

**19 May 2014**

**Aseana Properties Limited**  
**(“Aseana” or “the Company”)**

**Interim Management Statement and Quarterly Investor Update**

Aseana Properties Limited (LSE: ASPL), a property developer in Malaysia and Vietnam, listed on the Main Market of the London Stock Exchange, today issues the following Interim Management Statement for the period 1 January 2014 to 16 May 2014.

The Company has also issued its Quarterly Investor Update for the quarter ended 31 March 2014, a copy of which can be obtained from Aseana's website at: <http://www.aseanaproperties.com/quarterly.htm>.

**Operational highlights:**

- SENI Mont' Kiara (“SENI”) achieved 88% sales to date based on sales and purchase agreements signed, compared to 85% recorded in the last quarter. A further 3% is reserved with deposit paid.
- The RuMa Hotel and Residences (“The RuMa”) achieved a 43% of sales to date based on sales and purchase agreements signed, compared to 39% recorded in the last quarter. A further 5% is reserved with deposit paid.
- The Four Points by Sheraton Sandakan Hotel (“FPSS”) and The Aloft Kuala Lumpur Sentral Hotel (“Aloft”) were both voted as one of the Top 25 Best Bargain Hotels in Malaysia by Trip Advisor® Travellers' Choice™ 2014 Award (No. 8 and 11 respectively) in early 2014.
- Aloft's occupancy rate stood at 67% as at April 2014, whilst FPSS recorded an occupancy rate of 42% as at April 2014.
- The City International Hospital (“CIH”) officially opened for business on 5 January 2014.

**Financial highlights:**

- Unaudited revenue of US\$13.86 million for the three-month period ended 31 March 2014 (31 March 2013 (unaudited): US\$2.77 million)
- Unaudited loss before tax for the three-month period ended 31 March 2014 of US\$2.66 million (31 March 2013 (unaudited): loss of US\$5.63 million)
- Unaudited loss after tax for the three-month period ended 31 March 2014 of US\$4.04 million (31 March 2013 (unaudited): loss of US\$6.09 million)
- Gain on foreign currency translation differences for foreign operations of US\$0.28 million (31 March 2013 (unaudited): loss of US\$1.11 million)\*\*
- Increase in the fair value of the share investment in Nam Long Investment Corporation of US\$2.74 million (31 March 2013 (unaudited): Not Applicable)
- Unaudited consolidated comprehensive expense of US\$1.02 million for the three months period ended 31 March 2014 (31 March 2013 (unaudited): expense of US\$7.20 million)
- Unaudited net asset value of US\$158.82 million at 31 March 2014 (31 December 2013 (audited): US\$158.57 million) or US\$0.749 per share\*(31 December 2013 (audited): US\$0.748 per share)
- Unaudited realisable net asset value of US\$273.74 million at 31 March 2014 (31 December 2013 (unaudited): US\$266.04 million) or US\$1.291 per share\* (31 December 2013

(unaudited): US\$1.255 per share)

\* NAV per share and RNAV per share as at 31 March 2014 are calculated based on 212,025,000 voting shares (31 December 2013: 212,025,000 voting shares).

\*\* Exchange rate – 31 March 2014: US\$1:RM3.2658; US\$1:VND21,105; 31 December 2013: US\$1:RM3.2755; US\$1:VND21,113

The Company has also published its Quarterly Investment Update (including updates on projects and RNAV figures) for the period to 31 March 2014, which can be obtained on its website at [www.aseanaproperties.com/quarterly.htm](http://www.aseanaproperties.com/quarterly.htm).

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**Notes to Editors:**

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

Ireka Development Management Sdn Bhd ("IDM") is the exclusive Development Manager for Aseana. It is a wholly-owned subsidiary of Ireka Corporation Berhad, a company listed on the Bursa Malaysia since 1993, which has over 45 years of 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.

**Commentary**

For the three months ended 31 March 2014, Aseana and its group of companies (the "Group") recorded unaudited revenue of US\$13.86 million (31 March 2013 (unaudited): US\$2.77 million), which was mainly attributable to the sale of completed properties in SENI Mont' Kiara. No revenue was recognised for The RuMa, in accordance with IFRIC 15 – Agreements for Construction of Real Estate, which prescribes that revenue be recognised only when the properties are completed and occupancy permits are issued.

The Group recorded an unaudited loss before tax for the period of US\$2.66 million (31 March 2013 (unaudited): loss of US\$5.63 million), due to operating losses and financing costs of Four Points by Sheraton Sandakan hotel and Harbour Mall Sandakan totaling US\$1.34 million, together with an operating loss and financing cost of City International Hospital of US\$2.38 million.

The Group recorded an unaudited consolidated comprehensive expense of US\$1.02 million for the three months period ended 31 March 2014 (31 March 2013 (unaudited): expense of US\$7.20 million). This has included an increase in the fair value of the share investment in Nam Long Investment Corporation of US\$2.74 million and a foreign currency translation gain

of US\$0.28 million arising from the slight appreciation of the Ringgit against the US Dollar compared to 31 December 2013 (US\$1: RM3.2658 vs US\$1:RM3.2755).

As at 31 March 2014, the unaudited net asset value (“NAV”) of the Group increased slightly to US\$158.82 million (US\$0.749 per share), from US\$158.57 as at 31 December 2013 (US\$0.748 per share).

As at 31 March 2014, the unaudited realisable net asset value (“RNAV”) of the Group stood at US\$273.74 million (US\$1.291 per share), compared to US\$266.04 million (US\$1.255 per share) (unaudited) as at 31 December 2013. The change in value is mainly due to the strengthening of the Malaysian Ringgit against the US Dollar and also the increase in Nam Long’s share price to VND20,900 per share (31 December 2013: VND17,200 per share). The market value of all projects in their respective local currency remained unchanged compared to those as at 31 December 2013.

The cash and cash equivalents of the Group stood at US\$25.23 million as at 31 March 2014 (31 December 2013: US\$24.58 million). The cash placed in fixed deposits and money market funds (classified under held-for-trading financial instrument) stood at US\$12.60 million as at 31 March 2014, compared to US\$13.46 million as at 31 December 2013. The higher cash and cash equivalents are mainly attributable to better cash collection from sale of properties at SENI Mont’ Kiara and Tiffani. In view of tight credit conditions in Vietnam and the Group’s cash requirements for its pipeline projects, Aseana will continue with its current strategy for managing its cash balances.

The borrowings of the Group as at 31 March 2014 increased to US\$233.98 million, compared to US\$229.39 million as at 31 December 2013. The additional borrowings were mainly utilised to fund the operation of City International Hospital.

## Performance Summary

	Period ended 31 March 2014 (unaudited)	Period ended 31 March 2013 (unaudited)
Loss before tax (US\$ m)	(2.66)	(5.63)
Loss after tax (US\$ m)	(4.04)	(6.09)
Total comprehensive expense (US\$ m)	(1.02)	(7.20)

  

	Period ended 31 March 2014 (unaudited)	Period ended 31 December 2013 (unaudited)
Net asset value ("NAV") (US\$ m)	158.82	158.57
NAV per share (US\$) <sup>1</sup>	0.749	0.748
Realisable net asset value ("RNAV") (US\$ m) <sup>4</sup>	273.74	266.04
RNAV per share (US\$) <sup>1</sup>	1.291	1.255
Cash and bank equivalents (net of bank overdrafts) (US\$ m)	25.23	24.58
Debt-to-equity ratio (%) <sup>2</sup>	138.01	134.94
Net debt-to-equity ratio (%) <sup>3</sup>	122.91	120.25

### Notes:

- <sup>1</sup> NAV per share and RNAV per share as at 31 March 2014 are calculated based on 212,025,000 voting shares (31 December 2013: 212,025,000 voting shares)
- <sup>2</sup> Debt-to-equity ratio = (Total Borrowings ÷ Total Equity) x 100%
- <sup>3</sup> Net debt-to-equity ratio = (Total Borrowings less Cash and Cash Equivalents and Held-for-trading Financial Instrument ÷ Total Equity) x 100%
- <sup>4</sup> Aseana has valued each project based on either net asset value (using cost or fair value basis) or market values (using discounted cash flow method or residual/comparison method) for the RNAV calculation. RNAV data is unaudited. NAV and RNAV contribution of each project are listed below:

Projects	Project NAV as at 31 March 2014 US\$ m (unaudited)	Project RNAV as at 31 March 2014 US\$ m (unaudited)
<i>Malaysian projects:</i>		
Tiffani by i-ZEN	2.31*	2.31 <sup>1</sup>
1 Mont' Kiara by i-ZEN	0.77*	0.77 <sup>1</sup>
Sandakan Harbour Square	37.74	45.69 <sup>3</sup>
SENI Mont' Kiara	53.89	76.39 <sup>2</sup>
KL Sentral Office Towers & Hotel	3.31	7.00 <sup>2</sup>
Aloft Kuala Lumpur Sentralhotel	(3.96)	43.71 <sup>3</sup>
The RuMa Hotel & Residences	10.51	10.51 <sup>1</sup>
Kota Kinabalu Seafront Resort & Residences	12.34	16.11 <sup>3</sup>

*Vietnamese projects:*

International Hi-Tech Healthcare Park	5.03	32.63 <sup>3</sup>
City International Hospital	12.92	14.66 <sup>3</sup>
Equity investment in Nam Long	15.44 <sup>4</sup>	15.44 <sup>4</sup>
Waterside Estates	8.78	8.78 <sup>1</sup>
Others	0.04	0.04 <sup>5</sup>
<b>Total Project NAV / RNAV</b>	<b>159.12</b>	<b>274.04</b>
<i>Cash and bank</i> <sup>6</sup>	<i>0.12</i>	<i>0.12</i>
<i>Other assets &amp; liabilities</i>	<i>(0.42)</i>	<i>(0.42)</i>
<b>Total NAV / RNAV</b>	<b>158.82</b>	<b>273.74</b>
<b>NAV / RNAV per share (US\$)</b>	<b>0.749</b>	<b>1.291</b>

Notes:

- 1 Projects carried at cost.
  - 2 Market value based on the valuation prepared on discounted cash flows by international independent valuers as at 31 December 2013, which excludes any taxes; whether corporate, personal, real property or otherwise, that are payable. These market values are further adjusted for assumed taxes by the Manager.
  - 3 Market values based on residual/comparison/investment method of land/property value by international independent valuers.
  - 4 Fair value determined with reference to prevailing factors as at 31 March 2014.
  - 5 Comprise of projects which have been discontinued.
  - 6 Relating to cash and cash equivalent solely at Aseana company level.
  - 7 Please see Valuation Methodology for further information.
- \* Net realisable value has been reallocated between Tiffani and 1 Mont' Kiara

## **Property Portfolio Highlights**

### *Malaysia*

Notwithstanding the challenging property market outlook in Malaysia due to the introduction of the new cooling measures (stricter Real Property Gains Tax, abolishment of the Developer Interest Bearing Scheme and etc) by the government in the 2014 Budget, the sales of properties at SENI Mont' Kiara have been progressing well, with sales improving to 88% based on sales and purchase agreements signed. This represents an increase of 13 units as compared to 85% recorded in January 2014. A further 18 units, representing approximately 3% of sales, were currently reserved by interested buyers, pending execution of the sales and purchase agreements. In addition, 32 units, representing approximately 5% of sales, were reserved and being considered by interested buyers.

However, sales of hotel suites at The RuMa were affected by some of the government's cooling measures. To counter this, sales initiatives and events are planned over the next few months. The RuMa has to-date achieved 43% of sales in April 2014 based on sales and purchase agreements signed, an increase of 4% over the last quarter. A further 5% was reserved with deposit paid. Construction of the main building commenced in October 2013 and is progressing well, with completion targeted for early 2017.

Aloft recorded an occupancy rate of 67% as at April 2014. The Manager is confident that the hotel will achieve stabilisation level over the next few quarters given the expectation that the hotel's positive results during 2013 will continue into the current period.

Occupancy rate at the Four Points by Sheraton Sandakan Hotel ("FPSS") as at April 2014 stood at 42%. Countries such as the United States of America, United Kingdom, Canada, Australia and New Zealand have since reissued adverse travel advisory notices to the coastal areas of eastern Sabah due to the current security condition in Sabah. The management of FPSS continues to improve on efficiency of operations, and to work with the relevant authorities to improve tourist arrivals to Sandakan. To date, the tenancy rate of Harbour Mall Sandakan remained unchanged at approximately 47% as reported in February 2014.

### *Vietnam*

Since its official opening on 5 January 2014, The City International Hospital ("CIH") has commenced its offering of comprehensive services such as General Medicine, Obstetrics and Gynecology, Cardiology, Medical Oncology, Neurology, Pediatrics, Ophthalmology and ENT. As of mid-May 2014, CIH registered a total inpatient admission of 165 patients with average revenue per inpatient admission of US\$1,968. Outpatient visits as of mid-May 2014 stood at 2,540 visits with average revenue per visit of US\$79.

The Vietnam Stock Index ("VN Index") which is the best performing index in Asia since the beginning of the year has tumbled approximately 15% over the course of 7 weeks since its peak in March 2014 as a result of recent disputes between Vietnam and China. However, all the macro indicators are pointing towards the direction of stability, reflecting a positive economic outlook, under controlled inflation and a stable currency.

Nam Long recently won awards in the following three categories at the prestigious Asia Pacific Awards, which are supported by the Royal Institution of Chartered Surveyors:

- Architecture Multiple Residences – Water Point Project
- Apartment – Ehome 3 West Saigon Project
- Development Marketing - Ehome 3 West Saigon Project

Nam Long recorded a net revenue and net profit after tax of VND601.7 billion (US\$28.5 million) and VND34.5 billion (US\$1.6 million) respectively for the financial year ending 31 December 2013. At the date of this publication, Nam Long shares closed at VND 19,000 per share.

### **Sales Update as at 30 April 2014**

<b>Projects</b>	<b>% sold*</b>
Tiffani by i-ZEN	99%
SENI Mont' Kiara	
- Proceeds received	84%
- Pending completion	4%
The RuMa Hotel and Residences	43%
Kuala Lumpur Sentral Office Towers & Hotel	100%

*\* Based on sales and purchase agreements signed. Please see Snapshot of Property Portfolio below for further information on existing investments.*

### **Construction Update as at 30 April 2014**

#### ***The RuMa Hotel and Residences, Kuala Lumpur, Malaysia***

Piling works commenced in February 2013 and were completed in October 2013. Construction of main building works commenced in October 2013 and is targeted to complete by early 2017.

## Snapshot of Property Portfolio

### ***Tiffani by i-ZEN, Kuala Lumpur, Malaysia***

399 units of luxury condominiums within two 28-storey and a 36-storey block

Expected GDV: US\$124million

Effective Ownership: 100%

Project NAV as at 31/3/2014: US\$2.31 million

Project RNAV as at 31/3/2014: US\$2.31 million<sup>(1)</sup>

Status:

- 99% sold based on sales and purchase agreements signed
- Targeted sale: 100% sales by end 2015

### ***1 Mont' Kiara by i-ZEN, Kuala Lumpur, Malaysia***

Office suites, office tower and retail mall

Expected GDV: US\$166 million

Effective Ownership: 100%

Project NAV as at 31/3/2014: US\$0.77 million

Project RNAV as at 31/3/2014: US\$0.77 million<sup>(1)</sup>

Status:

- 100% sold
- Strata title received in April 2014, upon which the final payment of approximately US\$0.8 million was received in early May 2014

### ***Sandakan Harbour Square, Sandakan, Sabah, Malaysia***

129 retail lots, Harbour Mall Sandakan, 299-room Four Points by Sheraton Sandakan hotel

Expected GDV: US\$157million

Effective Ownership: 100%

Project NAV as at 31/3/2014:US\$37.74 million

Project RNAV as at 31/3/2014: US\$45.69 million<sup>(3)</sup>

Status:

- Retail lots: 100% sold
- Harbour Mall Sandakan and Four Points by Sheraton Sandakan Hotel commenced operation in 2012
- Planned sale in year 2015

### ***SENI Mont' Kiara, Kuala Lumpur, Malaysia***

605 units of luxury condominiums within two 12-storey and two 40-storey blocks

Expected GDV: US\$490 million

Effective Ownership: 100%

Project NAV as at 31/3/2014:US\$53.89 million

Project RNAV as at 31/3/2014: US\$76.39 million<sup>(2)</sup>

Status:

- Winner of FIABCI Malaysia Property Award 2013 for Best High Rise Residential Development
- 88% sold based on sales and purchase agreements signed
- Targeted sales: 90% by end of Q2 2014; 100% by 2014

### ***Kuala Lumpur Sentral Office Towers & Hotel, Kuala Lumpur, Malaysia***

Two office towers and a business-class hotel

Expected GDV: US\$256 million

Effective Ownership: 40%



Project NAV as at 31/3/2014: US\$3.31 million  
Project RNAV as at 31/3/2014: US\$7.00 million <sup>(2)</sup>

Status:

- 100% sold with hand-over and payment for office towers in December 2015
- Leasing activities for office towers underway
- Construction completed in December 2012

***Aloft Kuala Lumpur Sentral hotel, Kuala Lumpur, Malaysia***

482-room business-class hotel

Effective Ownership: 100%

Project NAV as at 31/3/2014: -US\$3.96 million

Project RNAV as at 31/3/2014: US\$43.71 million <sup>(3)</sup>

Status:

- Hotel managed by Starwood
- Commenced operation on 22 March 2013
- Planned sale by end of year 2014

***The RuMa Hotel and Residences Project, Kuala Lumpur, Malaysia***

199 luxury residences and a 253-room boutique hotel

Expected GDV: US\$197 million

Effective Ownership: 70%

Project NAV as at 31/3/2014: US\$10.51 million

Project RNAV as at 31/3/2014: US\$10.51 million <sup>(1)</sup>

Status:

- Construction work commenced in February 2013 and opened for sale in March 2013
- Off-plan sales for residences and hotel suites
- 43% sold based on sales and purchase agreements signed Completion expected by Q1 2017

***Seafront resort & residential development, Kota Kinabalu, Sabah, Malaysia***

Boutique resort hotel, villas and homes on 80 acres

Expected GDV: US\$16 million

Effective Ownership (Resort villas and hotel): 100%

Effective Ownership (Resort homes): 80%

Project NAV as at 31/3/2014: US\$12.34 million

Project RNAV as at 31/3/2014: US\$16.11 million <sup>(3)</sup>

Status:

- The Board has decided to dispose of the land; buyers are being sought

***International Hi-Tech Healthcare Park, Binh Tan District, Ho Chi Minh City, Vietnam***

37 hectares of commercial and residential development with healthcare theme

Expected GDV: US\$670 million

Effective Ownership: 67.2%

Project NAV as at 31/3/2014: US\$17.95 million

Project RNAV as at 31/3/2014: US\$47.29 million <sup>(3)</sup>

Status:

- Phase 1: CIH is managed by Parkway Pantai Limited
- Construction of CIH completed in March 2013 and business commenced on 24 September 2013 with limited services
- Planned partial divestment of CIH in short term and full divestment by year 2016
- Other parcels of land to be developed or sold on as-is basis

***Equity Investment in Nam Long Investment Corporation, Ho Chi Minh City, Vietnam***

Listed equity investment

Effective Ownership: 12.9%

Project NAV as at 31/3/2014: US\$15.44 million <sup>(4)</sup>

Project RNAV as at 31/3/2014: US\$15.44 million <sup>(4)</sup>

Status:

- Listed on Ho Chi Minh Stock Exchange on 8 April 2013
- Share price as at 16 May 2014 is at VND19,000 per share

***Waterside Estates, District 9, Ho Chi Minh City, Vietnam***

37 villas and 460 units within high-rise apartments

Expected GDV: US\$100 million

Effective Ownership: 55%

Project NAV as at 31/3/2014: US\$8.78 million

Project RNAV as at 31/3/2014: US\$8.78 million <sup>(1)</sup>

Status:

- Sales launch for Phase 1 (Villas) targeted for H2 2014

Notes:

1. Projects carried at cost
2. Market value based on the valuation prepared on discounted cash flows by international independent valuers as at 31 December 2013, which excludes any taxes; whether corporate, personal, real property or otherwise, that are payable. These market values are further adjusted for assumed taxes by the Manager
3. Market values based on residual/comparison/investment method of land/property value by international independent valuers
4. Fair value determined with reference to closing market price as at 31 March 2014
5. All NAV and RNAV data are unaudited

*Exchange rate – 31 March 2014: US\$1:3.2658; US\$1:VND21,105; 31 December 2013: US\$1:RM3.2755; US\$1:VND21,113(Source: Bank Negara Malaysia, State Bank of Vietnam)*

**Valuation Methodology**

The Realisable Net Asset Value of the Company as at 31 March 2014 has been computed by the Company based on the Company's management accounts for the period ended 31 March 2014 and the Market Values of the property portfolio as at 31 December 2013. The Market Value of the property portfolio is determined on a discounted cash flow basis, comparison method, residual method or investment method on land or properties values by an independent firm of valuers. The Market Values, excluded any taxes; whether corporate, personal, real property or otherwise, that are payable.

The valuations by independent firm of valuers have been performed in accordance with the International Valuation Standards ("IVS") or in accordance with the Royal Institution of Chartered Surveyor Guidelines ("RICS").

In arriving at the Realisable Net Asset Value of the Company, the Company has made assumptions on potential taxes deductible from Market Values, where applicable. These may include corporate income tax, real property gains tax or any transactional taxes, where applicable.