INVESTMENT GATEWAY TO VIETNAM AND MALAYSIA

ASEANA PROPERTIES LIMITED

INTRODUCTION

ASEANA PROPERTIES LIMITED ("ASEANA PROPERTIES") IS A PROPERTY DEVELOPMENT COMPANY ESTABLISHED TO TAKE ADVANTAGE OF OPPORTUNITIES IN MALAYSIA AND VIETNAM. PRODUCT INNOVATION AND COMMITMENT TO EXCELLENCE ARE HALLMARKS OF ASEANA PROPERTIES. WITH A FOCUS ON THE UPMARKET SEGMENT OF THE PROPERTY MARKET, ASEANA PROPERTIES AIMS TO BE THE PREMIER INVESTMENT GATEWAY FOR INVESTORS INTO MALAYSIA AND VIETNAM.

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CORPORATE STRATEGY

KEY FACTS

Exchange	: London Stock Exchange Main Market
Symbol	: ASPL
Lookup	: Reuters ASPL.L; Bloomberg ASPL: LN
Domicile	: Jersey
Shares Issued	: 212,525,000
Share Denomination	: US Dollars
Management Fee	: 2% of NAV
Performance Fee	: 20% of the out performance NAV over a total return hurdle rate of 10%
Admission Date	: 5 April 2007

ADVISORS & SERVICE PROVIDERS

Development Manager	: Ireka Development Management Sdn. Bhd.
Financial Adviser	: Fairfax I.S. PLC
Auditors	: Mazars LLP

ASEANA PROPERTIES LIMITED AT A GLANCE

Aseana Properties Limited ("Aseana Properties") is a London-listed company incorporated in Jersey focusing on property development opportunities in Malaysia and Vietnam.

Ireka Development Management Sdn. Bhd. *(a wholly-owned subsidiary of Ireka Corporation Berhad)*, the Development Manager for Aseana Properties, is responsible for the day-to-day management of its property portfolio as well as the introduction and facilitation of new investment opportunities.

Aseana Properties' investment objective is to provide shareholders with an attractive overall total return achieved primarily through capital appreciation by investing in properties in Malaysia and Vietnam. Aseana Properties seeks to achieve its investment objective through the acquisition, development and redevelopment of upscale residential, commercial and hospitality projects leveraging on the Development Manager's experience in these sectors.

Aseana Properties typically invests in development projects at the pre-construction stage. It will also selectively invest in projects under construction and completed projects with the potential for high capital appreciation.

Aseana Properties makes investments both as sole principal and, where appropriate, in joint arrangements with third parties, where management control resides with Aseana Properties. Such joint arrangements are only undertaken with parties who have demonstrable relevant experience or local knowledge.

Currently approximately 62% of Aseana Properties' investment portfolio is allocated to projects in Malaysia and approximately 38% to projects in Vietnam.

CHAIRMAN'S STATEMENT

The world economy experienced a tumultuous year in 2009. We witnessed a near meltdown of the financial sector in the US and Europe, whilst the largest economies globally were reeling from the after-effects of the financial crisis. There is no doubt that the standstill in the credit markets has also had a lasting impact on the real estate industry worldwide, with seemingly healthy real estate investments crippled by the effect of uncertain cash flows, heavy debt and declining capital values. I am pleased to report that against these global challenges, Aseana Properties and its group of companies ("the Group") has remained well-capitalised as a result of prudent financial management, developing sound existing projects and maintaining a conservative approach in our investment strategy.

Aseana Properties has continued to strengthen its presence in the Malaysian and Vietnamese markets through the following key achievements in its portfolio:

- Acquisition of the remaining stake in the Sandakan Harbour Square development for RM15.0 million (US$4.2 million) in January 2009. This commercial re-development project aimed at rejuvenating the urban centre of Sandakan is the town's first retail mall with an international-class hotel to be managed as a 'Four Points by Sheraton' brand. With this acquisition, Aseana Properties now owns a 100% stake in this project, which is due for completion in 2011.

- Completion and successful handover in August 2009 of Tiffani by i-ZEN, a luxury condominium project in Mont' Kiara, with a total gross development value of RM379 million (US$110 million).

- Acquisition of the remaining stake in the SENI Mont' Kiara development for RM11.7 million (US$3.5 million) in September 2009. The acquisition resulted in Aseana Properties owning a 100% stake in this upmarket condominium development with a gross development value of RM1.48 billion (US$429 million). Sales currently stand at 66%, with the expected completion of Phase 1 by the fourth quarter of 2010, followed by Phase 2 in the second quarter of 2011.

- Successful sale of Tower 2 of the Kuala Lumpur Sentral project, an office tower with approximately 500,000 square feet floor area to an international real estate fund for RM458 million (US$133 million) in September 2009. Aseana Properties owns a 40% stake in this project, which is due for completion in 2012.

- Signing of a Joint Venture Agreement with Nam Long Investment Corporation to develop an upscale residential development in Tan Thuan Dong area, District 7, Ho Chi Minh City in November 2009. This project is expected to receive its Investment Licence by the third quarter of 2010, with construction targeted for the fourth quarter of 2010.

- Signing of Share Subscription Agreement and Joint Venture Agreement with Ireka Corporation Berhad in December 2009 to develop an upmarket residential development in the prime location of Kuala Lumpur City Centre. This project is expected to be launched by the first half of 2011, subject to development approvals from the authorities and market conditions at the time.

The Board continues to have regard to the fragility of the international property markets in its strategic decision making. Hence, whilst the Board remains optimistic about the Group's acheivement so far, it will remain cautious.

In April 2009, the Board decided not to proceed with its investment in the seafront resort development project in Danang, Vietnam, after the acquisition agreement between the Group and landowner had expired. The Group also decided to delay the commencement of the Kota Kinabalu seafront development until economic conditions in Malaysia improve and the resort's home market recovers. In November 2009, the Company also announced that it had withdrawn from the proposed Wall Street Centre project in Ho Chi Minh City, due to administrative delays in planning and procurement guidelines for the project site and has successfully recovered its deposit (inclusive of interest). Aseana Properties is no longer a joint venture partner and its involvement in this project has ceased.

CHAIRMAN'S STATEMENT

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i-ZEN@Kiara I, Kuala Lumpur

The Board anticipates 2010 to be another busy and promising year for the Group, as we work towards completing several key projects in Malaysia (one Mont' Kiara and Phase 1 of SENI Mont' Kiara), as well as the commencement of new projects in Vietnam. Phase 1 of the International Hi-Tech Healthcare Park in Ho Chi Minh City, with its 250-bed private tertiary hospital, is due to begin construction in the second quarter of 2010. The Group is also on-track to launch its first residential project in Vietnam (Tan Thuan Dong project) in District 7, Ho Chi Minh City by the end of 2010, subject to licenses being obtained from the authorities.

In line with our commitment to enhance shareholder value, the Board implemented two tranches of its share buyback scheme between April and June 2009. The Company bought back a total of 37,475,000 ordinary shares or 14.99% of the Company's original shares in issue. These shares were subsequently all cancelled by December 2009, hence reducing the Company's shares in issue to 212,525,000. The share buyback scheme has had a positive impact on the share price, which recovered from a low of US$0.105 in March 2009 to a high of US$0.490 in January 2010 (*the Company's shares are now trading at US$0.4325 as at the date of this report*). The Board continues to seek measures to enhance the value recognition of the Company through its efforts to increase communication and public relations dialogue across a larger investor base, and organising investor visits to the Company's projects in Malaysia and Vietnam.

With the economies in the US and Europe going through restructuring during this period of uncertainty, the focus has shifted to Asia which provides a bright spot to investors across all asset classes. With the Group's strong foundation in its key markets, and its sound portfolio of projects, we are confident that the Group is well-positioned as an investment gateway to the real estate markets in Malaysia and Vietnam.

I am very pleased to welcome Gerald Ong to the Board. Gerald joined us in September 2009 and brings with him, a wealth of experience in the areas of corporate finance and capital markets. Gerald's expertise and skills will be invaluable to the Company, and we look forward to his contributions and working with him.

On a final note, I would like to thank my fellow Directors for their commitment, support and guidance throughout the year. I also wish to extend my gratitude to the shareholders, Government authorities, financiers and business associates for their continued support and confidence in the Group.

DATO' MOHAMMED AZLAN BIN HASHIM
CHAIRMAN
21 April 2010

DEVELOPMENT MANAGER'S REVIEW

Tiffani by i-ZEN, Kuala Lumpur

BUSINESS OVERVIEW

During 2009, the Board, together with the Development Manager, had acted decisively to meet the challenges of the global economic downturn, taking steps to manage costs prudently and respond quickly to the changing needs of the property markets in both Malaysia and Vietnam. Whilst the global financial crisis had its own challenging impact on Aseana Properties, we also worked to optimise the Group's investment portfolio. In particular, the acquisition of remaining stakes in the SENI Mont' Kiara Project and the Sandakan Harbour Square Project. The Group also took positive steps to realise its investments early (Tower 2 of the KL Sentral Project), exited or delayed projects that required a longer gestation period in the current economic conditions (The Danang Seafront Resort Development Project, Wall Street Centre Project and the Kota Kinabalu Seafront Resort Project).

The Group also pursued an opportunistic approach to investing in new projects during the downturn. In 2009, the Group invested in two new residential projects in Malaysia and Vietnam (The KLCC Kia Peng Residential Project, Malaysia and the Tan Thuan Dong Project, Vietnam). Both these projects have relatively short gestation period with launches anticipated in early 2011.

The Group also completed its second development, Tiffani by i-ZEN, in August 2009. Tiffani by i-ZEN is a luxury condominium project in Mont' Kiara, Kuala Lumpur which saw 90% of the completed units being sold and handed over to the buyers.

The year ahead promises to be another busy one as we work towards the completion of one Mont' Kiara, an integrated commercial development and Phase 1 of SENI Mont' Kiara, an upmarket condominium development. Construction activities will begin in Vietnam as the piling for the first phase of the 250-bed tertiary care private hospital at the International Hi-Tech Healthcare Park project gets underway in the second quarter of 2010. The Group therefore remains optimistic for the long term outlook in both Malaysia and Vietnam, and we are confident that Aseana Properties' portfolio is well positioned to capitalise on the upturn in the real estate markets of these two emerging economies in the next few years.

DEVELOPMENT MANAGER’S REVIEW

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Malaysia Economic Update

The Malaysian economy contracted by 1.7% in 2009, better than the earlier forecasted -4 to -5% in May 2009, given the conditions of weak external demand and low private domestic consumption resulting from the global financial crisis. After three consecutive quarters of negative growth, the economy rebounded in the fourth quarter of 2009, growing 4.5% (Q3 2009: -1.2%) as the RM67 billion (US$19 billion) stimulus package announced by the Government began to reverse the earlier negative consumer and business sentiments. The stimulus activities, ranging from guaranteed funds, equity investments and tax incentives, provided much needed support for the economy in 2010. The Consumer Sentiment Index (“CSI”) and Business Confidence Index (“BCI”) as measured by the Malaysian Institute of Economic Research plunged to respective lows of 71.4 points and 53.8 points in the final quarters of 2008 (value below the 100 points threshold represents expectations of contraction). Swift action by the Government in introducing the stimulus package as highlighted above saw both the CSI and BCI rising above the 100 points threshold in second quarter of 2009, and ending the year at 109.6 points and 118.8 points respectively.

The Central Bank of Malaysia has also acted accordingly, thus sharply reducing the overnight policy rate by 125 basis points to 2% in early 2009. Additionally, the statutory reserve requirement for banks was also reduced by 250 basis points to 1% to stimulate lending activities. In March 2010, the Central Bank decided to raise the overnight policy rate by 25 basis points to 2.25%, on the back of improving economic outlook. Interest rates are expected to continue increasing throughout 2010 as monetary support is balanced with the effects of the fiscal stimulus package.

In 2009, the Government also took a proactive stance in liberalising the economy to increase competitiveness. Foreign ownership limit for financial institutions except commercial banks (which remains at 30%) was increased from 49 to 70%. This liberalisation was aimed at providing consumers with access to a wider range of financial products, and to strengthen Malaysia’s position as an international Islamic financial hub. The Government also removed the 30% Bumiputra equity requirement in 27 services sub-sectors, including health and social services, tourism services, transport services and information technology services.

The property industry welcomed the removal of the Foreign Investment Committee’s approval (“FIC”) for transactions below RM20 million. For transactions above RM20 million, FIC approval is only required if the transaction involves dilution of Bumiputra or Government interest. However, in an unprecedented move, the Government reintroduced a 5% Real Properties Gain Tax (“RPGT”) for transaction of properties that are held for less than 5 years. The RPGT was earlier suspended in 2007. The reintroduction of RPGT is a move by the Government to stem speculative property buying. Given its quantum, the reintroduction of RPGT is expected to have minimal impact on the demand and capital value of properties over the medium term.

SENI Mont’ Kiara, Kuala Lumpur

Vietnam Economic Update

Vietnam had maintained an impressive Gross Domestic Product growth rate of 5.3% in 2009, which alongside China and India, was one of the few notable Asian economies that have maintained a positive growth rate throughout the financial crisis. The growth of the Vietnamese economy was aided by strong domestic consumption, riding on the back of strong fiscal and monetary stimulus by the Government. The Central Bank of Vietnam made six interest rate cuts between October 2008 and February 2009 to spur borrowings and stimulate the economy. The prime interest rate was cut from its peak of 14% to 7%, and remained unchanged throughout. With signs of the economy normalising in early 2010, the Central Bank increased the prime interest rate to 8% in February 2010.

2009 also started with the Government announcing a stimulus package estimated at US$6 billion, which included unemployment reduction programmes, low cost housing developments, and further investments to improve the country's infrastructure. The Government also introduced a US$1 billion interest rate subsidy programme where eligible businesses received an interest rate discount of 4% on short to medium term loans from commercial banks. Other direct measures to stimulate the economy included exemption of personal income tax for all salaries, wages, dividends, interest, gains from capital transfer and royalties for the first half of 2009. This programme was subsequently extended to the end of 2009 with the exception of capital gains tax on property transactions.

Recognising that stimulus spending can lead to over exuberance in the property market, the Government in September 2009 introduced capital gains tax on property transactions based on 25% of gains or 2% of the property transaction value if the transfer price cannot be determined. The Government, however, made a positive move for the property industry by further liberalising house ownership regulations in Vietnam. Viet Kieus (overseas Vietnamese) are now allowed to own more than one residential property and are accorded with full rights to sell and lease the properties. Foreign expatriates with working visa are also allowed to own residential properties for their own use. These recent measures by the Government signify their intention to foster long-term sustainable growth in the property market, as opposed to a short-term cyclical and speculative market.

Vietnam continues to attract Foreign Direct Investment ("FDI") across all sectors of the economy. FDI commitments for 2009 were registered at US$21.5 billion. Although a sharp decrease from US$64 billion recorded in 2008, the value of the commitments are significant for a growing economy like Vietnam and signifies confidence of foreign investors on the prospects of the country despite global and domestic challenges. High inflation was a key domestic challenge for Vietnam in 2008. In 2009, the Government's swift measures followed by the deflationary pressures brought the overall inflation rate down to 6.9%. Over the short to medium term, investors also faced the risk of the devaluing Vietnamese Dong ("VND"). In an unprecedented move, the Government devalued the VND against the US Dollar twice in recent months, with a 5.44% devaluation in November 2009, followed by a 3% devaluation in February 2010. The move was aimed at reducing parallel market transactions of the VND. In a related move, the Government also fixed an interest rate ceiling for US Dollar deposits to 1% to discourage US Dollar holdings by Vietnamese corporations.

2009 also saw the completion of several key infrastructure projects for Ho Chi Minh City ("HCMC"). The first phase of the East-West Highway was completed in September, reducing the travelling time across the east-west axis of the city significantly. Vietnam's first cabled-stay across the Saigon River was also completed in October, providing easy access between District 2 and District 7 of HCMC . More recently in February 2010, Thu Thiem Bridge linking Binh Thanh District and District 2 was also completed to further alleviate congestion around the city.

The Hub, International Hi-Tech Healthcare Park, Ho Chi Minh City

DEVELOPMENT MANAGER'S REVIEW

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PORTFOLIO REVIEW

MALAYSIA

Residential Property Market

The high-end residential market in Malaysia experienced a lacklustre year compared to previous years as a result of declining demand from both local and foreign buyers. Capital values of condominiums in the Kuala Lumpur City Centre ("KLCC") and Mont' Kiara localities depreciated by 20% to 60% from its peak in mid-2008, amid weak demand for secondary market transactions. However, these capital values are generally still above the developers' price at launch. Market rentals in these localities are similarly experiencing downward pressure in the short term due to relatively large supply coming into the market this year and in the near future. Until the third quarter of 2009, most developers delayed their launches, and concentrated instead on selling existing stock by offering various innovative marketing programmes. With strong support from financial institutions, developers were able to offer attractive financing schemes to buyers which included low deposit requirements, interest waiver period during construction and in some cases principal waiver for a certain period after completion. With signs of the economy improving towards the third quarter of 2009, developers are beginning to return to the market with new project launches, but the sales results of these new launches have been mixed, to date.

Despite the challenges in 2009, we believe the confidence of buyers will return, and there are untapped opportunities given the right location and right product. In 2009, the Group completed Tiffani by i-ZEN, where approximately 360 units of luxury condominiums were handed over to buyers from August 2009. There are 39 units remaining on stock (less than 10% of total development) which will be sold progressively over time. The Group is also progressing well with two other ongoing high-end residential projects in Malaysia:

KLCC Kia Peng Residential Project, Kuala Lumpur

SENI Mon't Kiara, Kuala Lumpur

- **KLCC Kia Peng Residential Project**
  In December 2009, the Group signed an agreement with Ireka Corporation Berhad to co-develop a prime development site located in the heart of KLCC. The site is strategically located on Jalan Kia Peng, near neighbouring prestigious landmarks such as the KLCC Convention Centre, Suria KLCC shopping centre, KLCC park and the world famous Petronas Twin Towers. With a land area of approximately 43,559 square feet, the Group plans to develop an upmarket residential project that would appeal to the lifestyle of urban Malaysians and expatriates. Subject to obtaining the relevant authorities' approval, the project is expected to be launched by the first half of 2011.

- **SENI Mont' Kiara**
  SENI Mont' Kiara is an upmarket condominium development situated on one of the highest points in Mont' Kiara. Towering some 40-storeys above this vantage point, a majority of the units in the project command an impressive view of the Kuala Lumpur city skyline, which includes the 88-storey Petronas Twin Towers and the KL Tower. The project consists of 605 residential units, of which 66% has been sold to date. Phase 1 of this project is expected to be completed in the fourth quarter of 2010, whilst Phase 2 will be completed in the second quarter of 2011.

DEVELOPMENT MANAGER'S REVIEW

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Commercial Office and Retail

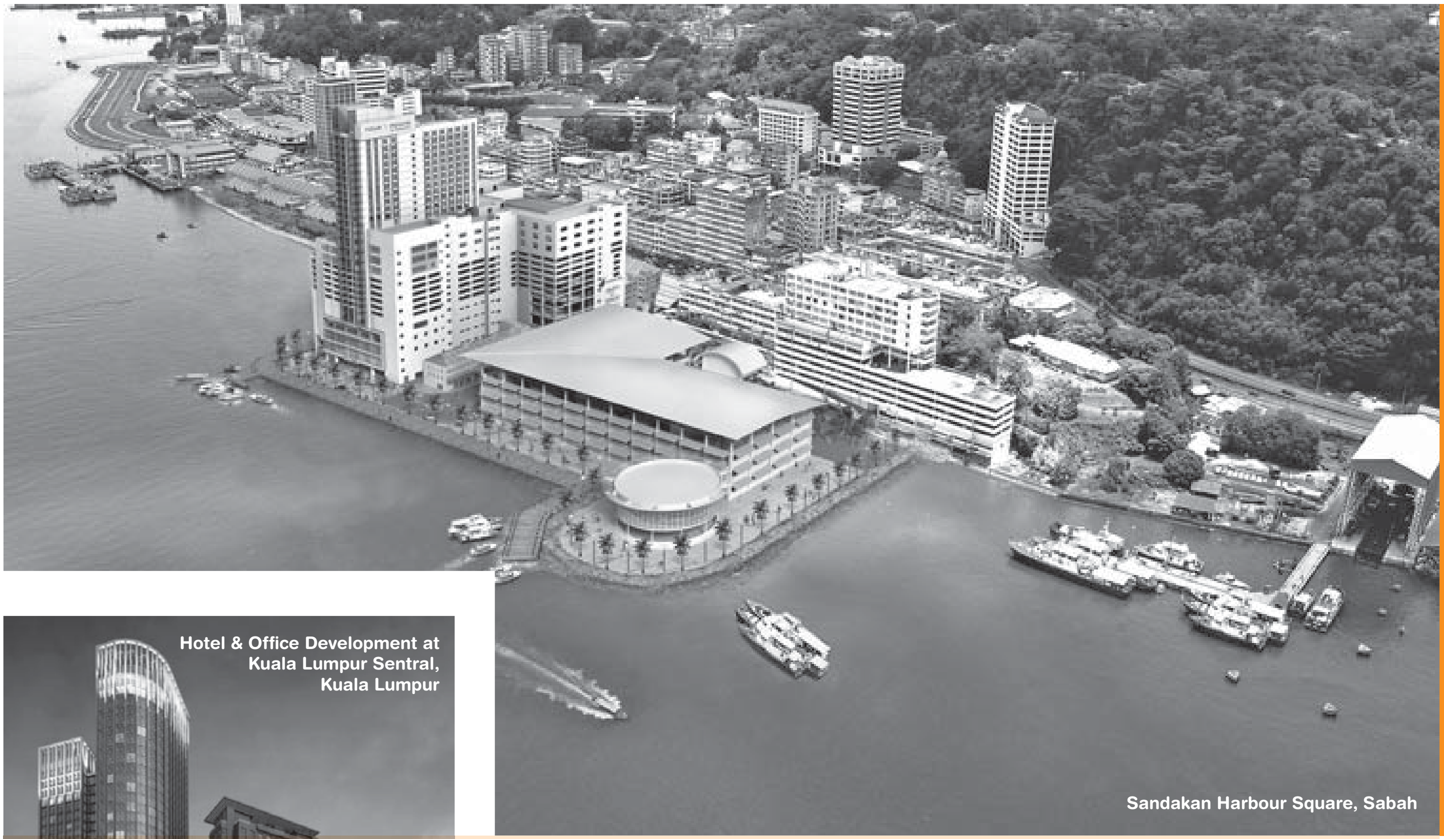
The office market in Kuala Lumpur has generally remained stable throughout 2009 with net yields ranging between 6% to 8%, and occupancy rates in the region of 85%. Despite slowing demand in new office space requirements, the impact on the market is minimal as there was limited new supply of prime offices in the city centre and its vicinity. However, with new supply coming on stream in the next three years in Kuala Lumpur, the average occupancy rate is expected to decline to the region of 75%. Despite the financial crisis, 2009 saw active en bloc transactions, with approximately a dozen prime office buildings changing hands. The most notable transaction was the sale of the 50-storey Menara Citibank at RM828 per square foot in the third quarter of 2009.

Prime retail malls in the city and suburban area continue to enjoy high occupancy rate in the region of 85%. However, retail spending has generally been subdued as a result of the financial crisis, and local and foreign retailers are cautious of committing to retail expansion. Whilst prime retail malls such as Suria KLCC and Mid Valley Megamall are expected to command modest rental rate growth, secondary and new malls are expected to come under pressure in 2010.

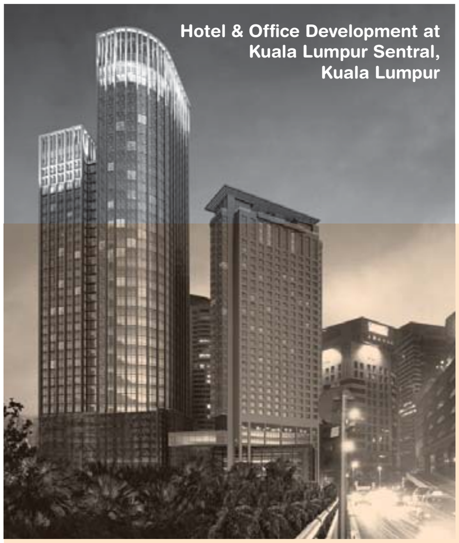
Location and accessibility are the key factors for successful commercial developments, as demonstrated in the Group's three on-going commercial projects:

- **one Mont' Kiara by i-ZEN**
  one Mont' Kiara is an integrated commercial development consisting of a 33-storey office suite tower, a 20-storey office tower and a 5-level retail mall. 181 office suites out of 186 units have been sold to date. Both the office tower and retail mall are planned for en bloc sale after completion in the second quarter of 2010. Marketing and leasing of spaces in the office tower and retail mall is currently underway, where anchor tenants for both components have already been secured. Located in the heart of Mont' Kiara commercial precinct, this development is expected to be the hub of commercial activities in the area, as well as for the surrounding affluent neighbourhoods of Sri Hartamas, Bangsar and Damansara Heights.

one Mon't Kiara by i-ZEN, Kuala Lumpur



Sandakan Harbour Square, Sabah



Hotel & Office Development at Kuala Lumpur Sentral, Kuala Lumpur

- **Kuala Lumpur Sentral Project**
  Kuala Lumpur Sentral project is a mixed commercial and hospitality development project consisting of two office towers and a business class hotel, centrally located in Kuala Lumpur's urban transportation hub. Kuala Lumpur Sentral is currently the most sought after commercial centre in Kuala Lumpur with a number of multinational companies such as General Electric, Shell and PriceWaterhouseCoopers locating their headquarters here. In November 2009, the Group announced that it successfully sold the 500,000 square feet Tower 2 office to an international real estate fund for RM458.4 million, with certain deferred payment terms and other conditions. The Group is also currently in discussions with an international hospitality management group to finalise the branding and management of the business hotel. Sub-structure construction works for this project is now underway with completion expected in 2012.

- **Sandakan Harbour Square**
  Sandakan Harbour Square is an urban re-development project in the commercial centre of Sandakan, Sabah. The completed Phases 1 and 2 consist of 129 shop lots, of which Phase 1 was fully sold and Phase 2 was 81% sold. Phases 3 and 4 are a retail mall and an international 4 star business hotel, to be managed as a 'Four Points by Sheraton' brand. Both phases are due for completion in 2011. The marketing and leasing for the retail mall is currently underway.

Hospitality & Resort

Despite the slowdown in the global economy, Malaysia recorded 23.6 million tourist arrivals in 2009, a 7% increase compared to 2008. This was attributed to an increase in regional travel among tourists in Asia and South East Asia, given the accessibility of Malaysia's ground transportation and air travel networks. The rising popularity of regional budget airlines is also a factor that has impacted upon the tourism industry positively.

The Group currently has three hospitality and resort development projects in Malaysia, two of which, the Kuala Lumpur Sentral Project and the Sandakan Harbour Square Project, are described above. The third project is a seafront resort development located in Kota Kinabalu, Sabah, a popular tourist destination in Malaysia. Whilst development planning for this project is completed, the Group has decided to defer the commencement of the building works until the economic conditions improve and the resorts home market recovers.

DEVELOPMENT MANAGER'S REVIEW

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International Hi-Tech Healthcare Park, Ho Chi Minh City

VIETNAM

Residential Property Market

The mid to high-end residential property market in HCMC had a sluggish start to 2009, continuing on a trend that was prevalent for much of the previous year. Transaction volumes fell by more than 80% from their peak in 2007 as buyers stayed on the sideline due to uncertainties in the economy and the expectation of lower prices. The affordable housing market, however, enjoyed robust sales as a large proportion of the city's population of 9 million continue to seek improved living conditions.

Asking prices for residential development land and secondary completed units continued to face downward pressure. However, by the end of the second quarter of 2009, confidence in the market appeared to have returned as the Government rolled out various stimulus measures for the economy, but several developers remained cautious and acceded to pressure by reducing prices and offering further incentives to buyers. Capital values in the secondary market began to increase by 2 to 3% quarter-on-quarter, while newly launched mid to high-end residential developments by reputable developers in sought-after areas such as District 7 and District 9, achieved commendable sales. Government measures to liberalise the property ownership requirements for Viet Kieus (overseas Vietnamese) and foreign expatriates introduced in 2009 will be positive for the market in the medium to long term.

Aseana Properties' investments in Vietnam with residential elements include the new Tan Thuan Dong Project, International Hi-Tech Healthcare Park, Queen's Place and a strategic stake in Nam Long Investment Corporation. These projects are described in greater detail in preceding sections of this report.

Commercial Office and Retail

With the increase of newly completed Grade A offices in HCMC in 2009, supply doubled from approximately 81,000 square metres in 2008 to about 166,000 square metres in 2009. Absorption of these new office spaces amidst a slow economic environment increased the vacancy rate from a low of 1%, in the third quarter of 2008 to about 26%, in fourth quarter of 2009. Average monthly rental rates dropped from a high of US$71 psm per month to a more sustainable US$40 psm per month. Grade B and Grade C offices also suffered similar fate. With a good level of FDIs recorded in 2008 and 2009, we believe the balance of supply and demand in the office market is at a sustainable level. Foreign banks and multinational companies continue to be the biggest drivers of demand for the Grade A office market.

The prime retail market in HCMC continued to enjoy robust growth in market rentals in 2009 with the average rental values increasing from US$84 psm per month in 2008 to US$97 psm per month in the fourth quarter of 2009. The contrast between retail malls situated in the Central Business District area ("CBD") and those in the suburban areas were more apparent in 2009 as several significant new retail malls such as Lotte Plaza, Alta Plaza and Saigon Paragon were unable to command similar rates and tenancy levels. Suburban malls continue to face downward pressure in rental rates, with an average of approximately US$47 psm per month in the fourth quarter of 2009. Nevertheless, 2009 was an exciting year for the retail market in HCMC with the entry of several foreign mid to high-end brands, such as Hermes, Debenhams, Naf Naf, Aldo and Morgan de Toi. Hard Rock Cafe has also opened its doors in HCMC occupying prime space in the newly completed Kumho Plaza.

Aseana Properties' investments in Vietnam all feature both residential and commercial components. With four ongoing investments in HCMC, the Group will continue to seek further growth opportunities in the city. Highlights of the current investments include:

- **Queen's Place**
  Queen's Place is a planned mixed residential, office and retail development strategically located on the periphery of District 4, adjacent to District 1, the central business and commercial district of HCMC. Aseana Properties has a 65% stake in this development, and Binh Duong Corporation, a Vietnamese property development company holds the remaining 35% stake. Resettlement planning is currently underway for this project.

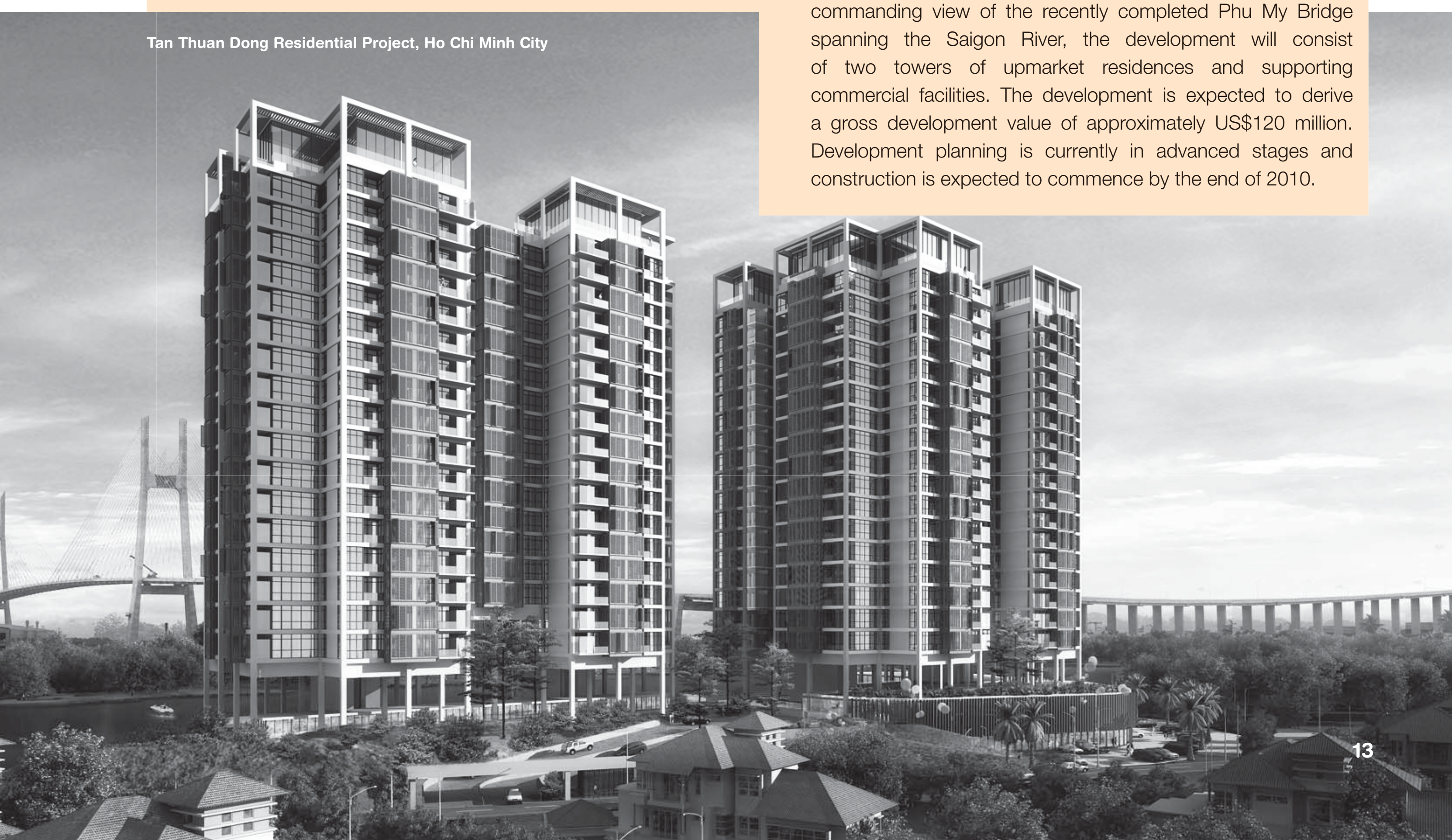
- **International Hi-Tech Healthcare Park**
  International Hi-Tech Healthcare Park ("IHTHP") is a planned mixed development over 37.54 hectares of land consisting of world-class private hospitals, mixed commercial, hospitality and residential developments. This development is located in the Binh Tan District and close to Chinatown, the most affluent district in HCMC. Aseana Properties has a 51% stake in this development. Approximately 19.7 hectares of land will be dedicated to hospital and commercial developments, and 4.9 hectares has been allocated to residential development. Construction planning for the first phase of the 250 bed tertiary care hospital is at an advanced stage, and piling work for the hospital is expected to commence in the second quarter of 2010. In the meantime, the project team is also working on development planning for the residential components of IHTHP. Negotiations are also currently underway with a number of investors in the healthcare and educational fields to partner in individual projects within the IHTHP.

- **Nam Long Investment Corporation**
  In 2008, Aseana Properties acquired a strategic minority stake in Nam Long Investment Corporation, a private property development company in Vietnam, with market leadership in the low to medium-end segment of the market. Sales of their low to medium housing called "E-homes" continued to be robust in 2009, and had registered near sold out sales for all its new launches despite the tough economic conditions. Key to Nam Long's E-homes success is affordability, where units are priced below US$150,000 per unit, and an innovative approach towards the design of the homes. Nam Long currently has over 500 hectares of land bank mainly in HCMC and its neighbouring provinces, making it one of the largest property developers by land bank in HCMC. Through this partnership with Nam Long, Aseana Properties is expected to co-develop at least three high-end projects with Nam Long, the first of which was announced in November 2009, as described below.

- **Tan Thuan Dong Residential Project**
  In November 2009, Aseana Properties announced that it had entered into a conditional joint venture agreement with Nam Long Investment Corporation to develop an upscale residential development in Tan Thuan Dong area, District 7 of HCMC, a prime suburban residential and commercial location of choice for many Vietnamese and expatriates. The completion of the joint venture agreement was conditional upon the award of an Investment License and the transfer of the Land Use Rights Certificate for the development land to a joint venture company between Aseana Properties and Nam Long. Aseana Properties will take an 80% stake in this project.

  With land area of approximately 20,158 square metres and a commanding view of the recently completed Phu My Bridge spanning the Saigon River, the development will consist of two towers of upmarket residences and supporting commercial facilities. The development is expected to derive a gross development value of approximately US$120 million. Development planning is currently in advanced stages and construction is expected to commence by the end of 2010.

Tan Thuan Dong Residential Project, Ho Chi Minh City



DEVELOPMENT MANAGER'S REVIEW

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Queen's Place, Ho Chi Minh City

In the third quarter of 2009, the Company has successfully retrieved its deposit (*inclusive of interest*) relating to the Wall Street Centre project, which had been on hold for some time. Following continued administrative delays, the Company agreed on the refund with the People's Committee of District 1, HCMC. Aseana Properties is now no longer a joint venture party to this project. This is in line with the Group's strategy of continually optimising all of its investments in Vietnam and focusing only on projects with the potential to launch in the short to medium term.

FUTURE OUTLOOK

We believe Aseana Properties is well positioned for the challenges of 2010 with its mixture of maturing projects and those at a nascent stage of development. We have held our nerve through a difficult economic period and focused on maximising the potential of all our developments. We believe that we have balanced taking the right decisions now with making investments for the medium and long-term future success of Aseana Properties. In Malaysia, we plan to realise our earlier investments, whilst seeking proven and established opportunities. We continue to be excited with growth opportunities in a young economy like Vietnam, and are confident that the projects in hand will be able to capitalise on this growth trend.

The improvement in Aseana Properties' share price, alongside the global capital markets, from its trading lows in 2009, has gone some way to putting us back on-track as an investment vehicle of choice for the real estate markets of Vietnam and Malaysia. We will continue to work closely with the Board to narrow the gap between the share price and the underlying Net Asset Value of the Group. We remain committed to a regime of prudent cash flow management and timely and cost efficient delivery of the projects.

Finally, we would like to thank the Board of Aseana Properties, our advisors and business associates for their support and guidance throughout 2009. We look forward to working together towards further successes in 2010 and I am confident that Aseana Properties will continue to prosper in these challenging times.

LAI VOON HON
CHIEF EXECUTIVE OFFICER
Ireka Development Management Sdn. Bhd.
The Development Manager
21 April 2010

Sandakan Harbour Square Esplanade, Sabah

PROPERTY PORTFOLIO

Project	Type	Cost of Acquisition/ Equity [1] (US$)	Market Value [2] (US$)
Projects under development as at 31 December 2009			
i-ZEN@Kiara I, Kuala Lumpur, Malaysia	Serviced residences	3,998,840	5,582,247
Tiffani by i-ZEN, Kuala Lumpur, Malaysia	Luxury condominiums	15,274,279	18,329,125
one Mont' Kiara by i-ZEN, Kuala Lumpur, Malaysia	Office suites, office tower and retail mall	21,453,419	22,126,027
Sandakan Harbour Square, Sandakan, Sabah, Malaysia	Retail lots, hotel and retail mall		
- initial acquisition		18,701,588	33,991,198
- non-controlling interest acquisition		4,182,644 [3]	
SENI Mont' Kiara, Kuala Lumpur, Malaysia	Luxury condominiums		
- initial acquisition		66,172,832	92,689,395
- non-controlling interest acquisition		3,447,051 [3]	
Kuala Lumpur Sentral Office Towers & Hotel, Kuala Lumpur, Malaysia	Office towers and a business hotel	5,171,674	8,557,327
Kota Kinabalu seafront resort & residences, Kota Kinabalu, Sabah, Malaysia	Resort homes, boutique resort hotel and resort villas	10,354,782 [(a)]	15,354,516
Queen's Place, Ho Chi Minh City, Vietnam	Residential, offices and retail mall	11,283,460 [(b)]	n/a [4]
Equity investment in Nam Long Investment Corporation, an established developer in Ho Chi Minh City, Vietnam	Private equity investment	17,223,620	n/a [4]
International Hi-Tech Healthcare Park, Ho Chi Minh City, Vietnam	Commercial and residential development with healthcare theme	27,601,000 [(b)]	n/a [4]
Acquisitions pending completion as at 31 December 2009			
TM Mont' Kiara Commercial Development, Kuala Lumpur, Malaysia	Commercial and office suites	3,130,609 [(c)]	3,793,400
Tan Thuan Dong Project, Ho Chi Minh City, Vietnam	Apartments and commercial development	9,600,000 [(b)]	n/a [4]
KLCC Kia Peng Residential Project, Kuala Lumpur, Malaysia	Luxury residential tower	8,370,000 [(b)]	n/a [4]

Notes:

[1] Relates to actual equity deployed by Aseana Properties except for the following:
a. Land cost, un-leveraged paid
b. Estimated equity to be deployed
c. Expected land cost, un-leveraged to be paid

[2] Market value as at 31 December 2009 relates to effective interest of Aseana Properties.
[3] Aseana Properties has acquired the non-controlling interest during the year under review.
[4] No market valuation has been carried out as they are not assessable at this time.

PERFORMANCE SUMMARY

	Audited Year ended 31 December 2009	Audited Restated Year ended 31 December 2008 [1]	Audited Previously Reported Year ended 31 December 2008
Total Returns Since Listing			
Ordinary share price	-54.50%	-78.50%	-78.50%
FTSE All-share index	-17.14%	-33.39%	-33.39%
FTSE 350 Real Estate Index [2]	-63.27%	-65.66%	-65.66%
One Year Returns			
Ordinary share price	111.63%	-79.29%	-79.29%
FTSE All-share index	24.96%	-32.78%	-32.78%
FTSE 350 Real Estate Index [2]	6.95%	-45.99%	-45.99%
Capital Values			
Total assets less current liabilities (US$ M)	295.21	312.11	325.49
Net asset value per share (US$)	0.96	0.84	0.89
Ordinary share price (US$)	0.46	0.22	0.22
FTSE 350 Real Estate Index [2]	344.49	322.10	322.10
Gearing			
Gearing [3]	58.45%	45.79%	43.87%
Gearing (net of cash)	28.24%	13.79%	13.66%
Earnings Per Share			
Earnings per ordinary share - basic (US cents)	0.37	-10.86	-5.33
- diluted (US cents)	0.37	-10.86	-5.33
Total Expenses Ratio [4]			
As a percentage of total assets less current liabilities	4.45%	6.98%	2.30%

Notes:

1 The financial results for year ended 31 December 2008 have been restated following the adoption of IAS 18 resulting from the release of IFRIC 15. Please see Note 49: Comparative Figure for further details.

2 The Group's previous index comparison, FTSE All Share Real Estate Index has been discontinued on 30 November 2009, and replaced with FTSE 350 Real Estate Index.

3 Gearing = Total Borrowings ÷ Shareholders' Fund

4 Total expense ratio = Management fees, Operating and Administrative expenses ÷ Total Assets less Current liabilities

FINANCIAL REVIEW

FINANCIAL REVIEW

Aseana Properties achieved positive results in 2009, following the completion of two projects during the year. Effective from 1 January 2009, the Group has adopted IFRIC 15 – Agreements for the Construction of Real Estate and IAS 18, which prescribes that revenue from sale of properties is recognised when effective control of ownership of the properties is transferred to the purchaser upon issuance of the completion certificate or occupation permit. The adoption of IFRIC 15 is applied retrospectively, and accordingly, the comparatives are restated as shown in Note 49.

PERFORMANCE

Revenue was US$115.3 million, a 200% increase over 2008. The revenue was mainly attributed to the sale of properties in i-ZEN@Kiara I (US$3.9 million), Tiffani by i-ZEN (US$91.9 million) and Sandakan Harbour Square (Phase 2) (US$18.7 million), all located in Malaysia. Net profit before taxation was US$4.3 million, compared to US$27.4 million loss in 2008. This included an unrealised foreign exchange gain of US$1.9 million (2008: unrealised exchange loss of US$9.9 million) arising from weakening of US Dollars against foreign currency holdings in the Group; write down of cost of acquisition of Initial Portfolio assets of US$9.3 million (2008: US$4.0 million); and management fee of US$4.2 million (2008: US$4.7 million) based on 2% of the net asset value of the Group.

The taxation for 2009 was US$3.6 million, compared to US$1.1 million in 2008, reflecting the Group's improved profit arising from increase number of projects completed. The net profit attributable to shareholders was US$0.8 million, compared to a net loss of US$27.2 million.

Basic and diluted earnings per share were US cents 0.37 (2008: Loss per share of US cents 10.86).

STATEMENT OF FINANCIAL POSITION

Total assets of US$528.8 million were US$68.1 million higher than 2008, mainly reflecting the investment in new projects and an increase in the value of the development cost. Cash and cash equivalents was US$62.0 million, US$5.3 million lower than 2008.

CASH FLOW AND FUNDING

Operating cash flow was negative but improved from US$47.1 million in 2008 to US$9.4 million in 2009. Cash used in investing activities included US$12.1 million paid for investment in subsidiaries and land acquisition and US$4.2 million paid for the last tranche of shares subscribed in Nam Long.

Borrowings are normally taken out by the Group's subsidiaries to fund property development projects. The Group had gross borrowings of US$120.0 million (2008: US$96.2 million), an increase of 25% over the previous year, reflecting the increase in investments and business activities. Gearing increased from 45.8% in 2008 to 58.4% in 2009, mainly due to reduction in Shareholders' Equity arising from the cancellation of the shares bought back.

Investment income decreased from US$4.5 million in 2008 to US$2.1 million in 2009, while finance costs increased from US$0.4 million in 2008 to US$0.6 million in 2009.

DIVIDEND

No dividend was paid in 2009. To enhance shareholders' value, the Board had decided to utilise the cash flow generated by i-ZEN@Kiara I to buy back shares. Collectively, the Company had bought back 37,475,000 ordinary shares at a total cost of US$6.0 million.

PRINCIPAL RISKS AND UNCERTAINTIES

A review of the principal risks and uncertainties facing the Group is set out in the Directors' Report on page 22.

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 has close involvement with the day-to-day operation matters of the Group.

A comprehensive discussion of the Group's financial risk management policies is included in Note 4 to the financial statements.

MONICA LAI VOON HUEY
CHIEF FINANCIAL OFFICER
Ireka Development Management Sdn. Bhd.
The Development Manager
21 April 2010

CORPORATE SOCIAL RESPONSIBILITY

Aseana Properties' Corporate Social Responsibility ("CSR") guiding principles are built on the following areas that reflect the existing and emerging standards of CSR:

MANAGING CORPORATE RESPONSIBILITY

We manage our corporate responsibility to help in our development and management of sustainable, commercially viable properties that are attractive to customers, contributing to higher returns to our shareholders. We review corporate responsibility issues as part of the risks of business, and ensure that the reputation of the Group is protected and shareholders' values are enhanced.

ENVIRONMENTAL MANAGEMENT

Aseana Properties is committed to environmental protection and stewardship. We recognise that our development operation will have effects on the environment and always aim to operate in manners that mitigate the impact on the environment. For example, we work with local authorities and planners to ensure that environmental protection and amenity improvement are key criteria in any project scheme. We also work with architects and designers to incorporate natural elements such as water, greenery, light and air into our scheme. We promote best practice among contractors and suppliers in all issues relating to resource conservation and pollution control.

HEALTH AND SAFETY

Aseana Properties is committed to protecting the health and safety of our customers, employees, suppliers and the public by providing a safe and healthy environment.

As a property developer, health and safety at project sites is a top priority for us. We work very closely with contractors to ensure that effective health and safety measures are implemented at all work sites. For example, the main contractor with whom we work in Malaysia has implemented a Project Safety Plan which contains safety practices, procedures and codes of practice that are in compliance with the current Malaysian Factories and Machinery Regulations 1986 and the Occupational Safety and Health Act 1994 and Regulations. We also ensure that contractors implement health and safety education and training programmes to promote health and safety policies and procedures to site personnel and ensure continuous improvement of health and safety standards.

EMPLOYEES

Aseana Properties has engaged Ireka Development Management Sdn. Bhd. as the Development Manager to oversee the day-to-day operation of the Group. The Company, however, works with the Development Manager to ensure that their employees are treated fairly and with dignity, and are provided with an environment that is safe and healthy, and where they may achieve their personal and career goals.

COMMUNITY

Aseana Properties believes in supporting social benefit works, and participate in community activities that enhance social progress and public welfare and link our development projects closely with those of the society it serves. During the year, the Group has continued to contribute in the areas of education, as well as causes that benefit children.

Aseana Properties participated in charity events, in which proceeds were donated to several children homes in Malaysia. Additionally, Aseana also contributed to funds that were specifically utilised for school's building programme. In September last year, Aseana Properties had also contributed to funds that assist the victims of the Ketsana typhoon in their social and healthcare needs.

STAKEHOLDERS

Aseana Properties is committed to meaningful dialogue and relevant actions with all stakeholders and will engage them in a clear, honest and respectful way.

BOARD OF DIRECTORS

DATO' MOHAMMED AZLAN BIN HASHIM
NON-EXECUTIVE CHAIRMAN

Mohammed Azlan bin Hashim was appointed as Chairman (Non-Executive) of Aseana Properties in March 2007. Currently, Azlan is also Chairman of Westcomb Financial Group Limited and Asiasons Capital Limited and a director of Parkway Holdings Limited which are public listed companies on the Singapore Exchange.

In Malaysia, Azlan serves as Chairman of several public listed entities, listed on Bursa Malaysia Securities Berhad including D&O Green Technologies Berhad (formerly known as D&O Ventures Berhad) and SILK Holdings Berhad. He is also a director of Scomi Group Bhd. He has extensive experience working in the corporate sectors including financial services and investments. Among others, he has served as Chief Executive, Bumiputra Merchant Bankers Berhad, Group Managing Director, Amanah Capital Malaysia Berhad and Executive Chairman, Bursa Malaysia Berhad (formerly known as Kuala Lumpur Stock Exchange) Group.

Azlan is also a Board Member of various government and non-government related organisations including Khazanah Nasional Berhad, Labuan Offshore Financial Services Authority and member of Employees Provident Fund Investment Panel.

Azlan holds a Bachelor of Economics from Monash University, Melbourne and qualified as a Chartered Accountant in 1981. He is a Fellow Member of the Institute of Chartered Accountant, Australia, Member of the Malaysian Institute of Accountants, Fellow Member of the Malaysian Institute of Directors, Fellow Member of the Institute of Chartered Secretaries and Administrators and Hon. Member of The Institute of Internal Auditors, Malaysia.

CHRISTOPHER HENRY LOVELL
NON-EXECUTIVE DIRECTOR

Christopher Lovell was appointed as Director (Non-Executive) of Aseana Properties in March 2007. Christopher is an English Solicitor who has practised in Jersey since 1979. He was a partner in Theodore Goddard between 1983 and 1993 before setting up his own legal practice in Jersey. In 2000 he was one of the founding principals of Channel House Trustees Limited, a Jersey regulated trust company, which was acquired by Capita Group plc in 2005, when he became a director of Capita's Jersey regulated trust company. He joined Governance Partners LP, an independent corporate governance practice, on his retirement from Capita in January 2010.

Christopher was a director of BFS Equity Income & Bond plc between 1998 and 2004, BFS Managed Properties plc between 2001 and 2005 and Yatra Capital Limited between 2005 and 2010. His other current non executive directorships include Treveria Plc, NR Nordic & Russia Properties Limited and Public Service Properties Investments Limited.

BOARD OF DIRECTORS

cont'd

DAVID HARRIS
NON-EXECUTIVE DIRECTOR

DATO' SERI ISMAIL BIN SHAHUDIN
NON-EXECUTIVE DIRECTOR

David Harris was appointed as Director (Non-Executive) of Aseana Properties in March 2007. David is currently Chief Executive of InvaTrust Consultancy Ltd, a company that specialises in the provision of investment marketing services to the Financial Services Industry in both the UK and Europe. He was formerly Managing Director of Chantrey Financial Management Ltd, a successful investment and fund management company linked to Chartered Accountants, Chantrey Vellacott. From 1995 to 2000 he was Director of the Association of Investment Companies overseeing marketing and technical training.

He is currently a non-executive director of a number of quoted companies in the UK including Character Group plc, COBRA Holdings plc, Small Companies Dividend Trust plc, F&C Managed Portfolio Trust plc and Manchester & London Investment Trust plc. He writes regularly for both the national and trade press and appears regularly on TV and Radio as an investment commentator. He is a previous winner of the award "Best Investment Adviser" in the UK.

Ismail bin Shahudin was appointed as Director (Non-Executive) of Aseana Properties in March 2007. Ismail is chairman of Maybank Islamic Berhad, chairman of SMPC Corporation Berhad and also serves as Independent Non-Executive board member of several Malaysia public listed entities, among others, Malayan Banking Berhad which is Malaysia's largest bank, Plus Express Berhad, Mutiara Goodyear Development Berhad, EP Manufacturing Berhad, UEM Group Berhad which is a non-listed wholly owned subsidiary of Khazanah Nasional Berhad, one of the Malaysia government's investment arm.

Ismail started his career in ESSO Malaysia in 1974 before joining Citibank Malaysia in 1979. He was subsequently posted to Citibank's headquarters in New York in 1984, returning to Malaysia in 1986 as the Vice President & Group Head of Public Sector and Financial Institutions Group. Subsequently, he served as the Deputy General Manager for the then United Asian Bank Berhad before joining Maybank in 1992 in which he had spent 10 years retiring as Executive Director. Ismail subsequently assumed the position of Group CEO of MMC Corporation Berhad in 2002 till March 2006. Ismail was the Non-Executive Chairman of Bank Muamalat (a full-fledged Islamic banking group in Malaysia) from March 2004 until his retirement in July 2008.

Ismail holds a bachelor of Economics (Hons) degree from University of Malaya.

JOHN LYNTON JONES
NON-EXECUTIVE DIRECTOR

GERALD ONG CHONG KENG
NON-EXECUTIVE DIRECTOR

John Lynton Jones was appointed as Director (Non-Executive) of Aseana Properties in March 2007. Lynton is chairman of Bourse Consult, a consultancy that advises clients on initiatives relating to exchange trading, regulation, clearing and settlement. He has an extensive background as a chief executive of several exchanges in London, including the International Petroleum Exchange, the OM London Exchange, and Nasdaq International (whose operations he set up in Europe in the late 1980s). He was chairman of the Morgan Stanley/OMX joint venture Jiway in 2000 and 2001.

At the time of "Big Bang" in the mid-1980s he ran public affairs for the London Stock Exchange. He spent the first 15 years of his career in the British Diplomatic Service where he became private secretary to a minister of state and concluded this stage of his career as Financial Services Attaché at the British Embassy in Paris.

He spent several years as a board member of London's Futures and Options Association and of the London Clearing House. He is an advisor to the City of London Corporation and was the founding chairman of the Dubai International Financial Exchange (now known as Nasdaq Dubai) from 2003 until 2006. He serves on the board of Kenetics Group Limited, an AIM-listed company and is a Trustee of the Horniman Museum in London. He studied at the University of Wales, Aberystwyth, where he took a first class honours in International Politics.

Gerald Ong was appointed as Director (Non-Executive) of Aseana Properties in September 2009. Gerald is Chief Executive Officer of PrimePartners Corporate Finance Pte Ltd, has over 20 years of corporate finance related experience at various financial institutions providing a wide variety of services from advisory, M&A activities and fund raising exercises incorporating various structures such as equity, equity-linked and derivative-enhanced issues.

Gerald has been the Chairman of the Singapore Investment Banks Association Corporate Finance Committee since 2007 and has been granted the Financial Industry Certified Professional status. He is an alumnus of the National University of Singapore, University of British Columbia and Harvard Business School.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Group are acquisition, development and redevelopment of upscale residential, commercial and hospitality projects in the major cities of Malaysia and Vietnam.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The statement of comprehensive income for the year is set out on pages 32 to 33. A review of the development and performance of the business has been set out in the Chairman's Statement, the Development Manager's Review and the Financial Review reports.

OBJECTIVES AND STRATEGY

The Company's investment objective is to provide shareholders with an attractive overall total return achieved primarily through capital appreciation by investing in properties in Malaysia and Vietnam. The Company intends to achieve its investment objective through acquisition, development and redevelopment of upscale residential, commercial and hospitality projects leveraging on the Development Manager's experience in these sectors. The Company will typically invest in development projects at the pre-construction stage. It will also selectively invest in projects under construction and newly completed projects with the potential for high capital appreciation.

The Company will only invest in projects where, at the time the investment is made, both the Company and the Development Manager reasonably believe that there will be a minimum 30% annualised Return on Equity ("ROE") where the Company makes investments in Vietnam and a minimum of 20% ROE where the Company makes investments in Malaysia.

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 Note 4 to the financial statements.

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

The Board seeks to mitigate and manage these risks through continual review, policy setting and enforcement of contractual rights and obligations. It also regularly monitors the economic and investment environment in countries that it operates in and the management of the Group's property development portfolio. Details of the Group's internal controls are described on page 28.

RESULTS AND DIVIDENDS

The results for the year ended 31 December 2009 are set out in the attached financial statements.

No dividends were declared nor paid during the financial year under review.

PURCHASE OF OWN SHARES

The Company was granted authority in a resolution at the Extraordinary General Meeting on 17 October 2008 to purchase its own shares up to a total aggregate value of 14.99% of the issued ordinary share capital. The authority shall expire 12 months from the date of passing of this resolution unless otherwise renewed, varied or revoked. The Company renewed the authority at its Annual General Meeting held on 2 June 2009.

On 22 April 2009, the Company purchased 25,000,000 ordinary shares at a price of US$0.15 per share and held in treasury. On 1 June 2009, the Company further purchased 12,475,000 ordinary shares at a price of US$0.18 per share for cancellation. On the same day, the Company also cancelled 1,400,000 ordinary shares out of 25,000,000 held in treasury shares, leaving a balance of 23,600,000 treasury shares. On 31 December 2009, the Company cancelled all 23,600,000 ordinary shares held in treasury. Following the cancellation, the current total number of shares in issue and the voting share capital of the Company stood at 212,525,000.

SHARE CAPITAL

A total of 37,475,000 ordinary shares of US$0.05 each at US$1.00 per share were cancelled during the year. No shares have been issued in 2009. Further details on share capital are stated in Note 30.

DIRECTORS

The following were directors of Aseana Properties who held office throughout the financial year and up to the date of this report:

- Dato' Mohammed Azlan Bin Hashim – Chairman
- Christopher Henry Lovell
- David Harris
- Dato' Seri Ismail Bin Shahudin
- John Lynton Jones
- Gerald Ong Chong Keng (Appointed on 16 September 2009)

DIRECTORS' INTERESTS

The interests of the directors in the Company's shares at 31 December 2009 and at the date of this report were as follows:

Number of Shares held:

DIRECTOR	ORDINARY SHARES OF US$0.05 EACH
Christopher Henry Lovell	48,000
John Lynton Jones	20,000
David Harris	79,000

None of the other directors in office at the end of the financial year had any interest in shares in the Company during the financial year.

MANAGEMENT

The Board has contractually delegated the development management of the property development portfolio to Ireka Development Management Sdn. Bhd. (the "Development Manager"). The Development Manager is a wholly-owned subsidiary of Ireka Corporation Berhad, a company listed on Bursa Malaysia since 1993 which has more than 40 years of experience in construction and property development. Under the management contract, the Development Manager will be principally responsible for, inter alia, implementing the real estate strategy for the Company, engaging, managing and coordinating third parties in relation to the management and development of properties to be acquired and lead the negotiation for the acquisition or disposal of assets and the financing of such assets.

SUBSTANTIAL SHAREHOLDERS

The Board was aware of the following direct and indirect interests comprising a significant amount of the 3% or issued share capital of the Company at the latest practicable date before the publication of this Report as at 31 March 2010:

	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF ISSUED SHARE CAPITAL
Ireka Corporation Berhad	48,913,623	23.02%
Legacy Essence Limited	39,086,377	18.39%
European Clearing	26,153,270	12.31%
Henderson New Star	21,996,171	10.35%
Standard Life Investments	15,000,000	7.06%
Dr. Thong Kok Cheong	10,700,000	5.03%

EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

On 20 April 2010, the Company has, via its wholly-owned subsidiary ASPL M9 Limited subscribed for 700,000 ordinary shares representing 70% of the issued shares, of RM1.00 each for a total cash consideration of RM700,000 in World Trade Frontier Sdn. Bhd. pursuant to the Share Subscription Agreement dated 31 December 2009 signed between ASPL M9 Limited, Ireka Corporation Berhad and World Trade Frontier Sdn. Bhd.

EMPLOYEES

The Company has no executive directors or employees. A management agreement exists between the Company and its Development Manager which sets out the role of the Development Manager in managing the operating units of the Company. The Development Manager had seventy-one managerial and technical staff under its employment in Malaysia and Vietnam as at 31 December 2009.

GOING CONCERN

The Directors are confident that the Group has adequate financial resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

cont'd

CREDITORS PAYMENT POLICY

The Group's operating companies are responsible for agreeing on the terms and conditions under which business transactions with their suppliers are conducted. It is the Group's policy that payments to suppliers are made in accordance with all relevant terms and conditions. Trade creditors as at 31 December 2009 amounted to 217 days (2008: 157 days) of purchases made in the year.

FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise cash balances, balances with related parties and other payables and receivables that arise in the normal course of business. The Group's Financial and Capital Risk Management Objectives and Policies are set out in Note 4 to the financial statements.

DIRECTORS' LIABILITIES

Subject to the conditions set out in the Companies (Jersey) Law 1991, the Company has arranged appropriate Directors' and Officers' insurance to indemnify the directors against liability in respect of proceedings brought by third parties. Such provisions remain in force at the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with International Financial Reporting Standards ("IFRSs"), interpretations from the International Financial Reporting Interpretations Committee ("IFRIC") and Companies (Jersey) Law 1991.

Jersey Law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Company and of the Group for that year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, comparable, understandable and prudent;
- ensure that the financial statements comply with IFRS; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Jersey Law. The directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for the maintenance and integrity of the Group's website on the internet. However, information is accessible in many different countries where legislation governing the preparation and dissemination of financial statements may differ from that applicable in the United Kingdom and Jersey.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Group's auditors, each director has taken all the steps that he is obliged to take as a director in order to have made himself aware of any relevant audit information and to establish that the auditor is aware of that information.

RE-APPOINTMENT OF AUDITORS

The auditors, Mazars LLP, have expressed their willingness to continue in office. A resolution proposing their re-appointment will be tabled at the forthcoming Annual General Meeting.

BOARD COMMITTEES

Information on the Audit Committee, Nomination Committee, Remuneration Committee, Management Engagement Committee and Investment Committee is included in the Corporate Governance section of the Annual Report on pages 26 to 28.

ANNUAL GENERAL MEETING

The tabling of the 2009 Annual Report and Financial Statements to shareholders will be at an Annual General Meeting ("AGM") to be held on 19 May 2010.

During the AGM, investors will be given the opportunity to question the board and to meet with them thereafter. They will be encouraged to participate in the meeting.

On behalf of the Board

DATO' MOHAMMED AZLAN BIN HASHIM
DIRECTOR

CHRISTOPHER HENRY LOVELL
DIRECTOR
21 April 2010

REPORT OF DIRECTORS' REMUNERATION

DIRECTORS' EMOLUMENTS

The Company has no executive directors or employees. Since all the directors are non-executive, the provisions of the Combined Code of Corporate Governance in respect of the directors' remuneration are not relevant except in so far as they relate specifically to non-executive directors.

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for all non-executive directors. The Remuneration Committee assesses the appropriateness of the emoluments on an annual basis by reference to market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board.

Details of the emoluments of each director of the Company for the year ended 31 December 2009 were as follows:

DIRECTOR	DIRECTOR FEES (US$)
Dato' Mohammed Azlan Bin Hashim	48,600
Christopher Henry Lovell	40,576
David Harris	40,576
Dato' Seri Ismail Bin Shahudin	40,576
John Lynton Jones	40,576
Gerald Ong Chong Keng (Appointed on 16 September 2009)	11,887
Total	222,791

SHARE OPTIONS

Non-executive directors are not permitted to participate in any share option scheme operated by the Company.

SHARE PRICE INFORMATION

- High for the year - US$0.468
- Low for the year - US$0.105
- Close for the year - US$0.455

PENSION SCHEME

In view of the non-executive nature of the directorships, no pension scheme exists in the Company.

SERVICE CONTRACTS

In view of the non-executive nature of the directorships, there are no service contracts in existence between the Company and any directors. Each of the directors was appointed by a letter of appointment that states their appointments subject to the Articles of Association of the Company which set out the main terms of their appointment.

JOHN LYNTON JONES
CHAIRMAN OF THE REMUNERATION COMMITTEE
21 April 2010

CORPORATE GOVERNANCE STATEMENT

The Financial Services Authority requires all UK incorporated listed companies to comply with the Combined Code of Corporate Governance (the "Combined Code"). The Company, as a Jersey incorporated company, is not subject to the Combined Code, but this Report outlines the significant ways in which its corporate governance practices differ from those set out in the Combine Code. The Board is committed to the high standards of good corporate governance embodied in the Combined Code and seeks to apply the principles of the Combined Code where practicable for a company of Aseana's size and complexity.

THE BOARD

The Company currently has a Board of six non-executive directors, including the non-executive Chairman. The brief biographies of the directors appear on pages 19 to 21 of this Report:

- Dato' Mohammed Azlan Bin Hashim (Non-executive chairman)
- Christopher Henry Lovell
- David Harris
- Dato' Seri Ismail Bin Shahudin
- John Lynton Jones
- Gerald Ong Chong Keng

The Board did not appoint a Chief Executive and a Senior Independent Director as set out in the Combine Code.

ROLE OF THE BOARD OF DIRECTORS

The Board's role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective control which enables risk to be assessed and managed. The Board sets the Company's strategic objectives, monitors and reviews the Company's operational and financial performance, ensures the Company has sufficient funding, examines and approves all major potential investment, acquisitions and disposals. The Board also sets the Company's values and standards and ensures obligations to its shareholders and other stakeholders are met.

MEETINGS OF THE BOARD OF DIRECTORS

The Board meets at least four times a year and at such other times as the Chairman shall require. The Board met six times during the year ended 31 December 2009 and every director attended all the board meetings. To enable the Board to discharge its duties effectively, all directors receive accurate, timely and clear information, including Board papers distributed in advance of Board meetings. All directors have access to the advice and services of the Company Secretary and advisors, who are responsible to the Board on matters of corporate governance.

BOARD BALANCE AND INDEPENDENCE

Being an externally-managed company, the Board consists solely of non-executive directors of which Dato' Mohammed Azlan Bin Hashim is the non-executive Chairman. The Board considers that the directors are independent.

The Chairman is responsible for leadership of the Board, ensuring effectiveness in all aspects of its role and setting agenda. Together, the directors bring a wide range of experience and expertise in business, law, finance and accountancy, which are required to successfully direct and supervise the business activities of the Company. The profiles of the directors are provided on pages 19 to 21 of this Annual Report.

PERFORMANCE APPRAISAL

The Board undertakes a formal annual evaluation of its own performance and that of its Committees and that of individual directors. However, the Board does not state in the annual report how this performance evaluation has been conducted. The reviews for 2009 took place in June and November.

RE-ELECTION OF DIRECTORS

The Company's Articles of Association provide that all Directors shall submit themselves for election at the first opportunity after their appointment, and shall not remain in office for longer than three years since their last election or re-election without submitting themselves for re-election. At the Annual General Meeting held on 2 June 2009, Mr. John Lynton Jones and Mr. David Harris who retired by rotation as directors were re-elected to the Board.

BOARD COMMITTEES

The Board has established Audit, Nomination, Remuneration, Management Engagement and Investment Committees which deal with specific aspects of the Company's affairs, each of which has written terms of reference which are reviewed annually. No one other than the committee chairman and members of the relevant committee is entitled to be present at a meeting of board committee, but others may attend at the invitation of the board committee. Copies of the terms of reference are kept by the Company Secretary and are available on request at the Company's registered office at 12 Castle Street, St. Helier, Jersey, JE2 3RT, Channel Islands.

AUDIT COMMITTEE

The Audit Committee consists of three member and is chaired by Christopher Henry Lovell. Its other members are Dato' Mohammed Azlan bin Hashim and Dato' Seri Ismail bin Shahudin. The Committee members have no links with the Company's external auditors and are independent of the Company's management. The Board considers that collectively the Audit Committee has sufficient recent and relevant financial experience with the ability to discharge its duties properly, through extensive service on the Boards and Audit Committees of other listed companies.

The Committee meets at least twice a year and at such other times as the Chairman of the Audit Committee shall require. The Committee met twice during the year ended 31 December 2009. Any member of the Audit Committee or the auditors may request a meeting if they consider that one is necessary. A representative of the auditors, the Chief Financial Officer and Chief Executive Officer of the Development Manager may attend by invitation.

The Committee is responsible for:

- monitoring, in discussion with the auditors, the integrity of the financial statements of the Company, any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgements contained in them;
- reviewing the Company's internal financial controls and risk management system;
- making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditors and approving the remuneration and terms of engagement of the external auditors to be put to the shareholders for their approval in general meetings;
- reviewing and monitoring the external auditor's independence and objectivity and effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- developing and implementing policy on engagement of the external auditors to supply non-audit services; and
- reporting to the Board any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

NOMINATION COMMITTEE

The Nomination Committee is chaired by Dato' Mohammed Azlan bin Hashim. Its other members are David Harris and John Lynton Jones. The Committee meets at least once a year and at any such times as the Chairman of the Nomination Committee shall require. The Committee met twice during the year ended 31 December 2009 and were attended by all the committee members as well as other board members at the invitation of the Nomination Committee.

The Committee is responsible for:

- regularly reviewing the structure, size and composition (including skills, knowledge and experience) of the Board and making recommendations to the Board with regard to any change;
- considering the re-appointment of any Directors at the conclusion of their specified term of office or retiring in accordance with the Company's Articles of Association;
- identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise; and
- considering any matter relating to the continuation in office of any Director at any time.

REMUNERATION COMMITTEE

The Remuneration Committee is chaired by John Lynton Jones. Its other members are David Harris and Dato' Seri Ismail bin Shahudin.

The Committee meets at least once a year and at any such times as the Chairman of the Remuneration Committee shall require. The Committee met once during the year ended 31 December 2009. The meeting was attended by all the committee members as well as other board members at the invitation of the Remuneration Committee.

The Committee is responsible for:

- determining and agreeing with the Board the framework for the remuneration of the Directors;
- setting the remuneration for all Directors; and
- ensuring that provisions regarding disclosure of remuneration as set out in the Directors' Remuneration Report, are fulfilled.

MANAGEMENT ENGAGEMENT COMMITTEE

The Management Engagement Committee is chaired by Dato' Mohammed Azlan bin Hashim. Its other members are David Harris and John Lynton Jones. The Committee meets at least twice a year and at any such times as the Chairman of the Management Engagement Committee shall require. The Committee met twice during the year ended 31 December 2009. The meetings was attended by all the committee members as well as other board members at the invitation of the Management Engagement Committee.

The Committee is responsible for:

- monitoring compliance by the manager with the terms of the Management Agreement;
- reviewing the terms of the Management Agreement from time to time to ensure that the terms thereof conform with market and industry practice and remain in the best interest of shareholders;
- from time to time monitor compliance by providers of other services to the Company with the terms of their respective agreements; and
- review and consider the appointment and remuneration of providers of services to the Company.

INVESTMENT COMMITTEE

The Investment Committee is appointed by the Board and comprises five members, being Kumar Tharmalingam, Lai Voon Hon, Mai Xuan Loc, Monica Lai Voon Huey and Dang The Duc. Kumar Tharmalingam, Mai Xuan Loc and Dang The Duc are independent while Lai Voon Hon and Monica Lai are the Chief Executive Officer and the Chief Financial Officer of the Development Manager respectively. The Committee meets at such times as required to review and evaluate potential investments for recommendation to the Board.

CORPORATE GOVERNANCE STATEMENT

cont'd

FINANCIAL REPORTING

The Board aims to present a balanced and understandable assessment of the Company's position and prospects in all reports to shareholders, investors and regulatory authorities. This assessment is primarily provided in the Annual Report through the Chairman's Statement, Development Manager's Review Statement, Financial Review Statement, Directors' Report and Auditors' Report.

The Audit Committee has reviewed the significant reporting issues and judgements made in connection with the preparation of the Company's financial statements including significant accounting policies, significant estimates and judgements. The Audit Committee has also reviewed the clarity, appropriateness and completeness of disclosures in the financial statements.

INTERNAL AUDIT

The Board has confirmed that the systems and procedures employed by the Development Manager, including the work carried out by the Company's internal auditors, provide sufficient assurance that a sound system of internal control is maintained. An internal audit function specific to the Company is therefore considered not necessary.

AUDITORS

The Audit Committee's responsibilities include monitoring and reviewing the performance and independence of the Company's auditors, Mazars LLP.

Pursuant to audit and ethical standards, the auditors are required to assess and confirm to the Board their independence, integrity and objectivity. The auditors have carried out assessment and do consider themselves to be independent, objective and in compliance with the APB (Auditing Practices Board) Ethnical Standards.

INTERNAL CONTROL

The Board is responsible for the effectiveness of the Company's internal control system and is supplied with information to enable it to discharge its duties. Internal control systems are designed to meet the particular needs of the Company and to manage rather than eliminate the risk of failure to meet business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The process is based principally on the Development Manager's existing risk-based approach to internal controls.

During the year, the Board discharged its responsibility for internal controls through the following key procedures:

- clearly defined delegation of responsibilities to the committees of the Board and to the Development Manager, including authorisation levels for all aspects of the business;
- regular and comprehensive information provided to the Board covering financial performance and key business indicators;
- a detailed system of budgeting, planning and reporting which is approved by the Board and monitoring of results against budget with variances being followed up and action taken, where necessary; and
- regular visits to operating units and projects by the Board.

RELATIONSHIP WITH SHAREHOLDERS

The Company has designated the Development Manager's Chief Executive Officer and designated members of its senior management as the principal spokesmen with investors, analysts, fund managers, the press and other interested parties. The Board is informed on material information provided to shareholders and are advised of their feedback.

To promote effective communication, the Company has a website, **www.aseanaproperties.com** that shareholders and investors can access for information.

ANNUAL GENERAL MEETING ("AGM")

The AGM is the principal forum for dialogue with shareholders. During and after the AGM, investors are given the opportunity to question the Board and seek clarification on the business and affairs of the Group.

Notices of the AGM and related papers are sent out to shareholders in good time to allow for full consideration prior to the AGM. Each item of special business included is accompanied by an explanation of the purpose and effect of a proposed resolution. The Chairman declares the number of proxy votes received for and against each resolution.

CHRISTOPHER HENRY LOVELL
CHAIRMAN OF THE AUDIT COMMITTEE
21 April 2010

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ASEANA PROPERTIES LIMITED

We have audited the consolidated and parent company financial statements (the "financial statements") of Aseana Properties Limited for the year ended 31 December 2009 which comprise the Consolidated and Parent Company Statements of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's Directors are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991, and whether the information given in the Directors' Report is not consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement, the Development Manager's Review, the Property Portfolio, the Performance Summary, the Financial Review, the Corporate Social Responsibility Statement, the Directors' Report, the Report of Directors' Remuneration and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent material misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion:

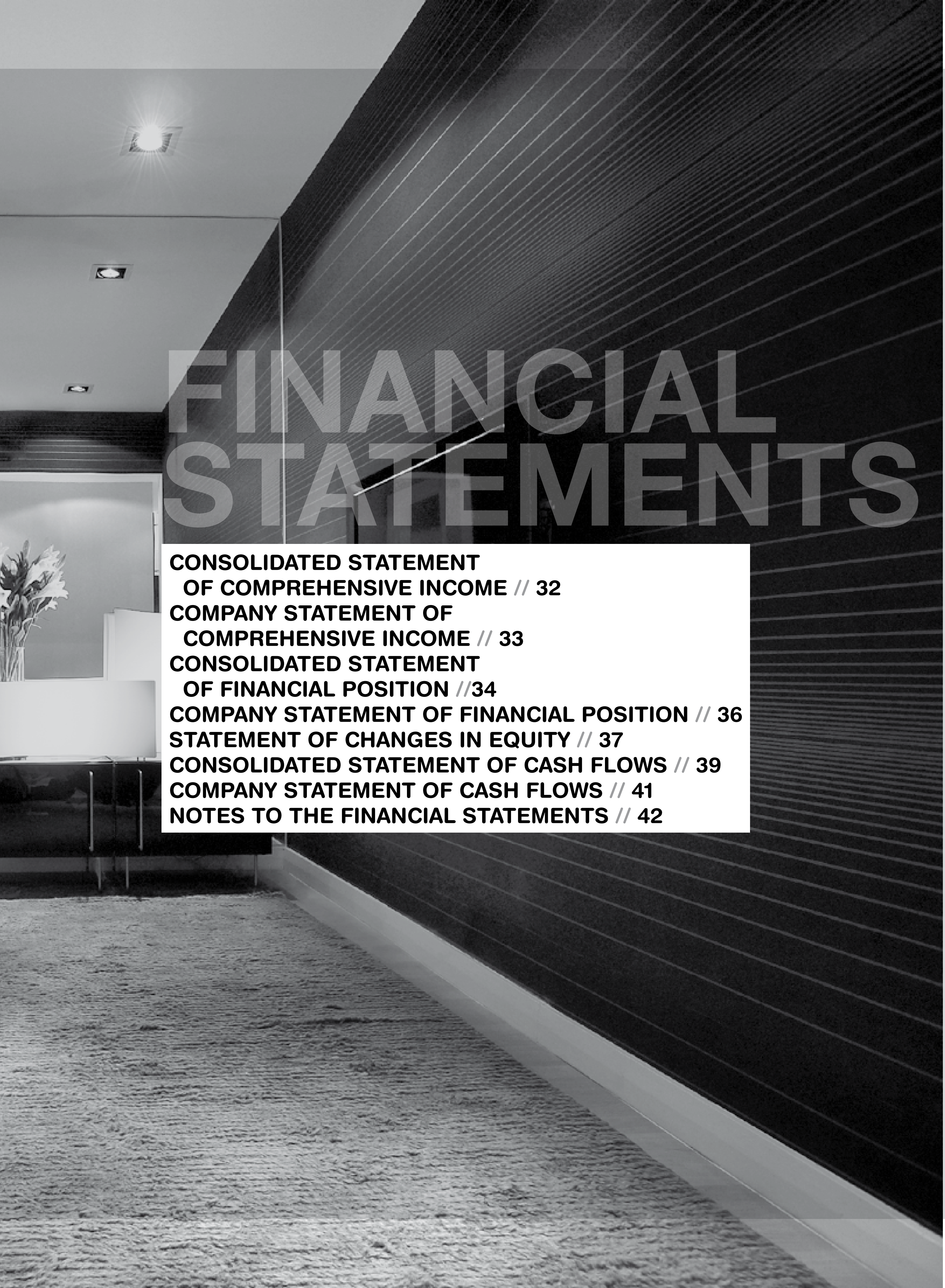
- the financial statements give a true and fair view, in accordance with IFRS, of the state of the Group's and the Parent Company's affairs as at 31 December 2009 and of the Group's and the Parent Company's profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991.

STACY EDEN (Senior statutory auditor)
for and on behalf of Mazars LLP, Chartered Accountants (Statutory auditor)

Tower Bridge House
St Katharine's Way
London
E1W 1DD
United Kingdom

21 April 2010


TEMPS CHANEL
TIFFANY



FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2009

Continuing activities	Notes	2009 US$	Restated 2008 US$
Revenue	6	**115,255,667**	38,369,141
Cost of sales	7	**(100,745,950)**	(36,111,599)
Gross profit		**14,509,717**	2,257,542
Other income	8	**248,267**	82,480
Administrative expenses		**(1,063,855)**	(1,382,449)
Foreign exchange gain/ (loss)	9	**1,827,469**	(10,170,627)
Management fees	10	**(4,196,384)**	(4,743,880)
Other operating expenses		**(7,882,963)**	(15,671,409)
Investment income	6	**2,114,833**	4,534,122
Finance costs	13	**(595,044)**	(357,168)
Impairment of investment in associate		**–**	(1,956,718)
Share of results of associate		**(607,393)**	(3,863)
Goodwill impairment	46	**(7,015)**	–
Net profit/ (loss) before taxation	11	**4,347,632**	(27,411,970)
Taxation	14	**(3,634,542)**	(1,142,892)
Profit/ (loss) for the year		**713,090**	(28,554,862)
Other comprehensive income			
- Exchange differences on translating foreign operations		**(209,046)**	(533,624)
Total comprehensive income for the year, net of tax		**504,044**	(29,088,486)
Profit/ (loss) attributable to:			
Equity holders of the parent		**835,042**	(27,151,709)
Non-controlling interests		**(121,952)**	(1,403,153)
Total		**713,090**	(28,554,862)
Total comprehensive income attributable to:			
Equity holders of the parent		**916,293**	(27,653,192)
Non-controlling interests		**(412,249)**	(1,435,294)
Total		**504,044**	(29,088,486)
Earnings/ (loss) per share			
Basic (US cents)	15	**0.37**	(10.86)
Diluted (US cents)	15	**0.37**	(10.86)

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

COMPANY STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2009

Continuing activities	Notes	2009 US$	2008 US$
Revenue	6	**–**	–
Cost of sales	7	**–**	–
Gross profit		**–**	–
Other income	8	**–**	–
Administrative expenses		**(395,587)**	(722,445)
Foreign exchange gain/ (loss)	9	**2,004,811**	(8,142,239)
Management fees	10	**(1,378,352)**	(4,743,880)
Other operating expenses		**(928,418)**	(717,035)
Investment income	6	**1,321,870**	3,073,714
Finance costs	13	**(187,891)**	(55,535)
Net profit/ (loss) before taxation	11	**436,433**	(11,307,420)
Profit/ (loss) for the year		**436,433**	(11,307,420)
Other comprehensive income		**–**	–
Total comprehensive income for the year, net of tax		**436,433**	(11,307,420)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2009

	Notes	2009 US$	Restated 2008 US$	Restated 2007 US$
Non-current assets				
Property, plant and equipment	16	**1,070,332**	347,597	389,556
Investment in associate	17	**–**	573,537	12
Available-for-sale investments	19	**17,223,620**	13,023,572	–
Intangible assets	20	**17,173,735**	10,694,446	–
Prepaid land leasehold payments	21	**–**	–	2,300,663
Land held for property development	22 (a)	**22,112,458**	17,418,710	16,798,134
Long term receivables	23	**–**	7,217,500	6,048,000
Deferred tax assets	24	**7,166,692**	4,967,718	2,377,096
Total non-current assets		**64,746,837**	54,243,080	27,913,461
Current assets				
Inventories	25	**22,906,112**	–	–
Property development costs	22 (b)	**354,021,996**	322,291,431	274,283,853
Trade and other receivables	26	**24,392,594**	16,938,740	18,609,214
Amount due from associate	27	**784,632**	–	–
Cash and cash equivalents	29	**61,957,107**	67,252,282	122,890,641
Total current assets		**464,062,441**	406,482,453	415,783,708
TOTAL ASSETS		**528,809,278**	460,725,533	443,697,169

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

	Notes	2009 US$	Restated 2008 US$	Restated 2007 US$
Equity				
Share capital	30	**10,626,250**	12,500,000	12,500,000
Share premium	31	**221,225,773**	227,233,267	227,233,267
Capital redemption reserve	33	**1,873,750**	–	–
Exchange fluctuation reserve	34	**133**	(81,118)	420,365
Retained earnings	35	**(28,652,842)**	(29,487,884)	(2,336,175)
Shareholders' equity		**205,073,064**	210,164,265	237,817,457
Non-controlling interests		**4,364,837**	5,928,679	1,501,652
Total equity		**209,437,901**	216,092,944	239,319,109
Current liabilities				
Trade and other payables	36	**194,305,600**	143,625,694	121,469,694
Finance lease liabilities	37	**–**	20,553	23,939
Bank loans and borrowings	38	**36,976,233**	3,062,611	17,381,300
Current tax liabilities		**2,317,899**	1,904,698	2,986,364
Total current liabilities		**233,599,732**	148,613,556	141,861,297
Non-current liabilities				
Amount due to non-controlling interests	39	**2,887,360**	2,872,073	–
Finance lease liabilities	37	**–**	19,517	41,971
Bank loans	40	**20,147,285**	45,801,429	26,584,146
Long term loans	41	**–**	47,326,014	35,890,646
Medium term notes	42	**62,737,000**	–	–
Total non-current liabilities		**85,771,645**	96,019,033	62,516,763
Total liabilities		**319,371,377**	244,632,589	204,378,060
TOTAL EQUITY AND LIABILITIES		**528,809,278**	460,725,533	443,697,169

The financial statements were approved on 21 April 2010 and authorised for issue by the Board and were signed on behalf by

DATO' MOHAMMED AZLAN BIN HASHIM
DIRECTOR

CHRISTOPHER HENRY LOVELL
DIRECTOR

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

COMPANY STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2009

	Notes	2009 US$	2008 US$	2007 US$
Non-current assets				
Investment in subsidiaries	18	**80,946,797**	66,428,475	66,428,468
Due from subsidiaries	28	**112,487,173**	–	–
Total non-current assets		**193,433,970**	66,428,475	66,428,468
Current assets				
Trade and other receivables	26	**37,421**	1,559,646	272,624
Due from subsidiaries	28	**15,994,215**	118,272,466	86,985,241
Cash and cash equivalents	29	**38,287,108**	44,963,188	95,944,989
Total current assets		**54,318,744**	164,795,300	183,202,854
TOTAL ASSETS		**247,752,714**	231,223,775	249,631,322
Equity				
Share capital	30	**10,626,250**	12,500,000	12,500,000
Share premium	31	**221,225,773**	227,233,267	227,233,267
Capital redemption reserve	33	**1,873,750**	–	–
Retained earnings	35	**(10,719,628)**	(11,156,061)	151,359
Shareholders' equity		**223,006,145**	228,577,206	239,884,626
Current liabilities				
Trade and other payables	36	**502,948**	2,646,569	9,746,696
Bank loans and borrowings	38	**14,960,659**	–	–
Total current liabilities		**15,463,607**	2,646,569	9,746,696
Non-current liabilities				
Due to subsidiaries	28	**9,282,962**	–	–
Total non-current liabilities		**9,282,962**	–	–
Total liabilities		**24,746,569**	2,646,569	9,746,696
TOTAL EQUITY AND LIABILITIES		**247,752,714**	231,223,775	249,631,322

The financial statements were approved on 21 April 2010 and authorised for issue by the Board and were signed on behalf by

DATO' MOHAMMED AZLAN BIN HASHIM
DIRECTOR

CHRISTOPHER HENRY LOVELL
DIRECTOR

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

Consolidated	Retained Earnings US$	Share Capital US$	Share Premium US$	Exchange Fluctuation Reserve US$	Capital Redemption Reserve US$	Total Equity Attributable to Equity Holders of the Parent US$	Non-Controlling Interest US$	Total Equity US$
At 1 January 2009	(29,487,884)	12,500,000	227,233,267	(81,118)	–	210,164,265	5,928,679	216,092,944
Cancellation of shares	–	(1,873,750)	–	–	1,873,750	–	–	–
Purchase of own shares	–	–	(6,007,494)	–	–	(6,007,494)	–	(6,007,494)
Acquisition from non-controlling interests	–	–	–	–	–	–	(1,150,406)	(1,150,406)
Acquisition of subsidiaries	–	–	–	–	–	–	(1,187)	(1,187)
Total comprehensive income	835,042	–	–	81,251	–	916,293	(412,249)	504,044
Shareholders' equity at 31 December 2009	**(28,652,842)**	**10,626,250**	**221,225,773**	**133**	**1,873,750**	**205,073,064**	**4,364,837**	**209,437,901**

Company	Retained Earnings US$	Share Capital US$	Share Premium US$	Capital Redemption Reserve US$	Total Equity US$
At 1 January 2009	(11,156,061)	12,500,000	227,233,267	–	228,577,206
Cancellation of shares	–	(1,873,750)	–	1,873,750	–
Purchase of own shares	–	–	(6,007,494)	–	(6,007,494)
Total comprehensive income	436,433	–	–	–	436,433
Shareholders' equity at 31 December 2009	**(10,719,628)**	**10,626,250**	**221,225,773**	**1,873,750**	**223,006,145**

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2008

Consolidated	Retained Earnings US$	Share Capital US$	Share Premium US$	Exchange Fluctuation Reserve US$	Total Equity Attributable to Equity Holders of the Parent US$	Non-Controlling Interest US$	Total Equity US$
At 1 January 2008, as previously stated	(2,607,644)	12,500,000	227,233,267	469,497	237,595,120	1,845,682	239,440,802
Effect of adopting IFRIC 15	271,469	–	–	(49,132)	222,337	(344,030)	(121,693)
At 1 January 2008	(2,336,175)	12,500,000	227,233,267	420,365	237,817,457	1,501,652	239,319,109
Acquisition of subsidiaries	–	–	–	–	–	5,862,321	5,862,321
Total comprehensive income	(27,151,709)	–	–	(501,483)	(27,653,192)	(1,435,294)	(29,088,486)
Shareholders' equity at 31 December 2008	(29,487,884)	12,500,000	227,233,267	(81,118)	210,164,265	5,928,679	216,092,944

Company	Retained Earnings US$	Share Capital US$	Share Premium US$	Total Equity US$
At 1 January 2008	151,359	12,500,000	227,233,267	239,884,626
Total comprehensive income	(11,307,420)	–	–	(11,307,420)
Shareholders' equity at 31 December 2008	(11,156,061)	12,500,000	227,233,267	228,577,206

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 US$	Restated 2008 US$
Cash Flows From Operating Activities		
Net profit/ (loss) before taxation	**4,347,632**	(27,411,970)
Investment income	**(2,114,833)**	(4,534,122)
Unrealised foreign exchange (gain)/ loss	**(1,854,861)**	9,914,487
Depreciation of property, plant and equipment	**44,935**	54,952
Share of results of associate	**607,393**	3,863
Goodwill impairment	**7,015**	–
Impairment of investment in associate	**–**	1,956,718
Operating profit/ (loss) before working capital changes	**1,037,281**	(20,016,072)
Changes in working capital:		
Increase in inventories	**(22,906,112)**	–
Increase in property development costs	**(37,706,550)**	(53,442,296)
Decrease in leasehold land payment	**–**	2,196,181
(Increase)/ decrease in receivables	**(236,354)**	500,974
Increase in payables	**55,901,815**	28,360,533
Cash used in operations	**(3,909,920)**	(42,400,680)
Tax paid	**(5,488,897)**	(4,743,431)
Net cash used in operating activities	**(9,398,817)**	(47,144,111)
Cash Flows From Investing Activities		
Acquisition of subsidiaries, net of cash	**(7,629,510)**	(4,831,774)
Increase in land held for property development	**(4,506,846)**	(1,382,184)
Advances to associate	**(784,632)**	–
Proceeds from disposal of property, plant and equipment	**58,521**	–
Purchase of property, plant and equipment	**(823,509)**	(28,517)
Purchase of shares in associate	**–**	(2,567,962)
Purchase of available-for-sale investments	**(4,200,048)**	(13,023,572)
Investment income received	**2,114,833**	4,534,122
Withdrawal of/ (placement of) short term bank deposits	**2,227,651**	(1,880,189)
Net cash used in investing activities	**(13,543,540)**	(19,180,076)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2009

cont'd

	2009 US$	Restated 2008 US$
Cash Flows From Financing Activities		
Repayment of borrowings	**(37,837,683)**	(14,064,981)
Drawdown of borrowings	**49,063,278**	33,524,724
Repayment of finance lease liabilities	**(40,070)**	(25,840)
Share buy back	**(6,007,494)**	–
Net cash generated from financing activities	**5,178,031**	19,433,903
NET CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR	**(17,764,326)**	(46,890,284)
Effect of changes in exchange rates	**1,904,471**	(10,374,556)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**62,856,303**	120,121,143
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**46,996,448**	62,856,303

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

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 US$	2008 US$
Cash Flows From Operating Activities		
Net profit/ (loss) before taxation	**436,433**	(11,307,420)
Investment income	**(1,321,870)**	(3,073,714)
Unrealised foreign exchange (gain)/ loss	**(1,932,578)**	7,981,375
Operating loss before working capital changes	**(2,818,015)**	(6,399,759)
Changes in working capital:		
Decrease/ (increase) in receivables	**1,522,225**	(1,287,022)
Decrease in payables	**(2,143,621)**	(7,100,127)
Net cash used in operating activities	**(3,439,411)**	(14,786,908)
Cash Flows From Investing Activities		
Acquisition of subsidiaries, net of cash	**(1)**	(7)
Advances to subsidiaries	**(24,727,243)**	(31,287,225)
Investment income received	**1,321,870**	3,073,714
Net cash used in investing activities	**(23,405,374)**	(28,213,518)
Cash Flows From Financing Activities		
Advances from subsidiaries	**9,282,962**	–
Share buy back	**(6,007,494)**	–
Net cash generated from financing activities	**3,275,468**	–
NET CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR	**(23,569,317)**	(43,000,426)
Effect of changes in exchange rates	**1,932,578**	(7,981,375)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**44,963,188**	95,944,989
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**23,326,449**	44,963,188

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

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below.

2.1 Basis of Preparation

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 Group financial statements have been prepared under the historical cost convention as modified for certain financial assets and financial liabilities at fair value.

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

2.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to 31 December 2009.

All inter company balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated on consolidation. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Accounting policies of subsidiaries are consistent with those adopted by the Group.

Control is normally evident when Aseana Properties Limited, or a company which it controls, owns more than 50% of the voting rights of a Company's share capital. A list of the main operating subsidiaries is provided in Note 47.

Investments in associated companies (generally investments of between 20% and 50% in a company's equity) where significant influence is exercised by the Company are accounted for using the equity method. An assessment of investments in associates is performed when there is an indication that the asset has been impaired or the impairment losses recognised in prior years no longer exist. When the Group's share of losses exceeds the carrying amount of the investment, the investment is reported at nil value and recognition of losses is discontinued except to the extent of the Group's commitment.

Investments where the Company holds less than 20% are accounted for on a cost basis in accordance with IAS 39 and are held as available-for-sale investments.

2.3 IFRSs issued but not yet effective

The Group has not adopted the following standards in the preparation of financial statements which are relevant to the Group's operations as they are not effective at 31 December 2009.

New/Revised International Financial Reporting Standards		Issued/ Revised	Effective Date
IFRS 3	Business Combinations - Comprehensive revision on applying the acquisition method	Revised 2008	Annual periods beginning on or after 1 July 2009
IFRS 9	Financial Instruments - Classification and Measurement	November 2009	Annual periods beginning on or after 1 January 2013
IAS 24	Related Party Disclosures - Revised definition of related parties	November 2009	Annual periods beginning on or after 1 January 2011
IAS 27	Consolidated and Separate Financial Statements - Consequential amendments arising from amendments to IFRS 3	2008	Annual periods beginning on or after 1 July 2009
IAS 28	Investments in Associates - Consequential amendments arising from amendments to IFRS 3	2008	Annual periods beginning on or after 1 July 2009
IAS 31	Interests in Joint Ventures - Consequential amendments arising from amendments to IFRS 3	2008	Annual periods beginning on or after 1 July 2009
IAS 32	Financial Instruments: Presentation - Amendments relating to classification of rights issues	2009	Annual periods beginning on or after 1 February 2010
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items	July 2008	Annual periods beginning on or after 1 July 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

IFRIC Interpretation		Effective Date
IFRIC 17	Distributions of Non-cash Assets to Owners	Annual periods beginning on or after 1 July 2009
IFRIC 18	Transfers of Assets from Customers	Transfers received on or after 1 July 2009
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	Annual periods beginning on or after 1 July 2010

The Directors anticipate that the adoption of IFRS 3, IFRS 9, IAS 24, IAS 32, IAS 39, IFRIC 17, IFRIC 18 and IFRIC 19 in future periods will have no material impact on the financial information of the Group or Company.

The Group will adopt IAS 27, IAS 28 and IAS 31 as and when they become effective. The Group has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

The Directors also do not consider the adoption of the amendments resulting from the May 2008 and April 2009 Annual Improvement project will result in a material impact on the financial information of the Group. These amendments are effective for accounting periods beginning on or after 1 January 2010, with the exception of the amendments to IFRS 2, IFRS 5 and IAS 38, which are effective for accounting periods on or after 1 July 2009.

With effect from 1 January 2009, the Group has implemented IFRIC 15 - agreement for the construction of real estate, IFRS 8 - operating segments and IAS 1 (revised 2007) - presentation of financial statements.

a. IFRIC 15 – Agreements for the Construction of Real Estate

IFRIC 15 is effective for annual periods beginning on or after 1 January 2009. The Directors have reassessed the revenue recognition accounting policy, such that the revenue is now recognised in accordance with IAS 18.

Revenue from sales of properties is recognised when effective control of ownership of the properties is transferred to the purchasers when the completion certificate or occupancy permit has been issued.

The Group has applied the change in accounting policy in respect of its revenue recognition for its sales of development properties based on the percentage of completion method to ongoing projects uncompleted prior to 1 January 2009. The adoption of IFRIC 15 is applied retrospectively, and accordingly, the comparatives have been restated as shown in Note 49.

b. IFRS 8 - Operating Segments

IFRS 8 is effective for annual periods beginning on or after 1 January 2009. IFRS 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments (see Note 6), but has no impact on the reported results or financial position of the Group.

The Group has adopted IFRS 8 which is required for all annual reports and interim financial statements starting 1 January 2009 or later. Implementation of IFRS 8 has not resulted in changes to the Group policy in measuring/valuing the amounts included in segmental reporting. However, the composition of the reportable segment in 2009 compared to 2008 has changed and there are additional narrative disclosures. The measure of profit or loss, revenues and expenses included in segmental reporting are the same as those used in the consolidated financial statements and remain unchanged from 2008.

The reportable segments identified make up most of the Groups's external revenue, which is derived from the sale of properties and provision of project management services. The reportable segments are an aggregation of operating segments within the Group as prescribed by IFRS 8. The reportable segments are determined based on the Group's management structures and the consequent reporting to the Chief Operating Decision Maker, the Executive Management. Thus, they are determined based on both geographical segments and business segments of the Group. The remaining operating segments not included in the identified reportable segments are included under all other operating segments.

Income and expenses included in profit for the year are allocated to the extent that they can be directly or indirectly attributed to the segments on a reliable basis. Expenses allocated as either directly or indirectly attributable comprise: cost of sales, other operating expenses and administrative expenses.

The income and expenses allocated as indirectly attributable to the segments are allocated by means of sharing key resources determined on the basis of utilisation of key resources in the segment.

Non-current segment assets comprise the non-current assets used directly for segment operations, including intangible assets, property, plant and equipment and investments in associates.

Current segment assets comprise the current assets used directly for segment operations, including inventories, trade receivables, other receivables and prepayments.

All other segments primarily comprise income and expenses relating to the Group's administrative functions.

Inter-company balances primarily comprise arms' length transactions between operating segments making up the reportable segments. These balances are eliminated to arrive at the figures in the consolidated financial statements.

c. IAS 1 (revised 2007) - Presentation of Financial Statements

IAS 1 (revised 2007) introduces a number of changes to the requirements for the presentation of financial statements, which include the following: the separate presentation of owner and non-owner changes in equity; requirement for entities making restatements of reclassifications of comparative information to present a statement of financial position at the beginning of the comparative period, and voluntary name changes for certain primary statements.

2.4 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenues can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

a. Sale of Development Properties

Revenue from sales of properties is recognised when effective control of ownership of the properties is transferred to the purchasers when the completion certificate or occupancy permit has been issued as described in Note 2.17(b).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b. Interest Income

Interest income is recognised on a time proportion basis using the effective interest rate method.

2.5 Foreign Currencies

The Group financial statements are presented in United States Dollars ("US$"), which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded using the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the statement of financial position date. Any resulting exchange differences are included in the statement of comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of the entities in the Group are United States Dollars, Malaysian Ringgit and Vietnam Dong. At the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of the Group, namely United States Dollars ("US$"), at the rate of exchange ruling at the statement of financial position date and, its statement of comprehensive income is translated at the average rate for the year, unless exchange rates fluctuate significantly during the year, in which case the exchange rates at the dates of the transactions are used.

Transactions during the year in foreign currencies are translated into the respective local currencies at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into respective local currencies at the exchange rates prevailing at the year-end. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the year, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

On consolidation, the assets and liabilities of the Group's overseas subsidiaries are translated at exchange rates prevailing on the statement of financial position date. Exchange differences arising, if any, are classified as equity and transferred to the Group's Exchange Fluctuation Reserve. Such translation differences are recognised as income or as expense in the period in which the subsidiary is disposed of.

2.6 Business Combinations

The results of businesses acquired are consolidated from the effective date of acquisition, whereby upon acquisition of a business or an associate, net assets are restated to their provisional fair value in accordance with IFRS.

The Group acquired Legolas Capital Sdn. Bhd. on 30 March 2009. This subsidiary was consolidated from the date on which the control was transferred to the Group. The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

The Group increased its equity interest in ICSD Ventures Sdn. Bhd. and Amatir Resources Sdn. Bhd. to 100% from 60% and 90.91% respectively in 2009. The Group has used Parent Company Method to record these two transactions. This method will generally result in goodwill as this treatment recognises that the acquisition of the minority gives rise to additional economic interest held by the Group. This method involves comparing the fair value of the consideration for the 40% and 9.09% share with the minority's share of the carrying value of the net assets at the date of acquisition (which should equal the amount in non-controlling interests) and the difference is posted to property development cost. As a new fair value exercise is not carried out, the goodwill is only the difference between these two amounts.

2.7 Available-for-Sale Investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held to maturity investments or financial assets at fair value through profit and loss.

In the event that no active market exists the investment held in the statement of financial position will be measured at cost less impairment.

2.8 Property, Plant and Equipment

All plant and equipment are stated at cost less depreciation unless otherwise shown. Cost includes all relevant external expenditure incurred in acquiring the asset.

The Group selects its depreciation rates carefully and reviews them regularly to take account of any changes in circumstances. When determining expected economic lives, the Group considers the expected rate of technological developments and the intensity at which the assets are expected to be used. All assets are subject to annual review and where necessary, further write-downs are made for any impairment in value.

Property, plant and equipment are recorded at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing parts of such plant and equipment when that cost is incurred if the recognition criteria are met. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a reducing balance basis over its expected useful life:

Office equipment	10 years
Furniture and fittings	10 years
Information systems equipment	4 years
Motor vehicles	5 years
Leasehold building	6 – 25 years

The initial cost of equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the equipment has been placed into operation, such as repairs and maintenance and over haul costs, are normally charged to the statement of comprehensive income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of equipment beyond its original assessed standard of performance, the expenditures are capitalised as an additional cost of equipment. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of equipment.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the period the asset is derecognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Taxation

a. Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and the tax laws used to compute the amount are those that are enacted, or substantively enacted, by the statement of financial position date.

b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences, at the statement of financial position date, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences except:

(i) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss; and

(ii) in respect of taxable temporary differences associated with investment in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised except:

(i) where the deferred income tax asset relating to the deductible temporary differences arise from the initial recognition of an asset or liability;

(ii) in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable; and

(iii) where the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognisable deferred income tax assets are reassessed at each statement of financial position date and are recognisable to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Investment in Associates

Associates are companies in which the Company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not control over those policies.

The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Investments in associates are carried in the statement of financial position at cost as adjusted by post-acquisition changes in the Group's share of net assets of the associate, less any impairment in the value of the individual investments. Losses of an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred legal or construction obligations or made payments on behalf of the associate.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/(credited) to the statement of comprehensive income.

2.11 Investment in Subsidiaries

Subsidiaries are companies in which the Company has the power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Investments in subsidiaries are stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount.

2.12 Investments and Other Financial Assets

Financial assets are classified as either financial assets at fair value through the statement of comprehensive income, loans and receivables, held to maturity investments or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are at fair value plus, in the case of investments not at fair value through the statement of comprehensive income, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular purchases and sales of financial assets are recognised on the trade date being, for example, the day that the Group commits to purchase the asset. Regular way purchases or sales of financial assets are those that require delivery of assets within the period generally established by regulation or convention in the market place.

2.13 Impairment of Tangible Assets

At each statement of financial position date, reviews are carried out of the carrying amounts of tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent if any, of the impairment loss. Where the asset does not generate cash flows that are independent from the other assets, estimates are made of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value, less costs to sell, and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a discount rate appropriate to the specific asset or cash-generating unit. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised immediately in the statement of comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Intangible Assets

Intangible assets comprise of licence contracts and related relationships and goodwill.

a. Licence Contracts and Related Relationships

On acquisition, value is attributable to non-contractual relationships and other contracts of long-standing to the extent that future economic benefits are expected to flow from the relationships. Licence contracts and related relationships are amortised over their expected useful lives at a rate to match the expected future economic benefits.

b. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary, associate or joint venture at the effective date of acquisition. Non-controlling interests are measured at their proportionate share of the net identifiable assets at the acquisition date. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in statement of comprehensive income. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint ventures is included in investment in associates and joint ventures. Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing and is carried at cost less accumulated impairment loss.

The profit or loss on disposal of subsidiaries, associates and joint ventures includes the carrying amount of goodwill relating to the entity sold.

2.15 Prepaid Land Leasehold Payments

Prepaid land leasehold payments are stated at cost and amortised over the period of the lease on a straight-line basis to the statement of comprehensive income.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated cost to completion.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Property Development Activities

a. Land Held for Property Development

Land held for property development consists of reclaimed land, freehold land, leasehold land and land use rights on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as a non-current asset and is stated at cost less accumulated impairment losses.

Cost comprises cost of the reclaimed land and all related cost incurred on activities that are necessary to prepare such land for its intended use. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Land comprising freehold land, prepaid land leasehold and land use rights held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

b. Property Development Costs

Property development costs comprise costs associated with the land reclamation, freehold land, prepaid leasehold land and land use rights and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised when effective control of ownership of the properties is transferred to the purchasers when the completion certificate or occupancy permit has been issued.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset and are stated at the lower of cost and net realisable value. Upon completion of development, the unsold completed development properties are transferred to inventories.

2.18 Long Term Receivables

Long term receivables are stated at anticipated realisable values. Known bad debts are written off and an estimate is made for doubtful debts based on a review of all outstanding amounts at statement of financial position date.

2.19 Trade and Other Receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of trade. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the statement of comprehensive income.

Impairment losses are reversed in subsequent periods and recognised in the statement of comprehensive income when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and at bank, deposits held at call and short term highly liquid investments that are subject to an insignificant risk of changes in value. Bank overdrafts are included within borrowings in the current liabilities section on the statement of financial position.

2.21 Trade and Other Payables

Trade and other payables are recognised at initial recognition at fair value, and subsequently measured at amortised cost using the effective interest rate method.

2.22 Borrowings

Borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income during the period of the borrowings.

2.23 Finance Costs

Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale, are capitalised to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other finance costs are recognised in the statement of comprehensive income in the period in which they are incurred.

2.24 Finance Lease

Property, plant and equipment acquired under hire purchase are capitalised and depreciated in accordance with the policy set out in Note 2.8. The corresponding outstanding obligations due under hire purchase after deducting finance expenses are included as liabilities in the financial statements. Finance charges are allocated to the statement of comprehensive income over the period of the hire purchase agreements on a straight line basis.

2.25 Financial Instruments

Financial instruments comprise investments in equity, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through statement of comprehensive income, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Accounting for interest income and finance cost is discussed in Notes 2.4(b) and 2.23 respectively.

2.26 Equity Instruments

Equity instruments are measured at the proceeds received net of direct issue costs.

2.27 Share-based Payments

The cost of equity-settled transactions is measured by reference to the fair value at the date at which shares are granted. The share option issued for services provided are valued based on the fair value of the services provided, except where that fair value cannot be reliably measured. In these instances, the share based payment is measured by reference to the fair value of the instrument granted. In the case of shares options issued, the fair value is measured using the Black-Scholes pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled, ending on the date on which the relevant grantees become fully entitled to the award (the vesting date). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the grantee as measured at the date of modification.

Where an equity-settled award does not meet the vesting conditions, the expense recognised in the statement of comprehensive income is reversed, as if it had not vested, on the date of cancellation. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

In certain cases the Directors have reanalysed corresponding figures to make their disclosures more meaningful.

2.28 Employee Benefits

Certain companies in the Group maintain a defined contribution plan in Malaysia and Vietnam for providing employee benefits, which is required by laws in Malaysia and Vietnam respectively. This retirement benefit plan is funded by contributions from both the employees and the companies to the employees' provident fund. The Group's contributions to employees' provident fund are charged to the statement of comprehensive income in the year to which they relate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.29 Separately Disclosable Items

Items that are both material in size and unusual and infrequent in nature are presented as separately disclosable items in the statement of comprehensive income or separately disclosed in the notes to the financial statements. The Directors are of the opinion that the separate recording of these items provides helpful information about the Group's underlying business performance.

2.30 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements in accordance with IFRS requires estimates and assumptions to be made that affect the value at which certain assets and liabilities are held at the statement of financial position date and also the amounts of revenue and expenditures recorded in the year. The Directors believe that the accounting policies chosen are appropriate to the circumstances and that estimates, judgements and assumptions involved in its financial reporting are reasonable. Accounting estimates made by Directors are based on historical experience and on information available to them at the time the estimates is made. Accordingly, actual outcome may differ materially from current expectations under different assumptions and conditions. The principal areas in which significant estimates, assumptions and judgements are applied are as follows:

a. Profit Recognition

In accordance with IAS 11, 'Construction Contracts' revenue represents the proportionate sales value of development properties attributable to the work in progress performed for the year and costs of sales in the financial statements have been recognised based on the percentage of work completed.

Accordingly, revenue was recognised on the basis of sales to date multiplied by percentage of cost completed and costs of sales are calculated as the difference between the completed gross profit to date and the turnover.

Following the adoption of IFRIC 15 by the Group in the year, the Group now considers that IAS 18 is a more appropriate standard than IAS 11 by which to recognise revenue from sales of properties. Revenue is recognised when effective control of ownership of the properties is transferred to the purchasers when the completion certificate or occupancy permit has been received.

Where a loss is expected on a project, the loss is recognised in the statement of comprehensive income immediately.

b. Cost of Acquisition Recognition

Acquired work in progress in the Initial Portfolio has been recognised based on profit before tax recognised post acquisition compared to the budgeted post acquisition profit.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c. Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these measures is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

d. Impairment of Available-for-Sale Investment

The Group assesses at each statement of financial position date whether there is any objective evidence that the available-for-sale investment is impaired. If any such evidence exists, the present value of estimated future cash flows is used. In determining the estimated future cash flows requires the Group to make estimates and assumption that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the Group's financial position and results of operations.

e. Impairment of Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

f. Allowance for Doubtful Debts of Receivables

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where expectation is different from the original estimate, such difference will impact the carrying value of receivables.

3 FINANCIAL RISK MANAGEMENT, RECOGNITION AND ACCOUNTING

The Group's multi-national operations and debt financing arrangements expose it to a variety of financial risks that include the effects of changes in debt making prices, foreign currency exchange rates, credit risks, equity securities prices, liquidity and interest rates. The Group has in place a risk management programme that seeks to limit the adverse affects on the financial performance of the Group. The Board has approved the risk management policies applied by the Group.

These policies are implemented by central finance that regularly reviews and identifies the financial risks so that appropriate actions may be taken. The Group has guidelines to manage foreign exchange risk, interest rate risk, credit risk and the use of financial instruments to manage these. No forward hedging activities are undertaken unless approved by the Board.

4 FINANCIAL AND CAPITAL RISK MANAGEMENT

(a) Financial Risk Management Objectives and Policies

The Group relies on bespoke contracts that do not contain any complex financial instruments or terms and conditions. Embedded derivatives do exist within contracts (e.g. options) and these are closely associated with the commercial terms and conditions of each contract.The Group does not enter into any forward exchange rate contracts.

4 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

The main risks arising from the Group's activities are interest rate risk, liquidity risk, foreign currency risk, fair value, price risk, credit risk and management and control risk. The Board reviews and agrees policies for managing each of these risks and they are summarised as:

4.1 Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's liabilities with a floating interest rate. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts that represent market rates.

4.2 Liquidity Risk

The Group raises funds as required on the basis of budgeted expenditure and inflows for the next twelve months. When funds are sought, the Group balances the costs and benefits of equity and debt financing. When funds are received, they are deposited with banks of high standing in order to obtain market interest rates.

4.3 Foreign Currency Risk

The Group's significant investment operations are in Malaysia and Vietnam and movements in the exchange rates of those countries concerned can affect its financial results. Foreign currency denominated assets and liabilities together with expected cash flows from investment and property transactions give rise to foreign exchange exposures. The Group does not hedge this potential exposure.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

4.4 Fair Values

The carrying amount of cash and cash equivalents, receivables, deposits and prepayments, other payables, and accruals, and short term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.

The fair values of finance lease liabilities approximate the carrying amounts shown in the statement of financial position.

4.5 Price Risk

Price risk is the exposure of the Group to movements in market price of products sold by the Group.

4.6 Credit Risk

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents and receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. However, the credit risk on cash and cash equivalents is limited as they are placed with substantial financial institutions. There is no significant concentration of credit risk within the Group.

4.7 Management and Control Risk

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.

4 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

(b) Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The capital structure of the Group consists of bank and other borrowings, trade and other payables and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio and also debt to equity ratio.

The gearing ratio is defined and calculated by the Group as a total of interest-bearing borrowings to the owner's equity. Total equity includes mainly equity attributable to equity holders of the parent.

The Group's policy is to maintain the gearing ratio at a moderate level. At 31 December 2009, the ratio was 58.4% compared to 45.8% at 31 December 2008 as follows:

Group	2009 US$	Restated 2008 US$
Debts		
- Bank Borrowings	**119,860,518**	96,230,124
Equity		
- Capital and reserve attributable to equity holders of the parent	**205,073,064**	210,164,265
Gearing Ratio	**58.4%**	45.8%

The debt to equity ratio is defined and calculated by the Group as total debts (total liabilities) to the owner's equity. At 31 December 2009, the ratio was 102.2% compared to 59.8% at 31 December 2008 as follows:

Group	2009 US$	Restated 2008 US$
Total Debts	**209,569,082**	125,663,801
Capital and reserve attributable to equity holders of the parent	**205,073,064**	210,164,265
Debt to Equity Ratio	**102.2%**	59.8%

The above total liabilities excluded progress billings received in advance which represent excess of progress billings to purchasers of development properties over revenue recognised in the statement of comprehensive income.

5 DERECOGNITION AND IMPAIRMENT OF FINANCIAL ASSETS AND LIABILITIES

5.1 Financial Assets

A financial asset is derecognised where:

(i) the right to receive cash flows from the asset has expired;

(ii) the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement; or

(iii) the Group has transferred the rights to receive cash flows from the asset, and

5 DERECOGNITION AND IMPAIRMENT OF FINANCIAL ASSETS AND LIABILITIES (CONT'D)

a. either has transferred substantially all the risks and rewards of the asset or
b. has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

5.2 Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

5.3 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

5.4 Commitments and Contingencies

Commitments and contingent liabilities are disclosed in the financial statements and described in Note 48. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

5.5 Events after the Statement of Financial Position Date

Post year-end events that provide additional information about a company's position at the statement of financial position date and are adjusting events are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes when material.

6 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. The Company's property development investments in Vietnam have not commenced business at 31 December 2009.

	Group		Company	
		Restated		
	2009	2008	2009	2008
Revenue	US$	US$	US$	US$
Sale of development properties	**114,492,278**	38,369,141	**–**	–
Project management fee	**763,389**	–	**–**	–
	115,255,667	38,369,141	**–**	–

	Group		Company	
		Restated		
	2009	2008	2009	2008
Investment Income	US$	US$	US$	US$
Bank interest receivable	**2,114,833**	4,534,122	**1,321,870**	3,073,714

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.

The Group has adopted IFRS 8, Operating Segments in the current year. IFRS 8 requires that segments represent the level at which financial information is reported to the Executive Management of IDM, being the chief operating decision maker as defined in IFRS 8. The Executive Management consists of the Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer of IDM. The management determines the operating segments based on reports reviewed and used by the Executive Management for strategic decision making and resource allocation. For management purposes, the Group is organised into project units.

The Group's reportable operating segments are as follows:

(i) Ireka Land Sdn. Bhd. – develops i-ZEN@Kiara I, Tiffani by i-ZEN and one Mont' Kiara by i-ZEN;
(ii) ICSD Ventures Sdn. Bhd. – develops Sandakan Harbour Square;
(iii) Amatir Resources Sdn. Bhd. – develops SENI Mont' Kiara; and
(iv) Others – include holding and intermediate holding companies, the Group's new businesses and consolidation adjustments.

Information regarding the operations of each reportable segment is included below. The Executive Management monitors the operating results of each segment for the purpose of performance assessments and making decisions on resource allocation. Performance is based on segment gross profit and profit before tax, 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 have not commenced in Vietnam. No single customer exceeds 10% of the Group's revenues.

6 REVENUE AND SEGMENTAL INFORMATION (CONT'D)

Operating Segments – ended 31 December 2009

	Ireka Land Sdn. Bhd. US$	ICSD Ventures Sdn. Bhd. US$	Amatir Resources Sdn. Bhd. US$	Others US$	Consolidated US$
Revenue	95,804,029	18,688,249	–	763,389	115,255,667
Gross profit	9,689,821	4,056,507	–	763,389	14,509,717
Share of results of associate	–	–	–	(607,393)	(607,393)
Net profit/ (loss) before taxation	5,349,257	3,182,647	(2,622,592)	(1,561,680)	4,347,632
Taxation	(2,464,811)	(989,738)	–	(179,993)	(3,634,542)
Profit/ (loss) for the year	2,884,446	2,192,909	(2,622,592)	(1,741,673)	713,090
Segment assets	159,970,465	51,677,056	204,094,610	113,067,147	528,809,278
Segment liabilities	114,272,526	27,267,850	143,697,263	34,133,738	319,371,377
Investment income	136,360	20,716	15,320	1,942,437	2,114,833
Finance costs	–	1,854	147,918	445,272	595,044
Depreciation of property, plant and equipment	26,737	6,847	377	10,974	44,935
Capital expenditure *	12,356,284	4,625,316	20,427,802	1,120,657	38,530,059

* Capital expenditure consists mainly of property development costs.

Geographical Information – ended 31 December 2009

	Malaysia US$	Vietnam US$	Others US$	Consolidated US$
Revenue	115,255,667	–	–	115,255,667
Non-current assets	27,027,988	37,718,849	–	64,746,837
Total assets	429,627,723	51,143,904	48,037,651	528,809,278

Others include Jersey, British Virgin Islands and Singapore.

6 REVENUE AND SEGMENTAL INFORMATION (CONT'D)

Operating Segments – ended 31 December 2008 – Restated

	Ireka Land Sdn. Bhd. US$	ICSD Ventures Sdn. Bhd. US$	Amatir Resources Sdn. Bhd. US$	Others US$	Consolidated US$
Revenue	38,089,321	279,820	–	–	38,369,141
Gross profit/ (loss)	2,663,690	(406,148)	–	–	2,257,542
Share of results of associate	–	–	–	(3,863)	(3,863)
Net loss before taxation	(3,941,139)	(1,134,417)	(7,697,619)	(14,638,795)	(27,411,970)
Taxation	(1,125,804)	(11,179)	(53)	(5,856)	(1,142,892)
Loss for the year	(5,066,943)	(1,145,596)	(7,697,672)	(14,644,651)	(28,554,862)
Segment assets	184,973,882	48,941,206	124,685,627	102,124,818	460,725,533
Segment liabilities	142,508,846	29,723,198	65,107,884	7,292,661	244,632,589
Investment income	170,039	429	204,079	4,159,575	4,534,122
Finance costs	–	83,799	217,834	55,535	357,168
Depreciation of property, plant and equipment	29,686	24,962	304	–	54,952
Capital expenditure*	26,460,288	6,630,651	20,039,653	340,224	53,470,816

* Capital expenditure consists mainly of property development costs.

Geographical Information – ended 31 December 2008 – Restated

	Malaysia US$	Vietnam US$	Others US$	Consolidated US$
Revenue	38,369,141	–	–	38,369,141
Non-current assets	30,518,124	23,724,956	–	54,243,080
Total assets	380,224,854	27,501,799	52,998,880	460,725,533

Others include Jersey, British Virgin Islands and Singapore.

7 COST OF SALES

	Group		Company	
	2009 US$	Restated 2008 US$	2009 US$	2008 US$
Direct costs attributable to property development	**100,745,950**	36,111,599	**–**	–

Following the adoption of IFRIC 15 in the year, the Group now considers IAS 18 to be a more appropriate standard than IAS 11 by which to recognise revenue from sales of properties. The cost of sales is written off on completion, instead at over the life of the development assets.

8 OTHER INCOME

	Group		Company	
		Restated		
	2009	2008	2009	2008
	US$	US$	US$	US$
Sundry income	**248,267**	82,480	**–**	–

9 FOREIGN EXCHANGE GAIN/ (LOSS)

	Group		Company	
		Restated		
	2009	2008	2009	2008
	US$	US$	US$	US$
Foreign exchange gain/ (loss) comprises:				
Unrealised foreign exchange gain/ (loss)	**1,854,861**	(9,914,487)	**1,932,578**	(7,981,375)
Realised foreign exchange (loss)/ gain	**(27,392)**	(256,140)	**72,233**	(160,864)
	1,827,469	(10,170,627)	**2,004,811**	(8,142,239)

10 MANAGEMENT FEES

	Group		Company	
		Restated		
	2009	2008	2009	2008
	US$	US$	US$	US$
Development management fees	**4,196,384**	4,743,880	**1,378,352**	4,743,880

The development management fees is 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.

During the year, part of the development management fees incurred by the Company were charged out to subsidiaries based on human resource allocation.

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

11 NET PROFIT/ (LOSS) BEFORE TAXATION

	Group		Company	
		Restated		
	2009	2008	2009	2008
	US$	US$	US$	US$
Net profit/ (loss) before taxation is stated after charging:				
• Directors' fees	**222,791**	237,134	**222,791**	237,134
• Staff costs	**613,446**	278,090	**–**	–
• Auditor's remuneration				
– audit services	**138,770**	119,209	**88,780**	76,012
– tax services	**4,627**	8,777	**–**	–
• Depreciation of property, plant and equipment	**44,935**	54,952	**–**	–

12 STAFF COSTS

	Group		Company	
		Restated		
	2009	2008	2009	2008
	US$	US$	US$	US$
Wages, salaries and other	**589,078**	251,299	**–**	–
Employees' provident fund, social security and other pension costs	**24,368**	26,791	**–**	–
	613,446	278,090	**–**	–

The Company has no executive directors or employees under its employment. Of the Group's subsidiaries, ICSD Ventures Sdn. Bhd., Aseana-BDC Co Ltd and Hoa Lam–Shangri-La Healthcare Ltd Liability Co have a total of 33 (2008: 22) employees.

13 FINANCE COSTS

	Group		Company	
		Restated		
	2009	2008	2009	2008
	US$	US$	US$	US$
Interest on bank overdraft	**378,157**	231,021	**230,239**	13,187
Hire purchase charges	**1,854**	3,808	**–**	–
Bank guarantee commission	**(42,348)**	42,348	**(42,348)**	42,348
Revolving credit interests	**–**	79,991	**–**	–
Interest on short term loan	**60,943**	–	**–**	–
Interest on accrued land use rights payments	**196,438**	–	**–**	–
	595,044	357,168	**187,891**	55,535

All finance costs above, excluding hire purchase charges, arose on other financial liabilities carried at amortised cost.

14 TAXATION

		Restated
	2009	2008
Group	US$	US$
Current year	**5,722,411**	3,949,625
Deferred tax	**(2,087,869)**	(2,806,733)
Total tax expense for the year	**3,634,542**	1,142,892

14 TAXATION (CONT'D)

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

Group	2009 US$	Restated 2008 US$
Accounting profit/ (loss)	**4,347,632**	(27,411,970)
Income tax at a rate of 25%/ 26%	**1,086,908**	(7,127,112)
Add :		
Tax effect of expenses not deductible in determining taxable profit	**3,886,481**	6,090,467
Deferred tax assets arising from unused tax losses not recognised	**929,662**	3,302,883
Tax effect of different tax rates in subsidiaries	**206,661**	62,002
Less :		
Tax effect of income not taxable in determining taxable profit	**(1,372,497)**	(1,185,348)
Utilisation of deferred tax assets not recognised previously	**(1,102,673)**	–
Total tax expense for the year	**3,634,542**	1,142,892

Following recent changes to the Income Tax (Jersey) Law 1961 (as amended), the Company will no longer apply to be tax-exempt. It is now treated as a tax resident company for the purpose of Jersey tax laws and is subject to a tax rate of 0%.

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.

The tax payable is attributed to profit earned by subsidiary companies in Malaysia where the income tax rate was reduced from 26% in 2008 to 25% in 2009.

15 EARNINGS/ (LOSS) PER SHARE

Group	2009 US$	Restated 2008 US$
Profit/ (loss) attributable to equity holders of the parent	**835,042**	(27,151,709)
Weighted average number of shares:		
Basic and diluted	**225,357,123**	250,000,000
Earnings/ (loss) per share (US cents) :		
Basic	**0.37**	(10.86)
Diluted	**0.37**	(10.86)

15 EARNINGS/ (LOSS) PER SHARE (CONT'D)

Earnings/ (loss) per share is calculated by dividing the profit/ (loss) for the Group by the weighted average number of ordinary shares in issue during the year.

For diluted earnings/ (loss) per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive options over ordinary shares. Potential ordinary shares resulting from the exercise of share options have an anti-dilutive effect.

16 PROPERTY, PLANT AND EQUIPMENT

Group	Furniture, Fittings & Equipment US$	Motor Vehicles US$	Leasehold Building US$	Total US$
Cost				
At 1 January 2009	331,724	98,252	–	429,976
Exchange adjustments	3,095	1,055	–	4,150
Additions	35,376	55,641	732,492	823,509
Disposals	–	(74,024)	–	(74,024)
At 31 December 2009	**370,195**	**80,924**	**732,492**	**1,183,611**
Accumulated Depreciation				
At 1 January 2009	58,663	23,716	–	82,379
Exchange adjustments	1,355	289	(176)	1,468
Charge for the year	36,552	2,975	5,408	44,935
Disposals	–	(15,503)	–	(15,503)
At 31 December 2009	**96,570**	**11,477**	**5,232**	**113,279**
Net carrying amount at 31 December 2009	**273,625**	**69,447**	**727,260**	**1,070,332**
Cost				
At 1 January 2008	317,595	102,914	–	420,509
Exchange adjustments	(14,388)	(4,662)	–	(19,050)
Additions	28,517	-	–	28,517
At 31 December 2008	331,724	98,252	–	429,976
Accumulated Depreciation				
At 1 January 2008	25,630	5,323	–	30,953
Exchange adjustments	(2,536)	(990)	–	(3,526)
Charge for the year	35,569	19,383	–	54,952
At 31 December 2008	58,663	23,716	–	82,379
Restated net carrying amount at 31 December 2008	273,061	74,536	–	347,597
Cost				
At incorporation	–	–	–	–
Additions through acquisition of subsidiaries	268,128	102,914	–	371,042
Additions	49,467	–	–	49,467
At 31 December 2007	317,595	102,914	–	420,509
Accumulated Depreciation				
At incorporation	–	–	–	–
Charge for the period	25,630	5,323	–	30,953
At 31 December 2007	25,630	5,323	–	30,953
Restated net carrying amount at 31 December 2007	291,965	97,591	–	389,556

All leased assets are pledged as security for related hire purchase obligations and at 31 December 2009, the net carrying amount of motor vehicles under hire purchase agreements amounted to US$ NIL (2008: US$65,196; 2007: US$97,591).

NOTES TO THE FINANCIAL STATEMENTS

cont'd

17 INVESTMENT IN ASSOCIATE

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
At 1 January	**573,537**	12	–
Acquisition of ordinary shares	**–**	611,048	12
Acquisition of redeemable preference shares	**–**	1,956,914	–
Share of loss	**(607,393)**	(3,863)	–
Exchange differences	**33,856**	(33,856)	–
Impairment of investment in associate	**–**	(1,956,718)	–
At 31 December	**–**	573,537	12

The Company, via a wholly-owned subsidiary ASPL M3A Limited, acquired 40% of the ordinary shares of a company known as Excellent Bonanza Sdn. Bhd., a company incorporated in Malaysia, which is a vehicle set up to undertake a commercial development in Kuala Lumpur, Malaysia. The remaining 60% is owned by Malaysian Resources Corporation Berhad.

The Group's aggregate share of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the associate is as follows:

Statement of Financial Position	2009 US$	Restated 2008 US$	Restated 2007 US$
Non-current assets	**84,599**	–	30,833,914
Current assets	**58,843,397**	32,870,055	218
Total assets	**58,927,996**	32,870,055	30,834,132
Non-current liabilities	**30,486,092**	27,453,515	–
Current liabilities	**28,973,992**	3,982,698	30,833,913
Total liabilities	**59,460,084**	31,436,213	30,833,913
Equity	**(532,088)**	1,433,842	219
Total Equity and Liabilities	**58,927,996**	32,870,055	30,834,132
Statement of Comprehensive Income			
Revenue	**–**	–	–
Other operating income	**95,915**	1,824	–
Cost of sales, expenses including finance costs and taxation	**(2,077,241)**	(11,482)	–
Loss	**(1,981,326)**	(9,658)	–

The amount of unrecognised share of loss for the current year and cumulatively is US$212,835.

The associated company has commenced trading during 2009.

18 INVESTMENT IN SUBSIDIARIES

Company	2009 US$	2008 US$	2007 US$
Unquoted shares, at cost	**66,428,476**	66,428,475	66,428,468
Fair value adjustment on amount due from subsidiaries (Non-current portion)	**14,518,321**	–	–
	80,946,797	66,428,475	66,428,468

A list of the main operating subsidiaries is provided in Note 47.

19 AVAILABLE-FOR-SALE INVESTMENTS

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
At 1 January	**13,023,572**	–	–
Additions	**4,200,048**	13,023,572	–
At 31 December	**17,223,620**	13,023,572	–

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

The Directors review the carrying amounts of available-for-sale investments at each statement of financial position date to determine whether there is an indication of impairment in value other than temporary. The Directors' assessment on whether there is an indication is mainly based on the latest available financial statements of these investee companies. The available-for-sale investment includes unquoted equity instruments whose fair value could not be reliably measured, and which were therefore recognised at cost. No impairment is required for the available-for-sale investments as the recoverable amount is higher compared to the carrying amount.

20 INTANGIBLE ASSETS

Group	Licence Contracts and Related Relationships US$	Goodwill US$	Total US$
Cost			
At 1 January 2009	10,694,446	–	10,694,446
Additions through acquisition of subsidiaries	–	6,479,289	6,479,289
At 31 December 2009	**10,694,446**	**6,479,289**	**17,173,735**
Accumulated Amortisation and Impairment Losses			
At 1 January 2009	–	–	–
Amortisation recognised	–	–	–
At 31 December 2009	**–**	**–**	**–**
Net carrying amount at 31 December 2009	**10,694,446**	**6,479,289**	**17,173,735**

20 INTANGIBLE ASSETS (CONT'D)

Group	Licence Contracts and Related Relationships US$	Goodwill US$	Total US$
Cost			
At 1 January 2008	–	–	–
Additions through acquisition of subsidiaries	10,694,446	–	10,694,446
At 31 December 2008	10,694,446	–	10,694,446
Accumulated Amortisation and Impairment Losses			
At 1 January 2008	–	–	–
Amortisation recognised	–	–	–
At 31 December 2008	–	–	–
Restated net carrying amount at 31 December 2008	10,694,446	–	10,694,446

Licence contracts and related relationships will be fully amortised according to the future economic benefits of the relationships and will be matched against the expected cash flows generated by the intangible asset.

Licence contracts and related relationships are amortised progressively until the end of the license period (ending on 9 July 2077) or upon the progressive disposal of the various components of the project.

The recoverable amount of goodwill is determined based on the value-in-used calculation using discounted cash flow projections for the next 3 years and using a pre-tax discount rate of 5.45% per annum. The key assumptions used are expected changes in budgeted gross development value and gross development costs. The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount.

21 PREPAID LAND LEASEHOLD PAYMENTS

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
Cost			
At 1 January	**–**	2,310,579	–
Exchange adjustments	**–**	(104,932)	–
Additions	**–**	–	2,310,579
Transfer to land held for property development	**–**	(2,205,647)	–
At 31 December	**–**	–	2,310,579
Accumulated Amortisation			
At 1 January	**–**	9,916	–
Exchange adjustments	**–**	(450)	–
Charge for the year	**–**	–	9,916
Transfer to land held for property development	**–**	(9,466)	–
At 31 December	**–**	–	9,916
Net carrying amount at 31 December	**–**	–	2,300,663

22 PROPERTY DEVELOPMENT ACTIVITIES

(a) Land Held For Property Development

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
At 1 January	**17,418,710**	16,798,134	–
Exchange adjustments	**186,902**	(761,608)	–
Additions through acquisition of subsidiaries	**–**	–	5,885,930
Additions	**14,628,177**	2,595,381	10,912,204
Transfer from prepaid land leasehold payments, after amortisation	**–**	2,196,181	–
Transfer to property development cost	**(10,121,331)**	(3,409,378)	–
At 31 December	**22,112,458**	17,418,710	16,798,134

(b) Property Development Costs

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
At 1 January	**322,291,431**	274,283,853	–
At acquisition :			
- Subsidiaries' development cost based on year end exchange rate	**–**	–	75,324,653
- Cost of acquisition of Initial Portfolio assets	**–**	–	127,299,773
	322,291,431	274,283,853	202,624,426
Add :			
Development costs incurred during the year	**122,896,451**	86,144,517	74,811,362
Transfer from land held for property development	**10,121,331**	3,409,378	–
Exchange adjustments	**(541,267)**	(5,434,718)	–
	454,767,946	358,403,030	277,435,788

22 PROPERTY DEVELOPMENT ACTIVITIES (CONT'D)

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
Less :			
Costs recognised as expenses in the statement of comprehensive income:			
• Recognised during the year	**(91,423,768)**	(32,103,920)	(2,802,489)
• Write down of cost of acquisition of Initial Portfolio assets recognised during the year	**(9,322,182)**	(4,007,679)	(349,446)
At 31 December	**354,021,996**	322,291,431	274,283,853

The above amounts included borrowing cost capitalised of US$6,853,687 (2008: US$6,790,772; 2007: US$1,383,258).

Included in the property development cost is the cost of acquisition for five property development assets in Malaysia, which are identified as the Initial Portfolio. The Initial Portfolio was acquired based on the fair value of the development assets on the acquisition date and was recorded as cost of acquisition. Following the adoption of IAS 18 resulting from the release of IFRIC 15, the cost of acquisition for each of the five projects is written down on completion, instead of over the life of the respective development asset. The cost of acquisition is reviewed annually or more frequently and where necessary, write downs are made for any impairment in value.

23 LONG TERM RECEIVABLES

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
Long term receivables	**–**	7,217,500	6,048,000

The long term receivables in previous years are advance payments made to Ireka Engineering and Construction Sdn. Bhd. being the main contractor of a project known as one Mont' Kiara, Kuala Lumpur, Malaysia and the amount shall be recouped progressively or in whole upon the issuance of the "Certificate of Making Good Defects" or at the end of the fifth anniversary from the date of payment, whichever is earlier. The advance payments were made on 13 June 2007, 14 September 2007 and 16 September 2008.

US$4,737,200 from the total of US$7,217,500 has been repaid during the year and the remaining balance of US$2,480,300 has been re-classified to other receivables in 2009 as it is expected to be repaid within one year after 31 December 2009.

24 DEFERRED TAX ASSETS

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
At 1 January	**4,967,718**	2,377,096	–
Exchange adjustments	**111,105**	(216,111)	(1,173)
Deferred tax liability at acquisition	**–**	–	(17,032)
Deferred tax credit relating to origination and reversal of temporary differences during the year	**2,087,869**	2,806,733	2,395,301
At 31 December	**7,166,692**	4,967,718	2,377,096

The deferred tax assets comprise:

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
Taxable temporary differences between net carrying amount and tax written down value of property, plant and equipment and others	**(61,567)**	(11,694)	(3,727)
Deductible temporary differences between accounting profit and taxable profit of property development units sold	**7,228,259**	4,979,412	2,380,823
At 31 December	**7,166,692**	4,967,718	2,377,096

Deferred tax assets have not been recognised in respect of unused tax losses of US$3,129,872 (2008: US$3,302,883) which are available for offset against future taxable profits. Deferred tax assets have not been recognised due to the uncertainty of the losses.

25 INVENTORIES

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
Stock of completed units, at cost	**22,906,112**	–	–

26 TRADE AND OTHER RECEIVABLES

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
Trade receivables	**15,744,358**	7,238,249	16,083,809
Other receivables	**5,698,667**	3,646,689	2,311,717
Sundry deposits	**2,908,711**	6,002,492	211,480
Prepayments	**40,858**	51,310	2,208
	24,392,594	16,938,740	18,609,214

Company	2009 US$	2008 US$	2007 US$
Other receivables	**37,421**	1,559,646	272,624

Trade receivables represent progress billings receivable from the sales of development properties, which are generally due for settlement within two weeks of invoice and are recognised and carried at the original invoice amount less allowance for any uncollectible amounts. They are recognised at their original invoice amounts which represent their fair values on initial recognition less provision for impairment where it is required.

26 TRADE AND OTHER RECEIVABLES (CONT'D)

The ageing analysis of trade receivables past due but not impaired are set out below. These relate to a number of independent customers for whom there is no recent history of default.

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
Within credit terms	**1,915,894**	626,731	4,213,912
Past due but not impaired			
0 – 60 days	**1,993,256**	2,956,017	3,956,032
61 – 120 days	**11,075,643**	2,887,387	7,753,974
More than 120 days	**759,565**	768,114	159,891
	15,744,358	7,238,249	16,083,809

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers whose property purchases are mainly secured by personal bank financing.

Other receivables, sundry deposits and prepayments are for normal transactions of the Group.

The fair values of the trade and other receivables are not materially different from their carrying values.

27 AMOUNT DUE FROM ASSOCIATE

The amounts due from associate represent project management fee receivable.

28 AMOUNT DUE FROM/ (TO) SUBSIDIARIES

Company	2009 US$	2008 US$	2007 US$
Due from subsidiaries (Non-current portion)	**127,005,494**	–	–
Fair value adjustment	**(14,518,321)**	–	–
	112,487,173	–	–
Due from subsidiaries (Current portion)	**15,994,215**	118,272,466	86,985,241
Due to subsidiaries (Non-current portion)	**9,282,962**	–	–

The amounts due from/ (to) subsidiaries are unsecured and have no fixed terms of repayment.

The fair value reflects the discounting of the non-current amounts due from subsidiaries using an implied discount rate of 5.44%. After initial recognition the balance is carried at amortised cost.

29 CASH AND CASH EQUIVALENTS

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
Cash and cash at bank	**15,425,774**	33,013,081	22,068,549
Short term bank deposits and cash investments	**46,531,333**	32,359,012	100,822,092
Short term bank deposits pledged	**–**	1,880,189	–
	61,957,107	67,252,282	122,890,641

Company	2009 US$	2008 US$	2007 US$
Cash and cash at bank	**2,434,191**	21,222,028	126,394
Short term bank deposits and cash investments	**35,852,917**	23,741,160	95,818,595
	38,287,108	44,963,188	95,944,989

For the purpose of presenting the statement of cash flows, the cash and cash equivalents comprise the following:

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
Cash and cash equivalents	**61,957,107**	67,252,282	122,890,641
Less: Short term bank deposits pledged	**–**	(1,880,189)	–
Less: Bank overdraft (Note 38)	**(14,960,659)**	(2,515,790)	(2,769,498)
	46,996,448	62,856,303	120,121,143

Company	2009 US$	2008 US$	2007 US$
Cash and cash equivalents	**38,287,108**	44,963,188	95,944,989
Less: Bank overdraft (Note 38)	**(14,960,659)**	–	–
	23,326,449	44,963,188	95,944,989

The interest rate of bank deposits and cash investments ranged from 1.45% to 6.00% per annum (2008: 2.70% to 4.20%; 2007: 0% to 6.50%) and the maturity period was ranged from 3 days to 1 month (2008: 3 days to 1 month; 2007: 1 day to 33 days).

30 SHARE CAPITAL

Group & Company	2009 Number of Shares	2008 Number of Shares	2007 Number of Shares
Authorised Share Capital	**2,000,000,000**	2,000,000,000	2,000,000,000
Issued Share Capital			
At 1 January	**250,000,000**	250,000,000	–
Issued equity at incorporation	**–**	–	2
Cancellation of shares	**–**	–	(2)
Issue of shares	**–**	–	162,000,000
Cost of business combination	**–**	–	88,000,000
Cancellation of shares (Note 43)	**(37,475,000)**	–	–
At 31 December	**212,525,000**	250,000,000	250,000,000

30 SHARE CAPITAL (CONT'D)

Group & Company	2009 US$	2008 US$	2007 US$
Authorised Share Capital of US$0.05 each	**100,000,000**	100,000,000	100,000,000
Issued Share Capital of US$0.05 each			
At 1 January	**12,500,000**	12,500,000	–
Issued equity at incorporation	**–**	–	2
Cancellation of shares	**–**	–	(2)
Issue of shares	**–**	–	8,100,000
Cost of business combination	**–**	–	4,400,000
Cancellation of shares (Note 43)	**(1,873,750)**	–	–
At 31 December	**10,626,250**	12,500,000	12,500,000

31 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 & Company	2009 US$	2008 US$	2007 US$
At 1 January	**227,233,267**	227,233,267	–
Received on placing of ordinary shares	**–**	–	237,500,000
Share costs charged to capital	**–**	–	(10,266,733)
Purchase of own shares (Note 43)	**(5,995,500)**	–	–
Transaction costs	**(11,994)**	–	–
At 31 December	**221,225,773**	227,233,267	227,233,267

32 SHARE OPTIONS

During 2007, the Company issued share options to Fairfax I.S. PLC, the financial adviser and placing agent, for work carried out on the Admission of the Company on the London Stock Exchange.

	2009 Number	2008 Number	2007 Number
At 1 January	**3,240,000**	3,240,000	–
Granted during the year	**–**	–	3,240,000
Exercised during the year	**–**	–	–
Expired during the year	**–**	–	–
Options outstanding and exercisable at 31 December	**3,240,000**	3,240,000	3,240,000

The weighted average share price during the year was US$0.245 per share. The expected volatility reflects the historical volatility of the FTSE 350 Real Estate Index and is not indicative of the future trend, which may not necessarily be the actual outcome.

The exercise period of the share options is three years and they lapsed on 5 April 2010.

	2009	2008	2007
Weighted average exercise price of share options granted	**US$1.00**	US$1.00	US$1.00
Weighted average exercise price of share options outstanding at the end of the year	**US$1.00**	US$1.00	US$1.00
Weighted average contractual remaining life of share options outstanding at the end of the year contractual remaining life	**0.26 years**	1.26 years	2.26 years

33 CAPITAL REDEMPTION RESERVE

The capital redemption reserve is incurred after the Company cancelled its 37,475,000 ordinary shares of US$0.05 per share during the year.

34 EXCHANGE FLUCTUATION RESERVE

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either functional currency of the reporting entity or the foreign operation.

35 RETAINED EARNINGS

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
At 1 January	**(29,487,884)**	(2,336,175)	–
Profit/ (loss) attributable to equity holders of the parent	**835,042**	(27,151,709)	(2,988,711)
Share options	**–**	–	652,536
At 31 December	**(28,652,842)**	(29,487,884)	(2,336,175)

35 RETAINED EARNINGS (CONT'D)

Company	2009 US$	2008 US$	2007 US$
At 1 January	**(11,156,061)**	151,359	–
Profit/ (loss) attributable to the equity holders of the parent	**436,433**	(11,307,420)	(501,177)
Share options	**–**	–	652,536
At 31 December	**(10,719,628)**	(11,156,061)	151,359

36 TRADE AND OTHER PAYABLES

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
Progress billings received in advance	**109,802,295**	118,968,788	71,855,787
Trade payables	**59,828,680**	15,606,921	18,370,550
Other payables	**15,815,690**	8,349,253	27,878,840
Deposits refundable	**516,999**	198,844	1,318,606
Accruals	**8,341,936**	501,888	738,611
Payables to ICB and subsidiaries	**–**	–	1,307,300
	194,305,600	143,625,694	121,469,694

Company	2009 US$	2008 US$	2007 US$
Other payables	**438,088**	2,584,021	9,746,696
Accruals	**64,860**	62,548	–
	502,948	2,646,569	9,746,696

Progress billings received in advance represent excess of progress billings to purchasers of development properties over revenue recognised in the statement of comprehensive income.

Trade payables represent trade purchases and services rendered by suppliers as part of the normal business transactions of the Group. The credit terms granted by trade suppliers range from 30 to 90 days.

Under other payables is US$10,565,808 representing accrued cost of land use rights due for payment by 31 December 2010 with interest at rate of 3% per annum.

Deposits and accruals arose from normal business transactions of the Group.

The fair values of the trade and other payables were not materially different from their carrying values.

37 FINANCE LEASE LIABILITIES

Gross finance lease liabilities – minimum lease payments:	2009 US$	Restated 2008 US$	Restated 2007 US$
Not later than 1 year	–	22,713	27,773
Later than 1 year and no later than 5 years	–	20,502	45,265
	–	43,215	73,038
Future finance charges on finance leases	–	(3,145)	(7,128)
Present value of finance lease liabilities	–	40,070	65,910
The present value of finance lease liabilities is as follows:			
No later than 1 year	–	20,553	23,939
Later than 1 year and no later than 5 years	–	19,517	41,971
	–	40,070	65,910

Hire purchase liability is effectively secured as the rights to the assets under hire purchase revert to the finance company, in the event of default.

At 31 December 2009, the effective interest rates of the hire purchase liabilities ranged from 3.45% to 4.75% (2008: 3.45% to 4.75%; 2007: 3.45% to 4.75%) per annum.

The fair values of the Group's lease obligations approximated their carrying value.

38 BANK LOANS AND BORROWINGS

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
Revolving credit facility	–	–	453,600
Bank loans	**22,015,574**	546,821	14,158,202
Bank overdraft	**14,960,659**	2,515,790	2,769,498
	36,976,233	3,062,611	17,381,300

Company	2009 US$	2008 US$	2007 US$
Bank overdraft	**14,960,659**	–	–

The effective interest rates of the borrowings for the year ranged from 1.05% to 6.55% (2008: 4.79% to 8.25%; 2007: 5.60% to 9.00%) per annum.

Borrowings were denominated in Malaysian Ringgit and United States Dollars.

Bank loans were repayable by monthly or quarterly instalments and the overdraft is repayable on demand.

Bank loans were secured by land held under property development costs (see Note 2.17(b) and 22(b)) and corporate guarantee of the Company.

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

39 AMOUNT DUE TO NON-CONTROLLING INTERESTS

The amount due to non-controlling interests include US$1,440,600 (2008: US$1,440,600) and US$1,446,760 (2008: US$1,431,473) due to the non-controlling interests of Shangri-La Healthcare Investment Pte Ltd and Bumiraya Impian Sdn. Bhd. respectively. The non-controlling interests of Shangri-La Healthcare Investment Pte Ltd include Tran Thi Lam-US$533,022 (2008:US$533,022), Econ Medicare Centre Holdings Pte Ltd-US$632,100 (2008:US$632,100), Value Energy Sdn. Bhd. -US$189,042 (2008:US$189,042), Thang Shieu Han-US$72,030 (2008:US$72,030) and Nguyen Quang Duc-US$14,406 (2008:US$14,406). The non-controlling interest of Bumiraya Impian Sdn. Bhd. is Global Evergroup Sdn. Bhd..

40 BANK LOANS

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
Outstanding loans	**42,162,859**	46,348,250	40,742,348
Less:			
Repayments due within twelve months	**(22,015,574)**	(546,821)	(14,158,202)
Repayment due after twelve months	**20,147,285**	45,801,429	26,584,146

The effective interest rates of the bank loans for the year ranged from 3.59% to 6.55% (2008: 4.79% to 8.25%; 2007: 7.75% to 9.00%) per annum.

Bank loans of the Group were secured by land held under property development costs (see Note 2.17(b) and 22(b)) and corporate guarantee of the Company.

Bank loans were denominated in Malaysian Ringgit.

Bank loans were repayable by monthly or quarterly instalments.

41 LONG TERM LOANS

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
Advance	**–**	45,326,014	33,890,646
Concessional loan	**–**	2,000,000	2,000,000
	–	47,326,014	35,890,646

41 LONG TERM LOANS (CONT'D)

The advance in the previous years was from a special purpose vehicle used to fund a development project known as one Mont' Kiara, Kuala Lumpur, Malaysia. The weighted interest rate of the loan was 6.98% at 31 December 2008.

The advance was subsequently re-classified under medium term notes after the acquisition of the special purpose vehicle by the Group (see Notes 42 and 46).

The concessional loan of US$2,000,000 in previous years was provided by the joint venture partner of a project for working capital purposes. The concesional loan was subsequently repaid in 2009.

42 MEDIUM TERM NOTES

Group	2009 US$	Restated 2008 US$	Restated 2007 US$
Outstanding medium term notes	**62,737,000**	–	–
Less:			
Repayments due within twelve months	**–**	–	–
Repayment due after twelve months	**62,737,000**	–	–

The medium term notes were issued by a subsidiary, acquired on 30 March 2009 (see Note 46), to fund a development project known as one Mont' Kiara in Malaysia. The weighted interest rate of the loan was 6.29% at the statement of financial position date.

The maturity dates and effective interest rates of the medium term notes and their outstanding amounts are as follows:

	Maturity dates	Interest rate % per annum	US$
Tranche A1	3 June 2011	3.95	13,131,000
Tranche A2	11 March 2011	4.05	3,501,600
Tranche A3	3 June 2011	4.05	1,459,000
Tranche A4	8 April 2011	4.05	2,918,000
Tranche A5	4 March 2011	4.70	3,793,400
Tranche A6	1 December 2011	4.90	3,501,600
Tranche A7	4 March 2011	4.15	1,459,000
Tranche A8	1 June 2012	4.10	875,400
Tranche B2	30 March 2012	4.40	4,960,600
Tranche B3	1 June 2012	4.50	6,711,400
Tranche B4	1 June 2012	4.15	5,836,000
Tranche C	4 June 2012	13.00	14,590,000
			62,737,000

The medium term notes were secured by way of:

(i) bank guarantees from financial institutions (except for Tranche C);
(ii) a first fixed and floating charge over the subsidiary's assets by way of a debenture;
(iii) an assignment over all the present and future sales and insurance policies from one Mont' Kiara;
(iv) an assignment over a debt service reserve account;
(v) a third party first legal charge over a freehold land under a development project in conjunction with the joint venture agreement between the subsidiary and Ireka Land Sdn. Bhd.; and
(vi) a corporate guarantee issued by Ireka Corporation Berhad (except for Tranches A and B).

The medium term notes were denominated in Malaysian Ringgit and are repayable at the maturity dates.

43 PURCHASE OF OWN SHARES AND CANCELLATION OF SHARES

The Company was granted authority by the shareholders at the Extraordinary General Meeting held on 17 October 2008 to purchase its own shares up to a total aggregate value of 14.99% of the issued nominal capital. The authority expired twelve months from the date of passing of this resolution.

The Company announced on 22 April 2009 and 29 May 2009 its intention to implement a share buy-back scheme of up to 10.00% and 4.99% of the Company's shares in issue respectively. Subsequently on 23 April 2009, the Company purchased 25,000,000 ordinary shares at a price of US$0.15 per share and on 1 June 2009, an additional 12,475,000 ordinary shares were purchased at a price of US$0.18 per share. Collectively, the Company has bought back 37,475,000 ordinary shares which is equivalent to 14.99% of the Company's shares in issue representing the Company's total share buy-back authority in place.

The Company cancelled all shares bought back during the year. Following the share cancellation, the Company has 212,525,000 ordinary shares in issue.

44 FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The carrying amount of each of the categories of financial instruments at the statement of financial position date are as follows:

	Group		Company	
		Restated		
	2009	2008	2009	2008
	US$	US$	US$	US$
Financial assets:				
Available-for-sale investments	**17,223,620**	13,023,572	**–**	–
Loans and receivables (including cash and cash equivalents)	**87,134,333**	91,408,522	**166,805,917**	164,795,300
	104,357,953	104,432,094	**166,805,917**	164,795,300
Financial liabilities:				
Other financial liabilities	**317,053,478**	242,727,891	**24,746,569**	2,646,569

The above table excludes current tax liabilities.

44 FINANCIAL INSTRUMENTS (CONT'D)

Risk Management Objectives and Policies

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern whilst optimising the debt and equity balance. The capital structure of the Group consists of debts, which include bank loans and borrowings, bank loans, long term loans and medium term notes as disclosed in Notes 38, 40, 41 and 42 respectively, cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

No forward hedging activities are undertaken unless approved by the Board.

The most significant financial risks to which the Group is exposed to are described as below:

Interest Rate Sensitivity Analysis

The Group's policy is to minimise interest rate risk on bank loans and borrowings. The Group therefore adopts a mix of fixed and variable rate debts that represent market rates.

Interest rate risk is reported internally to key management personnel via a sensitivity analysis, which is prepared based on the exposure to variable interest rate for non-derivative instruments at the statement of financial position date. For variable-rate borrowings, the analysis is prepared assuming that the amount of liabilities outstanding at the statement of financial position date will be outstanding for the whole year. A 100 basis point increase or decrease is used and represents the management's assessment of the reasonable possible change in interest rate.

At 31 December 2009, if interest rates has been 100 basis point higher/ lower and all other variables were held constant, this would (decrease)/ increase the Group's profit for the year by approximately (US$579,034)/ US$579,034 (2008: increase/ (decrease) by US$269,778/ (US$269,778)).

Liquidity Risk Analysis

The Group's objective is to ensure adequate funds to meet commitments associated with its financial liabilities.

Cash flows are closely monitored on an on-going basis. The Group manages its liquidity needs carefully by monitoring scheduled debt servicing payments for long term and short term financial liabilities as well as cash out flows due in its day to day operations. Capital investments are committed only after confirming the source of funds; e.g. securing long term financial liabilities. Management is of the opinion that most of the bank borrowings can be renewed based on the strength of the Group's earnings and asset base.

The following table details the Group's contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

The maturity profile of the Group's and the Company's financial liabilities at the statement of financial position date, based on the contracted undiscounted payments, were as follows:

Group	**Within 1 year US$**	**1 – 5 years US$**
At 31 December 2009		
Interest bearing loans, borrowings and obligation under finance lease	**36,976,233**	**82,884,285**
Trade and other payables	**194,305,600**	**–**
At 31 December 2008 (Restated)		
Interest bearing loans, borrowings and obligation under finance lease	3,083,164	93,146,960
Trade and other payables	143,625,694	–

The above table excludes current tax liabilities.

44 FINANCIAL INSTRUMENTS (CONT'D)

Company	Within 1 year US$	1 – 5 years US$
At 31 December 2009		
Interest bearing borrowings	**14,960,659**	**–**
Trade and other payables	**502,948**	**–**
At 31 December 2008		
Trade and other payables	2,646,569	–

The above table excludes current tax liabilities.

Foreign Currency Risk Sensitivity Analysis

The Group does not have a hedging policy on its foreign currency exposure. Management monitors the foreign currency exposure closely and takes necessary actions in consultation with the bankers to avoid unfavourable exposure.

The Group is exposed to foreign currency risk on cash and cash equivalents and bank loans which are denominated in currencies other than the presentation currency of the Group. The currencies giving rise to this risk are primarily Malaysian Ringgit, Vietnam Dong and Australian Dollar.

Group	Cash and cash equivalents US$	Amount due to non-controlling interests US$	Long term loans US$
At 31 December 2009			
US$	**36,145,956**	**1,440,600**	**–**
Non US$	**25,811,151**	**1,446,760**	**–**
	61,957,107	**2,887,360**	**–**

Group	Cash and cash equivalents US$	Amount due to non-controlling interests US$	Long term loans US$
At 31 December 2008 (Restated)			
US$	1,811,691	1,440,600	2,000,000
Non US$	65,440,591	1,431,473	45,326,014
	67,252,282	2,872,073	47,326,014

44 FINANCIAL INSTRUMENTS (CONT'D)

At 31 December 2009, if United States Dollar strengthened/ (weakened) by 10% against Malaysian Ringgit and all other variables were held constant, this would (decrease)/ increase the Group's profit for the year by approximately (US$158,521)/ US$158,521.

At 31 December 2009, if United States Dollar strengthened/ (weakened) by 10% against Vietnam Dong and all other variables were held constant, this would (decrease)/ increase the Group's profit for the year by approximately (US$509,616)/ US$509,616.

At 31 December 2009, if United States Dollar strengthened/ (weakened) by 10% against Australian Dollar and all other variables were held constant, this would (decrease)/ increase the Group's profit for the year by approximately (US$403,452)/ US$403,452.

Credit Risk Analysis

Receivables and cash and cash equivalents balances are monitored on an ongoing basis and no major credit risk is currently considered to exist. The Group's exposure to credit risk arises from any default of the counterparty, with a maximum exposure equal to the sum of the carrying amount of these instruments. There is no significant concentration of credit risks within the Group.

The management generally adopts tight control on credit policy. The Group has limited the amount of credit exposure to customers.

The Group continuously monitors defaults of customers and counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The credit risk on cash and cash equivalents is limited as they are placed with substantial financial institutions.

45 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 23.02% shareholding in the Company. Its relationships with the Group is also mentioned on page 23 of the Directors' Report under the headings of 'Management'.

	Group		**Company**	
		Restated		
	2009	**2008**	**2009**	**2008**
	US$	**US$**	**US$**	**US$**
Advances from an ICB subsidiary	**–**	11,435,368	**–**	–
Interest paid to an ICB subsidiary	**–**	2,863,482	**–**	–
Payment for construction progress claims made by an ICB subsidiary	**88,795,291**	71,143,525	**–**	–
Site staff salary costs paid to an ICB subsidiary	**594,416**	611,147	**–**	–
Payment of sales and administration fees and marketing fees to an ICB subsidiary	**141,809**	189,189	**–**	–
Payment of management fees to an ICB subsidiary	**4,196,384**	4,743,880	**1,378,352**	4,743,880
Remenuration of key management personnel				
- Salaries and other	**236,114**	4,992	**–**	–
- Employees' provident fund, social security and other pension cost	**1,978**	–	**–**	–

45 RELATED PARTY TRANSACTIONS (CONT'D)

The net amount due by the Group to ICB and its subsidiaries for contract works performed is US$34.8 million at 31 December 2009 (2008: US$11.9 million).

Transactions between the parent company and its subsidiaries are eliminated in these consolidated financial statements. A list of the main operating subsidiaries is provided in Note 47.

46 ACQUISITION OF BUSINESS

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

(a) Acquisition of Legolas Capital Sdn. Bhd.

On 30 March 2009, the Group acquired 85.1% of the issued share capital of Legolas Capital Sdn. Bhd. for a total consideration of US$233. The transaction is accounted for using the purchase method of accounting. Legolas Capital Sdn. Bhd. was acquired as a special purpose vehicle to fund a development project known as one Mont' Kiara in Malaysia.

The Group has accounted for the business combination of Legolas Capital Sdn. Bhd. using fair values assigned to Legolas Capital Sdn. Bhd.'s identifiable assets and liabilities determined provisionally at 30 March 2009.

At 30 March 2009, Legolas Capital Sdn. Bhd. had a negative shareholders' equity of US$7,969 where 85.1% was owned by the Group. Against a consideration of US$233, a goodwill of US$7,015 was created. This goodwill arising from the acquisition was impaired during the year.

The assets and liabilities at the date of acquisition arising from the acquisition are as follows:

	Book Value US$	Provisional Fair Value US$
Non-current assets	41,678,400	41,678,400
Current assets	4,446,522	4,446,522
Cash and cash equivalents	418	418
Non-current liabilities	(41,678,400)	(41,678,400)
Current liabilities	(4,454,909)	(4,454,909)
Net assets	(7,969)	(7,969)
Non-controlling interest	1,187	1,187
Net assets acquired	(6,782)	(6,782)
Goodwill on acquisition		7,015
Total consideration		**233**

46 ACQUISITION OF BUSINESS (CONT'D)

Satisfied by:	US$
Cash	233
Cash consideration	(233)
Cash and cash equivalents acquired	418
Net cash inflow arising from acquisition	**185**

The acquisition of Legolas Capital Sdn. Bhd. has reduced the Group's profit before taxation for the year by approximately US$3,570.

If the acquisition of Legolas Capital Sdn. Bhd. had occurred on 1 January 2009, this would have reduced the Group's revenue and profit before tax for the year by approximately US$ NIL and US$1,280 respectively.

(b) Acquisition of ICSD Ventures Sdn. Bhd.

On 30 June 2009, the Group acquired the remaining 40% of the issued share capital of ICSD Ventures Sdn. Bhd. for a total consideration of US$4.2 million. The transaction is accounted for using the purchase method of accounting.

The assets and liabilities at the date of acquisition arising from the acquisition are as follows:

	Book Value US$
Goodwill on acquisition	2,893,298
Non-controlling interest	1,289,346
Total consideration	**4,182,644**

Satisfied by:	US$
Cash	4,182,644

If the acquisition of the remaining 40% shares in ICSD Ventures Sdn. Bhd. had occurred on 1 January 2009, this would have increased the Group's revenue and profit before tax for the year by approximately US$4,226,202 and US$955,029 respectively.

(c) Acquisition of Amatir Resources Sdn. Bhd.

On 30 November 2009, the Group acquired the remaining 9.09% of the issued share capital of Amatir Resources Sdn. Bhd. for a total consideration of US$3.4 million. The transaction is accounted for using the purchase method of accounting.

The assets and liabilities at the date of acquisition arising from the acquisition are as follows:

	Book Value US$
Goodwill on acquisition	3,585,991
Non-controlling interest	(138,940)
Total consideration	**3,447,051**

Satisfied by:	US$
Cash	3,447,051

46 ACQUISITION OF BUSINESS (CONT'D)

If the acquisition of the remaining 9.09% shares in Amatir Resources Sdn. Bhd. had occurred on 1 January 2009, this would have reduced the Group's revenue and profit before tax for the year by approximately US$ NIL and US$114,111 respectively.

The acquisition of Legolas Capital Sdn. Bhd., ICSD Ventures Sdn. Bhd. and Amatir Resources Sdn. Bhd. amounted to a total cash consideration of US$7,629,928. Therefore, the net cash outflow arising from these three acquisitions is:

	US$
Cash consideration	7,629,928
Less: Cash and cash equivalents acquired	(418)
Net cash outflow arising from acquisition	**7,629,510**

47 INVESTMENT IN PRINCIPAL SUBSIDIARIES AND ASSOCIATE

Name	Country of Incorporation	Percentage Interest	Principal Activities
Ireka Land Sdn. Bhd.	Malaysia	100%	Property development
Bumijaya Mawar Sdn. Bhd.	Malaysia	100%	Property development
Bumijaya Mahligai Sdn. Bhd.	Malaysia	100%	Property development
Amatir Resources Sdn. Bhd.	Malaysia	100%	Property development
ICSD Ventures Sdn. Bhd.	Malaysia	100%	Property development
Bumiraya Impian Sdn. Bhd.	Malaysia	80%	Property development
Aseana-BDC Co Ltd	Vietnam	65%	Property development
Hoa Lam-Shangri-La Healthcare Ltd Liability Co	Vietnam	51%	Property development
Excellent Bonanza Sdn. Bhd.	Malaysia	40%	Property development

Principal subsidiaries and associate are those which materially affect the results or assets of the Group.

The shareholdings of the principal subsidiaries and associate are held through subsidiaries.

48 COMMITMENTS & CONTINGENCIES

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

(a) Bank Guarantees

The Company has provided three bank guarantees totalling RM49.5 million (US$14.3 million) to assist a subsidiary in securing syndicated credit facilities of RM249.5 million (US$72.0 million) from banks.

(b) Investment in Aseana-BDC Co Ltd

At 31 December 2009, Aseana Properties (BVI) Ltd had contributed US$650,000 out of its total capital contribution of US$5,525,000 on its subsidiary – Aseana BDC Co Ltd. The remaining committed capital contribution of US$4,875,000 will be contributed by Aseana Properties (BVI) Ltd when it is called by Aseana BDC Co Ltd.

49 COMPARATIVE FIGURES

The following comparative figures of the Group has been restated arising from the adoption of International Accounting Standard ("IAS") 18 Revenue – Sale of Goods in accordance with the International Financial Reporting Interpretations Committee's interpretation 15 ("IFRIC 15") on Agreements for the Construction of Real Estate released in July 2008 and effective for periods beginning on or after 1 January 2009. The Group has changed its revenue recognition accounting policy with effect from 1 January 2009 as stated in Note 2.3(a).

In conjunction with IFRIC 15, the Directors have reassessed the allocation of marketing expenses from cost of sales to other operating expenses for 2009, 2008 and 2007.

The retrospective adjustments are in accordance with IAS 8 and made retrospectively for 2008 and 2007.

Adjustments to revenue are made for i-ZEN@Kiara I, Tiffani by i-ZEN, one Mont' Kiara by i-ZEN, Sandakan Harbour Square Phase 2 and SENI Mont' Kiara, which were previously recognised in the statement of comprehensive income based on percentage of work completed. Revenue is now restated based on the completion method of revenue recognition as per IAS 18 from 1 January 2009 and adjusted retrospectively as per IAS 8.

Consolidated Statement of Comprehensive Income for the period ended 31 December 2007

	Previously Reported Amounts US$	Effect of Adopting IFRIC 15 US$	As Restated Amounts US$
Revenue	45,176,071	(43,375,024)	1,801,047
Cost of sales	(46,239,698)	43,087,763	(3,151,935)
Other operating expenses	(848,064)	(1,606,017)	(2,454,081)
Taxation	(1,982,731)	1,820,717	(162,014)
Exchange differences on translating foreign operations	469,497	(49,132)	420,365
Total comprehensive income for the period, net of tax	(2,760,685)	(121,693)	(2,882,378)
Loss attributable to equity holders of the parent	(3,260,180)	271,469	(2,988,711)
Profit/ (loss) attributable to non-controlling interests	29,998	(344,030)	(314,032)
Loss per share (US cents):			
• Basic	(1.76)	0.15	(1.61)
• Diluted	(1.76)	0.15	(1.61)

49 COMPARATIVE FIGURES (CONT'D)

Consolidated Statement of Financial Position at 31 December 2007

	Previously Reported Amounts US$	Effect of Adopting IFRIC 15 US$	As Restated Amounts US$
Deferred tax assets	–	2,377,096	2,377,096
Property development costs	213,585,677	60,698,176	274,283,853
Exchange fluctuation reserve	469,497	(49,132)	420,365
Retained earnings	(2,607,644)	271,469	(2,336,175)
Non-controlling interests	1,845,682	(344,030)	1,501,652
Trade and other payables	58,269,002	63,200,692	121,469,694
Deferred tax liabilities	3,727	(3,727)	–
Shareholders' equity	237,595,120	222,337	237,817,457

Consolidated Statement of Comprehensive Income for the year ended 31 December 2008

	Previously Reported Amounts US$	Effect of Adopting IFRIC 15 US$	As Restated Amounts US$
Revenue	97,894,616	(59,525,475)	38,369,141
Cost of sales	(91,367,018)	55,255,419	(36,111,599)
Other operating expenses	(1,365,863)	(14,305,546)	(15,671,409)
Taxation	(3,820,493)	2,677,601	(1,142,892)
Exchange differences on translating foreign operations	(1,748,082)	1,214,458	(533,624)
Total comprehensive income for the year, net of tax	(14,404,943)	(14,683,543)	(29,088,486)
Loss attributable to equity holders of the parent	(13,333,986)	(13,817,723)	(27,151,709)
Profit/ (loss) attributable to non-controlling interests	677,125	(2,080,278)	(1,403,153)
Loss per share (US cents):			
• Basic	(5.33)	(5.53)	(10.86)
• Diluted	(5.33)	(5.53)	(10.86)

49 COMPARATIVE FIGURES (CONT'D)

Consolidated Statement of Financial Position at 31 December 2008

	Previously Reported Amounts US$	Effect of Adopting IFRIC 15 US$	As Restated Amounts US$
Deferred tax assets	120,586	4,847,132	4,967,718
Property development costs	224,380,241	97,911,190	322,291,431
Trade and other receivables	18,703,053	(1,764,313)	16,938,740
Exchange fluctuation reserve	(1,150,503)	1,069,385	(81,118)
Retained earnings	(15,941,630)	(13,546,254)	(29,487,884)
Non-controlling interests	8,257,045	(2,328,366)	5,928,679
Trade and other payables	29,257,923	114,367,771	143,625,694
Long term loans	48,766,614	(1,440,600)	47,326,014
Shareholders' equity	222,641,134	(12,476,869)	210,164,265

If IFRIC 15 was not adopted for the year ended 31 December 2009, the following items in the Consolidated Statement of Comprehensive Income and Statement of Financial Position would be affected:

Consolidated Statement of Comprehensive Income for the year ended 31 December 2009

	Reported Amounts As Per IAS 11 US$	Effect of Adopting IFRIC 15 US$	Reported Amounts As Per IAS 18 US$
Revenue	131,646,851	(16,391,184)	115,255,667
Cost of sales	(116,996,792)	16,250,842	(100,745,950)
Taxation	(5,766,938)	2,132,396	(3,634,542)
Exchange differences on translating foreign operations	187,335	(396,381)	(209,046)
Total comprehensive income for the year, net of tax	(1,091,629)	1,595,673	504,044
(Loss)/ profit attributable to the equity holders of the parent	(1,648,122)	2,483,164	835,042
Profit/ (loss) attributable to non-controlling interests	369,158	(491,110)	(121,952)
(Loss)/ earnings per share (US cents):			
• Basic	(0.73)	1.10	0.37
• Diluted	(0.73)	1.10	0.37

Consolidated Statement of Financial Position at 31 December 2009

	Reported Amounts As Per IAS 11 US$	Effect of Adopting IFRIC 15 US$	Reported Amounts As Per IAS 18 US$
Intangible assets	14,258,319	2,915,416	17,173,735
Deferred tax assets	75,779	7,090,913	7,166,692
Property development costs	238,189,219	115,832,777	354,021,996
Trade and other receivables	50,263,525	(25,870,931)	24,392,594
Exchange fluctuation reserve	(768,813)	768,946	133
Retained earnings	(17,589,751)	(11,063,091)	(28,652,842)
Trade and other payables	84,043,277	110,262,323	194,305,600
Shareholders' equity	215,367,210	(10,294,146)	205,073,064

49 COMPARATIVE FIGURES (CONT'D)

Following the change in accounting policy relating to IFRIC 15, the Group has reassessed the acquisitions made during the period ended 31 December 2007 and disclosed in the financial statements for that period. This has resulted in an unchanged fair value of net assets acquired, although the allocation between the net assets acquired and the fair value adjustment has been impacted by IFRIC 15.

50 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

On 20 April 2010, the Company has, via its wholly-owned subsidiary ASPL M9 Limited subscribed for 700,000 ordinary shares representing 70% of the issued shares, of RM1.00 each for a total cash consideration of RM700,000 in World Trade Frontier Sdn. Bhd. pursuant to the Share Subscription Agreement dated 31 December 2009 signed between ASPL M9 Limited, Ireka Corporation Berhad and World Trade Frontier Sdn. Bhd..

Copies of the Annual Report

Copies of the annual report will be available on the Company's website at www.aseanaproperties.com and from the Company's registered office, 12 Castle Street, St. Helier, Jersey, JE2 3RT, Channel Islands.

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Christopher Henry Lovell
David Harris
Dato' Seri Ismail bin Shahudin
John Lynton Jones
Gerald Ong Chong Keng

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