26 April 2016

Aseana Properties Limited
("Aseana" or "the Company")

Full Year Results for the Year Ended 31 December 2015

Aseana Properties Limited (LSE: ASPL), a property developer in Malaysia and Vietnam listed on the Main Market of the London Stock Exchange, is pleased to announce its audited results for the year ended 31 December 2015*.

Operational highlights

- Aseana has agreed to dispose of the Aloft Kuala Lumpur Sentral Hotel ("Aloft") to Prosper Group Holdings for a gross transaction value of RM418.7 million (approximately US$104.6 million), which includes the purchase of the entire issued share capital of ASPL M3B Limited and Iringan Flora Sdn. Bhd. ("the Aloft Companies"), and assumption of certain debts, assets and liabilities of the Aloft Companies. The transaction is expected to complete in Q3 2016.
- Aseana through its wholly owned subsidiary, ASPL PLB Limited ("ASPL PLB"), disposed of its 55.0% stake in ASPL PLB-Nam Long Ltd Liability Co, the developer of the Waterside Estates residential project for a cash consideration of US$8.2 million and a repayment of shareholder's loan to ASPL PLB Limited of US$1.0 million. The shareholder's loan was an interest free advance provided by the Group to ASPL PLB-Nam Long Ltd Liability Co in previous financial years for working capital purposes. The shareholder's loan was undertaken by the buyer as part of the disposal arrangement.
- Aseana's effective stake in Nam Long reduced to 6.9% as at 31 December 2015 following the realisation of VND118.6 billion (US$5.4 million) of its investment in Nam Long through a placement of 5.8 million Nam Long shares in 2015. Following a subsequent entry of another strategic investor and the disposals of a further 2.0 million Nam Long shares in April 2016at VND22,800 per share, raising a further US$2.0 million, Aseana's stake in Nam Long now stands at 5.5%.
- Sales at SENI Mont' Kiara ("SENI") progressed to 96.7% to date based on signed sales and purchase agreements.
- The RuMa Hotel and Residences ("The RuMa") achieved 52.4% sales based on sales and purchase agreements signed.
- Harbour Mall Sandakan ("HMS") was 40.8% let at the end of 2015 and is currently 63.6% occupied. Four Points by Sheraton Sandakan Hotel ("FPSS") achieved an occupancy rate of 36.4% as at 31 December 2015 and was 33.9% occupied in the period to 31 March 2016.

Financial highlights

- Revenue decreased by 74.0% to US$22.1 million in 2015 (2014: US$85.1 million), largely due to lack of major asset sales during the year and lower sales from SENI and Tiffani.
- The consolidated comprehensive loss for the year ended 31 December 2015 was US$35.7 million compared to a consolidated comprehensive loss of US$1.24 million in 2014. The former includes a loss arising from foreign currency translation differences

of US$15.9 million (2014: Loss of US$7.4 million) due to weakening of Ringgit against the US Dollars fromRM3.5/US$1.0 as at 31 December 2014 to RM4.3/US$1.0 as at 31 December 2015. Since the end of the period, the Ringgit has partially recovered, the Ringgit US Dollar exchange rate on 15 April 2016 was RM3.9/US$1.0.

- Cash and cash equivalents stood at US$23.0 million (2014: US$26.0 million). The cash balance as at 31 December 2015 excludes other receivables of US$7.4 million related to the disposal of the Group's 55% equity interest in ASPL PLB-Nam Long Ltd Liability Co, the developer of the Waterside Estates project.
- Loss per share of US$0.0744 (2014: Earnings per share of US$0.0429).
- Net asset value per share US$0.614 (2014: US$0.757).

First Distribution Update

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

* These results have been extracted from the Annual Report and financial statements, and do not constitute the Group's Annual Report and financial statements for the year ended 31 December 2015. The financial statements for 2015 have been prepared under International Financial Reporting Standards. The auditors, KPMG LLP, have reported on those financial statements. Their report was unqualified and did not include a reference to any matters to which the auditors draw attention by way of emphasis without qualifying their report.

Commenting on the Company's results and outlook, Mohammed AzlanHashim, Chairman of Aseana Properties Limited said:

"The Group's 2015 results have been impacted by the negative economic and political conditions in Malaysia, which also resulted in a significant weakening of Ringgit against the US Dollars. Nevertheless, the Board and the Manager continue to strive to achieve optimum performance and value for the Group's assets, in line with the Company's commitment to realise its assets at the appropriate time and in the appropriate manner. The disposal of the Aloft hotel in March 2016 represents a significant milestone for the Group in its divestment strategy. The transaction also highlights the strength of the Group in developing highly sought after real estate investment assets."

-Ends-

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Notes to Editors:

London-listed Aseana Properties Limited (LSE: ASPL) is a property developer investing in Malaysia and Vietnam.

Ireka Development Management Sdn Bhd ("IDM") is the exclusive Development Manager for Aseana. It is a wholly-owned subsidiary of Ireka Corporation Berhad, a company listed on the Bursa Malaysia since 1993, which has over 48 years' experience in construction and property development. IDM is responsible for the day-to-day management of Aseana's property portfolio and the introduction and facilitation of new investment opportunities.

CHAIRMAN'S STATEMENT

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

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

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

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

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

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

Progress of property portfolio

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

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

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

First distribution update

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

Outlook

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

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

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

MOHAMMED AZLAN HASHIM
Chairman
26 April 2016

DEVELOPMENT MANAGER’S REVIEW

BUSINESS OVERVIEW

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

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

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

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

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

Malaysia Economic Update

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

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

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

Vietnam Economic Update

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

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

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

PORTFOLIO REVIEW

MALAYSIA

<u>Property Market Review</u>

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

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

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

Meanwhile, the hospitality sector of Malaysia experienced a slump in 2015 due to the slowdown in the global and local economies, which resulted in numerous companies reducing their business travelling, meetings and seminars. In addition, the adverse economic conditions have also affected the holiday patterns of Malaysians with a large proportion cutting back on travelling budgets. During the first ten months of 2015, Malaysia recorded a total of 21.1 million tourists, representing a decrease of 7.6% compared to the same period in 2014. In a bid to boost the country's tourism industry, the Malaysian Government will be introducing new measures such as e-visa applications and increasing promotional activities in target markets. Furthermore, the Government has also launched a visa-free entry programme for tourists from China since October 2015. With slow demand and a healthy pipeline of future supply, in February 2016, the Government decreed that DBKL will no longer issue licences for construction of new hotels in the federal capital until further notice. The ruling applies to all types of hotels ranging from the 6-star establishments to budget hotels. However, hotels that have already received planning permission but have yet to start construction will not be affected.

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

- **SENI Mont' Kiara**
  Owned 100.0% by Aseana Properties, SENI Mont' Kiara is an upmarket condominium development situated on one of the highest points in Mont' Kiara. Construction was completed in 2011. The project consists of two 12-storey blocks and two 40-storey blocks,

comprising 605 residential units. The majority of units command impressive views of the city skyline including the 88-storey Petronas Twin Towers and the KL Tower.

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

The bridging loan for the project was fully repaid in 2013.

- **Tiffani by i-ZEN**
  Tiffani by i-ZEN, wholly-owned by Aseana Properties, is a completed luxury condominium project located in Mont' Kiara. To date, 99.7% of the 399 residential units have been sold. The debt on the project has been fully repaid.

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

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

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

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

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

Experience Excellence Awards 2015, TripAdvisor's Certificate of Excellence Winner 2015 and TripAdvisor's Travellers' Choice Winner 2015.

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

- **Sandakan Harbour Square**
  Sandakan Harbour Square, which is wholly-owned by Aseana Properties, is an urban redevelopment project in the commercial centre of Sandakan, Sabah. Sandakan is a 'Nature City' with a population of approximately 500,000, with eco-tourism and palm oil plantations as the main drivers of the local economy. The Sandakan Harbour Square project consisted of four phases, whereby Phases one and two comprised 129 shop lots that are now fully sold, while Phases three and four consist of the first retail mall, Harbour Mall Sandakan and the first international four-star hotel in Sandakan, known as the Four Points by Sheraton Sandakan Hotel.

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

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

- **Kota Kinabalu Seafront resort & residences**
  Facing the South China Sea, this project is intended to be a resort-themed development consisting of a boutique resort hotel, resort villas and resort homes at the seaside area in Kota

Kinabalu, Sabah. Aseana Properties acquired three adjoining plots of land amounting in aggregate to approximately 80 acres in September 2008 with the intention of developing a hotel, villas and resort homes. Marketing efforts to dispose of the land are on-going. However, similar to the Sandakan Harbour Square properties, the prospects have been affected by the subdued business environment and tourism in Sabah.

VIETNAM

Property Market Review

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

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

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

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

15 days or less. Additionally, the government will be looking to further relax visa regulations via regional cooperation agreements to boost tourist arrivals.

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

- **International Healthcare Park and City International Hospital**
  The International Healthcare Park ("IHP") is a planned mixed development over 37.5 hectares of land comprising world-class private hospitals, mixed commercial, hospitality and residential developments. This development is located in the Binh Tan District, close to Chinatown and is approximately 11 km from District 1, the central business and commercial district of HCMC. Aseana Properties has a 71.1% stake in this development and its joint venture partner, Hoa Lam Group holds a significant minority stake together with a consortium of investors from Singapore, Malaysia and Vietnam. Approximately 20 hectares will be dedicated to the hospital and commercial developments and five hectares have been allocated for residential developments. Out of a total of 19 plots of land, to date three plots have been sold.

  Construction commenced with the first phase of the 320-bed City International Hospital ("CIH") in May 2010 and completed in March 2013. CIH commenced business on 24 September 2013 and its official opening was subsequently held on 5 January 2014. CIH is a modern private care hospital conforming to international standards with 320 beds (Phase 1: 168 beds). Parkway Pantai Limited has ceased to be the operator of CIH with effect from 31 December 2015. This is in line with the Manager's long-term strategy to localise the management of the hospital to optimise operating costs and to improve doctors and patients engagement for CIH. The hospital has appointed Dr. Le Quoc Su as the Chief Executive Officer ("CEO") to lead the operations team. Prior to joining CIH, Dr. Su was the Group CEO of Hoan My Medical Corporation, Vietnam's largest healthcare group.

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

- **Nam Long Investment Corporation**
  In 2008, Aseana Properties acquired a strategic minority stake in Nam Long, a private property development company in Vietnam with market leadership in the low to medium-end segment of the market. Nam Long was subsequently listed on the Ho Chi Minh Stock Exchange on 8 April 2013. To date, Aseana Properties has successfully realised VND164.2 million (US$7.5 million) of its investment in Nam Long, through the placement of 7.8 million shares of Nam Long. Aseana Properties' stake in Nam Long has reduced from 6.9% (as at 31 December 2015) to 5.5% (to date), subsequent to the disposal of 2.0 million shares in April 2016. The other notable foreign shareholders in Nam Long are Keppel Land, Goldman Sachs, Mekong Capital and International Finance Corporation.

  The business performance of Nam Long continues to be on a positive track with the "E-homes" being its main revenue driver. Nam Long is one of the pioneer developers of affordable housing in Vietnam and "E-homes" is a well recognised brand for affordable apartments in Vietnam. Nam Long achieved a year-on-year net profit increase of 113.0%

and has also successfully sold 691 units of affordable housing during last quarter of 2015, raking in a total of 1,969 units of total sales in 2015 which represents an increase of 47.0% compared to 2014. On 14 January 2016, the Board of Directors of Nam Long approved the issuance of convertible bonds to strategic investors to fund its land bank and project expansion. For the year ended 2015, Nam Long reported an unaudited revenue of VND1,258.5 billion (US$55.9 million) and its unaudited net profit after tax stood at VND208.5 billion (US$9.3 million).

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

OUTLOOK

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

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

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

LAI VOON HON
President / Chief Executive Officer
Ireka Development Management Sdn. Bhd.
Development Manager
26 April 2016

PERFORMANCE SUMMARY

	Year ended 31 December2015	Year ended 31 December2014
Total Returns since listing		
Ordinary share price	-55.00%	-55.00%
FTSE All-share index	3.38%	6.03%
FTSE 350 Real Estate Index	-37.33%	-42.09%
One Year Returns		
Ordinary share price	0.00%	2.27%
FTSE All-share index	-2.50%	-2.13%
FTSE 350 Real Estate Index	8.22%	15.72%
Capital Values		
Total assets less current liabilities (US$ million)	197.75	310.16
Net asset value per share (US$)	0.61	0.76
Ordinary share price (US$)	0.45	0.45
FTSE 350 Real Estate Index	587.81	543.17
Debt-to-equity ratio		
Debt-to-equityratio[1]	142.74%	127.64%
Net debt-to-equityratio[2]	125.28%	110.04%
Earnings Per Share		
Earnings per ordinary share - basic (US cents)	(7.44)	4.29
- diluted (US cents)	(7.44)	4.29

Notes:

[1]Debt-to-equityratio = (Total Borrowings ÷ Total Equity) x 100%

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

FINANCIAL REVIEW

INTRODUCTION

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

STATEMENT OF COMPREHENSIVE INCOME

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

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

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

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

STATEMENT OF FINANCIAL POSITION

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

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

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

CASH FLOW AND FUNDING

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

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

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

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

EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

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

DIVIDEND

No dividend was declared or paid in 2015.

PRINCIPAL RISKS AND UNCERTAINTIES

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

TREASURY AND FINANCIAL RISK MANAGEMENT

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

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

MONICA LAI VOON HUEY
Chief Financial Officer
Ireka Development Management Sdn. Bhd.
Development Manager
26 April 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

Continuing activities	**Notes**	**2015 US$'000**	**2014 US$'000**
Revenue	3	**22,096**	85,102
Cost of sales	5	**(21,612)**	(51,821)
Gross profit		**484**	33,281
Other income	6	**29,561**	27,369
Administrative expenses		**(1,787)**	(1,193)
Foreign exchange (loss)/ gain	7	**(2,915)**	716
Management fees	8	**(3,115)**	(3,344)
Marketing expenses		**(288)**	(823)
Other operating expenses		**(31,916)**	(32,715)
Operating (loss)/ profit		**(9,976)**	23,291
Finance income		**355**	577
Finance costs		**(11,031)**	(13,760)
Net finance costs	9	**(10,676)**	(13,183)
Gain on disposal of investment in associate	14	**-**	5,641
Share of loss of equity-accounted associate, net of tax	14	**-**	(335)
Net (loss)/ profit before taxation	10	**(20,652)**	15,414
Taxation	11	**(1,278)**	(9,387)
(Loss)/ profit for the year		**(21,930)**	6,027
Other comprehensive income/ (expense), net of tax			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		**(15,920)**	(7,388)
Increase in fair value of available-for-sale investments	15	**2,190**	125
Total other comprehensive expense for the year	12	**(13,730)**	(7,263)
Total comprehensive loss for the year		**(35,660)**	(1,236)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

Continuing activities	Notes	2015 US$'000	2014 US$'000
(Loss)/ profit attributable to:			
Equity holders of the parent		**(15,784)**	9,091
Non-controlling interests		**(6,146)**	(3,064)
Total		**(21,930)**	6,027
Total comprehensive loss attributable to:			
Equity holders of the parent		**(29,748)**	2,074
Non-controlling interests		**(5,912)**	(3,310)
Total		**(35,660)**	(1,236)
(Loss)/ earnings per share			
Basic and diluted (US cents)	13	**(7.44)**	4.29

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2015

	Notes	2015 US$'000	2014 US$'000
Non-current assets			
Property, plant and equipment		**861**	1,018
Investment in an associate	14	**-**	-
Available-for-sale investments	15	**9,917**	12,822
Intangible assets	16	**7,233**	8,798
Deferred tax assets	17	**1,337**	1,683
Total non-current assets		**19,348**	24,321
Current assets			
Inventories	18	**307,328**	381,778
Held-for-trading financial instrument	19	**-**	4,041
Trade and other receivables		**17,741**	8,359
Prepayments		**218**	337
Current tax assets		**1,360**	513
Cash and cash equivalents		**22,978**	26,011
Total current assets		**349,625**	421,039
TOTAL ASSETS		**368,973**	445,360
Equity			
Share capital	20	**10,601**	10,601
Share premium	21	**218,926**	218,926
Capital redemption reserve	22	**1,899**	1,899
Translation reserve		**(26,401)**	(10,247)
Fair value reserve		**2,441**	251
Accumulated losses		**(77,301)**	(60,932)
Shareholders' equity		**130,165**	160,498
Non-controlling interests		**1,433**	10,187
Total equity		**131,598**	170,685

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2015 (cont'd)

	Notes	2015 US$'000	2014 US$'000
Non-current liabilities			
Amount due to non-controlling interests	23	**-**	1,120
Loans and borrowings	24	**55,823**	53,364
Medium term notes	25	**10,330**	84,993
Total non-current liabilities		**66,153**	139,477
Current liabilities			
Trade and other payables		**37,336**	40,510
Amount due to non-controlling interests	23	**10,014**	10,222
Loans and borrowings	24	**13,500**	19,274
Medium term notes	25	**108,190**	60,237
Current tax liabilities		**2,182**	4,955
Total current liabilities		**171,222**	135,198
Total liabilities		**237,375**	274,675
TOTAL EQUITYAND LIABILITIES		**368,973**	445,360

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

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Redeemable Ordinary Shares US$'000	Management Shares US$'000	Share Premium US$'000	Capital Redemption Reserve US$'000	Translation Reserve US$'000	Fair Value Reserve US$'000	Accumulated Losses US$'000	Total Equity Attributable to Equity Holders of the Parent US$'000	Non-Controlling Interests US$'000	Total Equity US$'000
1 January 2014	10,601	-	218,926	1,899	(3,105)	126	(69,876)	158,571	11,429	170,000
Changes in ownership interests in subsidiaries (Note 28)	-	-	-	-	-	-	(147)	(147)	147	-
Non-controlling interests contribution	-	-	-	-	-	-	-	-	1,921	1,921
Profit for the year	-	-	-	-	-	-	9,091	9,091	(3,064)	6,027
Total other comprehensive expense	-	-	-	-	(7,142)	125	-	(7,017)	(246)	(7,263)
Total comprehensive loss	-	-	-	-	(7,142)	125	9,091	2,074	(3,310)	(1,236)
At 31 December 2014/ 1 January 2015	**10,601**	**-**	**218,926**	**1,899**	**(10,247)**	**251**	**(60,932)**	**160,498**	**10,187**	**170,685**
Issuance of management shares (Note 20)	-	- *	-	-	-	-	-	-	-	- *
Changes in ownership interests in subsidiaries (Note 28)	-	-	-	-	-	-	(585)	(585)	(5,340)	(5,925)
Non-controlling interests contribution	-	-	-	-	-	-	-	-	2,498	2,498
Loss for the year	-	-	-	-	-	-	(15,784)	(15,784)	(6,146)	(21,930)
Total other comprehensive expense	-	-	-	-	(16,154)	2,190	-	(13,964)	234	(13,730)
Total comprehensive loss	-	-	-	-	(16,154)	2,190	(15,784)	(29,748)	(5,912)	(35,660)
Shareholders' equity at 31 December 2015	**10,601**	**- ***	**218,926**	**1,899**	**(26,401)**	**2,441**	**(77,301)**	**130,165**	**1,433**	**131,598**

* represents 2 management shares at US$0.05 each

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 US$'000	2014 US$'000
Cash Flows from Operating Activities			
Net (loss)/ profit before taxation		**(20,652)**	15,414
Finance income		**(355)**	(577)
Finance costs		**11,031**	13,760
Unrealised foreign exchange loss/ (gain)		**2,544**	(291)
Impairment of goodwill		**1,565**	4,727
Depreciation of property, plant and equipment		**105**	122
Gain on disposal of available-for-sale investments		**(806)**	-
Gain on disposal of investment in an associate		**-**	(5,641)
Gain on disposal of property, plant and equipment		**-**	(3)
Gain on disposal of a subsidiary		**(675)**	-
Share of loss of equity-accounted associate, net of tax		**-**	335
Fair value loss/ (gain) on amount due to non-controlling interests		**320**	(320)
Fair value gain on held-for-trading financial instrument		**-**	(39)
Operating (loss)/ profit before changes in working capital		**(6,923)**	27,487
Changes in working capital:			
Decrease in inventories		**8,245**	29,437
(Increase)/ Decrease in trade and other receivables and prepayments		**(4,105)**	647
Increase/ (Decrease) in trade and other payables		**7,249**	(40,615)
Cash generated from operations		**4,466**	16,956
Interest paid		**(11,031)**	(13,760)
Tax paid		**(4,321)**	(6,679)
Net cash used in operating activities		**(10,886)**	(3,483)
Cash Flows from Investing Activities			
Repayment from associate		**-**	853
Proceeds from disposal of available-for-sale investments		**5,359**	-
Net cash outflow from disposal of a subsidiary	28	**(146)**	-
Proceeds from disposal of investment in an associate		**-**	5,306
Proceeds from disposal of property, plant and equipment		**-**	12
Disposal/ (purchase) of held-for-trading financial instrument		**3,291**	(3,651)
Purchase of property, plant and equipment		**-**	(20)
Finance income received		**355**	577
Net cash generated from investing activities		**8,859**	3,077

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015(cont'd)

	Notes	2015 US$'000	2014 US$'000
Cash Flows from Financing Activities			
Advances from non-controlling interests		**1,067**	1,635
Issuance of ordinary shares of subsidiaries to non-controlling interests (ii)		**1,058**	1,921
Issuance of management shares		**- ***	-
Repayment of loans and borrowings		**(15,854)**	(16,858)
Drawdown of loans and borrowings		**16,046**	17,108
Increase in pledged deposits placed in licensed banks		**(1,537)**	-
Net cash generated from financing activities		**780**	3,806
Net changes in cash and cash equivalents during the year		**(1,247)**	3,400
Effect of changes in exchange rates		**(1,632)**	(1,355)
Cash and cash equivalents at the beginning of the year (i)		**16,211**	14,166
Cash and cash equivalents at the end of the year (i)		**13,332**	16,211

(i) Cash and Cash Equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following consolidated statement of financial position amounts:

Cash and bank balances	**9,143**	12,057
Short term bank deposits	**13,835**	13,954
	22,978	26,011
Less: Deposits pledged	**(9,646)**	(9,800)
Cash and cash equivalents	**13,332**	16,211

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

***** represents 2 management shares at US$0.05 each

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

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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

2 BASIS OF PREPARATION

2.1 Statement of compliance and going concern

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

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

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

The Group has prepared and considered prospective financial information based on assumptions and events that may occur for at least 12 months from the date of approval of the financial statements and the possible actions to be taken by the Group. Prospective financial information includes the Group's profit and cash flow forecasts for the ongoing projects. In preparing the cash flow forecasts, the Directors have considered the availability of cash, along with the adequacy of bank loans and medium term notes and refinancing of these medium term notes (as described in Notes 24 and 25).

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

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

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

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

New/Revised International Financial Reporting Standards		**Issued/Revised**	**Effective Date**
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Amendments resulting from September 2014 Annual Improvements to IFRSs	September 2014	Annual periods beginning on or after 1 January 2016
IFRS 7 Financial Instruments: Disclosures	Amendments resulting from September 2014 Annual Improvements to IFRSs	September 2014	Annual periods beginning on or after 1 January 2016
IFRS 9 Financial Instruments	Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	July 2014	Effective for annual periods beginning on or after 1 January 2018
IFRS 10 Consolidated Financial Statements	Amendments regarding applying the consolidation exception	December 2014	Annual periods beginning on or after 1 January 2016
IFRS 10 Consolidated Financial Statements	Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	December 2015	Deferred indefinitely
IFRS 11 Joint Arrangements	Amendments regarding the accounting for acquisitions of an interest in a joint operation	May 2014	Annual periods beginning on or after 1 January 2016
IFRS 12 Disclosure of Interests in Other Entities	Amendments regarding applying the consolidation exception	December 2014	Annual periods beginning on or after 1 January 2016

IFRS 14 Regulatory Deferral Accounts	Original Issue	January 2014	Annual periods beginning on or after 1 January 2016
IFRS 15 Revenue from Contracts with Customers	IASB defers effective date to annual periods beginning on or after 1 January 2018	April 2016	Applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2018
IFRS 16 Leases	Original Issue	January 2016	Annual periods beginning on or after 1 January 2019
IAS 1 Presentation of Financial Statements	Amendments resulting from the disclosure initiative	December 2014	Annual periods beginning on or after 1 January 2016
IAS 7 Statement of Cash Flows	Amendments resulting from the disclosure initiative	January 2016	Annual periods beginning on or after 1 January 2017
IAS 12 Income Taxes	Amendments regarding the recognition of deferred tax assets for unrealised losses	January 2016	Annual periods beginning on or after 1 January 2017
IAS 16 Property, Plant and Equipment	Amendments regarding the clarification of acceptable methods of depreciation and amortisation	May 2014	Annual periods beginning on or after 1 January 2016
IAS 16 Property, Plant and Equipment	Amendments bringing agriculture bearer plants from the scope of IAS 41 into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment	June 2014	Annual periods beginning on or after 1 January 2016
IAS 19 Employee Benefits	Amendments resulting from September 2014 Annual Improvements to IFRSs	September 2014	Annual periods beginning on or after 1 January 2016
IAS 27 Separate Financial Statements (as amended in 2011)	Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	August 2014	Annual periods beginning on or after 1 January 2016
IAS 28 Investments in Associates and Joint Ventures	Amendments regarding the application of the consolidation exception	December 2014	Annual periods beginning on or after 1 January 2016

IAS 28 Investments in Associates and Joint Ventures	Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	December 2015	Deferred indefinitely
IAS 38 Intangible Assets	Amendments regarding the clarification of acceptable methods of depreciation and amortisation	May 2014	Annual periods beginning on or after 1 January 2016
IAS 41 Agriculture	Amendments bringing agriculture bearer plants from the scope of IAS 41 into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment	June 2014	Annual periods beginning on or after 1 January 2016

The Directors anticipate that the adoption of the above standards, amendments and interpretations in future periods will have no material impact on the financial information of the Group or Company except as mentioned below.

(a) IFRS 9, Financial instruments

IFRS 9, which becomes mandatory for the Group's 2018 Consolidation Financial Statements, could change the classification and measurement of financial assets. The Directors are currently determining the impact of IFRS 9.

(b) IFRS 15, Revenue from contracts with customers

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

3 REVENUE AND SEGMENTAL INFORMATION

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

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

3.1 Revenue recognised during the year as follows:

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

3.2 Segmental Information

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

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

The Group's reportable operating segments are as follows:

(i) Investment Holding Companies – investing activities;
(ii) Ireka Land Sdn. Bhd. – develops Tiffani by i-ZEN;
(iii) ICSD Ventures Sdn. Bhd. – owns and operates Harbour Mall Sandakan and Four Points by Sheraton Sandakan Hotel;
(iv) Amatir Resources Sdn. Bhd. – develops SENI Mont' Kiara;
(v) Iringan Flora Sdn. Bhd. – owns and operates Aloft Kuala Lumpur Sentral Hotel;
(vi) Urban DNA Sdn. Bhd.– develops The RuMa Hotel and Residences; and
(vii) Hoa Lam-Shangri-La Healthcare Group – master developer of International Healthcare Park; owns and operates the City International Hospital.

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

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

The Group's revenue generating development projects are in Malaysia and Vietnam.

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

Operating Segments – ended 31 December 2015

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

Included in the measure of segment assets are:								
Addition to non-current assets other than financial instruments and deferred tax assets	-	-	-	-	-	-	-	-

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

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

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

Operating Segments – ended 31 December 2014

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

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

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

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

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

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

Geographical Information – ended 31 December 2015

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

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

Geographical Information – ended 31 December 2014

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

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

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

4 SEASONALITY

The Group's business operations are not materially affected by seasonal factors for the period under review.

5 COST OF SALES

	2015 US$'000	2014 US$'000
Direct costs attributable to: Completed units	**20,047**	36,856
Land held for property development	**-**	10,238
Impairment of intangible assets (Note 16)	**1,565**	4,727
	21,612	51,821

6 OTHER INCOME

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

(a) Gain on disposal of a subsidiary

The Group entered into an agreement with Nam Long Investment Corporation and Nam Khang Construction Investment Development One Member Ltd Liability Co on 10 September 2015 to dispose of ASPL PLB Limited's 55% equity interest in ASPL PLB-Nam Long Ltd Liability Co, a subsidiary of the Group for a consideration of US$8,227,000 (VND185,165,679,414). A gain on disposal of US$675,000 was recognised from the disposal of the subsidiary (see Note 28).

(b) Revenue from hotel operations

The revenue relates to the operations of two hotels – Four Points by Sheraton Sandakan Hotel and Aloft Kuala Lumpur Sentral Hotel, which are owned by subsidiaries of the Company, ICSD Ventures Sdn. Bhd. and Iringan Flora Sdn. Bhd. respectively. The revenue earned from hotel operations is included in other income in line with management's intention to dispose of the hotels.

(c) Revenue from mall operations

The revenue relates to the operation of Harbour Mall Sandakan which is owned by a subsidiary of the Company, ICSD Ventures Sdn. Bhd..The revenue earned from mall operations is included in other income in line with management's intention to dispose of the mall.

(d) Revenue from hospital operations

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

7 FOREIGN EXCHANGE (LOSS)/ GAIN

	2015 US$'000	2014 US$'000
Foreign exchange (loss)/ gain comprises:		
Realised foreign exchange (loss)/ gain	**(371)**	425
Unrealised foreign exchange (loss)/ gain	**(2,544)**	291
	(2,915)	716

8 MANAGEMENT FEES

	2015 US$'000	2014 US$'000
Management fees	**3,115**	3,344

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

In addition to the annual management fee, the Development Manager is entitled to a performance fee calculated at 20% of the out performance net asset value over a total compounded return hurdle rate of 10% per annum. No performance fee has been paid or accrued during the year (2014: US$ Nil).

9 FINANCE (COSTS)/ INCOME

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

10 NET (LOSS)/ PROFIT BEFORE TAXATION

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

11 TAXATION

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

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

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

The applicable corporate tax rate in Malaysia is 25%.

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

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

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

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

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

12 OTHER COMPRENHENSIVE EXPENSE

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

13 (LOSS)/ EARNINGS PER SHARE

Basic and diluted (loss)/ earnings per ordinary share

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

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

14 INVESTMENT IN AN ASSOCIATE

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

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

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

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

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

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

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

15 AVAILABLE-FOR-SALE INVESTMENTS

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

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

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

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

At 31 December 2015, an increase in fair value of US$2.19 million (2014: US$0.125 million) has been recognised in other comprehensive income. The Directors have considered various prevailing factors at year end, including the economic and market conditions of Vietnam in assessing the fair value of the investment.

16 INTANGIBLE ASSETS

	Licence Contracts and Related Relationships US$'000	Goodwill US$'000	Total US$'000
Cost			
At 1 January 2014 / 31 December 2014 / 31 December 2015	**10,695**	**6,479**	**17,174**
Accumulated impairment losses			
At 1 January 2014	**-**	3,649	3,649
Impairment loss	4,276	451	4,727
At 31 December 2014 / 1 January 2015	**4,276**	**4,100**	**8,376**
Impairment loss	-	1,565	1,565
At 31 December 2015	**4,276**	**5,665**	**9,941**
Carrying amounts			
At 31 December 2014	6,419	2,379	8,798
At 31 December 2015	**6,419**	**814**	**7,233**

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

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

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

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

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

Impairment losses of US$1,397,000 (2014: US$Nil), US$168,000 (2014: US$451,000) and US$Nil (2014: US$4,276,000) in relation to the Four Points by Sheraton Sandakan Hotel, SENI Mont' Kiara and International Healthcare Park projects have been recognised as the recoverable amount of the cash generating units, estimated based on fair value less costs to sell is below their carrying amounts.

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

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

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

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

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

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

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

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

Sensitivity analysis

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

17 DEFERRED TAX ASSETS

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

The deferred tax assets comprise:

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

Deferred tax assets have not been recognised in respect of unused tax losses of US$55,000,000(2014: US$35,288,000) and other tax benefits which includes temporary differences between net carrying amount and tax written down value of property, plant and equipment, accrual of construction costs and other deductible temporary differences of US$3,100,000(2014: US$3,462,000) which are available for offset against future taxable profits. Deferred tax assets have not been recognised due to the uncertainty of the recovery of the losses.

18 INVENTORIES

	Note	2015 US$'000	2014 US$'000
Land held for property development	**(a)**	**23,223**	40,560
Work-in-progress	**(b)**	**53,182**	55,332
Stock of completed units, at cost		**230,436**	285,234
Consumables		**487**	652
At 31 December		**307,328**	381,778

(a) Land held for property development

	2015 US$'000	2014 US$'000
At 1 January	**40,560**	24,403
Add :		
Exchange adjustments	**(3,466)**	(849)
Additions	**451**	2,710
Transfer from work-in-progress	**-**	24,534
Disposal of subsidiary (Note 28)	**(14,322)**	-
	23,223	50,798
Less: Costs recognised as expenses in the statement of comprehensive income during the year	**-**	(10,238)
At 31 December	**23,223**	40,560

(b) Work-in-progress

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

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

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

19 HELD-FOR-TRADING FINANCIAL INSTRUMENT

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

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

(i) Bank deposits;
(ii) Money market instruments such as treasury bills, bankers' acceptance, negotiable certificates of deposits, Bank Negara Malaysia bills, Bank Negara Malaysia negotiable notes, Negotiable Instruments of Deposit and Negotiable Islamic Debt Certificate with maturities not exceeding one (1) year; and
(iii) Malaysian Government Securities and/or securities guaranteed by the Government of Malaysia and/or notes/securities issued by Bank Negara Malaysia with maturity not exceeding two (2) years.

20 SHARE CAPITAL

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

*****represents 10 management shares at US$0.05 each
represents 2 management shares at US$0.05 each

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

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

The Company also increased its issued and paid-up share capital from US$212,025,000 to US$212,025,000.10 by way of an allotment of 2 new management shares of US$0.05 each at par via cash consideration.

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

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

(a) Distribution of dividend:

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

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

(b) Winding-up or return of capital:

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

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

(c) Voting rights:

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

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

21 SHARE PREMIUM

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

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

22 CAPITAL REDEMPTION RESERVE

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

23 AMOUNT DUE TO NON-CONTROLLING INTERESTS

	2015 US$'000	2014 US$'000
Non-current		
Minority Shareholders of Shangri-La Healthcare Investment Pte Ltd:		
- Tran Thi Lam	-	415
- Econ Medicare Centre Holdings Pte Ltd	-	491
- Value Energy Sdn. Bhd.	-	147
- ThangShieu Han	-	56
- Nguyen QuangDuc	-	11
	-	1,120

Current		
Minority Shareholder of Bumiraya Impian Sdn. Bhd.:		
- Global Evergroup Sdn. Bhd.	**1,155**	1,418
Minority Shareholders of Hoa Lam Services Co Ltd:		
- Tran Thi Lam	**1,727**	1,725
- Tri Hanh Consultancy Co Ltd	**3,257**	2,510
- Hoa Lam Development Investment Joint Stock Company	**244**	188
- Duong Ngoc Hoa	**163**	126
Minority Shareholder of The RuMa Hotel KL Sdn. Bhd.:		
- Ireka Corporation Berhad	**1**	-
Minority Shareholder of Urban DNA Sdn. Bhd.:		
- Ireka Corporation Berhad	**3,467**	4,255
	10,014	10,222
	10,014	11,342

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

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

In 2014, the non-current amount due to non-controlling interests amounting to US$1,120,000 was unsecured, interest free and shall only be repayable to the respective minority shareholders if the minority shareholders cease to be a shareholder in Shangri-La Healthcare Investment Pte Ltd.

24 LOANS AND BORROWINGS

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

The effective interest rates on the bank loans and finance lease arrangement for the year ranged from5.25% to 12.50% (2014: 5.25% to 17.70%) per annum and 2.50% to 3.50% (2014: 2.50% to 3.50%) per annum respectively.

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

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

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

Finance lease liabilities are payable as follows:

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

25 MEDIUM TERM NOTES

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

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

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

No repayments were made in the current financial year.

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

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

The medium term notes are secured by way of:

(i) bank guarantee from two financial institutions in respect of the BG Tranches;

(ii) financial guarantee insurance policy from Danajamin Nasional Berhad in respect to the FG Tranches;

(iii) a first fixed and floating charge over the present and future assets and properties of Silver Sparrow Berhad, ICSD Ventures Sdn. Bhd. and Iringan Flora Sdn. Bhd. by way of a debenture;

(iv) a third party first legal fixed charge over ICSD Ventures Sdn. Bhd.'s assets and land;

(v) assignment of all Iringan Flora Sdn. Bhd.'s present and future rights, title, interest and benefits in and under the Sale and Purchase Agreement to purchase the Aloft Kuala Lumpur Sentral Hotel from Excellent Bonanza Sdn. Bhd.;

(vi) first fixed land charge over the Aloft Kuala Lumpur Sentral Hotel and the Aloft Kuala Lumpur Sentral Hotel's Land (to be executed upon construction completion);

(vii) a corporate guarantee by Aseana Properties Limited;

(viii) letter of undertaking from Aseana Properties Limited to provide financial and other forms of support to ICSD Ventures Sdn. Bhd. to finance any cost overruns associated with the development of the Sandakan Harbour Square;

(ix) assignment of all its present and future rights, interest and benefits under the ICSD Ventures Sdn. Bhd.'s and Iringan Flora Sdn. Bhd.'s Put Option Agreements and the proceeds from the Harbour Mall Sandakan, Four Points by Sheraton Sandakan Hotel and Aloft Kuala Lumpur Sentra lHotel;

(x) assignment over the disbursement account, revenue account, operating account, sale proceed account, debt service reserve account and sinking fund account of Silver Sparrow Berhad; revenue account of ICSD Venture Sdn. Bhd. and escrow account of Ireka Land Sdn. Bhd.;

(xi) assignment of all ICSD Ventures Sdn. Bhd.'s and Iringan Flora Sdn. Bhd.'s present and future rights, title, interest and benefits in and under the insurance policies; and

(xii) a first legal charge over all the shares of Silver Sparrow Berhad, ICSD Ventures Sdn. Bhd. and Iringan Flora Sdn. Bhd. and any dividends, distributions and entitlements.

26 PURCHASE OF OWN SHARES AND CANCELLATION OF SHARES

The shareholders of the Company, by a special resolution passed in a general meeting held on 22 June 2015, approved the Company's plan to repurchase its own shares.

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

Cancellation of treasury shares

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

27 RELATED PARTY TRANSACTIONS

Transactions between the Group and the Company with Ireka Corporation Berhad ("ICB") and its group of companies are classified as related party transactions based on ICB's 23.07% shareholding in the Company.

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

	2015 **US$'000**	**2014** **US$'000**
ICB Group of Companies		
Accounting and financial reporting services fee charged by an ICB subsidiary	**50**	53
Advance payment to the contractors of an ICB subsidiary	**833**	1,430
Construction progress claims charged by an ICB subsidiary	**6,423**	13,912
Acquisition of SENI Mont' Kiara units by an ICB subsidiary	**2,008**	-
Management fees charged by an ICB subsidiary	**3,115**	3,344
Marketing commission charged by an ICB subsidiary	**281**	1,226

Project staff costs reimbursed to an ICB subsidiary	**289**	544
Rental expenses charged by an ICB subsidiary	**4**	31
Rental expenses paid on behalf of ICB	**512**	588
Secretarial and administrative services fee charged by an ICB subsidiary	**50**	53
Key management personnel		
Remuneration of key management personnel - Directors' fees	**317**	317
Remuneration of key management personnel - Salaries	**49**	49

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

	2015 US$'000	**2014 US$'000**
Non-controlling interests		
Advances – non-interest bearing (Note 23)	**1,067**	1,635
Capitalisation of amount due to non-controlling interests as share capital	**1,440**	-

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

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

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

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

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

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

	2015 US$'000	2014 US$'000
Non-controlling interests		
Advances – non-interest bearing (Note 23)	**(10,014)**	(11,342)

Transactions between the parent company and its subsidiaries are eliminated in these consolidated financial statements.

28 BUSINESS COMBINATION

Change in equity interest in subsidiaries

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

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

Disposal of a subsidiary

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

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

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

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

Analysis of assets and liabilities over which control was lost:

	Notes	2015 US$'000
Current assets		
Inventories - Land held for property development	18	14,322
Trade and other receivables		38
Cash and cash equivalents		1,663
Current liabilities		
Trade and other payables		(2,856)
Net assets disposed of		13,167
Gain on disposal of a subsidiary		
Consideration receivable		8,227
Incidental expenses		(310)
Net consideration receivable		7,917
Net assets disposed of		(13,167)
Non-controlling interests		5,925
Gain on disposal		675
Net cash outflow on disposal of a subsidiary		
Consideration received *		1,517
Cash and cash equivalent disposed of		(1,663)
		(146)

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

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

29 DIVIDEND

The Company has not paid or declared any dividends during the financial year ended 31 December 2015.

30 COMMITMENTS AND CONTINGENCIES

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

Debt service reserve account

Under the medium term notes programme of up to US$119.71 million, Silver Sparrow Berhad ("SSB") had opened a Ringgit Malaysia debt service reserve account ("DSRA") and shall ensure that an amount equivalent to RM30.0 million (US$6.99 million) (the "Minimum Deposit") be maintained in the DSRA at all times. In the event the funds in the DSRA falls below the Minimum Deposit, SSB shall within five (5) Business Days from the date of receipt of written notice from the facility agent or upon SSB becoming aware of the shortfall, whichever is earlier, deposit such sums of money into the DSRA to ensure the Minimum Deposit is maintained.

31 EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

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

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

32 REPORT CIRCULATION

Copies of the Annual Report and Financial Statements will be sent to shareholders for approval at the Annual General Meeting ("AGM") to be held in June 2016.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

RESPONSIBILITY STATEMENT

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

(a) the consolidated financial statement have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board; and

(b) the sections of this Report, including the Chairman's Statement, Development Manager's Review, Financial Review and Principal Risks and Uncertainties, which constitute the management report include a fair review of all information required to be disclosed by the Disclosure and Transparency Rules 4.1.8 to 4.1.11 issued by the Financial Services Authority of the United Kingdom.

On behalf of the Board

Mohammed Azlan Hashim Director	Christopher Henry Lovell Director

26 April 2016