Date:	28 August 2008
On behalf of:	Aseana Properties Limited ("Aseana Properties" or the "Group" or the "Company")
Embargoed until:	0700hrs

Aseana Properties Limited

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

Aseana Properties Limited (LSE: ASPL), an Asian property developer on the Official List of the London Stock Exchange investing in Malaysia and Vietnam, is pleased to announce its interim results for the six month period ended 30 June 2008.

Highlights

- Revenue of US$51.734 million
- Profit before tax of US$2.679 million

Commenting on the Company's results, Dato' Mohammed Azlan bin Hashim, Chairman of Aseana Properties Limited, said:

"We are pleased with the results to 30 June 2008 and the progress we have made since our admission to the Official List of the London Stock Exchange.

"Despite the challenging global economic environment, we believe that the medium and long term economic fundamentals in Malaysia and Vietnam remain solid and will favour players with a strong balance sheet and cash in hand, like Aseana Properties, who are well positioned to capitalise on the investment opportunities at attractive valuations. Aseana Properties' recent investments in Vietnam are a testament to this. We believe these investments will drive the Group's earnings in the coming years.

"The Board looks forward to the remainder of the financial year and providing our investors and the market with further progress on our investment and development pipeline."

Enquiries:

Ireka Development Management Sdn Bhd - Manager	**Tel: 603 2094 0133 / 6203 6688**
Monica Lai / Chan Chee Kian / Frankie Heng	Email: aseana@ireka.com.my
Redleaf Communications	**Tel: 020 7822 0200**
Samanatha Robbins / Adam Leviton / Kathryn Hurford	Email: aseana@redleafpr.com
Fairfax I.S. PLC	**Tel: 020 7598 5368**
James King	Email: jking@fairfaxis.com

CHAIRMAN'S STATEMENT

Introduction

For the period to June 2008, the Group has recorded revenue of US$51.734 million, and an operating profit of US$2.024 million, an increase of US$41.7 million and US$1.7 million respectively compared to the same period in 2007.

The increase in revenue is the result of positive contributions from all projects under development in Malaysia, namely i-ZEN@Kiara I, Tiffani by i-ZEN, one Mont Kiara by i-ZEN, SENI Mont' Kiara and Sandakan Harbour Square.

For the period under review, the Group has achieved commendable successes in expanding its property portfolio in Vietnam. Aseana Properties has received its first Investment License in Vietnam for the Queen's Place project in Ho Chi Minh City, and has acquired a strategic minority stake in an established and leading property developer in Ho Chi Minh City, Nam Long Investment Corporation.

An Overview of Investment Climate in Malaysia and Vietnam

Aseana Properties entered 2008 with considerable uncertainties in the global economy, driven by the credit crisis and rising global inflation. These uncertainties, coupled with recent developments, have affected the investment climate in Malaysia and Vietnam.

Vietnam is faced with rising inflation as a result of high prices of food, imported commodities and refined oil products. The Vietnam inflation rate touched a high of 27% in June 2008. The Government's move of widening the trading band of the Vietnamese Dong at the end of May 2008 has been met with some volatility in the spot exchange rate, prompting fears of a widespread currency and balance-of-payment crisis among the financial community.

The Vietnamese Government has moved swiftly by addressing the global financial community in a live conference call, and re-emphasising its priority in fighting and controlling inflation through various fiscal and monetary policies. These fears have now largely abated as the effects of the Government policies are felt resulting in slower credit growth and hence GDP growth. Inflation is however expected to continue to rise in the near term before easing in early 2009, given the Government's decision to increase fuel prices by 31% in July 2008.

Malaysia has largely been shielded from the extremities of the global credit crisis. However, high oil prices and rising food prices have pushed the Malaysian inflation rate to a 26-year high of 7.7% in June 2008. Malaysia at the present time is also facing a fair amount of political volatility on the back of the opposition alliance winning an unprecedented number of seats of more than one-third in the Malaysian Parliament in the general election in March. Many Malaysians have viewed this as a positive change as the country transitions itself into a more matured democratic system.

On the back of these global and local conditions, the property markets in Malaysia and Vietnam in general has seen growth stabilising. In some instances in Vietnam, land values have decreased by up to 30% from its speculative highs. These dynamics represent the cyclical characteristics of property markets. However, Aseana Properties believes that the fundamentals of the economies in Vietnam and Malaysia are robust and will continue to drive the growth of the property market in the medium to long term.

We believe that these suppressed property markets will favour players with a strong balance sheet and cash in hand like Aseana Properties, who are well positioned to capitalise swiftly on the investment opportunities at attractive valuations. Aseana Properties' recent investments in Vietnam are a testament to this. We believe these investments will drive the Group's earnings in the coming years.

Review of Aseana Properties' Property Portfolio

For the period under review, Aseana Properties has successfully completed the construction and commenced the handover process of the 302-units i-ZEN@Kiara I luxury serviced residences in Mont' Kiara, Kuala Lumpur.

Despite the difficult business conditions, sales of launched projects continue to be encouraging. The first phase of the luxurious SENI Mont' Kiara development has reached over 80%, prompting the launch of the second phase of the development. Combined sales of the SENI Mont' Kiara development is now approximately 45%. Sales of the Tiffani by i-ZEN, another luxurious condominium, and the retail lots at Phase Two of Sandakan Harbour Square continue to make positive progress as illustrated below. The following projects comprise the initial portfolio (the "Initial Portfolio").

Projects	% Sales As At August 2008
i-ZEN@Kiara I	99%
Tiffani by i-ZEN	87%
one Mont' Kiara by i-ZEN – bz hub	100%
Sandakan Harbour Square	
Phase 1 retail lots	92%
Phase 2 retail lots	54%
SENI Mont' Kiara – Phase I & 2	45%

The Group's other investments that are under development in Malaysia namely KL Sentral Project, TM Mont Kiara Project and the Kota Kinabalu sea-front resort & residential Project are all going through rigorous development planning stages. These projects when launched will ensure continuity of the Group's current portfolio of investments in Malaysia over the next four to five years.

In the previous financial year, Aseana Properties announced its two maiden investments in Vietnam in the Nam Khang Resort & Residences in the coastal city of Danang, and the prime office development of Wall Street Centre in District 1 of Ho Chi Minh City. These two projects are currently undergoing development planning and an authorities' approval process. For the financial year to date, the Group has recently concluded two other new investments in Vietnam.

We are pleased to have received our first Investment License in Vietnam for the Queen's Place project in June 2008. Queen's Place is a mixed development project consisting of two residential towers; an office-serviced apartment tower and a retail mall with a total gross floor area of approximately 92,500 m^2. Queens's Place is strategically located at the periphery of District Four, adjacent to District One, the central business district of Ho Chi Minh City. Aseana Properties will undertake this development jointly with Binh Duong Corporation, a Vietnam property development company. The Group will own 65% of the venture and is expected to invest approximately US$11.5 million in the development. With the Investment License in place, development of Queen's Place is expected to commence in the fourth quarter of 2008.

In July 2008, Aseana Properties also announced the acquisition of a strategic minority stake in Nam Long Investment Corporation ("Nam Long") for approximately US$18 million. Nam Long, a private property development company established in 1992, is a leading player in the real estate market in Ho Chi Minh City, Vietnam. Over the years, Nam Long has completed projects in Ho Chi Minh City such as Tan Thuan Dong, a mixed residential and commercial development in District Seven of Ho Chi Minh City and the Phuoc Long B residential development in District Nine. Nam Long currently has over 500 hectares of land bank mainly in Ho Chi Minh City and neighbouring provinces.

Through this partnership, Aseana Properties is expected to co-develop at least four property development projects with Nam Long in Ho Chi Minh City in the immediate term. Aseana Properties has also secured the option to develop future high-end projects with Nam Long.

We believe our investment in Nam Long strengthens and anchors our presence in Vietnam. Nam Long being an established property development company, with a sizeable land bank, is well positioned to capitalise on the growth opportunities in Vietnam.

Aseana Properties also announced on 27 August 2008 that it has acquired a 51% interest in the development of the International Hi-Tech Health Park in the Binh Tan District of Ho Chi Minh City, Vietnam. Aseana Properties will invest approximately US$27.6 million for the development, which has a total gross development cost of approximately of US$420 million. The project was licensed and approved by the People's Committee of Ho Chi Minh City on 10 July 2008 and is expected to commence development in the fourth quarter of 2008.

Located on 37.54 hectares of prime land, the International Hi-Tech Health Park will consist of world class private hospitals, mixed commercial, hospitality and residential developments with a healthcare theme. The project will be developed over five phases. The first phase of the development will be anchored by an international standard tertiary care, teaching hospital and supporting residences. The next phases will include medical centres, serviced apartments, offices, a retail mall and hotel, completing the integrated nature of the project. The various development components of the project have already attracted a number of well-known, international healthcare investors. Aseana Properties will perform the role of a master developer through the consortium, responsible for planning, developing and marketing the International Hi-Tech Health Park.

The International Hi-Tech Health Park, when completed will have approximately 1.01 million square metres of gross floor area, providing a world class integrated healthcare and commercial hub in a well designed park setting. The park will serve the population of some 8 million people in Ho Chi Minh City and is also expected to draw people from all over Vietnam and across from neighbouring Indochina countries.

The outlook for the second half of 2008 will see higher contributions from the existing projects as construction gathers pace and gross margin maintained at existing levels as the costs have been locked in.

We are looking forward to a busy and exciting second half of the year for Aseana Properties in both Malaysia and Vietnam. I look forward to reporting to you again further progress in our investments and developments in the annual report at the end of the financial year.

Dato' Mohammed Azlan bin Hashim

Non-executive Chairman
28 August 2008

REPORT OF THE MANAGER

Vietnam Economic Update

Gross domestic product ("GDP") in the first half of 2008 is expected to increase by 6.5% compared to the same period last year; the agriculture, forestry and fishery sector increased by 3%; the industry and construction sector by 7% and the service sector by 7.6%.

The Consumer Price Index ("CPI") in June 2008 was recorded at 27% year-on-year against 26.8% in June 2007. The monthly rise in June prices was the slowest since November [2007], and it was primarily due to a smaller rise in food prices relative to previous months. Consumer prices grew by 18.44%, of which grain-food rose by 59.4%; foodstuff by 21.83%; housing and building materials by 14.34%; and transportation and post by 10.58%.

Foreign direct investments ("FDI") continue to grow. During the first half of the year, 478 new FDI projects were granted licenses with a total registered capital of US$ 30.9 billion.

The State Bank of Vietnam has undertaken a series of monetary and credit tightening measures to counter inflation and slow credit growth. Since January 2008, the State Bank has lifted official interest rates by 375bp to 12% as of 17 May and also raised the bank reserve requirements from 10% to 11%. Banks were also directed to be more cautious in extending loans for investment in shares and real estate. The authorities also instructed Government ministries to halt construction of non-essential projects.

Overview of Property Market in Vietnam

Residential

- Strong demand for good quality residences are still high due to lack of quality homes in prime locations.
- Prices of condominiums in Ho Chi Minh City ("HCMC") remain high but have dropped by 30% to 40% from its peak.
- Sought-after locations such as District Two, Seven and Nine in HCMC are still in demand.

Offices

- Demand for good quality office space remains strong in the short to medium term as the supply of prime offices remains low.
- In HCMC, no Grade A office buildings are scheduled for completion this year and only two new Grade A buildings with total build up area of 58,000 square metres are scheduled to be completed in 2009.
- Occupancy rates for Grade A and Grade B office space remain high.
- Current average rental rates for prime office space in HCMC and Hanoi are US$65 per square metre per month and US$50 per square metre per month respectively.

Retail

- Prime retail space in HCMC enjoys near 100% occupancy rate.
- Rental rates are expected to increase in the short to medium term due to limited supply and high demand of good retail space.

Hospitality

- Vietnam has recorded 2.1 million international tourist arrivals for the first five months of 2008, an increase of 16.6% against the same period last year.
- Foreign tourists are mainly from China, South Korea, United States, Japan and Taiwan.
- Sharp increase in number of foreign tourists has led to price increases in hotel room rates as shortage for good quality hotel rooms remains due to delay in supply coming on stream.
- The Vietnamese Government has approved the plan to expand the Noi Bai International Airport in Hanoi by 2020 with an estimated investment of 13.74 trillion Vietnam Dong (US$857 million). A third terminal will be built to accommodate 25 million passengers a year by 2020, up from 10 million passengers now.

Source: Company research, General Statistics Office of Vietnam, CBRE Vietnam Reports

Malaysia Economic Update

The Malaysian economy registered strong growth of 7.1% in the first quarter of 2008. The growth momentum was led by double digit expansion in private and public consumption spending, while investment activities remained resilient. Growth was further supported by a strong contribution from external demand, following stronger growth in exports, while imports moderated further during the quarter.

Headline inflation rose to 7.7% in June (May 2008: 3.8%) due to the substantial price increases in the transport and food and non-alcoholic beverages categories. Following the restructuring of the fuel subsidy on 4 June 2008, prices in the transport category rose by 19.6% (May 2008: 0.9%). Prices in the food and non-alcoholic beverages category rose by 10% (May 2008: 8.2%) reflecting higher prices in both the food at home and food away from home sub-categories.

Despite the high inflation rate, Bank Negara kept its overnight policy rate unchanged at 3.5%. Due to the increases in fuel and electricity prices, Malaysia’s consumer sentiment index declined to an all-time low of 70.5 from 110.1 in December 2007.

During the period 1 June to 30 July 2008, the Ringgit fluctuated between RM3.2145 to RM3.2740 against the US Dollar due to shifting market expectations about the likely direction of the Federal Funds rates following the softer US economic data and the continued turmoil in US financial markets. For the period as a whole, the ringgit appreciated against the Japanese yen (1.7%) but depreciated against the euro (-1.0%), pound sterling (-0.8%) and the US dollar (-0.6%).

Growth in the construction industry in the second half of 2008 may be dampened due to the continuous increase in fuel, construction materials and building materials prices in the construction industry. According to the Master Builders Association Malaysia (“MBAM”), many property developers are delaying new projects due to the rising cost of construction materials as they are unable to fix prices for their development due to the current uncontrollable increase in building material prices. MBAM is urging the Government to enable contractors to request for contract prices to be adjusted according to the market prices.

Overview of Property Market in Malaysia

Residential

- Market rentals for lower-end condominiums generally remained stable.
- Due to the higher quality standards of newly completed condominiums over the last six to nine months, rental rates have increased for high-end four to six stars categories.
- Demand for condominium units from foreign and local buyers remained strong, particularly in the more sought after residential areas.
- The luxury residential market remains relatively attractive particularly to foreign investors as property prices are still attractive compared to other neighbouring Asian countries.

Offices

- Office rental generally remained stable except for marginal increases in prime buildings in the Golden Triangle, Damansara Heights, Bangsar / Pantai and Petaling Jaya areas.
- Rentals for Prime A buildings in Golden Triangle, Damansara Heights, Bangsar/Pantai increased to RM8.00 psf, RM5.20 psf and RM5.50 psf per month respectively. Whereas, rental rates for super prime building in the Golden Triangle remain stable at RM9.50 psf to RM11 psf per month.
- Net yields for office investments remained stable between 6% and 8% per annum.
- En-bloc sale of Bangunan Angkasaraya on Jalan Ampang, a Secondary A building within the Golden Triangle has registered a record price of RM1,248 per square feet. The sales price reflects the purchaser’s intention to redevelop on the site with a 9 to 10 times plot ratio compared with the current 3 times plot ratio.

Retail

- Total retail space increased from 42.15 million square feet to 43.129 million square feet due to completion of two new retail centres in the suburbs and four retail centres resumed operations after refurbishment works were completed.
- Average occupancy rate for retail centre in the Klang Valley decreased from 86.7% in first quarter 2008 to 85.7% in second quarter 2008.
- Market rentals in retail centres remained stable in second quarter 2008.
- Average monthly rental rates for ground levels in the city centre ranged between RM20 and RM45 per square feet in Prime A retail centres.

Hospitality

- The Kuala Lumpur hotel market generally registered healthy occupancies.
- Hotel occupancies in Kuala Lumpur increased from 66.1% in first quarter 2008 to 71.7% in second quarter 2008 due to the Malaysian school break and the “Middle East holiday period”.
- Average daily room rates for International Class hotels in the Kuala Lumpur City Centre are recorded at between RM166 and RM666 per room per night during second quarter 2008.

Source: Bank Negara Malaysia website, Jones Lang Wotton Q2 report, CBRE, Various publications

Ireka Development Management Sdn Bhd
Manager

28 August 2008

CONSOLIDATED INCOME STATEMENT

Six months ended 30 June 2008

	Notes	Unaudited Six months ended 30 June 2008 US$	Unaudited Six months ended 30 June 2007 US$	Audited 15 months ended 31 December 2007 US$
Continuing activities				
Revenue		51,734,040	10,012,490	45,176,071
Cost of sales	5	(45,736,586)	(8,165,143)	(46,239,698)
Gross profit / (loss)		5,997,454	1,847,347	(1,063,627)
Other income		312,194	43,023	1,084,430
Administrative expenses		(474,001)	(42,944)	(976,293)
Management fee		(2,362,968)	(772,319)	(3,631,693)
Other operating expenses		(1,449,109)	(772,736)	(848,064)
Operating profit / (loss)		2,023,570	302,371	(5,435,247)
Investment income		2,736,428	1,529,405	4,320,485
Finance costs		(123,636)	(18,898)	(132,689)
Impairment loss on other investment	6	(1,956,233)	-	-
Share of results of associated company		(743)	-	-
Net profit / (loss) before taxation		2,679,386	1,812,878	(1,274,451)
Taxation	7	(2,897,846)	(488,454)	(1,982,731)
Net (loss) / profit after taxation		(218,460)	1,324,424	(3,230,182)
Equity minority interest		(686,350)	53,832	(29,998)
(Loss) / profit for the period attributable to the equity holders of the parent		(904,810)	1,378,256	(3,260,180)
Earnings per share attributable to shareholders of the parent – US cents per share				
• Basic	8	(0.36)	1.47	(1.76)
• Diluted	8	(0.36)	1.47	(1.76)

CONSOLIDATED BALANCE SHEET
As at 30 June 2008

	Notes	Unaudited As at 30 June 2008 US$	Unaudited As at 30 June 2007 US$	Audited As at 31 December 2007 US$
Non-current assets				
Property, plant & equipment		386,883	346,169	389,556
Investment in associate	9	610,317	-	12
Other investment		682	-	-
Prepaid land lease payment		2,365,136	-	2,300,663
Land held for property development		17,651,807	5,799,101	16,798,134
Long term receivables		6,122,000	2,676,950	6,048,000
Total non-current assets		27,136,825	8,822,220	25,536,365
Current assets				
Inventories at cost		-	2,134,410	-
Property development costs		219,908,578	203,979,228	213,585,677
Trade and other receivables		20,000,970	10,218,279	18,609,214
Amount owing by associate		-	270,270	-
Cash and cash equivalents		114,812,166	126,268,516	122,890,641
Total current assets		354,721,714	342,870,703	355,085,532
Total assets		381,858,539	351,692,923	380,621,897
Equity				
Share capital		12,500,000	12,500,000	12,500,000
Share premium		227,233,267	228,190,484	227,233,267
Share based payment reserve		117,799	-	117,799
Exchange fluctuation reserves		576,444	(166,154)	469,497
Retained earnings		(3,630,253)	1,378,256	(2,725,443)
Shareholders' equity		236,797,257	241,902,586	237,595,120
Minority interests		2,536,015	1,709,637	1,845,682
Total equity		239,333,272	243,612,223	239,440,802
Current liabilities				
Trade and other payables		62,059,618	32,729,004	58,269,002
Finance lease liabilities		24,231	22,695	23,939
Bank loans and borrowings	10	10,984,343	7,384,226	17,381,300
Current tax liabilities		3,455,814	2,549,595	2,986,364
Total current liabilities		76,524,006	42,685,520	78,660,605
Non-current liabilities				
Finance lease liabilities		30,180	45,214	41,971
Bank loans	11	26,623,358	35,855,490	26,584,146
Long term loans	12	39,343,951	29,477,705	35,890,646
Deferred tax liabilities		3,772	16,771	3,727
Total non-current liabilities		66,001,261	65,395,180	62,520,490
Total liabilities		142,525,267	108,080,700	141,181,095
Total equity and liabilities		381,858,539	351,692,923	380,621,897

Statement of Changes in Equity

For the period ended 30 June 2008 -Unaudited

	Retained Earnings	Share Capital	Share Premium	Share-based Payment Reserve	Exchange Fluctuation Reserve	Total
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
As at 1 January 2008	(2,725,443)	12,500,000	227,233,267	117,799	469,497	237,595,120
Loss for the financial period	(904,810)	-	-	-	-	(904,810)
Currency translation differences	-	-	-	-	106,947	106,947
Shareholders' equity as at 30 June 2008	(3,630,253)	12,500,000	227,233,267	117,799	576,444	236,797,257

For the period ended 30 June 2007 - Unaudited

	Retained Earnings	Share Capital	Share Premium	Exchange Fluctuation Reserve	Total
	US$	**US$**	**US$**	**US$**	**US$**
Issue of shares	-	12,500,000	237,500,000	-	250,000,000
Profit for the financial period	1,378,256	-	-	-	1,378,256
Share issue costs	-	-	(9,309,516)	-	(9,309,516)
Currency translation differences	-	-	-	(166,154)	(166,154)
Shareholders' equity as at 30 June 2007	1,378,256	12,500,000	228,190,484	(166,154)	241,902,586

Statement of Changes in Equity

For the period ended 31 December 2007 - Audited

	Retained Earnings	Share Capital	Share Premium	Share-based Payment Reserve	Exchange Fluctuation Reserve	Total
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Issue of shares	-	12,500,000	237,500,000	-	-	250,000,000
Loss for the financial period	(3,260,180)	-	-	-	-	(3,260,180)
Fair value of share options granted	-	-	(652,536)	652,536	-	-
Fair value of share options exercised	534,737	-	-	(534,737)	-	-
Share issue costs	-	-	(9,614,197)	-	-	(9,614,197)
Currency translation differences	-	-	-	-	469,497	469,497
Shareholders' equity as at 31 December 2007	(2,725,443)	12,500,000	227,233,267	117,799	469,497	237,595,120

CONSOLIDATED CASH FLOW STATEMENT
Six months ended 30 June 2008

	Unaudited Six months to 30 June 2008 US$	Unaudited Six months to 30 June 2007 US$	Audited 15 months ended 31 December 2007 US$
Cash Flows from Operating Activities			
Net profit / (loss) for the period	2,679,386	1,812,878	(1,247,451)
Depreciation of property plant & equipment	24,709	11,204	30,953
Amortisation of leasehold land payment	13,808	-	9,916
Impairment loss on other investment	1,956,233	-	-
Operating profit / (loss) before working capital changes	4,674,136	1,824,082	(1,206,582)
Changes in working capital:			
Decrease in inventories	-	33,188	2,167,598
Increase in property development costs	(6,322,901)	(5,093,941)	(3,743,106)
Increase in leasehold land payment	(78,281)	-	(2,300,663)
Share of results from associated company	743	-	-
(Increase) / decrease in receivables	(1,465,756)	634,064	(5,079,922)
Increase in payables	3,794,644	11,071,180	12,155,747
Net cash from operations	602,585	8,468,573	1,993,072
Tax paid	(2,428,396)	(71,572)	(1,142,124)
Net cash flows (used in) / from operating activities	(1,825,811)	8,397,001	850,948
Cash Flows From Investing Activities			
Acquisition of subsidiaries, net of cash	-	(47,909,198)	(37,883,066)
Acquisition of land held for property	(853,673)	-	(13,212,866)
(Advances to) / Repayment from associate	-	(18,251)	252,019
Purchase of property, plant and equipment	(22,036)	-	(49,467)
Purchase of shares in associate	(611,048)	-	(12)
Purchase of other investment	(1,956,915)	-	-
Net cash used in investing activities	(3,443,672)	(47,927,449)	(50,893,392)
Cash Flows From Financing Activities			
Net Proceeds of issues of share capital	-	152,690,484	152,385,803
Repayment of bank borrowings	(6,541,170)	(32,121,543)	(22,774,397)
Drawdown of borrowings	3,453,305	43,926,194	41,067,791
Repayment of finance lease liabilities	(11,499)	(94,087)	(96,086)
Repayment to amount owing to directors	-	(889,021)	(889,021)
Net cash flows (used in) / from financing activities	(3,099,364)	163,512,027	169,694,090
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	(8,368,847)	123,981,579	119,651,646
Effect of changes in exchange rates	106,947	-	469,497
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	120,121,143	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	111,859,243	123,981,579	120,121,143

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 General Information

Aseana Properties Limited was incorporated in Jersey on 22 September 2006 under the laws of Jersey. The Company was registered under the number 94592. The Company's registered office is located at Walkers House, 28-34 Hill Street, St. Helier, JE4 8PN. The Company is domiciled in Jersey.

On 5 April 2007, the Company was listed on the main market of the London Stock Exchange.

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

2 Summary of Significant Accounting Policies

2.1 Basis of Preparation

The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and IFRIC interpretations issued, and effective, or issued and early adopted, as at the date of these financial statements. The interim consolidated financial statements have been prepared under the historical cost convention as modified for financial assets and financial liabilities at fair value.

The interim consolidated financial statements for the six months ended 30 June 2008 has been prepared in accordance with IAS 34, Interim Financial Reporting.

The interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2007 which has been prepared in accordance with IFRS.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The interim results have not been audited nor reviewed and do not constitute statutory accounts.

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 accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2007 as described in those annual financial statements.

The goodwill of US$125.6 million as reported in the 30 June 2007 period has been reclassified as property development cost for the five property development assets in Malaysia, identified as the initial portfolio, and written down over the life of the development assets and when necessary, review for impairment.

The interim report and financial statements were approved by the Board of Directors on 15 August 2008.

2.2 Statement of Compliance

The interim consolidated financial statements of Aseana Properties Limited have been prepared in accordance with IFRS.

3 Segmental Information

Since Malaysia is the only location of the Group's current property development portfolio, these financial statements and related notes represent the results and financial position of the Group's primary business segment.

The Directors consider that the Group has only one reportable segment and the results and position of this segment is as disclosed in the Consolidated Income Statement and Consolidated Balance Sheet.

4 Seasonality

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

5 Cost of Sales

The Initial Portfolio was acquired based on fair value of the development assets on the acquisition date and recorded as cost of acquisition. The cost of acquisition is written over the life of the development assets. The balance of the cost of acquisition is reviewed annually or more frequently and where necessary, further write downs are made for any impairment in value.

The fair value of the projects in the Initial Portfolio acquired in May 2007 for US$125.6 million was written down by US$6.1 million for the period compared to US$8.1 million for the 15 months ended 31 December 2007 and none for the same period last year.

The balance of the fair value of the projects in the Initial Portfolio as at 30 June 2008 is US$111.3 million (also see note 2.1 above).

6 Impairment Loss on Other Investment

The one-off write down of US$1.956 million on the investment of an associate, Excellent Bonanza Sdn. Bhd. is attributable to the redemption of redeemable preference shares by the major shareholder. The write-down will be recovered over the life of the development asset.

Excellent Bonanza Sdn. Bhd. is undertaking the KL Sentral Project comprising two office towers and a business hotel.

7 Taxation

	Six months ended 30 June 2008 US$	Six months ended 30 June 2007 US$	15 months ended 31 December 2007 US$
Current period	2,897,846	488,454	1,997,209
Deferred tax	-	-	(14,478)
Total tax expense for the period	2,897,846	488,454	1,982,731

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

	Six months ended 30 June 2008 US$	**Six months ended 30 June 2007 US$**	**15 months ended 31 December 2007 US$**
Accounting profit / (loss)	2,679,386	1,812,878	(1,247,451)
Income tax at a rate of 26%	696,640	471,348	(324,337)
Add :			
Tax effect of expenses not deductible in determining taxable profit	2,993,847	409,806	3,683,488
Less :			
Tax effect of income not taxable in determining taxable profit	(792,641)	(392,700)	(1,376,420)
Total tax expense for the period	2,897,846	488,454	1,982,731

The Company has been granted exempt company status within the meaning of Article 123A of the Income Tax (Jersey) Law 1961 (as amended). The effect of such special status is that the Company is treated as non-resident company for the purpose of Jersey tax laws and is therefore exempt from Jersey income tax on its profits arising outside Jersey, and, by concession, on bank deposit interest arising in Jersey (and from any obligation to withhold Jersey income tax from any interest or dividend payments made by it. This status is renewable on an annual basis upon payment of a fee of £600 to the Comptroller of Income Tax in Jersey, and it is the Company's intention to maintain this status.

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.

The tax effect on non deductible expenses is higher for this period because expenses at the Company's level have no claimable qualifying deductible taxable income.

Certain subsidiaries in Malaysia are subject to Malaysian income tax on income arising from property development activities after deduction of allowable expenses.

8 (Loss) / Profit per Ordinary Share

	Six months ended 30 June 2008 US$	**Six months ended 30 June 2007 US$**	**15 months ended 31 December 2007 US$**
(Loss) /profit for the period attributable to the equity holders of the parent	(904,810)	1,378,256	(3,260,180)
Weighted average number of shares:			
Basic	250,000,000	93,463,862	185,616,440
Diluted	250,584,900	93,463,862	186,050,708
(Loss) / profit per share (US cents) :			
Basic	(0.36)	1.47	(1.76)
Diluted	(0.36)	1.47	(1.76)

Basic loss per share is calculated by dividing the net loss for the period of the Company by the weighted average number of ordinary shares in issue during the period.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive options over ordinary shares. Potential ordinary shares resulting from the exercise of share options have an anti-dilutive effect.

9 Investment in Associate

The increase in investment was due to the Group's subscription in the additional ordinary share capital of the Associate, Excellent Bonanza Sdn Bhd.

10 Bank Loans and Borrowings

	As at 30 June 2008	As at 30 June 2007	As at 31 December 2007
Secured	**US$**	**US$**	**US$**
Revolving credit facility	1,530,500	-	453,600
Bank term loans	6,500,920	5,097,289	14,158,202
Bank overdraft	2,952,923	2,286,937	2,769,498
	10,984,343	7,384,226	17,381,300

The effective interest rates of the borrowings for the period ranged from 5.60% to 8.75% per annum.

The borrowings are secured by landed properties and corporate guarantee by the Company.

The borrowings are denominated in Ringgit Malaysia.

The bank term loans are repayable by monthly or quarterly installments, the revolving credit by bullet repayment on 30 September 2008 and the overdraft is repayable on demand.

The carrying amount of borrowings approximates its fair value at balance sheet date.

11 Bank Loans

	As at 30 June 2008	As at 30 June 2007	As at 31 December 2007
Secured	**US$**	**US$**	**US$**
Outstanding bank term loans	33,124,278	40,952,779	40,742,348
Less:			
Repayments due within twelve months	(6,500,920)	(5,097,289)	(14,158,202)
Repayment due after twelve months	26,623,358	35,855,490	26,584,146

The effective interest rates of the bank term loans for the period ranged from 7.50% to 8.75% per annum.

The bank term loans of the Group are secured by landed properties and corporate guarantee by the Company.

The bank term loans are denominated in Ringgit Malaysia.

The bank term loans are repayable by monthly or quarterly installments.

12 Long Term Loans

	As at 30 June 2008 US$	As at 30 June 2007 US$	As at 31 December 2007 US$
Advance	37,343,951	27,477,705	33,890,646
Concessional loan	2,000,000	2,000,000	2,000,000
	39,343,951	29,477,705	35,890,646

The advance is from a special purpose vehicle to fund a development project known as One Mont' Kiara in Malaysia. The weighted interest rate of the loan was 6.04% as at the balance sheet date.

The concessional loan of US$2,000,000 is provided by the joint venture partner for one of the Mont' Kiara project for working capital purposes.

13 Dividends

The Company has not paid or declared any dividends during the financial period ended 30 June 2008.

14 Related Party Transactions

Transactions between the Group and the Company with Ireka Corporation Berhad and its group of companies ("ICB") are classified as related party transactions.

	Group US$
Advances from an ICB subsidiary	3,061,000
Interest paid to an ICB subsidiary	1,397,017
Payment of sales and administration fees to an ICB subsidiary	96,422
Payment of construction progress claims made by an ICB subsidiary	34,084,943
Site staff salary and fuel expenses paid to an ICB subsidiary	227,076
Payment of management fee to an ICB subsidiary	2,362,968

15 Post Balance Sheet Events

On 7 July 2008, Aseana has acquired a strategic minority stake in Nam Long Investment Corporation ("Nam Long") for approximately US$18.03 million and at the same time, established an exclusive agreement with Nam Long to co-develop four projects in Ho Chi Minh City and also secured the option to develop other future high-end projects with Nam Long. Nam Long, a private property development company established in 1992, is a leading player in the real estate market in Ho Chi Minh city, Vietnam.

On 27 August 2008, Aseana has acquired a 51% interest in the development of the International Hi-Tech Health Park in the Binh Tan District of Ho Chi Minh City, Vietnam. Aseana will invest approximately US$27.6 million for the development, which has a total gross development cost of approximately of US$420 million. The project was licensed and approved by the People's Committee of Ho Chi Minh City on 10 July 2008 and is expected to commence development in the fourth quarter of 2008.

16 Directors' Responsibilities

The Directors confirm that this set of interim consolidated financial statements have been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein include the fair review of the information required by Disclosure and

Transparency Rules 4.2.7 and 4.2.8.

17 Interim Statement

Copies of this interim statement are available on the Company's website www.aseanaproperties.com or from the Company's registered office at Walker House, PO Box 72, 28-34 Hill Street, St. Helier, Jersey, JE4 8PN.