26 April 2017

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

Full Year Results for the Year Ended 31 December 2016

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 2016*.

Operational highlights

- In January 2017, the Company successfully completed the distribution of US$10,000,500 by way of a tender offer through the repurchase of 13,334,000 shares at US$0.75 per share. The 13,334,000 repurchased shares, representing 6.29 per cent. of the Company's share capital, are held as treasury shares.
- In June 2016, Aseana Properties successfully completed the disposal of the Aloft Kuala Lumpur Sentral Hotel ("AKLS") to Prosper Group Holdings Limited for a gross transaction value of RM418.7 million (approximately US$104.2 million).
- Aseana Properties divested its remaining shareholding in Nam Long Investment Corporation ("Nam Long") during the year, raising total proceeds of approximately US$9.9 million (VND219.7 billion).
- Sales at SENI Mont' Kiara progressed to 98.4% to date based on signed sale and purchase agreements.
- The RuMa Hotel and Residences achieved 54.9% sales based on signed sale and purchase agreements.
- The occupancy rate at Harbour Mall Sandakan improved to 67.7% (2015: 40.8%). Four Points by Sheraton Sandakan Hotel ("FPSS") achieved an occupancy rate of 39.0% as at 31 December 2016 and was 39.4% occupied by the end of the period to 31 March 2017.
- The operation of City International Hospital ("CIH") has been improving steadily over 2016 with outpatient and inpatient volumes increasing by 84.7% and 61.0% respectively compared to 2015.

Financial highlights

- Revenue increased to US$112.5 million in 2016 (2015: US$30.3 million (restated)), largely due to recognition of revenue from the disposal of AKLS during the year.
- The disposal of AKLS resulted in a gain of US$36.2 million which contributed to the net profit before taxation of US$16.2 million for the Group, compared to a net loss after taxation of US$20.7 million in 2015. The net profit included operating losses attributable to CIH of US$6.2 million, Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan totalling US$6.2 million, International Healthcare Park of US$3.1 million, as well as the impairment loss on inventory in relation to Four Points by Sheraton Sandakan of US$2.4 million.
- The consolidated comprehensive profit for the year ended 31 December 2016 was US$10.5 million compared to a consolidated comprehensive loss of US$35.6 million in 2015. The consolidated comprehensive profit includes loss foreign currency translation differences for foreign operations of US$2.5 million (2015: US$15.9 million) due to

weakening of the Ringgit against the US Dollar from 4.294 as at 31 December 2015 to 4.486 as at 31 December 2016.

- Cash and cash equivalents stood at US$26.6 million (2015: US$23.0 million). The cash balance as at 31 December 2016 excludes other receivables of approximately US$1.0 million related to the balance proceeds from the disposal of the Group's remaining shares in Nam Long.
- Earnings per share of US$0.0889 (2015: Loss per share of US$0.0744).
- Net asset value per share US$0.68 (2015: US$0.61).

* 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 2016. The financial statements for 2016 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:

"It was a productive 2016 year for Aseana Properties with the disposal of the Aloft Hotel Kuala Lumpur and the shares in Nam Long amidst the challenging economic environment, both globally and locally. 2017 is expected to be another challenging year with the general business conditions affected by economic uncertainty and subdued property market sentiment especially in Malaysia. The Board and the Manager remain committed to their efforts in achieving optimum value and performance for the Group's remaining assets in line with the Company's Divestment Investment Policy".

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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 50 years' experience in construction and property development. IDM is responsible for the day-to-day management of Aseana's property portfolio and the implementation of the Divestment Investment Policy.

CHAIRMAN’S STATEMENT

2016 was an eventful year with Brexit and the presidential election in the United States of America (“USA”) dominating headlines around the globe. In addition, anxiety over China’s financial markets which had been prevalent at the beginning of the year eased during the year as China’s economy stabilised and avoided the hard landing feared by many. Economic activities are projected to pick up in 2017 and 2018, especially in developing and emerging markets. The World Bank made an optimistic projection that the global economy will grow at a rate of 2.7% in 2017 amid the current stagnant global trade and subdued investment environment. However, the global outlook is still clouded by uncertainty linked to the future direction of major economies, in particular the impact of any changes brought in by the new USA administration.

Against this background, Malaysia and Vietnam (Aseana Properties’ core markets) have shown moderate Gross Domestic Product (“GDP”) growth of 4.2% and 6.2% respectively, both lower than in the previous year. In Malaysia, investors’ confidence over the last couple of years was affected by dwindling demand from China, one of its major trading partners, and the down cycle of the oil and gas industry. The Malaysian Ringgit declined further during the year and was one of the worst performing currencies in the Asean region in 2016, depreciating by 4.5% against the US Dollar to RM4.4860/US$ at the end of the year compared to 4.2940/US$ at the end of 2015. Malaysia’s Central Bank, Bank Negara Malaysia (“BNM”) introduced a series of measures at the end of November 2016 to reduce Ringgit speculative activities and rebalance the supply of onshore FOREX. Nevertheless, Malaysian economic growth, which was underpinned by private sector activity in 2016, is expected to remain resilient in 2017, on the back of improving domestic demand.

Meanwhile, Vietnam emerged as one of the strongest performing economies in the Asean region in 2016. Robust domestic demand and record high foreign investment inflows underpinned the continued rapid growth of the Vietnamese economy during the year. As a result of the diligent efforts of the Vietnamese Government, inflation was kept at 4.7%, below the 5.0% ceiling forecasted. The combination of stable macroeconomic conditions and low labour costs has led to Vietnam becoming an attractive destination for Foreign Direct Investment (“FDI”). Actual FDI disbursement rose by 9.0% in 2016, reaching a record high of US$15.8 billion. In the meantime, the Vietnamese Dong saw a 1.1% drop in value over the course of 2016 compared to the previous year. Foreign currency liquidity was stable during the year as a result of proactive policy management.

Malaysia’s property market in both residential and commercial segments saw an extension of the downtrend since 2015, amid the country’s weak economic situation and sentiment in the property market. Factors such as the depreciation of the Ringgit, tightening of lending policies by banks and efforts taken by the government to curb property speculation have driven down property prices across the country. According to the National Property Information Centre (“NAPIC”), 57.0% of residential property transactions in the third quarter of 2016 were priced below RM250,000, while 43.0% were RM250,000 and above. New supplies of completed office, retail and condominium spaces introduced in 2016, coupled with the slowdown in economic growth will continue to put pressure on the property market in 2017.

However in Vietnam, an improved environment for bank lending, along with strong GDP growth for the past two years, low inflation, rising incomes and rapid urbanisation have contributed to the robust growth in its property market. In addition, liberalisation of the market for foreign purchasers in 2015 helped produce an encouraging level of foreign investment into the country. The State Bank of Vietnam (“SBV”) announced half-way through 2016 that it would raise the risk weight of property loans at commercial banks from 150.0% to 200.0% on concerns that the housing market may overheat. With the implementation of this rule, a real estate company's capital base must be at least at 200.0% of its total loan amount. The new ruling came into effect at the beginning of 2017. Despite this, the Vietnamese property market is expected to remain on an upswing, particularly relative to other markets in the Asean region.

The Group registered a significant increase in revenue from US$30.3 million (restated) in 2015 to US$112.5 million in 2016, mainly due to sale of the Aloft Kuala Lumpur Sentral Hotel ("AKLS"). The sale resulted in a gain of US$36.2 million which contributed to the net profit before taxation of US$16.2 million, compared to a net loss after taxation of US$20.7 million in 2015. The net profit included operating losses attributable to City International Hospital ("CIH") of US$6.2 million, International Healthcare Park ("IHP") of US$3.1 million, Four Points by Sheraton Sandakan Hotel ("FPSS") and Harbour Mall Sandakan ("HMS") totalling US$6.2 million, together with the impairment loss on inventory in relation to FPSS of US$2.4 million. In addition, Aseana Properties recorded a loss on foreign currency translation differences of US$2.5 million compared to a loss of US$15.9 million in 2015, as a result of the weakening of Ringgit against US Dollars from RM4.2940/US$1.0 as at 31 December 2015 to RM4.4860/US$1.0 as at 31 December 2016.

Progress of the property portfolio

The highlight of the year for Aseana Properties was the disposal in June 2016 of AKLS to Prosper Group Holdings Limited for a gross transaction value of RM418.7 million (approximately US$ 104.2 million). The disposal represents a significant milestone to realise the Company's assets in a controlled, orderly and timely manner in accordance with its divestment investment policy. Additionally, Aseana Properties also disposed of its remaining shares in Nam Long Investment Corporation ("Nam Long") during the year, raising total gross proceeds of approximately US$9.9 million. Aside from these noteworthy achievements, sales at SENI Mont' Kiara ("SENI") and The RuMa Hotel and Residences ("The RuMa") have been affected by the subdued market conditions in Malaysia. Sales at SENI to date progressed to approximately 98.4% and sales at The RuMa increased marginally to 54.9% based on sale and purchase agreements signed. Similarly, business conditions in Sabah remained sombre due to the kidnapping incidents which took place off the east coast of Sabah during the year. However, tourist arrivals into Sabah increased by 7.9% as compared to 2015. FPSS recorded an occupancy rate of 39.4% to date. The performance of HMS improved significantly with a more promising outlook since the opening of a new cinema attraction in July 2016. The cinema, which is located on the 11th floor of the mall, is a modern designed cinema and is equipped with advanced audio and visual technology. The occupancy rate of HMS stands at 67.7% to date. In Vietnam, the operational performance of CIH has been improving steadily over the year. Outpatient volumes and inpatient volumes increased by 84.7% and 61.0% respectively compared to 2015. The hospital is expected to introduce several new service lines such as the ophthalmology, cardiac, neurology and vascular angiographic services in 2017 which will help to further boost patient volume.

Further information on each of the Company's properties is set out in the Manager's report on pages 5 to 7.

First distribution update

Following the disposal of investments by the Company in 2016, Aseana Properties decided to return cash to shareholders via a tender offer. On 8 December 2016, Aseana Properties announced that the Company proposed to return US$10,000,500 to Shareholders via a tender offer for up to 13,334,000 shares at a tender price equivalent to the net asset value per share of the Company, as at 30 September 2016, of US$0.75 per share. The proposals were approved by Shareholders at an Extraordinary General Meeting on 4 January 2017 and completed on 10 January 2017. The shares tendered represent approximately 6.3% of the Company's current share capital and are now held in treasury.

Outlook

Amidst the uncertainty in the global economy, Malaysia's property market remains subdued, although we are optimistic that it will improve going into second half of 2017. On the other hand, the property market in Vietnam is expected to remain on the same strong footing and will continue to grow in 2017. The Board and the Manager remain committed to their efforts in achieving optimum value and performance for the Group's remaining assets in line with the Company's Divestment Investment Policy.

In closing, I wish to extend my sincere appreciation to my fellow Directors and the Manager for their hard work and commitment to the business. I would also like to thank the Government authorities, financiers, shareholders and business associates who have remained supportive of our business endeavours throughout the year.

MOHAMMED AZLAN HASHIM
Chairman
26 April 2017

DEVELOPMENT MANAGER'S REVIEW

BUSINESS OVERVIEW

2016 was a milestone year for Aseana Properties in both Malaysia and Vietnam as the Group successfully disposed of the AKLS to Prosper Group Holdings Limited for a gross transaction value of approximately US$104.2 million (RM418.7 million) and its remaining shares in Nam Long for total proceeds of approximately US$9.9 million (VND219.7 billion). Despite these notable achievements, the economic conditions both globally and locally were challenging. Investors' confidence in Malaysia remained subdued due to political headwinds, a weaker commodities market as well as the depreciating Ringgit. On the property front, the declining number of property transactions reflects the tightening of bank lending and slow recovery in consumers' demand due to on-going concerns of the weak Ringgit as well as a tepid employment outlook. Nevertheless, the Board together with the Development Manager remain strongly committed in taking positive steps to realise the Group's maturing assets in a controlled, orderly and timely manner.

The sales performance of both SENI and The RuMa have been affected by the soft market in the high-end residential segment in Malaysia. Sale of properties at SENI and The RuMa improved marginally to 98.4% and 54.9% to date respectively. Meanwhile, performance of HMS improved significantly since the opening of the Lotus Five Star Cinema in July 2016. The outlook for the Mall is promising with increasing footfalls and the signing of several new tenants.

Following the realisation of certain assets, in December 2016 the Company proposed its first capital distribution to Shareholders by way of a tender offer. In January 2017, the Company successfully completed the distribution of US$10,000,500 through the repurchase of 13,334,000 shares at US$0.75 per share. The 13,334,000 repurchased shares, representing approximately 6.3 per cent of the Company's share capital, are held as treasury shares. The issued and paid up share capital of the Company remains unchanged at 212,025,002 (Ordinary shares: 198,691,000; Treasury shares: 13,334,000; Management shares:2).

Malaysia Economic Update

Despite falling revenue as a result of the weaker commodities market and concerns over political uncertainties, Malaysia's economy has maintained steady growth in 2016. The Malaysian economy grew at 4.5% in the last quarter of 2016, exceeding economists' forecasts of 4.4%, underpinned by the continued expansion in private sector expenditure. This brings Malaysia's full year GDP growth to 4.2%, lower than the 5.0% registered in 2015. The Ringgit continued to depreciate against major currencies throughout 2016 due to weak export earnings, low foreign direct investment, drastic fall in oil prices and general lack in confidence in the Malaysian economy. The Ringgit fell 4.5% against the US Dollars to RM4.4860/US$1.0 by the end of 2016, the weakest since the 1998 Asian financial crisis. This prompted BNM, Malaysia's Central Bank, to implement a series of measures to stabilise the onshore market, which included the requirement for exporters to convert 75.0% of export proceeds received into Ringgit. In addition, BNM decided to keep the Overnight Policy Rate ("OPR") unchanged at 3.0% during its last meeting in March 2017. The bank last changed its OPR in July 2016, cutting it by 0.25%, the first reduction in seven years. While the external environment might continue to remain demanding, economists believe that the Malaysian economy will experience sustained, albeit slower growth in 2017, with domestic demand being the primary driver.

Meanwhile, RAM Rating Services Bhd ("RAM") has recently reaffirmed its sovereign ratings of A2/stable and AAA/stable for Malaysia. RAM is still supportive of Malaysia's current ratings although the country's external-resilience parameters have worsened amid a sustained decline in commodity prices and reduced foreign exchange reserves. However, RAM has warned that Malaysia's ratings could be revised downwards if its fiscal position deteriorates. In addition, inflation, as measured by the annual change in the Consumer Price Index ("CPI"), increased to 1.7% in the fourth quarter of 2016 driven mainly by upward adjustments to domestic fuel prices. Nonetheless, average inflation for the year remained at 2.1%.

Foreign investments have played a major role in Malaysia's economic development. Local small and medium enterprises have benefitted a great deal from the presence of foreign companies in the country as they provide access to valuable technology transfer and the exchange of know-how. In April 2017, Indian and Malaysian business leaders signed a US$36.0 billion (approximately RM156.7 billion) of trade deals which collectively represent one of the biggest trade deals in Malaysian history. In addition, in late 2016, Malaysia and China signed fourteen agreements for proposed investments worth almost RM144.0 billion, including projects in the property development and steel production sectors. Malaysia has also recently signed the highly anticipated bilateral agreement with Singapore which will pave the way for the implementation of the Singapore-Kuala Lumpur High Speed Rail project. Furthermore, Malaysia may consider the possibility of pursuing bilateral Free Trade Agreements with the relevant Trans-Pacific Partnership ("TPP") members should the TPP Agreement be cancelled. FDI for Malaysia rose to RM10.8 billion in the last quarter of 2016, an increase in inflows as compared to RM6.5 billion in the third quarter of the year. Total FDI for the year stood at RM41.2 billion, down from RM43.4 billion from 2015.

Vietnam Economic Update

Notwithstanding the slowdown in the growth of emerging markets, Vietnam's economy remained resilient due to robust domestic demand and export-oriented manufacturing. Vietnam's GDP growth in 2016 reached 6.2% and is one of the top performers amongst other Asian countries. The country's economic performance has rebounded from a plunge in the first half of the year due to the impact of a severe drought on agricultural production and slower industrial growth. Although 2016's growth rate was lower than the 6.7% registered back in 2015 and the targeted GDP of 6.7% for 2016, it was still seen as an encouraging achievement given the tough global economic conditions.

Inflationary pressures in Vietnam remained subdued as a result of the country's macroeconomic stability. Vietnam's inflation rate has been kept relatively low at 2.7%, an increase from 0.6% in 2015. The main reasons contributing to the increase were due to the Government's upward price adjustment to healthcare services, higher demand for food and construction before the Lunar New Year as well as the impact of the crippling drought which affected agricultural supplies.

In addition, Vietnam has boosted its international economic integration by expanding the geographical reach of its market during 2016. The Vietnamese Government signed several free trade agreements with the Eurasian Economic Union, The European Union, South Korea and the TPP Agreement during the year. Despite the withdrawal of the TPP Agreement, these trade agreements are expected to serve as an impetus for the long-needed structural changes in the country. Underpinned by its resilient economy and its highly competitive labour market as well as low cost, foreign companies continue to invest in Vietnam. According to the Ministry of Planning and Investment of Vietnam, in 2016 the disbursement of FDI capital climbed 9.0% to a record high of US$15.8 billion and the total FDI capital inflow totaled US$24.4 billion.

PORTFOLIO REVIEW

MALAYSIA

Property Market Review

The year ended on yet another gloomy note for the Malaysian property market which has slowed down significantly in recent years. Property developers are expected to register another year of slow performance in 2017 as a result of the ongoing concerns of the weak Ringgit as well as cooling measures introduced by BNM to rein in speculation, which continues to be the main hurdle for property developers. According to the latest property market report by NAPIC, the value of Malaysian property market transactions has declined 6.3% quarter-on-quarter to RM30.8 billion in the third quarter of 2016, while transaction volume fell by 8.5% quarter-on-quarter to 76,456 units.

Meanwhile, demand for office space in Klang Valley continued to be subdued in 2016 mainly due to weak business sentiment and economic uncertainties as well as weaker oil and commodity prices. The challenging business operating environment continued to exert pressure on the performance of the office market with the average occupancy rate remaining flat at 79.0% in Q4 2016. As for the retail market, the average occupancy rate declined by 1.0% to 81.5% in the last quarter of 2016 from 82.5% compared to Q4 2015. Retail sales were weak due to deteriorating consumer confidence caused by the rising cost of living, weaker job prospects, the weakening Ringgit and the uncertain economic outlook of the country.

The hotel and tourism sector remained sanguine despite concerns of oversupply during the year. The weak Ringgit and the numerous pro-tourism efforts and activities by the Government have encouraged the influx of more local and foreign tourists, in particular, the increase in the number of tourists from China. The Government has introduced E-Visa facilities for selected major countries and through the Tourism National Key Economic Area, collaborative efforts between the Ministry of Tourism and Culture, other Government agencies and the private sector have been enhanced to help secure Malaysia's position as a leading tourist destination. The Government's measures to stimulate the sector have included the extension of the Investment Tax Allowance and the Pioneer Status promotion for new four and five-star hotels to December 2018. A total of 26.8 million tourists visited Malaysia in 2016, an increase of 4.0% compared to the same period in 2015. Of this total, 3.4 million tourists visited Sabah, of which 0.4 million were from China. Room rates and occupancy rates have remained stable but competitive in view of the increasing hotel supply and alternative accommodation such as the popular AirBNB.

Aseana Properties has five investments in Malaysia, following the sale of one investment during the year. These investments range from residential properties, hotels, commercial offices to a retail mall:

- **SENI Mont' Kiara**
  Owned 100.0% by Aseana Properties, SENI is a completed upmarket condominium development situated on one of the highest points in Mont' Kiara. The project consists of two 12-storey blocks and two 40-storey blocks, comprising 605 residential units. The majority of units command impressive views of the city skyline including the 88-storey Petronas Twin Towers and the KL Tower. Sales at SENI have progressed to 98.4% to date. Debt on the project has been fully repaid.

- **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, only 1 unit out of the 399 residential units remains to be sold. Debt on the project has been fully repaid.

- **The RuMa Hotel and Residences**
  This project is strategically located in the heart of Kuala Lumpur City Centre ("KLCC") on Jalan Kia Peng, near landmarks such as the Grand Hyatt Kuala Lumpur, KLCC Convention Centre, Suria KLCC shopping mall, KLCC Park and the world-famous Petronas Twin Towers. Aseana Properties owns 70.0% of this project and 30.0% is owned by Ireka Corporation Berhad. The project consists of 199 units of luxury residences (The RuMa Residences) and a 253-room luxury bespoke hotel (The RuMa Hotel), built on 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 operates the award-winning The Puli Hotel in Shanghai.

  Construction of the main building is underway with completion expected in Q4 2017. The RuMa Hotel and Residences was first launched in 2013. Sales were affected by the cooling measures imposed by the Government to curb property speculation as well as the current economic condition of Malaysia. To date, total sales at both The RuMa have increased marginally to approximately 54.9% based on signed sales and purchase agreements. A further 6.0% have been booked with deposits paid. During 2016 and year-to-date, the Manager participated in marketing and promotional events to boost sales both locally and internationally, and is planning for further activities focusing on the Chinese and Taiwanese markets throughout the remainder of 2017.

  Debt on the project was fully repaid in 2016.

- **Aloft Kuala Lumpur Sentral Hotel**
  AKLS is part of the Kuala Lumpur Sentral project which consists of two office towers and a business class hotel, centrally located in Kuala Lumpur's urban transportation hub and was jointly developed by Aseana Properties and Malaysian Resources Corporation Berhad ("MRCB") on a 40:60 basis. The 482-room AKLS is now managed by Starwood Hotels & Resorts Asia Pacific Hotels & Resorts Pte Ltd under the 'Aloft' brand and operations of the hotel commenced on 22 March 2013.
  The disposal of AKLS to Prosper Group Holdings Limited for a gross transaction value of approximately US$104.2 million (RM418.7 million) was completed on 23 June 2016. The disposal represented a significant milestone in line with the divestment investment policy approved by shareholders in 2015. The proceeds from the disposal were used to fully repay the medium term notes issued for AKLS, and to partly to repay the medium term notes issued for FPSS.

- **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 consists of four phases; Phases One and Two comprised 129 shop lots that are fully sold, while Phases Three and Four consist of the only retail mall, HMS and the only international four-star hotel in Sandakan, known as FPSS.

  HMS and FPSS commenced operations in July and May 2012 respectively. The occupancy rate at HMS is currently recorded at 67.7%. Notable tenants include Popular Bookstore, Levi's, The Body Shop, Watson's and McDonald's amongst others. In addition, a national cinema chain, Lotus Five Star, the first modern designed cinema in Sandakan, was opened in July 2016. Leasing initiatives at HMS to both local and international retailers are ongoing. The outlook for HMS is promising particularly with the opening of the cinema which has significantly increased the footfall to the Mall. Meanwhile, FPSS recorded an occupancy rate of 39.4% to date, with an Average Daily Rate of about US$49 (RM220). 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. Kidnapping incidents in the east coast of Sabah continued to affect the business climate in Sabah which in turn has affected the performance of FPSS during the past twelve months. In March 2017, in conjunction with the Prime Minister's visit to Sandakan, the Government pledged to improve security and air transport connectivity to Sandakan including extending the runway of the Sandakan Airport. This bodes well for the Sandakan tourism industry in the coming years.

  The project was originally funded by guaranteed medium term notes of about US$54.6 million (RM245.0 million). Following the completion of the AKLS disposal in 2016, approximately US$27.9 million (RM125.0 million) of the medium term notes were repaid. Approximately US$26.7 million (RM120.0 million) remain to date.

- **Kota Kinabalu Seafront resort & residences**
  Aseana Properties acquired three adjoining plots of land totaling approximately 80 acres in September 2008 with the intention of developing a boutique resort hotel, resort villas and resort homes at the seaside area in Kota Kinabalu, Sabah**.** In 2012, the Board decided not to proceed with the development and to dispose of the land instead. Marketing efforts are on-going but prospects have been affected by the subdued business environment and tourism in Sabah.

VIETNAM

Property Market Review

Growth in the Vietnamese property market has been the most visible sign of the country's economic expansion over the last few years. Investments into the Vietnamese real estate market saw a boost in 2016 buoyed by stable economic conditions, a growing middle class and improved legislative climate. Residential property sales have been robust, construction of office towers and condominiums are underway in major cities and the number of industrial parks are rising in areas outside the city. The property markets in both Hanoi and Ho Chi Minh City ("HCMC") reported solid growth during the year, with property prices remaining on the uptrend across all markets, in line with the favourable sentiment in both demand and supply. In addition, mergers and acquisitions ("M&A") activity within the real estate sector in Vietnam has witnessed a substantial increase in both transaction value and volume in the last two years. Notwithstanding the positive sentiment in the property market, the Vietnamese Government has planned and issued policies that aim to regulate the growth of many sectors of the market. In particular, the State Bank of Vietnam has issued a circular that will force developers to reduce their dependence on bank credit and as a result, some developers may have to look to other sources of funding such as foreign investors and private investment funds. This will pose a challenge for small scaled and under capitalised developers.

On the back of sound macroeconomic factors, the residential market has performed well during the year. In HCMC, a total of 37,419 condominium units were launched in 2016, of which 35,008 units were sold. The mid-end segment of the market continued to perform well and accounted for more than 48.0% of total units sold. Likewise, in Hanoi, of the 30,000 condominium units launched in 2016, 21,188 units were sold and 56.0% of the sales were in the mid-end segment.

Meanwhile, on the commercial front in HCMC, the office market continued to be robust with little new supply coming into the market and with increasing demand for premium offices. Average occupancy increased 2.0% year-on-year to 97.0%, while average rent increased 3.0% year-on-year. Likewise, in Hanoi, average rent increased by 1.1% year-on-year whilst average occupancy increased 4.0% year-on-year. With its fast-growing population and rapid urbanisation, Vietnam has for several years been a favourite for investment in the retail sector. The growth in infrastructure, an increasing young middle class population and the demand for modern shopping experiences, have attracted many international brands and retailers. The retail sector has seen a large number of mergers and acquisitions over the past year, leading to the expansion of both foreign retailers such as Aeon and Lotte and current market players such as Vincom and Co-op Mart.

Although still lagging behind some of its neighbouring countries, Vietnam has seen a steady increase in the number of international tourists in 2016, reaching approximately 10.0 million visitors, an increase of 26.0% year-on-year. The Vietnamese Government has begun to see the potential of tourism and is taking measures to make travelling to Vietnam easier through relaxed visa regulations for citizens from five European countries coupled with various tourism marketing strategies. Asian visitors, particularly from China, South Korea and Japan topped the list with more than 7.2 million visitors, followed by Europe with 1.6 million and American with 0.7 million.

Aseana Properties now has two investments in Vietnam, following the sale of one investment during the year.

- **International Healthcare Park**
  IHP is a planned mixed development on 37.5 hectares of land comprising world-class private hospitals, mixed commercial, hospitality and residential developments. It 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 72.4% stake in this development and its minority partner, Hoa Lam Group holds a significant minority stake together with a consortium of investors from Singapore, Malaysia and Vietnam. Approximately 20 hectares will be dedicated to the hospital and commercial developments and five hectares have been allocated for residential developments. Of a total of 19 plots of land, four have been sold to date. As at 31 December 2016, the Manager has secured a buyer for two plots of residential land of approximately 1.2 hectares each. These transactions are expected to complete by Q2 2017 and Q3 2017 respectively.

  To part finance the payment for the land and working capital, total loan facilities of US$24.4 million have been secured, of which US$19.8 million remained outstanding as at 31 December 2016.

- **City International Hospital**
  Construction of CIH was completed in March 2013 and commenced business in January 2014. CIH is a modern private care hospital conforming to international standards with 320 beds (Phase 1: 168 beds). Parkway Pantai Limited was the operator of CIH but the contract was mutually terminated on 31 December 2015, in line with the Manager's long-term strategy to localise the management of the hospital to optimise operating costs and to improve doctors' and patients' engagement with CIH. In early 2016, the hospital appointed Dr. Le Quoc Su as the Chief Executive Officer ("CEO") to lead the operations team. Prior to joining CIH, Dr. Su was the Group CEO of Hoan My Medical Corporation, Vietnam's largest healthcare group. With the new management team in place, the operation of CIH has been improving steadily. Outpatient and inpatient volumes increased by 84.7% and 61.0% respectively compared to 2015.

  The development of City International Hospital is funded by a syndicated term loan of US$43.3 million and a revolving credit facility of US$1.0 million, of which US$37.4 million remained outstanding as at 31 December 2016.

- **Nam Long Investment Corporation**
  In 2008, Aseana Properties acquired a strategic minority stake in Nam Long, a private property development company in Vietnam with market leadership in the low to medium-end segment of the market. Nam Long was subsequently listed on the Ho Chi Minh Stock Exchange on 8 April 2013. Aseana Properties has strategically divested its entire shareholding in Nam Long in 2016, for total proceeds of approximately US$15.0 million (VND333.1 billion).

OUTLOOK

The overall economic outlook for Malaysia appears to be plagued by the ongoing concern about the weak Ringgit and the low crude oil and commodity prices coupled with the global economic slowdown. Malaysia's property market is expected to remain stable but flat in 2017 and loan growth is expected to slow further due to economic uncertainties and concerns about over supply in the market. To the contrary, the real estate market in Vietnam however is buoyant, boosted by the recovery in the housing market, a booming economy and also the deregulation of house and real estate ownership.

The disposal of AKLS and the Company's entire shareholding in Nam Long represents significant milestones for the Company's divestment plans. Alongside this, Aseana Properties completed a tender offer exercise at the beginning of 2017 as a means of returning cash to Shareholders. The Manager and the Board of Directors are focused on preparing the remaining assets for sale and are working together closely to explore all opportunities to divest and realise Aseana Properties' remaining assets in both Malaysia and Vietnam in order to make further capital distributions to Shareholders at the earliest opportunity.

Lastly, I would like to take this opportunity to thank the Board of Aseana Properties, our advisors and business associates for all the guidance and support rendered throughout the year.

LAI VOON HON
President / Chief Executive Officer
Ireka Development Management Sdn. Bhd.
Development Manager
26 April 2017

PERFORMANCE SUMMARY

	Year ended 31 December 2016	Year ended 31 December 2015
Total Returns since listing		
Ordinary share price	-48.00%	-55.00%
FTSE All-share index	16.25%	3.38%
FTSE 350 Real Estate Index	-45.11%	-37.33%
One Year Returns		
Ordinary share price	15.56%	0.00%
FTSE All-share index	12.45%	-2.50%
FTSE 350 Real Estate Index	-12.42%	8.22%
Capital Values		
Total assets less current liabilities (US$ million)	188.62	197.75
Net asset value per share (US$)	0.68	0.61
Ordinary share price (US$)	0.52	0.45
FTSE 350 Real Estate Index	514.80	587.81
Debt-to-equity ratio		
Debt-to-equity ratio [1]	58.75%	142.74%
Net debt-to-equity ratio [2]	40.01%	125.28%
Earnings Per Share		
Earnings per ordinary share - basic (US cents)	8.89	(7.44)
- diluted (US cents)	8.89	(7.44)

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 recorded comprehensive profit of US$10.5 million due to a gain on sale of AKLS, offset by losses of its operating assets and losses on foreign currency translation differences for foreign operations, for financial year ended 31 December 2016.

STATEMENT OF COMPREHENSIVE INCOME

The Group registered a four times increase in revenue from US$30.3 million (restated) in 2015 to US$112.5 million in 2016, mainly due to sale of the AKLS. The sale resulted in a gain of US$36.2 million which contributed to the net profit before taxation of US$16.2 million, compared to a net loss after taxation of US$20.7 million in 2015. The net profit included operating losses attributable to CIH of US$6.2 million, IHP of US$3.1 million, FPSS and HMS totalling US$6.2 million, together with the impairment loss on inventory in relation to FPSS of US$2.4 million.

Net profit attributable to equity holders of the parent was US$18.8 million in 2016, compared to a net loss of US$15.8 million in 2015. Tax charged for the year was lower at US$0.6 million (2015: US$1.3 million) due to fewer completed units of SENI and Tiffani sold in 2016.

The consolidated comprehensive profit for the year ended 31 December 2016 was US$10.5 million compared to a consolidated comprehensive loss of US$35.7 million in 2015. The former included losses on foreign currency translation differences for foreign operations of US$2.5 million (2015: US$15.9 million) due to weakening of the Ringgit against the US Dollar from 4.294 as at 31 December 2015 to 4.486 as at 31 December 2016; and fair value adjustment in relation to shares of Nam Long Investment Corporation ("Nam Long") of US$2.4 million (2015: increase of US$2.19 million) following the complete disposal of the 9,784,653 shares in Nam Long resulting in a gain on disposal of US$2.28 million.

Basic and diluted gain per share for the year ended 31 December 2016 were both US cents 8.89 (2015: Loss per share of US cents 7.44).

STATEMENT OF FINANCIAL POSITION

Total assets at 31 December 2016 were US$294.3 million, compared to US$368.9 million for 2015, representing a decrease of US$74.6 million. This was mainly due to a decrease in inventories following the disposal of the AKLS, completed units of SENI and Tiffani; and translation effect due to the weaker Ringgit against the US Dollar. The contributions from the disposal of the inventories were used to repay the Group's debt. Cash and cash equivalents were higher at US$26.6 million (2015: US$23million). The decrease in other receivables was largely due to the receipt of US$6,4million representing the balance of consideration receivable for the disposal of Waterside Estates project, via the Group's 55% equity interest in ASPL PLB-Nam Long Ltd Liability Co, a subsidiary of the Group in year 2015.

Total liabilities have decreased from US$237.4 million in 2015 to US$152.1 million in 2016, mainly due to repayment of medium term notes of US$87.8 million.

Net Asset Value per share at 31 December 2016 was US$ 0.68 (2015: US$ 0.61).

CASH FLOW AND FUNDING

Cash flow generated from operation before interest and tax paid was US$105.1 million in 2016, compared to cash flow of US$4.3 (restated) million in 2015. The positive cash flow was mainly attributable to the profit from the disposal of AKLS.

During the year, the Group generated net cash flow of US$9.3 million from investing activities (2015: US$9.0 million), mainly due to disposal of the remaining shares in Nam Long.

The Group's subsidiaries borrow to fund property development projects. At 31 December 2016, the Group had gross borrowings of US$83.5 million (2015: US$187.8 million), a decrease of 55.5 % over the previous year. Net debt-to-equity ratio decreased from 125.3% in 2015 to 40.0% in 2016 due to repayment of medium term notes and an increase in shareholders' funds attributable to gain on sale of AKLS.

Finance income was US$0.40 million in 2016 compared to US$0.35 million in 2015. Finance costs decreased from US$11.0 million in 2015 to US$9.6 million in 2016. The finance costs were mainly attributable to CIH, IHP, AKLS , FPSS and HMS.

EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

On 4 January 2017, the Shareholders of the Company at an Extraordinary General Meeting approved a proposal to return US$10,000,500 or US$0.75 per share for 13,334,000 shares representing 6.29 per cent of the Company's share capital to Shareholders through N+1 Singer. The capital distribution was completed on 10 January 2017 and the repurchased shares of 13,334,000 are currently held as Treasury Shares. The issued and paid up share capital of the Company remains unchanged at 212,025,002.

DIVIDEND

No dividend was declared or paid in 2016.

PRINCIPAL RISKS AND UNCERTAINTIES

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

TREASURY AND FINANCIAL RISK MANAGEMENT

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

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

MONICA LAI VOON HUEY
Chief Financial Officer
Ireka Development Management Sdn. Bhd.
Development Manager
26 April 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

Continuing activities	**Notes**	**2016 US$'000**	**2015 US$'000 Restated***
Revenue	3	**112,535**	30,323
Cost of sales	5	**(77,547)**	(29,164)
Gross profit		**34,988**	1,159
Other income	6	**21,963**	28,886
Administrative expenses		**(1,466)**	(1,787)
Foreign exchange loss	7	**(5,051)**	(2,915)
Management fees	8	**(3,331)**	(3,115)
Marketing expenses		**(99)**	(288)
Other operating expenses		**(21,625)**	(31,916)
Operating profit/(loss)		**25,379**	(9,976)
Finance income		**401**	355
Finance costs		**(9,616)**	(11,031)
Net finance costs	9	**(9,215)**	(10,676)
Net profit /(loss) before taxation	10	**16,164**	(20,652)
Taxation	11	**(686)**	(1,278)
Profit /(loss) for the year		**15,478**	(21,930)
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		**(2,534)**	(15,920)
Fair value adjustment in relation to available-for-sale investments	14	**(2,441)**	2,190
Total other comprehensive expense for the year	12	**(4,975)**	(13,730)
Total comprehensive profit/(loss) for the year		**10,503**	(35,660)

*** see note 29.**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd)

Continuing activities	Notes	2016 US$'000	2015 US$'000 Restated*
Profit/(loss) attributable to:			
Equity holders of the parent		**18,856**	(15,784)
Non-controlling interests		**(3,378)**	(6,146)
Total		**15,478**	(21,930)
Total comprehensive profit/(loss) attributable to:			
Equity holders of the parent		**13,674**	(29,748)
Non-controlling interests		**(3,171)**	(5,912)
Total		**10,503**	(35,660)
Earnings /(loss) per share			
Basic and diluted (US cents)	13	**8.89**	(7.44)

*** see note 29.**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2016

	Notes	2016 US$'000	2015 US$'000
Non-current assets			
Property, plant and equipment		**743**	861
Available-for-sale investments	14	**-**	9,917
Intangible assets	15	**7,081**	7,233
Deferred tax assets	16	**1,623**	1,337
Total non-current assets		**9,447**	19,348
Current assets			
Inventories	17	**244,959**	307,328
Trade and other receivables		**11,571**	17,741
Prepayments		**1,093**	218
Current tax assets		**660**	1,360
Cash and cash equivalents		**26,650**	22,978
Total current assets		**284,933**	349,625
TOTAL ASSETS		**294,380**	368,973
Equity			
Share capital	18	**10,601**	10,601
Share premium	19	**218,926**	218,926
Capital redemption reserve	20	**1,899**	1,899
Translation reserve		**(29,142)**	(26,401)
Fair value reserve		**-**	2,441
Accumulated losses		**(58,922)**	(77,301)
Shareholders' equity		**143,362**	130,165
Non-controlling interests		**(1,148)**	1,433
Total equity		**142,214**	131,598

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2016 (cont'd)

	Notes	2016 US$'000	2015 US$'000
Non-current liabilities			
Loans and borrowings	22	**46,405**	55,823
Medium term notes	23	**-**	10,330
Total non-current liabilities		**46,405**	66,153
Current liabilities			
Trade and other payables		**53,880**	37,336
Amount due to non-controlling interests	21	**12,573**	10,014
Loans and borrowings	22	**10,807**	13,500
Medium term notes	23	**26,343**	108,190
Current tax liabilities		**2,158**	2,182
Total current liabilities		**105,761**	171,222
Total liabilities		**152,166**	237,375
TOTAL EQUITY AND LIABILITIES		**294,380**	368,973

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

Consolidated	Redeemable Ordinary Shares US$'000	Management Shares US$'000	Share Premium US$'000	Capital Redemption Reserve US$'000	Translation Reserve US$'000	Fair Value Reserve US$'000	Accumulated Losses US$'000	Total Equity Attributable to Equity Holders of the Parent US$'000	Non-Controlling Interests US$'000	Total Equity US$'000
1 January 2015	**10,601**	-	**218,926**	**1,899**	**(10,247)**	**251**	**(60,932)**	**160,498**	**10,187**	**170,685**
Issuance of management shares (Note 18)	-	- *	-	-	-	-	-	-	-	-*
Changes in ownership interests in subsidiaries (Note 25)	-	-	-	-	-	-	(585)	(585)	(5,340)	(5,925)
Non-controlling interests contribution	-	-	-	-	-	-	-	-	2,498	2,498
Loss for the year	-	-	-	-	-	-	(15,784)	(15,784)	(6,146)	(21,930)
Total other comprehensive expense	-	-	-	-	(16,154)	2,190	-	(13,964)	234	(13,730)
Total comprehensive loss	-	-	-	-	(16,154)	2,190	(15,784)	(29,748)	(5,912)	(35,660)
At 31 December 2015/ 1 January 2016	**10,601**	- *	**218,926**	**1,899**	**(26,401)**	**2,441**	**(77,301)**	**130,165**	**1,433**	**131,598**
Changes in ownership interests in subsidiaries (Note 25)	-	-	-	-	-	-	(477)	(477)	477	-
Non-controlling interests contribution	-	-	-	-	-	-	-	-	113	113
Profit for the year	-	-	-	-	-	-	18,856	18,856	(3,378)	15,478
Total other comprehensive expense	-	-	-	-	(2,741)	(2,441)	-	(5,182)	207	(4,975)
Total comprehensive profit	-	-	-	-	(2,741)	(2,441)	18,856	13,674	(3,171)	10,503
Shareholders' equity at 31 December 2016	**10,601**	**-***	**218,926**	**1,899**	**(29,142)**	**-**	**(58,922)**	**143,362**	**(1,148)**	**142,214**

* represents 2 management shares at US$0.05 each

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 US$'000	2015 US$'000 Restated*
Cash Flows from Operating Activities			
Net profit /(loss) before taxation		**16,164**	(20,652)
Finance income		**(401)**	(355)
Finance costs		**9,616**	11,031
Unrealised foreign exchange loss		**4,939**	2,544
Write down/Impairment of intangible assets		**152**	1,565
Depreciation of property, plant and equipment		**98**	105
Gain on disposal of available-for-sale investments		**(2,285)**	(806)
Gain on disposal of property, plant and equipment		**(5)**	-
Fair value loss on amount due to non-controlling interests		**-**	320
Operating profit/(loss) before changes in working capital		**28,278**	(6,248)
Changes in working capital:			
Decrease in inventories		**55,303**	7,424
Decrease/(Increase) in trade and other receivables and prepayments		**6,103**	(4,105)
Increase in trade and other payables		**15,426**	7,249
Cash generated from operations		**105,110**	4,320
Interest paid		**(9,616)**	(11,031)
Tax paid		**(318)**	(4,321)
Net cash from/ (used in) operating activities		**95,176**	(11,032)
Cash Flows from Investing Activities			
Proceeds from disposal of available-for-sale investments	(iii)	**8,955**	5,359
Proceeds from disposal of property, plant and equipment		**5**	-
Disposal of held-for-trading financial instrument		**-**	3,291
Finance income received		**401**	355
Net cash from investing activities		**9,361**	9,005

* see note 29

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd)

	Notes	2016 US$'000	2015 US$'000 Restated*
Cash Flows from Financing Activities			
Advances from non-controlling interests		**2,819**	1,067
Issuance of ordinary shares of subsidiaries to non-controlling interests (ii)		**113**	1,058
Issuance of management shares		**-**	- #
Repayment of loans and borrowings		**(104,880)**	(15,854)
Drawdown of loans and borrowings		**1,571**	16,046
Increase in pledged deposits placed in licensed banks		**(698)**	(1,537)
Net cash (used in)/generated from financing activities		**(101,075)**	780
Net changes in cash and cash equivalents during the year		**3,462**	(1,247)
Effect of changes in exchange rates		**(155)**	(1,632)
Cash and cash equivalents at the beginning of the year	(i)	**13,332**	16,211
Cash and cash equivalents at the end of the year	(i)	**16,639**	13,332

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

Cash and bank balances	**14,858**	9,143
Short term bank deposits	**11,792**	13,835
	26,650	22,978
Less: Deposits pledged	**(10,011)**	(9,646)
Cash and cash equivalents	**16,639**	13,332

(ii) During the financial year, US$113,000 (2015: US$2,498,000) of ordinary shares of subsidiaries were issued to non-controlling shareholders which was satisfied via cash consideration (2015: US$1,058,000 was satisfied via cash consideration). In 2015, the remaining amount of US$1,440,000 was satisfied via capitalisation of amount due to non-controlling interests.

(iii) During the financial year, the Group disposed the entire balance representing 9,784,653 (2015: 5,800,000) shares in Nam Long for a consideration of US$9,848,000 (2015: US$5,359,000) of which US$8,955,000 was received during the year. The balance consideration recoverable of US$ 893,000 was received on 23 February 2017.

represents 2 management shares at US$0.05 each

* see note 29

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

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The principal activities of the Group are development of upscale residential and hospitality projects, sale of development land and operation of hotel, mall and hospital in Malaysia and Vietnam.

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 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, adequacy of bank loans and medium term notes and also the refinancing of the medium term notes (as described in Notes 23 and 24) and the Directors believe that the business will be able to realise its assets and discharge its liabilities in the normal course of business for at least 12 months from the date of the approval of these financial statements.

The Directors expect to raise sufficient funds to finance the completion of the Group's existing project and the necessary working capital via the disposal of its development lands in Vietnam and East Malaysia, its existing units of condominium inventories in West Malaysia, and through the disposals of the CIH, FPSS and the HMS.

Should the planned disposals of the assets not materialise, or are delayed, the Directors expect to "roll-over" the medium term notes which are due to expire in the next 12 months, given that the notes are "AAA" rated (a highly sought after investment in Malaysia) and secured by two completed inventories of the Group with carrying amount of US$74.12 million as at 31 December 2016. Included in the terms of the medium term notes programme is an option for the Group to refinance the notes, as and when they expire. This option to refinance is available until 2021.

The Group also has significant borrowings in Vietnam secured by the CIH and development lands. The Directors expect to repay the short term portion of the borrowings via sale of land in Vietnam. The remaining scheduled installments are due only in 2019 and 2020.

The forecasts also incorporate current payables, committed expenditure and other future expected expenditure, along with sales of all completed inventories and disposal of all development lands.

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, at the 2015 AGM the Company proposed an ordinary resolution for it to cease trading (the "Discontinuation Resolution").

At an extraordinary general meeting of the Company held on 22 June 2015, Shareholders voted in favour of the Board's proposals to amend the Company's investment policy to enable a realisation of the Company's 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. Shareholders also supported the Board's recommendation to vote against the Discontinuation Resolution proposed at the 2015 AGM, in order to allow a policy of orderly realisation of the Company's assets over a period of up to three years in order to maximise the value of the Company's assets and returns to Shareholders, both up to and upon the eventual liquidation of the Company.

To the extent that the Company has not disposed of all of its assets by the time of the AGM in 2018, in accordance with the Articles, Shareholders will be provided with an opportunity to review the future of the Company, which would include the option for Shareholders to vote for the continuation of the Company.

The directors have considered the appropriateness of preparing the accounts on a going concern basis in light of the decision to realise the Group's investments in an orderly manner. There is no certainty over the timeframe over which the investments will be realised. The directors note that other viable alternative strategies to a wind-down remain available and they will continue to evaluate whether to propose continuation of the current divestment investment policy or a change to an alternative strategy. Accordingly, the financial statements have been prepared on the going concern basis.

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 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	December 2015	Deferred indefinitely
IFRS 15 Revenue from Contracts with Customers	IASB defers effective date to annual periods beginning on or after 1 January 2018	April 2016	Effective for annual periods beginning on or after 1 January 2018
IFRS 16 Leases	Original Issue	January 2016	Effective for annual periods beginning on or after 1 January 2019
IAS 7 Statement of Cash Flows	Amendments resulting from the disclosure initiative	January 2016	Effective for annual periods beginning on or after 1 January 2017
IAS 12 Income Taxes	Amendments regarding the recognition of deferred tax assets for unrealised losses	January 2016	Effective for annual periods beginning on or after 1 January 2017

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.

(c) IFRS 16, Leases

IFRS 16 replaces, the guidance in IAS 17, Leases, IC Interpretation 4, Determining whether an arrangement contains a Lease, IC interpretation ILS, Operating Leases-Incentive and IC interpretation 127, Evaluating the Substance of Transactions Involving The Legal Form of a Lease. The Directors are currently determining the impact of IFRS 16.

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:

	Group	
	2016 US$'000	**2015 US$'000 Restated**
Sale of land held for property development	**411**	8,227
Sale of completed units	**112,124**	22,096
	112,535	30,323

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 ("Tiffani") by i-ZEN;
(iii) ICSD Ventures Sdn. Bhd. – owns and operates Harbour Mall Sandakan ("HMS") and Four Points by Sheraton Sandakan Hotel ("FPSS");
(iv) Amatir Resources Sdn. Bhd. – develops SENI Mont' Kiara ("SENI");
(v) Iringan Flora Sdn. Bhd. – owns and operates Aloft Kuala Lumpur Sentral Hotel ("AKLS");
(vi) Urban DNA Sdn. Bhd.– develops The RuMa Hotel and Residences("The Ruma");
(vii) Hoa Lam-Shangri-La Healthcare Group – master developer of International Healthcare Park ("IHP"); owns and operates the City International Hospital ("CIH"); and
(viii) ASPL PLB-Nam Long Limited Liability Co – developer of Waterside Estates residential project.

Other non-reportable segments comprise the Group's development projects. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2016 and 2015.

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 presented are inclusive of inter-segment balances and inter-segment pricing is determined on an arm's length basis.

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

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

Operating Segments – ended 31 December 2016

	Investment Holding Companies	Ireka Land Sdn. Bhd.	ICSD Ventures Sdn. Bhd.	Amatir Resources Sdn. Bhd.	Iringan Flora Sdn. Bhd.	Urban DNA Sdn. Bhd.	Hoa Lam-Shangri-La Healthcare Group	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Segment profit/ (loss) before taxation	(4,410)	135	(6,237)	515	37,223	(1,338)	(9,359)	16,529
Included in the measure of segment profit/ (loss) are:								
Revenue	-	1,306	-	6,529	104,289	-	411	112,535
Revenue from hotel operations	-	-	3,435	-	8,762	-	-	12,197
Revenue from mall operations	-	-	1,041	-	-	-	-	1,041
Revenue from hospital operations	-	-	-	-	-	-	5,754	5,754
Impairment of inventory *	-	-	(2,408)	-	-	-	-	(2,408)
Write down of intangible assets	-	-	-	(79)	-	-	(73)	(152)
Marketing expenses	-	-	-	-	-	(193)	-	(193)
Expenses from hotel operations	-	-	(3,763)	-	(5,719)	-	-	(9,482)
Expenses from mall operations	-	-	(1,399)	-	-	-	-	(1,399)
Expenses from hospital operations	-	-	-	-	-	-	(9,039)	(9,039)
Depreciation of property, plant and equipment	-	-	(6)	-	(3)	-	(89)	(98)
Finance costs	-	-	(2,992)	-	(1,957)	-	(4,363)	(9,312)
Finance income	57	2	258	9	2	7	66	401
Segment assets	12,160	1,843	76,174	18,722	-	69,618	97,833	276,350

* The amount relates to impairment of FPSS as the recoverable amount, estimated based on its net realisable value, is below its carrying amount (see note 17).

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	**16,529**
Other non-reportable segments	**(61)**
Finance cost	**(304)**
Consolidated profit before taxation	**16,164**

Operating Segments – ended 31 December 2015 (Restated)

	Investment Holding Companies	Ireka Land Sdn. Bhd.	ICSD Ventures Sdn. Bhd.	Amatir Resources Sdn. Bhd.	Iringan Flora Sdn. Bhd.	Urban DNA Sdn. Bhd.	Hoa Lam-Shangri-La Healthcare Group	ASPL PLB Limited	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Segment profit/ (loss) before taxation	(297)	79	(9,168)	4,156	1,621	(863)	(16,090)	(4)	(20,566)
Included in the measure of segment profit/ (loss) are:									
Revenue	-	1,322	-	20,774	-	-	-	8,227	30,323
Revenue from hotel operations	-	-	3,701	-	18,314	-	-	-	22,015
Revenue from mall operations	-	-	1,033	-	-	-	-	-	1,033
Revenue from hospital operations	-	-	-	-	-	-	4,244	-	4,244
Impairment of inventory *	-	-	(3,200)	-	-	-	-	-	(3,200)
Write down/impairment of intangible assets	-	-	(1,397)	(168)	-	-	-	-	(1,565)
Marketing expenses	-	-	-	(57)	-	(231)	-	-	(288)
Expenses from hotel operations	-	-	(4,256)	-	(12,351)	-	-	-	(16,607)
Expenses from mall operations	-	-	(1,401)	-	-	-	-	-	(1,401)
Expenses from hospital operations	-	-	-	-	-	-	(11,110)	-	(11,110)
Depreciation of property, plant and equipment	-	-	(7)	-	(7)	-	(90)	-	(104)
Finance costs	-	-	(3,635)	-	(4,133)	-	(3,263)	-	(11,031)
Finance income	19	2	268	19	4	7	34	-	353
Segment assets	26,589	3,903	80,392	22,271	62,112	56,776	98,362	-	350,405

* The amount relates to impairment of FPSS as the recoverable amount, estimated based on its net realisable value, is below its carrying amount (see note 17).

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

Profit or loss	**US$'000 Restated**
Total loss for reportable segments	(20,566)
Other non-reportable segments	(87)
Depreciation	(1)
Finance income	2
Consolidated loss before taxation	(20,652)

There are no additions to non-current assets other than financial instruments and deferred tax assets for the financial year ended 2016 and 2015 respectively.

2016 US$'000	**Revenue**	**Depreciation**	**Finance costs**	**Finance income**	**Segment assets**
Total reportable segment	**112,535**	**(98)**	**(9,312)**	**401**	**276,350**
Other non-reportable segments	**-**	**-**	**(304)**	**-**	**18,030**
Consolidated total	**112,535**	**(98)**	**(9,616)**	**401**	**294,380**

2015 US$'000 (Restated)	**Revenue**	**Depreciation**	**Finance costs**	**Finance income**	**Segment assets**
Total reportable segment	30,323	(104)	(11,031)	353	350,405
Other non-reportable segments	-	(1)	-	2	18,568
Consolidated total	30,323	(105)	(11,031)	355	368,973

There are no additions to non-current assets other than financial instruments and deferred tax assets for the financial year ended 2016 and 2015 respectively.

Geographical Information – ended 31 December 2016

	Malaysia US$'000	Vietnam US$'000	Consolidated US$'000
Revenue	**112,124**	**411**	**112,535**
Non-current assets	**2,359**	**7,088**	**9,447**

Included in the revenue of the Group for the financial year ended 31 December 2016 is revenue from the sale of AKLS and a plot of land (GD1) at the IHP.

For the year ended 31 December 2016, one customer exceeded 10% of the Group's total revenue
as follows:

	US$'000	Segments
Prosper Group Holdings Limited	104,289	Iringan Flora Sdn Bhd

Geographical Information – ended 31 December 2015 (Restated)

	Malaysia US$'000	Vietnam US$'000	Consolidated US$'000
Revenue	22,096	8,227	30,323
Non-current assets	2,172	17,176	19,348

For the year ended 31 December 2015, one customer exceeded 10% of the Group's total revenue as follows:

	US$'000	Segments
Nam Long Investment Corporation ("Nam Long") and Nam Khang Construction Investment Development Limited Liability Company ("Nam Khang")	8,227	ASPL PLB-Nam Long Limited Liability Co.

4 SEASONALITY

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

5 COST OF SALES

	2016 US$'000	2015 US$'000 Restated
Direct costs attributable to: Completed units	**74,796**	16,847
Sales of Land held for property development (Note 17)	**191**	7,552
Impairment of inventory (Note 17)	**2,408**	3,200
Write down/Impairment of intangible assets (Note 15)	**152**	1,565
	77,547	29,164

Included in the cost of sales of the Group for the financial year ended 31 December 2016 is cost of sales related to the sale of AKLS and a plot of land (GD1) at the IHP (2015: Sale of Waterside Estates residential project).

6 OTHER INCOME

Group	2016 US$'000	2015 US$'000 Restated
Dividend income	**208**	293
Gain on disposal of available-for-sale investments	**2,285**	806
Gain on disposal of property, plant and equipment	**5**	-
Rental income	**211**	115
Revenue from hotel operation (a)	**12,197**	22,015
Revenue from mall operation (b)	**1,041**	1,033
Revenue from hospital operation (c)	**5,754**	4,244
Sundry income	**262**	380
	21,963	28,886

(a) Revenue from hotel operations

The revenue relates to the operations of two hotels – FPSS and AKLS, 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.

(b) Revenue from mall operations

The revenue relates to the operation of HMS 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.

(c) Revenue from hospital operations

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

7 FOREIGN EXCHANGE LOSS

	2016 US$'000	2015 US$'000
Foreign exchange loss comprises:		
Realised foreign exchange loss	**(112)**	(371)
Unrealised foreign exchange loss	**(4,939)**	(2,544)
	(5,051)	(2,915)

8 MANAGEMENT FEES

	2016 US$'000	2015 US$'000
Management fees	**3,331**	3,115

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 the 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 of the 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 (2015: US$Nil).

9 FINANCE (COSTS)/ INCOME

	2016 US$'000	2015 US$'000
Interest income from banks	**401**	355
Agency fees	**(194)**	(83)
Arrangement fee	**(621)**	-
Bank guarantee commission	**(50)**	(49)
Interest on bank loans	**(4,313)**	(3,214)
Interest on financial liabilities at amortised cost	**(1)**	(2)
Interest on medium term notes	**(4,437)**	(7,683)
	(9,215)	(10,676)

10 NET PROFIT /(LOSS) BEFORE TAXATION

	2016 US$'000	2015 US$'000
Net profit /(loss) before taxation is stated after charging/(crediting):		
Auditor's remuneration		
- current year	**205**	226
Directors' fees	**297**	317
Depreciation of property, plant and equipment	**98**	105
Expenses of hotel operations	**9,482**	16,607
Expenses of mall operations	**1,399**	1,401
Expenses of hospital operations	**9,039**	11,110
Fair value loss on amount due to non-controlling interests	**-**	320
Unrealised foreign exchange loss	**4,939**	2,544
Realised foreign exchange loss	**112**	371
Write down/impairment of intangible assets	**152**	1,565
Gain on disposal of available-for-sale investments	**(2,285)**	(806)
Gain on disposal of property, plant and equipment	**(5)**	-
Tax services	**8**	15

11 TAXATION

	2016 US$'000	2015 US$'000
Current tax– Current year	**796**	1,468
– Prior year	**262**	(227)
Deferred tax (credit) /expense– Current year	**(354)**	678
– Prior year	**(18)**	(641)
Total tax expense for the year	**686**	1,278

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

	2016 US$'000	2015 US$'000
Net profit/(loss) before taxation	**16,164**	(20,652)
Income tax at a rate of 24% (2015:25%)	**3,879**	(5,163)
Add :		
Tax effect of expenses not deductible in determining taxable profit	**6,854**	3,689
Current year losses and other tax benefits for which no deferred tax asset was recognised	**2,059**	2,449
Tax effect of different tax rates in subsidiaries	**1,521**	2,703
Less :		
Tax effect of income not taxable in determining taxable profit	**(13,841)**	(1,532)
Under/(over) provision in respect of prior years	**244**	(868)
Total tax expense for the year	**686**	1,278

The applicable corporate tax rate in Malaysia is 24% (2015: 25%).

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

The applicable corporate tax rates in Singapore and Vietnam are 17% and 20% (2015: 22%) respectively.

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

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

The tax effect of income not taxable in determining taxable profit are mainly relates to the net gain on disposal from the sale of the AKLS.

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 COMPREHENSIVE EXPENSE

Items that are or may be reclassified subsequently to profit or loss, net of tax	**2016 US$'000**	**2015 US$'000**
Foreign currency translation differences for foreign operation		
Loss arising during the year	**(3,522)**	(15,374)
Reclassification to profit or loss on disposal of subsidiary	**988**	(546)
	(2,534)	(15,920)
Fair value of available-for-sale investment		
(Loss)/Gain arising during the year	**(233)**	2,680
Reclassification adjustments for gain on disposal included in profit or loss	**(2,208)**	(490)
	(2,441)	2,190
	(4,975)	(13,730)

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 2016 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:

	2016 US$'000	**2015 US$'000**
Profit/(loss) attributable to equity holders of the parent	**18,856**	(15,784)
Weighted average number of shares	**212,025**	212,025
Profit/(loss) for the year		
Basic and diluted (US cents)	**8.89**	(7.44)

14 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.

2016	**Quoted Shares US$'000**
1 January – fair value	**9,917**
Disposal	**(7,562)**
Exchange adjustments	**86**
Recognised in other comprehensive expense	**(233)**
Reclassified from equity to profit or loss	**(2,208)**
At 31 December – fair value	**-**

2015	**Quoted Shares US$'000**
1 January – fair value	12,822
Disposal	(4,553)
Exchange adjustments	(542)
Recognised in other comprehensive income	2,680
Reclassified from equity to profit or loss	(490)
At 31 December – fair value	9,917

During the financial year, the Group disposed of the entire balance representing 9,784,653 (2015: 5,800,000) numbers of shares in Nam Long for a consideration of US$9,850,945 (2015: US$5,359,000) at an average market price of US$1.01 (2015: US$0.92) per share. The Group recognised a gain on disposal of US$ 2,285,000 during the year (2015: US$806,000).

15 INTANGIBLE ASSETS

Group	Licence Contracts and Related Relationships US$'000	Goodwill US$'000	Total US$'000
Cost			
At 1 January 2015/ 31 December 2015 / 31 December 2016	**10,695**	**6,479**	**17,174**
Accumulated impairment losses			
At 1 January 2015	4,276	4,100	8,376
Impairment	-	1,397	1,397
Write down	-	168	168
At 31 December 2015 / 1 January 2016	**4,276**	**5,665**	**9,941**
Write down	73	79	152
At 31 December 2016	**4,349**	**5,744**	**10,093**
Carrying amounts			
At 31 December 2015	6,419	814	7,233
At 31 December 2016	**6,346**	**735**	**7,081**

The licence contracts and related relationships represent the land use rights ("LUR") for the Group's land in Vietnam. LUR represents the rights to develop the IHP within a lease period ending on 9 July 2077. In 2016, the Group sold a selected plot of its undeveloped land in the IHP Lot, GD1 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:

	2016 US$'000	2015 US$'000
Licence contracts and related relationships		
International Healthcare Park	**6,346**	6,419
Goodwill		
SENI Mont' Kiara	**185**	264
Sandakan Harbour Square	**550**	550
	735	814

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

The recoverable amount of goodwill has been tested by reference to underlying profitability of the ongoing operations of the developments using discounted cash flow projections (Refer Note 17).

In the previous financial year, impairment losses of US$1,397,000 in relation to the FPSS, have been recognised as the recoverable amount of the cash generating unit, estimated based on net realisable value, is below its carrying amount. Intangible assets of US$79,000 (2015: US$168,000) and US$73,000 (2015: US$Nil) in relation to SENI and IHP projects respectively were written down as certain components from the developments were sold during the year.

16 DEFERRED TAX ASSETS

	2016 US$'000	2015 US$'000
At 1 January	**1,337**	1,683
Exchange adjustments	**(86)**	(309)
Deferred tax credit relating to origination and reversal of temporary differences during the year	**372**	(37)
At 31 December	**1,623**	1,337

The deferred tax assets comprise:

	2016 US$'000	2015 US$'000
Taxable temporary differences between accounting profit and taxable profit of property development units sold	**1,623**	1,337
At 31 December	**1,623**	1,337

Deferred tax assets have not been recognised in respect of unused tax losses of US$65,440,000 (2015: US$55,000,000) 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$4,460,000 (2015: US$3,100,000) 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.

17 INVENTORIES

	Note	2016 US$'000	2015 US$'000
Land held for property development	**(a)**	**22,514**	23,223
Work-in-progress	**(b)**	**62,708**	53,182
Stock of completed units, at cost	**(c)**	**159,334**	230,436
Consumables		**403**	487
At 31 December		**244,959**	307,328

Carrying amount of inventories pledged as security for Loan and borrowings and Medium Term Notes	**148,427**	237,059

(a) Land held for property development

	2016 US$'000	2015 US$'000
At 1 January	**23,223**	40,560
Add :		
Exchange adjustments	**(604)**	(3,466)
Additions	**86**	451
	22,705	37,545
Less: Costs recognised as expenses in the statement of comprehensive income during the year (note 5)	**(191)**	(14,322)
At 31 December	**22,514**	23,223

(b) Work-in-progress

	2015 US$'000	2015 US$'000
At 1 January	**53,182**	55,332
Add :		
Exchange adjustments	**(3,967)**	(10,273)
Work-in-progress incurred during the year	**13,493**	8,123
At 31 December	**62,708**	53,182

The above amounts included borrowing costs capitalised at interest rate ranging from 5.50% to 10.00% per annum (2015: 5.50% to 10.00% per annum) of US$1,620,000 (2015: US$1,670,000) during the financial year.

(c) Stock of completed units, at cost

The net realisable value of completed units have been tested by reference to underlying profitability of the ongoing operations of the developments using discounted cash flow projections and/or comparison method with the similar properties within the local market which provides an approximation of the estimated selling price that is expected to be achieved in the ordinary course of business.

Included in the stock of completed units are SENI, Tiffani by i-ZEN as well as the following completed units:

Four Points by Sheraton Sandakan Hotel ("FPSS")

The recoverable amount of FPSS was determined based on a valuation by an external, independent valuer with appropriate recognised professional qualification. The carrying amount of FPSS including the attached goodwill was determined to be higher than its recoverable amount of US$37,012,000 (2015: US$40,949,000) and impairment losses of US$Nil (2015: US$1,397,000) and US$2,408,000 (2015: US$3,200,000) in relation to the goodwill and inventory amounts was recognised respectively. The impairment loss was included in cost of sales.

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

(1) Cash flows were projected based on past experience, actual operating results in 2016 and the 10 years budget of FPSS adjusted by the valuer;

(2) The occupancy rate of FPSS will improve to an optimum level of 75% in 2026;

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

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

Sensitivity analysis

The above estimates are sensitive in the following key areas:

(a) an increase/(decrease) of 1% in discount rate used would have (decreased)/increased the recoverable amount by approximately (US$4,828,000)/US$6,199,000.

(b) an increase/(decrease) of 1% in occupancy rate throughout the entire projection term used would have increased/(decreased) the recoverable amount by approximately US$684,000/ (US$684,000).

Harbour Mall Sandakan ("HMS")

The recoverable amount of HMS was determined based on an internal valuation performed by management. The recoverable amount of HMS was determined to be higher than its carrying amount and no impairment losses in relation to the inventory amounts was recognised.

The valuation of HMS was determined by the capitalisation of net income expected to be generated from the continuing operations of HMS ("investment approach") when the mall operates at an optimum occupancy rate and was based on the following key assumptions:

(1) Occupancy rate will improve to an optimum level of 95%;

(2) Capitalisation period of 73 years covering the period of HMS achieving optimum operations to expiration of the title term;

(3) Outgoing rate was projected at 35% against gross annual income;

(4) Capitalisation rate was assumed at 6%;

Sensitivity analysis

The above estimates are sensitive in the following key areas:

(a) an increase/(decrease) of 1% in capitalisation rate used would have (decreased)/ increased the recoverable amount by approximately (US$5,652,000)/ US$7,555,000.

(b) an increase/(decrease) of 1% in optimum occupancy rate throughout the entire projection term would have increased/(decreased) the recoverable amount by approximately US$435,000/ (US$435,000).

City International Hospital ("CIH")

The recoverable amount of CIH was determined based on a valuation by an external, independent valuer with appropriate recognised professional qualification. The recoverable amount of CIH was determined to be higher than its carrying amount and no impairment losses in relation to the inventory amounts was recognised.

The valuation of CIH was determined on a depreciated replacement cost approach which entails estimating the land value for its existing use, and the depreciated replacement costs of the site improvements and related expenditure. The followings are the key assumptions:

(1) The underlying land value is based on the current prices quoted by the similar properties to potential investors who are looking to set up the private hospital in the area;

(2) Replacement costs for the improvements on site was made with reference to construction cost data and research on similar structures, taking into considerations of professional fees, finance cost and depreciation expense in relation to the improvements on site and related expenditure; and

(3) Plant and machinery that form part of the building services installations are reflective of its carrying amounts.

Sensitivity analysis

The above estimates are sensitive in the following key areas:

(a) an increase/(decrease) of 1% in land value would have increased/(decreased) the recoverable amount by approximately US$149,700/(US$149,700).

(b) an increase/(decrease) of 1% in depreciation charges used would have (decreased)/ increased the recoverable amount by approximately (US$30,000)/US$30,000.

18 SHARE CAPITAL

	Number of shares 2016 '000	**Amount 2016 US$'000**	**Number of shares 2015 '000**	**Amount 2015 US$'000**
Authorised Share Capital				
Ordinary shares of US$0.05 each	2,000,000	100,000	2,000,000	100,000
Management shares of US$0.05 each	- *	- *	-	-
	2,000,000	100,000	2,000,000	100,000

Issued Share Capital				
Ordinary shares of US$0.05 each	212,025	10,601	212,025	10,601
Management shares of US$0.05 each	- #	- #	-	-
	212,025	10,601	212,025	10,601

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

At previous financial year end, the shareholders of the Company approved the creation and issuance of management shares by the Company as well as a compulsory redemption mechanism that was proposed by the Board.

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

The Company also increased its issued and paid-up share capital from US$10,601,250 to US$10,601,250.10 by way of an allotment of 2 new management shares of US$0.05 each at par via cash consideration.

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

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

(a) Distribution of dividend:

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

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

(b) Winding-up or return of capital:

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

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

(c) Voting rights:

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

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

19 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.

	2016 US$'000	2015 US$'000
At 1 January/31 December	**218,926**	218,926

20 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.

21 AMOUNT DUE TO NON-CONTROLLING INTERESTS

	2016 US$'000	2015 US$'000
Current		
Minority Shareholder of Bumiraya Impian Sdn. Bhd.:		
- Global Evergroup Sdn. Bhd.	**1,105**	1,155
Minority Shareholders of Hoa Lam Services Co Ltd:		
- Tran Thi Lam	**1,752**	1,727
- Tri Hanh Consultancy Co Ltd	**3,944**	3,257
- Hoa Lam Development Investment Joint Stock Company	**2,228**	244
- Duong Ngoc Hoa	**226**	163
Minority Shareholder of The RuMa Hotel KL Sdn. Bhd.:		
- Ireka Corporation Berhad	**2**	1
Minority Shareholder of Urban DNA Sdn. Bhd.:		
- Ireka Corporation Berhad	**3,316**	3,467
	12,573	10,014

The current amount due to non-controlling interests amounting to US$12,573,000 (2015: US$10,014,000) is unsecured, interest free and repayable on demand.

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

22 LOANS AND BORROWINGS

	2016 US$'000	2015 US$'000
Non-current		
Bank loans	**46,405**	55,813
Finance lease liabilities	**-**	10
	46,405	55,823
Current		
Bank loans	**10,804**	13,489
Finance lease liabilities	**3**	11
	10,807	13,500
	57,212	69,323

The effective interest rates on the bank loans and finance lease arrangement for the year ranged from 5.25% to 12.50% (2015: 5.25% to 12.50%) per annum and 2.50% (2015: 2.50% to 3.50%) per annum respectively.

Borrowings are denominated in Ringgit Malaysia, United States 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 2016 US$'000	Interest 2016 US$'000	Present value of minimum lease payment 2016 US$'000	Future minimum lease payment 2015 US$'000	Interest 2015 US$'000	Present value of minimum lease payment 2015 US$'000
Within one year	**3**	**-**	**3**	12	1	11
Between one and five years	**-**	**-**	**-**	12	2	10
	3	**-**	**3**	24	3	21

23 MEDIUM TERM NOTES

	2016 US$'000	2015 US$'000
Outstanding medium term notes	**26,748**	119,711
Net transaction costs	**(405)**	(1,191)
Less:		
Repayment due within twelve months *	**(26,343)**	(108,190)
Repayment due after twelve months	**-**	10,330

* Includes net transaction costs in relation to medium term notes due within twelve months of US$0.40 million (2015: US$1.04 million).

The Medium Term Notes ("MTNs") were issued pursuant to a programme with a tenure of ten (10) years from the first issue date of the notes. The MTNs were issued by a subsidiary, to fund two development projects known as Sandakan Harbour Square and AKLS in Malaysia. US$54.61 million (RM245.00 million) was drawn down in 2011 for Sandakan Harbour Square. US$3.34 million (RM15.00 million) was drawn down in 2012 for AKLS and the remaining US$56.62 million (RM254 million) in 2013.

During the financial year, the Group completed the sale of the AKLS. The net adjusted price for the sale of AKLS, which includes the sale of the entire issued share capital of ASPL M3B Limited and Iringan Flora Sdn. Bhd is approximately US$104.3 million. Proceeds received from the sale of AKLS were used to redeem the MTNs Series 2 and Series 3. Following the completion of the disposal of AKLS, US$87.8 million (RM394.0 million) of MTNs associated with the AKLS (Series 3) and the FPSS (Series 2) was repaid on 19 August 2016. The charges in relation to AKLS was also discharged following the completion of the disposal. Subsequent to the repayment of MTNs Series 2 and Series 3, MTNs Series 1 of US$26.75 million (RM120 million) remains. The Group secured a rollover of US$16.72 million (RM75 million) on 7 December 2016 to expire on 8 December 2017.

The weighted average interest rate of the MTNs was 5.93% per annum at the statement of financial position date. The effective interest rates of the MTNs and their outstanding amounts are as follows:

	Maturity Dates	Interest rate % per annum	US$'000
Series 1 Tranche FG 003	8 December 2017	5.90	5,572
Series 1 Tranche BG 003	8 December 2017	5.85	4,458
Series 1 Tranche FG 004	8 December 2017	6.00	10,031
Series 1 Tranche BG 004	8 December 2017	5.92	6,687
			26,748

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 ("Danajamin") 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 and ICSD Ventures 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) a corporate guarantee by Aseana Properties Limited;

(vi) 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;

(vii) assignment of all its present and future rights, interest and benefits under the ICSD Ventures Sdn. Bhd.'s Put Option Agreements in favor of Danajamin, Malayan Banking Berhad and OCBC Bank (Malaysia) Berhad (collectively as "the guarantors") where once exercised, the sale and purchase of HMS and FPSS shall take place in accordance with the provision of the Put Option Agreement; and the proceeds from HMS and FPSS
will be utilised to repay the MTNs;

(viii) 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.;

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

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

24 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	2016 US$'000	2015 US$'000
ICB Group of Companies		
Accounting and financial reporting services fee charged by an ICB subsidiary	**50**	50
Advance payment to the contractors of an ICB subsidiary	**1,591**	833
Construction progress claims charged by an ICB subsidiary	**9,960**	6,423
Acquisition of SENI units by an ICB subsidiary	**-**	2,008
Management fees charged by an ICB subsidiary	**3,331**	3,115
Marketing commission charged by an ICB subsidiary	**248**	281
Project staff costs reimbursed to an ICB subsidiary	**2**	289
Rental expenses charged by an ICB subsidiary	**-**	4
Rental expenses paid on behalf of ICB	**493**	512
Secretarial and administrative services fee charged by an ICB subsidiary	**50**	50
Key management personnel		
Remuneration of key management personnel - Directors' fees	**297**	317
Remuneration of key management personnel - Salaries	**123**	49

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

Group	2016 US$'000	2015 US$'000
Non-controlling interests		
Advances – non-interest bearing	**2,819**	1,067
Capitalisation of amount due to non-controlling interests as share capital	**-**	1,440

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

The outstanding amounts due from/ (to) ICB and its group of companies as at 31 December 2016 and 31 December 2015 are as follows:

Group	Note	2016 US$'000	2015 US$'000
Amount due from an ICB subsidiary for advance payment to its contractors	**(ii)**	**2,903**	1,997
Amount due to an ICB subsidiary for construction progress claims charged	**(i)**	**(928)**	(38)
Amount due from an ICB subsidiary for acquisition of SENI units	**(i)**	**1,760**	1,840
Amount due (to)/from an ICB subsidiary for management fees	**(ii)**	**(22)**	25
Amount due to an ICB subsidiary for marketing commissions	**(ii)**	**(13)**	(43)
Amount due to an ICB subsidiary for reimbursement of project staff costs	**(ii)**	**-**	(24)
Amount due to an ICB subsidiary for rental expenses	**(ii)**	**-**	(3)
Amount due from ICB for rental expenses paid on behalf	**(ii)**	**114**	1,415

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

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

The outstanding amounts due to the other significant related parties as at 31 December 2016 and 31 December 2015 are as follows:

	2016 US$'000	2015 US$'000
Non-controlling interests		
Advances – non-interest bearing (Note 21)	(12,573)	(10,014)

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

25 BUSINESS COMBINATION

Change in equity interest in subsidiaries

During the financial year, the Group increased its equity interest in Shangri-La Healthcare Investment Pte Ltd ("SHIPL") from 79.76% to 81.50% (2015: 75.38% to 79.76%) arising from an issue of new shares in the subsidiary for cash consideration of US$4.3 million. 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, Hoa Lam – Shangri-La 5 Ltd Liability Co and Hoa Lam – Shangri-La 6 Ltd Liability Co, subsidiaries of SHIPL, increased to 72.35% (2015: 71.13%).

The Group recognised an increase in non-controlling interests of US$477,000 (2015: US$585,000) and an increase in accumulated losses of US$477,000 (2015: US$585,000) resulting from the increase in equity interest in the above subsidiaries. The transaction was accounted for using the acquisition method of accounting.

26 DIVIDEND

The Company has not paid or declared any dividends during the financial year ended 31 December 2016.

27 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 par down medium term notes programme of up to US$26.748 million, Silver Sparrow Berhad ("SSB") had opened a Ringgit Malaysia debt service reserve account ("DSRA") and shall ensure that an amount equivalent to RM30.0 million (US$6.69 million) (the "Minimum Deposit") be maintained in the DSRA at all times. The amount is disclosed as deposits pledged. 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.

28 EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

On 4 January 2017, the Shareholders of the Company at an Extraordinary General Meeting approved a proposal to return US$10,000,500 or US$0.75 per share for 13,334,000 shares representing 6.29 per cent of the Company's share capital to Shareholders through N+1 Singer. The capital distribution was completed on 10 January 2017 and the repurchased shares of 13,334,000 are currently held as Treasury Shares. The issued and paid up share capital of the Company remains unchanged at 212,025,002.

29 PRIOR YEAR RESTATEMENT

In the previous financial year, the Group disposed of its 55% interest in ASPL PLB-Nam Long Limited Liability Co. ("ASPL PLB-Nam Long"), a subsidiary of the Group, who is the developer of the Waterside Estates residential project in Vietnam, to Nam Long Investment Corporation ("Nam Long") and Nam Khang Construction Investment Development Limited Liability Company ("Nam Khang") for a cash consideration of US$8.2 million.

As the Group is principally a property developer, the disposal of ASPL PLB-Nam Long represents a disposal of the Waterside Estates residential project. Accordingly, the Group has more appropriately reflected the disposal of ASPL PLB-Nam Long as a disposal of the Group's inventory, the Waterside Estates residential project. Thus reflecting the transaction as revenue from sale of the inventory with the relevant costs being recognised as its cost of sales, instead of gain on disposal of a subsidiary which was reflected in the previous year's financial statements.

The cash generated from Operating profit/(loss) before changes in working capital has been adjusted by the gain on disposal of subsidiary of US$675,000, this has now been reflected into changes in working capital in net cash from operating activities rather than Operating profit/(loss) before changes in working capital as previously stated. The operating cash flows have been adjusted by the net cash outflows on disposal, which was made up of proceeds received in 2015 (US$1,517,000), offset by the cash and cash equivalents disposed of (US$1,663,000), this has been reflected in net cash from operating activities rather than net cash from investing activities as previously stated.

The effects of restatement are disclosed below:

	Group 31.12.2015	
	As restated US$'000	As previously stated US$'000
Consolidated statement of comprehensive income		
Revenue	30,323	22,096
Cost of sales	(29,164)	(21,612)
Other income	28,886	29,561
Consolidated statement of cash flows		
Operating profit/(loss) before changes in working capital	(6,248)	(6,923)
Cash generated from operations (before interest and tax paid)	4,320	4,466
Net cash used in operating activities	(11,032)	(10,886)
Net cash from investing activities	9,005	8,859

The comparatives in notes 3, 5 and 6 to the financial statements were restated to reflect the above.

The restatement had no impact on the profit for the financial year or the total assets or total equity or net cash flow for any of the periods presented of the Group.

30 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 on 3 July 2017.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

RESPONSIBILITY STATEMENT

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

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

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

On behalf of the Board

Mohammed Azlan Hashim Director	Christopher Henry Lovell Director

26 April 2017