25 April 2012

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

Full Year Results for the Year Ended 31 December 2011

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 2011*.

Financial Highlights

- Revenue increased by 56.8% to US$281.1 million (2010:US$179.3 million) mainly attributed to SENI Mont' Kiara (US$274.9 million) and sale of completed properties (US$5.8 million)
- Net profit before taxation of US$33.1 million (2010: net loss before taxation of US$15.4 million)
- Earnings per share of US$0.0756 (2010: Loss per share of US$0.0951)
- Net asset value per share of US$0.957 (2010: US$0.908)
- Interim dividend of US$0.01 per ordinary share paid on 15 December 2011
- Completed a limited share buy-back programme of 500,000 ordinary shares, now held as treasury shares

Operational Highlights

- Secured long-term medium term notes financing of up to US$162 million for the development of Sandakan Harbour Square properties and Aloft Kuala Lumpur Sentral hotel, of which US$77.3 million has been issued
- Successfully completed the construction of 605 units at SENI Mont' Kiara luxury condominiums in Kuala Lumpur, Malaysia and obtained certificate of occupation in April 2011 (Phase 1) and October 2011 (Phase 2); 78% of development sold as at 31 March 2012
- Successfully completed the construction of Harbour Mall Sandakan (Phase 3) in March 2012 and Four Points by Sheraton Sandakan (Phase 4) expected to complete in Q2 2012; both properties are situated in Sandakan Harbour Square, Sandakan, Malaysia and targeted to commence operation in Q2 2012
- Secured an 8-year syndicated term loan of US$43.3 million to part finance the development of City International Hospital at the International Hi-Tech Healthcare Park, Ho Chi Minh City, Vietnam, which will be drawn down progressively in 2012/2013
- Partnership with Nam Long to develop the Phuoc Long B residential development in District 9, Ho Chi Minh City, Vietnam, announced in April 2011; Investment License received in November 2011 and sales launch and construction expected to commence in Q3 2012
- KLCC Kia Peng Residential & Boutique Hotel Project in Kuala Lumpur, Malaysia received its development order approval in March 2012 and sales launch and construction expected to commence in Q4 2012

* 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 2011. The financial statements for 2011 have been prepared under International Financial Reporting Standards. The auditors, KPMG Audit Plc, 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:

"October 2011 saw the completion of SENI Mont' Kiara, the Group's largest and most significant project. This has contributed positively to the Company's results for the financial year ended 31 December 2011. We look forward to the completion of the Harbour Mall Sandakan and Four Points by Sheraton Sandakan hotel (both situated in Sandakan Harbour Square); as well as the office towers and Aloft Kuala Lumpur Sentral hotel, all situated in Malaysia. Over in Vietnam, our maiden project in Vietnam, the 319-bed City International Hospital at the International Hi-Tech Healthcare Park is also expected to be completed by the end of 2012.

2012 is shaping up to be another busy year for project launches as well as construction with three projects expected to start in the second half of this year."

-Ends-

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Notes to Editors:

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

Aseana typically invests in development projects at pre-construction stage. Investment is made in projects where it is believed there will be a minimum 30% annualised return on equity ("ROE") on investments in Vietnam and a minimum 20% ROE on investments in Malaysia.

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 40 years experience in construction and property development. IDM is responsible for the day-to-day management of Aseana's property portfolio and the introduction and facilitation of new investment opportunities.

CHAIRMAN'S STATEMENT

2011 was an eventful year for the global economy and for the financial markets. The eurozone debt crisis reached a stage where the sustainability of the euro itself came under threat and in the US, the world's largest economy, the debt rating was downgraded for the very first time. Added to the economic gloom, the natural disasters that befell Japan and Thailand, as well as civil unrest in Africa and the Middle East have tempered growth in 2011, with expectations of another difficult year in 2012. To quote a number of market observers, volatility seems to be the only constant in recent times.

Although Asia's markets remained resilient and relatively calmer, they have not been immune to the 2011 global downturn. Economic growth was inevitably slower as trade flows with Europe and the US dropped, but this growth still outstripped most regions around the world.

Malaysia and Vietnam, Aseana Properties' core markets, experienced moderate growth in 2011, with gross domestic product ("GDP") at 5.1% and 5.9% respectively, lower growth than the year before. The GDP growth for Malaysia was, and will continue to be largely driven by domestic demand, both in private and public spending. Amidst the weaker external environment, the Malaysian economy picked up in the second half of 2011. Notwithstanding the sustainability of domestic consumption, Malaysia will benefit from the timely rollout of the Economic Transformation Programme[1] projects to create a multiplier effect in the service sector.

It was yet another challenging year for Vietnam in 2011, having to grapple with the credit crunch, high interest rates, a weakening currency and high inflation. The economy's dependence on exports with the EU and the US, its major trading partners, will remain a vulnerable threat, although the trade deficit began to improve towards the end of last year. The focus will be to ensure its macroeconomic policies are able to moderate inflation and strengthen its currency, thus allowing Foreign Direct Investment inflow to continue to grow.

Aseana Properties has recorded positive results for the financial year ended 31 December 2011, mainly attributable to the completion and handover of the SENI Mont' Kiara properties. Its revenue stood at US$281.1 million, a 56.8% increase compared to US$179.3 million in 2010. The revenue was attributable to recognition of revenue upon completion and handover of SENI Mont' Kiara properties of US$274.9 million and the sale of completed properties in Tiffani by i-ZEN and Sandakan Harbour Square (Phase 2) totalling US$5.8 million. The Group's net profit before taxation was US$33.1 million, compared to a loss before taxation of US$15.4 million in 2010.

Aseana Properties remains committed to its development strategy, balancing between growing its property portfolio value against managing the realisation timeline of its assets. The corporate milestones in 2011 and for 2012 to date include:

Residential Development with Nam Long Investment Corporation in Ho Chi Minh City

- 26 April 2011 - Aseana Properties entered into an agreement with Nam Long Investment Corporation to develop a residential project on a 56,212 sq m parcel of land in District 9 of Ho Chi Minh City (referred to as the Phuoc Long B project). The project, consisting of 37 villas and 460 apartment units, will be developed by Aseana Properties and Nam Long on a 55:45 basis. The Investment License for the project was received in November 2011. Preliminary site

[1] *The Economic Transformation Programme is a focused, inclusive and sustainable initiative that is targeted to transform Malaysia into a high-income nation by 2020.*

preparation work has commenced with sales launch and construction expected to begin in the third quarter of 2012.

Withdrawal of PRUPIM from development project

- 3 May 2011 - Aseana Properties announced that it had mutually agreed to terminate the conditional agreement to sell a 49% stake in its wholly-owned subsidiary, ASPL PV Limited to Prudential Property Investment Management (Singapore) Pte. Ltd (PRUPIM). ASPL PV Limited is the joint developer of the Tan Thuan Dong residential development in Ho Chi Minh City. Aseana Properties will continue its partnership with Nam Long to develop the residential project on a 80:20 basis. In December 2011, the project has successfully obtained its Investment License.

Declaration of an Interim Dividend

- 28 October 2011 - The Board recommended an interim dividend for the six months ending 30 June 2011 of US$0.01 per Ordinary Share. The dividend was paid on 15 December 2011 to Shareholders on the register at the close of business on 25 November 2011.

Long-term financing secured for Sandakan Harbour Square properties and Aloft Kuala Lumpur Sentral hotel

- 10 November 2011 - Aseana Properties secured long-term financing in the form of a Medium Term Notes Programme (“MTN Programme”) of up to US$162 million (RM515.0 million) to be issued in Malaysia. The MTN Programme, with a tenure of up to ten years, is guaranteed by a syndicate of guarantors that include Danajamin Nasional Berhad, Malayan Banking Berhad and OCBC Bank (Malaysia) Berhad. Proceeds raised from the MTN Programme will be utilised to refinance the construction of the Four Points by Sheraton Sandakan hotel and Harbour Mall Sandakan and to part finance the acquisition of the Aloft Kuala Lumpur Sentral hotel, all located in Malaysia.

Extraordinary General Meeting

- 15 November 2011 – At an Extraordinary General Meeting, the Shareholders approved the following resolutions:
    a. authorising the Company to continue to reinvest capital realised from existing projects into other ongoing existing projects after 5 April 2012, as the Board may direct;
    b. authorising the Directors to allot up to 63,757,500 Ordinary Shares, an amount equal to 30% of the Company's Issued Share Capital; and
    c. adopting new articles of association of the Company to, amongst other things, adding provisions to allow for all lawful distributions to be capitalised.

Share buy-back programme

- 28 December 2011 – The Group commenced a limited share buy-back programme of up to 500,000 ordinary shares. Between 4 and 24 January 2012, Aseana Properties purchased 500,000 Ordinary Shares at an average price of 34.93 cents. The repurchased shares are currently held as treasury shares.

Progress of property portfolio

October 2011 saw the completion of SENI Mont’ Kiara, the Group’s largest and most significant project. Sales at SENI Mont’ Kiara currently stand at 78% (as at 31 March 2012). Most of the Group’s property projects such as Tiffani by i-ZEN and Sandakan Harbour Square (retail lots) are near 100% take-up, if not fully sold. Two major developments are targeted for completion in 2012 – the Harbour Mall Sandakan and Four Points by Sheraton Sandakan hotel (both situated in Sandakan Harbour Square); as well as the office towers and Aloft Kuala Lumpur Sentral hotel. The completion of these properties together with securing of long-term financing will bode well for Aseana Properties as the company moves towards the realisation of its completed property portfolio.

Outlook

2012 is shaping up to be another busy year for project launches as well as construction with three projects expected to start in the second half of this year - Phuoc Long B, KLCC Kia Peng and Tan Thuan Dong. These projects, having obtained authorities' approvals in 2011 and 2012, are now undergoing the final stages of detailed design and project planning.

Despite the uncertainty in the global economy, Malaysia is expected to experience stable, moderate growth in the property sector this year; whilst the Vietnam property market may continue to remain challenging. However, the Group's location-centric focus and tailoring of its products on the back of comprehensive and hands-on market research, provides the Board with the confidence to achieve continued success in 2012.

As the Group's assets mature, it is anticipated that the Group should be in a position to realise a number of its assets over the next four years. Such realisations should allow the Board to return capital to shareholders, subject to cash requirements for existing projects. The Board has asked the Development Manager and its advisers to seek the views of shareholders as to the options of how capital could be returned and also on the Group's management structure going forward.

I wish to extend a note of appreciation to my fellow Directors and our development manager for their continued commitment. Our heartfelt thanks also go out to the Government authorities, financiers, shareholders and business associates who have remained supportive of our business endeavours throughout the year.

MOHAMMED AZLAN HASHIM
Chairman
24 April 2012

DEVELOPMENT MANAGER'S REVIEW

BUSINESS OVERVIEW

It was a milestone year for Aseana Properties in Malaysia, as the Group successfully completed its SENI Mont' Kiara development in October 2011. Phase 1 was handed over to the buyers from April 2011 onwards while Phase 2 commenced hand over in October 2011. The Group also focused its effort in redesigning its Kia Peng project to optimise the development mix and hence value of the project. The Kia Peng project will now feature mid-sized serviced residences with a boutique hotel component to fully capitalise on its strategic location near the Kuala Lumpur City Centre Convention Centre. In November 2011, Aseana Properties appointed Starwood as the operator for the Kuala Lumpur Sentral Hotel, under the "Aloft" brand. Kuala Lumpur Sentral is the "Aloft" brand's maiden project in Malaysia, and is set to create excitement in the hospitality industry upon its opening.

In Vietnam, Aseana Properties focused on realigning its launch strategies and refining its product offerings to mitigate against the slowdown in the Ho Chi Minh property market. During the year, progress was also made towards the construction of City International Hospital ("CIH"), working closely with Parkway Health, the operator for CIH. CIH will be the first development at the International Hi-Tech Healthcare Park project to be completed, and will provide a catalyst for future developments at the project.

Malaysia Economic Update

In 2011, the Malaysian economy registered a gross domestic product ("GDP") growth of 5.1%, in line with the year's Government forecast of between 5 to 5.5%. Although it was a big drop against the GDP expansion of 7.2% registered in 2010, the decelerating growth rate was expected on the back of a challenging global economy. The GDP growth was largely driven by domestic consumption in the form of expenditure in household, business spending as well as public sector expenditure. These engines of growth mitigated the impact from slower growth in exports.

Malaysia recorded foreign direct investments ("FDI") of RM32.9 billion in 2011, an increase of 12.3% from the RM29.3 billion recorded in 2010. According to AT Kearney's 2011 FDI Confidence Index, Malaysia was ranked 10th*(compared to 21st in 2010)* in terms of investment attractiveness. The growth of the domestic market has been further supported by higher purchasing power resulting in large part from the indirect effects of the Government and the Economic Transformation Programmes, which were launched in October 2010. Up to November last year, the Economic Transformation Programme ("ETP") had rolled out a total of 113 projects amounting to RM177.03 billion (approximately US$55.9 million)**,** involving 12 national key economic areas that were identified to transform Malaysia into a high income nation by 2020. Effective and timely roll out of the ETP projects would be key in ensuring a sustainable growth path for Malaysia in the mid and longer term.

Government policies in Malaysia continue to be supportive of a growing and sustainable real estate market which includes ample liquidity and lower interest rates. Effective 1 January this year, expatriates are allowed to withdraw their Employees Provident Fund ("EPF") contributions to purchase properties. The introduction of 'My First Home Scheme' in March last year aimed at providing 100% financing to young adults for their first home, will further stimulate growth in the property sector. In an attempt to ensure speculation in the real estate market remains in check, the Government increased Real Property Gain Tax ("RPGT") to 10% from 5% for properties disposed within two years of purchase (RPGT for properties disposed between two to five years remains at

5% and properties sold after five years are exempted from RPGT). Additionally, a Loan-to-Value-Ratio cap of 70% was also implemented for buyers purchasing three properties or more, which did not impact the sales of properties much but will ensure speculation is reduced and the real estate sector remains resilient.

Vietnam Economic Update

Vietnam recorded a GDP growth of 5.9% in 2011, down from 6.8% in 2010. With GDP growth averaging around 6% for the last decade, it is widely acknowledge that greater reform and structural changes are needed for the country to fully capitalise on its potential as the third most populous nation in South East Asia with 86 million people. Despite setbacks in recent years arising from the challenges of managing a growing domestic economy, the Government of Vietnam continues to work on reforms that have in recent months resulted in positive assurances from the World Bank and International Monetary Fund.

Although its FDI decreased to US$14.7 billion in 2011 (2010: US$18.6 billion), Vietnam improved its ranking to 12th (compared to 14th in 2010) according to the AT Kearney's 2011 FDI Confidence Index, signaling a more positive future investment flow. The stronger public confidence in the local currency saw the US Dollar weaken against the Vietnamese Dong in year 2011. Although Vietnam recorded inflation at 18.58% in 2011, the Government and the Economist Intelligence Unit ("EIU") have forecast that the inflation rate in 2012 would decrease to a single digit, with the continuous tightening of the country's monetary policy. All these indicators point to a stabilising economy for Vietnam in the coming year.

In the short term, confidence in the property market continues to be dampened by the high lending rate, scarce long-term financing and property lending restrictions, while most are also waiting on expectations for further price reduction in properties. However, the State Bank of Vietnam has removed the loan-to-deposit ratio requirement of 80% on banking institutions and mobilised long-term funds which will facilitate greater growth in the real estate sector. Alongside this, the Ministry of Construction has proposed an increase in housing subsidies as a part of employee wages to facilitate the leasing or purchasing of properties. In March 2012, the State Bank of Vietnam reduced the refinancing rate for banks from 15% to 14% as a result of declining inflation.

PORTFOLIO REVIEW

MALAYSIA

Property Market Review

In the last three years, there has been a significant reduction in new property launches in Malaysia except in established locations. The residential and commercial property market was more active in the first half of 2011, and then softened in the second half amidst weakened investor sentiment and external concerns about the global economic downturn, and this continued until early this year.

It is likely that many residential property buyers will continue to take a 'wait-and-see' approach as prices have remained relatively stable over the past year and with supply of an expected 2,500 units of high-end condominiums in the Golden Triangle area and over 7 million sqft of office spaces expected in Klang Valley for 2012. Absorption rates for these properties are expected to remain steady throughout the year as the Malaysian economy continues to grow at a relatively healthy pace.

Malaysia's property sector had always remained fairly stable and resilient. Well-located development projects and landed properties will continue to command sustainable pricing growth, especially those in the mid to higher price range. New locations near the proposed mass rail transit ("MRT") or the extension of the light rail transit ("LRT") in areas of Kuala Lumpur are likely to be the next sought-after areas.

In the Klang Valley commercial office sector, a total of 3.6 million sqft of space in 23 office buildings was completed in 2011. Grade A office buildings remained the best performing sub-segment with interest shown mostly from oil and gas companies, financial institutions, fast-moving consumer goods ("FMCG") organisations, services, IT and business process outsourcing companies ("BPO"). With further supply coming on-stream in 2012 and concerns of a slow global economy, the office sector is likely to see an easing in rental levels in 2012.

On the commercial retail front, rentals are expected to continue to stay relatively healthy in 2012 as they did last year, driven by strong domestic demand. Last year saw an increase of approximately 2,500 hotel rooms in Klang Valley, with new hotel openings as well as refurbishments of existing ones. Average occupancy rate in 2011 was marginally higher at 69%, with international class hotels recording the highest growth in Average Daily Room Rates ("ADRR"), an increase of 5.6%.

Aseana Properties has six development projects in Malaysia, ranging from residential, hotels, commercial offices as well as a retail mall:

- **SENI Mont' Kiara**

  Owned 100% by Aseana Properties, SENI Mont' Kiara is an upmarket condominium development situated on one of the highest points in Mont' Kiara. The project consists of 605 residential units, within two 12-storey blocks and two 40-storey blocks. The majority of the units command impressive views of the city skyline, which includes the 88-storey Petronas Twin Towers and the KL Tower.

  Aseana Properties achieved a significant milestone by completing the final 280 units (Phase 2) at SENI Mont' Kiara luxury condominiums, and obtained the Certificate of Fitness on 24 October 2011. US$274.9 million of revenues were recognised in the financial statements of the Group in year 2011. The sold units are currently being handed over to buyers. Phase 1 was completed in April 2011. The development is currently 78% sold (as at 31 March 2012). Approximately 55% of the units sold are foreign-owned, mostly from Hong Kong, Singapore and Pakistan while the remaining 45% are locally owned. The remaining units will continue to be marketed both locally and in selected foreign markets, targeting home owners seeking immediate occupancy and investors seeking recurring rental yields.

  The development is funded by progressive payments from buyers and a bridging loan facility of RM57.7 million (US$18.2 million), which was fully drawn down as at 31 December 2011.

- **Tiffani by i-ZEN**

  Tiffani by i-ZEN, wholly-owned by Aseana Properties, is a completed luxury condominium project located in Mont' Kiara. 96% of the 399 residential units have been sold (as at 31 March 2012), with sales and purchase agreements signed. The debt on the project has been fully repaid. The Manager is exploring options to fully fit out and furnish the remaining units at Tiffani by i-ZEN to offer buyers and dwellers a hassle-free experience of either owning or renting an apartment unit.

- **KLCC Kia Peng Residential & Boutique Hotel Project**
  This project is strategically located in the heart of KLCC on Jalan Kia Peng, near neighbouring landmarks such as the Grand Hyatt Kuala Lumpur, KLCC Convention Centre, Suria KLCC shopping mall, KLCC park and the world famous Petronas Twin Towers. Aseana Properties owns 70% of this project and 30% is owned by Ireka Corporation Berhad. With a development land area of approximately 43,559 square feet, the Group plans to develop an upmarket residential and boutique hotel project.

  Aseana Properties received the Development Order ("DO") approval in March 2012 with an approval for 200 units of luxury residences and a boutique hotel. The residences consist of small to medium-sized apartments that will be marketed as an affordable luxury for buyers. It is also intended that the hotel rooms will be pre-sold to investors on a sale-and-leaseback basis and operated under an international brand. The boutique hotel is designed to complement the business and leisure activities of travelers in the vicinity of key focal points such as the Petronas Twin Towers and the KLCC Convention Centre. Detailed project planning is now in final stages with a sales launch targeted for Q4 2012 once the building plan approval is obtained.

  The land was part financed by a term loan facility of RM65.3 million (US$20.6 million), which was fully drawn down, and Aseana Properties expects to secure further financing when the development commences.

- **Kuala Lumpur Sentral Project**
  Kuala Lumpur Sentral project is a mixed commercial and hospitality development project consisting of two office towers and a business class hotel, centrally located in Kuala Lumpur's urban transportation hub. The project is owned and developed by Excellent Bonanza Sdn. Bhd. ("EBSB"), which is jointly owned by Aseana Properties and Malaysian Resources Corporation Berhad on a 40:60 basis. The two office towers have been conditionally sold for approximately RM623 million (or US$196.6 million), and construction is expected to complete by the end of 2012. Kuala Lumpur Sentral is currently the most sought after commercial centre in Kuala Lumpur with a number of multinational companies such as General Electric, Shell, BP and PricewaterhouseCoopers locating their headquarters there. In 2010, Aseana Properties conditionally agreed to purchase the hotel component from EBSB for a total consideration of approximately RM217 million (or US$68.5 million).

  Aseana Properties entered into a Management Agreement appointing Starwood Asia Pacific Hotels & Resort Pte Ltd as the operator for Kuala Lumpur Sentral hotel under the 'Aloft' brand name. The 482-room business class hotel is currently under construction and is expected to be completed in the fourth quarter of 2012, and will begin operating in the first quarter of 2013.

  The purchase of the Aloft Kuala Lumpur Sentral hotel together with fit-out expenses will be part financed by guaranteed medium term notes of RM270.0 million (US$85.2 million) which is part of the $162 million MTN programme announced in November 2011, and which shall be fully drawn down by the first quarterof 2013.

- **Sandakan Harbour Square**
  Sandakan Harbour Square, 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 completed Phases 1 and 2 comprise 129 shop lots that are fully sold (as at 31 March 2012), while Phases 3 and 4 consist of the first retail mall (Harbour Mall Sandakan) and the first international four-star hotel in Sandakan. The hotel will be managed by Starwood Hotels & Resorts Worldwide, Inc. under the 'Four Points by Sheraton' brand name. Both the third and fourth phases of the development are targeted to complete and open in the second quarter of 2012. Leasing activities at Harbour Mall Sandakan to both local and international retailers are currently on-going, with notable tenants such as Parkwell Departmental Store and Supermarket, Levi's, The Body Shop, Watsons, GNC, Tomei and Bata amongst others.

The development is funded by guaranteed medium term notes of RM245.0 million (US$77.3 million) which is part of the $162 million MTN programme announced in November 2011, and which was fully drawn down as at 31 December 2011.

- **Kota Kinabalu Seafront resort & residences**
  Facing the South China Sea, this project is a resort-themed development consisting of a boutique resort hotel, resort villas and resort homes at the seaside area in Kota Kinabalu, Sabah. Aseana Properties acquired three adjoining plots of land of approximately 80 acres in September 2008 with the intention of developing a hotel, villas and resort homes**.** Due to the current market conditions in the resort market, the Board has decided to delay the start of this project.

VIETNAM

Property Market Review

The slowdown in the Ho Chi Minh City ("HCMC") property market continued in 2011, with developers and buyers having to grapple with credit crunch issues amidst high interest rate and capital shortages. 2011 saw a handful of new property launches, but sales were slow despite attractive incentives such as flexible payment terms or large discounts for bulk-purchase buyers. Many developers have delayed launching their projects or decided to redesign their products, especially in the high-end sector. The residential sector remained the hardest hit in 2011. Moving forward, the mid-range properties especially landed properties (villas and townhouses) in favourable locations will be the silver lining in the residential sector this year.

The commercial office sector battled with oversupply, amidst a lackluster economy in 2010 and this continued to 2011. However, with rental rates easing, quality offices in the central business districts became relatively affordable to a wider array of tenants. This will likely result in a healthy absorption of the excess supply in the market throughout this year.

The overall recovery of the property market will need to be supported by structural changes in macroeconomic policies such as the easing of interest rates, as the shortage of capital will continue to plague the industry. The weak banking sector is in the process of being reformed, but these efforts will take time to consolidate and take effect. With a growing globalised middle class and younger generation, rising salaries and strong economic growth, Vietnam's real estate sector is expected to make its comeback in due course.

Aseana Properties has one equity investment and four development projects in Vietnam - the latter comprising two residential projects with its development partner, Nam Long Investment

Corporation; an integrated healthcare development and a mixed development in District 4. The highlights are as follow:

- **Nam Long Investment Corporation**
  In 2008, Aseana Properties acquired a strategic minority stake in Nam Long Investment Corporation ("Nam Long"), a private property development company in Vietnam with market leadership in the low to medium-end segment of the market. Aseana Properties currently has an effective ownership of 16.4% in Nam Long. Nam Long's affordable housing projects, called "E-homes", continued to be their main revenue driver. Nam Long currently has a land bank of over 500 hectares, mainly in HCMC and its neighbouring provinces, making it one of the largest property developers by land bank in HCMC. Nam Long is currently undertaking a new township development in Long An Province, approximately 25 km south of HCMC. Through this partnership, Aseana Properties is expected to co-develop at least two projects with Nam Long, which are located in District 7 *(Tan Thuan Dong residential project)* and District 9 *(Phuoc Long B residential project).*

- **Tan Thuan Dong Residential Project**
  Tan Thuan Dong Residential Project is an upscale residential development in District 7 of HCMC, a prime suburban residential and commercial location of choice for many Vietnamese and expatriates.This project is developed by Aseana Properties and Nam Long on a 80:20 basis.

  With a land area of approximately 20,158 square metres and a commanding view of the famous Phu My Bridge spanning the Saigon River, the development will consist of two residential towers and supporting commercial facilities. The development is expected to have a gross development value of approximately US$91 million. The Investment License for the project was received in December last year, with sales launch and construction expected to commence in the fourth quarter of 2012.

  The development is expected to be funded by progressive payments from buyers, bank debt and further equity contributions from shareholders of the project. Further details will be provided as the project moves toward construction commencement.

- **Phuoc Long B Residential Project**
  On 26 April 2011, Aseana Properties entered into an agreement with Nam Long to develop a residential project on a 56,212 sq m parcel of land in the prime suburban residential area of District 9 in HCMC. The project, consisting of 37 villas and 460 apartment units, will be developed by Aseana Properties and Nam Long on a 55:45 basis. With its low development density, the villas and apartments will be set in a lush green landscape, with the river-front view of the RachChiec River adding a sense of nature and tranquility to the development. The project is expected to have a gross development value of approximately US$100 million. The Investment License for the project was received in November last year, with sales launch and construction expected to commence in the third quarter of 2012.

  The development is expected to be funded by progressive payments from buyers, bank debt and further equity contributions from shareholders of the project. Further details will be provided as the project moves toward construction commencement.

- **International Hi-Tech Healthcare Park**
  The International Hi-Tech Healthcare Park ("IHTHP") is a planned mixed development over 37.54 hectares of land comprising world-class private hospitals, mixed commercial, hospitality and residential developments. This development is located in the Binh Tan District, close to Chinatown and is approximately 11 km from District 1, the central business and commercial district of HCMC. Aseana Properties has a 66.4% (at 17 April 2012) stake in this development and its joint venture partner, Hoa Lam Group holds a significant minority stake together with a consortium of investors from Singapore, Malaysia and Vietnam. Approximately 20 hectares will be dedicated to the hospital and commercial developments, and five hectares has been allocated for residential developments.

  Construction commenced on the first phase of the 319-bed City International Hospital in May 2010, and completion is expected by the fourth quarter of 2012. The City International Hospital will be managed by Parkway Health, Asia's leading and largest private healthcare group with a presence in Singapore, Malaysia, the Middle East and India. Aseana Properties is currently in discussions with several strategic investors to participate in the development of the City International Hospital development.

  It is expected that the next phase of development at the IHTHP, consisting of mid-end residential apartments will begin later this year, subject to a broader recovery of the property market in HCMC.

  To part finance the payment for the land and working capital, the joint venture companies have secured total loan facilities of US$18.5 million, of which US$11.5 million had been drawn down as at 31 December 2011. The development of City International Hospital is funded by a syndicated term loan of US$43.3 million, which will be drawn down progressively throughout 2012/2013.

- **Queen's Place**
  Queen's Place is a planned mixed residential, office and retail development strategically located on the periphery of District 4, adjacent to District 1, the central business and commercial district of HCMC. This project received its Investment License in June 2008. Aseana Properties has a 65% stake in the development, with Binh Duong Corporation, a Vietnam property development company owning the remaining 35%. The joint venture company has been working on resettlement planning for the last financial year with the relevant authorities in HCMC, with delays resulting from finalisation of public infrastructure planning around the site land. The Board is currently reviewing the project with a view of exiting the project if delays continue to persist in the current financial year.

OUTLOOK

2012 will be a year in which Aseana Properties takes stock of its property portfolio and will see the completion of several development projects in Malaysia and Vietnam.

In Malaysia, the Sandakan Harbour Square project will complete its final phases 3 and 4, with the opening of the Harbour Mall Sandakan and Four Points by Sheraton Sandakan hotel in the middle of this year. Also completing this year will be the office towers and hotel in Kuala Lumpur Sentral, in which the latter will be operated under the 'Aloft' brand by the Starwood group.

Aseana Properties will see the completion of its maiden City International Hospital at the International Hi-Tech Healthcare Park, by the end of 2012. Having received its Investment License in November last year for the Phuoc Long B project at District 9, Aseana Properties is now ready to roll-out its first residential project in Vietnam, targeting the still robust demand in the villas market, and then at the end of 2012, the Tan Thuan Dong residential project.

All projects within Aseana Properties' portfolio will continue to be evaluated in accordance with its development timeline, the resources required and realisation targets. In Malaysia, domestic policies to encourage spending and an efficient rollout of the ETP is expected to drive the economy forward. The Vietnam property market will continue to remain challenging hence, strategies will be in place to ensure the objectives of each of our investments are met.

It is not as yet certain what the exact impact of the eurozone sovereign debt crisis and the forecasted economic recovery in the United States will have, but it is certain that growth in the volatile global economy will remain slow. Similarly in the countries we operate in, there may be uneven growth before the economies pick up towards the second half or end of this year. Our priorities remain value creation for our shareholders and margin improvement. In this we are unwavering.

I wish to cordially thank the Board of Aseana Properties, our advisers and business associates for their support and guidance throughout the year, as we continue to look towards success in 2012 and the years to come.

LAI VOON HON
President / Chief Executive Officer
Ireka Development Management Sdn. Bhd.
Development Manager
24 April 2012

PERFORMANCE SUMMARY

	Year ended 31 December 2011	Year ended 31 December 2010
Total Returns since listing		
Ordinary share price	-64.50%	-47.25%
FTSE All-share index	-14.22%	-8.07%
FTSE 350 Real Estate Index	-66.50%	-62.26%
One Year Returns		
Ordinary share price	-32.70%	15.30%
FTSE All-share index	-6.69%	10.94%
FTSE 350 Real Estate Index	-11.22%	2.74%
Capital Values		
Total assets less current liabilities (US$ million)	299.27	221.44
Net asset value per share (US$)	0.96	0.91
Ordinary share price (US$)	0.36	0.53
FTSE 350 Real Estate Index	314.21	353.93
Debt-to-equity ratio		
Debt-to-equity ratio[1]	60.69%	82.43%
Net debt-to-equity ratio[2]	34.69%	6.17%
Earnings Per Share		
Earnings per ordinary share - basic (US cents)	7.56	-9.51
- diluted (US cents)	7.56	-9.51
Total Expenses Ratio [3]		
As a percentage of total assets less current liabilities	3.99%	8.07%

Notes:

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

[2] Net debt-to-equity ratio = (Total Borrowings less Cash and Cash Equivalent and Held-for-trading Financial Instrument ÷ Total Equity) x 100%

[3]Total expense ratio = Administrative expenses, Management fees, Marketing and Other Operating Expenses÷ Total Assets less Current liabilities

FINANCIAL REVIEW

INTRODUCTION

The Group has recorded good results for the year, mainly attributable to the completion and handover of the SENI Mont' Kiara properties.

INCOME STATEMENT

The Group's revenue for the year ended 31 December 2011 was US$281.1 million, a 56.8% increase compared to US$179.3 million in 2010. The revenue was attributable to recognition of revenue upon completion and handover of SENI Mont' Kiara properties of US$274.9 million and sale of completed properties in Tiffani by i-ZEN and Sandakan Harbour Square (Phase 2) totalling US$5.8 million.

The Group's net profit before taxation was US$33.1 million, compared to a loss before taxation of US$15.4 million in 2010. The profit was attributable to SENI Mont' Kiara, which recorded a profit of US$38.7 million (2010: US$Nil). Consequently, the tax charge for 2011 was significantly higher at US$19.0 million (2010: US$5.8 million), resulting in a profit for the year of US$14.1 million (2010: Loss for the year of US$21.2 million).

Net profit attributable to equity holders of the parent has improved significantly to US$16.1 million, compared to a net loss of US$20.2 million in 2010.

The consolidated comprehensive income for the year ended 31 December 2011 was US$10.8 million compared to a consolidated comprehensive expense of US$13.3 million in 2010. The former has included a loss arising from foreign currency translation differences for foreign operations of US$3.4 million (2010: gain of US$3.1 million). There were no changes in the fair value of available-for-sale investments in 2011 (2010: gain of US$4.8 million).

Basic and diluted earning per share for the year ended 31 December 2011 were both at US cents 7.56 (2010: Loss per share of US cents 9.51).

STATEMENT OF FINANCIAL POSITION

Total assets have decreased by US$261.8 million to US$415.1 million, compared to US$676.9 million in 2010. The reduction was mainly due to a decreased in inventories and cash and cash equivalents. Inventories have decreased by US$146.5 million following the completion and handover of SENI Mont' Kiara. Cash and cash equivalents were also significantly lower at US$32.6 million (2010: US$150.4 million) mainly due to repayment of the medium term notes relating to the 1 Mont' Kiara project of US$72.9 million and also the placement of US$21.4 million in a money market fund which is classified under held-for-trading financial instrument.

Total liabilities have decreased by US$272.2 million to US$207.5 million compared to US$479.7 million in 2010. The reduction was substantially attributable to a decreased in deferred revenue of US$188.5 million following the recognition of revenue upon completion and handover of the SENI Mont' Kiara properties. In addition, trade and other payables and borrowings have decreased by US$38.6 million and US$36.5 million respectively in 2011 compared to 2010.

Net asset value per share at 31 December 2011 was US cents 95.7 (2010: US cents 90.8).

CASH FLOW AND FUNDING

Changes in cash flow in 2011 was negative at US$105.3 million, compared to the positive cash flow of US$91.8 million in 2010. The Group had placed US$21.4 million in a money market fund and repaid US$72.9 million relating to its medium term notes for 1 Mont' Kiara project in 2011.

The Group's subsidiaries borrow to fund property development projects. At 31 December 2011, the Group had gross borrowings of US$126.0 million (2010: US$162.6 million), a decreased of 22.5% over the previous year. The Group had fully settled the medium term notes relating to the 1 Mont' Kiara project of US$72.9 million during the year. Net debt-to-equity ratio increased from 6.2% in 2010 to 35.0% in 2011 due to lower cash and cash equivalents at 31 December in 2011.

During 2011, the Group has also successfully completed a programme to issue medium term notes of up to US$162 million, of which US$77.3 million was issued. The 10-year programme will ensure that the Group's largest assets, being the Harbour Mall Sandakan, Four Points by Sheraton Sandakan hotel and Aloft Kuala Lumpur Sentral hotel, are fully funded upon completion.

Finance income decreased from US$0.8 million in 2010 to US$0.6 million in 2011. Finance costs increased from US$0.5 million in 2010 to US$1.1 million in 2011.

DIVIDEND

An interim dividend of US$0.01 per share amounted to US$2.1 million was paid on 15 December 2011 to the shareholders during the financial year under review.

PRINCIPAL RISKS AND UNCERTAINTIES

A review of the principal risks and uncertainties facing the Group is set out in the Directors' 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
24 April 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

		2011	2010
Continuing activities	**Notes**	**US$'000**	US$'000
Revenue	3	**281,142**	179,345
Cost of sales	5	**(236,645)**	(177,184)
Gross profit		**44,497**	2,161
Other income	6	**2,146**	679
Administrative expenses		**(2,053)**	(1,017)
Foreign exchange loss	7	**(1,014)**	(670)
Management fees	8	**(3,972)**	(3,994)
Marketing expenses		**(2,720)**	(10,036)
Other operating expenses		**(3,210)**	(2,816)
Operating profit/ (loss)		**33,674**	(15,693)
Finance income		**602**	794
Finance costs		**(1,144)**	(534)
Net finance (costs)/ income	9	**(542)**	260
Net profit/ (loss) before taxation	10	**33,132**	(15,433)
Taxation	11	**(18,992)**	(5,795)
Profit/ (loss) for the year		**14,140**	(21,228)
Other comprehensive income, net of tax			
Foreign currency translation differences for foreign operations		**(3,364)**	3,107
Increase in fair value of available-for-sale investments		**-**	4,828
Total other comprehensive (expense)/ income for the year		**(3,364)**	7,935
Total comprehensive income/ (expense) for the year		**10,776**	(13,293)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

Continuing activities	Notes	**2011** **US$'000**	2010 US$'000
Profit/ (loss) attributable to:			
Equity holders of the parent		**16,058**	(20,205)
Non-controlling interests		**(1,918)**	(1,023)
Total		**14,140**	(21,228)
Total comprehensive income/ (expense) attributable to:			
Equity holders of the parent		**12,625**	(12,206)
Non-controlling interests		**(1,849)**	(1,087)
Total		**10,776**	(13,293)
Earnings/ (loss) per share			
Basic and diluted (US cents)	12	**7.56**	(9.51)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2011

	Notes	2011 US$'000	2010 US$'000
Non-current assets			
Property, plant and equipment		**4,629**	4,497
Investment in an associate	13	**-**	-
Available-for-sale investments	14	**22,052**	22,052
Intangible assets	15	**15,003**	17,174
Deferred tax assets	16	**691**	19,400
Total non-current assets		**42,375**	63,123
Current assets			
Inventories	17	**285,006**	431,473
Held-for-trading financial instrument	18	**21,384**	-
Trade and other receivables		**33,485**	31,499
Amount due from an associate	19	**122**	382
Current tax asset		**142**	-
Cash and cash equivalents		**32,610**	150,385
Total current assets		**372,749**	613,739
TOTAL ASSETS		**415,124**	676,862
Equity			
Share capital	20	**10,626**	10,626
Share premium	21	**219,101**	221,226
Capital redemption reserve	22	**1,874**	1,874
Translation reserve		**(262)**	3,171
Fair value reserve		**4,828**	4,828
Accumulated losses		**(32,797)**	(48,858)
Shareholders' equity		**203,370**	192,867
Non-controlling interests		**4,276**	4,346
Total equity		**207,646**	197,213

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2011 (cont'd)

	Notes	**2011 US$'000**	2010 US$'000
Current liabilities			
Deferred revenue	23	**-**	188,462
Trade and other payables		**74,338**	112,940
Bank loans and borrowings	24	**37,393**	68,463
Medium term notes	27	**-**	72,923
Current tax liabilities		**4,118**	12,637
Total current liabilities		**115,849**	455,425
Non-current liabilities			
Amount due to non-controlling interests	25	**3,006**	3,048
Bank loans	26	**12,889**	21,176
Medium term notes	27	**75,734**	-
Total non-current liabilities		**91,629**	24,224
Total liabilities		**207,478**	479,649
TOTAL EQUITY AND LIABILITIES		**415,124**	676,862

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

	Share Capital US$'000	Share Premium US$'000	Capital Redemption Reserve US$'000	Translation Reserve US$'000	Fair Value Reserve US$'000	Accumulated Losses US$'000	Total Equity Attributable to Equity Holders of the Parent US$'000	Non-Controlling Interest US$'000	Total Equity US$'000
1 January 2010	10,626	221,226	1,874	-	-	(28,653)	205,073	4,365	209,438
Acquisition of a subsidiary	-	-	-	-	-	-	-	93	93
Non-controlling interest contribution	-	-	-	-	-	-	-	975	975
Loss for the year	-	-	-	-	-	(20,205)	(20,205)	(1,023)	(21,228)
Total other comprehensive income	-	-	-	3,171	4,828	-	7,999	(64)	7,935
Total comprehensive expense	-	-	-	3,171	4,828	(20,205)	(12,206)	(1,087)	(13,293)
At 31 December 2010/ 1 January 2011	10,626	221,226	1,874	3,171	4,828	(48,858)	192,867	4,346	197,213
Acquisition from non-controlling interest (Note 30)	-	-	-	-	-	3	3	(14)	(11)
Non-controlling interest contribution	-	-	-	-	-	-	-	1,793	1,793
Profit for the year	-	-	-	-	-	16,058	16,058	(1,918)	14,140
Total other comprehensive expense	-	-	-	(3,433)	-	-	(3,433)	69	(3,364)
Total comprehensive expense	-	-	-	(3,433)	-	16,058	12,625	(1,849)	10,776
Dividends to equity holders of the parent	-	(2,125)	-	-	-	-	(2,125)	-	(2,125)
Shareholders' equity at 31 December 2011	**10,626**	**219,101**	**1,874**	**(262)**	**4,828**	**(32,797)**	**203,370**	**4,276**	**207,646**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 US$'000	2010 US$'000
Cash Flows from Operating Activities		
Net profit/ (loss) before taxation	**33,132**	(15,433)
Finance income	**(602)**	(794)
Finance costs	**1,144**	534
Unrealised foreign exchange loss/ (gain)	**20**	(618)
Impairment of trade receivables	**419**	-
Impairment of goodwill	**2,171**	-
Depreciation of property, plant and equipment	**142**	117
Property, plant and equipment written off	**156**	-
Fair value gain on held-for-trading financial instrument	**(26)**	-
Operating profit/ (loss) before working capital changes	**36,556**	(16,194)
Changes in working capital:		
Decrease in inventories	**150,591**	520
Increase in receivables	**(2,390)**	(7,107)
(Decrease)/ increase in deferred revenue	**(188,462)**	78,660
(Decrease)/ increase in payables	**(37,543)**	22,874
Cash (used in)/ generated from operations	**(41,248)**	78,753
Interest paid	**(5,268)**	(4,978)
Tax paid	**(8,453)**	(7,394)
Net cash (used in)/ generated from operating activities	**(54,969)**	66,381
Cash Flows from Investing Activities		
Acquisition of subsidiaries, net of cash	**-**	(18)
Acquisition of non-controlling interests	**(11)**	-
Repayment from associate	**260**	403
Proceeds from disposal of property, plant and equipment	**-**	17
Purchase of held-for-trading financial instrument	**(24,145)**	-
Disposal of held-for-trading financial instrument	**2,787**	-
Purchase of property, plant and equipment	**(591)**	(3,573)
Finance income received	**602**	794
Net cash used in investing activities	**(21,098)**	(2,377)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

	2011 US$'000	2010 US$'000
Cash Flows from Financing Activities		
Repayment of borrowings, bank loans and medium term notes	**(131,822)**	**(44,763)**
Drawdown of borrowings, bank loans and medium term notes	**104,732**	**72,590**
Dividend paid to equity holders of the parent	**(2,125)**	**-**
Net cash (used in)/ generated from financing activities	**(29,215)**	**27,827**
NET CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR	**(105,282)**	**91,831**
Effect of changes in exchange rates	**(3,037)**	**2,102**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**140,929**	**46,996**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**32,610**	**140,929**

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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

2 BASIS OF PREPARATION

2.1 Statement of compliance and going concern

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

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

The financial statements have been prepared on the historical cost basis except for available-for-sale investments 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 derived based on assumptions and events that may occur for at least 12 months from the date of approval of the financial statements and the possible actions to be taken by the Group. Prospective financial information includes the Group's profit and cash flow forecasts for the ongoing projects. In preparing the cash flow forecasts, the Directors have considered the availability of cash and held-for-trading financial instruments, along with the adequacy of bank loans and medium term notes described in Notes 26 and 27. The forecasts incorporate current payables, committed expenditure included in Note 32 and other future expected expenditure, along with a prudent estimate of sales.

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

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

New/Revised International Financial Reporting Standards		Issued/ Revised	Effective Date
IFRS 9	Financial Instruments - Classification and Measurement	November 2009	Annual periods beginning on or after 1 January 2015
IFRS 10	Consolidated Financial Statements - First Impressions: Consolidated Financial Statements	May 2011	Annual periods beginning on or after 1 January 2013
IFRS 11	Joint Arrangements - First Impressions: Joint Arrangements	May 2011	Annual periods beginning on or after 1 January 2013
IFRS 12	Disclosure of Interests in Other Entities - In the Headlines – Issue 2011/16	May 2011	Annual periods beginning on or after 1 January 2013
IFRS 13	Fair Value Measurement - First Impressions: Fair Value Measurement	May 2011	Annual periods beginning on or after 1 January 2013

The Directors anticipate that the adoption of IFRS 9,10,11,12 and 13 in future periods will have no material impact on the financial information of the Group or Company. IFRS 9, which becomes mandatory for the Group's 2015 Consolidation Financial Statements, could change the classification and measurement of financial assets. The Directors are currently determining the impact of IFRS 9.

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 development properties in Malaysia.

3.1 Revenue recognised during the year as follows:

Group	2011 US$'000	2010 US$'000
Sale of development properties	**280,788**	178,778
Project management fee	**354**	567
	281,142	179,345

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 and the Chief Operating 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) Ireka Land Sdn. Bhd. – develops Tiffani by i-ZEN and 1 Mont' Kiara by i-ZEN;
(ii) ICSD Ventures Sdn. Bhd. – develops Sandakan Harbour Square; and
(iii) Amatir Resources Sdn. Bhd. – develops SENI Mont' Kiara.

Other non-reportable segments comprise the Group's Vietnam subsidiaries which develop the Hi-Tech Healthcare Park and other new development projects. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2011 and 2010.

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 and profit before taxation, which the Executive Management believes are the most relevant in evaluating the results relative to other entities in the industry. Segment assets and liabilities are presented inclusive of inter-segment balances and inter-segment pricing is determined on an arm's length basis.

The Group's revenue generating development projects are currently only in Malaysia since development activities in Vietnam are still at approved and construction stages.

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

Operating Segments – ended 31 December 2011

	Ireka Land Sdn. Bhd. US$'000	ICSD Ventures Sdn. Bhd. US$'000	Amatir Resources Sdn. Bhd. US$'000	Total US$'000
Segment profit/ (loss) before taxation	**2,204**	**(1,488)**	**38,725**	**39,441**
Included in the measure of segment profit/ (loss) are:				
Revenue	**1,885**	**3,932**	**274,971**	**280,788**
Cost of acquisition written down	**(1,216)**	**(1,030)**	**(40,053)**	**(42,299)**
Goodwill impairment	**-**	**-**	**(2,171)**	**(2,171)**
Marketing expenses	**-**	**(80)**	**(2,640)**	**(2,720)**
Depreciation of property, plant and equipment	**(19)**	**(23)**	**(1)**	**(43)**
Finance costs	**-**	**(65)**	**(203)**	**(268)**
Finance income	**238**	**95**	**163**	**496**
Segment assets	**23,913**	**94,286**	**128,669**	**246,868**
Included in the measure of segment assets are:				
Addition to non-current assets other than financial instruments and deferred tax assets	**-**	**63**	**-**	**63**

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

Profit or loss	**US$'000**
Total profit or loss for reportable segments	**39,441**
Other non-reportable segments	**(5,440)**
Depreciation	**(99)**
Finance cost	**(876)**
Finance income	**106**
Consolidated profit before tax	**33,132**

Operating Segments – ended 31 December 2010

	Ireka Land Sdn. Bhd. US$'000	ICSD Ventures Sdn. Bhd. US$'000	Amatir Resources Sdn. Bhd. US$'000	Total US$'000
Segment loss before taxation	(5,977)	(1,101)	(4,631)	(11,709)
Included in the measure of segment loss are:				
Revenue	176,337	2,441	-	178,778
Cost of acquisition written down	(28,329)	(1,276)	-	(29,605)
Marketing expenses	(6,219)	(204)	(3,613)	(10,036)
Depreciation of property, plant and equipment	(28)	(7)	-	(35)
Finance costs	-	(400)	-	(400)
Finance income	253	64	56	373
Segment assets	139,927	75,767	316,015	531,709
Included in the measure of segment assets are:				
Addition to non-current assets other than financial instruments and deferred tax assets	-	67	-	67

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

Profit or loss	**US$'000**
Total profit or loss for reportable segments	(11,709)
Other non-reportable segments	(3,929)
Depreciation	(82)
Finance cost	(134)
Finance income	421
Consolidated loss before tax	(15,433)

2011 **US$'000**	**Revenue**	**Depreciation**	**Finance costs**	**Finance income**	**Segment assets**	**Addition to non-current assets**
Total reportable segment	280,788	(43)	(268)	496	246,868	63
Other non-reportable segments	354	(99)	(876)	106	168,256	528
Consolidated total	281,142	(142)	(1,144)	602	415,124	591

2010 **US$'000**	**Revenue**	**Depreciation**	**Finance costs**	**Finance income**	**Segment assets**	**Addition to non-current assets**
Total reportable segment	178,778	(35)	(400)	373	531,709	67
Other non-reportable segments	567	(82)	(134)	421	145,153	3,506
Consolidated total	179,345	(117)	(534)	794	676,862	3,573

Geographical Information – ended 31 December 2011

	Malaysia US$'000	Vietnam US$'000	Others US$'000	Consolidated US$'000
Revenue	**281,142**	**-**	**-**	**281,142**
Non-current assets	**8,504**	**33,871**	**-**	**42,375**

Others include Jersey, British Virgin Islands and Singapore.

In 2011, no single customer exceeded 10% of the Group's total revenue.

Geographical Information – ended 31 December 2010

	Malaysia US$'000	Vietnam US$'000	Others US$'000	Consolidated US$'000
Revenue	179,345	-	-	179,345
Non-current assets	29,267	33,856	-	63,123

Others include Jersey, British Virgin Islands and Singapore.

Major customers exceed 10% of the Group's total revenues are as follows:

	Revenue	Segments
	US$'000	
1MK Office Sdn. Bhd.	**31,150**	Ireka Land Sdn. Bhd.
1MK Retail Sdn. Bhd.	**72,580**	Ireka Land Sdn. Bhd.

4 SEASONALITY

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

5 COST OF SALES

Group	2011 US$'000	2010 US$'000
Direct costs attributable to property development	**236,645**	177,184

6 OTHER INCOME

Group	2011 US$'000	2010 US$'000
Dividend income	**268**	237
Forfeiture income	**-**	89
Investment income	**295**	93
Late payment interest income	**514**	121
Rental income	**643**	-
Sundry income	**426**	139
	2,146	679

7 FOREIGN EXCHANGE (LOSS)/ GAIN

Group	2011 US$'000	2010 US$'000
Foreign exchange (loss)/ gain comprises:		
Realised foreign exchange (loss)/ gain	**(994)**	(1,288)
Unrealised foreign exchange (loss)/ gain	**(20)**	618
	(1,014)	(670)

8 MANAGEMENT FEES

Group	2011 US$'000	2010 US$'000
Management fees	**3,972**	3,994

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

In addition to the annual management fee, the Development Manager is entitled to a performance fee calculated at 20% of the out performance net asset value over a total return hurdle rate of 10%. No performance fee has been paid during the year.

9 FINANCE (COSTS)/ INCOME

Group	2011 US$'000	2010 US$'000
Interest income from banks	**602**	794
Agency fees	**(26)**	-
Annual trustees monitoring fee	**(6)**	-
Bank guarantee commission	**(152)**	-
Interest on bank overdraft	**(4)**	(134)
Interest on short term loan	**(956)**	(400)
	(542)	260

All finance costs above are carried at amortised cost.

10 NET PROFIT/ (LOSS) BEFORE TAXATION

Group	2011 US$'000	2010 US$'000
Net profit/ (loss) before taxation is stated after charging/(crediting):		
• Auditor's remuneration		
- current year	**193**	163
- under/ (over) provision in prior year	**29**	(27)
• Directors' fees	**317**	260
• Depreciation of property, plant and equipment	**142**	117
• Fair value gain on held-for-trading financial instrument	**(26)**	-
• Impairment of goodwill	**2,171**	-
• Impairment of trade receivables	**419**	-
• Property, plant and equipment written off	**156**	-
• Staff costs	**957**	948
• Tax services	**8**	6

11 TAXATION

Group	2011 US$'000	2010 US$'000
Current tax	**128**	16,788
Deferred tax	**18,864**	(10,993)
Total tax expense for the year	**18,992**	5,795

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

Group	2011 US$'000	2010 US$'000
Accounting profit/ (loss)	**33,132**	(15,433)
Income tax at a rate of 25%*	**8,283**	(3,858)
Add :		
Tax effect of expenses not deductible in determining taxable profit	**9,179**	10,076
Movement of unrecognised deferred tax benefits	**1,190**	68
Tax effect of different tax rates in subsidiaries**	**477**	288
Less :		
Tax effect of income not taxable in determining taxable profit	**(186)**	(555)
Under/ (over) provision	**49**	(224)
Total tax expense for the year	**18,992**	5,795

* The applicable corporate tax rate in Malaysia and Vietnam is 25%.

** The applicable corporate tax rate in Singapore is 17%. A subsidiary of the Group, Hoa Lam-Shangri-La Healthcare Ltd Liability Co is granted preferential corporate tax rate of 10%. The preferential income tax is given by the government due to the subsidiary's involvement in the healthcare and education industries.

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

A Goods and Services Tax was introduced in Jersey in May 2008. The Company has been registered as an International Services Entity so that it does not have to charge or pay local GST. The cost for this application has been £100 p.a., increasing to £200 from 1 January 2011.

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 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 2011 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:

Group	**2011 US$'000**	**2010 US$'000**
Profit/ (loss) attributable to equity holders of the parent	**16,058**	(20,205)
Weighted average number of shares	**212,525**	212,525
Earnings/ (loss) per share (US cents):		
Basic and diluted	**7.56**	(9.51)

13 INVESTMENT IN AN ASSOCIATE

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

The summary of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the associate is as follows:

Statement of Financial Position	**2011 US$'000**	**2010 US$'000**
Non-current assets	**4,527**	1,330
Current assets	**125,409**	69,762
Total assets	**129,936**	71,092
Non-current liabilities	**-**	36,173
Current liabilities	**131,392**	35,913
Total liabilities	**131,392**	72,086
Equity	**(1,456)**	(994)
Total Equity and Liabilities	**129,936**	71,092
Statement of Comprehensive Income		
Other operating income	**12**	205
Cost of sales, expenses including finance costs and taxation	**(500)**	(619)
Loss	**(488)**	(414)

The amount of unrecognised share of loss for the current year and cumulatively is US$184,732 (2010: US$184,727) and US$582,294 (2010: US$397,562) respectively.

14 AVAILABLE-FOR-SALE INVESTMENTS

Group 2011	Unquoted shares US$'000
1 January – fair value	**22,052**
At 31 December – fair value	**22,052**

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

Group 2010	Unquoted shares US$'000
At 1 January – cost	17,224
Revaluation	4,828
At 31 December – fair value	22,052

In 2010, the fair value of the available-for-sale investments was determined by reference to the latest transacted price paid by a new investor during the year. The Directors are of the opinion that the fair value remained unchanged at the end of the reporting period.

In March 2009, IFRS 7 Financial Instruments: Disclosures was amended by the IASB to require certain additional disclosures to be included in IFRS financial statements. This includes a requirement that financial instruments carried at fair value be analysed by level of the IFRS 7 defined fair value hierarchy. This hierarchy is based on the inputs of the fair value measurement and reflects the lowest level input that is significant to that measurement. The Directors are of the opinion that the available-for-sale investments at 31 December 2011 is classified under Level 3 (fair values measured using inputs for the asset or liability that are not based on observable market data).

The Directors assessed the fair value of the available-for-sale investment internally by reference to relevant valuation techniques and deemed that the carrying value approximates the investment's fair value at 31 December 2011.

15 INTANGIBLE ASSETS

Group	Licence Contracts and Related Relationships US$'000	Goodwill US$'000	Total US$'000
Cost			
At 1 January 2010 / 31 December 2010 / 31 December 2011	**10,695**	**6,479**	**17,174**
Accumulated impairment losses			
At 1 January 2010 / 31 December 2010	-	-	-
Impairment loss	-	2,171	2,171
At 31 December 2011	-	**2,171**	**2,171**
Carrying amounts			
At 1 January 2010 / 31 December 2010 / 1 January 2011	10,695	6,479	17,174
At 31 December 2011	**10,695**	**4,308**	**15,003**

The licence contracts and related relationships represented the rights to develop the International Hi-Tech Healthcare Park venture with an operation period ending on 9 July 2077. The project is at its preliminary stage.

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:

Group	2011 US$'000	2010 US$'000
Licence, contracts and related relationships		
International Hi-Tech Healthcare Park	**10,695**	10,695
Goodwill		
SENI Mont' Kiara	**1,415**	3,586
Sandakan Harbour Square	**2,893**	2,893
	4,308	6,479

The recoverable amount of licence, contract and related relationships has been tested based on the fair value less cost to sell of the Land Use Rights ("LUR") owned by the subsidiaries, discounted using a discount rate at 17% (2010: 17%) per annum. The key assumption used is the expected market value of the LUR. The Group believes that any reasonably possible changes in the above key assumptions applied is not likely to materially cause the recoverable amount to be lower than its carrying amount.

The recoverable amount of goodwill has been tested by reference to underlying profitability of the developments using discounted cash flow projections for the next financial year. The Group believes that any reasonably possible changes to the above methodology are not likely to materially cause the recoverable amount to be lower than its carrying amount.

16 DEFERRED TAX ASSETS

Group	2011 US$'000	2010 US$'000
At 1 January	**19,400**	7,167
Exchange adjustments	**155**	1,240
Deferred tax credit relating to origination and reversal of temporary differences during the year	**(18,864)**	10,993
At 31 December	**691**	19,400

The deferred tax assets comprise:

Group	2011 US$'000	2010 US$'000
Taxable temporary differences between net carrying amount and tax written down value of property, plant and equipment and others	**(20)**	(22)
Deductible temporary differences recognised for the impairment loss on trade receivables	**101**	-
Deductible temporary differences arising from unused tax losses and unabsorbed capital allowances	**25**	-
Deductible temporary differences recognised for the accrual of construction costs	**585**	6,099
Deductible temporary differences between accounting profit and taxable profit of property development units sold	**-**	13,323
At 31 December	**691**	19,400

Deferred tax assets have not been recognised in respect of unused tax losses of US$7,533,932 (2010: US$4,264,757) and other tax benefits which includes temporary differences between net carrying amount and tax written value of property, plant and equipment and accrual of construction costs of US$1,492,107 (2010: US$Nil) 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

Group	Notes	2011 US$'000	2010 US$'000
Land held for property development	**(a)**	**23,525**	27,749
Work-in-progress	**(b)**	**148,024**	385,579
Stock of completed units, at cost		**113,457**	18,145
At 31 December		**285,006**	431,473

(a) Land held for property development

Group	2011 US$'000	2010 US$'000
At 1 January	**27,749**	22,112
Exchange adjustments	**(1,338)**	971
Additions	**411**	602
Transfer (to)/ from work-in-progress	**(3,297)**	4,064
At 31 December	**23,525**	27,749

(b) Work-in-progress

Group	2011 US$'000	2010 US$'000
At 1 January	**385,579**	354,022
Add :		
Additions through acquisition of a subsidiary	**-**	28,507
Work-in-progress incurred during the year	**107,950**	157,296
Transfer from/ (to) land held for property development	**3,297**	(4,064)
Transfer to stock of completed units	**(142,139)**	(10,437)
Exchange adjustments	**(1,234)**	19,386
	353,453	544,710
Less :		
Costs recognised as expenses in the statement of comprehensive income recognised during the year	**(205,429)**	(159,131)
At 31 December	**148,024**	385,579

The above amounts included borrowing cost capitalised of US$4,124,274 (2010:US$4,443,829).

18 HELD-FOR-TRADING FINANCIAL INSTRUMENT

The financial asset represents a placement in money market fund ("Fund"), which is held as a trading instrument. The market value and the market price per unit of the Fund at 31 December 2011 were US$21,383,754 and US$0.32 respectively. During the year, the Group recognised a fair value gain of US$26,066 in relation to the investment.

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

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

In March 2009, IFRS 7 Financial Instruments: Disclosures was amended by IASB to require certain additional disclosures to be included in IFRS financial statements. This includes a requirement that financial instruments carried at fair value be analysed by level of the IFRS 7 defined fair value hierarchy. This hierarchy is based on the inputs of the fair value measurement and reflects the lowest level input that is significant to the remeasurement. The Directors are of the opinion that the held-for-trading financial asset at 31 December 2011 is classified under Level 2 (fair value measured using inputs for the asset or liability that are observable for the asset or liability, either directly or indirectly).

19 AMOUNT DUE FROM AN ASSOCIATE

The amount due from an associate represents project management fee receivable.

20 SHARE CAPITAL

Group & Company	2011 Number of Shares'000	2010 Number of Shares'000
Authorised Share Capital	**2,000,000**	2,000,000
Issued Share Capital		
At 1 January / 31 December	**212,525**	212,525

Group & Company	2011 US$'000	2010 US$'000
Authorised Share Capital of US$0.05 each	**100,000**	100,000
Issued Share Capital of US$0.05 each		
At 1 January / 31 December	**10,626**	10,626

21 SHARE PREMIUM

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

Group	**2011** **US$'000**	**2010** **US$'000**
At 1 January	**221,226**	221,226
Dividend paid to equity holders of the parent	**(2,125)**	-
At 31 December	**219,101**	221,226

The Company paid an interim dividend of US$0.01 per share amounting US$2,125,250 for the financial year ended 31 December 2011 on 15 December 2011 from the share premium account.

22 CAPITAL REDEMPTION RESERVE

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

23 DEFERRED REVENUE

Deferred revenue represents excess of progress billings to purchasers of development properties over revenue recognised in the statement of comprehensive income.

24 BANK LOANS AND BORROWINGS

Group	**2011** **US$'000**	**2010** **US$'000**
Bank loans	**37,393**	59,007
Bank overdraft	**-**	9,456
	37,393	68,463

The effective interest rates of the bank loans for the year ranged from 5.84% to 23% (2010: 4.85% to 7.13%) per annum.

The effective interest rate of the bank overdraft for 2010 was 0.84% per annum.

Borrowings are denominated in Malaysian Ringgit and United States Dollars.

Bank loans are repayable by monthly or quarterly instalments and the overdraft was repayable on demand.

Bank loans are secured by land held under property development cost and the corporate guarantee of the Company.

The carrying amount of borrowings approximates its fair value at statement of financial position date.

In April 2012, the bank approved the deferral of repayment of principal outstanding of US$7,732,831 from May 2012 to October 2013.

25 AMOUNT DUE TO NON-CONTROLLING INTERESTS

Group	2011 US$'000	2010 US$'000
Minority Shareholders of Shangri-La Healthcare Investment Pte Ltd:		
- Tran Thi Lam	**533**	533
- Econ Medicare Centre Holdings Pte Ltd	**632**	632
- Value Energy Sdn. Bhd.	**189**	189
- Thang Shieu Han	**72**	72
- Nguyen Quang Duc	**14**	15
Minority Shareholders of Bumiraya Impian Sdn. Bhd.:		
- Global Evergroup Sdn. Bhd.	**1,566**	1,607
	3,006	3,048

The amount due to non-controlling interests are unsecured and without fixed term of repayment and no repayment is expected until profit is generated from the subsidiaries which is not expected in the following 12 months.

26 BANK LOANS

Group	2011 US$'000	2010 US$'000
Outstanding loans	**50,282**	80,183
Less:		
Repayment due within twelve months	**(37,393)**	(59,007)
Repayment due after twelve months	**12,889**	21,176

The effective interest rates of the bank loans for the year range from 3.83% to 23% (2010: 4.85% to 7.13%) per annum.

Bank loans of the Group are secured by land held under property development costs and the corporate guarantee of the Company.

Bank loans are denominated in Malaysian Ringgit and United State Dollars.

Bank loans are repayable by monthly or quarterly instalments.

Non-current bank loans earn interest at floating rates and the fair value in the current and prior year approximates the carrying value.

27 MEDIUM TERM NOTES

Group	2011 US$'000	2010 US$'000
Outstanding medium term notes	**77,322**	72,923
Finance costs	**285**	-
Transaction costs	**(1,873)**	-
Less:		
Repayment due within twelve months	**-**	(72,923)
Repayment due after twelve months	**75,734**	-

2011

The medium term notes were issued by a subsidiary, incorporated on 5 May 2011, to fund two development projects known as Sandakan Harbour Square and Aloft Kuala Lumpur Sentral hotel in Malaysia. US$77.3 million had been drawn down in 2011 for Sandakan Harbour Square and the remaining US$85.2 million will be drawn down by the first quarter of 2013 for Aloft Kuala Lumpur Sentral hotel. The weighted interest rate of the loan was 5.42% per annum at the statement of financial position date. The effective interest rates of the medium term notes and their outstanding amounts are as follows:

	Maturity Dates	Interest rate % per annum	US$'000
Series 1 Tranche FG 001	8 December 2014	5.38	7,890
Series 1 Tranche BG 001	8 December 2014	5.33	6,312
Series 1 Tranche FG 002	8 December 2015	5.46	14,202
Series 1 Tranche BG 002	8 December 2015	5.41	9,468
Series 2 Tranche FG 001	8 December 2015	5.46	22,092
Series 2 Tranche BG 001	8 December 2015	5.41	17,358
			77,322

The medium term notes are secured by way of:

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

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

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

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

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

(vi) first fixed land charge over the Aloft Kuala Lumpur Sentral hotel and the Aloft Kuala Lumpur Sentral hotel's land (to be executed upon construction completion);
(vii) a corporate guarantee by Aseana Properties Limited;
(viii) letter of undertaking from Aseana Properties Limited to provide financial and other forms of support to ICSD Ventures Sdn. Bhd. to finance any cost overruns associated with the development of the Sandakan Harbour Square;
(ix) assignment of all its present and future rights, interest and benefits under the ICSD Ventures Sdn. Bhd.'s and Iringan Flora Sdn. Bhd.'s Put Option Agreements and the proceeds from the Harbour Mall Sandakan, Four Points by Sheraton Sandakan hotel and Aloft Kuala Lumpur Sentral hotel;
(x) assignment over the disbursement account, revenue account, Harbour Mall Sandakan operating account, sales proceed account, debt service reserve account and sinking fund account;
(xi) assignment of all ICSD Ventures Sdn. Bhd.'s and Iringan Flora Sdn. Bhd.'s present and future rights, title, interest and benefits in and under the insurance policies; and
(xii) a first legal charge over all the shares of the Silver Sparrow Berhad, ICSD Ventures Sdn. Bhd. and Iringan Flora Sdn. Bhd. and any dividends, distributions and entitlements.

2010

The medium term notes were issued by a subsidiary, acquired on 30 March 2009, to fund a development project known as 1 Mont' Kiara in Malaysia. The weighted interest rate of the loan was 6.17% per annum at the statement of financial position date. The effective interest rates of the medium term notes and their outstanding amounts were as follows:

	Interest rate % per annum	**US$'000**
Tranche A1	3.95	14,585
Tranche A2	4.05	3,889
Tranche A3	4.05	1,621
Tranche A4	4.05	3,241
Tranche A5	4.70	4,213
Tranche A6	4.90	3,889
Tranche A7	4.15	1,621
Tranche A8	4.10	972
Tranche B2	4.40	5,510
Tranche B3	4.50	7,454
Tranche B4	4.15	6,482
Tranche B5	3.75	3,241
Tranche C	13.00	16,205
		72,923

The medium term notes were secured by way of:

(i) bank guarantee from financial institutions (except for Tranche C);
(ii) a first fixed and floating charge over the subsidiary's assets by way of a debenture;
(iii) an assignment over all the present and future sales and insurance policies from 1 Mont' Kiara;
(iv) an assignment over a debt service reserve account;

(v) a third party first legal charge over a freehold land under a development project in conjunction with the joint venture agreement between the subsidiary and Ireka Land Sdn. Bhd.; and
(vi) a corporate guarantee issued by Ireka Corporation Berhad (except for Tranches A and B).

The medium term notes were denominated in Malaysian Ringgit. On 29 December 2010, the subsidiary informed all parties of its intention to early redeem all outstanding medium term notes. The redemption was completed and fully paid on 6 January 2011.

28 PURCHASE OF OWN SHARES AND CANCELLATION OF SHARES

The Company renewed its authority to purchase its own shares up to a total aggregate value of 14.99% of the issued ordinary shares capital in a resolution at its Annual General Meeting held on 14 June 2011. The authority shall expire 12 months from the date of passing of the resolution unless otherwise renewed, varied or revoked. No purchase of own shares by the Company occurred during the year ended 31 December 2011.

In January 2012, the Company purchased 500,000 of its ordinary shares of US$0.05 each in series at prices between US$0.3375 and US$0.35. Following the purchases, the Company held 500,000 shares in treasury and has 212,025,000 shares in issue (excluding shares held in treasury).

29 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.

Group	**2011 US$'000**	**2010 US$'000**
Project management fee charged to an associate	**354**	567
Accounting and financial reporting services fee charged by an ICB subsidiary	**53**	-
Cleaning services fee charged by an ICB subsidiary	**16**	-
Construction progress claims charged by an ICB subsidiary	**75,767**	112,176
Management fees charged by an ICB subsidiary	**4,196**	4,142
Office rental and deposit charged by ICB	**10**	-
Project management fee for interior fit out works charged by an ICB subsidiary	**52**	-
Sales and administration fees and marketing commissions charged by an ICB subsidiary	**324**	1,053
Secretarial and administrative services fee charged by an ICB subsidiary	**53**	-
Project staff costs reimbursed to an ICB subsidiary	**947**	644
Remuneration of key management personnel		
- Salaries	**76**	90

Group	2011 US$'000	2010 US$'000
Amount due by an associate for project management fee	**122**	382
Amount due to an ICB subsidiary for contract works performed net of LAD's recoverable of US$7,273,633 (2010: US$2,932,133)	**10,264**	34,586
Amount due to an ICB subsidiary for cleaning services fee	**10**	-
Amount due to an ICB subsidiary for management fees	**2,097**	1,002
Amount due to an ICB subsidiary for marketing commissions	**486**	807
Amount due to an ICB subsidiary for project staff costs	**748**	618

30 ACQUISITION OF BUSINESS

Aseana Properties Limited is the parent company of a group of companies involved in property development business.

2011

On 31 July 2011, the Group acquired the remaining 14.9% of the issued share capital of Legolas Capital Sdn. Bhd. for a total cash consideration of US$10,611, increasing in ownership from 85.1% to 100%. The carrying amount of Legolas Capital Sdn. Bhd.'s net asset in the Group's financial statement on the date of acquisition was US$100,752. The Group recognised a decrease in non-controlling interest of US$13,595 and an increase in retained earnings of US$2,942. The transaction was accounted for using the purchase method of accounting.

The following summarises the effect of changes in the equity interest in Legolas Capital Sdn. Bhd. that is attributable to equity holders of the parent.

Group	US$'000
Equity interest at 1 Jan 2011	**85**
Effect of increase in Company's ownership interest	**11**
Share of comprehensive loss	**(1)**
Equity interest at 31 December 2011	**95**

2010

On 20 April 2010, the Company had, via its wholly-owned subsidiary ASPL M9 Limited, subscribed for 700,000 ordinary shares representing 70% of the issued share capital of Urban DNA Sdn. Bhd. (formerly known as World Trade Frontier Sdn. Bhd.) for a total consideration of US$218,330. The transaction was accounted for using the purchase method of accounting. Urban DNA Sdn. Bhd. is a developer to develop a residential tower at No.7, Jalan Kia Peng, 50450 Kuala Lumpur.

The Group had accounted for the business combination of Urban DNA Sdn. Bhd. using fair values assigned to Urban DNA Sdn. Bhd.'s identifiable assets and liabilities determined at 20 April 2010.

At 20 April 2010, Urban DNA Sdn. Bhd. had a shareholders' equity of US$309,492 of which 70% was owned by the Group. Against a consideration of US$218,330, a fair value adjustment of US$1,686 on property development cost was recorded.

The acquisition had the following effect on the Group's asset and liabilities on acquisition date:

	Pre-acquisition carrying amounts	**Fair value adjustments**	**Recognised values on acquisition**
	US$'000	**US$'000**	**US$'000**
Current assets	28,507	2	28,509
Cash and cash equivalents	200	-	200
Non-current liabilities	(20,379)	-	(20,379)
Current liabilities	(8,019)	-	(8,019)
Net assets	309	2	311
Non-controlling interest, based on their proportion interest in the recognised amounts of the assets and liabilities of the acquiree	(93)	-	(93)
Net assets acquired	216	2	218
Consideration paid, satisfied in cash			218
Cash and cash equivalents acquired			(200)
Net cash outflow			**18**

The acquisition of Urban DNA Sdn. Bhd. had not increased nor reduced the Group's loss before taxation for the period as no income or expenses were incurred by Urban DNA Sdn. Bhd. after it became a subsidiary of the Group.

If the acquisition of Urban DNA Sdn. Bhd. had occurred on 1 January 2010, this would have increased the Group's revenue and loss before taxation for the period by approximately US$Nil and US$26 respectively.

31 DIVIDENDS

The Company paid an interim dividend of US$0.01 per share amountingUS$2,125,250 for the financial year ended 31 December 2011 on 15 December 2011 from the share premium account.

32 COMMITMENT AND CONTINGENCIES

The Group and Company have no contingencies at the statement of financial position date except as follows:

(a) Investment in Aseana-BDC Co Ltd

On 31 December 2011, Aseana Properties (BVI) Ltd had contributed US$1,755,714 out of its total capital contribution of US$5,525,000 to its investment in subsidiary – Aseana-BDC Co Ltd. The remaining committed capital contribution of US$3,769,286 will be contributed by Aseana Properties (BVI) Ltd as and when it is called by Aseana-BDC Co Ltd.

(b) Investment in Hoa Lam – Shangri-La Healthcare Ltd Liability Co

On 10 February 2012, Shangri-La Healthcare Investment Pte Ltd had contributed US$14,747,231 out of its total capital contribution of US$16,940,000 to its investment in subsidiary – Hoa Lam – Shangri-La Healthcare Ltd Liability Co. The remaining committed capital contribution of US$2,192,769 was made by Shangri-La Healthcare Investment Pte Ltd on 17 April 2012.

On 30 November 2011, Hoa Lam Services Co Ltd had completed its capital contribution of US$7,260,000 for its investment in subsidiary – Hoa Lam – Shangri-La Healthcare Ltd Liability Co.

(c) Investment in ASPL PV – Nam Long Ltd Liability Co

At 31 December 2011, ASPL PV Ltd had not made any capital contribution to its investment in subsidiary – ASPL PV – Nam Long Ltd Liability Co. The committed capital contribution of US$9,600,000 will be contributed by ASPL PV Ltd as and when it is called by ASPL PV – Nam Long Ltd Liability Co.

(d) Purchase of hotel property

On 6 July 2010, a subsidiary of the Group entered into a Sales and Purchase Agreement with an associate to purchase a hotel property. The remaining estimated contracted sum of US$67 million is payable upon completion of hotel property by end of 2012 and is funded by the medium term notes programme state in Note 27.

(e) Debt service reserve account

Under the medium notes programme of up to US$162 million, Silver Sparrow Berhad ("SSB") had opened a Malaysian Ringgit debt service reserve account ("DSRA") and shall ensure that an amount equivalent to RM30.0 million (US$9.50 million) (the

"Minimum Deposit") be maintained in the DSRA at all times. In the event the funds in the DSRA falls below the Minimum Deposit, SSB shall within five (5) Business Days from the date of receipt of written notice from the facility agent or upon SSB becoming aware of the shortfall, whichever is earlier, deposit such sums of money into the DSRA to ensure the Minimum Deposit is maintained.

33 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

(a) Following the recent capital calls for Hoa Lam – Shangri-La Healthcare Ltd Liability Co, Aseana has increased its shareholding in the company from 51% to 66.4% at 17 April 2012.

(b) Following the recent capital calls for Shangri-La Healthcare Investment Pte Ltd, Aseana has increased its shareholding in the company from 51% to 72.9% at 17 April 2012.

(c) Following the recent capital calls for Hoa Lam Services Co Ltd, Shangri-La Healthcare Investment Pte Ltd and Hoa Lam – Shangri-La Healthcare Ltd Liability Co, Aseana has increased its shareholding in Hoa Lam – Shangri-La 1 Liability Ltd Co from 51% to 66.4% at 17 April 2012.

34 REPORT CIRCULATION

Copies of the Annual Report and Financial Statements will be sent to shareholders for approval at the Annual General Meeting ("AGM") to be held in June 2012.

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 a 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 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

24 April 2012