27 April 2015

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

Full Year Results for the Year Ended 31 December 2014

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 2014*.

Operational highlights

- SENI Mont' Kiara ("SENI") won the prestigious World Silver Award at the International Real Estate Federation ("FIABCI") World Prix d'Excellence Awards 2014 in the residential (High Rise) category. SENI has recorded sales of 94.9% based on Sales and Purchase Agreement signed as at end of March 2015.
- The Aloft Kuala Lumpur Sentral Hotel ("Aloft") was awarded the FIABCI Malaysia Property Award for the Hotel category in November 2014. Occupancy at Aloft reached 65.4% at the end of 2014 and achieved a monthly high of 85.5% in March 2015.
- The RuMa Hotel and Residences ("The RuMa") achieved 48.0% sales based on sales and purchase agreements signed.
- Aseana disposed of its 40% stake in Excellent Bonanza Sdn. Bhd. ("EBSB") to Malaysian Resources Corporation Berhad for RM17.0 million (US$5.3 million) being the sales consideration. In addition, RM3.0 million (US$0.9 million) was repaid for the amount due from EBSB during the financial year.
- Harbour Mall Sandakan ("HMS") was 51.0% let at the end of last year and is currently 53.0% occupied. Four Points by Sheraton Sandakan Hotel ("FPSS") achieved an occupancy rate of 41.8% as at 31 December 2014 and is currently 35.7% occupied.
- The City International Hospital ("CIH") in Ho Chi Minh City opened to patients on 24 September 2013 with the official opening being held on 5 January 2014.
- Sold a 4.7 hectare plot with development rights at the International Healthcare Park ("IHP") (previously International Hi-Tech Healthcare Park) to AEON Vietnam Co. Ltd. ("AEON Vietnam") for US$23.0 million. The transaction was completed in August 2014.
- Sold two plots of vacant land totalling 3.2 hectare for a total sales consideration of US$6.3 million to a third party purchaser.
- Aseana's stake in Nam Long Investment Corporation ("Nam Long") reduced to 11.6% following the issuance of 12.95 million new shares by Nam Long in a share swap with three of its subsidiaries' minority shareholders during the final quarter of 2014. Nam Long shares closed at VND19,900 per share on 24 April 2015.

Financial highlights

- Increase in revenue to US$85.1 million in 2014 (2013: US$29.3 million), largely attributed to the sale of vacant plots of land at IHP and the increased level of sales at SENI Mont' Kiara and Tiffani.
- Net profit before taxation of US$15.4 million (2013: Net loss before taxation of US$18.8 million) includes profit attributed to SENI Mont' Kiara and Tiffani of

US$16.7 million, a gain on disposal of land at IHP to AEON Vietnam of US$10.8 million, a gain on disposal of two pieces of vacant land at IHP of US$4.1 million and a gain on disposal of the 40% stake in EBSB of US$5.3 million during the year. These gains were offset by operating losses and financing costs of FPSS and HMS totalling US$5.4 million, together with operating losses and financing costs of CIH of US$9.8 million.

- Earnings per share of US$0.0429 (2013: Loss per share of US$0.0896).
- Net asset value per share US$0.757 (2013: US$0.748).

Corporate Highlights

- **Continuation vote**

  When the Company was launched in 2007, the Board considered it desirable that Shareholders should have an opportunity to review the future of the Company at appropriate intervals. Accordingly, and as required under the Company's Articles of Association, at the 2015 Annual General Meeting ("AGM"), the Company must propose an ordinary resolution for Aseana to cease trading as presently constituted (the "Discontinuation Resolution").

  However, the Board firmly believes that ceasing to trade and placing the Company in liquidation at this time would have a significant adverse effect upon shareholder value. Whilst the Board is obliged to put forward the Discontinuation Resolution at the 2015 AGM, it does not consider that ceasing to trade at this time is in the best interests of Shareholders. Instead, the Board believes that a policy of orderly realisation of the Company's assets over a period of up to three years is a more appropriate approach in order to maximise the value of the Company's assets and returns to Shareholders, both up to and upon eventual liquidation of the Company. Ahead of the 2015 AGM, the Board is considering proposals to amend the Company's investment policy to enable a realisation of its assets in a controlled, orderly and timely manner, with the objective of achieving a balance between periodically returning cash to Shareholders and maximising the realisation value of the Company's investments. If the Proposals are adopted, the Board aims to complete the disposal of the Company's assets by June 2018.

  The Proposals will require the approval of shareholders and the Board intends to convene an Extraordinary General Meeting, to be held immediately prior to the 2015 AGM, to consider the Proposals. The Board intends to recommend to shareholders that they vote for the Proposals at the EGM and against the Discontinuation Resolution at the Company's 2015 AGM. Further detail of the Proposals is expected to be posted to the Company's shareholders soon.

* 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 2014. The financial statements for 2014 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 Azlan Hashim, Chairman of Aseana Properties Limited said:

"The Company has continued to make a concerted effort to achieve optimum value for all of its assets despite global economic headwinds and challenging conditions in both the Malaysian and

Vietnamese property markets. The Company will seek to realise its assets in a controlled, orderly and timely manner, with the objective of achieving a balance between returning cash to the shareholders and maximising the realisation value of the Company's assets. The Company aims to complete the disposal of its assets by June 2018."

-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

The global economy continued to expand at a moderate and uneven pace in 2014. Both advanced and emerging economies have struggled to gain momentum amid significant economic uncertainty. In contrast to the accelerating growth of the United States economy, Japan's consumption tax hike caused its economy to fall into recession as China's growth slowed. A combination of restrictive fiscal and monetary policy accompanying weak export growth caused the European economy to stall. In addition, global growth experienced further downside risk following geopolitical developments in Eastern Europe and the Middle East as well as rising concerns over the growth prospects of commodity-producing emerging economies. While the reduction in Crude oil prices since mid-2014 has helped stimulate growth in oil-importing developing economies, it has also had the effect of dampening growth prospects for oil-exporting countries, including Malaysia.

Meanwhile, Aseana Properties' core markets, Malaysia and Vietnam, have experienced higher than expected Gross Domestic Product ("GDP") growth in 2014. Malaysia's economy, although shaken by the sharp drop in global oil prices, has defied the more general slide in commodities and oil prices to grow at its fastest pace since 2010, up 6.0% in 2014 compared with 4.7% in 2013. The positive growth was primarily driven by the continued strength of domestic demand and supported by an improvement in external trade performance. The Malaysian economy's steady growth has however been interrupted by the depreciation of the Ringgit, which was partially caused by the strengthening of the US Dollar in anticipation of the Federal Reserve raising interest rates. The Malaysian Ringgit hit a near six-year low after the government adjusted its economic targets to cope with sliding oil prices. Nevertheless, the Malaysian economy is expected to remain resilient in 2015 and withstand the challenges of the global economic environment, largely because of the country's diversified economic structure, low inflation, a strong and well-capitalised banking system and well-developed financial markets.

The economy in Vietnam has been stable for the past two years and GDP grew 6.0% in 2014. This was despite a volatile period at the start of the year as a result of a territorial dispute with China and the impact of weaker global economic conditions in the second half of 2014. Inflation and interest rates fell dramatically while exports maintained a relatively high rate of growth. In addition, the economic outlook has been further enhanced by the revamping of Vietnam's laws on foreign property ownership. In early 2015, The State Bank of Vietnam ("SBV") devalued the Vietnam Dong against the US Dollar by 1.0% to VND21,458, a move that will make Vietnam's exports more competitive compared to regional peers as the US Dollar strengthens. In addition, the National Assembly of Vietnam has set a GDP growth target of 6.2% and inflation rate of 5.0% for 2015.

With regard to the property market, measures introduced by the central bank have succeeded in cooling the Malaysian property market. Stricter lending conditions coupled with an interest rate rise in July 2014 have increased the cost of mortgage financing and rejection rates for home buyers applying for new home loans. As a result, the annual rate of increase in property prices has slowed down compared to the same period in 2013 according to Bank Negara Malaysia's House Price indicators. The number of successful transactions was also lower compared to the same period in 2013. The market is expected to continue its lacklustre performance into 2015 amid uncertainties around the implementation of the Goods and Services Tax ("GST") in April 2015. Buying sentiment will also be muted due to the potential hike in property prices as well as the heightened cost of living after the implementation of GST, which is further compounded by a weaker Ringgit. Property buyers are likely to adopt a "wait and see" approach when it comes to property investment decisions.

Meanwhile, the performance of the property market in Vietnam improved, especially in the residential sector. Stalled building projects have restarted and construction progress has accelerated due to cheaper and more readily available funding. In 2014, the real estate market ranked second in terms of total foreign direct investment into Vietnam, accounting for 12.6% of the total. Furthermore, the amended housing and real estate laws that take effect in July 2015 are likely increase market activities as foreigners are now able to purchase units in housing projects. Concrete efforts by the Vietnamese government to boost an ailing real-estate market and accelerate economic growth bode well for the sector in the coming years.

Progress of the property portfolio

2014 was an exciting year for Aseana Properties Limited ("Aseana Properties" or "Aseana"). In May 2014, SENI Mont' Kiara ("SENI") bagged the prestigious World Silver Award at the International Real Estate Federation ("FIABCI") World Prix d'Excellence Awards 2014 in the residential (High Rise) category. Sales at SENI increased from 85.0% at the beginning of 2014 to 94.9% to date. In a similar positive move, the Aloft Kuala Lumpur Sentral Hotel ("Aloft") was awarded the FIABCI Malaysia Property Award for the Hotel category in November 2014, in recognition of its development concept and design, marketing appeal and sustainability. Aloft closed the year in 2014 with an occupancy rate of 65.4%, which was commendable for a hotel that started operating only two years ago. Continuing into 2015, Aloft achieved its highest-to-date monthly occupancy rate of 85.5% in March 2015, and is on track to achieve its target for the year. In Sabah, the Harbour Mall Sandakan ("HMS") is 51.0% tenanted, while the Four Points by Sheraton Sandakan Hotel ("FPSS") recorded an occupancy rate of 41.8% as at 31 December 2014. The Manager is constantly looking at ways to improve efficiency and performance of these assets as the Company moves towards the realisation of its completed property portfolio. At the RuMa Hotel and Residences ("The RuMa"), the only project currently under development, sales of units progressed at a moderate pace, currently at 48.0%.

For Aseana Properties' portfolio in Vietnam, operation of City International Hospital ("CIH") is still going through a period of stabilisation. In 2014, CIH's poor performance was largely caused by challenges in human resources, lower patient volumes and lack of awareness of the hospital. The Manager is working closely with Parkway Pantai Limited, the operator of CIH to improve the performance of the hospital through concerted marketing campaigns, introduction of new service lines and targeted sales. Nam Long Investment Corporation ("Nam Long"), in which Aseana owns a strategic minority stake, issued 12.95 million new shares in a share swap with three of its subsidiaries' minority shareholders during the final quarter of 2014. The share swap has aligned interests between Nam Long and its subsidiaries. As a result of the share swap, Aseana's stake in Nam Long was diluted to 11.6%. On the back of positive financial results in 2014 and its leadership position in the affordable homes market, Nam Long's share price has increased gradually from VND17,600 per share on 31 December 2014 to VND19,900 per share on 24 April 2015.

Aseana Properties recorded positive results for the financial year ended 31 December 2014, mainly due to the sale of vacant plots of land at the International Healthcare Park ("IHP") (formerly International Hi-Tech Healthcare Park) as well as increased sales at both SENI Mont' Kiara and Tiffani. The Group registered an increase in revenue from US$29.3 million in 2013 to US$85.1 million in 2014 and recorded a net profit before taxation of US$15.4 million compared to a net loss of US$18.8 million in 2013. The net profit before tax includes profit attributable to SENI Mont' Kiara and Tiffani of US$16.7 million, a gain on disposal of land to AEON Vietnam of US$10.8 million, a gain on disposal of two pieces of vacant land at IHP of US$4.1 million and a gain on disposal of the 40% stake in EBSB of US$5.3 million during the year. These gains were offset by operating losses and financing costs of Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan, which totalled US$5.4 million, together with operating losses and financing costs of the City International Hospital, which totalled US$9.8 million.

Further information on each of the Company's properties is set out in the Manager's report on pages 11 to 15.

Continuation Vote

When the Company was launched in 2007, the Board considered it desirable that Shareholders should have an opportunity to review the future of the Company at appropriate intervals. Accordingly, and as required under the Company's Articles of Association, at the 2015 Annual General Meeting ("AGM"), the Company must propose an ordinary resolution for Aseana to cease trading as presently constituted (the "Discontinuation Resolution").

However, the Board firmly believes that ceasing to trade and placing the Company in liquidation at this time would have a significant adverse effect upon shareholder value. Whilst the Board is obliged to put forward the Discontinuation Resolution at the 2015 AGM, it does not consider that ceasing to trade at this time is in the best interests of Shareholders. Instead, the Board believes that a policy of orderly realisation of the Company's assets over a period of up to three years is a more appropriate approach in order to maximise the value of the Company's assets and returns to Shareholders, both up to and upon eventual liquidation of the Company. Ahead of the 2015 AGM, the Board is considering proposals to amend the Company's investment policy to enable a realisation of its assets in a controlled, orderly and timely manner, with the objective of achieving a balance between periodically returning cash to Shareholders and maximising the realisation value of the Company's investments. If the Proposals are adopted, the Board aims to complete the disposal of the Company's assets by June 2018.

The Proposals will require the approval of shareholders and the Board intends to convene an Extraordinary General Meeting, to be held immediately prior to the 2015 AGM, to consider the Proposals. The Board intends to recommend to shareholders that they vote for the Proposals at the EGM and against the Discontinuation Resolution at the Company's 2015 AGM. Further detail of the Proposals is expected to be posted to the Company's shareholders soon.

Outlook

As we progress into 2015, efforts to dispose of the remaining units at SENI Mont' Kiara and to increase the sale of The RuMa Hotel and Residences will continue. The Manager will also focus on improving the performance of the operating assets in preparation for their eventual sale.

Last but not least, I would like to extend my sincere appreciation to my fellow Directors and The Manager for their continuous commitment and support throughout the year. Our heartfelt gratitude also goes out to the Government authorities, financiers, shareholders and business associates for their continuous support in our business undertakings.

MOHAMMED AZLAN HASHIM
Chairman
27 April 2015

DEVELOPMENT MANAGER'S REVIEW

BUSINESS OVERVIEW

Looking back, 2014 proved to be yet another busy year for Aseana Properties. The City International Hospital ("CIH") was officially opened for business on 5 January 2014, offering comprehensive services including Gynecology, Cardiology, Medical Oncology, Neurology, Pediatrics, Ophthalmology and ENT. With the opening of CIH, the Group currently has a total of four assets operating in Malaysia and Vietnam. Meanwhile, the construction of the main building at The RuMa Hotel and Residences ("The RuMa") is progressing despite challenging market conditions and is now targeted to be completed by Q3 2017. The year ahead promises to be another busy one as we work towards realising the Group's assets, in line with the upcoming continuation vote and proposed new investment policy for the second half of 2015 onwards.

In May 2014, SENI Mont' Kiara ("SENI") was awarded the prestigious World Silver Award at the International Real Estate Federation ("FIABCI") World Prix d'Excellence Awards 2014 in the residential (High Rise) category. This award represents outstanding achievement and recognises the project that has demonstrated excellence across all the real estate disciplines. On the back of this achievement, SENI has recorded 94.9% of sales to date, with a target that the remaining units will be sold by end of 2015. In the meantime, sales at The RuMa have increased to 48.0% to date, based on sales and purchase agreements signed. Sales at The RuMa have been affected by the cooling measures implemented by the Malaysian Government, to address the accelerating house prices and property speculation. Aseana also entered into a share sale agreement with Malaysian Resources Corporation Berhad ("MRCB") to dispose of its 40% stake in Excellent Bonanza Sdn. Bhd. ("EBSB") for RM17.0 million (US$5.3 million) being the sales consideration. In addition, RM3.0 million (US$0.9 million) was repaid for the amount due from EBSB during the financial year. The transaction was completed in August 2014. The disposal represents an early exit and realisation of profits from the project which was originally planned for December 2015.

In Vietnam, Aseana, through its 68%-owned subsidiary, Hoa Lam Shangri-La 3 Limited Liability Company ("HLSL3"), has entered into an agreement with AEON Vietnam Co., Ltd. ("AEON Vietnam") to dispose a 4.7 hectares (11 acres) of retail mall land at the International Healthcare Park ("IHP") (formerly known as International Hi-Tech Healthcare Park) and also to transfer the development rights of the retail mall to AEON Vietnam. The transaction was completed in August 2014 and has contributed positively to Aseana's FY2014 results. Separately, during the last quarter of 2014, Nam Long issued 12.95 million new shares for the purpose of a share swap with three of its subsidiaries' minority shareholders. Through the share swap, interests between Nam Long and its subsidiaries are further aligned and corporate governance was improved. Following the share swap, Aseana's stake in Nam Long was further diluted to 11.6%.

Malaysia Economic Update

Despite moderate but uneven growth exhibited by the global economy in 2014, the Malaysian economy grew at a stronger pace, assisted by the continued strength in private domestic demand and positive growth in net exports. Malaysia's gross domestic product ("GDP") for the last quarter of 2014 stood at 5.8% while for the whole of 2014, growth was at 6.0% compared to 4.7% in 2013. After seven years of negative contribution, net exports in Malaysia have turned around to contribute positively to growth following the recovery in the advanced economies and the sustained demand from regional economies which have benefitted Malaysia. In spite of the positive GDP growth, the

Ringgit depreciated towards the end of the year as it was impacted by the plummeting crude oil prices amid a strengthening US Dollar. The Ringgit has depreciated by 6.1% to RM3.4950 against the US Dollar during the year as a whole. In 2015 to date, the Ringgit has continued to decline against the US Dollar, closing at RM3.5995 as at 24 April 2015. There were also concerns over the Government's revision of the economic growth forecast to 4.5% - 5.5% for 2015 from 5.0% - 6.0% and the fiscal deficit target to 3.2% of GDP from 3.0% during the Special Address by the Prime Minister in January 2015.

The Overnight Policy Rate ("OPR") remained unchanged at 3.25%, since its last increment in July 2014. This move is to support economic activity following a weaker global growth outlook amid moderating domestic inflation. Malaysia's inflation rose by 3.2% during the year mainly driven by domestic cost factors arising from the adjustments in the prices of several price-controlled items since late 2013. After rising in the earlier part of the year, inflation moderated during the last four months due to lower food inflation and the downward adjustments in fuel prices following the implementation of the managed-float fuel-pricing mechanism. Although it appears that the implementation of the Goods and Services Tax ("GST") in April 2015 may be tempered by the substantial exemption list, some temporary impact on inflation is believed to be inevitable.

In tandem with the Ringgit's depreciation and falling crude oil prices, business confidence during the last quarter of 2014 appears subdued. According to the Malaysian Institute of Economic Research ("MIER"), Business Conditions Index ("BCI") slipped to 86.4 points in Q4 2014, largely attributed to slower domestic and export orders, continued deterioration in sales, slowdown in manufacturing activities coupled with higher inventories. Similarly, the Consumer Sentiment Index ("CSI") plunged to 83.0 points in the fourth quarter of 2014, mainly caused by looming concerns over the financial outlook of Malaysia and also the impact of the implementation of GST in April 2015.

Malaysia moved up from 20th position to 18th in the World Bank's Doing Business 2015 Report, ahead of countries such as Taiwan, Switzerland, Thailand, the Netherlands and Japan. In Asia, Malaysia ranked 4th, after Singapore, Hong Kong and South Korea. The improvements reflect the initiatives undertaken by the government through the Government Transformation and Economic Programme as well as the work undertaken by the Joint Public-Private Sector Task force to facilitate businesses. In line with this, Malaysia recorded a net inflow of RM10.2 billion (US$2.9 billion) of Foreign Direct Investment ("FDI") during the last quarter of 2014 with countries such as Singapore, Netherlands and Japan being the top investors. The majority of the FDI inflows were channeled into manufacturing, financial and insurance as well as mining sectors. For the whole of 2014, total cumulative FDI stood at RM35.1 billion (US$10.0 billion), which was RM3.1 billion (US$0.9 billion) shy of the 2013 cumulative FDI of RM38.2 billion (US$10.9 billion).

Vietnam Economic Update

Although suffering from a slower start at the beginning of the year and the negative effect of the political tensions with China, Vietnam's economy rebounded and its recovery is now back on track. Vietnam's GDP growth for 2014 was 6.0%, surpassing the Vietnamese government's target of 5.8% and the highest since 2011. Continued macroeconomic stability has helped underpin growth in Vietnam and a new cycle of economic growth was further confirmed by a number of positive indicators such as the recovery of the property market, strong external accounts, accelerating retail sales, a pick-up in credit expansion and improving bank balance sheets. Likewise, the Vietnamese Government has implemented remedial measures that have helped boost the economy such as, actions to reduce inflation, stabilisation of the foreign exchange market and strengthening of external accounts.

Vietnam's inflation has eased significantly over recent years on the back of government's measures to curb demand. In 2014, Vietnam's average CPI grew at 4.1%, lower than the set target of 7.0%. The easing inflation has provided the State Bank of Vietnam ("SBV") with the needed room to further ease monetary policy to support growth, encourage consumer spending in productive sectors and help enterprises reduce their borrowing costs. Meanwhile, Vietnam has recorded trade surpluses for 3 consecutive years and reached its highest value at US$2.0 billion in 2014. Further to that, the SBV devalued the Vietnamese Dong against the US dollar by 1.0% to VND 21,458 in January 2015 in a bid to spur Vietnam's exports and to sustain growth relative to other South East Asian economies.

Foreign Direct Investment ("FDI") remained as the largest contributor to the trade surplus, accounting for 68.0% of total export revenue. It is expected that FDI in 2015 will continue its upside growth fuelled by an accommodating monetary policy, recovery of the banking sector, improving domestic demand, the lower oil price and a pick-up in export manufacturing. The EU-Vietnam Free Trade Agreement, when ratified in 2015, will provide a positive impetus to FDI, to exports and to consumer confidence.

On the back of improved macroeconomic stability and stronger external balances, Fitch Ratings upgraded Vietnam's Long-Term Foreign and Local Currency Issuer Default Ratings from "B+" to "BB-", and Vietnam's outlook has been revised from "Positive" to "Stable".

PORTFOLIO REVIEW

MALAYSIA

<u>Property Market Review</u>

Malaysia's property market which was seen to be bullish in the past couple of years has slowed down noticeably throughout 2014. The series of cooling measures implemented under the 2014 budget by the Government, such as the increase in the Real Property Gains Tax ("RPGT"), the loan-to-value and prohibition of the Developer Interest Bearing Scheme ("DIBS"), have worked well to arrest the steep rise in property prices in the middle-end market and reduced speculative activity. With the implementation of the Goods and Services Tax ("GST") in April 2015, buyers will likely adopt a "wait-and-see" approach for at least the next six to nine months. Amid the rising costs of doing business, tighter monetary policy and the impact of the new tax system, the property market is expected to remain challenging going forward. The recent plunge in crude oil prices and lower trade surplus could further undermine the country's economy and its property market especially if they are prolonged.

The Malaysian Government has introduced the Youth Housing Scheme, a smart partnership between the government, Bank Simpanan Nasional, Employees Provident Fund ("EPF") and Cagamas. With this scheme, it is announced that more housing units will be built under the 1 Malaysia People's Housing Programme ("PRIMA") and extended the 50% stamp duty exemption until 31 December 2016. These are amongst the measures introduced by the government to assist the young and first-time home buyers who are facing difficulties in affording a home.

On the commercial office front, the Klang Valley office market continues to favour tenants and was resilient in 2014. During the year, total supply of commercial office space in the Klang Valley increased to 107.7 million sq. ft. Amid the widening gap between supply and demand, the overall occupancy rate increased marginally to 82.0% while market rents have remained stable with limited growth prospects. Meanwhile, the average occupancy rate for the retail sector in the Klang Valley stood at 82.9% during the last quarter of 2014. Market prices as well as rents in the retail sector have generally remained stable. However, consumers' spending power has been affected as a result of the removal of fuel subsidy, the plunge in the CSI to below-100 points threshold, the hike in the OPR from 3.0% to 3.2%, coupled with the implementation of GST in April 2015. The outlook for the retail sector's performance is expected to be moderate.

Despite some major setbacks during the year, including the two Malaysian aircraft tragedies, Malaysia's tourism industry continued to show a sustainable growth trend, contributed by Tourism Malaysia's aggressive promotional efforts together with the support of other industrial players in conjunction with "Visit Malaysia Year 2014". Hotel supply in the Klang Valley was up 6.2% compared to 2013. Looking forward, the weakening of the Malaysian currency will spur tourists' inflow as visiting and spending in Malaysia has become relatively cheap and affordable. A wide range of traditional and cultural festivals have been planned for 2015 in conjunction with the Malaysia Year of Festivals ("MyFest") campaign. MyFest will be implemented in 2015 to boost the tourism sector as announced by the Malaysian Government in Budget 2015.

Aseana Properties has six development projects 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.

  In May 2014, SENI Mont' Kiara was awarded the prestigious World Silver Award at the FIABCI World Prix d'Excellence Awards 2014 in the residential (High Rise) category. On the back of this achievement, sales at SENI Mont' Kiara have progressed to 94.9% 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, 98.7% of the 399 residential units have been sold. The debt on the project has been fully repaid. The Manager has decided to partially fit out two remaining penthouses at Tiffani by i-ZEN to offer buyers and dwellers a hassle-free experience of owning an apartment unit.

- **The RuMa Hotel and Residences**

  This project is strategically located in the heart of Kuala Lumpur City Centre ("KLCC") on Jalan Kia Peng, near neighbouring landmarks such as the Grand Hyatt Kuala Lumpur, KLCC Convention Centre, Suria KLCC shopping mall, KLCC Park and the world famous Petronas Twin Towers. Aseana Properties owns 70.0% of this project and 30.0% is owned by Ireka

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

Construction work commenced in February 2013 and is estimated to complete 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, sales at The RuMa Hotel and Residences have increased to approximately 48.0% based on the sales and purchase agreements signed.

The land was part financed by a term-loan facility of RM65.3 million (US$18.7 million), which was fully drawn down. The development of the project is funded by progressive payments from buyers.

- **Kuala Lumpur Sentral Project and Aloft Kuala Lumpur Sentral Hotel**
  Kuala Lumpur Sentral project is a mixed commercial and hospitality development project consisting of two office towers and a business class hotel, centrally located in Kuala Lumpur's urban transportation hub. The project is owned and developed by Excellent Bonanza Sdn. Bhd. ("EBSB"), which was jointly owned by Aseana Properties and Malaysian Resources Corporation Berhad on a 40:60 basis.

  In June 2014, Aseana entered into a share sale agreement with Malaysian Resources Corporation Berhad ("MRCB") to dispose of its 40% stake in Excellent Bonanza Sdn. Bhd. ("EBSB") for RM17.0 million (US$5.3 million) being the sales consideration. In addition, RM3.0 million (US$0.9 million) was repaid for the amount due from EBSB during the financial year. The transaction completed in August 2014.

  At the commencement of the project, Aseana Properties conditionally agreed to purchase the hotel component from EBSB for a total consideration of approximately RM217.0 million (or US$62.1 million). The sale and purchase of the 482-room Aloft Kuala Lumpur Sentral Hotel was completed in April 2013 and operations commenced on 22 March 2013. Aseana Properties entered into a Management Agreement appointing Starwood Asia Pacific Hotels & Resort Pte Ltd as the operator of Kuala Lumpur Sentral Hotel under the 'Aloft' brand name.

  The purchase of the Aloft Kuala Lumpur Sentral Hotel together with fit-out expenses were financed by guaranteed medium term notes of RM270.0 million (US$77.2 million) which is part of the RM515.0 million (approximately US$147.3 million) MTN programme announced in November 2011, of which RM15.0 million was drawn down as at 31 December 2012. The remaining RM254.0 million (US$72.6 million) was fully drawn down in April 2013 to complete the acquisition of the Aloft Kuala Lumpur Sentral Hotel.

  The Aloft Kuala Lumpur Sentral Hotel has been awarded the winner of the prestigious FIABCI Malaysia Property Awards in the Hotel category in recognition of its development concept and design, marketing appeal and sustainability back in November 2014. On top of that, the hotel was also awarded with a number of other awards during the year such as the Best Short Stay Excellence Award by Expatriate Lifestyle for the Best of Malaysia Travel Awards and the Kuala Lumpur Mayor's Tourism Awards for 4-star hotel category. The

Aloft hotel has to date in year 2015 achieved an occupancy rate of 73.5%, and an Average Daily Rate ("ADR") of RM324.8.

- **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, of which 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.

  The Harbour Mall Sandakan ("HMS") and Four Points by Sheraton Sandakan Hotel ("FPSS") commenced business in July and May 2012 respectively. The occupancy rate at the Harbour Mall Sandakan is currently 53.0%. Notable tenants in the mall include Parkwell Departmental Store, Levi's, The Body Shop, GNC and McDonald's amongst others and leasing activities at Harbour Mall Sandakan to both local and international retailers are still ongoing. Meanwhile, FPSS recorded an occupancy rate of 35.7% to date, with an ADR of RM204. 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 conditions in Sabah continue to suffer from the impact of two airline tragedies in the surrounding area and several kidnapping cases off the east coast of Sabah during 2014. 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$70.1 million) which is part of the RM515.0 million (US$147.3 million) MTN programme announced in November 2011. The MTNs were fully issued as at 31 December 2011.

- **Kota Kinabalu Seafront resort & residences**
  Facing the South China Sea, this project is 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**.** Various marketing efforts were conducted in 2014 to dispose of the land. However, similar to the Sandakan Harbour Square properties, the prospects have been affected by the impact of the two flight tragedies on the tourism market.

VIETNAM

Property Market Review

A larger number of successful transactions and the rising prices provide evidence that the Vietnamese property market is on its path to recovery, especially the residential market. In the early months of 2014, the number of successful transactions doubled over the same period in 2013. Policies introduced by the Vietnamese Government, such as extending housing loan channels, lowering interest rates, the performance and support package of VND30.0 trillion and the favourable changes in housing law, have stimulated and supported the recovery process of the residential market. Based on the revised housing law, which will come into effect from July 2015, foreigners will be allowed to purchase project-based houses and condominiums. On top of that, expatriate Vietnamese will also have ownership rights equal to those of local Vietnamese.

2014 saw a sharp increase in the number of new development launches for the residential market in both Hanoi and Ho Chi Minh City ("HCMC"). There were a total of 14,807 new units launched in HCMC, which was 3.2 times higher than 2013. In Hanoi a total of 16,253 new units were released, which was 2.1 times higher than that of 2013. It is expected that the market will continue to look positive in 2015 as more stalled projects restart and there will be more new launches.

On the back of improving economic indicators, demand in the HCMC office market has risen, with limited supply helping to support rents and lower the vacancy rate. Overall occupancy stood at 90.0% in 2014, the highest in the last five years. In retail, 2014 saw the opening of two shopping centres in HCMC by the Japanese AEON Group. AEON Group has set a target to operate up to 20 shopping malls in Vietnam by 2020. In addition, the Korean Lotte Group also announced a plan to open 60 supermarkets in Vietnam by 2020. During the year, local retailers actively expanded, with the most notable acquisition being that of a supermarket chain from Ocean Retail Group by Vingroup. Vingroup plans to construct or purchase 100 VinMart supermarkets and 1,000 VinMart convenience stores by 2017 as well as an additional nine shopping centers across the country. On the whole, Vietnam's retail and service sectors have maintained an average growth rate above 10%, despite the economic downturn. As a result of this performance, continuing strong economic growth and a rising middle class population, the retail sector is expected to perform well in 2015.

Vietnam's tourism industry has experienced some setbacks during the early part of the year as a result of a political rift with China. As a result, the total number of international visitors in 2014 was recorded at only 7.9 million, up 4.0% compared to 2013 and was much lower than the growth of 10.6% back in 2013.

Aseana Properties has one equity investment and two development projects in Vietnam - the latter comprising one residential project with its development partner, Nam Long Investment Corporation and an integrated healthcare development. The highlights are as follow:

- **International Healthcare Park (formerly known as International Hi-Tech Healthcare Park) and City International Hospital**
  The International Healthcare Park ("IHP") is a planned mixed development over 37.54 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 68.1% 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 has been allocated for residential developments. Out of a total 19 plots of land, three plots have been sold to date.

  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) and is managed by Parkway Pantai Limited, Asia's leading private healthcare group with a network of more than 3,300 beds across Singapore, Malaysia, the Middle East and India. The operations of CIH are expected to go through a period of stabilisation before reaching optimal performance.

To part finance the payment for the land and working capital, the joint venture companies have secured total loan facilities of US$16.3 million, of which US$13.2 million had been drawn down as at 31 December 2014. 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$41.0 million was drawn down as at 31 December 2014.

- **Nam Long Investment Corporation**

  In 2008, Aseana Properties acquired a strategic minority stake in Nam Long Investment Corporation ("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. In February 2014, Nam Long completed a placing of 25,500,000 new shares at VND18,000 (approximately US$0.855) per share to a prominent list of institutional investors including International Finance Corporation (investment arm of World Bank), which saw the dilution of Aseana Properties' effective stake in Nam Long to 12.9% from 16.3%. Aseana Properties' stake was further diluted to 11.6% in the last quarter of 2014 following the issuance of 12.95 million new shares in a share swap with three of Nam Long's subsidiaries' minority shareholders. The swap improves corporate governance and alignment of interests between Nam Long and its subsidiaries.

  In 2014, the International Finance Corporation ("IFC"), a member of the World Bank Group, has awarded its first "Excellence in Design for Greater Efficiencies" ("EDGE") certifications in Vietnam to building designs developed by Nam Long. IFC's EDGE is a new building resource efficiency certification system created for emerging markets which provides clients with technical solutions for going green and captures capital costs and projected operational savings. Nam Long, being the first EDGE-awarded real estate developer in Vietnam, is showing strong commitment to developing affordable and environmentally friendly residences with high quality of life.

  Nam Long's affordable housing projects, branded as "E-homes", continue to be their main revenue driver. The high quality and low prices have made its E-homes brand the preferred brand among prospective home buyers in Vietnam. Nam Long currently owns a land bank of more than 560 hectares, mainly in HCMC and its neighbouring provinces, making it one of the largest property developers by land bank in HCMC. For the year ended 2014, Nam Long reported a total revenue of VND866.9 billion (US$40.5 million) and its net profit after tax stood at VND103.6 billion (US$4.8 million).

- **Waterside Estates**

  Waterside Estates was initially planned for 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. The project was to be developed jointly by Aseana Properties and Nam Long on a 55:45 basis. However, due to the challenging conditions of the high-end real estate market in Vietnam and with Aseana Properties approaching its maturity, the board has now decided to assess the market for opportunities to divest this project.

OUTLOOK

Having pulled through another challenging year in 2014, Aseana Properties is now looking to continue its focus on stabilising the operations of its assets to achieve optimum capital value and at the same time concentrate on realising remaining assets as the date for the continuation vote draws closer. Ahead of a potential sale of assets in the portfolio, Aseana Properties remains committed to a regime of prudent management, ensuring an optimum capital value for the portfolio.

The Malaysian property market is expected to remain challenging as there are looming uncertainties in the outlook for the property market arising from the impending GST implementation and the effect of the stringent measures introduced by the Government of Malaysia. On the contrary, Vietnam's economy has shown signs of continued growth through 2014. The Vietnamese Government has undertaken a number of important legal and regulatory changes to improve the market situation and encourage foreign investment. Nevertheless, the Manager is currently working closely with the Board to improve the performances of the assets of the company in preparation for their eventual sale in view of the maturity of Aseana Properties.

On a final note, we would like to take this opportunity to thank the Board of Aseana Properties, our advisers and business associates for their support and guidance throughout the year.

LAI VOON HON
President / Chief Executive Officer
Ireka Development Management Sdn. Bhd.
Development Manager
27 April 2015

PERFORMANCE SUMMARY

	Year ended 31 December 2014	Year ended 31 December 2013
Total Returns since listing		
Ordinary share price	-55.00%	-56.00%
FTSE All-share index	6.03%	8.34%
FTSE 350 Real Estate Index	-42.09%	-49.95%
One Year Returns		
Ordinary share price	2.27%	10.69%
FTSE All-share index	-2.13%	16.69%
FTSE 350 Real Estate Index	15.72%	19.10%
Capital Values		
Total assets less current liabilities (US$ million)	310.16	361.63
Net asset value per share (US$)	0.76	0.75
Ordinary share price (US$)	0.45	0.44
FTSE 350 Real Estate Index	543.17	469.38
Debt-to-equity-ratio		
Debt-to-equity-ratio [1]	127.64%	134.94%
Net debt-to-equity-ratio [2]	110.04%	120.25%
Earnings Per Share		
Earnings per ordinary share - basic (US cents)	4.29	-8.96
- diluted (US cents)	4.29	-8.96

Notes:
[1] Debt-to-equity-ratio = (Total Borrowings ÷ Total Equity) x 100%
[2] Net debt-to-equity-ratio = (Total Borrowings less Cash and Cash Equivalents less Held-For-Trading Financial Instrument ÷ Total Equity) x 100%

FINANCIAL REVIEW

INTRODUCTION

The Group has recorded positive operating results for financial year ended 31 December 2014, mainly attributable to the increased level of sales at SENI Mont' Kiara, sale of three plots of lands at the International Healthcare Park ("IHP") and disposal of the Company's 40% stake in an associated company, Excellent Bonanza Sdn. Bhd ("EBSB").

STATEMENT OF COMPREHENSIVE INCOME

The Group registered an increase in revenue from US$29.3 million in 2013 to US$85.1 million in 2014; and a net profit before taxation of US$15.4 million as compared to a net loss of US$18.8 million in 2013. The net profit included profit attributable to SENI Mont' Kiara and Tiffani of US$16.7 million, gains on disposal of one plot of land at IHP to AEON Vietnam Co. Ltd. of US$10.8 million, gains on disposal of another two plot of lands at IHP of US$4.1 million and also the disposal of the 40% stake in EBSB of US$5.3 million during the financial year. These profits are offset by operating losses and financing costs largely attributable to Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan totalling US$5.4 million, together with operating losses and financing costs of City International Hospital of US$9.8 million. Finance cost for these three operating assets together with those of Aloft Kuala Lumpur Sentral Hotel totalled US$11.6 million.

Net profit attributable to equity holders of the parent was US$9.1 million in 2014, compared to a net loss of US$19.0 million in 2013. Tax charge for 2014 was higher at US$9.4 million (2013: US$2.9 million) due to corresponding higher revenue.

The consolidated comprehensive loss for the year ended 31 December 2014 was US$1.24 million compared to a consolidated comprehensive loss of US$27.7million in 2013. The former includes a loss arising from foreign currency translation differences for foreign operations of US$7.4 million (2013: Loss of US$6.2 million) due to weakening of Ringgit against US Dollars during the year; and an increase in the fair value of shares in Nam Long of US$0.13 million (2013: Increase of US$ 0.13 million). The carrying amount of shares in Nam Long was US$12.8million as at 31 December 2014 (2013: US$ 12.7 million).

Basic and diluted earnings per share for the year ended 31 December 2014 were both US cents 4.29 (2013: Loss per share of US cents 8.96).

STATEMENT OF FINANCIAL POSITION

Total assets at 31 December 2014 were US$445.4 million, compared to US$494.8 million for 2013, representing a decrease of US$49.4 million. The decrease was mainly due to a decrease in inventories following the disposal of completed units of SENI Mont' Kiara and Tiffani, and disposal of three plots of lands at IHP. Cash and cash equivalents (excluding the impact of deposit pledged) were higher at US$26.0 million (2013: US$24.6 million) mainly due to higher collection from SENI Mont' Kiara and proceeds from sale of lands in IHP.

Total liabilities have decreased from US$324.8 million in 2013 to US$274.7 million in 2014, a decrease of US$50.1 million. The decrease was mainly due to a decrease of trade and other payables from US$83.6 million in 2013 to US$40.5 million in 2014. Net Asset Value per share at 31 December 2014 was US cents 75.7 (2013: US cents 74.8).

CASH FLOW AND FUNDING

Changes in cash flow in 2014 were positive at US$3.4 million, compared to the positive cash flow of US$8.8 million in 2013.

The Group's subsidiaries borrow to fund property development projects. At 31 December 2014, the Group had gross borrowings of US$217.9 million (2013: US$229.4 million), a decrease of 5.0% over the previous year. Net debt-to-equity ratio decreased from 120.3% in 2013 to 110.0% in 2014. Moving forward, the Group will focus on parring down its borrowings.

Finance income was US$0.6 million in 2014 compared to US$0.4 million in 2013. Finance costs increased from US$9.8 million in 2013 to US$13.8 million in 2014. The increase was mainly attributable to Aloft Kuala Lumpur Sentral Hotel, City International Hospital and IHP.

DIVIDEND

No dividend was declared or paid in 2014.

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
27 April 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

Continuing activities	**Notes**	**2014 US$'000**	**2013 US$'000**
Revenue	3	**85,102**	29,269
Cost of sales	5	**(51,821)**	(22,768)
Gross profit		**33,281**	6,501
Other income	6	**27,369**	16,122
Administrative expenses		**(1,193)**	(1,622)
Foreign exchange gain/ (loss)	7	**716**	(1,105)
Management fees	8	**(3,344)**	(3,762)
Marketing expenses		**(823)**	(1,953)
Other operating expenses		**(32,715)**	(23,635)
Operating profit/ (loss)		**23,291**	(9,454)
Finance income		**577**	424
Finance costs		**(13,760)**	(9,766)
Net finance costs	9	**(13,183)**	(9,342)
Gain on disposal of investment in associate	14	**5,641**	-
Share of loss of equity-accounted associate, net of tax	14	**(335)**	-
Net profit/ (loss) before taxation	10	**15,414**	(18,796)
Taxation	11	**(9,387)**	(2,854)
Profit/ (loss) for the year		**6,027**	(21,650)
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		**(7,388)**	(6,220)
Increase in fair value of available-for-sale investments	15	**125**	126
Total other comprehensive expense for the year	12	**(7,263)**	(6,094)
Total comprehensive loss for the year		**(1,236)**	(27,744)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014(cont'd)

Continuing activities	Notes	2014 US$'000	2013 US$'000
Profit/ (loss) attributable to:			
Equity holders of the parent		**9,091**	(19,006)
Non-controlling interests		**(3,064)**	(2,644)
Total		**6,027**	(21,650)
Total comprehensive loss attributable to:			
Equity holders of the parent		**2,074**	(24,971)
Non-controlling interests		**(3,310)**	(2,773)
Total		**(1,236)**	(27,744)
Earnings/ (loss) per share			
Basic and diluted (US cents)	13	**4.29**	(8.96)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

	Notes	2014 US$'000	2013 US$'000
Non-current assets			
Property, plant and equipment		**1,018**	1,146
Investment in an associate	14	**-**	2,252
Available-for-sale investments	15	**12,822**	12,697
Intangible assets	16	**8,798**	13,525
Deferred tax assets	17	**1,683**	595
Total non-current assets		**24,321**	30,215
Current assets			
Inventories	18	**381,778**	428,609
Held-for-trading financial instrument	19	**4,041**	375
Trade and other receivables		**8,359**	9,654
Prepayments		**337**	258
Amount due from an associate	20	**-**	853
Current tax assets		**513**	233
Cash and cash equivalents		**26,011**	24,585
Total current assets		**421,039**	464,567
TOTAL ASSETS		**445,360**	494,782
Equity			
Share capital	21	**10,601**	10,601
Share premium	22	**218,926**	218,926
Capital redemption reserve	23	**1,899**	1,899
Translation reserve		**(10,247)**	(3,105)
Fair value reserve		**251**	126
Accumulated losses		**(60,932)**	(69,876)
Shareholders' equity		**160,498**	158,571
Non-controlling interests		**10,187**	11,429
Total equity		**170,685**	170,000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014(cont'd)

	Notes	2014 US$'000	2013 US$'000
Non-current liabilities			
Amount due to non-controlling interests	24	**1,120**	1,440
Loans and borrowings	25	**53,364**	49,309
Medium term notes	26	**84,993**	140,877
Total non-current liabilities		**139,477**	191,626
Current liabilities			
Trade and other payables		**40,510**	83,640
Amount due to non-controlling interests	24	**10,222**	9,008
Loans and borrowings	25	**19,274**	25,466
Medium term notes	26	**60,237**	13,739
Current tax liabilities		**4,955**	1,303
Total current liabilities		**135,198**	133,156
Total liabilities		**274,675**	324,782
TOTAL EQUITYAND LIABILITIES		**445,360**	494,782

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Share Capital 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 2013	10,626	218,926	1,874	2,986	-	(50,828)	183,584	13,063	196,647
Changes in ownership interests in subsidiaries (Note 29)	-	-	-	-	-	(42)	(42)	42	-
Non-controlling interests contribution	-	-	-	-	-	-	-	1,097	1,097
Loss for the year	-	-	-	-	-	(19,006)	(19,006)	(2,644)	(21,650)
Total other comprehensive expense	-	-	-	(6,091)	126	-	(5,965)	(129)	(6,094)
Total comprehensive loss	-	-	-	(6,091)	126	(19,006)	(24,971)	(2,773)	(27,744)
Cancellation of shares	(25)	-	25	-	-	-	-	-	-
At 31 December 2013/ 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 29)	-	-	-	-	-	(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)
Shareholders' equity at 31 December 2014	**10,601**	**218,926**	**1,899**	**(10,247)**	**251**	**(60,932)**	**160,498**	**10,187**	**170,685**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 US$'000	2013 US$'000
Cash Flows from Operating Activities		
Net profit/(loss) before taxation	**15,414**	(18,796)
Finance income	**(577)**	(424)
Finance costs	**13,760**	9,766
Unrealised foreign exchange (gain)/ loss	**(291)**	1,065
Impairment of goodwill	**4,727**	320
Depreciation of property, plant and equipment	**122**	114
Gain on disposal of investment in an associate	**(5,641)**	-
Gain on disposal of property, plant and equipment	**(3)**	-
Property, plant and equipment written off	**-**	7
Share of loss of equity-accounted associate, net of tax	**335**	-
Fair value gain on amount due to non-controlling interests	**(320)**	-
Fair value (gain)/loss on held-for-trading financial instrument	**(39)**	5
Operating profit/(loss) before changes in working capital	**27,487**	(7,943)
Changes in working capital:		
Decrease/ (increase) in inventories	**29,437**	(96,690)
Decrease in trade and other receivables and prepayments	**647**	2,063
(Decrease)/ increase in trade and other payables	**(40,615)**	28,884
Cash generated from/ (used in) operations	**16,956**	(73,686)
Interest paid	**(13,760)**	(9,766)
Tax paid	**(6,679)**	(4,029)
Net cash used in operating activities	**(3,483)**	(87,481)
Cash Flows from Investing Activities		
Repayment from/(advances to) associate	**853**	(630)
Proceeds from disposal of investment in an associate	**5,306**	-
Proceeds from disposal of property, plant and equipment	**12**	-
(Purchase of)/disposal of held-for-trading financial instrument	**(3,651)**	899
Purchase of property, plant and equipment	**(20)**	(154)
Finance income received	**577**	424
Net cash generated from investing activities	**3,077**	539

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014 (cont'd)

	2014 US$'000	2013 US$'000
Cash Flows from Financing Activities		
Advances from non-controlling interests	**1,635**	1,081
Issuance of ordinary shares of subsidiaries to non-controlling interests	**1,921**	1,097
Repayment of loans and borrowings	**(16,858)**	(17,341)
Drawdown of loans and borrowings	**17,108**	110,860
Decrease in pledged deposits placed in licensed banks	**-**	77
Net cash generated from financing activities	**3,806**	95,774
Net changes in cash and cash equivalents during the year	**3,400**	8,832
Effect of changes in exchange rates	**(1,355)**	(248)
Cash and cash equivalents at the beginning of the year	**14,166**	5,582
Cash and cash equivalents at the end of the year	**16,211**	14,166

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	**12,057**	11,498
Short term bank deposits	**13,954**	13,087
	26,011	24,585
Less: Deposits pledged	**(9,800)**	(10,419)
Cash and cash equivalents	**16,211**	14,166

In the previous financial year, the Group acquired property, plant and equipment with an aggregate cost of US$194,000 of which US$40,000 was acquired by means of finance leases.

During the financial year, US$1,921,000 (2013: US$1,097,000) of ordinary shares of subsidiaries were issued to non-controlling shareholders, which was satisfied via cash consideration.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The principal activities of the Group and the Company are 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 and held-for-trading financial instruments, along with the adequacy of bank loans and medium term notes and refinancing of these medium term notes (as described in Notes 25 and 26).

The Directors expect to fully "roll-over" the 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 guaranteed by three completed inventories of the Group with carrying amount of US$170.54 million as at 31 December 2014. 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 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 three completed inventories that guaranteed the medium term notes, the proceeds from the disposal will reduce the amount of notes the Group seeks to "roll-over".

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 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 1 First-time Adoption of International Financial Reporting Standards	Amendments resulting from Annual Improvements 2011-2013 Cycle (meaning of effective IFRSs)	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 2 Share-based payment	Amendments resulting from Annual Improvements 2010-2012 Cycle (definition of "vesting condition")	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 3 Business Combinations	Amendments resulting from Annual Improvements 2010-2012 Cycle (accounting for contingent consideration)	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 3 Business Combinations	Amendments resulting from Annual Improvements 2011-2013 Cycle (scope exception for joint ventures)	December 2013	Annual periods beginning on or after 1 July 2014
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 8 Operating Segments	Amendments resulting from Annual Improvements 2010-2012 Cycle (aggregation of segments, reconciliation of segment assets)	December 2013	Annual periods beginning on or after 1 July 2014
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 the sale or contribution of assets between an investor and its associate or joint venture	September 2014	Annual periods beginning on or after 1 January 2016
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 13 Fair Value Measurement	Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52)	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 15 Revenue from Contracts with Customers	Original issue	May 2014	Applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2017

IAS 1 Presentation of Financial Statements	Amendments resulting from the disclosure initiative	December 2014	Annual periods beginning on or after 1 January 2016
IAS 16 Property, Plant and Equipment	Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation)	December 2013	Annual periods beginning on or after 1 July 2014
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 19 Employee Benefits	Amendments to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to period of service	November 2013	Annual periods beginning on or after 1 July 2014
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 24 Related Party Disclosures	Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities)	December 2013	Annual periods beginning on or after 1 July 2014
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 sale or contribution of assets between an investor and its associate or joint venture	September 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 38 Intangible Assets	Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation)	December 2013	Annual periods beginning on or after 1 July 2014
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 40 Investment Property	Amendments resulting from Annual Improvements 2011-2013 Cycle (inter-relationship between IFRS 3 and IAS 40)	December 2013	Annual periods beginning on or after 1 July 2014

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 and land held for property development in Vietnam.

3.1 Revenue recognised during the year as follows:

	2014 US$'000	**2013 US$'000**
Sale of completed units	**55,762**	29,269
Sale of land held for property development	**29,340**	-
	85,102	29,269

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 City International Hospital.

Other non-reportable segments comprise the Group's other development projects. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2014 and 2013.

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 is as follows:-

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**

Operating Segments – ended 31 December 2013

	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	(2,217)	(323)	(5,927)	4,169	(4,382)	(2,126)	(7,559)	(18,365)
Included in the measure of segment profit/ (loss) are:								
Revenue	-	1,278	433	27,558	-	-	-	29,269
Revenue from hotel operations	-	-	3,409	-	10,089	-	-	13,498
Revenue from mall operations	-	-	954	-	-	-	-	954
Revenue from hospital operations	-	-	-	-	-	-	179	179
Cost of acquisition written down #	-	(33)	(68)	(5,918)		-		(6,019)
Impairment of goodwill	-	-	-	(320)		-	-	(320)
Marketing expenses	-	-	-	(711)	-	(1,242)	-	(1,953)
Expenses from hotel operations	-	-	(3,833)	-	(10,112)	-	-	(13,945)
Expenses from mall operations	-	-	(1,659)	-	-	-	-	(1,659)
Expenses from hospital operations	-	-	-	-	-	-	(4,538)	(4,538)
Depreciation of property, plant and equipment	-	(2)	(10)	(1)	(7)	-	(91)	(111)
Finance costs	-	-	(4,464)	(252)	(3,841)	-	(1,209)	(9,766)
Finance income	7	4	301	28	44	13	27	424

Segment assets	18,273	9,703	105,954	81,743	79,231	49,696	110,545	455,145
Included in the measure of segment assets are:								
Addition to non-current assets other than financial instruments and deferred tax assets	-	-	5	-	44	-	145	194

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 or loss for reportable segments	(18,365)
Other non-reportable segments	(428)
Depreciation	(3)
Consolidated loss before taxation	(18,796)

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

2013 US$'000	Revenue	Depreciation	Finance costs	Finance income	Segment assets	Addition to non-current assets
Total reportable segment	29,269	(111)	(9,766)	424	455,145	194
Other non-reportable segments	-	(3)	-	-	39,637	-
Consolidated total	29,269	(114)	(9,766)	424	494,782	194

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**

Major customer exceeded 10% of the Group's total revenues is as follows:

	Revenue		
US$'000	**2014**	**2013**	**Segments**
AEON Vietnam Co. Ltd.	**22,991**	-	Hoa Lam-Shangri-La Healthcare Group

Geographical Information – ended 31 December 2013

	Malaysia US$'000	Vietnam US$'000	Consolidated US$'000
Revenue	29,269	-	29,269
Non-current assets	5,741	24,474	30,215

In 2013, no single customer exceeded 10% of the Group's total revenue.

4 SEASONALITY

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

5 COST OF SALES

	2014 US$'000	2013 US$'000
Direct costs attributable to:		
Completed units	**36,856**	22,448
Land held for property development	**10,238**	-
Impairment of intangible assets (Note 16)	**4,727**	320
	51,821	22,768

6 OTHER INCOME

	2014 US$'000	2013 US$'000
Dividend income	**409**	15
Fair value gain on held-for-trading financial instrument	**39**	-
Gain on disposal of property, plant and equipment	**3**	-
Investment income	**-**	92
Late payment interest income	**52**	9
Novation fee (a)	**-**	641
Rental income	**196**	209
Revenue from hotel operations (b)	**22,494**	13,498
Revenue from mall operations (c)	**1,027**	954
Revenue from hospital operations (d)	**2,525**	179
Sundry income	**624**	525
	27,369	16,122

(a) Novation fee

The amount relates to income receivable from a third party for assigning the rights, title, interests, benefits and obligation and/or liabilities under a Sales and Purchase Agreement for acquisition of carpark bays in Nu Towers by a subsidiary of the Group.

(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 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 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 GAIN/ (LOSS)

	2014 US$'000	2013 US$'000
Foreign exchange gain/ (loss) comprises:		
Realised foreign exchange gain/ (loss)	**425**	(40)
Unrealised foreign exchange gain/ (loss)	**291**	(1,065)
	716	(1,105)

8 MANAGEMENT FEES

	2014 US$'000	2013 US$'000
Management fees	**3,344**	3,762

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 (2013: US$ Nil).

9 FINANCE (COSTS)/ INCOME

	2014 US$'000	2013 US$'000
Interest income from banks	**577**	424
Agency fees	**(104)**	(25)
Annual trustees monitoring fee	**(5)**	(7)
Bank guarantee commission	**-**	(4)
Interest on bank loans	**(4,526)**	(1,460)
Interest on financial liabilities at amortised cost	**(2)**	(1)
Interest on medium term notes	**(9,123)**	(8,269)
	(13,183)	(9,342)

10 NET PROFIT/ (LOSS) BEFORE TAXATION

	2014 US$'000	2013 US$'000
Net profit/ (loss) before taxation is stated after charging/(crediting):		
• Auditor's remuneration		
- current year	**244**	238
- under provision in prior year	**-**	2
• Directors' fees	**317**	317
• Depreciation of property, plant and equipment	**122**	114
• Expenses of hotel operations	**17,006**	13,945
• Expenses of mall operations	**1,789**	1,659
• Expenses of hospital operations	**9,702**	4,538
• Fair value (gain)/ loss on held-for-trading financial instrument	**(39)**	5
• Unrealised foreign exchange (gain)/loss	**(291)**	1,065
• Realised foreign exchange (gain)/loss	**(425)**	40
• Impairment of goodwill	**4,727**	320
• Gain on disposal of property, plant and equipment	**(3)**	-
• Property, plant and equipment written off	**-**	7
• Tax services	**25**	11

11 TAXATION

	2014 US$'000	2013 US$'000
Current tax expense	**10,587**	3,470
Deferred tax credit	**(1,200)**	(616)
Total tax expense for the year	**9,387**	2,854

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

	2014 US$'000	2013 US$'000
Accounting profit/ (loss)	**15,414**	(18,796)
Income tax at a rate of 25%	**3,853**	(4,699)
Add :		
Tax effect of expenses not deductible in determining taxable profit	**2,063**	4,989
Movement of unrecognised deferred tax benefits	**2,621**	1,833
Tax effect of different tax rates in subsidiaries	**1,784**	960

Less :		
Tax effect of income not taxable in determining taxable Profit	**(1,415)**	(377)
Under provision in respect of prior years	**481**	148
Total tax expense for the year	**9,387**	2,854

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 rate in Singapore and Vietnam is 17% and 22% respectively.

A subsidiary of the Group, Hoa Lam-Shangri-La Healthcare Ltd Liability Co 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 and education industries.

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	**2014 US$'000**	**2013 US$'000**
Foreign currency translation differences for foreign operation	**(7,388)**	(6,220)
Fair value of available-for-sale investment	**125**	126
	(7,263)	(6,094)

13 EARNINGS/ (LOSS) PER SHARE

Basic and diluted earnings/ (loss) per ordinary share

The calculation of basic and diluted earnings/ (loss) per ordinary share for the year ended 31 December 2014 was based on the profit/ (loss) attributable to equity holders of the parent and a weighted average number of ordinary shares outstanding, calculated as below:

	2014 **US$'000**	**2013** **US$'000**
Profit/ (loss) attributable to equity holders of the parent	**9,091**	(19,006)
Weighted average number of shares	**212,025**	212,025
Earnings/ (loss) per share (US cents):		
Basic and diluted	**4.29**	(8.96)

14 INVESTMENT IN AN ASSOCIATE

	2014 **US$'000**	**2013** **US$'000**
At cost – unquoted shares	**611**	611
Share of post-acquisition reserve	**1,306**	1,641
Disposal of associate	**(1,917)**	-
At 31 December	**-**	2,252

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.

A summary of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the associate for the financial year ended 31 December 2013 was as follows:

Statement of Financial Position	**2013** **US$'000**
Non-current assets	148,041
Current assets	5,281
Total assets	153,322
Non-current liabilities	3,239
Current liabilities	144,452
Total liabilities	147,691
Equity	5,631
Total Equity and Liabilities	153,322

Statement of Comprehensive Income	
Revenue	218,452
Finance income	1,627
Cost of sales, expenses including finance costs and taxation	(213,880)
Profit	6,199

The Group entered into a Sales 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 share was effected and payment of the sales proceeds were received.

The Group recognised a gain on disposal of US$5,641,000 from the sales 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 sales of Aloft Kuala Lmpur 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.

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

2013	**Quoted shares US$'000**
1 January – fair value	12,571
Recognised in other comprehensive income	126
At 31 December – fair value	12,697

At 31 December 2014, an increase in fair value of US$0.125 million (2013: US$0.126 million) has been recognised in other comprehensive income. The Directors have considered

various prevailing factors at year end, including the economic conditions and market conditions of the Ho Chi Minh Stock Exchange 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 2013 / 31 December 2013 / 31 December 2014	**10,695**	**6,479**	**17,174**
Accumulated impairment losses			
At 1 January 2013	**-**	3,329	3,329
Impairment loss	**-**	320	320
At 31 December 2013 / 1 January 2014	**-**	**3,649**	**3,649**
Impairment loss	4,276	451	4,727
At 31 December 2014	**4,276**	**4,100**	**8,376**
Carrying amounts			
At 31 December 2013	10,695	2,830	13,525
At 31 December 2014	**6,419**	**2,379**	**8,798**

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:

	2014 US$'000	**2013 US$'000**
Licence, contracts and related relationships		
International Healthcare Park	**6,419**	10,695
Goodwill		
SENI Mont' Kiara	**432**	883
Sandakan Harbour Square	**1,947**	1,947
	2,379	2,830

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 amount.

Impairment losses of US$451,000 (2013: US$320,000) and US$4,276,000 (2013: US$Nil) in relation to the 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 amount.

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

17 DEFERRED TAX ASSETS

	2014 US$'000	2013 US$'000
At 1 January	**595**	-
Exchange adjustments	**(112)**	(21)
Deferred tax credit relating to origination and reversal of temporary differences during the year	**1,200**	616
At 31 December	**1,683**	595

The deferred tax assets comprise:

	2014 US$'000	2013 US$'000
Taxable temporary differences between accounting profit and taxable profit of property development units sold	**1,683**	595
At 31 December	**1,683**	595

Deferred tax assets have not been recognised in respect of unused tax losses of US$38,821,000 (2013: US$22,983,000) 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$3,722,000 (2013: US$29,000) 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	2014 US$'000	2013 US$'000
Land held for property development	**(a)**	**40,560**	24,403
Work-in-progress	**(b)**	**55,332**	73,134
Stock of completed units, at cost		**285,234**	330,475
Consumables		**652**	597
At 31 December		**381,778**	428,609

(a) Land held for property development

	2014 US$'000	2013 US$'000
At 1 January	**24,403**	24,912
Add:		
Exchange adjustments	**(849)**	(1,036)
Additions	**2,710**	1,344
Transfer from work-in-progress	**24,534**	-
Transfer to stock of completed units	**-**	(817)
	50,798	24,403
Less:		
Costs recognised as expenses in the statement of comprehensive income during the year	**(10,238)**	-
At 31 December	**40,560**	24,403

(b) Work-in-progress

	2014 US$'000	2013 US$'000
At 1 January	**73,134**	116,876
Add :		
Exchange adjustments	**(3,464)**	(4,243)
Work-in-progress incurred during the year	**10,196**	112,390
Transfer to land held for property development #	**(24,534)**	-
Transfer to stock of completed units	**-**	(151,889)
At 31 December	**55,332**	73,134

The above amounts included borrowing cost capitalised at interest rate ranges from 7.53% to 12.62% per annum (2013: 7.43% to 13.58% per annum) of US$1,799,000 during the financial year (2013: US$2,446,000).

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

The financial asset represents a placement in money market fund ("Fund"), which is 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 (2013: US$375,000) and US$0.29 (2013: US$0.31) respectively. During the year, the Group acquired additional held-for-trading financial instrument for a consideration of US$3,651,000 at a market price per unit of US$0.29. The Group recognised a fair value gain of US$39,000 (2013: fair value loss of US$5,000) in relation to the investment.

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 AMOUNT DUE FROM AN ASSOCIATE

The amount due from an associate was unsecured, interest free and repayable on demand. The amount was repaid during the financial year.

21 SHARE CAPITAL

	2014 Number of Shares'000	**2013 Number of Shares'000**
Authorised Share Capital	**2,000,000**	2,000,000
Issued Share Capital		
At 1 January	**212,025**	212,525
Cancellation of shares (Note 27)	**-**	(500)
At 31 December	**212,025**	212,025

	2014 US$'000	**2013 US$'000**
Authorised Share Capital of US$0.05 each	**100,000**	100,000
Issued Share Capital of US$0.05 each		
At 1 January	**10,601**	10,626
Cancellation of shares (Note 27)	**-**	(25)
At 31 December	**10,601**	10,601

22 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.

	2014 US$'000	**2013 US$'000**
At 1 January/31 December	**218,926**	218,926

23 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.

24 AMOUNT DUE TO NON-CONTROLLING INTERESTS

	2014 US$'000	**2013 US$'000**
Non-current		
Minority Shareholders of Shangri-La Healthcare Investment Pte Ltd:		
- Tran Thi Lam	**415**	533
- Econ Medicare Centre Holdings Pte Ltd	**491**	632
- Value Energy Sdn. Bhd.	**147**	189
- Thang Shieu Han	**56**	72
- Nguyen Quang Duc	**11**	14
	1,120	1,440
Current		
Minority Shareholder of Bumiraya Impian Sdn. Bhd.:		
- Global Evergroup Sdn. Bhd.	**1,418**	1,514
Minority Shareholders of Hoa Lam Services Co Ltd:		
- Tran Thi Lam	**1,725**	1,613
- Tri Hanh Consultancy Co Ltd	**2,510**	1,191
- Hoa Lam Development Investment Joint Stock Company	**188**	89
- Duong Ngoc Hoa	**126**	60
Minority Shareholder of Urban DNA Sdn. Bhd.:		
- Ireka Corporation Berhad	**4,255**	4,541
	10,222	9,008
	11,342	10,448

The current amount due to non-controlling interests amounting to US$10,222,000 (2013: US$9,008,000) is unsecured, interest free and repayable on demand.

The non-current amount due to non-controlling interests amounting to US$1,120,000 (2013: US$1,440,000) is 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.

25 LOANS AND BORROWINGS

	2014 US$'000	2013 US$'000
Non-current		
Bank loans	**53,338**	49,267
Finance lease liabilities	**26**	42
	53,364	49,309
Current		
Bank loans	**19,262**	25,452
Finance lease liabilities	**12**	14
	19,274	25,466
	72,638	74,775

The effective interest rates on the bank loans and finance lease arrangement for the year ranged from 5.25% to 17.70% (2013: 5.25% to 17.70%) per annum and 2.50% to 3.50% (2013: 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 2014 US$'000	Interest 2014 US$'000	Present value of minimum lease payment 2014 US$'000	Future minimum lease payment 2013 US$'000	Interest 2013 US$'000	Present value of minimum lease payment 2013 US$'000
Within one year	**15**	**3**	**12**	16	2	14
Between one and five years	**30**	**4**	**26**	49	7	42
	45	**7**	**38**	65	9	56

26 MEDIUM TERM NOTES

	2014 US$'000	2013 US$'000
Outstanding medium term notes	**147,004**	156,924
Net transaction costs	**(1,774)**	(2,308)
Less:		
Repayment due within twelve months*	**(60,237)**	(13,739)
Repayment due after twelve months	**84,993**	140,877

* Includes net transaction costs in relation to medium term notes due within twelve months of 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$70.07 million (RM245.00 million) was drawn down in 2011 for Sandakan Harbour Square. US$4.29 million (RM15.00 million) was drawn down in 2012 for Aloft Kuala Lumpur Sentral Hotel and the remaining US$72.64 million (RM254 million) in 2013. The Group secured a rollover of MTN amounting US$12.87 million (RM45 million) which was due for repayment on 8 December 2014 to be repaid on 8 December 2017. No repayments were made in the current financial year.

The weighted average interest rate of the MTN was 5.56% 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	7,150
Series 1 Tranche BG 003	8 December 2017	5.85	5,720
Series 1 Tranche FG 002	8 December 2015	5.46	12,870
Series 1 Tranche BG 002	8 December 2015	5.41	8,580
Series 2 Tranche FG 001	8 December 2015	5.46	20,020
Series 2 Tranche BG 001	8 December 2015	5.41	15,730
Series 3 Tranche FG 001	1 October 2015	5.40	2,860
Series 3 Tranche BG 001	1 October 2015	5.35	1,430
Series 3 Tranche FG 002	29 January 2016	5.50	4,290
Series 3 Tranche BG 002	29 January 2016	5.45	2,860
Series 3 Tranche FG 003	8 April 2016	5.65	36,894
Series 3 Tranche BG 003	8 April 2016	5.58	28,600
			147,004

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 Sales 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 Sentral Hotel;

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

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

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

27 PURCHASE OF OWN SHARES AND CANCELLATION OF SHARES

The shareholders of the Company, by a special resolution passed in a general meeting held on 25 June 2014, 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.

28 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.

Group	2014 US$'000	2013 US$'000
ICB Group of Companies		
Accounting and financial reporting services fee charged by an ICB subsidiary	**53**	53
Construction progress claims charged by an ICB subsidiary	**13,912**	11,035
Management fees charged by an ICB subsidiary	**3,344**	3,762
Marketing commission charged by an ICB subsidiary	**1,226**	330
Project management fee for interior fit out works charged by an ICB subsidiary	**-**	90
Project staff costs reimbursed to an ICB subsidiary	**544**	682
Rental expenses charged by an ICB subsidiary	**31**	-
Sales and administrative fee charged by an ICB subsidiary	**-**	50
Secretarial and administrative services fee charged by an ICB subsidiary	**53**	53
Key management personnel		
Remuneration of key management personnel – Directors' fees	**317**	317
Remuneration of key management personnel – Salaries	**49**	40

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

	2014 US$'000	2013 US$'000
Non-controlling interests		
Advances – non-interest bearing (Note 24)	**1,635**	1,081
Associate – Excellent Bonanza Sdn. Bhd.		
Advances – non-interest bearing	**-**	630
Settlement of purchase consideration of Aloft Kuala Lumpur Sentral Hotel	**-**	63,867

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 2014 and 31 December 2013 are as follows:

	2014 US$'000	2013 US$'000
Amount due to an ICB subsidiary for accounting and financial reporting services fee	**-**	53
Amount due to an ICB subsidiary for construction progress claims charged (2013: Net of LAD's recoverable US$6,046,000)	**891**	965
Amount due to an ICB subsidiary for management fees	**-**	2,343
Amount due to an ICB subsidiary for marketing commissions	**34**	151
Amount due to an ICB subsidiary for reimbursement of project staff costs	**60**	488
Amount due to an ICB subsidiary for rental expenses	**2**	-
Amount due to an ICB subsidiary for secretarial and administrative services fee	**-**	80

The outstanding amounts due from/ (to) the other significant related parties as at 31 December 2014 and 31 December 2013 are as follows:

	2014 US$'000	2013 US$'000
Non-controlling interests		
Advances – non-interest bearing (Note 24)	**(11,342)**	(10,448)
Associate – Excellent Bonanza Sdn. Bhd.		
Advances – non-interest bearing	**-**	853

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

29 BUSINESS COMBINATION

During the financial year, the Group increased its equity interest in Shangri-La Healthcare Investment Pte Ltd ("SHIPL") from 74.11% to 75.38% (2013: 73.50% to 74.11%) resulting from an issue of new shares in the subsidiary. Consequently, the Company'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 Hoa Lam – Shangri-La 4 Ltd Liability Co, subsidiaries of SHIPL, increased to 68.07% (2013: 67.20%).

The Group recognised an increase in non-controlling interests of US$147,000 (2013: US$42,000) and an increase in accumulated losses of US$147,000 (2013: US$42,000) resulting from the increase in equity interest in the above subsidiaries. The transaction was accounted for using the purchase method of accounting.

During the financial year, the Group disposed of its entire interest 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. has no significant impact on the results of the Group.

30 DIVIDEND

The Company has not paid or declared any dividends during the financial year ended 31 December 2014.

31 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$147 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$8.58 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.

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 2015.

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

27 April 2015