24 April 2014

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

Full Year Results for the Year Ended 31 December 2013

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 2013*.

Operational highlights

- SENI Mont' Kiara ("SENI") was awarded the FIABCI Malaysia Property Award 2013 for the Best High Rise Residential Development in November 2013. SENI has recorded sales to date of 87.1% based on Sales and Purchase Agreement signed.
- The RuMa Hotel and Residences ("The RuMa") in Kuala Lumpur, Malaysia was opened for sale in March 2013 achieving sales to date of about 41.4% based on Sales and Purchase Agreement signed.
- The Aloft Kuala Lumpur Sentral Hotel ("Aloft") achieved commendable results since its commencement of business on 22 March 2013. For the 9-month period, the hotel recorded an average occupancy rate of about 54%. For the first quarter of 2014, the rate improved to 67.1% with March 2014 reaching a high of 78.4%.
- The performance of Four Points by Sheraton Sandakan Hotel ("FPSS") and Harbour Mall Sandakan ("HMS") were both adversely affected by incursion of some armed dissidents in early 2013 into Lahad Datu, Sabah, which is located, some 170km from Sandakan. The average occupancy rate for FPSS stood at 31% for 2013 and this rate improved to 40.9% in the first quarter of 2014. The tenancy rate of HMS remained unchanged at 47% from December 2013 to March 2014.
- The City International Hospital ("CIH") in Ho Chi Minh City commenced business on 24 September 2013 with the official opening held on 5 January 2014.
- Nam Long was listed on the Ho Chi Minh Stock Exchange in April 2013 at a price of VND27,000 (US$1.296) per share. Subsequently in early 2014, Nam Long successfully completed a placement of 25,500,000 new shares at VND18,000 (approximately US$0.855) per share to a number of prominent institutional investors, raising VND459 billion (approximately US$21.8 million).

Financial highlights

- Revenue increased by 23.6% to US$29.3 million in 2013 largely attributed to the increase in sales of completed units at SENI (2012: US$23.7 million).
- Net loss before taxation of US$18.8 million (2012: Net loss before taxation of US$16.6 million) mainly attributable to operating losses of FPSS Hotel and HMS totalling US$5.9 million; and pre-opening expenses and operating losses of Aloft and CIH of US$4.4 million and US$5.9 million respectively. Loss on foreign currency translation for foreign operations of US$6.2 million (2012: Gain of US$3.4 million) due to weakening of Ringgit against the US Dollars.
- Loss per share of US$0.0896 (2012: Loss per share of US$0.0794).
- Net asset value per share US$0.748 (2012: US$0.866).

Corporate highlights

- **Update on Proposed Return of Capital and Reorganisation**
  The Board recognises that return of capital is high on the agenda for shareholders. However, the Board believes the level of sales and cash collection achieved at SENI to-date is insufficient to provide the necessary funds to proceed with a return of capital. During the year, the proceeds raised from SENI sales amounted to approximately RM112.3 million (US$34.3 million). This has largely been allocated towards the working capital of the operating assets and equity requirements of the Vietnamese projects. For the current year, the Board will continue its effort on realising the Company's assets, in particular sales of units at SENI. The result of this process will determine the timing of any return of capital.

* 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 2013. The financial statements for 2013 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:

"2013 saw a number of the Group's assets achieving significant milestones despite slowdowns in both the Malaysian and Vietnamese markets, namely the opening of Aloft Kuala Lumpur Sentral Hotel, the launch of The RuMa Hotel and Residences in Malaysia and the opening of the City International Hospital in Ho Chi Minh City. The Company is honoured to have received the "FIABCI Malaysia Property Award 2013 for Best High Rise Residential Development" for its SENI Mont' Kiara which is a testimonial for the Company. The key focus for the Company going forward is to continuously improve on the performance of its operating assets in preparation for their eventual sale in the future."

-Ends-

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Notes to Editors:

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

Ireka Development Management SdnBhd ("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 45 years experience in construction and property development. IDM is responsible for the day-to-day management of Aseana's property portfolio and the introduction and facilitation of new investment opportunities.

CHAIRMAN'S STATEMENT

The global economy continued to expand at a modest pace amid a bumpy growth environment across the globe, with growth in emerging markets losing pace while developed nations gained strength. Closer to home for Aseana Properties and its group of companies ("the Group"), both the Malaysian and Vietnamese economies experienced moderate growth in 2013 with Gross Domestic Product ("GDP") growth of 4.7% and 5.4% respectively.

The Malaysian economy, which grew at a slower pace compared to previous year, was largely driven by growth in domestic demand. Despite the weaker external environment in the first half of 2013, domestic demand remained resilient throughout the year, led by robust private sector activity, on the back of public sector spending on large infrastructure projects. However, growth was somewhat tempered by a series of measures implemented by the Malaysian government to ease concern on the national budget deficit. These measures include subsidy cuts to petrol and fuel, resulting in the inflation rate for 2013 rising to its highest level since June 2011, at an annual average rate of 2.1%. In addition, the impending implementation of the Goods and Services Tax ("GST") on 1 April 2015 is expected to be one of the main drivers of rising inflation going forward.

2013 proved to be a more positive year for the Vietnamese economy. Vietnam's GDP grew 5.4% in 2013, slightly above the 5.3% growth recorded in 2012. Its macro-economic outlook is seen to be improving with the most notable achievement being the 6.6% inflation rate, the lowest rise in the last decade. These were seen to be the positive outcome from the Government's successful economic restructuring plans and efforts aimed to boost investment efficiency. To ensure sustainable growth moving forward, the government is focusing on restructuring the banking system and state-owned enterprises, as well as attracting foreign direct investment ("FDI"). FDI continues to be a strong driver of Vietnam's growth with US$21.6 billion being recorded in year 2013.

The Malaysian property market showed signs of a slowdown with less transactions being recorded in 2013. However, this is contrasted against an increase in the total value of transactions, indicating rising property prices. For a large part of year 2013, the market was affected by the uncertainty over the outcome of the 13th General Election, with investors adopting a cautious, 'wait-and-see' approach. Continuing with its measures to curb property speculation, the Malaysian government has in its 2014 Budget introduced stricter Real Property Gains Tax ("RPGT") rules, the abolishment of the Developer Interest Bearing Scheme ("DIBS") and also the increase in the minimum price for foreigners to purchase properties in the country from RM500,000 to RM1.0 million. Amid these challenging property market conditions, competition among developers is very keen with successful projects thriving on strong track record of the developer, creative marketing strategies and innovative products.

Towards the end of 2013, the Vietnamese property market showed signs of recovery with a rising number of transactions recorded. Leading the way is the affordable homes segment that addresses the primary needs of first-time home buyers in Ho Chi Minh City. The Government has been encouraging home ownership in this segment with the introduction of a bank loan interest subsidy scheme. There are also tangible signs of increasing confidence among international investors with a number of sizable foreign investments in new township developments and retail projects. This bodes well for Aseana Properties as we look forward to a broader and more sustainable recovery in the property market.

Aseana Properties registered a 23.6% increase in its revenue from US$23.7 million in 2012 to US$29.3 million in 2013. The increase is largely attributed to the increased level of sales at SENI Mont' Kiara. Notwithstanding the increase in revenue, the Group recorded a higher net loss before taxation of US$18.8 million as compared to a net loss of US$16.6 million in 2012. The increase in losses is mainly attributed to operating losses from Sandakan Harbour Mall and Four Points by Sheraton Sandakan Hotel, pre-opening expenses and operating losses from Aloft Kuala Lumpur Sentral Hotel as well as the City International Hospital which commenced business in March 2013 and September 2013 respectively.

In accordance with the mandate approved by Shareholders, we remain committed to complete these projects which Aseana is already involved with and to dispose of them at a time and at a price intended to optimise returns to shareholders.

Progress of property portfolio

2013 was another busy year for Aseana Properties with the completion and opening of several key assets within the portfolio. Sales performance of SENI Mont' Kiara picked up during 2013 and continued into 2014, with sales moving from 78.0% at the beginning of the year 2013 to 87.1% for year to date in 2014. The RuMa Hotel and Residences was launched in March 2013 and has made good sales progress of 41.4% to date. The Aloft Kuala Lumpur Sentral Hotel opened for business on 22 March 2013 and had achieved 51.9% occupancy rate at the end of 2013, and has continued to improve in 2014, reaching a high of 78.4% in March 2014. However, progress has been more subdued in Sandakan, the Harbour Mall Sandakan was 47.6% tenanted as at the end of last year, a slight increase from 41.9% in the previous year, while the occupancy of Four Points by Sheraton Hotel remained flat at 35.1% at the end of 2013. The Manager is working closely with the operator and the management team of these assets to improve its performance in the coming year.

City International Hospital ("CIH") in Ho Chi Minh City was physically completed at the end of March 2013. The Hospital commenced operation in September 2013 with limited services and was officially launched on 5th January 2014. Operations of CIH will go through a period of stabilisation under the management of Parkway Health, Asia's leading private healthcare provider. Nam Long Investment Corporation ("Nam Long") in which Aseana owns a strategic minority stake, achieved a significant milestone by listing on the Ho Chi Minh Stock City Exchange in April 2013. Nam Long has subsequently completed a private placement of 25.5 million shares to raise approximately US$21.8 million in February 2014 to a group of reputable institutional investors including International Finance Corporation, a member of the World Bank Group. The successful placement underlines Nam Long's strength and resilience as a leading property company in the affordable homes segment.

Further information on each of the Company's properties is set out in the Manager's report on pages 4 to 9 in the annual report.

Outlook

With the completion of all the Company's operating assets over the past two years, the Company is sharpening its focus improving the operations of these assets in preparation for eventual sale in the near future. Continuous efforts on realising the remaining units at SENI Mont' Kiara and The RuMa Hotel and Residences are also the key focus for the Company.

On behalf of the Board of Directors, I would like to extend our sincere appreciation to our Development Manager for their continued commitment and contribution. Our 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 2014

DEVELOPMENT MANAGER'S REVIEW

BUSINESS OVERVIEW

Aseana Properties achieved a significant milestone in year 2013 in both Malaysia and Vietnam with the completion of the remaining operating assets within its portfolio. The Aloft Kuala Lumpur Sentral Hotel ("Aloft") commenced business on 22 March 2013 and The City International Hospital ("CIH") in Ho Chi Minh City, the flagship development at the International Hi-Tech Healthcare Park, commenced business on 24 September 2013 with its official opening subsequently being held on 5 January 2014.

In November 2013, SENI Mont' Kiara ("SENI") has done the Group proud by winning the FIABCI Malaysia Property Award 2013 for the Best High Rise Residential Development. The Malaysian Property Award is hailed as the pre-eminent accolade of achievements in the Malaysia property industry, in which winners will compete on the global stage for the FIABCI World Prix d'Excellence Awards. On the back of this achievement, the Manager has launched a targeted sales effort at realising the remaining units at SENI. Total sales to date is 87.1% with the expectation that the remaining units will be sold by the end of year 2014.

The RuMa Hotel and Residences ("The RuMa") was launched for sale on 8 March 2013 with commendable sales of 41.4% recorded to-date. Construction of the main building at The RuMa commenced in October 2013 and is progressing well, with completion targeted for early 2017. Sales at both SENI and The RuMa are progressing well against the backdrop of the challenging property market outlook in Malaysia due to the introduction of new cooling measures in Budget 2014 by the government.

In Vietnam, Nam Long was listed on the Ho Chi Minh Stock Exchange in April 2013 at a price of VND27,000 (US$1.296) per share. Subsequently in early 2014, Nam Long successfully completed a placing of 25,500,000 new shares at VND 18,000 (approximately US$0.855) per share to a prominent list of institutional investors, which includes International Finance Corporation (a member of the World Bank Group), to raise VND 459.0 billion (approximately US$21.8 million). The challenging market conditions for the high-end property sector in Vietnam have resulted in the Group delaying the launch of Phase 1 of the Waterside Estates, a 37-unit riverside villa development scheme, until clearer signs of a broader recovery of the high-end property market emerge.

Malaysia Economic Update

Despite the sluggish world economic conditions throughout 2013, which appear to be improving as the new year begins, major indicators seem to suggest Malaysia's economy has entered a stabilised phase and the momentum in the economy is picking up after a slow start at the beginning of the year. In the fourth quarter of 2013, the Malaysian economy had expanded by 5.1% year-on-year and the overall growth of the gross domestic product ("GDP") had moderated from 5.6% in 2012 to 4.7% in 2013, meeting the targeted forecast of 4.5% to 5.0%. On top of that, Moody's Investor Service has reviewed the outlook of Malaysia's government bond and issuer ratings from "stable" to "positive" driven by continuous macro economic stability. Growth in the construction sector has remained steady driven by increased infrastructure spending by the public sector and the residential and non-residential activities in the private sector.

Notwithstanding signs of improvement shown in the Malaysian economy towards the end of 2013, inflation in December rose to 3.2% year-on-year and averaged at 2.1% for the year as a whole compared with 1.6% in 2012. The higher inflation was mainly the result of the long-delayed fiscal corrective measures introduced by the Government, resulting in the increase in consumer prices and the rising cost of living coupled with the Ringgit depreciation. Inflation is expected to be higher at least in the next two years contributed by numerous adjustment measures implemented by the Government through subsidy rationalisation and broadening of the tax base from the introduction of the Goods and Services Tax ("GST") which will take effect from 1 April 2015.

The improvement at the macro-economic level is however in contrast with the consumer and business sentiment, which is largely affected by rising prices domestically and the still weak global economic outlook. The Business Conditions Index ("BMI") by the Malaysian Institute of Economic Research ("MIER") decreased further to 92.0 points in the fourth quarter of 2013 attributed to the sluggish domestic orders, deterioration of sales performance and fewer export orders. The fourth quarter 2013 Consumer Sentiment Index ("CSI") plunged to 82.4 points, well below the 100-point threshold for the first time in five years, in tandem with the increase in inflation which has resulted in deterioration of current household income.

In spite of the generally weak consumer and business sentiment, Malaysia achieved its highest-ever foreign direct investment ("FDI") in 2013 at RM38.8 billion, surging 3.9% past its previous record of RM37.3 billion in 2011 and was also 24.8% higher than RM31.1 billion recorded in 2012. This is in line with the Government's continued policy to create a conducive environment for the businesses in Malaysia. Malaysia surged to become the 6th easiest place in the world to do business according to World Bank's "Doing Business Report 2014" and was ranked high as a destination for investments in the Asean region based on the latest survey by the Asean Business Advisory Council ("Asean-BAC"), with 42.0% survey respondents saying they have plans to invest in Malaysia.

Vietnam Economic Update

The Vietnamese economy has shown positive signs towards the end of year 2013 and is finally in recovery mode. The gradual improvement in its macro-economic environment is reflected by faster GDP growth, well controlled inflation and stable value of the Vietnamese Dong ("VND"). These are the favourable outcomes from the implementation of the Government's policies and measures, namely banking reform together with certain stimulus packages for the real estate sector, which encourages home ownership in the affordable segment of the market. Vietnam registered GDP growth of 5.4% in 2013, slightly below the target of 5.5% but higher than the 5.3% recorded in 2012. Inflation has slowed down significantly in 2013 to 6.6% (2012: 9.2%; 2011: 18.6%), the lowest level in the last decade.

In 2013, newly registered and additional FDI in Vietnam reached US$21.6 billion, up by 54.5% year-on-year with 1,275 new investments licensed with total registered capital of US$14.3 billion and 472 investments adding US$7.3 billion to their existing capital. The FDI in 2013 focused mainly on the manufacturing industry with US$16.6 billion (76.9%) of total registered capital, the power generation and supply industry with US$2.0 billion (9.4%) and other industries with US$3.0 billion (13.7%). Strong capital inflows of FDI have helped to create new financing sources to counterbalance the sluggish domestic situation.

Vietnam's banking sector also saw a number of improvements, particularly the reduction in the refinancing rate by the State Bank of Vietnam ("SBV") from 9.0% in December 2012 to 6.5% to date. By the end of 2013, commercial interest rates on existing VND denominated loans were less than 13.0% per annum and approximately 8.0% to 9.0% per annum for new short-term loans.

Meanwhile, since the establishment of a national debt restructuring agency, the Vietnam Asset Management Company ("VAMC") has successfully swapped VND 39.0 trillion (US$1.8 billion) worth of bad debts from 35 banks, surpassing its target for 2013.

PORTFOLIO REVIEW

MALAYSIA

Property Market Review

In 2013, the volume of property transactions slowed down despite an upward trajectory in value, which indicated the rising prices of properties. Stricter mortgage lending by banks played a major role in the slowdown of new transactions taking place. The deceleration was further aggravated by the cooling measures introduced in October 2013 by the Malaysian Government in the 2014 Budget. The Government has introduced stricter Real Property Gains Tax ("RPGT") rules in a bid to clamp down on property speculation. Under the new RPGT rules, owners who dispose of their residential properties within the first three years will be charged 30.0% of the transaction value, with RPGT rates going down to 20.0% in the fourth year, 15.0% in the fifth year. A further 5.0% tax will be imposed on corporate and foreign buyers for disposal of properties from the sixth year onwards. In addition, the minimum price of properties that are allowed to be purchased by foreigners has doubled to RM1.0 million. Furthermore, the Developer Interest Bearing Scheme ("DIBS") which allowed buyers to purchase new properties without having to make any progressive payments over the course of construction has been abolished.

The supply of commercial office space in the Klang Valley increased to 104.2 million sq. ft. contributed by the completion of 13 office buildings in 2013 and overall occupancy rates increased marginally to 80.0%. The market remained stable despite mounting pressure on occupancy and rental rates as supply continues to outstrip demand. Meanwhile, the commercial retail sector in Klang Valley recorded a relatively weak performance in 2013, indicated by a total net take-up rate of 1.138 million sq. ft. for purpose-built retail centre and hypermarkets compared with 2.846 million sq. ft. of take-up recorded in 2012. The outlook for the local retail sector is of cautious optimism as consumers are expected to tighten spending ahead of further government subsidy rationalisation measures.

On the back of strong growth in the Malaysian tourism industry, the hotel sector has remained resilient in 2013. Hotel room inventory increased by 1,114 rooms from 40,158 rooms in 2012 to 41,272 rooms in 2013. Average occupancy rate inched up marginally to 68.5% as compared to 68.3% recorded in 2012. The scheduled opening of the new low-cost regional airport hub, KLIA2 in 2014 is expected to increase flight frequencies and hence tourist arrivals going forward.

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

- **SENI Mont' Kiara**
  100.0% owned by Aseana Properties, SENI Mont' Kiara is an upmarket condominium development situated on one of the highest points in Mont' Kiara. Construction was completed in 2011. The project consists of 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 improving at a rapid pace with 87.1% of sales achieved to date. In November 2013, SENI Mont' Kiara won the much sought after FIABCI Malaysia Property Award 2013 for the Best High Rise Residential Development. On the back of this milestone, the Manager has launched targeted sales drive in an effort to dispose of all remaining units by the end of year 2014.

The development is funded by progressive payments from buyers and a bridging loan facility of RM57.7 million (US$17.6 million), which was fully drawn down as at 31 December 2011 and fully repaid in 2013.

- **Tiffani by i-ZEN**
  Tiffani by i-ZEN, wholly-owned by Aseana Properties, is a completed luxury condominium project located in Mont' Kiara. 98.5% of the 399 residential units have been sold *(as at 31 March 2014).* The debt on the project has been fully repaid. The Manager has decided to fully fit out and furnish two remaining units of penthouses and three large units at Tiffani by i-ZEN to offer buyers and dwellers with a hassle-free experience of owning an apartment unit.

- **The RuMa Hotel and Residences**
  This project is strategically located in the heart of Kuala Lumpur City Centre ("KLCC") on Jalan Kia Peng, near neighbouring landmarks such as the Grand Hyatt Kuala Lumpur, KLCC Convention Centre, Suria KLCC shopping mall, KLCC Park and the world famous Petronas Twin Towers. Aseana Properties owns 70.0% of this project and 30.0% is owned by Ireka Corporation Berhad. With a development land area of approximately 43,559 square feet, the Group will be developing 199 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 completed in 2017. The sales launch for The RuMa Hotel and Residences was held on 8 March 2013. To date, sales at The RuMa Hotel and Residences have shown encouraging progress, achieving 41.4% sales to date based on sales and purchase agreements signed. A further 6.6% was booked with deposits paid.

  The land was part financed by a term loan facility of RM65.3 million (US$19.9 million), which was fully drawn down. The development of the project is funded by progressive payments from buyers.

- **Kuala Lumpur Sentral Project and Aloft Kuala Lumpur Sentral Hotel**
  Kuala Lumpur Sentral project is a mixed commercial and hospitality development project consisting of two office towers and a business class hotel, centrally located in Kuala Lumpur's urban transportation hub. The project is owned and developed by Excellent Bonanza Sdn. Bhd. ("EBSB"), which 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 sold for approximately RM623.0 million (or US$190.2 million), and construction was completed in December 2012. The collection of the remaining 90.0% of the proceeds is expected in December 2015.

At the start of the project, Aseana Properties conditionally agreed to purchase the hotel component from EBSB for a total consideration of approximately RM217.0 million (or US$66.2 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 sale 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 are financed by guaranteed medium term notes of RM270.0 million (US$82.4 million) which is part of the RM515.0 million (approximately US$157.2 million) MTN programme announced in November 2011, of which RM15.0 million was drawn down as at 31 December 2012. The remaining RM254.0 million (US$77.5 million) was drawn down in April 2013 to complete the acquisition of the Aloft Kuala Lumpur Sentral Hotel.

The Aloft Kuala Lumpur Sentral Hotel has achieved excellent progress since its commencement of business on 22 March 2013. Nook restaurant at the Aloft managed to clinch four awards from The Malaysian International Gourmet Festival ("MIGF") 2013 in categories such as the Most Innovative Cuisine at the Gala Launch (Judges and People's choice), Most Outstanding Cuisine at the Gala Launch (Judges choice) and Most Creative Food Presentation at the Gala Launch (People's choice). The hotel has also been awarded with the "Best Nightlife Experience: Excellence Award" from the Best of Malaysia Awards 2013 by Expatriate Lifestyle. The hotel recorded an occupancy rate of 67.1% to date, and a high of 78.4% in March 2014 and an Average Daily Rate ("ADR") of RM315.9. The Manager is confident that the hotel will achieve its stabilisation level over the next few quarters of 2014, given the positive improvements shown over the last year since its commencement of business.

- **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 at the Harbour Mall Sandakan is currently recorded at 47.6%. Notable tenants of the mall include Parkwell Departmental Store, Levi's, The Body Shop, GNC and McDonald's and leasing activities at Harbour Mall Sandakan to both local and international retailers are still on-going. Meanwhile, FPSS recorded an occupancy rate of 40.9% as at 31 March 2014, with an ADR of RM194.0. The management of FPSS continues to improve the efficiency of operations, and to work with relevant authorities to improve tourist arrivals to Sandakan. The mall and hotel are expected to go through a period of stabilization before achieving optimal performance. The performance of both HMS and FPSS over the past twelve months has been affected by an incursion by a small group of armed dissidents in early 2013.

The project is funded by guaranteed medium term notes of RM245.0 million (US$74.8 million) which is part of the RM515.0 million (US$157.2 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. The Board has decided to dispose of the land.

VIETNAM

Property Market Review

After a lackluster period of several years for the property market in Vietnam, things are starting to look more positive as indicated by the increasing number of transactions, especially during the last few months of 2013. The proposed deregulation of legislation on foreign ownership of real estate in Vietnam is expected to provide a boost to the market in the near future.

In Vietnam's residential sector, majority of the newly launched units and transactions for condominiums were in the medium low segments resulting in lower average primary price level of US$781 per square meter. In order to attract buyers, developers have started to offer additional incentives as well as introducing more flexible and longer payment terms. On the commercial retail front, more Western franchises are entering the Vietnamese market. McDonald's has officially opened its first outlet in Ho Chi Minh City in February 2014, with an additional outlet under construction and set to be launched in the second half of 2014. AEON of Japan has also launched its first mall, with 50,000 square meters of net leasable area, in Ho Chi Minh City in January 2014. In addition, a French grocery giant, Auchan has become the latest international retailer to announce its investment in Vietnam and is considering investing US$500.0 million into Vietnam over the next 10 years.

The overall occupancy rate for the office sector has increased to 89.0%, the highest over the past 4 years. The office market has exhibited positive signs in 2013 for the first time in 4 years as new buildings such as Lim Tower, President Place and Empress Tower were able to achieve good pre-commitments for their space. On the hospitality side, Vietnam has recorded approximately 7.5 million visitors in 2013, up 10.6% year-on-year.

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

- **International Hi-Tech Healthcare Park and City International Hospital**
  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 67.2% 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. CIH commenced business on 24 September 2013 and its official opening was subsequently held on 5 January 2014. CIH is a modern private care hospital of international standards with 320 beds (Phase 1: 168 beds) and is managed by Parkway Pantai Limited, Asia's leading private healthcare group with a network of more than 3,300 beds across Singapore, Malaysia, the Middle East and India. The operations of CIH are expected to go through a period of stabilisation over next two years before reaching optimal performance.

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 in 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$29.6 million, of which US$18.8 million had been drawn down as at 31 December 2013. The development of City International Hospital is funded by a syndicated term loan of US$43.3 million, of which US$35.0 million was drawn down as at 31 December 2013.

- **Nam Long Investment Corporation**

  In 2008, Aseana Properties acquired a strategic minority stake in Nam Long Investment Corporation ("Nam Long"), a private property development company in Vietnam with market leadership in the low to medium-end segment of the market. Nam Long was subsequently listed on the Ho Chi Minh Stock Exchange on 8 April 2013. In February 2014, Nam Long completed a placing of 25,500,000 new shares at VND18,000 (approximately US$0.855) per share to a prominent list of institutional investors, to raise VND459.0 billion (approximately US$21.8 million). The proceeds will be used as working capital for Nam Long's development projects. The placing, which enlarges Nam Long's outstanding share capital to 121,013,523 shares, saw International Finance Corporation (a member of World Bank Group), Bridger Capital, Probus Asia among other investors join the existing institutional investors in Nam Long such as Nam Viet Ltd (Goldman Sachs Group) and Vietnam Azalea Fund (Mekong Capital). Subsequent to the placing, Aseana Properties' effective stake in Nam Long has reduced to 12.9% from 16.3%.

  Nam Long's affordable housing projects, branded as "E-homes", continue to be their main revenue driver. During 2013, Nam Long has successfully launched three affordable homes projects. The Nam Long E-homes are priced in the region of US$25,000 to US$60,000 per unit.

  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.

- **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$100.0 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 second half of 2014 due to the challenging conditions in 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.

OUTLOOK

2013 was a milestone year for Aseana Properties with the completion of all operating assets in Malaysia, namely Four Points by Sheraton Sandakan Hotel, Harbour Mall Sandakan and Aloft Kuala Lumpur Sentral Hotel and City International Hospital in Vietnam. The Manager continues to focus on stabilising the operations of these assets to achieve optimum capital value.

In view of the recent stringent measures introduced by the Malaysian government aimed at combatting property speculation, there are looming uncertainties on the outlook of the Malaysian property market for the next few years. Similarly, the current economic condition in Vietnam remains challenging despite signs of improvements towards the end of last year. Nonetheless, the Manager is working closely with the Board to explore every opportunity to realise and divest Aseana's assets in both Malaysia and Vietnam.

I wish to express my utmost gratitude to 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 2014 and the years to come.

LAI VOON HON
President / Chief Executive Officer
Ireka Development Management Sdn. Bhd.
Development Manager
23 April 2014

PERFORMANCE SUMMARY

	Year ended 31 December2013	Year ended 31 December2012
Total Returns since listing		
Ordinary share price	-56.00%	-60.25%
FTSE All-share index	8.34%	-7.15%
FTSE 350 Real Estate Index	-49.95%	-57.98%
One Year Returns		
Ordinary share price	10.69%	11.97%
FTSE All-share index	16.69%	8.24%
FTSE 350 Real Estate Index	19.10%	25.42%
Capital Values		
Total assets less current liabilities (US$ million)	361.63	320.32
Net asset value per share (US$)	0.75	0.87
Ordinary share price (US$)	0.44	0.40
FTSE 350 Real Estate Index	469.38	394.09
Debt-to-equity-ratio		
Debt-to-equity-ratio[1]	134.94%	73.41%
Net debt-to-equity-ratio[2]	120.25%	64.19%
Earnings Per Share		
Earnings per ordinary share - basic (US cents)	-8.96	-7.94
- diluted (US cents)	-8.96	-7.94

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 2013, mainly due to operating losses of Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan and pre-opening expenses and operating losses of Aloft Kuala Lumpur Sentral Hotel and City International Hospital, both of which were completed and commenced operation during the year.

STATEMENT OF COMPREHENSIVE INCOME

The Group's revenue increased from US$23.7 million in 2012 to US$29.3 million in the year, representing an increase of 23.6%. The revenue in 2013 was mainly attributable to the sales of completed units at SENI Mont' Kiara.

The Group recorded a net loss before taxation of US$18.8 million, compared to a loss before taxation of US$16.6 million in 2012. The losses in 2013 were largely due to operating loss of Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan, totalling US$5.9 million; and pre-opening expenses and operating losses of Aloft Kuala Lumpur Sentral Hotel and City International Hospital of US$4.4 million and US$5.9 million respectively. Finance cost for these four operating assets totalled US$9.2 million.

Net loss attributable to equity holders of the parent was US$19.0 million in 2013, compared to a net loss of US$16.8 million in 2012. Tax charge for 2013 was higher at US$2.9 million (2012: US$1.8 million) due to corresponding higher revenue.

The consolidated comprehensive loss for the year ended 31 December 2013 was US$27.7 million compared to a consolidated comprehensive loss of US$19.9 million in 2012. The former includes a loss arising from foreign currency translation differences for foreign operations of US$6.2 million (2012: Gain of US$3.4 million) due to weakening of Ringgit against US Dollars during the year; and an increase in the fair value of shares in Nam Long of US$0.13 million (2012: Decrease of US$ 4.8 million). The carrying amount of shares in Nam Long was US$12.7 million as at 31 December 2013 (2012: US$ 12.6 million).

Basic and diluted loss per share for the year ended 31 December 2013 were both US cents 8.96 (2012: Loss per share of US cents 7.94).

STATEMENT OF FINANCIAL POSITION

Total assets at 31 December 2013 was US$494.8 million, compared to US$409.7 million for 2012, representing an increase of US$85.1 million. The increase was mainly due to an increase in inventories following the completion of Aloft Kuala Lumpur Sentral Hotel and City International Hospital. Cash and cash equivalents (excluding the impact of deposit pledged) were higher at US$24.6 million (2012: US$16.8 million) mainly due to higher sales collection for SENI Mont' Kiara in 2013.

Total liabilities have increased from US$213.0 million in 2012 to US$324.8 million in 2013, a rise of US$111.8 million. The increase was substantially attributable to issuance of Medium Term Notes of US$77.5 million to fund the purchase of Aloft Kuala Lumpur Sentral Hotel and term loan of US$17.9 million to fund the City International Hospital.

Net asset value per share at 31 December 2013 was US cents 74.8 (2012: US cents 86.6).

CASH FLOW AND FUNDING

Changes in cash flow in 2013 were positive at US$8.8 million, compared to the negative cash flow of US$18.6 million in 2012.

The Group's subsidiaries borrow to fund property development projects. At 31 December 2013, the Group had gross borrowings of US$229.4 million (2012: US$144.4 million), an increase of 58.86% over the previous year. Net debt-to-equity ratio increased from 64.19% in 2012 to 120.25% in 2013. Moving forward, the Group will focus on parring down its borrowings.

Finance income remained at US$0.4 million in 2013. Finance costs increased from US$4.3 million in 2012 to US$9.8 million in 2013. The increase was mainly attributable to Aloft Kuala Lumpur Sentral Hotel and City International Hospital.

DIVIDEND

No dividend was paid in 2013.

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 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

Continuing activities	Notes	2013 US$'000	2012 US$'000
Revenue	3	**29,269**	23,732
Cost of sales	5	**(22,768)**	(21,459)
Gross profit		**6,501**	2,273
Other income	6	**16,122**	7,051
Administrative expenses		**(1,622)**	(2,582)
Decline in fair value of available-for-sale investments	15	**-**	(4,653)
Foreign exchange (loss)/ gain	7	**(1,105)**	524
Management fees	8	**(3,762)**	(3,799)
Marketing expenses		**(1,953)**	(2,164)
Other operating expenses		**(23,635)**	(9,389)
Operating loss		**(9,454)**	(12,739)
Finance income		**424**	407
Finance costs		**(9,766)**	(4,299)
Net finance costs	9	**(9,342)**	(3,892)
Net loss before taxation	10	**(18,796)**	(16,631)
Taxation	11	**(2,854)**	(1,798)
Loss for the year		**(21,650)**	(18,429)
Other comprehensive income/ (expense), net of tax			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		**(6,220)**	3,407
Increase/ (decrease) in fair value of available-for-sale investments	15	**126**	(4,828)
Total other comprehensive expense for the year	12	**(6,094)**	(1,421)
Total comprehensive loss for the year		**(27,744)**	(19,850)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013 (cont'd)

Continuing activities	Notes	2013 US$'000	2012 US$'000
Loss attributable to:			
Equity holders of the parent		**(19,006)**	(16,839)
Non-controlling interests		**(2,644)**	(1,590)
Total		**(21,650)**	(18,429)
Total comprehensive loss attributable to:			
Equity holders of the parent		**(24,971)**	(18,419)
Non-controlling interests		**(2,773)**	(1,431)
Total		**(27,744)**	(19,850)
Loss per share			
Basic and diluted (US cents)	13	**(8.96)**	(7.94)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013

	Notes	2013 US$'000	2012 US$'000
Non-current assets			
Property, plant and equipment		**1,146**	1,113
Investment in an associate	14	**2,252**	-
Available-for-sale investments	15	**12,697**	12,571
Intangible assets	16	**13,525**	13,845
Deferred tax assets	17	**595**	-
Total non-current assets		**30,215**	27,529
Current assets			
Inventories	18	**428,609**	350,822
Held-for-trading financial instrument	19	**375**	1,370
Trade and other receivables		**9,912**	12,725
Amount due from an associate	20	**853**	239
Current tax assets		**233**	237
Cash and cash equivalents		**24,585**	16,752
Total current assets		**464,567**	382,145
TOTAL ASSETS		**494,782**	409,674
Equity			
Share capital	21	**10,601**	10,626
Share premium	22	**218,926**	218,926
Capital redemption reserve	23	**1,899**	1,874
Translation reserve		**(3,105)**	2,986
Fair value reserve		**126**	-
Accumulated losses		**(69,876)**	(50,828)
Shareholders' equity		**158,571**	183,584
Non-controlling interests		**11,429**	13,063
Total equity		**170,000**	196,647

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2013 (cont'd)

	Notes	2013 US$'000	2012 US$'000
Non-current liabilities			
Amount due to non-controlling interests	24	**1,440**	1,440*
Loans and borrowings	25	**49,309**	40,497
Medium term notes	26	**140,877**	83,175
Total non-current liabilities		**191,626**	125,112
Current liabilities			
Trade and other payables		**83,640**	56,764
Amount due to non-controlling interests	24	**9,008**	8,367
Loans and borrowings	25	**25,466**	20,687
Medium terms notes	26	**13,739**	-
Current tax liabilities		**1,303**	2,097
Total current liabilities		**133,156**	87,915
Total liabilities		**324,782**	213,027
TOTAL EQUITY AND LIABILITIES		**494,782**	409,674

*The amount due to non-controlling interests have been reclassified from current liabilities to non-current liabilities to conform with the current year's presentation. The reclassification does not have any material impact to the statement of comprehensive income.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	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 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 29)	-	-	-	-	-	(1,192)	(1,192)	1,192	-
Non-controlling interest contribution	-	-	-	-	-	-	-	9,026	9,026
Loss for the year	-	-	-	-	-	(16,839)	(16,839)	(1,590)	(18,429)
Total other comprehensive expense	-	-	-	3,248	(4,828)	-	(1,580)	159	(1,421)
Total comprehensive loss	-	-	-	3,248	(4,828)	(16,839)	(18,419)	(1,431)	(19,850)
Own shares acquired	-	(175)	-	-	-	-	(175)	-	(175)
At 31 December 2012/ 1 January 2013	10,626	218,926	1,874	2,986	-	(50,828)	183,584	13,063	196,647
Changes in ownership interests in subsidiaries (Note 29)	-	-	-	-	-	(42)	(42)	42	-
Non-controlling interests contribution	-	-	-	-	-	-	-	1,097	1,097
Loss for the year	-	-	-	-	-	(19,006)	(19,006)	(2,644)	(21,650)
Total other comprehensive expense	-	-	-	(6,091)	126	-	(5,965)	(129)	(6,094)
Total comprehensive loss	-	-	-	(6,091)	126	(19,006)	(24,971)	(2,773)	(27,744)
Cancellation of shares	(25)	-	25	-	-	-	-	-	-
Shareholders' equity at 31 December 2013	**10,601**	**218,926**	**1,899**	**(3,105)**	**126**	**(69,876)**	**158,571**	**11,429**	**170,000**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 US$'000	2012 US$'000
Cash Flows from Operating Activities		
Net loss before taxation	**(18,796)**	(16,631)
Finance income	**(424)**	(407)
Finance costs	**9,766**	4,299
Unrealised foreign exchange loss/ (gain)	**1,065**	(642)
Reversal of impairment of trade receivables	**-**	(357)
Impairment of goodwill	**320**	1,158
Depreciation of property, plant and equipment	**114**	190
Loss on disposal of property, plant and equipment	**-**	1
Property, plant and equipment written off	**7**	31
Decline in fair value of available-for-sale investments	**-**	4,653
Fair value loss on held-for-trading financial instrument	**5**	81
Operating loss before working capital changes	**(7,943)**	(7,624)
Changes in working capital:		
Increase in inventories	**(96,690)**	(54,318)
Decrease in receivables	**2,063**	21,117
Increase/(decrease) in payables	**28,884**	(14,856)
Cash used in operations	**(73,686)**	(55,681)
Interest paid	**(9,766)**	(5,577)
Tax paid	**(4,029)**	(3,356)
Net cash used in operating activities	**(87,481)**	(64,614)
Cash Flows from Investing Activities		
Advances from non-controlling interests	**1,081**	6,801
Issuance of ordinary shares of subsidiaries to non-controlling interests	**1,097**	2,546
Advances to associate	**(630)**	(117)
Proceeds from disposal of property, plant and equipment	**-**	1
Disposal of held-for-trading financial instrument	**899**	19,933
Purchase of property, plant and equipment	**(154)**	(279)
Finance income received	**424**	407
Net cash generated from investing activities	**2,717**	29,292

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013 (cont'd)

	2013 US$'000	2012 US$'000
Cash Flows from Financing Activities		
Repurchase of own shares	**-**	(175)
Repayment of loans and borrowings and medium term notes	**(17,341)**	(12,080)
Drawdown of loans and borrowings and medium term notes	**110,860**	30,390
Decrease/ (increase) in pledged deposits placed in licensed banks	**77**	(1,371)
Net cash generated from financing activities	**93,596**	16,764
NET CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR	**8,832**	(18,558)
Effect of changes in exchange rates	**(248)**	1,329
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**5,582**	22,811
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**14,166**	5,582

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	**11,498**	5,152
Short term bank deposits	**13,087**	11,600
	24,585	16,752
Less: Deposits pledged	**(10,419)**	(11,170)
Cash and cash equivalents	**14,166**	5,582

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of US$194,000 (2012: US$312,000) of which US$40,000 (2012: US$33,000) was acquired by means of finance leases.

During the financial year, US$1,097,000 (2012: US$9,026,000) of ordinary shares of subsidiaries were issued to non-controlling shareholders, of which US$1,097,000 (2012: US$2,546,000) was satisfied via cash consideration. The remaining amount of US$6,480,000 for 2012 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

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 accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2013 as described in those annual financial statements.

The financial statements have been prepared on the historical cost basis except for available-for-sale investments and held-for-trading financial instrument 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 and refinancing of these medium term notes (as described in Notes 25 and 26). The forecasts incorporate current payables, committed expenditure and other future expected expenditure, along with a prudent estimate of sales in addition to the disposal of certain land held for property development and available-for-sale investments.

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 10, IFRS 12 and IAS27	Amendments relating to Investment Entities	October 2012	Annual periods beginning on or after 1 January 2014
IAS 32	Amendments relating to Offsetting Financial Assets and Financial Liabilities	December 2011	Annual periods beginning on or after 1 January 2014
IAS 36	Amendments relating to recoverable amount disclosures for non-financial assets	May 2013	Annual periods beginning on or after 1 January 2014
IFRS 3	Business combinations – classification and measurement of contingent consideration - amendments resulting from Annual Improvements to IFRSs – 2010-2012 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 8	Operating segments – disclosures on the aggregation of operating segments – amendments resulting from Annual Improvements to IFRSs – 2010-2012 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 13	Fair value measurement – measurement of short-term receivables and payables – amendments resulting from Annual Improvements to IFRSs – 2010-2012 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IAS 16	Property, plant and equipment and intangible assets – restatement of accumulated depreciation(amortisation) on revaluation – amendments resulting from Annual Improvements to IFRSs – 2010-2012 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IAS 24	Related party disclosures – definition of ‘related party’ – amendments resulting from Annual Improvements to IFRSs – 2010-2012 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 1	First-time adoption of International Financial Reporting Standards – IFRS version that a first-time adopter can apply; - amendments resulting from Annual Improvements to IFRSs – 2011-2013 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 3	Business combinations – scope exclusion for the formation of joint arrangements; - amendments resulting from Annual Improvements to IFRSs – 2011-2013 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 13	Fair value measurement – scope of portfolio exception - amendments resulting from Annual Improvements to IFRSs – 2011-2013 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IAS 40	Investment property – inter-relationship of IFRS 3 and IAS 40 – amendments resulting from Annual Improvements to IFRSs – 2011-2013 Cycle	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 9	Financial instruments	November 2013	Annual periods beginning on or after 1 January 2018

The Directors anticipate that the adoption of the above standards, amendments and interpretations in future periods will have no material impact on the financial information of the Group or Company. IFRS 9, which becomes mandatory for the Group's 2018 Consolidation Financial Statements, could change the classification and measurement of financial assets. The Directors are currently determining the impact of IFRS 9.

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	**2013 US$'000**	**2012 US$'000**
Sale of development properties	**29,269**	23,363
Project management fee	**-**	369
	29,269	23,732

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, Chief Financial Officer, Chief Operating Officer and Chief Investment 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;
(v) Iringan Flora Sdn. Bhd. – operates Aloft Kuala Lumpur Sentral Hotel; and
(vi) Hoa Lam-Shangri-La Healthcare Group – develops City International Hospital and Hi-Tech Healthcare Park.

Other non-reportable segments comprise the Group's new development projects. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2013 and 2012.

Information regarding the operations of each reportable segment is included below. The Executive Management monitors the operating results of each segment for the purpose of performance assessments and making decisions on resource allocation. Performance is based on segment gross profit/ (loss) and profit/ (loss) before taxation, which the Executive Management believes are the most relevant in evaluating the results relative to other entities in the industry. Segment assets and liabilities are presented inclusive of inter-segment balances and inter-segment pricing is determined on an arm's length basis.

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

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

Operating Segments – ended 31 December 2013

	Investment Holding Companies US$'000	Ireka Land Sdn. Bhd. US$'000	ICSD Ventures Sdn. Bhd. US$'000	Amatir Resources Sdn. Bhd. US$'000	Iringan Flora Sdn. Bhd. US$'000	Hoa Lam-Shangri-La Healthcare Group US$'000	Total US$'000
Segment (loss)/ profit before taxation	**(2,217)**	**(323)**	**(5,927)**	**4,169**	**(4,382)**	**(7,559)**	**(16,239)**
Included in the measure of segment (loss)/ profit are:							
Revenue	**-**	**1,278**	**433**	**27,558**	**-**	**-**	**29,269**
Cost of acquisition written down	**-**	**(33)**	**(68)**	**(5,918)**	**-**	**-**	**(6,019)**
Goodwill impairment	**-**	**-**	**-**	**(320)**	**-**	**-**	**(320)**
Marketing expenses	**-**	**-**	**-**	**(711)**	**-**	**-**	**(711)**
Depreciation of property, plant and equipment	**-**	**(2)**	**(10)**	**(1)**	**(7)**	**(91)**	**(111)**
Finance costs	**-**	**-**	**(4,464)**	**(252)**	**(3,841)**	**(1,209)**	**(9,766)**
Finance income	**7**	**4**	**301**	**28**	**44**	**27**	**411**
Segment assets	**18,273**	**9,703**	**105,954**	**81,743**	**79,231**	**110,545**	**405,449**
Included in the measure of segment assets are:							
Addition to non-current assets other than financial instruments and deferred tax assets	**-**	**-**	**5**	**-**	**44**	**145**	**194**

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

Statement of comprehensive income	**US$'000**
Total loss for reportable segments	**(16,239)**
Other non-reportable segments	**(2,567)**
Depreciation	**(3)**
Finance income	**13**
Consolidated loss before taxation	**(18,796)**

Operating Segments – ended 31 December 2012

	Investment Holding Companies US$'000	**Ireka Land Sdn. Bhd. US$'000**	**ICSD Ventures Sdn. Bhd. US$'000**	**Amatir Resources Sdn. Bhd. US$'000**	**Iringan Flora Sdn. Bhd. US$'000**	**Hoa Lam-Shangri-La Healthcare Group US$'000**	**Total US$'000**
Segment (loss)/ profit before taxation	(7,904)	2,199	(8,153)	1,096	(593)	(1,950)	(15,305)
Included in the measure of segment (loss)/ profit 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)	(32)	(434)	(4,299)
Finance income	76	18	217	63	12	7	393
Segment assets	13,205	11,164	112,363	102,178	10,721	77,962	327,593
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

Statement of comprehensive income	**US$'000**
Total loss for reportable segments	(15,305)
Other non-reportable segments	(1,337)
Depreciation	(3)
Finance income	14
Consolidated loss before taxation	(16,631)

2013 US$'000	Revenue	Depreciation	Finance costs	Finance income	Segment assets	Addition to non-current assets
Total reportable segment	**29,269**	**(111)**	**(9,766)**	**411**	**405,449**	**194**
Other non-reportable segments	**-**	**(3)**	**-**	**13**	**89,333***	**-**
Consolidated total	**29,269**	**(114)**	**(9,766)**	**424**	**494,782**	**194**

2012 US$'000	Revenue	Depreciation	Finance costs	Finance income	Segment assets	Addition to non-current assets
Total reportable segment	23,363	(187)	(4,299)	393	327,593	300
Other non-reportable segments	369	(3)	-	14	82,081*	12
Consolidated total	23,732	(190)	(4,299)	407	409,674	312

*Included in segment asset for other non-reportable segments is US$49,696,000 (2012: US$39,348,000) in relation to assets of Urban DNA Sdn. Bhd..

Geographical Information – ended 31 December 2013

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

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

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.

4 SEASONALITY

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

5 COST OF SALES

Group	2013 US$'000	2012 US$'000
Direct costs attributable to property development	**22,768**	21,459

6 OTHER INCOME

Group	2013 US$'000	2012 US$'000
Dividend income	**15**	314
Investment income	**92**	234
Late payment interest income	**9**	66
Novation fee (a)	**641**	-
Rental income	**209**	554
Revenue from hotel operations (b)	**13,498**	1,919
Revenue from mall operations (c)	**954**	638
Revenue from hospital operations (d)	**179**	-
Reversal of impairment of trade receivables	**-**	357
Sale of land (e)	**-**	2,533
Sundry income	**525**	436
	16,122	7,051

(a) Novation fee

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

(b) Revenue from hotel operations

The revenue relates to the operations of two hotels – Four Points by Sheraton Sandakan Hotel and Aloft Kuala Lumpur Sentral Hotel. The latter is owned by a subsidiary of the Company, Iringan Flora Sdn. Bhd. and commenced operation in March 2013. The revenue earned from hotel operations is included in other income in line with management's intention to dispose of the hotels.

(c) Revenue from mall operations

The revenue relates to operation of Harbour Mall Sandakan which is owned by a subsidiary of the Company, ICSD Ventures Sdn. Bhd.. The revenue earned from mall operations is included in other income in line with management's intention to dispose of the mall.

(d) Revenue from hospital operations

A subsidiary of the Company, City International Hospital Company Limited (formerly known as Hoa Lam-Shangri-la 1 Liability Ltd Co) has commenced operation of its hospital – City International Hospital in September 2013. The revenue earned from hospital operations is included in other income in line with management's intention to dispose of the hospital.

(e) Sale of land

In 2012, 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). The cost of the land had been charged to the development of Tiffani by i-ZEN in August 2009.

7 FOREIGN EXCHANGE (LOSS)/ GAIN

Group	2013 US$'000	2012 US$'000
Foreign exchange (loss)/ gain comprises:		
Realised foreign exchange loss	**(40)**	(118)
Unrealised foreign exchange (loss)/ gain	**(1,065)**	642
	(1,105)	524

8 MANAGEMENT FEES

Group	2013 US$'000	2012 US$'000
Management fees	**3,762**	3,799

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 of net asset value over a total return hurdle rate of 10%. No performance fee has been paid or accrued during the year (2012: US$Nil).

9 FINANCE (COSTS)/ INCOME

Group	2013 US$'000	2012 US$'000
Interest income from banks	**424**	407
Agency fees	**(25)**	(27)
Annual trustees monitoring fee	**(7)**	(7)
Bank guarantee commission	**(4)**	(4)
Interest on bank loans	**(1,460)**	(1,189)
Interest on financial liabilities at amortised cost	**(1)**	(1)
Interest on medium term notes	**(8,269)**	(3,071)
	(9,342)	(3,892)

10 NET LOSS BEFORE TAXATION

Group	2013 US$'000	2012 US$'000
Net loss before taxation is stated after charging/(crediting):		
• Auditor's remuneration		
- current year	**238**	229
- under provision in prior year	**2**	10
• Directors' fees	**317**	317
• Decline in fair value of available-for-sale investments	**-**	4,653
• Depreciation of property, plant and equipment	**114**	190
• Expenses of hotel operations	**13,945**	3,290
• Expenses of mall operations	**1,659**	2,192
• Expenses of hospital operations	**4,538**	-
• Fair value loss on held-for-trading financial instrument	**5**	81
• Impairment of goodwill	**320**	1,158
• Reversal of impairment of trade receivables	**-**	(357)
• Loss on disposal of property, plant and equipment	**-**	1
• Property, plant and equipment written off	**7**	31
• Tax services	**11**	15

11 TAXATION

Group	2013 US$'000	2012 US$'000
Current tax expense	**3,470**	1,087
Deferred tax (credit)/ expense	**(616)**	711
Total tax expense for the year	**2,854**	1,798

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

Group	2013 US$'000	2012 US$'000
Net loss before taxation	**(18,796)**	(16,631)
Income tax at a rate of 25%*	**(4,699)**	(4,158)
Add :		
Tax effect of expenses not deductible in determining taxable profit	**4,989**	4,329
Movement of unrecognised deferred tax benefits	**1,833**	1,663
Tax effect of different tax rates in subsidiaries**	**960**	362
Less :		
Tax effect of income not taxable in determining taxable profit	**(377)**	(244)
(Under)/ over provision	**148**	(154)
Total tax expense for the year	**2,854**	1,798

* 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 a preferential corporate tax rate of 10% for its profit/ (loss) arising from hospital income. The preferential income tax rate 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 Jersey tax laws and is subject to a tax rate of 0%.

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

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

12 OTHER COMPREHENSIVE EXPENSE

Group

Items that are or may be reclassified subsequently to profit or loss, net of tax	**2013 US$'000**	**2012 US$'000**
Foreign currency translation differences for foreign operations	**(6,220)**	3,407
Fair value of available-for-sale investments	**126**	(4,828)
	(6,094)	(1,421)

13 LOSS PER SHARE

Basic and diluted loss per ordinary share

The calculation of basic and diluted loss per ordinary share for the year ended 31 December 2013 was based on the loss attributable to equity holders of the parent and a weighted average number of ordinary shares outstanding, calculated as below:

Group	**2013 US$'000**	**2012 US$'000**
Loss attributable to equity holders of the parent	**(19,006)**	(16,839)
Weighted average number of shares	**212,025**	212,047
Loss per share (US cents):		
Basic and diluted	**(8.96)**	(7.94)

14 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.

Group	2013 US$'000	2012 US$'000
At cost – unquoted shares	**611**	611
Share of post-acquisition reserves	**1,641**	(611)
	2,252	-

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	2013 US$'000	2012 US$'000
Non-current assets	**148,041**	11,345
Current assets	**5,281**	378,270
Total Assets	**153,322**	389,615
Non-current liabilities	**3,239**	-
Current liabilities	**144,452**	390,224
Total Liabilities	**147,691**	390,224
Equity	**5,631**	(609)
Total Equity and Liabilities	**153,322**	389,615

Statement of Comprehensive Income		
Revenue	**218,452**	-
Finance income	**1,627**	-
Cost of sales, expenses including finance costs and taxation	**(213,880)**	899
Profit	**6,199**	899

During the financial year, the Group's share of results from its associate was reduced by the share of unrealised profit arising from sale of Aloft Kuala Lumpur Sentral Hotel by the associate to a subsidiary of the Group.

In 2012, the amount of unrecognised share of profit for the year and share of loss cumulatively is US$339,000 and US$228,000 respectively.

15 AVAILABLE-FOR-SALE INVESTMENTS

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

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

Group 2012	Unquoted shares US$'000
At 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

At 31 December 2013, an increase in fair value of US$0.126 million (2012: decrease in fair value of US$4.8 million) has been recognised in other comprehensive income. In 2012, impairment loss of US$4.7 million was recognised in the profit or loss of the Group. The Directors have considered various prevailing factors at year end, including the economic conditions and market conditions of the Ho Chi Minh Stock Exchange ("the Exchange") (Nam Long was listed in the Exchange on 8 April 2013) in assessing the fair value of the investment.

16 INTANGIBLE ASSETS

Group	Licence Contracts and Related Relationships US$'000	Goodwill US$'000	Total US$'000
Cost			
At 1 January 2012/ 31 December 2012/ 31 December 2013	**10,695**	**6,479**	**17,174**
Accumulated impairment losses			
At 1 January 2012	-	2,171	2,171
Impairment loss	-	1,158	1,158
At 31 December 2012/ 1 January 2013	**-**	**3,329**	**3,329**
Impairment loss	**-**	**320**	**320**
At 31 December 2013	**-**	**3,649**	**3,649**

Carrying amounts

At 31 December 2012	10,695	3,150	13,845
At 31 December 2013	**10,695**	**2,830**	**13,525**

The licence contracts and related relationships represents the rights to develop the International Hi-Tech Healthcare Park. In 2013, other than Phase 1 of City International Hospital, the rest of the projects have not commenced development.

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	**2013** **US$'000**	2012 US$'000
Licence, contracts and related relationships		
International Hi-Tech Healthcare Park	**10,695**	10,695
Goodwill		
SENI Mont' Kiara	**883**	1,203
Sandakan Harbour Square	**1,947**	1,947
	2,830	3,150

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

Impairment losses of US$320,000 (2012: US$212,000) and US$ Nil (2012: US$946,000) in relation 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.

17 DEFERRED TAX ASSETS

Group	2013 US$'000	2012 US$'000
At 1 January	**-**	691
Exchange adjustments	**(21)**	20
Deferred tax credit/ (charge) relating to origination and reversal of temporary differences during the year	**616**	(711)
At 31 December	**595**	-

The deferred tax assets comprise:

Group	2013 US$'000	2012 US$'000
Taxable temporary differences between accounting profit and taxable profit of property development units sold	**595**	**-**
At 31 December	**595**	**-**

Deferred tax assets have not been recognised in respect of unused tax losses of US$22,983,000 (2012: US$15,500,000) 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$29,000 (2012: US$180,000) which are available for offset against future taxable profits. Deferred tax assets have not been recognised due to the uncertainty of the recovery of the losses.

18 INVENTORIES

Group	Notes	2013 US$'000	2012 US$'000
Land held for property development	**(a)**	**24,403**	24,912
Work-in-progress	**(b)**	**73,134**	116,876
Stock of completed units, at cost		**330,475**	209,034
Consumables		**597**	-
At 31 December		**428,609**	350,822

(a) Land held for property development

Group	2013 US$'000	2012 US$'000
At 1 January	**24,912**	23,525
Exchange adjustments	**(1,036)**	564
Additions	**1,344**	823
Transfer to stock of completed units	**(817)**	-
At 31 December	**24,403**	24,912

(b) Work-in-progress

Group	2013 US$'000	2012 US$'000
At 1 January	**116,876**	148,024
Add :		
Work-in-progress incurred during the year	**112,390**	64,272
Contribution from non-controlling interest	**-**	6,480
Transfer from property, plant and equipment	**-**	3,740
Transfer to stock of completed units	**(151,889)**	(108,342)
Exchange adjustments	**(4,243)**	4,121
	73,134	118,295
Less :		
Costs recognised as expenses in the statement of comprehensive income during the year	**-**	(1,419)
At 31 December	**73,134**	116,876

The above amounts included borrowing costs capitalised during the year of US$2,446,000 (2012:US$1,278,000).

19 HELD-FOR-TRADING FINANCIAL INSTRUMENT

The financial asset represents a placement in a 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 2013 were US$375,000 (2012: US$1,370,000) and US$0.31(2012: US$0.33) respectively. During the year, the Group recognised a fair value loss of US$5,000 (2012: US$81,000) in relation to the investment.

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

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

20 AMOUNT DUE FROM AN ASSOCIATE

The amount due from an associate is unsecured, interest free and repayable on demand.

21 SHARE CAPITAL

Group	2013 Number of Shares'000	2012 Number of Shares'000
Authorised Share Capital	**2,000,000**	2,000,000
Issued Share Capital		
At 1 January	**212,525**	212,525
Cancellation of shares (Note 27)	**(500)**	-
At 31 December	**212,025**	212,525

Group	2013 US$'000	2012 US$'000
Authorised Share Capital of US$0.05 each	**100,000**	100,000
Issued Share Capital of US$0.05 each		
At 1 January	**10,626**	10,626
Cancellation of shares (Note 27)	**(25)**	-
At 31 December	**10,601**	10,626

22 SHARE PREMIUM

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

Group	2013 USD'000	2012 USD'000
At 1 January	**218,926**	219,101
Own shares acquired	**-**	(175)
At 31 December	**218,926**	218,926

In January 2012, the Company purchased 500,000 of its ordinary shares of US$0.05 each at prices between US$0.3375 and US$0.35. The shares repurchased were subsequently cancelled in 2013.

23 CAPITAL REDEMPTION RESERVE

The capital redemption reserve was incurred after the Company cancelled its 37,475,000 and 500,000 ordinary shares of US$0.05 per share in 2009 and 2013 respectively.

24 AMOUNT DUE TO NON-CONTROLLING INTERESTS

Group	2013 US$'000	2012 US$'000
Non-current		
Minority Shareholders of Shangri-La Healthcare Investment Pte Ltd:		
- Tran Thi Lam	**533**	533
- Econ Medicare Centre Holdings Pte Ltd	**632**	632
- Value Energy Sdn. Bhd.	**189**	189
- Thang Shieu Han	**72**	72
- Nguyen Quang Duc	**14**	14
	1,440	1,440
Current		
Minority Shareholder of Bumiraya Impian Sdn. Bhd.:		
- Global Evergroup Sdn. Bhd.	**1,514**	1,621
Minority Shareholders of Hoa Lam Services Co Ltd:		
- Tran Thi Lam	**1,613**	1,567
- Tri Hanh Consultancy Co Ltd	**1,191**	541
- Hoa Lam Development Investment Joint Stock Company	**89**	41
- Duong Ngoc Hoa	**60**	27
Minority Shareholder of Urban DNA Sdn. Bhd.:		
- Ireka Corporation Berhad	**4,541**	4,570
	9,008	8,367
	10,448	9,807

The current amount due to non-controlling interests amounting to US$9,008,000 (2012: US$8,367,000) is unsecured, interest free and repayable on demand.

The non-current amount due to non-controlling interests amounting to US$1,440,000 (2012: US$1,440,000) is unsecured, interest free and shall only be repayable to the respective minority shareholders if the minority shareholders cease to be a shareholder in Shangri-La Healthcare Investment Pte Ltd.

25 LOANS AND BORROWINGS

Group	2013 US$'000	2012 US$'000
Non-current		
Bank loans	**49,267**	40,473
Finance lease liabilities	**42**	24
	49,309	40,497
Current		
Bank loans	**25,452**	20,681
Finance lease liabilities	**14**	6
	25,466	20,687
	74,775	61,184

The effective interest rates on the bank loans and hire purchase arrangement for the year ranged from 5.25% to 17.7% (2012:5.20% to 23%) per annum and 2.5% to 3.5% (2012: 2.5%) per annum respectively.

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

Bank loans are repayable by monthly, quarterly or semi-annually instalments.

Bank loans are secured by land held for property development, work-in-progress, operating assets of the Group, pledged deposits and some by the corporate guarantee of the Company.

Included in the current bank loans is a loan of US$9,974,000 which is due in April 2014. Subsequent to year end, the bank has approved the deferment of repayment of the amount from April 2014 to April 2015.

Finance lease liabilities are payable as follows:

Group	Future minimum lease payment 2013 US$'000	Interest 2013 US$'000	Present value of minimum lease payment 2013 US$'000	Future minimum lease payment 2012 US$'000	Interest 2012 US$'000	Present value of minimum lease payment 2012 US$'000
Within one year	**16**	**2**	**14**	7	1	6
Between one and five years	**49**	**7**	**42**	27	3	24
	65	**9**	**56**	34	4	30

26 MEDIUM TERM NOTES

Group	2013 US$'000	2012 US$'000
Outstanding medium term notes	**156,924**	85,020
Net transaction costs	**(2,308)**	(1,845)
Less:		
Repayment due within twelve months	**(13,739)**	-
Repayment due after twelve months	**140,877**	83,175

2013

The medium term notes were issued by a subsidiary to fund two development projects known as Sandakan Harbour Square and Aloft Kuala Lumpur Sentral Hotel in Malaysia. US$74.8 million has been drawndown in 2011 for Sandakan Harbour Square. US$4.6 million had been drawn down in 2012 for Aloft Kuala Lumpur Sentral Hotel and the remaining US$77.5 million has been drawn down in 2013. The weighted average interest rate of the loan was 5.51% per annum at the statement of financial position date. The effective interest rates of the medium term notes and their outstanding amounts are as follows:

	Maturity Dates	Interest rate % per annum	US$'000
Series 1 Tranche FG 001	8 December 2014	5.38	7,633
Series 1 Tranche BG 001	8 December 2014	5.33	6,106
Series 1 Tranche FG 002	8 December 2015	5.46	13,738
Series 1 Tranche BG 002	8 December 2015	5.41	9,159
Series 2 Tranche FG 001	8 December 2015	5.46	21,371
Series 2 Tranche BG 001	8 December 2015	5.41	16,791
Series 3 Tranche FG 001	1 October 2015	5.40	3,053
Series 3 Tranche BG 001	1 October 2015	5.35	1,527
Series 3 Tranche FG 002	29 January 2016	5.50	4,579
Series 3 Tranche BG 002	29 January 2016	5.45	3,053
Series 3 Tranche FG 003	8 April 2016	5.65	39,384
Series 3 Tranche BG 003	8 April 2016	5.58	30,530
			156,924

The medium term notes are secured by way of:

(i) bank guarantee from two financial institutions in respect of the BG Tranches;
(ii) financial guarantee insurance policy from Danajamin Nasional Berhad in respect to the FG Tranches;
(iii) a first fixed and floating charge over the present and future assets and properties of Silver Sparrow Berhad, ICSD Ventures Sdn. Bhd. and Iringan Flora Sdn. Bhd. by way of a debenture;
(iv) a third party first legal fixed charge over ICSD Ventures Sdn. Bhd.'s assets and land;
(v) assignment of all Iringan Flora Sdn. Bhd.'s present and future rights, title, interest and benefits in and under the Sales and Purchase Agreement to purchase the Aloft Kuala Lumpur Sentral Hotel from Excellent Bonanza Sdn. Bhd.;
(vi) first fixed land charge over the Aloft Kuala Lumpur Sentral Hotel and the Aloft Kuala Lumpur Sentral Hotel's land (to be executed upon construction completion);
(vii) a corporate guarantee by Aseana Properties Limited;

(viii) letter of undertaking from Aseana Properties Limited to provide financial and other forms of support to ICSD Ventures Sdn. Bhd. to finance any cost overruns associated with the development of the Sandakan Harbour Square;

(ix) assignment of all its present and future rights, interest and benefits under the ICSD Ventures Sdn. Bhd.'s and Iringan Flora Sdn. Bhd.'s Put Option Agreements and the proceeds from the Harbour Mall Sandakan, Four Points by Sheraton Sandakan Hotel and Aloft Kuala Lumpur Sentral Hotel;

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

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

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

27 PURCHASE OF OWN SHARES AND CANCELLATION OF SHARES

The 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 2013. The authority shall expire 12 months from the date of passing of the resolution unless otherwise renewed, varied or revoked. The Company did not purchase its own shares during the year ended 31 December 2013.

For the financial year ended 31 December 2012, the Company repurchased 500,000 of its issued share capital of US$0.05 at prices between US$0.3375 and US$0.35.

Subsequent cancellation of treasury shares

The shares repurchased were cancelled in 2013 and an amount equivalent to their nominal value was transferred to the capital redemption reserve in accordance with the requirement of Section 61 of the Companies (Jersey) Law 1991. The transfer to capital redemption reserve on the shares repurchased were made as a reduction of share capital.

28 RELATED PARTY TRANSACTIONS

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

Group	2013 US$'000	2012 US$'000
Accounting and financial reporting services fee charged by an ICB subsidiary	**53**	53
Construction progress claims charged by an ICB subsidiary	**11,035**	31,048
Management fees charged by an ICB subsidiary	**3,762**	4,231
Marketing commission charged by an ICB subsidiary	**330**	350
Office rental and deposit charged by ICB	**-**	11
Project management fee for interior fit out works charged by an ICB subsidiary	**90**	124
Project staff costs reimbursed to an ICB subsidiary	**682**	776
Remuneration of key management personnel		
- Salaries	**40**	39
Sales and administrative fee charged by an ICB subsidiary	**50**	207
Secretarial and administrative services fee charged by an ICB subsidiary	**53**	53

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

Group	2013 US$'000	2012 US$'000
Non-controlling interests		
Advances – non-interest bearing (Note 24)	**1,081**	6,801
Associate – Excellent Bonanza Sdn. Bhd.		
Advances – non-interest bearing	**630**	117
Settlement of purchase consideration of Aloft Kuala Lumpur Sentral Hotel	**63,867**	-

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

The outstanding amounts due from/ (to) ICB and its group of companies as at 31 December 2013 and 31 December 2012 are as follows:

Group	2013 US$'000	2012 US$'000
Amount due to an ICB subsidiary for accounting and financial reporting services fee	**53**	26
Amount due to an ICB subsidiary for construction progress claims charged net of LAD's recoverable of US$6,046,000 (2012: US$6,046,000)	**965**	6,043
Amount due to an ICB subsidiary for management fees	**2,343**	3,345
Amount due to an ICB subsidiary for reimbursement of project staff costs	**488**	420
Amount due to an ICB subsidiary for marketing commissions	**151**	153
Amount due to an ICB subsidiary for secretarial and administrative services fee	**80**	26

The outstanding amounts due from/(to) the other significant related parties as at 31 December 2013 and as at 31 December 2012 are as follows:

Group	2013 US$'000	2012 US$'000
Non-controlling interests		
Advances – non-interest bearing (Note 24)	**(10,448)**	(9,807)
Associate – Excellent Bonanza Sdn. Bhd.		
Advances – non-interest bearing	**853**	239

29 ACQUISITION OF BUSINESS

During the financial year, the Group increased its equity interest in Shangri-La Healthcare Investment Pte Ltd ("SHIPL") from 73.5% to 74.1% (2012: 51.0% to 73.5%) resulting from an issue of new shares in the subsidiary. Consequently, the effective equity interest in Hoa Lam-Shangri-La Healthcare Ltd Liability Co, City International Hospital Company Limited (formerly known as Hoa Lam – Shangri-la 1 Liability Ltd Co.), Hoa Lam-Shangri-la 2 Ltd LiabilityCo, Hoa Lam-Shangri-la 3 Liability Ltd Co, subsidiaries of SHIPL, increased to 67.2% (2012: 66.8%).

The Group recognised an increase in non-controlling interests of US$42,000 (2012: US$1,192,000) and an increase in accumulated losses of US$42,000 (2012: 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.

30 DIVIDEND

The Company has not paid or declared any dividends during the financial year ended 31 December 2013.

31 COMMITMENTS AND CONTINGENCIES

The Group and Company do not have any contingencies at the statement of financial position date except as follows:

Debt service reserve account

Under the medium term notes programme of up to US$157 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$9.20 million) (the "Minimum Deposit") be maintained in the DSRA at all times. In the event the funds in the DSRA falls below the Minimum Deposit, SSB shall within five (5) Business Days from the date of receipt of written notice from the facility agent or upon SSB becoming aware of the shortfall, whichever is earlier, deposit such sums of money into the DSRA to ensure the Minimum Deposit is maintained.

32 EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

In February 2014, Nam Long Investment Corporation ("Nam Long") completed a placement of 25,500,000 new ordinary shares at VND18,000 (approximately US$0.855) per share. Subsequent to the placement, the Group's effective stake in Nam Long has reduced to 12.88% from 16.32%.

33 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 2014.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

RESPONSIBILITY STATEMENT

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

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

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

On behalf of the Board

Mohammed Azlan Hashim Director	Christopher Henry Lovell Director

23 April 2014