration				
– current year	25	37	36	69
– under provision in prior year	—	10	—	—
Interest income	(18)	(40)	(182)	(23)
Management fees	—	1,206	1,206	603
Realised foreign exchange losses	—	4	(4)	—
Unrealised foreign exchange gains	—	—	—	(160,000)
Non-recurring expenditure (see note below)	1,112	2,329	2,609	797

Non-recurring expenditure relates to salaries, pension contributions, depreciation on plant and equipment and lease rental payments related to the construction of the Subsidiaries' developments that are not expected to be borne directly by the Company following the acquisition of Ireka Land and ICSD referred to in note 24 below.

18. Business and geographical segments

For management purposes, the Group is currently organised into one operating division. Its principal activity is the development of high-end commercial and residential buildings. All activities are located in Malaysia.

19. Taxation

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Tax expense for the period:				
Current taxation	1,163	4,057	3,415	636
Deferred taxation	20	39	(1)	—
	<u>1,183</u>	<u>4,096</u>	<u>3,414</u>	<u>636</u>

The numerical reconciliation between the tax expense and the product of accounting profit matured by the application tax rate is as follows:

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Profit before taxation	<u>4,167</u>	<u>14,816</u>	<u>12,375</u>	<u>2,683</u>
Taxation at Malaysian tax rate @ 28 per cent.	1,167	4,148	3,465	751
Deferred tax assets not recognised	—	—	—	(11)
Income not subjected for tax	(40)	(160)	(40)	(45)
Expenses not deductible for tax	56	108	(11)	(59)
	<u>1,183</u>	<u>4,096</u>	<u>3,414</u>	<u>636</u>

Subject to agreement by the Inland Revenue Board the Company has tax credit under Section 108(5) of the Income Tax Act, 1967 amounting to RM129,000 (31 March 2006: RM129,204, 2005: RM444,853, 2004: RM444,853).

20. Earnings per share – continuing operations

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Subsidiaries is based on the following:

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
<u>Earnings</u>				
Net profit for the period	<u>2,984</u>	<u>10,720</u>	<u>8,961</u>	<u>2,047</u>
	<i>31 March 2004 No</i>	<i>31 March 2005 No</i>	<i>31 March 2006 No</i>	<i>30 September 2006 No</i>
<u>Number of shares</u>				
Weighted average number of ordinary shares (fully paid up)	4,000,001	4,000,001	4,000,001	4,000,001
Weighted average number of ordinary shares (partly paid up)	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
	<u>4,000,006</u>	<u>4,000,006</u>	<u>4,000,006</u>	<u>4,000,006</u>

21. Significant related party transactions

During the period under review, the following transactions had taken place:

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Interest recovered by ultimate holding company	<u>3,053</u>	<u>3,318</u>	<u>2,720</u>	<u>—</u>
Sales of development properties to Directors	—	5,252	3,330	—
Sales of development properties to Ireka Corporation Berhad	—	—	—	3,327
Sales of development properties to person connected to Directors	<u>—</u>	<u>5,872</u>	<u>1,348</u>	<u>—</u>
Purchase of equipment:				
I-Tech Network Solutions Sdn Bhd	<u>—</u>	<u>146</u>	<u>13</u>	<u>—</u>
Management fee:				
Ireka Corporation Berhad	—	1,206	1,206	603
Binaderas Sdn Bhd	<u>10</u>	<u>10</u>	<u>—</u>	<u>427</u>
Services provided by:				
Ireka Corporation Bhd	3,750	204	194	102
Ireka Engineering & Construction Sdn Bhd	—	—	—	25
Heliconia Private Investment Ltd	<u>2,500</u>	<u>136</u>	<u>—</u>	<u>—</u>
Expenses paid on behalf by:				
Ireka Corporation Berhad	496	209	54	—
Heliconia Investment Private Ltd	66	60	60	—
Fellow subsidiaries	<u>467</u>	<u>43</u>	<u>76</u>	<u>10</u>

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business.

The period-end balances were as follows:

	<i>31 March 2004 RM'000</i>	<i>31 March 2005 RM'000</i>	<i>31 March 2006 RM'000</i>	<i>30 September 2006 RM'000</i>
Amount due from:				
Ireka Engineering Sdn Bhd	254	29,758	—	—
Oceanwealth Trading Sdn Bhd	—	—	—	268
Legacy Essence Sdn Bhd	—	—	—	4,334
Sandakan Harbour Square Sdn Bhd	—	—	—	420
RegalMont' (Sabah) Sdn Bhd	11	133	120	89
Unique Legacy Sdn Bhd	—	—	5	5
i-Zen Hospitality Sdn Bhd	—	—	1	12
	<u>265</u>	<u>29,891</u>	<u>126</u>	<u>5,128</u>

	31 March 2004 RM'000	31 March 2005 RM'000	31 March 2006 RM'000	30 September 2006 RM'000
Amount due to:				
Ireka Corporation Bhd	<u>(44,939)</u>	<u>(52,017)</u>	<u>(4,511)</u>	<u>(2,267)</u>
Amounts due to related companies:				
Ireka Engineering Sdn Bhd	—	—	(29,073)	(31,700)
i-Tech Network Solutions Sdn Bhd	(9)	(117)	(242)	(311)
Binaderas Sdn Bhd	—	(10)	(230)	(427)
E-Auction Sdn Bhd	(3)	(3)	(3)	(3)
Ireka I-Capital Sdn Bhd	(5)	(5)	(8)	(9)
Ireka Sdn Bhd	—	—	(4,000)	(4,000)
SaraCorp Sdn Bhd	(576)	(298)	(298)	(284)
Sara Timur Sdn Bhd	—	—	(4,225)	(1,460)
	<u>(593)</u>	<u>(433)</u>	<u>(38,079)</u>	<u>(38,194)</u>
Amounts due to shareholders/directors:				
Syarikat Charng Sheng Sdn Bhd	(2,639)	(2,725)	(2,589)	(2,589)
Lai Siew Wah	(2,998)	(3,025)	(3,025)	(3,025)
Chan Soo Har	(2)	(2)	(2)	(2)
	<u>(5,639)</u>	<u>(5,752)</u>	<u>(5,616)</u>	<u>(5,616)</u>
Amounts due in more than 1 year to related companies:				
Heliconia Investment Private Ltd	(7,596)	(7,600)	(7,600)	(7,440)
	<u>(58,767)</u>	<u>(65,802)</u>	<u>(55,806)</u>	<u>(53,517)</u>

22. Ultimate holding company

The Directors regard Ireka Corporation Berhad, a company incorporated in Malaysia, as the ultimate holding company to the Subsidiaries.

23. Financial instruments

(a) *Interest rate risk*

The risk will fluctuate as a result of changes in market interest rates. The Group's primary interest rate risk relates to the term loan.

(b) *Credit risk*

The maximum credit risk associated with recognised financial assets is the carrying amount shown in the balance sheet.

(c) *Fair values*

In the opinion of the directors, there is no significant difference between the fair values and the book values of financial assets and financial liabilities.

24. Subsequent Events

In respect of Ireka Land, the significant events occurring subsequent to 30 September 2006 are as follows:

On 13 October 2006 Ireka Land increased its authorised share capital from RM5,000,000 comprising of 5,000,000 ordinary shares of RM1 each to RM50,000,000 by the creation of additional 45,000,000 shares the following clauses:

- (a) 44,900,000 ordinary shares of RM1 each
- (b) 100,000 redeemable preference shares of RM1 each

On 30 October 2006, Ireka Land issued bonus share on the basis of eight (8) new ordinary shares for every one (1) existing ordinary share totaling 20,000,008 ordinary shares by way of capitalisation from retained profits.

On 31 October 2006, Ireka Land increased its issued and paid up share capital from RM20,000,008 to RM24,000,008 by the allotment of additional 4,000,000 ordinary shares of RM1 each. Consideration for the shares comprised part settlement of related company loans outstanding.

The newly issue shares rank *pari passu* with the existing shares of its respective classes.

In respect of ICSD the significant events occurring subsequent to 30 September 2006 are as follows:

- (a) On 13 October 2006, the authorised share capital of ICSD was increased from RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each to RM10,000,000 comprising 8,900,000 ordinary shares of RM1.00 each and 100,000 redeemable preference shares (RPS) of RM1.00 each. ICSD shall have the right to, at any time redeem the RPS at the premium of RM999 each by payment in cash to the holders of the RPS.
- (b) On 20 October 2006, the Board of Directors of ICSD passed an ordinary resolution for the issuance of RPS to eligible employees of Ireka Corporation Berhad Group of Companies, as part of a reward scheme to its senior employees.
- (c) On 30 October 2006, the Board of Directors of ICSD authorised a bonus issue on the basis of 1.5 new ordinary shares for every one existing ordinary share held by shareholders as appeared in the Register of Members as at 30 October 2006. A sum of RM1,500,000 was capitalised from the retained profits of ICSD and applied in making payment in full for the bonus issue of 1,500,000 new ordinary shares of RM1.00 each.
- (d) On 31 October 2006, Syarikat Charng Sheng Development Sdn Bhd, a former corporate shareholder has novated a sum of RM2,500,000 out of the total outstanding sum of RM2,588,541 as at 30 September 2006, to Geo Fusion Resources Sdn. Bhd., a corporate shareholder, who has accepted this novation of debt.
- (e) On 31 October 2006, the issued and paid up share capital of ICSD was increased from RM2,500,000 to RM8,750,000 by the allotment of additional 6,250,000 ordinary shares of RM1.00 each to its existing shareholders as at 31 October 2006 on the basis of 2.5 new ordinary shares for every one existing ordinary share for a total cash consideration of RM6,250,000, which was satisfied via the off-setting of RM3,750,000 and RM2,500,000 owing by ICSD to the ultimate holding company, Ireka Corporation Berhad and corporate shareholder, Geo Fusion Resources Sdn Bhd. respectively.
- (f) On 7 November 2006, ICSD disposed of 51 per cent. of its equity interest in Sandakan Harbour Square Sdn Bhd to Ecoship Sdn Bhd and Harta Serbaguna Sdn Bhd for a total cash consideration of RM255,000. With the disposal, SHS became an associate of ICSD.
- (g) On 30 November 2006, Ireka Corporation Berhad (“Ireka”) announced the proposed listing of Ireka Land and of ICSD on the Alternative Investment Market of the London Stock Exchange via the following proposals:
 - (i) the proposed disposal by Ireka of its entire shareholding stake in Ireka Land, representing 100 per cent. of Ireka Land issued and paid-up ordinary share capital to the Company; and
 - (ii) the proposed disposal by Ireka of its entire shareholding stake in ICSD representing 60 per cent. of ICSD’s issued and paid-up ordinary share capital to the Company.

Under the terms of an Acquisition Agreement, the issued share capital of Ireka Land and 60 per cent. of the issued share capital of ICSD will be acquired by the Company for the sum of RM218.8 million adjusted following a post completion audit. Each of the Company and Ireka Corporation Berhad has signed the Acquisition Agreement and has deposited the signed original with its legal advisers to be held in escrow with irrevocable instructions to such advisers authorising them to date the Acquisition Agreement and exchange the same no later than the day immediately preceding the date of Admission.

On 27 March 2007 under the terms of an Exclusivity Agreement between Legacy Essence Sdn Bhd (“Legacy”) and the Company, both parties agreed to negotiate exclusively with a view to the Company acquiring the entire interest held by Legacy in the share capital of Amahir.

25. Nature of Financial Information

The financial information does not constitute Statutory Accounts.

PART 7 (c)

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

Set out below is an unaudited pro forma statement of consolidated net assets of the Company, which has been prepared on the basis of the audited accounts of the Company at 31 December 2006 and the audited information on Ireka Land Sdn Bhd and ICSD Ventures Sdn Bhd at 30 September 2006, to provide information on how the Placing and Acquisition of Ireka Land Sdn Bhd and ICSD Ventures Sdn Bhd might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements at 31 December 2006, as set out in the notes below. The unaudited pro forma statement has been prepared for illustrative purposes only and, because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results.

	<i>The Company (Note 1) US\$'000</i>	<i>The Subsidiaries Adjustments (Note 2) US\$'000</i>	<i>Adjustments (Note 3) US\$'000</i>	<i>Pro forma Net assets US\$'000</i>
Non-current assets				
Goodwill	—	—	51,962	51,962
Property, plant & equipment	—	169	—	169
Land and development expenditure	—	18,520	—	18,520
Investment in subsidiary	—	136	—	136
	<u>—</u>	<u>18,825</u>	<u>51,962</u>	<u>70,787</u>
Current assets				
Inventories	—	3,404	—	3,404
Development properties	—	38,772	—	38,772
Trade and other receivables	—	4,930	—	4,930
Amounts due from related companies/subsidiaries	—	215	—	215
Deposits, cash and bank balances	—	1,647	142,727	144,374
	<u>—</u>	<u>48,968</u>	<u>142,727</u>	<u>191,695</u>
Current liabilities				
Trade and other payables	—	(4,586)	—	(4,586)
Deferred Acquisition consideration	—	—	(18,909)	(18,909)
Amount due to ultimate holding company	—	(615)	615	—
Amount due to related companies	—	(9,401)	(615)	(10,016)
Amount due to shareholders/directors	—	(702)	—	(702)
Hire purchase creditors	—	(21)	—	(21)
Term loans	—	(14,771)	—	(14,771)
Taxation	—	(2,262)	—	(2,262)
	<u>—</u>	<u>(32,358)</u>	<u>(18,909)</u>	<u>(51,267)</u>
Net current assets	<u>—</u>	<u>16,610</u>	<u>123,818</u>	<u>140,428</u>
Non-current liabilities				
Term loans	—	(28,022)	—	(28,022)
Hire purchase creditors	—	(58)	—	(58)
Deferred taxation	—	(16)	—	(16)
	<u>—</u>	<u>(28,096)</u>	<u>—</u>	<u>(28,096)</u>
Net assets	<u>—</u>	<u>7,339</u>	<u>175,780</u>	<u>183,119</u>

NOTES TO THE PRO FORMA STATEMENT OF NET ASSETS

- The net assets of the Company at 31 December 2006 have been extracted without adjustment from Part 7(a) of this document. With the exceptions of the adjustments referred to below, no account has been taken of the activities of the Company since 31 December 2006.
- The net assets of the Subsidiaries at 30 September 2006 have been extracted from Part 7(b) of this document and adjusted as follows:
 - the net assets of Amatir Resources Sdn Bhd at 30 September 2006 as set out in the audited accounts of that company have been removed; and
 - the remaining net assets of Ireka Land Sdn Bhd and of ICSD Ventures Sdn Bhd have been translated from RM into US\$ at a rate of RM3.69 = US\$1, the rate ruling on 30 September 2006.

The above adjustments are summarised as follows:

	<i>The Subsidiaries Part 7(b) RM'000</i>	<i>Removal of Amatir Resources Sdn Bhd Adjustments RM'000</i>	<i>Residual Net assets Adjustments RM'000</i>	<i>Residual Net assets Translated US\$'000</i>
Non-current assets				
Property, plant & equipment	625	—	625	169
Land and development expenditure	68,317	—	68,317	18,520
Investment in subsidiary	500	—	500	136
	<u>69,442</u>	<u>—</u>	<u>69,442</u>	<u>18,825</u>
Current assets				
Inventories	12,558	—	12,558	3,404
Development properties	183,288	(40,265)	143,023	38,772
Trade and other receivables	18,185	—	18,185	4,930
Amounts due from related companies/associates	5,128	(4,334)	794	215
Deposits, cash and bank balances	6,144	(70)	6,074	1,647
	<u>225,303</u>	<u>(44,669)</u>	<u>180,634</u>	<u>48,968</u>
Current liabilities				
Trade and other payables	(21,036)	4,116	(16,920)	(4,586)
Amount due to ultimate holding company	(2,267)	—	(2,267)	(615)
Amount due to related companies	(38,194)	3,514	(34,680)	(9,401)
Amount due to shareholders/directors	(5,616)	3,027	(2,589)	(702)
Hire purchase creditors	(78)	—	(78)	(21)
Term loans	(54,487)	—	(54,487)	(14,771)
Taxation	(8,344)	—	(8,344)	(2,262)
	<u>(130,022)</u>	<u>10,657</u>	<u>(119,365)</u>	<u>(32,358)</u>
Net current assets	<u>95,281</u>	<u>(34,012)</u>	<u>61,269</u>	<u>16,610</u>
Non-current liabilities				
Term loans	(127,133)	23,765	(103,368)	(28,022)
Amounts due to related companies	(7,440)	7,440	—	—
Hire purchase creditors	(213)	—	(213)	(58)
Deferred taxation	(58)	—	(58)	(16)
	<u>(134,844)</u>	<u>31,205</u>	<u>(103,639)</u>	<u>(28,096)</u>
Net assets	<u>29,879</u>	<u>(2,807)</u>	<u>27,072</u>	<u>7,339</u>

With the exceptions of the transactions referred to above, no account has been taken of the activities of the Subsidiaries subsequent to 30 September 2006.

3. The adjustments reflect the following:

- issue of consideration shares on the completion date up to a value of US\$29.8m (RM110.0m) and payment of US\$10.6m (RM39.0m) in cash, representing completion consideration of US\$40.4m (RM149.0m) in connection with the Acquisition of Ireka Land Sdn Bhd and ICSD Ventures Sdn Bhd. Total deferred consideration of US\$18.9m (RM69.8m) in connection with the Acquisition constitutes US\$15.9m (RM58.8m) of deferred consideration shares and US\$3.0m (RM11.0m) in cash. Total Acquisition consideration of US\$59.3m (RM218.8m) is represented by the issue of US\$45.7m (RM168.8m) of consideration shares and US\$13.6m (RM50.0m) in cash. The above consideration has been translated from RM into US\$ at a rate of RM3.69 = US\$1, the rate ruling on 30 September 2006;
- the issue of 162.0m Ordinary shares at US\$1.00 per share, representing gross Placing proceeds of US\$162.0m;
- associated costs of the Placing of US\$8.8m;
- the adjustment of US\$52.0m (RM191.7m) to goodwill reflects the balance of the acquisition cost over and above the net asset value of Ireka Land Sdn Bhd and ICSD Ventures Sdn Bhd, being US\$59.3m (RM218.8m) less US\$7.3m (RM 27.1m);
- the adjustment of US\$142.7m (RM526.5m) to deposits, cash and bank balances reflects the net proceeds of the Placing of US\$153.3m (RM565.5m) less the cash paid on completion of the Acquisition of Ireka Land Sdn Bhd and ICSD Ventures Sdn Bhd of US\$10.6m (RM39.0m);
- the adjustment of US\$0.6m (RM2.3m) to both the amount due to the ultimate holding company and to related companies reflects the change in ownership of both Ireka Land Sdn Bhd and ICSD Ventures Sdn Bhd from Ireka Corporation Berhad to the Company post Acquisition; and
- the presentation of the statement on the basis of merger accounting, had the Acquisition and adjustments taken place on 31 December 2006.

Letter from the Reporting Accountants:



The Directors
Aseana Properties Limited
44 Esplanade
St Helier
Jersey JE4 8PN

MRI Moores Rowland LLP
3 Sheldon Square
London
W2 6PS

The Directors
Fairfax I.S. PLC
46 Berkeley Square
Mayfair
London W1J 5AT

29 March 2007

Dear Sirs

We report on the unaudited Pro forma statement of consolidated net assets (the “Pro forma financial information”) set out in Part 7(c) of the Prospectus (the “Document”) dated 29 March 2007, which has been prepared on the basis described, for illustrative purposes only, to provide information about how the Placing of 162 million Ordinary Shares and the acquisition of Ireka Land Sdn Bhd and ICSD Ventures Sdn Bhd might have affected the financial information presented on the basis of the accounting policies adopted by Aseana Properties Limited (the “Company”) in preparing the financial statements at 31 December 2006. This report is required by Item 7 of Annex II of the Commission Regulation on Prospectuses No. 809/2004 (“the Prospectus Directive”) and is given for the purpose of complying with that guidance and for no other reason.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro forma financial information in accordance with Item 20.2 of Annex I and Items 1 to 6 of Annex II of the Prospectus Directive.

It is our responsibility as required by Item 7 of Annex II of the Prospectus Directive to form an opinion, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Item 23.1 of Annex 1 of the Prospectus Directive, consenting to its inclusion in the Document.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those report or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- a. the Pro forma financial information has been properly compiled on the basis stated; and
- b. such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Item 1.2 of Annex I of the Prospectus Directive.

Yours faithfully

MRI Moores Rowland LLP

Chartered accountants

Registered Auditors

PART 7 (d)
INTERIM RESULTS OF THE SUBSIDIARIES

Set out below are the audited consolidated results of the Subsidiaries for the six months ended 30 September 2006, extracted without adjustment from Part 7(b) of this document, together with unaudited consolidated results for the comparative six month period ended 30 September 2005 extracted without adjustment from the 2006 Interim Results.

Balance Sheets

The aggregated Balance Sheets of the Subsidiaries at 30 September 2005 and 30 September 2006 are set out below:

	<i>Unaudited</i> 2005 RM'000	<i>Audited</i> 2006 RM'000
Non-current assets		
Property, plant & equipment	539	625
Land and development expenditure	124,028	68,317
Investment in subsidiary	—	500
	<u>124,567</u>	<u>69,442</u>
Current assets		
Inventories	—	12,558
Development properties	101,294	183,288
Trade and other receivables	10,807	18,185
Amounts due from related companies	37,105	5,128
Deposits, cash and bank balances	5,033	6,144
	<u>154,239</u>	<u>225,303</u>
Total assets	<u>278,806</u>	<u>294,745</u>
Equity attributable to equity holders		
Share capital	6,251	6,251
Retained profits	20,877	23,628
Shareholders' equity	<u>27,128</u>	<u>29,879</u>
Non-current liabilities		
Term loan	88,838	127,133
Amounts due to related companies	7,600	7,440
Hire purchase creditors	185	213
Deferred taxation	60	58
	<u>96,683</u>	<u>134,844</u>
Current liabilities		
Trade and other payables	28,388	21,036
Amount due to ultimate holding company	54,119	2,267
Amounts due to related companies	5,280	38,194
Amounts due to shareholders/directors	3,027	5,616
Hire purchase creditors	56	78
Term loan	56,070	54,487
Taxation	8,055	8,344
	<u>154,995</u>	<u>130,022</u>
Total liabilities	<u>251,678</u>	<u>264,866</u>
Total equity and liabilities	<u>278,806</u>	<u>294,745</u>

Income statements

The aggregated Income Statements of the Subsidiaries for the six months ended 30 September 2005 and 30 September 2006 are set out below:

	<i>Unaudited</i> 2005 RM'000	<i>Audited</i> 2006 RM'000
Revenue	43,324	36,168
Cost of sales	(34,623)	(31,956)
Gross profit	8,701	4,212
Other operating income	97	347
Administration expense	(644)	(1,329)
Other operating expenses	(161)	(233)
Sales & promotion expenses	—	(330)
Net profit from ordinary activities before taxation	7,993	2,667
Interest expense	(6)	(7)
Interest income	12	23
Taxation	(2,366)	(636)
Net profit from ordinary activities after taxation	5,633	2,047
Net profit for the period	5,633	2,047
Earnings per share	RM1.41	RM0.51
From continuing operations		
Basic and diluted		

Statement of Changes in Equity

	<i>Capital</i> RM'000	<i>Share</i> <i>profits</i> RM'000	<i>Retained</i> <i>Total</i> RM'000
Balance at 1 October 2005	6,251	20,877	27,128
Net profit for the six months ended 31 March 2006	—	704	704
Balance at 31 March 2006	6,251	21,581	27,832
Net profit for the six months ended 30 September 2006	—	2,047	2,047
Balance at 30 September 2006	6,251	23,628	29,879

Cash flow statements

The aggregated cash flow statements of the Subsidiaries for the six months ended 30 September 2005 and 30 September 2006 are as follows:

	<i>Unaudited</i> 2005 RM'000	<i>Audited</i> 2006 RM'000
Cash flow from operating activities		
Net profit from ordinary activities before taxation	7,993	2,667
Adjustments for		
Unrealised foreign exchange gain	—	(160)
Property, plant & equipment – depreciation	68	86
Operating profit before working capital changes	8,061	2,593
Development properties	(9,188)	(584)
Inventories	—	9,028
Receivables	(2,786)	(12,558)
Payables	13,708	5,305
Amount due to holding company	(188)	(3,247)
Amount due to/from fellow subsidiaries	—	1,582
Amount due to corporate shareholder	(2,724)	(2,589)
Amounts due from/to related company	(2,366)	—
Cash (used in)/from operations	4,517	(470)
Income tax paid	(125)	—
Net cash flow used in operating activities	4,392	(470)
Cash flow from investing activities		
Interest received	12	23
Land and development expenditure	(4,734)	(6,512)
Property, plant & equipment – additions	(55)	(17)
	(4,777)	(6,506)
Net cash used in investing activities		
Cash flow from financing activities		
Drawdown of bank borrowing	14,914	30,250
Repayments of bank borrowing	(9,520)	(11,252)
Repayments of hire purchase creditors	(41)	(95)
Repayments to ultimate holding company	2,289	(3,381)
Interest paid	(7)	(7)
Borrowing cost capitalised	(5,994)	(4,656)
Net cash flow generated from financing activities	1,641	10,859
Net (decrease)/increase in cash and cash equivalents	1,256	3,883
Cash and cash equivalents:		
– at start of period	3,777	2,261
– at end of period	5,033	6,144

Notes to the Interim Financial Information

1. Principal activity

The principal activity of the Subsidiaries is property development. The Subsidiaries were all incorporated in Malaysia.

2. Presentation currency

The financial information has been presented in Ringitt Malaysian ('RM') and rounded the nearest thousand.

3. Summary of significant accounting policies

Basis of preparation

The financial information on the Subsidiaries has been prepared on the historical cost convention, unless otherwise indicated in this summary of significant accounting policies, using accounting policies consistent with the policies adopted in the three years ended 31 March 2006. The financial information represents the aggregation of the financial statements for each of the companies comprising the Subsidiaries on the assumption that they formed a separate sub-group of companies within the Ireka Corporation Berhad Group.

The financial information has been prepared in accordance with International Financial Reporting Standards ('IFRS').

4. Non-recurring expenditure

Non-recurring expenditure of RM797,000 (2005: RM781,000) relates to salaries, pension contributions, depreciation on plant and equipment and lease rental payments related to the construction of the Subsidiaries' developments that are not expected to be borne directly by the Company following the acquisitions of Ireka Land and ICSD referred to in note 24 in Part 7(b) above.

5. Taxation

The taxation charge for the six months ended 30 September 2006 has been based on the estimated effective rate for the full year of 28 per cent. (30 September 2005: 28 per cent.)

	2005 RM'000	2006 RM'000
Tax expense for the year:		
Current taxation	2,366	636
Deferred taxation	—	—
	<u>2,366</u>	<u>636</u>

6. Earnings per share – continuing operations

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Subsidiaries is based on the following:

	2005 RM'000	2006 RM'000
Earnings		
Net profit for the period	<u>5,633</u>	<u>2,047</u>
	2005 #	2006 #
Number of shares		
Weighted average number of ordinary shares (fully paid up)	4,000,001	4,000,001
Weighted average number of ordinary shares (partly paid up)	<u>5</u>	<u>5</u>
	<u>4,000,006</u>	<u>4,000,006</u>

7. Nature of Financial Information

The financial information does not constitute Statutory Accounts.

PART 8

TAXATION

The following information is based on the law and practice currently in force in the UK, Jersey, Malaysia and Vietnam. This information is not exhaustive and, if potential investors are in any doubt as to their taxation position, they should consult their professional adviser. Investors should note that tax law and interpretation can change and that, in particular, the levels and bases of, and reliefs from, taxation may change and that changes may alter the benefits of investment in the Company.

United Kingdom Taxation

The Company

It is the intention of the Directors to conduct the affairs of the Company so that the central management and control of the Company is not exercised in the United Kingdom and so that the Company does not carry out any trade in the United Kingdom (whether or not through a permanent establishment situated there). The Company should thus not be resident in the United Kingdom for taxation purposes. On this basis, the Company should not be liable for United Kingdom taxation on its income and gains other than income deriving from a United Kingdom source.

UK Shareholders

Shareholders who are resident in the United Kingdom for tax purposes and who hold their Shares as investments may, depending on their circumstances, be liable to United Kingdom income tax or corporation tax in respect of dividends paid by the Company.

Individual Shareholders who are resident or ordinarily resident in the United Kingdom for tax purposes will be liable to income tax on dividends paid by the Company. Such Shareholders are not entitled to a tax credit in the United Kingdom in respect of a dividend paid by the Company.

Shareholders who are liable to income tax at the starting or basic rates will be liable to income tax at the rate of 10 percent of the dividend paid. Shareholders who are liable to income tax at the higher rate will be liable to income tax at the rate of 32.5 per cent of the dividend paid.

A UK resident corporate Shareholder will be liable to corporation tax on the dividend paid.

In the case of those Shareholders who are individuals or otherwise not within the charge to corporation tax and who hold their Shares as investments, capital gains tax may be payable on a disposal of Shares. Taper relief may be available to reduce the amount of any chargeable gain on disposal. No indexation allowance will be available to such holders. Individual Shareholders are entitled to an annual exemption from capital gains tax, which for the 2006/2007 tax year is £8,800.

Shareholders within the charge to UK corporation tax may be subject to corporation tax on capital gains in respect of any gain arising on a disposal of Shares. Indexation allowance may apply to reduce any chargeable gain arising on disposal of the Shares.

It is not anticipated that the Company would be regarded as a close company if it were resident in the UK. Therefore, capital gains realised by the Company should not be attributed to Shareholders under section 13 of the Taxation of Chargeable Gains Act 1992.

The Directors intend to manage the Company's affairs such that it should not be regarded as a collective investment scheme for the purposes of section 235 Financial Services and Markets Act 2000. Accordingly, a shareholding in the Company should not be regarded as a material interest in an offshore fund for the purposes of Sections 757 to 764 (as amended by the Finance Act 2005) of the Income and Corporation Taxes Act 1988 (the "Taxes Act") and gains realised on such holdings should not be subject to tax as income under that legislation.

A UK resident corporate Shareholder who, together with connected or associated persons, is entitled to at least 25 percent of the Shares should note the provisions of the controlled foreign companies legislation contained in Sections 747 to 756 of the Taxes Act.

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of section 739 to 746 of the Taxes Act which may render such individuals liable to tax on the income of the Company (taken before any deduction for interest) in certain circumstances.

Non-UK Shareholders

Shareholders who are not resident or ordinarily resident in the United Kingdom and do not carry on a trade, profession or vocation through a branch, agency or other form of permanent establishment in the United Kingdom with which the Shares are connected will not normally be liable to United Kingdom taxation on capital gains arising on the sale or other disposal of their Shares. However, non-UK Shareholders should take specific professional advice about their individual tax position.

Individual Savings Accounts and Personal Equity Plans

Shares in the Company will not be eligible to be held in the stocks and shares component of an ISA or an existing PEP.

Jersey Taxation

The Company

The Company has been granted exempt company status within the meaning of Article 123A of the Income Tax (Jersey) Law 1961 (as amended). The effect of such special status is that the Company is treated as a non-resident company for the purposes of Jersey tax laws and is therefore exempt from Jersey income tax on its profits arising outside Jersey and, by concession, on bank deposit interest arising in Jersey (and from any obligation to withhold Jersey income tax from any interest or dividend payments made by it). This status is renewable on an annual basis upon payment of a fee to the Comptroller of Income Tax in Jersey, and it is the Company's intention to maintain this status.

Dividends

The Company is entitled, but not required, to deduct income tax from dividends paid to Shareholders. Shareholders who are tax resident in Jersey will pay no further Jersey income tax on the dividends received by them from the Company. Individual Jersey resident shareholders may be able to reclaim the Jersey tax suffered by the Company to the extent that their personal tax liability in respect of the dividend is exceeded by the Jersey tax credit associated with the dividend. Corporate shareholders that are not assessed under Schedule D Class 1 of the Income Tax (Jersey) Law 1961, as amended, and life assurance companies, may also reclaim the Jersey tax suffered by the Company, to the extent that the Shareholder income tax liability after management expenses is exceeded by the Jersey tax credit associated with the dividend.

Capital gains

There is no taxation of capital gains in Jersey.

Inheritance tax

There is no inheritance tax in Jersey.

In the event of the death of a Shareholder, probate duty at a rate of up to 0.75 percent of the value of the Shareholder's Jersey assets at the time of death is levied in Jersey on grants of probate and letters of administration (save in cases where the condition for small estates exemption not exceeding £10,000 are satisfied).

Stamp duty and stamp duty reserve tax

No Jersey stamp duty or stamp duty reserve tax was paid on the issue of any of the Shares. There is no stamp duty payable on the transfer of Shares whether the transfer is executed in or outside Jersey.

Malaysia Taxation

The Company

Companies, whether or not resident in Malaysia, are generally subject to income tax at the rate of 28 percent on income accruing in or deriving from Malaysia. It has been announced that the tax rate will reduce to 27 per cent. in Year of Assessment 2007 and 26 per cent. in Year of Assessment 2008.

A company is resident in Malaysia for tax purpose if its management and control are exercised in Malaysia. Generally, a company is considered resident in Malaysia if the meetings of its board of directors are held in Malaysia, even if the relevant company is not incorporated in Malaysia.

Malaysia adopts the imputation system of taxing corporate income. The income tax paid by a company on its profits is utilised to frank dividends paid to shareholders.

Capital gain

A capital gain on disposal of a chargeable asset is subject to Real Property Gain Tax. Chargeable assets include the following: (i) real properties situated in Malaysia, and (ii) Shares held in a real property company (“RPC”). A RPC refers to a controlled company which owns real property or shares or both, the defined value of which is more than 75 percent of the value of its tangible assets. A “controlled company” means a company having not more than fifty members and controlled by not more than five persons. The current rates of Real Property Gains Tax range from 5 to 30 percent depending on the period during which the chargeable assets have been held before disposal. However, the Malaysian Government has recently announced that Real Property Gain Tax will be scrapped with effect from 1 April 2007.

Malaysia Shareholders

For tax purpose, an individual is treated as a resident if he is physically present in Malaysia in a particular calendar year for 182 days or more. However, if his period of stay is less, he may still be resident if certain conditions are satisfied.

For residents, the rate of tax is levied on a graduated scale on the chargeable income after deduction of reliefs, with the maximum rate being 28 percent. Foreign income received in Malaysia by a resident individual is not subject to Malaysian income tax.

For non-residents, the rate of tax is 28 percent on the gross income. No reliefs are available to a non resident.

Vietnam Taxation

The Company

Foreign companies conducting business activities through a permanent establishment in Vietnam will be subject to Vietnam tax. A permanent establishment is defined as a business establishment through which a foreign company carries out part or the whole of its business activities in Vietnam and earns income.

It is also the case that foreign companies with or without a permanent establishment in Vietnam who receive payments from parties in Vietnam (other than distributions of profits), such as payments for services (performed in or outside Vietnam), royalties or interest are generally subject to withholding tax.

Dividend

No remittance tax (or withholding tax) is imposed on profit paid abroad by a foreign investor.

Capital assignment profit tax

Vietnam does not have a separate capital gains tax, but has a capital assignment profit tax (“CAPT”) within the Business Income Tax (“BIT”) Law which applies to the transfer of an interest in a Vietnamese entity by a foreign investor. At present, there are no detailed regulations in relation to CAPT. However, based on the predecessor regulations, the taxable gain is determined as the sales proceeds less cost (which is the initial value of contributed legal capital, for an initial investor, or the amount paid for the interest, for subsequent acquirers of an interest, less transfer expenses).

The acquirer is required to withhold the CAPT from the payment to the vendor, and account for this to the tax authorities. The applicable tax rate is 28 per cent.

If capital is assigned to a company established under Vietnamese laws, a 50 per cent. reduction of the tax payable will be granted.

If the vendor is a tax resident of a country that has entered into a double tax treaty with Vietnam, it may be possible to avoid CAPT (subject to certain conditions). To be entitled to the exemption, a separate application for exemption is required. Vietnam has entered into double tax treaties with more than 40 countries.

Sales of investment in a joint stock company

Foreign investment funds only opening an account in Vietnam but not being present in Vietnam, which are engaged in investment in securities shall pay BIT on a deemed basis when selling investments in a joint stock company (“JSC”). The BIT payable shall be equal to 0.1 percent of the total value of shares sold in each assignment transaction.

For listed securities, the responsibility for withholding tax rests with the securities broker.

For unlisted securities, the responsibility for withholding tax rests with the bank in Vietnam where the foreign investment fund opens an account for investment in securities.

Vietnam tax resident Shareholders

Corporate Shareholders will be subject to business income tax on income received from the Company and gains arising on the sale of Shares.

Individual Shareholders are temporarily exempt from personal income tax on dividend income and gains arising on the sale of Shares.

However, under the draft law on personal income tax (which is anticipated to become effective in 2009), dividends and capital gains are likely to become taxable for individuals.

Any person who is in any doubt as to his/her tax position or requires more detailed information than the general outline above should consult his/her professional advisers.

PART 9

ADDITIONAL INFORMATION

1 Responsibility

The Directors, whose names are set out on page 12 of this document, and the Company accept responsibility for all the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 The Company and its share capital

- 2.1 The Company was incorporated in Jersey as a public limited liability par value company on 22 September 2006 under the laws of Jersey with the name Aseana Properties Limited. The Company is registered under number 94592. The Company is governed by its articles of association and the principal statute governing the Company is the Law. The Company has an unlimited life.
- 2.2 The liability of the members of the Company is limited. The Company has the objects and powers of a natural person.
- 2.3 The Company's registered office and principal place of business is situated at 44 Esplanade, St. Helier, Jersey JE4 8PN, Channel Islands. The Company is domiciled in Jersey. The telephone number of the Company is: +44 (0) 1534 700 700.
- 2.4 Save for its entry into the material contracts summarised in paragraph 6 below and certain non-material contracts, since incorporation, the Company has not carried on business nor incurred borrowings.
- 2.5 The authorised and issued share capital of the Company (all of which is fully paid up unless otherwise stated) at the date of this document and on Admission is/will be:

	<i>Authorised share capital</i>		<i>Issued share capital</i>	
	<i>Number</i>	<i>Amount</i>	<i>Number</i>	<i>Amount</i>
At the date of this document:				
Shares	2,000,000,000	US\$100,000,000	4	US\$0.20
On Admission and on acquisition of the Initial Portfolio:				
Shares	2,000,000,000	US\$100,000,000	250,000,000	US\$12,500,000

As at the date of this document, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no direct or contingent indebtedness (current or non-current).

- 2.6 On incorporation, two Shares of £0.05 each were issued for cash at par to the subscribers to the memorandum of association of the Company, WN1 Limited and WN2 Limited.
- 2.7 The following is a summary of the changes in the authorised and issued share capital of the Company from its incorporation:

On 27 March 2007, the authorised share capital of the Company was converted by Shareholders' unanimous written resolution from £50,000,000 divided into 1,000,000,000 Shares of £0.05 each, to US\$100,000,000 divided into 2,000,000,000 shares of US\$0.05 each at an exchange rate of £1 to US\$2.00 and, as a result, each of the two subscriber shares issued to WN1 Limited and WN2 Limited of £0.05 were converted into two shares of US\$0.05 each.

- 2.8 Other than the option exercisable into Shares, details of which are set out in paragraph 6 below, the Company has not issued or granted any options, warrants or any convertible securities.
- 2.9 Jersey law does not include statutory pre-emption rights. The Company has therefore voluntarily adopted pre-emption provisions in the Articles. Please see the summary of these provisions which is set out in paragraph 4 below.
- 2.10 The Placing Shares will rank *pari passu* for all dividends or other distributions hereafter declared, paid or made on existing Shares. All Placing Shares shall form one class with the existing Shares and shall rank *pari passu* in respect of payment of dividends, voting rights, entitlement to liquidation proceeds and otherwise.
- 2.11 Following Admission, the Shares may be held in either certificated form or in uncertificated form.
- 2.12 Save as described in this document, the Company does not have in issue any securities not representing share capital and there are no outstanding convertible securities issued by the Company.
- 2.13 Although the Company has power under the Articles to issue redeemable or convertible shares upon the sanction of an ordinary resolution of its Shareholders there are no such shares in issue at the date of this document.

3 Directors' and other Interests

- 3.1 The Directors were appointed as non-executive directors by letters dated 27 March 2007 that state that appointment and any subsequent termination or retirement shall be subject to the Articles. Save as described above, there are no existing or proposed service contracts between any of the Directors and the Company.
- 3.2 There are no contracts entered into by the Company in which the Directors have a material interest.
- 3.3 The initial fees payable to the Directors will be £30,000 per annum for the Chairman and £25,000 per annum for each of the other Directors. There are no provisions as to the payment of benefits on termination of their appointment.
- 3.4 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- 3.5 No Director has any interest in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company and which have been effected by the Company since incorporation and remain in any way outstanding or unperformed.
- 3.6 No Director (nor any member of a Director's family) has had a related financial product referenced to Shares.
- 3.7 The Directors (and persons connected with the Directors) are not expected to hold, following Admission and completion of the acquisition of the Initial Portfolio, any Shares.
- 3.8 The Company is not aware of any person or persons who directly or indirectly, jointly or severally, exercise or could exercise control of the Company.
- 3.9 Save as set out below, the Company is not aware of any person holding directly or indirectly more than three per cent. of the Company's issued share capital or any person who will hold, directly or indirectly, more than three per cent. of the Company's issued share capital on Admission assuming that the Placing is fully subscribed and following completion of the acquisition of the Initial Portfolio. Major Shareholders of the Company will not have different voting rights:

<i>Name</i>	<i>No. of Shares</i>	<i>% of issued Shares</i>
Coupland Cardiff Asset Management LLP	8,000,000	3.20
Deutsche Securities Asia Limited	15,000,000	6.00
Fortis Investment Management	8,000,000	3.20
Ireka Group (and parties acting in concert with Ireka)	88,000,000	35.20
New Star Asset Management Limited	10,000,000	4.00
QVT Financial LP	10,000,000	4.00
Standard Life Investments Limited	25,000,000	10.00
Woodbourne Investment Management International LLP	12,000,000	4.80

3.10 Under Rule 9 of the City Code any person who acquires an interest (as defined in the City Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company that is subject to the City Code, is normally required to make a general offer to the holder of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares is acquired by any such person.

A general offer under Rule 9 must be made in cash and at the highest price paid by the person required to make an offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

The Panel has determined that Ireka and Legacy Essence are acting in concert for the purpose of Rule 9 of the City Code. To the extent that all conditions to the Acquisition Agreement are satisfied and to the extent that an agreement to purchase the shares the subject of the Exclusivity Agreement is completed, Ireka and Legacy Essence will hold a maximum of 48.9 million and 39.1 million Ordinary Shares, respectively, including any deferred consideration payable to Ireka pursuant to the Acquisition Agreement, as a result the concert party will hold a maximum of 88 million Ordinary Shares, representing 35.2 per cent. of the issued Ordinary Share capital of the Company.

Accordingly, if the concert party, for so long as the members of the concert party continue to be treated as acting in concert, were to acquire an interest in any other Ordinary Shares which increase the percentage of Ordinary Shares carrying voting rights held by them, they would normally be required by the Panel to make a general offer as set out above.

The Company has authority to make market purchases of up to 14.99 per cent. of the issued Ordinary Share capital of the Company, such authority to expire at the first annual general meeting of the Company. Assuming the Company bought back 14.99 per cent. of the issued Ordinary Share capital of the Company, and assuming none of the concert party's shares were bought back under the buy-back, the concert party would be interested in 88 million Ordinary Shares, representing 41.4 per cent. of the reduced issued Ordinary Share capital of the Company.

The Panel has confirmed that no mandatory bid obligation under Rule 9 of the City Code would arise on Ireka or Legacy Essence by virtue of the Placing of 88 million Ordinary Shares in the Company to Ireka and Legacy Essence and the implementation of a buy-back programme.

3.11 The Company will purchase directors and officers liability insurance for the benefit of the Directors.

3.12 No Director has any convictions in relation to fraudulent offences for at least the previous five years nor has any Director been associated with any bankruptcy, receivership or liquidation in the previous five years.

3.13 None of the Directors has been a director of any company at the time of or within twelve months preceding the date of its receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors

generally or any class of its creditors. None of the Directors has been a partner of any partnership at the time of or within twelve months preceding the date of its compulsory liquidation, administration or partnership voluntary arrangement or the receivership of any assets of such partnership.

3.14 None of the Directors has been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for the previous five years.

3.15 The directorships held by each of the Directors over the five years preceding the date of this document and the partnerships in which they have been partners in the five years preceding the date of this document are as follows:

<i>Name</i>	<i>Current</i>	<i>Past</i>
Dato' Mohammed Azlan bin Hashim	Labuan Offshore Financial Services Authority Employees Provident Fund Khazanah Nasional Berhad Scomi Group Bhd D&O Ventures Berhad Group Proton Holdings Berhad Group Universiti Darul Iman Malaysia Malaysian Industry – Government Group for High Technology Genesis Malaysia Maju Fund Limited Terengganu Incorporated Sdn. Bhd Goldern Pharos Berhad Group Westcomb Financial Group Ltd. Porterhouse Capital Limited Asiasons Advisory Sdn. Bhd. Asiasons Investment Managers Inc. PECD Berhad	Labuan International Finance Exchange Inc. Kuala Lumpur Stock Exchange Group Pioneer Keystone Sdn. Bhd.
Dato' Ismail bin Shahudin	Bank Muamalat Rahman Hydraulic Tin Sdn Bhd Citra Busana Sdn Bhd Sutera Mentari Sdn Bhd	MMC Group Maybank Group
John Lynton Jones	DIFX Carbon Registry Services Kenetics Innovations Pty Horniman Museum	Jiway Ltd
David Harris	Smaller Companies Dividend Trust plc Osprey Smaller Companies Income Fund Ltd Premier Absolute Growth & Income Trust plc Cobra Holdings plc Character Group plc	—
Christopher Lovell	Pall Mall Management Limited Canlife Jersey Property Unit Trust Rochester Capital Fund Limited (formerly Rochester Futures Fund Limited) Bennelong Asia Pacific Multi Strategy Equity Fund Limited Golftree TC Limited Century 23 Property Management Limited Channel House Trustees (London) Limited Braltrust Limited Channel House Fin Serv Group Limited now merged with Capita Fiduciary Group Ltd Capita Trustees Limited Capita Fiduciary Group Limited Tyrolese Trust Company Limited Harmony House Limited	Lovell Jackson Matthews 1 (English Solicitors) BFS Equity Income & Bond Trust Limited BFS Managed Properties plc Channel House Financial Services Group Limited, Jersey Ridge Cook Investment (No.1) Ridge Cook Investment (No.2) Ridge Cook Investment (No.3) Goostry Investments Longmeade Investments Cossey Investments Tazio Investments Lordos Limited

*Name**Current*

Capita EP Limited
Channel House Investments Limited
Lovell Jackson Mathews Nominees Limited – merged into Forbrit Trustees Limited
G.S.N. Limited – merged into Forbrit Trustees Limited
Channel House Secretaries Limited
Capita Nominees Ltd
Seafood Trading Limited
Biriadou Limited
Camelot Limited
Company One Limited
Citrine (chg name to Hamble Properties Limited Nov 00)
Marais Property Company Limited
Moorcreek Limited
Steel Finance Limited
Pinto Holdings Limited (In liquidation)
Palamino Holdings Limited (In liquidation)
Remus Holdings Limited
Altamar Limited
G.F. Shui (B.V.I.) Ltd.
Lisfinny Limited
Moja Trading Limited
Ivoryheights Holdings Limited
Midia Limited
Senna Holdings Limited
Siam Holdings Limited
Wyndham Ventures Limited
Excelsior Limited
Valkyrie 2000 Limited
Sapphire Enterprises Limited
Tullow Powergen Limited
Tullow Romania Limited
Tullow Egypt Operations Limited
Tullow Syria Operations Limited
Tullow Senegal Operations Limited
Certum Limited
Edison Properties Limited
Tullow Oil International Limited
Aircraft Consulting Group (Jersey) Limited
Ensemble Holdings Limited
Anambus Holdings Limited
Hay Hill Norwich Limited
Checkerline Design Limited
Kaiser Air (Jersey) Limited
Czar Aviation Limited
Forbane Investments Limited
Royale Pigments (Jersey) Limited
Ferotos Limited
E – Casing Limited
Harrington Golf Limited
Interactio Limited
M.S. Corporation Limited
CB Air Limited
Mikania Investments Limited
Impex Aircraft Consulting (Jersey) Limited
Factum Holdings Limited
Group Flight Services (Jersey) Limited
Horta II Limited
PFG Management Limited
Fidalux Trust Limited
Tuninvest Investments Limited
Spirit Development Corporation Limited (The)
Saltarello Limited
Fexton Investments Inc.
Medusa Overseas Holdings Limited
MGA Holdings Limited
Octavia Consultancy Limited
Moristan Limited
Gulf Venture Capital Limited
Thibaud ARL
Alyssum Management Limited
Anchor Property Ltd
Beaunell Limited
Benyamina Investments (Jersey) Limited
Brookdale Properties Limited

Past

SPT Funding 2
Anila Yachts Limited
Channel House Capital Markets Limited
Capita Trust Company (Jersey) Limited
Global Wealth Management Trust Company (Jersey) Limited
GWM Secretaries Limited
Channel House Fund Administration Limited
Teal Holdings Limited
Channel House Films Limited
jersey ecommerce.com Limited
Cox Town Limited
A J Walter Holdings Limited
Beachman Limited
High Flyer Limited
Warrior Holdings Limited
Starcrest Holdings Limited
Broons Limited
First Quantum (International) Limited
Garnet International Resources Limited
Stainsteel Agencies Limited
Hamble Limited
First Quantum Property Investments Limited
Hillthyme Co. Ltd
Toros H B Limited
Lea Valley Properties Limited
Equus Holdings Limited
Courtyard Investments Limited
Ocean Investment Holdings Limited
E C S (CI) Limited
Remus Holdings Limited
Leisure Investments Limited
Magpie Holdings Limited
Regent Development Associated Limited
Zancara (Scotland) Limited
Lower House Investments Limited
Garganey Investments Limited
Starcrest Investments Limited
Braybourne Holdings Limited
Tullow Cote D'Ivoire Limited
Alter Ego Holdings Limited
Tullow Cote d'Ivoire Exploration Limited
Tullow Bangladesh Limited
Tullow India Operations Limited
Polyphemus Limited
Anodyne Investments Limited
Pigeon Cays Limited
Sayer Holdings Limited
Tullow Tanzania Limited
Infotech Wireless Technology (Jersey) Limited
Berners Properties Limited
Tullow Pakistan (Developments) Limited
M & M Traders Limited
Break Point Aircraft & Yachts Limited
Sarina Investments Limited
FLS Limited
Rockledge Limited
Trail Blazer Limited
Penex Limited
Marlow Ventures Limited
Southmoor Holdings Limited
GilliAir Trading Limited
Alassio Holdings Limited
Spartiate Limited
Castle Construction (Oil & Gas) Limited
Cheledon Limited
Medusa Czech Operations Limited
Cortex (Jersey) Limited
Toluene Limited
Viabilite Et Etablissement A.R.L.
Milieu A.R.L.
Allthat Investments Limited
Amenagement A.R.L.
Alcina Limited

<i>Name</i>	<i>Current</i>	<i>Past</i>
	Camolix Limited	Emergent Minieres A.R.L.
	CBA Enterprises Limited	Bremridge Holdings Limited
	Clevedon Overseas Limited	Colomerie Investments Limited
	Corbel Properties Limited	Creux Investments Limited
	Coriace Investments Limited	Derville Holdings Limited
	Derville Holdings Limited	Fernland Holdings Limited
	Dubello Limited	Fin Comp Consulting Services Limited
	Gardenia Property Ltd	Gardenia Property Ltd
	Linstead Holdings Limited	Gentry Holdings Limited
	Max Holdings Limited	Honeybourne Holdings Limited
	Moonfleet Limited	Junedale Limited
	Orchard Property Ltd	Koppel Investments Limited
	Ponthalt International Limited	Northmoor Investments Limited
	Ram's Head Properties Limited	Gammiste ARL
	Sandcroft Holdings Limited	Pinewalk Limited
	Shapour Limited	Trochee Limited
	Shine Investments Limited	Rhea Investments Limited
	Sunspree Estates Inc.	Erinore Gold Limited
	Ticino Investments Limited	Rocque Holdings Limited
	Tifton Investments Limited	Rosewarne Properties Limited
	Torremill (Jersey) Limited	Rumico Limited
	Trophy Management Limited	Strive Holdings Limited
	Carpe Monica Limited	Tanoan Limited
	Calwell Limited	Yenby International Limited
	Bazooka Investments Limited	Alvand Investments Limited
	Paradise Aviation (Jersey) Limited	Bharani Holdings Limited
	Jameswood Limited	Lamda International Holdings Limited
	Aviation Stalling Company Ltd	Lamond Land Limited
	Capita Trustees Limited	Artefact Holdings Limited
	Cape Sable Holdings Limited	Plymouth Holdings Limited
	Normandy Holdings Limited	Babel Investments Limited
	Ennis Grove Holdings Limited	Porter Holdings Limited
	Tullow Algeria Limited	Barbican Ventures Limited
	Siebel Systems (Jersey) Limited	E.I.M. (Jersey) Limited
	Outshine Limited	Caballo Limited
	Almerina Limited	Exiat Holdings Limited
	Globe International Management Limited	Consoil Services Limited
	Investment Property Databank	Insole Holdings Limited
	Employees (Trustees) Limited	Coranto Films Limited
	Andante Investments Limited	International Trading Consultants Limited
	Maxine Holdings Limited	Dalfour Properties Limited
	Okerbridge Estates Limited	KJ Consulting Limited
	Virtual Corporate Solutions Limited	Divers Investments Limited
	Denwood Investments Limited	Cougar Air (Jersey) Limited
	Stillwater Services Limited	Epoch Limited
	Demel Limited	Servlaur Limited
	Loriner International Limited	Greydoon Limited
	Koben Investments Limited	Snipe Holdings Limited
	Zass Limited	Industrial Technologies Corporation
	Finlay Limited	Nortique Limited
	Bergen Corporation	Insular Holdings Limited
	Sterham Investments Limited	Burnes Shipyard (Holdings) Limited
	Palfridge Holdings Limited	Isadaran Limited
	Dotbern Investments Limited	Moon Dog Limited
	Cambiller Investments Limited	LBC Services Limited
	Hugin Investments Limited	
	Foxwell Holdings Limited	Hamble Properties Limited
	Corporate Advisors (UK) Limited	Portobelo Limited S.A.
	Amareta Investments Limited	Space Dog Limited
	Corporate Advisors (Jersey) Limited	Newem Limited
	Caingorm Investments Limited	Keel Holdings Limited
	Longlast Holdings Limited	Orinda Investments Limited
	Forefront Consultants Limited	Mersing Holdings Limited
	Halton Investments Inc	Pictures & Entertainment Limited
	Crystal Pearl International Limited:	Verger Investments Limited
	Violetta Securities Limited	Plus Holdings Limited
	Neat Investments Limited	Anila Yachts Limited
	SPT Funding I Limited	Regents Limited
	Sentara Ventures Limited	Starcrest Investing ApS
	Caley Properties Limited	Sustainable Industries Limited
	Skybourne Holdings Limited	Hana IT Limited
	Compl-Ex Aircraft Limited	Tavatton Limited

*Name**Current*

Escorpion Holdings Limited
Haygate International Limited
PE and T Limited
Complete Holdings Limited
Macon Management Limited
Deleville Global Limited
Caravelle Enterprises Limited
Highgrove Securities Limited
Hartwell Ventures Limited
Quality Collections Limited
ECP Ventures III Limited
ECP Ventures I Limited
ECP Ventures II Limited
Eurasia Capital Partners Europe Limited
Creative Property Limited
Matara Holdings Limited
(formerly Nani Investments Ltd)
Creative Holdings Limited
Eklus (BVI) Limited
Eklus (Mauritius) Limited
Rivulet Limited
Ambrosius Limited
Tudor Employees Nominees Limited
Aldemar Limited
Ratatosk Limited
Marita Investments Limited
Value Discovery Fund Limited
Tullow Gabon Operations Limited
Longfield Ventures Limited
Deloraine Services Limited
PEIA Limited
Pension Fund Assumption Limited
Falco Limited
Codevintec Limited
Laptev Holdings Limited
Scylla Limited
Ravinella Limited
Metonym Limited
Jermyn Investment Trust Limited
Purbeck Holdings Limited
Boyer Allan (Jersey) Limited
SPT Holdings Limited
Tavoy Holdings Limited
Buri Leasing Ltd
Coriolis Consulting Limited
Golftree LP2 Limited
Golftree LP3 Limited
Novalis Investments Limited
Locarno Limited
Noserider Holdings Limited
Es Mirador de SA Pedrissa S.L.
TG Employee Investment Company I
TG Employee Investment Company II
Calibur Limited
Chantelle Investments Limited
Limestone Investments Limited
Wheatlands Limited
Cape TC (Jersey) Limited
Bella TC (Jersey) Limited
Auray Holdings Limited
Lordos Limited
Anker Capital Investments Limited
Golf tee TC Limited
Chester Terrace Limited (no 18)
SCBD Technology Limited
GEM Aviation Limited
Cambier Limited
Branthill Limited
Betony Investments Limited
Bennelong Asset Management Limited
Bennelong Proprietary Fund Limited (alternate)
Boleat Consulting Services Limited
Abella Properties Limited
Zarnita Limited
Straightline Marketing Limited

Past

Nani Investments Limited
Istana Limited
Korako Investments Limited
New Odessa Limited
Nasone Overseas Limited
Kamchim Investments Limited
Rynek Holdings Limited
K-Progolf Limited
Mapeso Holdings Limited
Springtide Finance Limited
Whitebeam Investments Limited
Allegro Limited
Beltane Limited
Excel Consultants Limited
Oslo Limited
Melvaig Holdings Limited
Practica Limited
Liquid – The Wine Company Limited
Greenbriar Enterprises Limited
Carmella Properties Limited
Casa Manzana Limited
Briar Property Management Limited
Midbay Investments Limited
Ailema NewMedia Limited
White Crystal Properties Limited
Devina Limited
Woodbine Properties Holdings Limited
Ancaster Holdings Limited
Bridgehouse Holdings Limited
Calla Investments Limited
Dariville Holdings Limited
Morina Investments Limited
Selanga Investments Limited
SPT Collateral 1 Limited
Starcrest Properties 1 Limited
Tullow Cameroon Limited
GLS International Advisors Limited
SPT Funding 2
Highstead Properties Limited
Andaman Holdings Limited
Black Sea Oil Limited
Bennelong Asia Pacific Multi Strategy
Equity Master Fund Limited
Bennelong Asia Pacific Multi Strategy
Equity Fund Limited
Kilwaughter Holdings Limited
Northcross Holdings Limited
Tullow Madagascar Limited
Northcross Capital Management
Limited
Belair Investments Limited
Zyghi Properties Limited
Tullow Ghana Limited
Pacific Stone Group Limited
Tullow Angola Limited
Pacific Stone (Holdings) Limited
Polar Capital Partners (Jersey) Limited
Bentley Properties Limited
Capita Symonds (C I) Limited
Almanzar Limited
Old Land International Limited
SFI Management Limited (formerly
SFI Management (Jersey) Limited
Corries Technical Services (Jersey) Limited
Hero Funds PCC
Stockley Services Limited
Woods and Company Limited
Ryton Services Limited
Jonquil Property Holdings Ltd
Broughton Marketing Limited
DAM Trustees Limited
Special Opportunity Holdings Limited
Andaman Holdings Limited
K-OK Holdings Limited
7 Gloucester Walk Limited

*Name**Current*

Santry Limited
Lyon Systems Limited
Control Risks (Jersey) Limited
GLS (Jersey) Limited
Freshwater Services Limited
NPT Holdings Limited
Pegum Holdings Limited
Craig Millar Castle (Holdings) Limited
BAM Distributor Limited
Stampflat Nom X Limited
Ophir Holdings Limited
Ophir Gabon (Gnondo) Limited
Ophir Gabon (Manga) Limited
Ophir Gabon (Mbeli) Limited
Ophir Gabon (Ntsina) Limited
Sardis Limited
Anassa Limited
Brookdene Global Limited
Carrousel Capital (CI) Limited
Autonomy Capital (Jersey) Limited
Baker Steel Capital International Limited
AKO Capital (Jersey) Limited
Wapi Holdings Limited
Oakamoor Investments Limited
Ceramic Technology Engineering
Consultancy Limited
Ukraine Technology Engineering
Consultancy Limited
Ukraine Liberty Fund Limited
Carrousel Jersey Limited
CT No 1 (Bermuda) Limited
Eurasia Transportation Group Ltd
Mountain Capital Management Ltd
Ironman Investment Company Limited
Freight Investor Services Physicals Limited
Capita Secretaries Limited
Forbrit Trustees Limited
Soleil Investments Limited
Jamexa Holdings Limited
MCBS Licensing Limited
Matsudaira Art Foundation Limited
Ammaljo Holdings Limited
Ammaljo Investments Limited
Waton SA
Killaghy Limited
Churchill Capital Limited
Krisaljer Limited
EMAC Illyrian Land Fund Limited
Excalibur (Panama) SA
Avalon Panama, S.A.
Brinpan Holdings Inc
Villette Limited
Resilient Strategies Limited
Jessica Limited
Ardley Limited
Polar Capital Partners (America) Corporation
Morris Mirrors Limited
Medway Holdings Limited
Watership Productions Limited
CL604 Limited
Calypso Management Limited
Knighton Grasseuil Limited
Easy Aviation Limited
Dawnay Day Treveria Plc
Menard Investments Group Limited
Klaus Properties Limited
Industrial Investors Group Limited
FAB Marketing Limited
Fourth Enterprises Limited
Global 5000 Limited
EMAC NEO USTP GP Limited
EMAC NEO USTE GP Limited
EMAC NEO VCOC GP Limited
EMAC NEO ExUS Limited
EMAC NEO SC GP Limited

Past

K Holdings Limited
Lovell Jackson Mathews (English
Solicitors)
I.D.I. Venture Limited
Sherland Limited
Saffron Rose Limited
K-Business Limited
Monteba Investments Limited
Breal Limited
Argentat Development Limited
Tabzi Investments Limited
SSI Holdings Limited
Tavari International Limited
Aquamarine Holdings Limited
Punch Video Europe Limited
Beecham Holdings Ltd
Galatina Ventures Limited
Bevan Marketing Limited
Sienna International Group Limited
London Properties Management Limited
Jotangia Limited
Mondesrain Limited
Chase Aerospace Holdings Limited
Braich Limited
Amice Holdings Limited
F.T.C. Holdings Limited
Nasa Holdings Inc.
Products of the Far East Limited
Norshall Properties Limited
Rosevale Holdings Limited
Helcom (Jersey) Limited
K-FJ Holdings Limited
Cancelli Investments Limited
Thameside International Limited
Boston Capital Limited
Channel House Partnership
Meduson Czech Opertions Limited
Ranatunga Holdings Limited
DAM Trustees Limites
Value Discovery Fund Limited
MKY Financial Software Limited

<i>Name</i>	<i>Current</i>	<i>Past</i>
	Ophir AGC (Profond) Limited	
	46 Portland Place Limited	
	Ophir Kazakhstan Limited	
	Ophir Asia Limited	
	Liberty International Opportunities Master Fund Limited	
	Liberty International Opportunities Fund Limited	
	SFI Holdings Limited	
	The Strategic Film Investors Master Fund Limited	
	The Strategic Film Investors Fund Limited	
	Templar Films (Jersey) limited	
	Rochester Capital MAC Limited (formerly Rochester Futures Fund Limited)	
	Rochester Capital Master Fund Limited	
	Rochester General Partner Limited	
	Ruffer International Funds Limited	
	Rochester Capital MAC Limited	
	Chantelle Investments Limited	
	Hoplite Management Limited	
	Adstock Limited	
	Hightonwood Investments Limited	
	Rianne Investments Limited	
	Sonwood Limited	
	Value Plain Limited	
	Kings Advisors Limited	
	Vallini Investments Limited	
	International Marketing Services Inc	
	Bishop Holdings Limited	
	Meekin Investment Company Limited (Gibraltar)	
	HP Management Limited	
	Fischer Investments Limited	
	Meekin Investment Company Limited	
	PallMall Associates Limited	
	Regeneration (GP) Limited	
	Alton Holdings Limited	
	Lee Valley Properties Limited	
	Lakedale Enterprises Limited	
	Ekeby Holdings Ltd	
	Eaton Mascott Hall Limited	
	Fulmer Properties Limited	
	Short Family Investments Limited	
	Edgmond Holdings Limited	
	Chappel Advisors Limited	
	Century 23 Property Management Limited	
	Basil Street Investments Limited	
	Globus Funds ICC	
	Globus International Hedge Fund IC	
	Globus Russia Balanced Fund IC	
	Globus Russia Equity Fund IC	
	Globus Russia Fixed Income Fund IC	
	Globus Russia Hedge Fund IC	
	Globus Worldwide Opportunities Fund IC	
	EMAC Illyrian Land Fund 2 EXUS GP Limited	
	EMAC Illyrian Land Fund 2 SC GP Limited	
	EMAC Illyrian Land Fund 2 USTE GP Limited	
	EMAC Illyrian Land Fund 2 USTP GP Limited	
	EMAC Illyrian Land Fund 2 VCOC GP Limited	
	EMAC PF Limited	
	Kavkas Land Fund Limited	
	ConveyInvest Limited	
	GIS (Jersey) Limited	
	Resilient Select Opportunities Fund Limited	
	Crystal Partners Jersey Holding Company Limited	
	CP Property Development UK Limited	
	Poole Jersey Company Limited	
	Channel House Investments Limited	
	City Litchfield ABS Fund Limited	
	Yatra Capital Limited	
	Orbitrox Limited	

4 Articles of Association

Set out below is a summary of certain provisions of the Articles. Persons seeking detailed explanation of any provisions of Jersey law or the difference between it and the laws of England and Wales, or any other jurisdiction with which they may be more familiar, should seek specific legal advice.

Share Capital

Subject to the provisions of the Law and the Articles, any special rights attached to any existing shares:

- (a) any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine; and
- (b) the Company may issue fractions of shares and any such fractional shares shall rank *pari passu* in all respects with the other shares of the same class issued by the Company.

Subject to the Law and the Articles relating to authority, pre-emption rights or otherwise, any direction that may be given by the Company in general meeting by way of an ordinary resolution and, where applicable, the Listing Rules and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares shall be at the disposal of the board of Directors which may allot (with or without conferring a right of renunciation) or otherwise dispose of them to such persons, at such times and on such terms as the Board thinks proper, with full power to issue to any persons securities to subscribe for any class of shares on such terms as the Board thinks fit, but so that no shares shall be issued at a discount, save as may be permitted by the provisions of the Law and, where applicable, the Listing Rules.

Except in the circumstances mentioned in the Articles, the Board shall obtain the consent of the Company in a general meeting by way of an ordinary resolution prior to allotting, issuing or granting:

- (a) shares;
- (b) securities convertible into shares; or
- (c) options, warrants or similar rights to subscribe for any shares or such convertible securities.

No such consent shall be required:

- (a) for shares or other securities allotted in pursuance of an employees' share scheme; or
- (b) for the allotment, issue or grant of shares or securities pursuant to an offer made to the Shareholders and, where appropriate, to shareholders of other equity securities of the Company entitled to be offered them, pro rata (apart from fractional entitlements) to their existing holdings in the Company. For the purposes of such allotment, issue or grant, the Board may on any occasion determine that such allotment, issue or grant shall not be made available or made to any Shareholder with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such shares or securities would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Shareholders affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Shareholders for any purpose whatsoever; or
- (c) if, but only to the extent that, the existing Shareholders have by ordinary resolution in general meeting given a general mandate to the Directors, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such shares or other securities or to grant any offers, agreements or options which would or might require shares or other securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of shares and other securities allotted or agreed to be allotted must not exceed the aggregate of thirty per cent. (30 per cent.) of the issued share capital of the Company at the time the general mandate was granted plus the number of such securities repurchased by the Company itself since the granting of the general mandate.

The Articles do not restrict the ability of the Company to change the rights attaching to the Company's shares. In order to effect such a change the Law requires a special resolution. Similarly, the Company may by special resolution alter its share capital in any of the ways permitted by the Law.

Interest in Shares

Shareholders are under a duty to disclose their interests in shares if they hold more than 3 per cent. of any class of issued shares and if their shareholding of such class subsequently falls below 3 per cent. During the period in which a Shareholder's holding of shares of any particular class remains above 3 per cent. he is under a duty to disclose further acquisitions or disposals once such acquisitions or disposals,

on an aggregate basis, equate to 1 per cent. or more of the issued share capital of that class. A Shareholder's duty to disclose his shareholding in respect of these provisions of the Articles is, provided the Company's issued share capital is divided into different classes, determined on a class by class basis.

Failure to comply with these provisions can result in, at the Board's discretion, a suspension of voting rights of the relevant Shareholder and a withholding (but not forfeiture) of dividends for a period of up to one year.

The Directors may be required to exercise their powers under these Articles on the requisition of members of the Company holding not less than one-tenth of the paid up share capital of the Company. The requisition must state the manner in which the power should be exercised and give reasonable grounds for requiring the requisition.

Lien

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of the Articles. The Company's lien on a share shall extend to any amount payable in respect of it.

Without prejudice to the provisions of the Articles providing for the forfeiture or surrender of shares, the Company may sell in such manner as the Directors may determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 days after notice has been given to the shareholder of such shares or, where required by law, to the person entitled to it, demanding payment and stating that, if the notice is not complied with, the shares may be sold.

A person any of whose shares have been sold pursuant to the Articles shall cease to be a shareholder in respect of them and shall deliver to the Company for cancellation the certificate for the shares sold (if any) but shall remain liable to the Company for all moneys which, at the date of sale, were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before such sale or at such rate not exceeding ten per cent. per annum as the Directors may determine from the date of sale until payment provided that the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of sale or for any consideration received on their disposal.

The net proceeds of the sale after payment of the costs shall be applied in payment of so much of the sum for which the lien exists as is presently payable and any residue shall (upon delivery to the Company for cancellation of the certificate or certificates for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

Compulsory Transfer and redemption of Shares

Where it comes to the attention of the Directors that:

- (a) any shares are owned or held directly or beneficially by any person that may in the sole and conclusive determination of the Directors cause the assets of the Company to be considered "plan assets" within the meaning of regulations adopted under the United States Employee Retirement Income Security Act 1974, as amended ("**ERISA**") or section 4975 of the United States Internal Revenue Code 1986, as amended ("**Revenue Code**"); or
- (b) the aggregate number of US Persons (as defined in Regulation S under the United States Securities Act 1933 ("**Securities Act**")) who are beneficial owners of shares (which for the purpose of these Articles shall include beneficial ownership by attribution under Section 3(c)(1)(A) of United States Investment Company Act of 1940, as amended ("**Investment Company Act**"), is or may be more than 80; or
- (c) any share is or may be held directly or beneficially by a US person that is not: (i) a "qualified institutional buyer" within the meaning of Rule 144A or an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act; and (ii) a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act; or
- (d) any share is held by an "employee benefit plan" or "plan", subject to ERISA or Sections 4975 of the Revenue Code, or an entity whose underlying assets are considered to include "plan assets" of any such "employee benefit plan" or "plan";

the Directors may serve a notice upon the person appearing in the register of members requiring the transfer of the relevant shares to another person whose holding of such relevant shares, in the sole and conclusive determination of the Directors, would not fall within the restrictions above (“**Eligible Transferee**”). On and after the date of such notice, and until registration of a transfer of the relevant shares, the rights and privileges attaching to the relevant shares shall be suspended and not capable of exercise.

If within 21 calendar days after the giving of such notice the notice has not been complied with to the satisfaction of the Directors, the Directors may arrange for the Company to sell the relevant shares at the best price reasonably obtainable to any Eligible Transferee or Eligible Transferees or the Directors may arrange for the Company to redeem the Shares in accordance with the provisions of the Articles. For this purpose the Directors may authorise in writing any officer or employee of the Company to execute on behalf of the shareholder of the relevant shares a transfer of the relevant shares to the purchaser or purchasers, or, as the case may be, a redemption notice in respect of the shares. The net proceeds of the sale or redemption (as the case may be) of the relevant shares shall be received by the Company whose receipt shall be a good discharge for the purchase money or the redemption money and shall be paid over by the Company to the former shareholder or shareholders (together with interest at such rate as the Directors consider appropriate) upon surrender by him or them of the certificate for the relevant shares, which the shareholder shall be obliged to deliver to the Company. In the case of a transfer, the Company may register the transferee or transferees as shareholders of the relevant shares and issue to him or them a certificate for the same and thereupon the transferee or transferees shall become absolutely entitled to the relevant shares.

Transfer of Shares

The Company may permit the holding in uncertificated form of one or more classes of shares determined by the Directors for this purpose in order that the transfer of title to any such shares may be effected by means of a computer system in accordance with the Companies (Uncertificated Securities) (Jersey) Order 1999 provided that the register shall be held in Jersey pursuant to the Law.

Unless and until the Directors determine that one or more classes of shares may be held in uncertificated form, the shares shall be issued in certificated form and all the provisions of the Articles relating to the issue, holding and surrender of certificates and transfer and transmission of certificated shares shall apply to the same. All of such provisions shall also apply to any shares of a class which the Directors have determined may be held in uncertificated form but where with the approval of the Directors the shareholder of the relevant shares has notified his wish to hold the relevant holding of shares in registered certificated form.

The Directors may, in their absolute discretion and without giving a reason, refuse to register a transfer of any share:

- (a) which is not fully paid or on which the Company has a lien or where such transfer may give rise to or constitute (in the absolute discretion of the Directors) a legal, regulatory, pecuniary, tax or material administrative disadvantage to the Company, provided, in the case of a listed share, that this would not prevent dealings in the share from taking place on an open and proper basis and would not be in contravention of any of the requirements of the rules of any recognised investment exchange to which the Company may be subject from time to time; or
- (b) unless it is in favour of a single transferee or not more than four joint transferees; or
- (c) unless the instrument of transfer is deposited at the Company’s registered office or such other place as the Directors may reasonably require, accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; or
- (d) to a US Person (or any transfer which may result in the securities being beneficially owned by a US Person) that is not: (A) a “qualified institutional buyer” within the meaning of Rule 144A or an “accredited investor” within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act; and (B) a “qualified purchaser” within the meaning of Section 2(a)(51) of the Investment Company Act; or

- (e) to an “employee benefit plan” or “plan” that is subject to ERISA or section 4975 of the Revenue Code, or an entity whose underlying assets are considered to include “plan assets” of any such “employee benefit plan” or “plan”.

If the Directors refuse to register the transfer of a share they shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.

The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods as the Directors may determine.

Transmission of Shares

If a shareholder dies, the survivor or survivors (where he was a joint shareholder) and his personal representatives (where he was a sole shareholder or the only survivor of joint shareholders) or the guardian of an incompetent member or the trustee of a bankrupt member, shall be the only persons recognised by the Company as having any title to his interest provided that nothing contained in the Articles shall release the estate of a deceased shareholder from any liability in respect of any share which had been jointly held by him.

A person becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder may, upon such evidence being produced as the Directors may properly require including but not limited to probate of the will, or letters of administration of the estate, or confirmation as executor or of the appointment of a guardian, elect either to become the shareholder of such share or to make such transfer thereof as the deceased, bankrupt or incapacitated shareholder could have made. If he elects to become the shareholder, he shall give notice to the Company to that effect. If he elects to transfer the share, he shall execute an instrument of transfer of the share to the transferee. All of the provisions of the Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the shareholder and the death, bankruptcy or incapacity of the shareholder had not occurred.

A person becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder shall have the rights to which he would be entitled if he were the shareholder of such share save that he shall not before being registered as the shareholder be entitled in respect of it to be sent any notice given pursuant to the Articles (unless specifically provided for) or to attend or vote at any general meeting or at any separate meeting of the shareholders of that class of shares in the Company.

General Meetings

The Company shall hold a general meeting as its annual general meeting once in every calendar year at such time and such place as may be determined by the Directors and so that not more than eighteen months shall be allowed to elapse between any two such general meetings provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation it need not hold it in the year of its incorporation or in the following year.

The above mentioned general meeting shall be called the “**Annual General Meeting**”. All other general meetings shall be called “**Extraordinary General Meetings**”.

The Directors may whenever they think fit convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on a requisition made in accordance with the Law in writing and signed by members holding in the aggregate not less than one-tenth in nominal value of the shares carrying the right to vote at the meeting.

Notice of General Meetings

An Annual General Meeting or an Extraordinary General Meeting called for the passing of a special resolution shall be called by at least 21 clear days’ notice. All other general meetings shall be called by at least 14 clear days’ notice but a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of an Annual General Meeting, by all the shareholders entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95 percent of the total voting rights of the shareholders who have that right.

The notice shall specify the day, time and place of the meeting and the general nature of the business to be transacted and, in the case of an Annual General Meeting, shall specify the meeting as such.

Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all shareholders, to all persons recognised by the Directors as having become entitled to a share following the death, bankruptcy or incapacity of a shareholder and to the directors and auditor (if any).

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

Proceedings at General Meetings

No business shall be transacted at any general meeting unless a quorum is present. The quorum shall be:

- (a) if all the issued shares are held by the same shareholder, one person being such shareholder present in person or by proxy; and
- (b) otherwise, two persons entitled to vote upon the business to be transacted, each being a shareholder present in person or by proxy.

If such a quorum is not present within half an hour from the time appointed for the meeting or if, during a meeting, such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or such day, time and place as the chairman may determine (such day and time not being more than 14 days hence) and, if at such adjourned meeting, a quorum is not present within five minutes from the time appointed for the holding of the meeting, those shareholders present in person or by proxy shall be a quorum. Any shareholder may participate in a general meeting by means of a conference telephone, internet instant communication, or similar communications equipment whereby all the shareholders participating in the general meeting can hear each other (or in the case of internet communication, view each other's words) and the shareholders participating in this manner shall be deemed to be present in person at such meeting for all the purposes of the Articles.

If the place specified in the notice convening a meeting as the place of the meeting (hereinafter called the "**Specified Place**") is inadequate to accommodate all shareholders entitled to attend who wish to do so, then provided that the following requirements are satisfied the meeting shall be duly constituted and its proceedings valid. These requirements are that the chairman of the meeting is satisfied that adequate facilities are available to ensure that any shareholder who is unable to be accommodated in the Specified Place is nonetheless able to participate in the business for which the meeting has been convened, to hear all persons present who speak thereat (whether personally or by microphones or loudspeakers or otherwise) whether in the Specified Place itself or elsewhere, and to be in like manner heard himself by all other shareholders present. If the Specified Place is inadequate to accommodate all shareholders entitled to attend and who wish to do so then the chairman may, in his absolute discretion, adjourn the meeting and the chairman of the meeting shall have power to specify some other place for holding the meeting, notwithstanding that by reason of such adjournment some shareholders may be unable to be present at such adjourned meeting. Any such shareholder may nevertheless execute a form of proxy for the adjourned meeting and if he shall do so and shall deliver the same to the chairman of the meeting or to the secretary or to a member of the auditors, such proxy shall be valid notwithstanding that it is given at less notice than would otherwise be required under the Articles.

If a notice signed by the shareholders of more than half the issued shares of the Company, appointing a person to be chairman of the meeting, is presented at the beginning of the meeting, then such person shall be nominated as chairman of the meeting. In absence of such notice, the chairman, if any, of the board of Directors or, in his absence, some other Director nominated by the Directors shall preside as chairman of the meeting but, if neither the chairman nor such other Director (if any) is present within 15 minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairman and, if there is only one Director present and willing to act, he shall be chairman.

If no Director is willing to act as chairman, or if no Director is present within 15 minutes after the time appointed for holding the meeting, the shareholders present and entitled to vote shall choose one of their number to be chairman.

A Director or a representative of the auditor (if any) shall, notwithstanding that he is not a shareholder, be entitled to attend and speak at any general meeting and at any separate meeting of the shareholders of any class of shares.

The chairman may, with the consent of a general meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the general meeting from time to time and from place to place, but no business shall be transacted at an adjourned general meeting other than business which might properly have been transacted at such meeting had the adjournment not taken place. No notice of any adjourned meeting need be given save that, when a general meeting is adjourned for 14 days or more, at least seven clear days' notice shall be given specifying the day, time and place of the adjourned meeting and the general nature of the business to be transacted.

A resolution put to the vote of a meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands, a poll is duly demanded. Subject to the provisions of the Law, a poll may be demanded:

- (a) by the chairman; or
- (b) by at least two shareholders having the right to vote on the resolution; or
- (c) by a shareholder or shareholders representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote on the resolution; or
- (d) by a shareholder or shareholders holding shares conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right,

and a demand by a person as proxy for a shareholder shall be the same as a demand by the shareholder.

Votes of Shareholders

Subject to any rights or restrictions attached to any shares, on a show of hands, every shareholder who is present in person shall have one vote and, on a poll, every shareholder present in person or by proxy shall have one vote for every share of which he is the shareholder.

In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders, and seniority shall be determined by the order in which the names of the shareholders stand in the register of members of the Company.

Corporations acting by representatives

Any corporation which is a shareholder may, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any general meeting or at any meeting of any class of shareholders, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were a natural person who is a shareholder. A corporation present at any meeting by such representative shall be deemed for the purposes of the Articles to be present in person.

Resolutions in Writing

Anything that may, in accordance with the provisions of the Law, be done by a resolution in writing signed by or on behalf of each shareholder or a majority thereof is authorised by the Articles without any restriction. Any such resolution may consist of several documents in the like form signed by one or more shareholders or their attorneys and signature in the case of a corporate body which is a shareholder shall be sufficient if made by a director thereof or its duly appointed attorney.

The Directors may determine the manner in which resolutions shall be put to shareholders pursuant to the terms of the Articles and, without prejudice to the discretion of the Directors, provision may be made in the form of a resolution in writing for each shareholder to indicate how many of the votes which he would have been entitled to cast at a meeting to consider the resolution he wishes to cast in favour of or against such resolution or to be treated as abstentions and the result of any such resolution in writing need not be unanimous and shall be determined upon the same basis as on a poll.

Number of Directors

The number of Directors (other than Alternate Directors) shall not be more than twelve (or such other amount as may be approved from time to time by the Company by ordinary resolution) and shall be not less than two.

Alternate Directors

Any Director (other than an Alternate Director) may appoint any other Director, or any other person, to be an Alternate Director and may remove from office an Alternate Director so appointed by him. An Alternate Director shall be entitled to attend, participate in, be counted towards a quorum and vote at any meeting of Directors and any meeting of committees of Directors of which his appointor is a member at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an Alternate Director. It shall not be necessary to give notice of such a meeting to an Alternate Director.

An Alternate Director shall cease to be an Alternate Director if his appointor ceases to be a Director.

Any appointment or removal of an Alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.

Save as otherwise provided in the Articles, an Alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

Powers of Directors

Subject to the provisions of the Law, the Memorandum, the Articles, the Listing Rules and any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company in any part of the world.

No alteration of the Memorandum or the Articles and no direction given by special resolution shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given.

The powers given by the Articles shall not be limited by any special power given to the Directors by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

Delegation of Directors Powers

The Directors may delegate any of their powers to any committee consisting of one or more Directors and (if thought fit) one or more other persons, provided that a majority of the members of the committee shall be Directors. No resolution of a committee shall be effective unless a majority of those present when it is passed are Directors. The Directors may also delegate to any managing director of the Company or any other Director (whether holding any other executive office or not) such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions that the Directors may impose, either collaterally with or to the exclusion of their own powers, and may be revoked or altered. Subject to any such conditions, the proceedings of a committee shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying.

Appointment of Directors

The first Directors shall be determined in writing by the subscribers to the Memorandum, or a majority of them.

The Directors shall have power at any time, and from time to time, without sanction of the Company in general meeting, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, provided that such appointment does not cause the number of directors to exceed any number determined in accordance with the Articles.

The Company may from time to time, by ordinary resolution, or by notice to the Company in writing deposited at the Company's Registered office ("office") and signed by the shareholders of more than half the issued shares of the Company, suspend, whether temporarily or indefinitely, the power of the Directors to fill casual vacancies or appoint additional Directors.

The Company may by ordinary resolution, or by notice in writing signed by the shareholders of more than half the issued shares of the Company and deposited at the office, appoint any person as a Director.

A Director shall not require a share qualification, but shall (whether he holds a share or not) be entitled to attend and speak at any general meeting of, or at any separate meeting of the shareholders of any class of shares.

Disqualification, Removal and Resignation of Directors

The office of a Director shall be vacated if:

- (a) he ceases to be a Director by virtue of any provision of the Law or the Listing Rules or becomes prohibited by law or the Listing Rules from, or is disqualified from, being a Director; or
- (b) he resigns his office by notice to the Company left at the office; which notice shall be effective upon such date as may be specified in such notice, failing which upon delivery, to the office; or
- (c) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (d) the Company so resolves by ordinary resolution; or
- (e) he is asked to resign by notice in writing signed by each of the other Directors; or
- (f) he is or has been suffering from mental ill health and the Directors resolve that his office be vacated; or
- (g) he is removed by notice to the Company in writing signed by the shareholders of more than half the issued shares of the Company and deposited at the office.

Subject to the provisions of the Articles:

- (a) All Directors shall submit themselves for election by the shareholders 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 each Annual General Meeting, the Directors subject to retirement in accordance with the Articles shall retire from office. A Director retiring at such meeting shall retain office until the dissolution of such meeting and accordingly on retiring a Director who is re-elected or deemed to have been re-elected pursuant to the Articles will continue in office without a break.; and

- (b) The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election and any Director who has been, or who by the time of the next Annual General Meeting will have been, in office for three years. In so far as the number of Directors retiring as calculated above is less than one-third of the Directors or if their number is not three or a multiple of three the number nearest to but not exceeding one-third of the Directors shall retire and for such purposes, the Directors who have been longest in office shall also retire. As between two or more Directors who have been in office an equal length of time, the Director(s) to retire shall in default of agreement between them be the Director(s) most senior in age. The length of time a Director has been in office shall be computed from the date of his last election or appointment when he has previously vacated office. A retiring Director shall be eligible for re-election.

The Company at the meeting at which a Director retires in the manner aforesaid may fill the vacated office by appointing a person thereto by ordinary resolution and in default the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at such meeting it is expressly resolved not to fill the vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and lost. The Company at such meeting may also (subject to the Articles) fill any other vacancies.

Remuneration of Directors

The Directors (including non-executive Directors) shall be entitled to such remuneration as the Company may by ordinary resolution determine or in accordance with such agreements relating to the provision of the services of the Directors as shall be entered into by the Company from time to time and, unless such resolution or agreement provides otherwise, the remuneration shall be deemed to accrue from day to day.

Directors' Expenses

The Directors (including non-executive Directors) shall be paid out of the funds of the Company their travelling and other expenses properly and necessarily expended by them in attending meetings of the Directors (or of committees appointed pursuant to the Articles) or members or otherwise on the affairs of the Company. They shall also be paid by way of remuneration for their services such sum as the Directors shall determine subject to any rates or limits (if any) fixed by the Company in general meeting.

If any of the Directors shall be appointed agent or to perform extra services or to make any special exertions or to go or reside abroad for any of the purposes of the Company the Directors may remunerate such Director accordingly by either a fixed sum or by commission or participation in profits or otherwise or partly in one way and partly in another as they think fit. Such remuneration may be either in addition to or substitution for his remuneration provided for in the Articles.

Directors' Appointments

Subject to the provisions of the Law, the Directors may appoint one or more of their number to the office of managing director and/or chief executive officer of the Company or to any other executive office in the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his services as they think fit. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim for damages for breach of any agreement relating to the provision of the services of such Director. The Directors may also from time to time (without prejudice to any claim for damages for breach of any agreement between the Director and the Company) revoke, withdraw, alter or vary all or any of such Directors' powers or appointment.

The Directors may from time to time, and at any time, pursuant to the Articles appoint any other persons to any post with such descriptive title including that of Director (whether as associate, executive, group, divisional, departmental, deputy, assistant, local or advisory director or otherwise) as the Directors may determine and may define, limit, vary and restrict the powers, authorities and discretions of persons so appointed and may fix and determine their remuneration and duties, and subject to any contract between him and the Company may remove from such post any person so appointed. A person so appointed shall not be a Director of the Company for any of the purposes of the Articles or of the Law, and accordingly shall not be a member of the board of Directors or (subject to the Articles) of any committee thereof, nor shall he be entitled to be present at any meeting of the Directors or of any such committee, except at the request of the Directors or of such committee, and if present at such request he shall not be entitled to vote thereat.

Directors' Gratuities and Pensions

The Directors may establish, maintain, participate in or contribute to or procure the establishment, maintenance of, participation in or contribution to any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give

or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of the Company or any of its predecessors in business or of any company which is a holding company or a subsidiary of the Company or who may be or have been Directors or officers of the Company or of any such other company as aforesaid and who hold or have held executive positions or agreements for service with the Company or any such other company, and the wives, husbands, widowers, widows, families and dependents of any such persons. Any Director who holds or has held any such executive position or agreement for service shall be entitled to participate in and retain for his own benefit any such donations, gratuities, pensions, allowances, benefits or emoluments.

The Board may also establish and maintain any employees' share scheme, share option or share incentive scheme whereby selected employees of the Company or of any company which is a subsidiary of the Company are given the opportunity of acquiring shares in the capital of the Company on the terms and subject to the conditions set out in such scheme and establish and (if any such scheme so provides) contribute to any scheme for the purchase by or transfer, allotment or issue to trustees of shares in the Company or its holding company to be held for the benefit of employees (including officers) of the Company and lend money to such trustees or employees to enable them to purchase such shares provided that if any shares are to be issued to employees or trustees under the provisions of any such scheme pursuant to which the rights attaching to such shares shall be altered or varied then any such scheme shall be approved by special resolution and the Articles shall be deemed to be altered so far as appropriate by the special resolution approving such scheme.

Dividends

The Company in general meeting may by ordinary resolution declare dividends but no dividend shall exceed the amount recommended by the Directors in accordance with the respective rights of the shareholders and the declaration of the Directors as to the amount of the profits shall be conclusive. There is no requirement to pay a dividend on a particular fixed date. The Company currently has only one class of shares and there are no shares in the capital of the Company carrying any rights to cumulative dividends.

The Directors may from time to time pay to the shareholders such interim dividends as appear to the Directors to be justified by the profits of the Company. If the share capital is divided into different classes, the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Directors act in good faith, they shall not incur any liability to the shareholders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

No dividend shall be paid otherwise than out of profits and in accordance with the provisions of Article 114 of the Law.

Subject to any rights or privileges for the time being attached to any shares in the share capital of the Company having preferential, deferred or other special rights in regard to dividends, the profits of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts paid up thereon respectively otherwise than in advance of calls.

All dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date (either past or future) such Share shall rank for dividend accordingly.

The Directors may before recommending any dividend set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall at their discretion be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may

at the like discretion either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

The Directors may deduct from any dividend payable to any shareholder all such sums of money (if any) as may be due and payable by him to the Company on account of calls or otherwise.

If several persons are registered as joint shareholders of any share any one of them may give effectual receipts for any dividend payable on the share.

Notice of any dividend that may have been declared shall be given in the manner set out in the Articles, to the person entitled to share therein.

No dividend shall bear interest against the Company.

If the Company declares a dividend, any unclaimed dividends may be invested or otherwise used by the Directors of the Company until claimed and if any dividends remain unclaimed for a period of twelve years from the date of declaration, such dividend payment shall be forfeited and shall revert to the Company.

The Directors shall have power to request any shareholder to disclose the identity of any person other than the shareholder who has any interest in the shares held by the shareholder and the nature of such persons interest. If the Directors make such a request they will require a response to be given in writing within such reasonable time as the Directors shall determine. Where the shareholder fails to supply to the Company with the required information and within the time required, the Directors may in their absolute discretion serve a notice on the shareholder directing that dividend payments will be retained by the Company until such time the required information is disclosed. Neither the Articles nor the Law differentiate between resident and non-resident shareholders as regards dividend entitlements.

Borrowing Powers and Granting Security

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets both present and future and uncalled capital, or any part thereof, and to issue debentures and other debt securities, whether outright or as collateral security for any debt, liability or obligation of the Company or its parent undertaking (if any) or any subsidiary undertaking of the Company or of any third party.

The Directors may exercise all the powers of the Company to borrow or raise money upon or by the issue or sale of any bonds, debentures or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale. Payment of premium or bonus upon redemption or repayment or otherwise as they may think proper, including a right for the holders of bonds, debentures or securities to exchange the same for shares in the Company of any class authorised to be issued.

Winding Up

Subject to the claims of any secured creditors and to the provisions of any enactment as to preferential payments the Company's property shall on winding up be realised and applied in satisfaction of the Company's liabilities *pari passu* and subject thereto any surplus shall then be distributed amongst the shareholders according to their rights and interests in the Company.

Subject to the rights of the shareholders of shares issued upon special conditions if the assets available for distribution to shareholders shall be insufficient to pay the whole of the paid up share capital such assets shall be shared on a pro rata basis amongst shareholders by reference to the number of fully paid up shares held by each shareholder respectively at the commencement of the winding up.

If the Company shall be wound up, the liquidator, or where there is no liquidator the Directors, may with the sanction of a special resolution divide amongst the shareholders in specie any part of the assets of the Company or vest the same in trustees upon such trusts for the benefit of the shareholders as the liquidator or the Directors (as the case may be) with the like sanction shall think fit.

Indemnity

Every Director, secretary, agent, servant and employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay the

costs, charges, losses, liabilities, damages and expenses which any such person may incur in the course of the discharge by him of his duties as Director, secretary, agent servant, or employee of the Company as the case may be provided that this indemnity shall not be applicable in circumstances where any such person has incurred such costs, charges, losses, liabilities, damages and expenses through his own fraud wilful misconduct or gross negligence.

In so far as the Law and, where applicable, the Listing Rules allow every present or former officer of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by him by reason of being or having been such an officer.

Pending the determination of any proceedings against any such Directors or officers, the Company shall be entitled to lend such amount of money and upon such terms and conditions (including interests (if any)) as the Board shall determine to the relevant Director or officer for the purposes of funding his defence against any claims. Any loans from the Company shall be subject to compliance by the Company of the provisions of the Law and the Listing Rules.

Duration

The Board shall procure that, at the annual general meeting of the Company in 2015, an ordinary resolution will be proposed to the effect that the Company shall cease to continue as presently constituted. If, at any such meeting, such resolution is not passed the Board shall procure that a similar resolution is proposed at every third annual general meeting thereafter. If, at any such meeting, such resolution is passed, the Board shall, within four months of such meeting, convene an extraordinary general meeting of the Company at which a special resolution shall be proposed requiring the Company to be wound up voluntarily. In connection with, or at or around the same time as, the proposal that the Company be wound up voluntarily the Board shall be entitled to make proposals for the reconstruction of the Company.

5 Overseas Investors

No action has been taken to permit the distribution of this document in any jurisdiction outside the United Kingdom where such action is required to be taken. This document may not therefore be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, no person receiving a copy of this document in any territory other than the United Kingdom, may treat the same as constituting an offer or invitation to him to acquire, subscribe for or purchase Shares nor should he in any event acquire, subscribe for or purchase Shares unless such an invitation, acquisition, subscription or purchase complies with any registration or other legal requirements in the relevant territory. Any person outside the United Kingdom wishing to acquire, subscribe for or purchase Shares should satisfy himself that, in doing so, he complies with the laws of any relevant territory, and that he obtains any requisite Governmental or other consents and observes any other applicable formalities.

The Shares offered by this document have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "Securities Act") or registered or qualified for sale under the laws of any state or other jurisdiction of the United States or under the applicable laws of any of Canada, Australia, Malaysia, Republic of South Africa or Japan and, subject to certain exceptions, may not be offered sold or transferred in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia or Japan. Neither this document nor any copy of it may be distributed directly or indirectly to any persons with addresses in Canada, Australia, Malaysia, Republic of South Africa or Japan, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement. The Company will not be registered as an investment company under the US Investment Company Act of 1940, as amended. Therefore, the Shares may not be offered, sold or transferred within the United States except to "qualified purchasers" (as defined in Section 2(a) (51) of such Act. This document and the Shares have not been recommended, approved or disapproved by any

US federal or state securities commission or regulatory authority. Furthermore, none of such authorities has passed on the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence.

6 Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since its incorporation and are, or may be, material:

- 6.1 The Management Agreement dated 27 March 2007 between the Company and the Manager pursuant to which the Manager has agreed to provide management services to the Company in relation to the assets held by it from time to time. Pursuant to the Management Agreement, the Manager shall, *inter alia*:
- (a) be principally responsible for implementing the real estate strategy for the Company;
 - (b) engage and manage any third parties in relation to the management or development of properties the Company acquires or develops, the fees of such third parties which shall be paid for by the Company;
 - (c) if and when appropriate, enter into negotiations with the relevant third parties to secure properties for investment by the Company shortly after Admission;
 - (d) if necessary assist with coordinating the appointment of other property related professional executives or advisers to the Company;
 - (e) lead the arrangement of debt finance for the Company in connection with the Company's property strategy and real estate investments that the Manager recommends to the Company for approval by the Board.

In consideration for its services thereunder, the Manager is entitled to the following remuneration:

- (i) an annual management fee calculated at 2 per cent. of the Company's Net Asset Value, payable, quarterly in advance the first payment of which shall be due and payable after Admission; and
- (ii) a performance fee representing 20 per cent. of the out performance over a total return hurdle rate of 10 per cent. per annum compounded annually. The performance fee shall be: (1) calculated based on the audited accounts for each completed year end on external valuations on the properties, (2) first payable on 31 December 2009 and annually thereafter, and (3) subject to a high water mark (i.e. if a performance fee is paid, no further performance fee will be payable unless the net asset value is higher than the net asset value (disregarding the performance fee paid) upon which the performance fee was paid.

Performance fees will be accrued on the basis set out above. If the Manager becomes entitled to a performance fee in respect of a performance period, the Company will only be required to settle such liability to the Manager in respect of any performance fee earned to the extent that, and only when and if, the Company has realised profits on any investments. For the avoidance of doubt, unless an asset has been disposed of within six months of the relevant Calculation Date, in which case the calculation of the performance fee will be adjusted by using the actual disposal price of the property instead of the valuation of the property, any difference between the Net Asset Value per Ordinary Share used for calculating whether any performance fee becomes payable and the actual amount of realised profit of any investments shall be ignored for the purposes of determining the amount of any performance fee payable to the Manager. If the Management Agreement terminates for any reasons, the parties will agree the amount of deemed realised profit of the Company's investments for the purposes of determining any performance fee payable to the Manager at the date of termination.

The Management Agreement is subject to termination, *inter alia*, on 12 months' notice by either party, such notice not to expire before the fifth anniversary of Admission. The Company is entitled to terminate the Management Agreement if the Manager becomes insolvent or commits a material breach of the Agreement which remained un-remedied.

The Manager has the benefit of an indemnity from the Company in relation to liabilities incurred by the Manager in the discharge of its duties other than those arising by reason of any fraud, wilful default, negligence or bad faith on the part of the Manager or its delegates.

- 6.2 An agreement (the “Administration Agreement”) dated 24 October 2006 between the Company and the Administrator whereby the Company has appointed the Administrator to provide administrative and secretarial services to the Company. Under the Administration Agreement the Company has also appointed the Administrator as secretary to the Company. The agreement is terminable on three months’ notice in writing and on shorter notice in the event of breach of contract or insolvency. The Administrator will be paid a basic annual fee of £2,000 per annum. In addition, certain activity fees apply for services in addition to the standard services. The Company will reimburse the Administrator in respect of reasonable out of pocket expenses properly incurred in the performance of its duties.
- 6.3 An agreement (“Offshore Registrar Agreement”) dated 27 March 2007 between the Company and the Registrar whereby the Registrar is appointed to act as registrar of the Company. The Registrar shall be entitled to receive an annual registration fee from the Company based on activity, subject to an annual minimum charge of £5,500 where the Company has less than 500 Shareholders. The Registrar shall also be entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company. The Offshore Registrar Agreement is terminable by the Company giving not less than six months’ notice.
- 6.4 A broker agreement dated 27 March 2007 between the Company and Fairfax under which Fairfax has agreed to act as the Company’s broker with effect from Admission on an on-going basis. Fairfax will receive an annual fee of £30,000 for its services, payable half yearly in advance, the first payment of £15,000 falling due on 1 July 2007. The Company has also given certain undertakings and indemnities to Fairfax in connection with its appointment as broker. This agreement is terminable by Fairfax or the Company on three months’ written notice save for in the event of material breach of the agreement by the Company in which case Fairfax shall be entitled to terminate the agreement summarily.
- 6.5 A Placing Agreement dated 27 March 2007 between the Company, Fairfax, the Manager and Ireka Corporation and under which Fairfax has agreed to use its reasonable endeavours as agent for the Company to seek subscribers at the Placing Price for 162 million Placing Shares. In consideration for its services, Fairfax will be paid by the Company a corporate finance fee of £250,000 and a commission of 4 per cent. of the aggregate value at the Placing Price of the Placing Shares issued pursuant to the Placing.

The Placing Agreement contains certain warranties and indemnities given by the Company (which are of a customary nature), the Manager and Ireka Corporation in favour of Fairfax. The Placing Agreement may be terminated in certain circumstances prior to Admission including by reason of force majeure.

Under the terms of the Placing Agreement, each of the Manager and Ireka Corporation undertakes that it will not, for the period of 12 months following the date of Admission, inter alia, dispose of, directly or indirectly, any Ordinary Shares without the prior written consent of Fairfax other than in limited circumstances. In addition, for a period of 12 months after the expiry of the 12 month period referred to above and for as long as Fairfax remains as broker to the Company, each of Ireka and the Manager shall notify Fairfax of any intention to dispose of any Ordinary Shares no later than two business days prior to the date of any such proposed disposal and shall dispose of such shares through Fairfax on a best price and execution basis provided that Fairfax can, on being provided with written notice effect such disposal within three business days of such notice being given on no less favourable terms as are offered to the relevant vendor by a third party broker and which are set out in the said notice.

- 6.6 An option agreement dated 27 March 2007 pursuant to which Fairfax has an option to subscribe for a period of 3 years following Admission, at the Placing Price, up to the 2 per cent. of the issued share capital of the Company immediately after Admission.
- 6.7 A financial advisory agreement dated 28 July 2006 between the Company and CCB International Capital Limited (“CCBIC”) under which CCBIC has agreed to act as the Company’s financial adviser, and acting in collaboration with Fairfax, provide general advise on strategic matters on the Admission to the Company. In consideration for its services, the Company will pay CCBIC a financial advisory fee of 0.5 per cent. of the gross proceeds raised from the Admission.
- 6.8 An Acquisition Agreement between Ireka Corporation Berhad, as seller, and the Company, as buyer, pursuant to which the seller agrees to sell to the buyer its entire interest in the share capital of ICSD Ventures Sdn Bhd (“ICSD”) (amounting to 60 per cent. of the total issued ordinary share capital of ICSD) and to procure Ireka Sdn Bhd (“ISB”) sells to the buyer its entire interest in the share capital of Ireka Land Sdn Bhd (“ILSB”) (amounting to 100 per cent. of the total issued ordinary share capital of ILSB). Each of the Company and Ireka Corporation Berhad has signed the Acquisition Agreement and has deposited the signed original with its legal advisers to be held in escrow with irrevocable instructions to such advisers authorising them to date the Acquisition Agreement and exchange the same no later than the day immediately preceding the date of Admission.

Pursuant to the Acquisition Agreement, the consideration payable by the buyer for the acquisition of the sale shares will be the sum of RM218.8 million US\$63.4 million adjusted following a post completion audit.

For the purpose of determining the consideration payable certain assets of ILSB and ICSD are to be valued on a discounted cash flow basis (as at the date of the Acquisition Agreement) and certain projects are to be valued on an NAV basis (as at the date of completion of the Acquisition Agreement). Which basis is used will be determined by the independent valuer in consultation with the buyer and the seller.

The consideration shall be paid to the seller as follows:

- (a) on the completion date, the buyer shall pay the seller cash in the amount of no less than RM39.0 million;
- (b) on the completion date, the buyer will allot and issue to the Seller (or to such person(s) as it shall nominate) consideration shares up to a value of RM110.0 million at the Placing Price, credited as fully paid;
- (c) an amount of RM31.5 million shall be deferred and payable subject to:
 - (i) a construction contract having been entered into by ICSD in respect of the development known as Sandakan Harbour Square Phase 2, 3 and 4 with a fixed cost not to exceed RM171.7 million and a date for practical completion no later than 31 July 2010; and
 - (ii) a construction contract having been entered into by ILSB in respect of the development known as One Mont’ Kiara with a fixed cost not to exceed RM229.3 million and a date for practical completion no later than 31 January 2010;

both such contracts to be with reputable contractors and subject to certain agreed specifications set out in the Acquisition Agreement. To the extent that the specifications vary from those set out in the Acquisition Agreement and, as a result, the fixed costs pursuant to such contracts are increased then the fixed costs shall be increased by such amount, as agreed between the buyer and seller, as shall fairly reflects the additional costs arising out of the alterations to the specifications of the developments. In the event that the costs incurred pursuant to these contracts exceed those amounts set out in (i) and (ii) the amount of the deferred consideration shall be reduced accordingly.

The deferred consideration shall be paid as follows:

- (x) 35.0% in cash; and
 - (y) 65.0% by the allotment to the seller by the buyer of consideration shares at the Placing Price, credited as fully paid.
- (d) within 30 days of the completion of the post completion audit, the difference between the consideration (as determined pursuant to the post completion audit) and the aggregate of the amounts set out in (a), (b) and (c) shall:
- (i) if positive, be satisfied by the buyer allotting and issuing to the seller (or to such person(s) as it shall nominate) consideration shares up to the amount of such difference at the Placing Price, credited as fully paid; and
 - (ii) if negative, be satisfied by the seller paying cash to the buyer;

provided always that the buyer shall, at its discretion, have the option of satisfying all or part of the amount due pursuant to (b), (c)(y) and (d) (ii) above in cash.

On the basis that there will be no adjustments to the estimated aggregate consideration payable pursuant to the Acquisition Agreement, likely to be approximately RM218.8 million following the post completion audit, additional consideration shares to a value of RM38.3 million will be allotted and issued to the Seller.

Completion is conditional upon, *inter alia*, (i) due diligence, (ii) receipt by the seller of the approval of the Securities Commission of Malaysia and the Foreign Investment Committee of Malaysia for the sale of the sale shares, (iii) receipt by the seller of the approval of Bank Negara of Malaysia (Central Bank of Malaysia) for the receipt of the cash consideration and the consideration shares and (iv) (if required) the approval of the seller's shareholders for the sale of the sale shares to the buyer at an extraordinary general meeting of the seller to be convened as soon as practicable. Completion shall occur on the date falling 3 business days after the fulfilment of the conditions. If the conditions are not fulfilled or waived on or before the date falling 3 months from the date of Admission, the agreement shall be rescinded.

The seller has given certain representations, warranties and undertakings under the agreement. The warranties are given subject to, and qualified to the extent of, the matters fully and fairly disclosed in a disclosure letter and all the documents listed in the agreed list attached to the disclosure letter. Each of the warranties are deemed to be repeated as at completion. In addition, the seller covenants with the buyer to indemnify and keep indemnified the buyer against any loss or liability suffered by the buyer or any of the sale companies as a result of or in connection with any of the warranties being untrue or misleading or breached including, but not limited to, any diminution in the value of the assets of or the shares in any of the sale companies, loss of allowance, set off or deduction occasioned or suffered or payment made or required to be made in connection with the rectification of any breach together with all costs, charges, interest, penalties and expenses incidental or relating thereto.

No liability shall in any event arise in respect of any claim unless the loss sustained by the buyer and the sale companies shall exceed a total sum of RM500,000 and in the event that such total sum is exceeded, the seller shall be liable for all sums payable including the first RM500,000 thereof. The aggregate liability of the seller in respect of all claims shall not exceed the consideration. In the absence of fraud, dishonesty or wilful concealment on the part of the seller in respect of any potential liabilities under or in respect of the agreement, no claim shall be brought by the buyer against the seller unless notice in writing of any such claim has been given to the seller on or prior to the second anniversary of the completion date.

- 6.9 An exclusivity agreement dated 27 March 2007 between Legacy Essence Sdn Bhd ("Legacy") and the Company pursuant to which Legacy granted, and the Company accepted the right during the period from the date of the agreement up to 30 June 2007 to negotiate exclusively with Legacy with a view to acquiring the entire interest held by Legacy in the share capital of Amair

Resources Sdn Bhd in consideration of the mutual covenants thereunder and the payment of RM10 to Legacy. During the exclusivity period, Legacy agreed not to negotiate with any other party regarding the sale or disposal of Amahir Resources Sdn Bhd. The agreement contains certain warranties from Legacy as to its legal ownership of the shares in Amahir Resources Sdn Bhd. The agreement will terminate, *inter alia*, if the Placing Agreement does not become unconditional in all respects and Admission does not occur on or before 8 am on 31 March 2007 or such other date as the relevant parties thereto may agree in writing. The total consideration payable by the Company for the acquisition of the shares in Amahir will not exceed the sum of RM226.0 million adjusted following a post completion audit. The consideration shall be paid in cash and by the allotment and issue by the Company to Legacy (or such person(s) as it shall nominate) of consideration shares up to a value of RM134.8 million at the Placing Price, credited as fully paid.

- 6.10 A memorandum of agreement dated 8 June 2006 between Ireka Corporation Berhad and Trung Nam Construction & Investment Corporation pursuant to which, in consideration of the payment of an option fee of US\$100,000, Trung Nam granted Ireka an exclusive option to participate in the proposed development of the vacant piece of land in Ho Chi Minh City into a 25-storey mixed use building totalling approximately 57,500 square metres of construction area. The option will entitle Ireka to subscribe for an 80 per cent. equity interest in a joint venture company with Trung Nam holding the remaining 20 per cent. equity interest. The option period ends on the earlier of the “relevant date” or the date of execution of a joint venture agreement for the proposed development. The “relevant date” means, *inter alia*, the later of the date of completion of the due diligence exercise or the date on which the land use right certificate is issued by the relevant public authority confirming that Trung Nam is the registered proprietor of the land and that the proposed usage of the land for the proposed development is duly licensed or approved. If Ireka require the duration of the option period to be extended at any time on or prior to the relevant date, Trung Nam shall extend the duration of the option period by a further 60 days commencing on the day immediately after the relevant date in consideration of the payment of an extension fee by Ireka. Ireka are permitted to novate or assign the agreement to a party nominated by it without the prior consent of Trung Nam. The agreement provides that each party shall on an exclusive basis negotiate with each other concerning or in relation to, *inter alia*, the proposed development and joint venture agreement. In addition Trung Nam agrees not to, save where the prior written consent of Ireka has been obtained, enter into any transaction or negotiation with any person in relation to or in connection with, *inter alia*, the proposed development. The agreement is subject to the laws of the Socialist Republic of Vietnam.
- 6.11 A building contract dated 21 July 2005 between ILSB and Ireka Engineering & Construction Sdn Bhd (the “Contractor”) pursuant to which ILSB appointed the Contractor to carry out and complete the “Works” (defined as the proposed Kiara I serviced apartment on Lot PT 17739, Mont Kiara, Mukim Batu Kuala Lumpur).

The Contract Sum for the Works is RM84 million. The completion time for the Works is 28 months. The date of commencement was 10 January 2005 and the date of completion is 9 May 2007 (“Date of Completion”) subject to any extension of time granted to the Contractor in accordance with the conditions.

“Interim Certificates” shall be issued monthly. Upon the issue of Interim Certificates by the architect, the Contractor shall be entitled to payment within 28 days from the date of receipt by ILSB of the Interim Certificate. ILSB may retain 10 per cent. of the total certified value of the work, materials and goods stated in the Interim Certificates until the total amount retained equals 5 per cent. of the Contract Sum (“Retention Fund”). Upon the issue of the Certificate of Practical Completion, the architect shall issue a certificate for the release of one moiety (i.e., half) of the Retention Fund and the Contractor shall be entitled to payment within 28 days from the date of receipt by ILSB of the architect’s certificate. Upon the expiration of the defects liability period (i.e., 21 months), or on the issue of the certificate of completion of making good defects, whichever is the later, the architect shall issue a certificate for the residue of the Retention Fund and the Contractor shall be entitled to

payment within 28 days from the date of receipt by ILSB of the architect's certificate. Before the expiration of 3 months from the defects liability period or the issue of a certificate of completion of making good defects or from receipt by the architect of the documents referred to in the agreement, whichever is the later, the architect shall issue a final certificate which shall state: the sum paid to the Contractor under Interim Certificates and the amount of the Retention Fund; the contract sum adjusted as necessary in accordance with the provision in the conditions. The difference, if any, between the two shall be expressed as a balance due to the Contractor from ILSB or to ILSB from the Contractor, as the case may be. Subject to any deductions authorised by the conditions, the balance as from 14 days after the issue of the final certificate shall be a debt payable by ILSB to the Contractor, or as the case may be, from the Contractor to ILSB.

If the Contractor fails to complete the Works by the Date of Completion or within any extended time granted in accordance with the conditions, and the architect certifies in writing that in his opinion the same ought reasonably so to have been completed, then the Contractor shall pay to ILSB liquidated and ascertained damages amounting to RM23,000 per day for the period from the Date of Completion or any extended date where applicable to the date of Practical Completion. ILSB may deduct such sum as a debt from any monies due or to become due to the Contractor under the contract.

The Contractor may determine the agreement if, inter alia, ILSB does not pay the Contractor the amount due on any certificate within the 28 days from the date of receipt by ILSB of the architect's certificates and continues such default for 7 days after receipt of a determination notice from the Contractor stating that if the payment is not made within 7 days from receipt of determination notice, determination may be exercised or the carrying out of the whole of the remaining Works is suspended for a continuous period of time 6 months by reason of, inter alia, the architect's instructions or the Contractor not having received in due time necessary instructions, drawings, details or levels from the architect for which he had specifically applied in writing.

ILSB may determine the agreement without prejudice to any other rights and remedies which he may possess if the Contractor makes default, inter alia, in the following instances: without reasonable cause wholly suspends the carrying out of the Works before completion thereof; or fails to proceed regularly and diligently with the Works; or refuses or neglects to comply with a written notice from the architect requiring him to remove or to remedy defective work, improper materials or goods and by such refusal or neglect, the progress of the Works is materially affected.

In the event any dispute or difference arises between ILSB, or the architect on his behalf, and the Contractor, then such disputes or differences shall be referred to arbitration. Notwithstanding, upon the agreement of both ILSB and the Contractor, the parties may refer their dispute as to any matter arising under or out of or in connection with the carrying out of the Works and whether in contract or in tort, as to any direction or instruction or certificate of the architect or as to contents of or granting or refusal of or reasons for any such direction, instructions or certificate, for mediation.

- 6.12 A controlling shareholder agreement will be made between the Company and Ireka before Admission, pursuant to which Ireka will agree, for so long as it holds 30 per cent. of the share capital of the Company, it will not undertake any activity which results in the Company ceasing to be able to carry on its business independently of Ireka and that all transactions entered into between the Company and Ireka will be carried out at arm's length.

7 Working Capital

The Company believes that the working capital available to the Company is sufficient for its present requirements (that is for at least twelve months from the date of this document) taking into account the minimum subscription amount of US\$65 million.

8 Miscellaneous

- 8.1 The Company will be applying to CRESTCo for the Shares to be admitted to CREST as a participating security. It is expected that the admission of the Shares to CREST as a participating security will be effective from or soon after Admission.
- 8.2 Shareholders who are direct or sponsored members of CRESTCo will be able to dematerialise the Shares in accordance with the rules and practices instituted by CRESTCo.
- 8.3 The Company has not been and is not currently engaged in any governmental, legal or arbitration proceedings nor, so far as the Company is aware, are there any such governmental, legal or arbitration proceedings pending or threatened by or against the Company which may have or have had since the Company's incorporation a significant effect on the Company's financial position or profitability.
- 8.4 None of the Shares available under the Placing are being underwritten.
- 8.5 The Company does not have, nor has it had since its incorporation, any employees and does not own or lease any land or buildings. The Company has no subsidiaries as at the date of Admission.
- 8.6 The Directors confirm that the Company was incorporated and registered on the date referred to in paragraph 2 above and that, save for its entry into the material contracts described in paragraph 6 above, the Company has not traded, no accounts have been made up and no dividends have been declared.
- 8.7 There has been no significant change in the financial or trading position of the Company since the date of its incorporation.
- 8.8 The Company does not have nor has it had since incorporation any employees and it neither owns nor leases any premises.
- 8.9 Assuming the Placing is fully subscribed, the total costs and expenses payable by the Company in connection with the Placing and Admission (including professional fees, the costs of printing and the other fees payable, excluding sales commission) are estimated to be approximately US\$8.8 million, representing approximately 5.43 per cent. of the gross amount raised.
- 8.10 The Company is not dependent on any patents or other intellectual property rights or licences.
- 8.11 Save for the Acquisition, the Company currently has no significant investments in progress.
- 8.12 Save as disclosed in this document, no person has received, directly or indirectly, from the Company since 22 September 2006 (the date of incorporation of the Company) or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more, calculated by reference to the Placing Price, or any other benefit with a value of £10,000 or more at the date of Admission.
- 8.13 The accounting reference date of the Company is 31 December.
- 8.14 Fairfax, the Manager, MRI and Horwath have given and not withdrawn their written consent to the inclusion in this document of references to their names in the form and context in which they appear.

Horwath, who have provided the valuation report at Part 6 of this document, are a partnership registered with the Companies Commission of Malaysia and licensed by the Ministry of Finance in Malaysia. In addition, each partner is licensed to practise by the Ministry of Finance in Malaysia. Horwath Malaysia is a member firm of Horwath International, a professional service organization with 415 offices worldwide, with its headquarters in New York. Whilst Horwath Malaysia was established in January 2003, Horwath International was formed in 1960 under the name of Horwath & Horwath International Associates. The original firm of Horwath & Horwath was formed in 1915 in the United States. Horwath accepts

responsibility for the information contained in Part 6 of this document and has authorised the contents of Part 6 of this document for which it is responsible for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules. To the best of the knowledge of Horwath (who has taken reasonable care to ensure that such is the case), the information contained in Part 6 for which it is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

MRI has authorised the contents of Part 7 of this document.

- 8.15 Fairfax is authorised and regulated by the FSA.
- 8.16 The maximum amounts of fees which are payable by the Company under the Administration Agreement, which are or may be material, are calculated by reference to the location and value of the assets held for safekeeping and the number of transactions undertaken and cannot therefore be quantified.
- 8.17 The ISIN number of the Shares is JE00B1RZDJ41.
- 8.18 The Company will not make any material change in the investment objectives and policy of the Company without the approval of Shareholders by ordinary resolution.
- 8.19 Other than (i) statutory rights in respect of takeovers, rights of offerors to buy-out minority shareholders, and rights of minority shareholders to be bought out by offerors as set out in Articles 116 to 124 (inclusive) of the Law; and (ii) as provided in the City Code on Takeovers and Mergers (which applies to the Company) there are no rules or provisions relating to mandatory takeover bids in relating to the Shares.
- 8.20 MRI Moores Rowland LLP have been the only auditors of the Company since its incorporation and are independent.
- 8.21 The Company is incorporated as a public limited liability par value company in Jersey pursuant and subject to the Companies (Jersey) Law 1991 (as amended), and is subject to the laws of Jersey in force from time to time applicable to public companies. The Company is not authorised or regulated by the FSA or any overseas financial services or other regulator.
- 8.22 The Company affirms that there have been no material changes since the effective date of the valuation set out in Part 6 of this document.
- 8.23 The Company will not proceed with the Placing and Admission in the event that it fails to raise a minimum subscription amount of US\$65 million.

9 Documents available for inspection

Copies of the following documents will be available for inspection at the registered office of the Company and at the offices of Stephenson Harwood, One, St. Paul's Churchyard, London EC4M 8SH during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document up to and including 5 April 2007:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the material contracts referred to above in paragraph 6 of this Part 9 above;
- (c) the financial information set out in Part 7 of this document;
- (d) the consent letters referred to in paragraph 8 of this Part 9; and
- (e) this document.

10 Availability of Prospectus

Copies of this document are available for viewing only during normal business hours, free of charge, from the UKLA's Document Viewing Facility which is situated at the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS. Copies of this document may also be collected, free of charge during normal business hours, from the registered office of the Company.

Dated: 29 March 2007

