24 April 2013

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

Full Year Results for the Year Ended 31 December 2012

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 2012*.

Highlights

- Successfully completed the construction of Harbour Mall Sandakan ("HMS") and Four Points by Sheraton Sandakan ("FPSS"); both properties have commenced business. As at 31 December 2012, HMS has achieved a 42% tenancy rate and FPSS a 37% occupancy rate.
- Successfully completed the construction of Kuala Lumpur Sentral Office Towers and Aloft Kuala Lumpur Sentral Hotel ("Aloft KL") in Kuala Lumpur, Malaysia. Aloft KL officially opened for business on 22 March 2013.
- The RuMa Hotel and Residences in Kuala Lumpur, Malaysia was soft-launched and opened for sale on 8 March 2013.
- Successfully completed the construction of City International Hospital in Ho Chi Minh City, Vietnam at end of March 2013. The hospital is expected to open for business in June 2013.
- At 31 December 2012, decline in fair value of US$4.8 million has been recognised in other comprehensive income, with a further impairment loss of US$4.7 million recognised in the profit or loss. The Directors have considered various prevailing factors at year end, including the economic conditions and market conditions of the Ho Chi Minh Stock Exchange (Nam Long was subsequently listed in the Exchange on 8 April 2013) in assessing the fair value of the investment.
- Revenue decreased by 92% to US$23.7 million (2011: US$281.1 million) largely due to a lack of sales of major assets during the year. Revenue for 2012 is mainly attributable to sales of completed units at SENI Mont' Kiara. For 2011, a significant part of the revenue was attributable to completion and handover of SENI Mont' Kiara properties.
- Loss per share of US$0.0794 (2011: Earnings per share of US$0.0756).
- Net asset value per share US$0.866 (2011: US$0.957).

* 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 2012. The financial statements for 2012 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:

"Despite lower revenue, Year 2012 was a busy year for the Group with a number of major operating assets being completed. A key focus in 2013 will be to ensure that the performance of these assets continues on the right path to prepare them for their eventual sale, given the challenging operating conditions in both Malaysia and Vietnam. The Company will also continue to focus on the sale of the remaining units in SENI Mont' Kiara, and to drive new sales for The RuMa Hotel and Residences."

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Notes to Editors:

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

Ireka Development Management Sdn Bhd ("IDM") is the exclusive Development Manager for Aseana. It is a wholly-owned subsidiary of Ireka Corporation Berhad, a company listed on the Bursa Malaysia since 1993, which has over 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

Global market conditions continued to be subdued in 2012 and inevitably this had an impact on the economies of both Malaysia and Vietnam, Aseana Properties' core markets. Both Malaysia and Vietnam experienced moderate growth in 2012, with gross domestic product ("GDP") growth at 5.6% and 5.03% respectively, both lower than the year before, with Vietnam's growth being the lowest in the past 13 years. In Malaysia, business confidence has been mixed. Whilst the financial markets have been buoyed by large initial public offerings of government linked companies, manufacturers, small and medium sized businesses are feeling the effects of a slowdown in the export market and deferred capital spending. The impending general elections in Malaysia have also created another level of uncertainty for business decision-making. The economy has however been underpinned by large scale public spending that includes the implementation of the first phase of a mass rapid transit system in Kuala Lumpur.

In Vietnam, stabilisation measures introduced by the government, at the expense of higher economic growth, have successfully moderated inflation in 2012 to 9.2%, down from 18.1% in the previous year. As part of these stabilisation measures, lending to specific sectors such as real estate and securities have remained selective. Additionally, non-performing loans particularly of state-owned enterprises have continued to be a drag on economic activity in Vietnam. However, the government is taking active steps to restructure these non-performing loans and has successfully reduced interest rates throughout the year to support domestic business growth.

The performance of the real estate market in Malaysia for 2012 has been mixed. Certain sub-segments of the market such as medium-end residential, prime retail assets and projects associated with major government initiatives such as Iskandar Development Region have received keen interest from buyers and investors. However, demand for high-end residential properties and commercial offices remained soft throughout the year. The Vietnam real estate market is still very much in a recovery mode. High-end residential properties, which have dominated the market prior to the slowdown, still remain in abundant supply. However, towards the third quarter of 2012, we have seen evidence of improved market activities in the affordable housing sub-segment as well as demand for prime retail spaces in central business district of Ho Chi Minh City.

Aseana Properties registered a significant decrease in revenue by 92% from US$281.1 million in 2011 to US$23.7 million in 2012 largely due to a lack of sales of major assets during the year. The revenue was mainly attributable to the sale of completed units at SENI Mont' Kiara. Stricter lending conditions imposed by banks in Malaysia, in particular for the high-end condominium market have made it more difficult for purchasers to fund the acquisition of units, particularly the bulk buyers who the Manager has been in discussions with. We are continuing to examine ways of disposing the remaining units at SENI Mont' Kiara.

The Group recorded a net loss before taxation of US$16.6 million in 2012, compared to a profit before taxation of US$33.1 million in 2011. The losses are mainly attributed to the operating losses from Harbour Mall Sandakan and Four Points by Sheraton Sandakan Hotel, which commenced operations in July 2012 and May 2012 respectively, and a reduction in the fair value of Aseana's holding in Nam Long shares.

In accordance with the mandate approved by Shareholders, we remain committed to completing those projects which Aseana is already involved with and then disposing of them at a time and at a price intended to maximise the returns to shareholders.

Progress of property portfolio
Although 2012 did not see significant sales at SENI Mont' Kiara, it was, nevertheless, a busy year in the portfolio. As mentioned above, the Harbour Mall Sandakan opened in July 2012 and the Four Points by Sheraton Sandakan Hotel opened in May 2012. Both were formally launched on 20 October 2012. The Harbour Mall Sandakan is 42% tenanted as at the end of last year, while the Four Points by Sheraton Sandakan Hotel achieved 37% occupancy rate at the end of 2012. The Kuala Lumpur Sentral office towers and the Aloft Kuala Lumpur Sentral Hotel were physically completed in December 2012 and January 2013 respectively. The RuMa Hotel and Residences was launched in March 2013; The Aloft Kuala Lumpur Sentral Hotel opened for business on 22 March 2013 and shares in Nam Long Investment Corporation were listed on the Ho Chi Minh Stock Exchange on 8 April 2013.

The construction of City International Hospital ("CIH") in Ho Chi Minh City was completed at the end of March 2013. CIH is currently undergoing testing and commissioning and the hospital facility is expected to open in June 2013. In view of continued soft market conditions for high-end residences in Vietnam, the Board has decided to delay the launch of the Waterside Estates to the latter half of year 2013.

Further information on each of the Company's properties is set out in the Development Manager's review on pages 5 to 8.

Outlook
Year 2012 and continuing into 2013 saw the completion of a number of key operating assets within the Group. As such, despite the challenging operating conditions in both Malaysia and Vietnam, the key focus in 2013 will be to ensure that the performance of these assets continues on the right path to prepare them for eventual sale. The Company will also continue to focus on realising the remaining units at SENI Mont' Kiara, and to drive new sales for The RuMa Hotel and Residences.

In closing, I wish to extend a note of appreciation to my fellow Directors and our development manager for their continued commitment and contribution. 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
23 April 2013

DEVELOPMENT MANAGER'S REVIEW

BUSINESS OVERVIEW

Aseana Properties made good progress on a number of projects within its portfolio in year 2012. The Group successfully completed and opened the Harbour Mall Sandakan and Four Points by Sheraton Sandakan Hotel in October 2012. The Group has also completed the Kuala Lumpur Sentral Office Towers in December 2012, followed by the completion of the Aloft Kuala Lumpur Sentral Hotel in January 2013. The Aloft Kuala Lumpur Sentral Hotel was subsequently opened for business in March 2013.

Final development approvals were obtained for The RuMa Hotel and Residences for the development of 253 units of hotel suites, and 200 units of serviced residences. Marketing and sales of hotel suite units and residences at The RuMa commenced in March 2013 and commendable sales were recorded as to-date. The stricter lending conditions imposed by banks in Malaysia, in particular for completed high-end condominium units, have affected the sales performance at SENI Mont' Kiara. The Company and the Manager are continuing their efforts to sell the remaining units at SENI Mont' Kiara by targeting block purchasers and considering installment payments for the units.

In Vietnam, the Group focused on advancing the construction and development of the City International Hospital ("CIH"), the flagship development at the International Hi-Tech Healthcare Park. Construction of CIH has completed in March 2013. CIH is now undergoing testing and commissioning by the hospital operator, Parkway Pantai Limited, and is expected to open in June 2013. During the year, the Manager also worked closely with the board and management of Nam Long Investment Corporation ("Nam Long"), in which Aseana Properties owns an approximately 16% stake, in pursuing a listing on the Ho Chi Minh Stock Exchange ("HOSE"). Nam Long's shares were listed on the HOSE on 8 April 2013.

The challenging market conditions for the high-end property market in Vietnam have resulted in the Group delaying the launch of Phase 1 of the Waterside Estates in 2012. Phase 1 of the Waterside Estates is a 37-unit riverside villa development scheme and we are now targeting its launch in Q4 2013.

Malaysia Economic Update

In 2012, the Malaysian economy registered a gross domestic product ("GDP") growth of 5.6%, up from 5.1% in 2011. The GDP growth was largely driven by domestic consumption and investment, both private and public. The construction and services sector were the fastest growing sectors in 2012, mitigating the impact from slower growth in exports.

The domestic consumption and investment in Malaysia continues to be largely driven by projects under the banner of the Government's Economic Transformation Programme ("ETP"). As at end of year 2012, the ETP consisted of 161 projects amounting to RM209.78 billion (approximately US$68.42 billion) in value**,** involving 11 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 medium to long term.

In 2012, the Government also took steps in ensuring that home ownership continues to be affordable to all Malaysians. This included the launch of a national housing scheme with clearer development and ownership guidelines and the increase of Real Property Gains Tax ("RPGT") to 15% from 10%

for properties disposed within two years of purchase to reduce speculative activities in the property market *(RPGT for properties disposed between two to five years increased to 10% (previously 5%) and properties sold after five years are exempted from RPGT)* with effect from 1 January 2013.

On the back of ongoing challenging global economic conditions, Malaysia recorded foreign direct investments of RM29.1 billion (US$9.52 billion) in 2012, a decrease of 20% from the RM36.6 billion (US$11.97 billion) recorded in 2011. The findings of the IFC and World Bank's "Doing Business Report 2013" which ranks Malaysia at number 12 (out of 185 economies) of the world's most business-friendly countries further highlights the strength and resilience of the Malaysian economy. This ranking is up 6 notches from 2012 ranking.

Vietnam Economic Update
Vietnam recorded GDP growth of 5.03% in 2012, down from 5.9% in 2011, the lowest level of growth recorded since year 1999. Despite the slowing economy, which has been hampered by high inflation and the resultant credit tightening measures, Vietnam received FDI pledges amounting to US$16.3 billion, a growth of 11% from 2011, and with FDI disbursements in year 2012 amounting to US$10.5 billion. As the government implements the various monetary and fiscal measures to revive the economy in the short to medium term, this positive trend in FDI is expected to set Vietnam on long-term sustainable growth.

Vietnam has achieved a positive, albeit small trade surplus of US$284 million in 2012 after 20 years of running in deficit. The inflation rate in Vietnam in 2012 was 9.21% (2011: 18.58%) as a result of the continuing tightening of monetary policy and the lack of effective demand due to slowdown in GDP growth. The credit tightening measures in particular have resulted in reduced lending and have exposed Vietnamese banks to rising level of non-performing loans from companies, in particular state-owned companies, that have relied heavily on debt to fuel their growth over the last decade. In response to investors rising concerns on the stability of the banking sector, the Vietnamese government has reiterated its commitment to a strong banking sector and has taken some initial steps in formulating debt restructuring strategies.

PORTFOLIO REVIEW

MALAYSIA

Property Market Review
2012 saw the highest number of annual launches on record for condominiums, after a lull in year 2011 as developers begin to see an improving outlook in the global and Malaysian economy. Reception to these new launches has been mixed, where demand has naturally gravitated to established locations and developers with strong track records. In the second half of the year, interest has also been focused on Iskandar Development Region ("IDR") in Johor, a special economic development corridor that has been established by the government in year 2006. IDR has received keen interest from investors as key supporting infrastructure and facilities such as international universities and school, theme parks and hotels have commenced operations in year 2012.

In the Klang Valley commercial office sector, a total of 6.7 million sq ft of space across 27 office buildings was completed in 2012. The net take-up for 2012 increased by 41% to 3.3 million sq ft where the majority of the take-up was mainly contributed by the expansion and relocation of occupiers from oil and gas related companies, government agencies and financial and banking institutions. With further supply coming on-stream in 2013 of more than 7 million sq ft, the office sector is likely to see an easing in rental levels in 2013.

On the commercial retail front, it continued its healthy performance in 2012, especially for prime space, evidenced by the continued increase in occupancy rates, rental rates and market prices of these properties. 2012 saw an increase of approximately 2,700 hotel rooms in Klang Valley, with new hotel openings as well as refurbishments of existing ones. Average occupancy rate in 2012 was marginally lower at 68%, coupled with decline in average daily room rates by 5.6%. Despite the aforementioned, Malaysia recorded 25 million international tourists arrivals in 2012, an increase of 1.3% from year 2011.

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. Construction was completed in end 2011. The project consists of 605 residential units, with 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.

  Sales at SENI Mont' Kiara have been affected by the tightening of lending conditions imposed by the government and central bank, in particular for the high-end condominium market. Some potential buyers aborted their purchases as they were unable to secure adequate debt finance for their purchases. The overall level of completed sales at SENI Mont' Kiara is now 78% of the units available for sale. The Manager continues to explore all opportunities to drive the sales and address the issue of a lack of debt financing. The Company and the Manager are considering structuring the payments for block purchasers through a series of instalment payments to facilitate sales. 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. RM33.3 million of the bridging loan has been repaid during 2012 thus reducing the bridging loan outstanding to RM24.4 million (US$7.96 million) as at 31 December 2012.

- **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 2013). The debt on the project has been fully repaid. The Manager has decided to fully fit out and furnish the remaining units at Tiffani by i-ZEN to offer buyers and dwellers with a hassle-free experience of either owning or renting an apartment unit.

- **The RuMa Hotel and Residences**
  This project is strategically located in the heart of Kuala Lumpur City Centre ("KLCC") on Jalan Kia Peng, near neighbouring landmarks such as the Grand Hyatt Kuala Lumpur, KLCC Convention Centre, Suria KLCC shopping mall, KLCC Park and the world famous Petronas Twin Towers. Aseana Properties owns 70% of this project and 30% is owned by Ireka Corporation Berhad. With a development land area of approximately 43,559 square feet, the

Group will be developing 200 units of luxury residences, The RuMa Residences, and a 253-room luxury bespoke hotel, The RuMa Hotel. The RuMa Hotel will be managed by Urban Resort Concepts, a renowned bespoke hotel management company based in Shanghai, which is the creator and operator of the award-winning The Puli Hotel in Shanghai.

Construction work commenced in February 2013 and is estimated to be delivered in 2017. The sales launch for The RuMa Hotel and Residences was held on 8 March 2013.

The land was part financed by a term loan facility of RM65.3 million (US$20.6 million), which was fully drawn down. The development of the project is funded by progressive payments from buyers and a bridging loan facility of RM50 million (US$16.3 million).

- **Kuala Lumpur Sentral Project and Aloft Kuala Lumpur Sentral Hotel**
  Kuala Lumpur Sentral project is a mixed commercial and hospitality development project consisting of two office towers and a business class hotel, centrally located in Kuala Lumpur's urban transportation hub. The project is owned and developed by Excellent Bonanza Sdn. Bhd. ("EBSB"), which is jointly owned by Aseana Properties and Malaysian Resources Corporation Berhad (a government linked entity) on a 40:60 basis. The two office towers have been conditionally sold for approximately RM623 million (or US$196.6 million), and construction has been completed in December 2012.

  At the commencement of the project, 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 sales and purchase of the 482-room Aloft Kuala Lumpur Sentral Hotel was completed in April 2013 and operations commenced on 22 March 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$88.3 million) which is part of the $162 million MTN programme announced in November 2011, of which RM15 million was drawn down as at 31 December 2012. The remaining RM255 million (US$83.4 million) was fully drawn down in April 2013 to complete the acquisition of the Aloft Kuala Lumpur Sentral Hotel.

- **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 Sandakan Harbour Square project consists of 4 phases, whereby Phases 1 and 2 comprise 129 shop lots that are fully sold, while Phases 3 and 4 consist of the first retail mall (Harbour Mall Sandakan) and the first international four-star hotel in Sandakan, known as the Four Points by Sheraton Sandakan Hotel.

  The Harbour Mall Sandakan ("HMS") and Four Points by Sheraton Sandakan Hotel ("FPSS") commenced business in July and May 2012 respectively. The occupancy rate of the Harbour Mall Sandakan currently stands at 42% of the total retail space with notable tenants such as Parkwell Departmental Store and Supermarket, Levi's, The Body Shop, GNC and McDonald's amongst others. Leasing activities at Harbour Mall Sandakan to both local and international retailers are still on-going. Since opening, the FPSS has steadily gained market share from its competitors as well as created new demand for hotel rooms in Sandakan. Occupancy rates for FPSS stood at 37% at the end of year 2012. The mall and hotel are expected to go through a period of stabilization before achieving optimal performance.

The project is funded by guaranteed medium term notes of RM245.0 million (US$77.5 million) which is part of the $162 million MTN programme announced in November 2011. The MTNs were fully issued as at 31 December 2011.

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

VIETNAM

Property Market Review
The slowdown in the Ho Chi Minh City ("HCMC") property market continued in 2012, with developers and buyers having to grapple with tightening of credit by banks and amidst high interest rate and oversupply of properties in certain segments of the market. By the end of year 2012, the macroeconomic outlook of Vietnam has somewhat improved with the high inflation coming under control, and the Vietnam interbank discount rate being eased from 13% at the beginning of the year to 7% at the end of the year to encourage consumption and investments.

The sales of units in high and medium-end residential sector remains largely stagnant, leading to some projects under development being stalled, or developers with strong financial standing holding back inventories to maintain prices at a reasonable level. The affordable homes sector, where units are typically priced in the region of US$25,000 to US$60,000 per unit continues to attract demand from young buyers seeking for modern living conditions. As a case in point, Nam Long Investment Corporation's (an Aseana Properties investee company) two affordable home projects in Binh Tan District and Binh Duong both achieved over 90 percent sales over a period of less than 2 months from launch.

On the back of healthy foreign direct investments inflows, the excess supply of office space continues to be absorbed throughout the year with average occupancy rate at 85% at the end of 2012. Vietnam also continues to attract international retailers and brands, where Hermes and Starbucks made their debuts in Vietnam in year 2012 and early 2013 respectively. McDonalds is also expected to enter Vietnam in 2013. Interest in the retail sector is expected to continue to maintain occupancy and rental rates in prime retail locations at a high level.

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 16.32% 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 560 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 co-developing the Waterside Estates in District 9 of Ho Chi Minh City with Nam Long.

  At 31 December 2012, a decline in fair value of US$4.8 million has been recognised in other comprehensive income, with a further impairment loss of US$4.7 million recognised in the profit or loss. The Directors have considered various prevailing factors at year end, including the economic conditions and market conditions of the Ho Chi Minh Stock Exchange, in assessing the fair value of the investment. Nam Long was listed on the Ho Chi Minh Stock Exchange on 8 April 2013. The reduced fair value approximates the market value of the shares at the close of market on 22 April 2013, which is US$12.6 million.

- **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 to be developed by Aseana Properties and Nam Long on a 80:20 basis. The Investment License for the project was received in December 2011.

  As a result of challenging market conditions for high-end residential sector, Aseana and Nam Long have mutually agreed to terminate the joint venture agreement for this project. An official approval of termination was received from the authorities in March 2013, where final documentations are underway to effect the termination of this project. As at 31 December 2012, US$0.47million of costs have been written-off in relation to pre-development costs of this project.

- **Waterside Estates**
  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 Ho Chi Minh City. The project, consisting of 37 villas (Phase 1) and 460 apartment units (Phase 2), 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 Rach Chiec 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 2011, and the sales launch of the 37 units of villas has currently been deferred to the fourth quarter of 2013 due to the challenging conditions of the high-end real estate market in Vietnam.

  The development is expected to be funded by progressive payments from buyers, bank debt and further equity contributions from shareholders of the project. The first phase of development will be part financed by a term loan of up to US$5.5 million, with the first drawdown expected to be at the end of second quarter of 2013.

- **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 66.8% 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 320-bed City International Hospital ("CIH") in May 2010, and was completed in March 2013. The opening of CIH is anticipated in second quarter of 2013, subject to all operating licenses being obtained. CIH will be managed by Parkway Pantai Limited, Asia's leading private healthcare group with a network of more than 3,300 beds across Singapore, Malaysia, the Middle East and India. Aseana Properties is currently in discussions with several strategic investors to participate in the development of the City International Hospital.

  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 Ho Chi Minh City.

  To part finance the payment for the land and working capital, the joint venture companies have secured total loan facilities of US$17.2 million, of which US$14.5 million had been drawn down as at 31 December 2012. The development of City International Hospital is funded by a syndicated term loan of US$43.3 million, of which US$17.4 million was drawn down as at 31 December 2012.

- **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 this 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 past two financial years with the relevant authorities in Ho Chi Minh City, with delays resulting from finalisation of public infrastructure planning around the site. The Board is currently reviewing the project with a view to exit owing to the continuing administrative delays.

OUTLOOK

With the completion of several development projects in 2012 and early 2013, Aseana Properties will have three operating assets in Malaysia, being Four Points by Sheraton Sandakan Hotel, Harbour Mall Sandakan and Aloft Kuala Lumpur Sentral Hotel, and one operating asset in Vietnam being the City International Hospital. Efforts will be focused on stabilising the operations of these assets in order for them to achieve optimal capital value. The Manager will work closely with the Board to explore and evaluate opportunities to divest these operating assets. Alongside this, a key focus in the year ahead will be to continue to realise the completed units at SENI Mont' Kiara.

The Manager will also continue to manage and evaluate the development timeline of all other assets within Aseana Properties' portfolio with an emphasis on timely realisation and margin improvements.

In closing, I wish to 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 2013 and the years to come.

LAI VOON HON
President / Chief Executive Officer
Ireka Development Management Sdn. Bhd.
Development Manager
23 April 2013

PERFORMANCE SUMMARY

	Year ended 31 December2012	Year ended 31 December2011
Total Returns since listing		
Ordinary share price	-60.25%	-64.50%
FTSE All-share index	-7.15%	-14.22%
FTSE 350 Real Estate Index	-57.98%	-66.50%
One Year Returns		
Ordinary share price	11.97%	-32.70%
FTSE All-share index	8.24%	-6.69%
FTSE 350 Real Estate Index	25.42%	-11.22%
Capital Values		
Total assets less current liabilities (US$ million)	320.32	299.27
Net asset value per share (US$)	0.87	0.96
Ordinary share price (US$)	0.40	0.36
FTSE 350 Real Estate Index	394.09	314.21
Debt-to-equity-ratio		
Debt-to-equity-ratio[1]	73.41%	60.69%
Net debt-to-equity-ratio[2]	64.19%	34.69%
Earnings Per Share		
Earnings per ordinary share - basic (US cents)	-7.94	7.56
- diluted (US cents)	-7.94	7.56

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

FINANCIAL REVIEW

INTRODUCTION

The Group recorded losses for the year ended 31 December 2012, mainly due to pre-opening expenses and operating losses of Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan, both of which were completed and commenced operations during the year.

STATEMENT OF COMPREHENSIVE INCOME

The Group's revenue decreased from US$281.1 million in 2011 to US$23.7 million in the year, representing a drop of 92%. Compared to 2011, where most of the revenue was attributable to the completion and handover of SENI Mont' Kiara properties, the revenue in 2012 was mainly attributable to the sales of completed units at SENI Mont' Kiara.

The Group recorded a net loss before taxation of US$16.6 million, compared to a profit before taxation of US$33.1 million in 2011. The profit in 2011 was mainly attributable to SENI Mont' Kiara, while the losses in 2012 were largely due to operating losses of Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan, totalling US$8.2 million; and a decline in the fair value of available-for-sale investment, being Aseana Properties's holding in Nam Long Investment Corporation ("Nam Long") of US$4.7 million. The tax charge for 2012 was significantly lower at US$1.8 million (2011: US$19.0 million), resulting in a loss for the year of US$18.4 million (2011: Profit for the year of US$14.1 million).

Net loss attributable to equity holders of the parent was US$16.8 million in 2012, compared to a net profit of US$16.1 million in 2011.

The consolidated comprehensive expense for the year ended 31 December 2012 was US$19.9 million compared to a consolidated comprehensive income of US$10.8 million in 2011. The former includes a gain arising from foreign currency translation differences for foreign operations of US$3.4 million (2011: loss of US$3.4 million); and also the reduction in the fair value of shares in Nam Long of US$4.8 million (2011: US$ Nil). The total decline in fair value of shares in Nam Long during the year amounted to US$9.5million, resulting in the carrying amount of US$12.6million as at 31 December 2012.

Basic and diluted loss per share for the year ended 31 December 2012 were both at US cents 7.94 (2011: Earnings per share of US cents 7.56).

STATEMENT OF FINANCIAL POSITION

Total assets have decreased by US$5.4 million to US$409.7 million, compared to US$415.1 million in 2011. The decrease was mainly due to the reduction in fair value of available-for-sale investments of Nam Long shares. Cash and cash equivalents were lower at US$16.8 million (2011: US$32.6 million) mainly due to utilisation for the development of City International Hospital and operation costs of Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan.

Total liabilities have increased by US$5.5 million to US$213.0 million compared to US$207.5 million in 2011. The increase was substantially attributable to the issuance of medium term notes of US$4.9 million to fund the development of Aloft Kuala Lumpur Sentral Hotel.

Net asset value per share at 31 December 2012 was US cents 86.6 (2011: US cents 95.7).

CASH FLOW AND FUNDING

Changes in cash flow in 2012 were negative at US$18.6 million, compared to the negative cash flow of US$115.1 million in 2011.

The Group's subsidiaries borrow to fund property development projects. At 31 December 2012, the Group had gross borrowings of US$144.4 million (2011: US$126.0 million), an increase of 14.6% over the previous year. Net debt-to-equity ratio increased from 34.69% in 2011 to 64.19% in 2012.

Finance income decreased from US$0.6 million in 2011 to US$0.4 million in 2012. Finance costs increased from US$1.1 million in 2011 to US$4.3 million in 2012.

DIVIDEND

No dividend was paid in 2012.

PRINCIPAL RISKS AND UNCERTAINTIES

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

TREASURY AND FINANCIAL RISK MANAGEMENT

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

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

MONICA LAI VOON HUEY
Chief Financial Officer
Ireka Development Management Sdn. Bhd.
Development Manager
23 April 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

Continuing activities	Notes	2012 US$'000	2011 US$'000
Revenue	3	**23,732**	281,142
Cost of sales	5	**(21,459)**	(236,645)
Gross profit		**2,273**	44,497
Other income	6	**7,051**	2,146
Administrative expenses		**(2,582)**	(2,053)
Decline in fair value of available-for-sale investments	14	**(4,653)**	-
Foreign exchange gain/ (loss)	7	**524**	(1,014)
Management fees	8	**(3,799)**	(3,972)
Marketing expenses		**(2,164)**	(2,720)
Other operating expenses		**(9,389)**	(3,210)
Operating (loss)/ profit		**(12,739)**	33,674
Finance income		**407**	602
Finance costs		**(4,299)**	(1,144)
Net finance costs	9	**(3,892)**	(542)
Net (loss)/ profit before taxation	10	**(16,631)**	33,132
Taxation	11	**(1,798)**	(18,992)
(Loss)/ profit for the year		**(18,429)**	14,140
Other comprehensive income/ (expense), net of tax			
Foreign currency translation differences for foreign operations		**3,407**	(3,364)
Decline in fair value of available-for-sale investments	14	**(4,828)**	-
Total other comprehensive expense for the year		**(1,421)**	(3,364)
Total comprehensive (expense)/ income for the year		**(19,850)**	10,776

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

Continuing activities	Notes	**2012** **US$'000**	2011 US$'000
(Loss)/ profit attributable to:			
Equity holders of the parent		**(16,839)**	16,058
Non-controlling interests		**(1,590)**	(1,918)
Total		**(18,429)**	14,140
Total comprehensive (expense)/ income attributable to:			
Equity holders of the parent		**(18,419)**	12,625
Non-controlling interests		**(1,431)**	(1,849)
Total		**(19,850)**	10,776
(Loss)/ earnings per share			
Basic and diluted (US cents)	12	**(7.94)**	7.56

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2012

	Notes	**2012 US$'000**	2011 US$'000
Non-current assets			
Property, plant and equipment		**1,113**	4,629
Investment in an associate	13	**-**	-
Available-for-sale investments	14	**12,571**	22,052
Intangible assets	15	**13,845**	15,003
Deferred tax assets	16	**-**	691
Total non-current assets		**27,529**	42,375
Current assets			
Inventories	17	**350,822**	285,006
Held-for-trading financial instrument	18	**1,370**	21,384
Trade and other receivables		**12,725**	33,485
Amount due from an associate	19	**239**	122
Current tax assets		**237**	142
Cash and cash equivalents		**16,752**	32,610
Total current assets		**382,145**	372,749
TOTAL ASSETS		**409,674**	415,124
Equity			
Share capital	20	**10,626**	10,626
Share premium	21	**218,926**	219,101
Capital redemption reserve	22	**1,874**	1,874
Translation reserve		**2,986**	(262)
Fair value reserve		**-**	4,828
Accumulated losses		**(50,828)**	(32,797)
Shareholders' equity		**183,584**	203,370
Non-controlling interests		**13,063**	4,276
Total equity		**196,647**	207,646

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2012 (cont'd)

	Notes	2012 US$'000	2011 US$'000
Current liabilities			
Trade and other payables		**56,764**	74,338
Amount due to non-controlling interests	23	**9,807**	-
Loans and borrowings	24	**20,687**	37,393
Current tax liabilities		**2,097**	4,118
Total current liabilities		**89,355**	115,849
Non-current liabilities			
Amount due to non-controlling interests	23	**-**	3,006
Loans and borrowings	24	**40,497**	12,889
Medium term notes	25	**83,175**	75,734
Total non-current liabilities		**123,672**	91,629
Total liabilities		**213,027**	207,478
TOTAL EQUITY AND LIABILITIES		**409,674**	415,124

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

	Share Capital US$'000	Share Premium US$'000	Capital Redemption Reserve US$'000	Translation Reserve US$'000	Fair Value Reserve US$'000	Accumulated Losses US$'000	Total Equity Attributable to Equity Holders of the Parent US$'000	Non-Controlling Interests US$'000	Total Equity US$'000
1 January 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 28)	-	-	-	-	-	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 income	-	-	-	(3,433)	-	16,058	12,625	(1,849)	10,776
Dividend to equity holders of the parent	-	(2,125)	-	-	-	-	(2,125)	-	(2,125)
At 31 December 2011/ 1 January 2012	10,626	219,101	1,874	(262)	4,828	(32,797)	203,370	4,276	207,646
Changes in ownership interests in subsidiaries (Note 28)	-	-	-	-	-	(1,192)	(1,192)	1,192	-
Non-controlling interests contribution	-	-	-	-	-	-	-	9,026	9,026
Loss for the year	-	-	-	-	-	(16,839)	(16,839)	(1,590)	(18,429)
Total other comprehensive income	-	-	-	3,248	(4,828)	-	(1,580)	159	(1,421)
Total comprehensive expense	-	-	-	3,248	(4,828)	(16,839)	(18,419)	(1,431)	(19,850)
Own shares acquired	-	(175)	-	-	-	-	(175)	-	(175)
Shareholders' equity at 31 December 2012	**10,626**	**218,926**	**1,874**	**2,986**	**-**	**(50,828)**	**183,584**	**13,063**	**196,647**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 US$'000	2011 US$'000
Cash Flows from Operating Activities		
Net (loss)/ profit before taxation	**(16,631)**	33,132
Finance income	**(407)**	(602)
Finance costs	**4,299**	1,144
Unrealised foreign exchange (gain)/ loss	**(642)**	20
Reversal of impairment of trade receivables	**(357)**	-
Impairment of trade receivables	**-**	419
Impairment of goodwill	**1,158**	2,171
Depreciation of property, plant and equipment	**190**	142
Loss on disposal of property, plant and equipment	**1**	-
Property, plant and equipment written off	**31**	156
Decline in fair value of available-for-sale investments	**4,653**	-
Fair value loss/ (gain) on held-for-trading financial instrument	**81**	(26)
Operating (loss)/ profit before working capital changes	**(7,624)**	36,556
Changes in working capital:		
(Increase)/ decrease in inventories	**(54,318)**	150,591
Decrease/ (increase) in receivables	**21,117**	(2,390)
Decrease in deferred revenue	**-**	(188,462)
Decrease in payables	**(14,856)**	(39,336)
Cash used in operations	**(55,681)**	(43,041)
Interest paid	**(5,577)**	(5,268)
Tax paid	**(3,356)**	(8,453)
Net cash used in operating activities	**(64,614)**	(56,762)
Cash Flows from Investing Activities		
Advances from non-controlling interests	**6,801**	-
Acquisition of non-controlling interests	**-**	(11)
Issuance of ordinary shares of subsidiaries to non-controlling interests	**2,546**	1,793
(Advance)/ repayment from associate	**(117)**	260
Proceeds from disposal of property, plant and equipment	**1**	-
Purchase of held-for-trading financial instrument	**-**	(24,145)
Disposal of held-for-trading financial instrument	**19,933**	2,787
Purchase of property, plant and equipment	**(279)**	(591)
Finance income received	**407**	602
Net cash generated from/ (used in) investing activities	**29,292**	(19,305)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

	2012 US$'000	2011 US$'000
Cash Flows from Financing Activities		
Repurchase of own shares	**(175)**	-
Repayment of loans and borrowings and medium term notes	**(12,080)**	(131,822)
Drawdown of loans and borrowings and medium term notes	**30,390**	104,732
Dividend paid to equity holders of the parent	**-**	(2,125)
Pledged deposits placed in licensed banks	**(1,371)**	(9,799)
Net cash generated from/ (used in) financing activities	**16,764**	(39,014)
NET CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR	**(18,558)**	(115,081)
Effect of changes in exchange rates	**1,329**	(3,037)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**22,811**	140,929
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**5,582**	22,811

Cash and cash equivalents

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

Cash and bank balances	**5,152**	18,320
Short term bank deposits	**11,600**	14,290
Cash and cash equivalents	**16,752**	32,610
Less: Deposits pledged	**(11,170)**	(9,799)
	5,582	22,811

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of US$311,833 (2011: US$590,880) of which US$32,700 (2011: US$Nil) was acquired by means of finance leases.

During the financial year, US$9,026,000 (2011: US$1,793,000) of ordinary shares of subsidiaries were issued to non-controlling shareholders, of which US$2,546,000 (2011: US$1,793,000) was satisfied via cash consideration. The remaining amount of US$6,480,000 (2011: US$Nil) was satisfied via contribution of land held for property development by non-controlling interest.

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 24 and 25. The forecasts incorporate current payables, committed expenditure included in Note 30 and other future expected expenditure, along with a prudent estimate of sales in addition to the disposal of certain land held for property development.

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

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

New/Revised International Financial Reporting Standards		Issued/ Revised	Effective Date
IFRS 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
IAS 1	Presentation of Financial Statements - Amendments resulting from Annual Improvements 2009-2011 Cycle (comparative information)	May 2012	Annual periods beginning on or after 1 January 2013
IAS 27	Consolidated and Separate Financial Statements - Original Issue	May 2011	Annual periods beginning on or after 1 January 2013
IAS 28	Investments in Associates and Joint Ventures - Original issue	May 2011	Annual periods beginning on or after 1 January 2013
IAS 32	Financial Instruments: Presentation - Amendments relating to the offsetting of assets and liabilities	December 2011	Annual periods beginning on or after 1 January 2014

The Directors anticipate that the adoption of IFRS 9, 10, 11, 12 and 13, Amendments to IAS 1, 27, 28 and 32 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	2012 US$'000	2011 US$'000
Sale of development properties	**23,363**	280,788
Project management fee	**369**	354
	23,732	281,142

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. Management determines the operating segments based on reports reviewed and used by the Executive Management for strategic decision making and resource allocation. For management purposes, the Group is organised into project units.

The Group's reportable operating segments are as follows:
(i) Investment holding companies – investing activities;
(ii) Ireka Land Sdn. Bhd. – develops Tiffani by i-ZEN and 1 Mont' Kiara by i-ZEN;
(iii) ICSD Ventures Sdn. Bhd. – develops Sandakan Harbour Square;
(iv) Amatir Resources Sdn. Bhd. – develops SENI Mont' Kiara; and
(v) Hoa Lam-Shangri-La Healthcare Group – develops City International Hospital and Hi-Tech Healthcare Park.

Other non-reportable segments comprise the Group's other new development projects. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2012 and 2011.

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 2012

	Investment Holding US$'000	Ireka Land Sdn. Bhd. US$'000	ICSD Ventures Sdn. Bhd. US$'000	Amatir Resources Sdn. Bhd. US$'000	Hoa Lam-Shangri La Healthcare Group US$'000	Total US$'000
Segment profit/ (loss) before taxation	**(7,904)**	**2,199**	**(8,153)**	**1,096**	**(1,950)**	**(14,712)**
Included in the measure of segment profit/ (loss) are:						
Revenue	**-**	**-**	**852**	**22,511**	**-**	**23,363**
Cost of acquisition written down	**-**	**(392)**	**(69)**	**(3,912)**	**-**	**(4,373)**
Goodwill impairment	**-**	**-**	**(946)**	**(212)**	**-**	**(1,158)**
Marketing expenses	**-**	**(54)**	**(2)**	**(1,898)**	**-**	**(1,954)**
Depreciation of property, plant and equipment	**-**	**(8)**	**(86)**	**(1)**	**(92)**	**(187)**
Finance costs	**(31)**	**-**	**(3,071)**	**(731)**	**(434)**	**(4,267)**
Finance income	**76**	**18**	**217**	**63**	**7**	**381**
Segment assets	**13,205**	**11,164**	**112,363**	**102,178**	**77,962**	**316,872**
Included in the measure of segment assets are:						
Addition to non-current assets other than financial instruments and deferred tax assets	**-**	**-**	**273**	**-**	**27**	**300**

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	**(14,712)**
Other non-reportable segments	**(1,910)**
Depreciation	**(3)**
Finance cost	**(32)**
Finance income	**26**
Consolidated loss before taxation	**(16,631)**

Operating Segments – ended 31 December 2011

	Investment Holding US$'000	Ireka Land Sdn. Bhd. US$'000	ICSD Ventures Sdn. Bhd. US$'000	Amatir Resources Sdn. Bhd. US$'000	Hoa Lam-Shangri-La Healthcare Group US$'000	Total US$'000
Segment profit/ (loss) before taxation	(3,334)	2,204	(1,488)	38,725	(2,747)	33,360
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)	(99)	(142)
Finance costs	(425)	-	(65)	(203)	(412)	(1,105)
Finance income	89	238	95	163	8	593
Segment assets	30,115	23,913	94,286	128,669	48,321	325,304
Included in the measure of segment assets are:						
Addition to non-current assets other than financial instruments and deferred tax assets	-	-	63	-	193	256

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	33,360
Other non-reportable segments	(198)
Depreciation	-
Finance cost	(39)
Finance income	9
Consolidated profit before taxation	33,132

2012 **US$'000**	**Revenue**	**Depreciation**	**Finance costs**	**Finance income**	**Segment assets**	**Addition to non-current assets**
Total reportable segment	23,363	(187)	(4,267)	381	316,872	300
Other non-reportable segments	369	(3)	(32)	26	92,802	12
Consolidated total	23,732	(190)	(4,299)	407	409,674	312

2011 **US$'000**	**Revenue**	**Depreciation**	**Finance costs**	**Finance income**	**Segment assets**	**Addition to non-current assets**
Total reportable segment	280,788	(142)	(1,105)	593	325,304	256
Other non-reportable segments	354	-	(39)	9	89,820	335
Consolidated total	281,142	(142)	(1,144)	602	415,124	591

Geographical Information – ended 31 December 2012

	Malaysia US$'000	Vietnam US$'000	Consolidated US$'000
Revenue	**23,732**	**-**	**23,732**
Non-current assets	**3,188**	**24,341**	**27,529**

In 2012, no single customer exceeded 10% of the Group's total revenue.

Geographical Information – ended 31 December 2011

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

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

4 SEASONALITY

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

5 COST OF SALES

Group	2012 US$'000	2011 US$'000
Direct costs attributable to property development	**21,459**	236,645

6 OTHER INCOME

Group	2012 US$'000	2011 US$'000
Dividend income	**314**	268
Investment income	**234**	295
Late payment interest income	**66**	514
Rental income	**554**	643
Revenue from hotel operation (a)	**1,919**	-
Revenue from mall operation (b)	**638**	-
Reversal of impairment of trade receivables	**357**	-
Sale of land (c)	**2,533**	-
Sundry income	**436**	426
	7,051	2,146

(a) Revenue from hotel operation

A subsidiary of the Company, ICSD Ventures Sdn. Bhd. has commenced the operation of its hotel - Four Points by Sheraton Sandakan Hotel in May 2012. The revenue earned from hotel operation is included in other income in line with management's intention to dispose of the hotel.

(b) Revenue from mall operation

A subsidiary of the Company, ICSD Ventures Sdn. Bhd. has commenced the operation of its retail mall – Harbour Mall Sandakan in July 2012. The revenue earned from mall operation is included in other income in line with management's intention to dispose of the mall.

(c) Sale of land

A subsidiary of the Company, Ireka Land Sdn. Bhd. sold a piece of land where the show unit of Tiffani by i-ZEN was located for US$2,533,440 (RM7,800,000) in April 2012. The cost of the land had been charged to the development of Tiffani by i-ZEN in August 2009.

7 FOREIGN EXCHANGE GAIN/ (LOSS)

Group	2012 US$'000	2011 US$'000
Foreign exchange gain/ (loss) comprises:		
Realised foreign exchange (loss)/ gain	**(118)**	(994)
Unrealised foreign exchange gain/ (loss)	**642**	(20)
	524	(1,014)

8 MANAGEMENT FEES

Group	2012 US$'000	2011 US$'000
Management fees	**3,799**	3,972

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 or accrued during the year (2011: US$Nil).

9 FINANCE (COSTS)/ INCOME

Group	2012 US$'000	2011 US$'000
Interest income from banks	**407**	602
Agency fees	**(27)**	(26)
Annual trustees monitoring fee	**(7)**	(6)
Bank guarantee commission	**(4)**	(152)
Interest on bank overdraft	**-**	(4)
Interest on bank loan	**(1,189)**	(956)
Interest on financial liabilities at amortised cost	**(1)**	-
Interest on medium term note	**(3,071)**	-
	(3,892)	(542)

10 NET (LOSS)/ PROFIT BEFORE TAXATION

Group	2012 US$'000	2011 US$'000
Net (loss)/ profit before taxation is stated after charging/(crediting):		
• Auditor's remuneration		
- current year	**229**	193
- under provision in prior year	**10**	29
• Directors' fees	**317**	317
• Decline in fair value of available-for-sale investments	**4,653**	-
• Depreciation of property, plant and equipment	**190**	142
• Expenses of hotel operation	**3,290**	-
• Expenses of mall operation	**2,192**	-
• Fair value loss/ (gain) on held-for-trading financial instrument	**81**	(26)
• Impairment of goodwill	**1,158**	2,171
• (Reversal of)/ impairment of trade receivables	**(357)**	419
• Loss on disposal of property, plant and equipment	**1**	-
• Property, plant and equipment written off	**31**	156
• Staff costs	**1,818**	957
• Tax services	**15**	8

11 TAXATION

Group	2012 US$'000	2011 US$'000
Current tax	**1,087**	128
Deferred tax	**711**	18,864
Total tax expense for the year	**1,798**	18,992

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	2012 US$'000	2011 US$'000
Accounting (loss)/ profit	**(16,631)**	33,132
Income tax at a rate of 25%*	**(4,158)**	8,283
Add :		
Tax effect of expenses not deductible in determining taxable profit	**4,329**	9,179
Movement of unrecognised deferred tax benefits	**1,663**	1,190
Tax effect of different tax rates in subsidiaries**	**362**	477
Less :		
Tax effect of income not taxable in determining taxable profit	**(244)**	(186)
(Over)/ under provision	**(154)**	49
Total tax expense for the year	**1,798**	18,992

* 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% for its profit arising from hospital income. The preferential income tax is given by the government of Vietnam due to the subsidiary's involvement in the healthcare and education industries.

The Company is treated as a tax resident of Jersey for the purpose of 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 registration is £200 per annum.

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

12 (LOSS)/ EARNINGS PER SHARE

Basic and diluted (loss)/ earnings per ordinary share

The calculation of basic and diluted (loss)/ earnings per ordinary share for the year ended 31 December 2012 was based on the (loss)/ profit attributable to equity holders of the parent and a weighted average number of ordinary shares outstanding, calculated as below:

Group	2012 US$'000	2011 US$'000
(Loss)/ profit attributable for the year attributable to equity holders of the parent	**(16,839)**	16,058
Weighted average number of shares	**212,047**	212,525
(Loss)/ earnings per share (US cents):		
Basic and diluted	**(7.94)**	7.56

13 INVESTMENT IN AN ASSOCIATE

The Company, via a wholly-owned subsidiary ASPL M3A Limited, has a 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.

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

Group Statement of Financial Position	2012 US$'000	2011 US$'000
Non-current assets	**11,345**	4,527
Current assets	**378,270**	125,409
Total Assets	**389,615**	129,936
Current liabilities	**390,224**	131,392
Total liabilities	**390,224**	131,392
Equity	**(609)**	(1,456)
Total Equity and Liabilities	**389,615**	129,936
Statement of Comprehensive Income		
Other operating income	**-**	12
Cost of sales, expenses including finance costs and taxation	**899**	(500)
Profit/ (loss)	**899**	(488)

The amount of unrecognised share of profit for the current year and cumulatively is US$338,567 (2011: share of loss US$184,732) and US$243,727 (2011: US$582,294) respectively.

14 AVAILABLE-FOR-SALE INVESTMENTS

Group **2012**	**Unquoted shares** **US$'000**
1 January – fair value	22,052
Recognised in other comprehensive income	(4,828)
Recognised in profit or loss	(4,653)
At 31 December – fair value	**12,571**

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

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

At 31 December 2012, a decline in fair value of US$4.8 million has been recognised in other comprehensive income, with a further impairment loss of US$4.7 million recognised in the profit or loss. The Directors have considered various prevailing factors at year end, including the economic conditions and market conditions of the Ho Chi Minh Stock Exchange (Nam Long was subsequently listed in the Exchange on 8 April 2013) in assessing the fair value of the investment.

IFRS 7 Financial Instruments: Disclosures 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 available-for-sale investments at 31 December 2012 and 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 are of the opinion that the carrying value approximates the investment's fair value at 31 December 2012.

15 INTANGIBLE ASSETS

Group	Licence Contracts and Related Relationships US$'000	Goodwill US$'000	Total US$'000
Cost			
At 1 January 2011 / 31 December 2011 / 31 December 2012	**10,695**	**6,479**	**17,174**
Accumulated impairment losses			
At 1 January 2011	-	-	-
Impairment loss	-	2,171	2,171
At 31 December 2011/ 1 January 2012	-	2,171	2,171
Impairment loss	-	1,158	1,158
At 31 December 2012	-	**3,329**	**3,329**
Carrying amounts			
At 31 December 2011	10,695	4,308	15,003
At 31 December 2012	**10,695**	**3,150**	**13,845**

The licence contracts and related relationships represents the rights to develop the International Hi-Tech Healthcare Park. The Phase 1 of City International Hospital is anticipated to be completed in 2013. Other than Phase 1 of City International Hospital, the rest of the projects are at their early 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	2012 US$'000	2011 US$'000
Licence, contracts and related relationships		
International Hi-Tech Healthcare Park	**10,695**	10,695
Goodwill		
SENI Mont' Kiara	**1,203**	1,415
Sandakan Harbour Square	**1,947**	2,893
	3,150	4,308

The recoverable amount of licence, contracts and related relationships has been tested based on the fair value less cost to sell of the Land Use Rights ("LUR") owned by the subsidiaries, discounted using a discount rate at 11% (2011: 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.

Impairment losses of US$212,008 (2011: US$2,170,516) and US$945,761 (2011: US$Nil) in relating to the SENI Mont' Kiara and Sandakan Harbour Square projects have been recognised as the recoverable amount of the cash generating units, estimated based on fair value less costs to sell is below their carrying amount.

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

16 DEFERRED TAX ASSETS

Group	2012 US$'000	2011 US$'000
At 1 January	**691**	19,400
Exchange adjustments	**20**	155
Deferred tax credit relating to origination and reversal of temporary differences during the year	**(711)**	(18,864)
At 31 December	**-**	691

The deferred tax assets comprise:

Group	2012 US$'000	2011 US$'000
Taxable temporary differences between net carrying amount and tax written down value of property, plant and equipment and others	**-**	(20)
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
At 31 December	**-**	691

Deferred tax assets have not been recognised in respect of unused tax losses of US$15,499,267 (2011: US$7,533,932) 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$180,231 (2011: US$1,492,107) 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	2012 US$'000	2011 US$'000
Land held for property development	**(a)**	**24,912**	23,525
Work-in-progress	**(b)**	**116,876**	148,024
Stock of completed units, at cost		**209,034**	113,457
At 31 December		**350,822**	285,006

(a) Land held for property development

Group	2012 US$'000	2011 US$'000
At 1 January	**23,525**	27,749
Exchange adjustments	**564**	(1,338)
Additions	**823**	411
Transfer to work-in-progress	**-**	(3,297)
At 31 December	**24,912**	23,525

(b) Work-in-progress

Group	2012 US$'000	2011 US$'000
At 1 January	**148,024**	385,579
Add :		
Work-in-progress incurred during the year	**64,272**	107,950
Contribution from non-controlling interest	**6,480**	-
Transfer from property, plant and equipment	**3,740**	-
Transfer from land held for property development	**-**	3,297
Transfer to stock of completed units	**(108,342)**	(142,139)
Exchange adjustments	**4,121**	(1,234)
	118,295	353,453
Less :		
Costs recognised as expenses in the statement of comprehensive income during the year	**(1,419)**	(205,429)
At 31 December	**116,876**	148,024

The above amounts included borrowing cost capitalised of US$1,277,841 (2011: US$4,124,274).

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 2012 were US$1,369,749 (2011: US$21,383,754) and US$0.33 (2011: US$0.32) respectively. During the year, the Group recognised a fair value loss of US$80,776 (2011: 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; and
(iii) Malaysian Government Securities and/or securities guaranteed by the Government of Malaysia and/or notes/securities issued by Bank Negara Malaysia with maturity not exceeding two (2) years.

IFRS 7 Financial Instruments: Disclosures 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 measurement. The Directors are of the opinion that the held-for-trading financial asset at 31 December 2012 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 fees receivable.

20 SHARE CAPITAL

Group	2012 Number of Shares'000	2011 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	2012 US$'000	2011 US$'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	2012 US$'000	2011 US$'000
At 1 January	**219,101**	221,226
Own shares acquired	**(175)**	-
Dividend paid to equity holders of the parent	**-**	(2,125)
At 31 December	**218,926**	219,101

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.

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).

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 AMOUNT DUE TO NON-CONTROLLING INTERESTS

Group	2012 US$'000	2011 US$'000
Non-current		
Minority Shareholders of Shangri-La Healthcare Investment Pte Ltd:		
- Tran Thi Lam	**-**	533
- Econ Medicare Centre Holdings Pte Ltd	**-**	632
- Value Energy Sdn. Bhd.	**-**	189
- Thang Shieu Han	**-**	72
- Nguyen Quang Duc	**-**	14
Minority Shareholder of Bumiraya Impian Sdn. Bhd.:		
- Global Evergroup Sdn. Bhd.	**-**	1,566
	-	3,006
Current		
Minority Shareholders of Shangri-La Healthcare Investment Pte Ltd:		
- Tran Thi Lam	**533**	-
- Econ Medicare Centre Holdings Pte Ltd	**632**	-
- Value Energy Sdn. Bhd.	**189**	-
- Thang Shieu Han	**72**	-
- Nguyen Quang Duc	**14**	-
Minority Shareholder of Bumiraya Impian Sdn. Bhd.:		
- Global Evergroup Sdn. Bhd.	**1,621**	-
Minority Shareholders of Hoa Lam Services Co Ltd:		
- Tran Thi Lam	**1,567**	-
- Tri Hanh Consultancy Co Ltd	**541**	-
- Investment Joint Stock Company	**41**	-
- Duong Ngoc Hoa	**27**	-
Minority Shareholder of Urban DNA Sdn. Bhd.:		
- Ireka Corporation Berhad	**4,570**	-
	9,807	-
	9,807	3,006

The amount due to non-controlling interests amounting to US$9,807,000 (2011: US$Nil) are unsecured, interest free and repayable on demand.

In financial year 2011, amount due to non-controlling interest were unsecured, and without fixed term of repayment and no repayment was expected until profit is generated from the subsidiaries which was not expected in the following 12 months.

24 LOANS AND BORROWINGS

Group	2012 US$'000	2011 US$'000
Non-current		
Bank loans	**40,473**	12,889
Finance lease liabilities	**24**	-
	40,497	12,889
Current		
Bank loans	**20,681**	37,393
Finance lease liabilities	**6**	-
	20,687	37,393
	61,184	50,282

The effective interest rates of the bank loans and hire purchase arrangement for the year ranged from 5.20% to 23% (2011: 5.84% to 23%) per annum and is 2.50% (2011: n/a) per annum respectively.

Borrowings are denominated in Malaysian Ringgit, United States Dollars and Vietnam Dong.

Bank loans are repayable by monthly or quarterly instalments.

Bank loans are secured by land held for property development and work-in-progress and some by corporate guarantee of the Company.

The carrying amount of borrowings approximates its fair value at statement of financial position date and non-current bank loans earn interest at floating rates.

Finance lease liabilities are payable as follows:

Group	Future minimum lease payment 2012 US$'000	Interest 2012 US$'000	Present value of minimum lease payment 2012 US$'000	Future minimum lease payment 2011 US$'000	Interest 2011 US$'000	Present value of minimum lease payment 2011 US$'000
Within one year	**7**	**1**	**6**	-	-	-
Between one and five years	**27**	**3**	**24**	-	-	-
	34	**4**	**30**	-	-	-

25 MEDIUM TERM NOTES

Group	2012 US$'000	2011 US$'000
Outstanding medium term notes	**85,020**	77,322
Finance costs	**4,608**	285
Transaction costs	**(6,453)**	(1,873)
Less:		
Repayment due within twelve months	**-**	-
Repayment due after twelve months	**83,175**	75,734

2012

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 has been drawn down in 2011 for Sandakan Harbour Square. US$4.9 million had been drawn down in 2012 for Aloft Kuala Lumpur Sentral hotel and the remaining US$83.1 million has been fully drawn down in 2013. The weighted average 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	8,175
Series 1 Tranche BG 001	8 December 2014	5.33	6,540
Series 1 Tranche FG 002	8 December 2015	5.46	14,715
Series 1 Tranche BG 002	8 December 2015	5.41	9,810
Series 2 Tranche FG 001	8 December 2015	5.46	22,890
Series 2 Tranche BG 001	8 December 2015	5.41	17,985
Series 3 Tranche FG 001	1 October 2015	5.40	3,270
Series 3 Tranche BG 001	1 October 2015	5.35	1,635
			85,020

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 Silver Sparrow Berhad, ICSD Ventures Sdn. Bhd. and Iringan Flora Sdn. Bhd. and any dividends, distributions and entitlements.

26 PURCHASE OF OWN SHARES AND CANCELLATION OF SHARES

The 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 18 June 2012. The authority shall expire 12 months from the date of passing of the resolution unless otherwise renewed, varied or revoked.

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).

27 RELATED PARTY TRANSACTIONS

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

Group	2012 US$'000	2011 US$'000
Project management fee charged to an associate	**369**	354
Accounting and financial reporting services fee charged by an ICB subsidiary	**53**	53
Cleaning services fee charged by an ICB subsidiary	**-**	16
Construction progress claims charged by an ICB subsidiary	**31,048**	75,767
Management fees charged by an ICB subsidiary	**4,231**	4,196
Office rental and deposit charged by ICB	**11**	10
Project management fee for interior fit out works charged by an ICB subsidiary	**124**	52
Sales and administration fee and marketing commissions charged by an ICB subsidiary	**557**	324
Secretarial and administrative services fee charged by an ICB subsidiary	**53**	53
Project staff costs reimbursed to an ICB subsidiary	**776**	947
Remuneration of key management personnel		
- Salaries	**39**	76

Group	2012 US$'000	2011 US$'000
Amount due by an associate for project management fee	**239**	122
Amount due to an ICB subsidiary for accounting and financial reporting services fee	**26**	-
Amount due to an ICB subsidiary for cleaning services fee	**-**	10
Amount due to an ICB subsidiary for contract works performed net of LAD's recoverable of US$6,046,394 (2011: US$7,273,633)	**6,043**	10,264
Amount due to an ICB subsidiary for management fees	**3,345**	2,097
Amount due to an ICB subsidiary for marketing commissions	**153**	486
Amount due to an ICB subsidiary for secretarial and administrative services fee	**26**	-
Amount due to an ICB subsidiary for project staff costs	**420**	748

28 ACQUISITION OF BUSINESS

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

2012

During the financial year, the Group increased its equity interest in Shangri-La Healthcare Investment Pte Ltd ("SHIPL") from 51% to 73% resulting from additional new issue of shares in the subsidiary. Resulting from the increase in equity interest in SHIPL, the effective equity interest in Hoa Lam - Shangri-La Healthcare Ltd Liability Co, Hoa Lam - Shangri-la 1 Liability Ltd Co, Hoa Lam - Shangri-la 2 Ltd Liability Co, Hoa Lam - Shangri-la 3 Liability Ltd Co, subsidiaries of SHIPL, increased to 67%.

The Group recognised a decrease in non-controlling interests of US$1,192,000 and an increase in accumulated losses of US$1,192,000 resulting from the increase in equity interest in the above subsidiaries. The transaction was accounted for using the purchase method of accounting.

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**

29 DIVIDEND

The Company has not paid or declared any dividends during the financial year ended 31 December 2012.

30 COMMITMENT AND CONTINGENCIES

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

(a) 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 in April 2013 and is funded by the medium term notes programme state in Note 25.

(b) Debt service reserve account

Under the medium term 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.

31 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 2013.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

RESPONSIBILITY STATEMENT

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

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

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

On behalf of the Board

Mohammed Azlan Hashim	Christopher Henry Lovell
Director	Director

23 April 2013