ASEANA PROPERTIES LIMITED

2014 ANNUAL REPORT

INVESTMENT GATEWAY TO MALAYSIA AND VIETNAM

The past 7 years of investment and asset management have culminated in our strategies coming to fruition. Like the farmers on the cover who are working together, we are collaborating with our partners and associates to capitalise on our assets in order to reap rewards.

The City International Hospital is strategically located in the Binh Tan District, and is approximately 11 km from District 1, the central business and commercial district of Ho Chi Minh City.

The 482-room Aloft Kuala Lumpur Sentral is the first Aloft hotel in Malaysia, which is the largest Aloft hotel in the world to date.

Four Points by Sheraton Sandakan is the only internationally branded hotel in Sandakan while the Harbour Mall Sandakan is known as the city's only modern lifestyle mall.

CONTENTS

••• CORPORATE STRATEGY •••

The RuMa Hotel and Residences
Kuala Lumpur

Aseana Properties Limited ("Aseana Properties" or "Aseana") 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 typically 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 70% of Aseana Properties' investment portfolio is allocated to projects in Malaysia and approximately 30% to projects in Vietnam.

INTRODUCTION

Aseana Properties Limited is a property development company established as an investment gateway to 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.

KEY FACTS

Exchange
London Stock Exchange Main Market

Symbol
ASPL

Lookup
Reuters - ASPL.L; Bloomberg - ASPL:LN

Domicile
Jersey

Shares Issued
212,025,000

Voting Share Capital
212,025,000

Share Denomination
US Dollars

Management Fee
2% of NAV

Performance Fee
20% of the out performance NAV over a total compounded return hurdle rate of 10% per annum

Admission Date
5 April 2007

ADVISERS & SERVICE PROVIDERS

Development Manager
Ireka Development Management Sdn. Bhd.

Corporate Broker
N+1 Singer

Auditor
KPMG LLP

••• CHAIRMAN'S STATEMENT •••

The global economy continued to expand at a moderate and uneven pace in 2014. Both advanced and emerging economies have struggled to gain momentum amid significant economic uncertainty. In contrast to the accelerating growth of the United States economy, Japan's consumption tax hike caused its economy to fall into recession as China's growth slowed. A combination of restrictive fiscal and monetary policy accompanying weak export growth caused the European economy to stall. In addition, global growth experienced further downside risk following geopolitical developments in Eastern Europe and the Middle East as well as rising concerns over the growth prospects of commodity-producing emerging economies. While the reduction in crude oil prices since mid-2014 has helped stimulate growth in oil-importing developing economies, it has also had the effect of dampening growth prospects for oil-exporting countries, including Malaysia.

Meanwhile, Aseana Properties' core markets, Malaysia and Vietnam, have experienced higher than expected Gross Domestic Product ("GDP") growth in 2014. Malaysia's economy, although shaken by the sharp drop in global oil prices, has defied the more general slide in commodities and oil prices to grow at its fastest pace since 2010, up 6.0% in 2014 compared with 4.7% in 2013. The positive growth was primarily driven by the continued strength of domestic demand and supported by an improvement in external trade performance. The Malaysian economy's steady growth has however been interrupted by the depreciation of the Ringgit, which was partially caused by the strengthening of the US Dollar in anticipation of the Federal Reserve raising interest rates. The Malaysian Ringgit hit a near six-year low after the government adjusted its economic targets to cope with sliding oil prices. Nevertheless, the Malaysian economy is expected to remain resilient in 2015 and withstand the challenges of the global economic environment, largely because of the country's diversified economic structure, low inflation, a strong and well-capitalised banking system and well-developed financial markets.

The economy in Vietnam has been stable for the past two years and GDP grew 6.0% in 2014. This was despite a volatile period at the start of the year as a result of a territorial dispute with China and the impact of weaker global economic conditions in the second half of 2014. Inflation and interest rates fell dramatically while exports maintained a relatively high rate of growth. In addition, the economic outlook has been further enhanced by the revamping of Vietnam's laws on foreign property ownership. In early 2015, The State Bank of Vietnam ("SBV") devalued the Vietnam Dong against the US Dollar by 1.0% to VND21,458, a move that will make Vietnam's exports more competitive compared to regional peers as the US Dollar strengthens. In addition, the National Assembly of Vietnam has set a GDP growth target of 6.2% and inflation rate of 5.0% for 2015.

With regard to the property market, measures introduced by the central bank have succeeded in cooling the Malaysian property market. Stricter lending conditions coupled with an interest rate rise in July 2014 have increased the cost of mortgage financing and rejection rates for home buyers applying for new home loans. As a result, the annual rate of increase in property prices has slowed down compared to the same period in 2013 according to Bank Negara Malaysia's House Price indicators. The number of successful transactions was also lower compared to the same period in 2013. The market is expected to continue its lacklustre performance into 2015 amid uncertainties around the implementation of the Goods and Services Tax ("GST") in April 2015. Buying sentiment will also be muted due to the potential hike in property prices as well as the heightened cost of living after the implementation of GST, which is further compounded by a weaker Ringgit. Property buyers are likely to adopt a "wait and see" approach when it comes to property investment decisions.

Meanwhile, the performance of the property market in Vietnam improved, especially in the residential sector. Stalled building projects have restarted and construction progress has accelerated due to cheaper and more readily available funding. In 2014, the real estate market ranked second in terms of total foreign direct investment into Vietnam, accounting for 12.6% of the total. Furthermore, the amended housing and real estate laws that take effect in July 2015 are likely to increase market activities as foreigners are now able to purchase units in housing projects. Concrete efforts by the Vietnamese government to boost an ailing real-estate market and accelerate economic growth bode well for the sector in the coming years.

PROGRESS OF THE PROPERTY PORTFOLIO

2014 was an exciting year for Aseana Properties Limited ("Aseana Properties" or "Aseana"). In May 2014, SENI Mont' Kiara ("SENI") bagged the prestigious World Silver Award at the International Real Estate Federation ("FIABCI") World Prix d'Excellence Awards 2014 in the residential (High Rise) category. Sales at SENI increased from 85.0% at the beginning of 2014 to 94.9% to date. In a similar positive move, the Aloft Kuala Lumpur Sentral Hotel ("Aloft") was awarded the FIABCI Malaysia Property Award for the Hotel category in November 2014, in recognition of its development concept and design, marketing appeal and sustainability. Aloft closed the year in 2014 with an occupancy rate of 65.4%, which was commendable for a hotel that started operating only two years ago. Continuing into 2015, Aloft achieved its highest-to-date monthly occupancy rate of 85.5% in March 2015, and is on track to achieve its target for the year. In Sabah, the Harbour Mall Sandakan ("HMS") is 51.0% tenanted, while the Four Points by Sheraton Sandakan Hotel ("FPSS") recorded an occupancy rate of 41.8% as at 31 December 2014. The Manager is constantly looking at ways to improve efficiency and performance of these assets as the Company moves towards the realisation of its completed property portfolio. At the RuMa Hotel and Residences ("The RuMa"), the only project currently under development, sales of units progressed at a moderate pace, currently at around 48.0%.

For Aseana Properties' portfolio in Vietnam, operation of City International Hospital ("CIH") is still going through a period of stabilisation. In 2014, CIH's poor performance was largely caused by challenges in human resources, lower patient volumes and lack of awareness of the hospital. The Manager is working closely with Parkway Pantai Limited, the operator of CIH, to improve the performance of the hospital through concerted marketing campaigns, introduction of new service lines and targeted sales. Nam Long Investment Corporation ("Nam Long"), in which Aseana owns a strategic minority stake, issued 12.95 million new shares in a share swap with three of its subsidiaries' minority shareholders during the final quarter of 2014. The share swap has aligned interests between Nam Long and its subsidiaries. As a result of the share swap, Aseana's stake in Nam Long was diluted to 11.6%. On the back of positive financial results in 2014 and its leadership position in the affordable homes market, Nam Long's share price has increased gradually from VND 17,600 per share on 31 December 2014 to VND19,900 per share on 24 April 2015.

Aseana Properties recorded positive results for the financial year ended 31 December 2014, mainly due to the sale of vacant plots of land at the International Healthcare Park ("IHP") (formerly International Hi-Tech Healthcare Park) as well as increased sales at both SENI Mont' Kiara and Tiffani. The Group registered an increase in revenue from US$29.3 million in 2013 to US$85.1 million in 2014 and recorded a net profit before taxation of US$15.4 million compared to a net loss of US$18.8 million in 2013. The net profit before tax includes profit attributable to SENI Mont' Kiara and Tiffani of US$16.7 million, a gain on disposal of land to AEON Vietnam Co. Ltd. ("AEON Vietnam") of US$10.8 million, a gain on disposal of two pieces of vacant land at IHP of US$4.1 million and a gain on disposal of the 40% stake in Excellent Bonanza Sdn. Bhd. ("EBSB") of US$5.3 million during the year. These gains were offset by operating losses and financing costs of Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan, which totalled US$5.4 million, together with operating losses and financing costs of the City International Hospital, which totalled US$9.8 million.

Further information on each of the Company's properties is set out in the Manager's report on pages 6 to 9.

CONTINUATION VOTE

When the Company was launched in 2007, the Board considered it desirable that shareholders should have an opportunity to review the future of the Company at appropriate intervals. Accordingly, and as required under the Company's Articles of Association, at the 2015 Annual General Meeting ("AGM"), the Company must propose an ordinary resolution for Aseana to cease trading as presently constituted (the "Discontinuation Resolution").

However, the Board firmly believes that ceasing to trade and placing the Company in liquidation at this time would have a significant adverse effect upon shareholder value. Whilst the Board is obliged to put forward the Discontinuation Resolution at the 2015 AGM, it does not consider that ceasing to trade at this time is in the best interests of shareholders. Instead, the Board believes that a policy of orderly realisation of the Company's assets over a period of up to three years is a more appropriate approach in order to maximise the value of the Company's assets and returns to shareholders, both up to and upon eventual liquidation of the Company. Ahead of the 2015 AGM, the Board is considering proposals to amend the Company's investment policy to enable a realisation of its assets in a controlled, orderly and timely manner, with the objective of achieving a balance between periodically returning cash to shareholders and maximising the realisation value of the Company's investments. If the Proposals are adopted, the Board aims to complete the disposal of the Company's assets by June 2018.

The Proposals will require the approval of shareholders and the Board intends to convene an Extraordinary General Meeting ("EGM") , to be held immediately prior to the 2015 AGM, to consider the Proposals. The Board intends to recommend to shareholders that they vote for the Proposals at the EGM and against the Discontinuation Resolution at the Company's 2015 AGM. Further detail of the Proposals is expected to be posted to the Company's shareholders soon.

OUTLOOK

As we progress into 2015, efforts to dispose of the remaining units at SENI Mont' Kiara and to increase the sale of The RuMa Hotel and Residences will continue. The Manager will also focus on improving the performance of the operating assets in preparation for their eventual sale.

Last but not least, I would like to extend my sincere appreciation to my fellow Directors and The Manager for their continuous commitment and support throughout the year. Our heartfelt gratitude also goes out to the Government authorities, financiers, shareholders and business associates for their continuous support in our business undertakings.

MOHAMMED AZLAN HASHIM
Chairman

27 April 2015

BUSINESS OVERVIEW

Looking back, 2014 proved to be yet another busy year for Aseana Properties. The City International Hospital ("CIH") was officially opened for business on 5 January 2014, offering comprehensive services including Gynecology, Cardiology, Medical Oncology, Neurology, Pediatrics, Ophthalmology and ENT. With the opening of CIH, the Group currently has a total of four assets operating in Malaysia and Vietnam. Meanwhile, the construction of the main building at The RuMa Hotel and Residences ("The RuMa") is progressing despite challenging market conditions and is now targeted to be completed by Q3 2017. The year ahead promises to be another busy one as we work towards realising the Group's assets, in line with the upcoming continuation vote and proposed new investment policy for the second half of 2015 onwards.

In May 2014, SENI Mont' Kiara ("SENI") was awarded the prestigious World Silver Award at the International Real Estate Federation ("FIABCI") World Prix d'Excellence Awards 2014 in the residential (High Rise) category. This award represents outstanding achievement and recognises the project that has demonstrated excellence across all the real estate disciplines. On the back of this achievement, SENI has recorded 94.9% of sales to date, with a target that the remaining units will be sold by end of 2015. In the meantime, sales at The RuMa have increased to approximately 48.0% to date, based on sales and purchase agreements signed. Sales at The RuMa have been affected by the cooling measures implemented by the Malaysian Government, to address the accelerating house prices and property speculation. Aseana also entered into a share sale agreement with Malaysian Resources Corporation Berhad ("MRCB") to dispose of its 40% stake in Excellent Bonanza Sdn. Bhd. ("EBSB") for RM17.0 million (US$5.3 million) being the sales consideration. In addition, RM3.0 million (US$0.9million) was repaid for the amount due from EBSB during the financial year. The transaction was completed in August 2014. The disposal represents an early exit and realisation of profits from the project which was originally planned for December 2015.

Aloft Kuala Lumpur Sentral Hotel
Kuala Lumpur

In Vietnam, Aseana, through its 68%-owned subsidiary, Hoa Lam Shangri-La 3 Limited Liability Company ("HLSL3"), has entered into an agreement with AEON Vietnam Co., Ltd. ("AEON Vietnam") to dispose a 4.7 hectares (11 acres) of retail mall land at the International Healthcare Park ("IHP") (formerly known as International Hi-Tech Healthcare Park) and also to transfer the development rights of the retail mall to AEON Vietnam. The transaction was completed in August 2014 and has contributed positively to Aseana's FY2014 results. Separately, during the last quarter of 2014, Nam Long issued 12.95 million new shares for the purpose of a share swap with three of its subsidiaries' minority shareholders. Through the share swap, interests between Nam Long and its subsidiaries are further aligned and corporate governance was improved. Following the share swap, Aseana's stake in Nam Long was further diluted to 11.6%.

MALAYSIA ECONOMIC UPDATE

Despite moderate but uneven growth exhibited by the global economy in 2014, the Malaysian economy grew at a stronger pace, assisted by the continued strength in private domestic demand and positive growth in net exports. Malaysia's gross domestic product ("GDP") for the last quarter of 2014 stood at 5.8% while for the whole of 2014, growth was at 6.0% compared to 4.7% in 2013. After seven years of negative contribution, net exports in Malaysia have turned around to contribute positively to growth following the recovery in the advanced economies and the sustained demand from regional economies which have benefitted Malaysia. In spite of the positive GDP growth, the Ringgit depreciated towards the end of the year as it was impacted by the plummeting crude oil prices amid a strengthening US Dollar. The Ringgit has depreciated by 6.1% to RM3.4950 against the US Dollar during the year as a whole. In 2015 to date, the Ringgit has continued to decline against the US Dollar, closing at RM3.5995 as at 24 April 2015. There were also concerns over the Government's revision of the economic growth forecast to 4.5% - 5.5% for 2015 from 5.0% - 6.0% and the fiscal deficit target to 3.2% of GDP from 3.0% during the Special Address by the Prime Minister in January 2015.

The Overnight Policy Rate ("OPR") remained unchanged at 3.25%, since its last increment in July 2014. This move is to support economic activity following a weaker global growth outlook amid moderating domestic inflation. Malaysia's inflation rose by 3.2% during the year mainly driven by domestic cost factors arising from the adjustments in the prices of several price-controlled items since late 2013. After rising in the earlier part of the year, inflation moderated during the last four months due to lower food inflation and the downward adjustments in fuel prices following the implementation of the managed-float fuel-pricing mechanism. Although it appears that the implementation of the Goods and Services Tax ("GST") in April 2015 may be tempered by the substantial exemption list, some temporary impact on inflation is believed to be inevitable.

In tandem with the Ringgit's depreciation and falling crude oil prices, business confidence during the last quarter of 2014 appears subdued. According to the Malaysian Institute of Economic Research ("MIER"), Business Conditions Index ("BCI") slipped to 86.4 points in Q4 2014, largely attributed to slower domestic and export orders, continued deterioration in sales, slowdown in manufacturing activities coupled with higher inventories. Similarly, the Consumer Sentiment Index ("CSI") plunged to 83.0 points in the fourth quarter of 2014, mainly caused by looming concerns over the financial outlook of Malaysia and also the impact of the implementation of GST in April 2015.

Malaysia moved up from 20th position to 18th in the World Bank's Doing Business 2015 Report, ahead of countries such as Taiwan, Switzerland, Thailand, the Netherlands and Japan. In Asia, Malaysia ranked 4th, after Singapore, Hong Kong and South Korea. The improvements reflect the initiatives undertaken by the government through the Government Transformation and Economic Programme as well as the work undertaken by the Joint Public-Private Sector Task force to facilitate businesses. In line with this, Malaysia recorded a net inflow of RM10.2 billion (US$2.9 billion) of Foreign Direct Investment ("FDI") during the last quarter of 2014 with countries such as Singapore, Netherlands and Japan being the top investors. The majority of the FDI inflows were channeled into manufacturing, financial and insurance as well as mining sectors. For the whole of 2014, total cumulative FDI stood at RM35.1 billion (US$10.0 billion), which was RM3.1 billion (US$0.9 billion) shy of the 2013 cumulative FDI of RM38.2 billion (US$10.9 billion).

VIETNAM ECONOMIC UPDATE

Although suffering from a slower start at the beginning of the year and the negative effect of the political tensions with China, Vietnam's economy rebounded and its recovery is now back on track. Vietnam's GDP growth for 2014 was 6.0%, surpassing the Vietnamese government's target of 5.8% and the highest since 2011. Continued macroeconomic stability has helped underpin growth in Vietnam and a new cycle of economic growth was further confirmed by a number of positive indicators such as the recovery of the property market, strong external accounts, accelerating retail sales, a pick-up in credit expansion and improving bank balance sheets. Likewise, the Vietnamese Government has implemented remedial measures that have helped boost the economy such as, actions to reduce inflation, stabilisation of the foreign exchange market and strengthening of external accounts.

Vietnam's inflation has eased significantly over recent years on the back of government's measures to curb demand. In 2014, Vietnam's average CPI grew at 4.1%, lower than the set target of 7.0%. The easing inflation has provided the State Bank of Vietnam ("SBV") with the needed room to further ease monetary policy to support growth, encourage consumer spending in productive sectors and help enterprises reduce their borrowing costs. Meanwhile, Vietnam has recorded trade surpluses for 3 consecutive years and reached its highest value at US$2.0 billion in 2014. Further to that, the SBV devalued the Vietnamese Dong against the US dollar by 1.0% to VND 21,458 in January 2015 in a bid to spur Vietnam's exports and to sustain growth relative to other South East Asian economies.

Foreign Direct Investment ("FDI") remained as the largest contributor to the trade surplus, accounting for 68.0% of total export revenue. It is expected that FDI in 2015 will continue its upside growth fuelled by an accommodating monetary policy, recovery of the banking sector, improving domestic demand, the lower oil price and a pick-up in export manufacturing. The EU-Vietnam Free Trade Agreement, when ratified in 2015, will provide a positive impetus to FDI, to exports and to consumer confidence.

On the back of improved macroeconomic stability and stronger external balances, Fitch Ratings upgraded Vietnam's Long-Term Foreign and Local Currency Issuer Default Ratings from "B+" to "BB-", and Vietnam's outlook has been revised from "Positive" to "Stable".

PORTFOLIO REVIEW

MALAYSIA

The RuMa Hotel and Residences
Kuala Lumpur

Property Market Review

Malaysia's property market which was seen to be bullish in the past couple of years has slowed down noticeably throughout 2014. The series of cooling measures implemented under the 2014 budget by the Government, such as the increase in the Real Property Gains Tax ("RPGT"), the loan-to-value and prohibition of the Developer Interest Bearing Scheme ("DIBS"), have worked well to arrest the steep rise in property prices in the middle-end market and reduced speculative activity. With the implementation of the Goods and Services Tax ("GST") in April 2015, buyers will likely adopt a "wait-and-see" approach for at least the next six to nine months. Amid the rising costs of doing business, tighter monetary policy and the impact of the new tax system, the property market is expected to remain challenging going forward. The recent plunge in crude oil prices and lower trade surplus could further undermine the country's economy and its property market especially if they are prolonged.

The Malaysian Government has introduced the Youth Housing Scheme, a smart partnership between the government, Bank Simpanan Nasional, Employees Provident Fund ("EPF") and Cagamas. With this scheme, it is announced that more housing units will be built under the 1 Malaysia People's Housing Programme ("PRIMA") and extended the 50% stamp duty exemption until 31 December 2016. These are amongst the measures introduced by the government to assist the young and first-time home buyers who are facing difficulties in affording a home.

On the commercial office front, the Klang Valley office market continues to favour tenants and was resilient in 2014. During the year, total supply of commercial office space in the Klang Valley increased to 107.7 million sq. ft. Amid the widening gap between supply and demand, the overall occupancy rate increased marginally to 82.0% while market rents have remained stable with limited growth prospects. Meanwhile, the average occupancy rate for the retail sector in the Klang Valley stood at 82.9% during the last quarter of 2014. Market prices as well as rents in the retail sector have generally remained stable. However, consumers' spending power has been affected as a result of the removal of fuel subsidy, the plunge in the CSI to below-100 points threshold, the hike in the OPR from 3.0% to 3.2%, coupled with the implementation of GST in April 2015. The outlook for the retail sector's performance is expected to be moderate.

Despite some major setbacks during the year, including the two Malaysian aircraft tragedies, Malaysia's tourism industry continued to show a sustainable growth trend, contributed by Tourism Malaysia's aggressive promotional efforts together with the support of other industrial players in conjunction with "Visit Malaysia Year 2014". Hotel supply in the Klang Valley was up 6.2% compared to 2013. Looking forward, the weakening of the Malaysian currency will spur tourists' inflow as visiting and spending in Malaysia has become relatively cheap and affordable. A wide range of traditional and cultural festivals have been planned for 2015 in conjunction with the Malaysia Year of Festivals ("MyFest") campaign. MyFest will be implemented in 2015 to boost the tourism sector as announced by the Malaysian Government in Budget 2015.

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

- **SENI Mont' Kiara**
  Owned 100.0% by Aseana Properties, SENI Mont' Kiara is an upmarket condominium development situated on one of the highest points in Mont' Kiara. Construction was completed in 2011. The project consists of two 12-storey blocks and two 40-storey blocks, comprising 605 residential units. The majority of units command impressive views of the city skyline including the 88-storey Petronas Twin Towers and the KL Tower.

  In May 2014, SENI Mont' Kiara was awarded the prestigious World Silver Award at the FIABCI World Prix d'Excellence Awards 2014 in the residential (High Rise) category. On the back of this achievement, sales at SENI Mont' Kiara have progressed to 94.9% to date.

  The bridging loan for the project was fully repaid in 2013.

- **Tiffani by i-ZEN**
  Tiffani by i-ZEN, wholly-owned by Aseana Properties, is a completed luxury condominium project located in Mont' Kiara. To date, 98.7% of the 399 residential units have been sold. The debt on the project has been fully repaid. The Manager has decided to partially fit out two remaining penthouses at Tiffani by i-ZEN to offer buyers and dwellers a hassle-free experience of owning an apartment unit.

- **The RuMa Hotel and Residences**
  This project is strategically located in the heart of Kuala Lumpur City Centre ("KLCC") on Jalan Kia Peng, near neighbouring landmarks such as the Grand Hyatt Kuala Lumpur, KLCC Convention Centre, Suria KLCC shopping mall, KLCC Park and the world famous Petronas Twin Towers. Aseana Properties owns 70.0% of this project and 30.0% is owned by Ireka Corporation Berhad. The Group plans to develop 199 units of luxury residences, The RuMa Residences, and a 253-room luxury bespoke hotel, The RuMa Hotel, on the 43,559 sq. ft. of development land. The RuMa Hotel will be managed by Urban Resort Concepts, a renowned bespoke hotel management company based in Shanghai, which created and now operates the award-winning The Puli Hotel in Shanghai.

The RuMa Hotel and Residences
Kuala Lumpur

SENI Mont' Kiara
Kuala Lumpur

  Construction work commenced in February 2013 and is estimated to complete in Q3 2017. The sales launch for The RuMa Hotel and Residences was held on 8 March 2013. Sales at The RuMa Hotel and Residences have been affected by the cooling measures imposed by the Government to curb property speculation. To date, sales at The RuMa Hotel and Residences have increased to approximately 48.0% based on the sales and purchase agreements signed.

  The land was part financed by a term-loan facility of RM65.3 million (US$18.7 million), which was fully drawn down. The development of the project is funded by progressive payments from buyers.

- **Kuala Lumpur Sentral Project and Aloft Kuala Lumpur Sentral Hotel**
  Kuala Lumpur Sentral project is a mixed commercial and hospitality development project consisting of two office towers and a business class hotel, centrally located in Kuala Lumpur's urban transportation hub. The project is owned and developed by Excellent Bonanza Sdn. Bhd. ("EBSB"), which was jointly owned by Aseana Properties and Malaysian Resources Corporation Berhad on a 40:60 basis.

  In June 2014, Aseana entered into a share sale agreement with Malaysian Resources Corporation Berhad ("MRCB") to dispose of its 40% stake in Excellent Bonanza Sdn. Bhd. ("EBSB") for RM17.0 million (US$5.3 million) being the sales consideration. In addition, RM3.0 million (US$0.9 million) was repaid for the amount due from EBSB during the financial year. The transaction completed in August 2014.

  At the commencement of the project, Aseana Properties conditionally agreed to purchase the hotel component from EBSB for a total consideration of approximately RM217.0 million (or US$62.1 million). The sale and purchase of the 482-room Aloft Kuala Lumpur Sentral Hotel was completed in April 2013 and operations commenced on 22 March 2013. Aseana Properties entered into a Management Agreement appointing Starwood Asia Pacific Hotels & Resort Pte Ltd as the

Four Points by Sheraton Sandakan
Sabah

operator of Kuala Lumpur Sentral Hotel under the 'Aloft' brand name. The purchase of the Aloft Kuala Lumpur Sentral Hotel together with fit-out expenses were financed by guaranteed medium term notes of RM270.0 million (US$77.2 million) which is part of the RM515.0 million (approximately US$147.3 million) MTN programme announced in November 2011, of which RM15.0 million was drawn down as at 31 December 2012. The remaining RM254.0 million (US$72.6 million) was fully drawn down in April 2013 to complete the acquisition of the Aloft Kuala Lumpur Sentral Hotel.

The Aloft Kuala Lumpur Sentral Hotel has been awarded the winner of the prestigious FIABCI Malaysia Property Awards in the Hotel category in recognition of its development concept and design, marketing appeal and sustainability back in November 2014. On top of that, the hotel was also awarded with a number of other awards during the year such as the Best Short Stay Excellence Award by Expatriate Lifestyle for the Best of Malaysia Travel Awards and the Kuala Lumpur Mayor's Tourism Awards for 4-star hotel category. The Aloft hotel has to date in year 2015 achieved an occupancy rate of 73.5%, and an Average Daily Rate ("ADR") of RM324.8.

- **Sandakan Harbour Square**
  Sandakan Harbour Square, which is wholly-owned by Aseana Properties, is an urban redevelopment project in the commercial centre of Sandakan, Sabah. Sandakan is a 'Nature City' with a population of approximately 500,000, with eco-tourism and palm oil plantations as the main drivers of the local economy. The Sandakan Harbour Square project consisted of four phases, of which Phases one and two comprised 129 shop lots that are now fully sold, Phases three and four consist of the first retail mall (Harbour Mall Sandakan) and the first international four-star hotel in Sandakan, known as the Four Points by Sheraton Sandakan Hotel.

  The Harbour Mall Sandakan ("HMS") and Four Points by Sheraton Sandakan Hotel ("FPSS") commenced business in July and May 2012 respectively. The occupancy rate at the Harbour Mall Sandakan is currently 53.0%. Notable tenants in the mall include Parkwell Departmental Store, Levi's, The Body Shop, GNC and McDonald's amongst others and leasing activities at Harbour Mall Sandakan to both local and international retailers are still ongoing. Meanwhile, FPSS recorded an occupancy rate of 35.7% to date, with an ADR of RM204. The management of FPSS continues to improve the efficiency of its operations and to work with the relevant authorities to improve tourist arrivals to Sandakan. The business conditions in Sabah continue to suffer from the impact of two airline tragedies in the surrounding area and several kidnapping cases off the east coast of Sabah during 2014. These events have affected the performance of both HMS and FPSS during the past twelve months.

  The project is funded by guaranteed medium term notes of RM245.0 million (US$70.1 million) which is part of the RM515.0 million (US$147.3 million) MTN programme announced in November 2011. The MTNs were fully issued as at 31 December 2011.

- **Kota Kinabalu Seafront Resort & Residences**
  Facing the South China Sea, this project is a resort-themed development consisting of a boutique resort hotel, resort villas and resort homes at the seaside area in Kota Kinabalu, Sabah. Aseana Properties acquired three adjoining plots of land amounting in aggregate to approximately 80 acres in September 2008 with the intention of developing a hotel, villas and resort homes. Various marketing efforts were conducted in 2014 to dispose of the land. However, similar to the Sandakan Harbour Square properties, the prospects have been affected by the impact of the two flight tragedies on the tourism market.

Harbour Mall Sandakan
Sabah

VIETNAM

Property Market Review
A larger number of successful transactions and the rising prices provide evidence that the Vietnamese property market is on its path to recovery, especially the residential market. In the early months of 2014, the number of successful transactions doubled over the same period in 2013. Policies introduced by the Vietnamese Government, such as extending housing loan channels, lowering interest rates, the performance and support package of VND30.0 trillion and the favourable changes in housing law, have stimulated and supported the recovery process of the residential market. Based on the revised housing law, which will come into effect from July 2015, foreigners will be allowed to purchase project-based houses and condominiums. On top of that, expatriate Vietnamese will also have ownership rights equal to those of local Vietnamese.

2014 saw a sharp increase in the number of new development launches for the residential market in both Hanoi and Ho Chi Minh City ("HCMC"). There were a total of 14,807 new units launched in HCMC, which was 3.2 times higher than 2013. In Hanoi a total of 16,253 new units were released, which was 2.1 times higher than that of 2013. It is expected that the market will continue to look positive in 2015 as more stalled projects restart and there will be more new launches.

On the back of improving economic indicators, demand in the HCMC office market has risen, with limited supply helping to support rents and lower the vacancy rate. Overall occupancy stood at

City International Hospital in International Healthcare Park
Ho Chi Minh City

90.0% in 2014, the highest in the last five years. In retail, 2014 saw the opening of two shopping centres in HCMC by the Japanese AEON Group. AEON Group has set a target to operate up to 20 shopping malls in Vietnam by 2020. In addition, the Korean Lotte Group also announced a plan to open 60 supermarkets in Vietnam by 2020. During the year, local retailers actively expanded, with the most notable acquisition being that of a supermarket chain from Ocean Retail Group by Vingroup. Vingroup plans to construct or purchase 100 VinMart supermarkets and 1,000 VinMart convenience stores by 2017 as well as an additional nine shopping centers across the country. On the whole, Vietnam's retail and service sectors have maintained an average growth rate above 10%, despite the economic downturn. As a result of this performance, continuing strong economic growth and a rising middle class population, the retail sector is expected to perform well in 2015.

Vietnam's tourism industry has experienced some setbacks during the early part of the year as a result of a political rift with China. As a result, the total number of international visitors in 2014 was recorded at only 7.9 million, up 4.0% compared to 2013 and was much lower than the growth of 10.6% back in 2013.

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

- **International Healthcare Park (formerly known as International Hi-Tech Healthcare Park) and City International Hospital**
  The International Healthcare Park ("IHP") is a planned mixed development over 37.54 hectares of land comprising world-class private hospitals, mixed commercial, hospitality and residential developments. This development is located in the Binh Tan District, close to Chinatown and is approximately 11 km from District 1, the central business and commercial district of HCMC. Aseana Properties has a 68.1% stake in this development and its joint venture partner, Hoa Lam Group holds a significant minority stake together with a consortium of investors from Singapore, Malaysia and Vietnam. Approximately 20 hectares will be dedicated to the hospital and commercial developments and five hectares has been allocated for residential developments. Out of a total 19 plots of land, three plots have been sold to date.

  Construction commenced with the first phase of the 320-bed City International Hospital ("CIH") in May 2010 and completed in March 2013. CIH commenced business on 24 September 2013 and its official opening was subsequently held on 5 January 2014. CIH is a modern private care hospital conforming to international standards with 320 beds (Phase 1: 168 beds) and is managed by Parkway Pantai Limited, Asia's leading private healthcare group with a network of more than 3,300 beds across Singapore, Malaysia, the Middle East and India. The operations of CIH are expected to go through a period of stabilisation before reaching optimal performance.

  To part finance the payment for the land and working capital, the joint venture companies have secured total loan facilities of US$16.3 million, of which US$13.2 million had been drawn down as at 31 December 2014. The development of City International Hospital is funded by a syndicated term loan of US$43.3 million and a revolving credit facility of US$1.0 million, of which US$41.0 million was drawn down as at 31 December 2014.

- **Nam Long Investment Corporation**
  In 2008, Aseana Properties acquired a strategic minority stake in Nam Long Investment Corporation ("Nam Long"), a private property development company in Vietnam with market leadership in the low to medium-end segment of the market. Nam Long was subsequently listed on the Ho Chi Minh Stock Exchange on 8 April 2013. In February 2014, Nam Long completed a placing of 25,500,000 new shares at VND18,000 (approximately US$0.855) per share to a prominent list of institutional investors including International Finance Corporation (investment

City International Hospital in International Healthcare Park
Ho Chi Minh City

Waterside Estates
Ho Chi Minh City

arm of World Bank), which saw the dilution of Aseana Properties' effective stake in Nam Long to 12.9% from 16.3%. Aseana Properties' stake was further diluted to 11.6% in the last quarter of 2014 following the issuance of 12.95 million new shares in a share swap with three of Nam Long's subsidiaries' minority shareholders. The swap improves corporate governance and alignment of interests between Nam Long and its subsidiaries.

In 2014, the International Finance Corporation ("IFC"), a member of the World Bank Group, has awarded its first "Excellence in Design for Greater Efficiencies" ("EDGE") certifications in Vietnam to building designs developed by Nam Long. IFC's EDGE is a new building resource efficiency certification system created for emerging markets which provides clients with technical solutions for going green and captures capital costs and projected operational savings. Nam Long, being the first EDGE-awarded real estate developer in Vietnam, is showing strong commitment to developing affordable and environmentally friendly residences with high quality of life.

Nam Long's affordable housing projects, branded as "E-homes", continue to be their main revenue driver. The high quality and low prices have made its E-homes brand the preferred brand among prospective home buyers in Vietnam. Nam Long currently owns a land bank of more than 560 hectares, mainly in HCMC and its neighbouring provinces, making it one of the largest property developers by land bank in HCMC.

Aloft Kuala Lumpur Sentral Hotel
Kuala Lumpur

For the year ended 2014, Nam Long reported a total revenue of VND866.9 billion (US$40.5 million) and its net profit after tax stood at VND103.6 billion (US$4.8 million).

- **Waterside Estates**
  Waterside Estates was initially planned for a low density development comprising 37 villas (Phase 1) and 460 apartment units (Phase 2) set in a lush green landscape, with the river-front view of the Rach Chiec River. The project was to be developed jointly by Aseana Properties and Nam Long on a 55:45 basis. However, due to the challenging conditions of the high-end real estate market in Vietnam and with Aseana Properties approaching its maturity, the board has now decided to assess the market for opportunities to divest this project.

OUTLOOK

Having pulled through another challenging year in 2014, Aseana Properties is now looking to continue its focus on stabilising the operations of its assets to achieve optimum capital value and at the same time concentrate on realising remaining assets as the date for the continuation vote draws closer. Ahead of a potential sale of assets in the portfolio, Aseana Properties remains committed to a regime of prudent management, ensuring an optimum capital value for the portfolio.

The Malaysian property market is expected to remain challenging as there are looming uncertainties in the outlook for the property market arising from the impending GST implementation and the effect of the stringent measures introduced by the Government of Malaysia. On the contrary, Vietnam's economy has shown signs of continued growth through 2014. The Vietnamese Government has undertaken a number of important legal and regulatory changes to improve the market situation and encourage foreign investment. Nevertheless, the Manager is currently working closely with the Board to improve the performances of the assets of the company in preparation for their eventual sale in view of the maturity of Aseana Properties.

On a final note, we would like to take this opportunity to thank the Board of Aseana Properties, our advisers and business associates for their support and guidance throughout the year.

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

27 April 2015

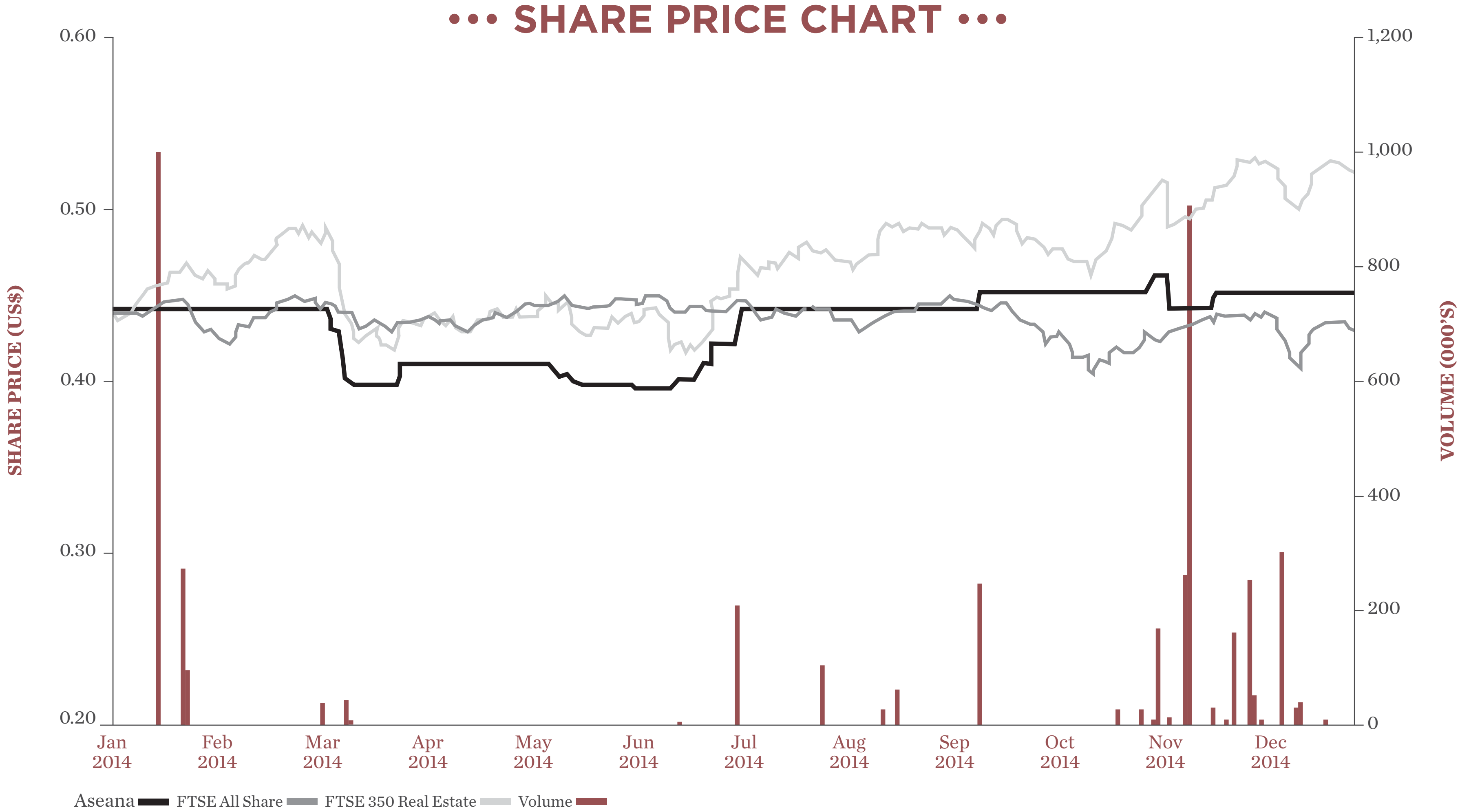
PROPERTY PORTFOLIO

AS AT 31 DECEMBER 2014

Project	Type	Effective Ownership	Approximate Gross Floor Area (sq m)	Approximate Land Area (sq m)	Scheduled completion
COMPLETED PROJECTS					
Tiffani by i-ZEN Kuala Lumpur, Malaysia	Luxury condominiums	100.0%	81,000	15,000	Completed in August 2009
1 Mont' Kiara by i-ZEN Kuala Lumpur, Malaysia	Office suites, office tower and retail mall	100.0%	96,000	14,000	Completed in November 2010
SENI Mont' Kiara Kuala Lumpur, Malaysia	Luxury condominiums	100.0%	225,000	36,000	Phase 1: Completed in April 2011 Phase 2: Completed in October 2011
Sandakan Harbour Square Sandakan, Sabah, Malaysia	Retail lots, hotel and retail mall	100.0%	126,000	48,000	Retail lots: Completed in 2009 Retail mall: Completed in March 2012 Hotel: Completed in May 2012
Kuala Lumpur Sentral Office Towers & Hotel Kuala Lumpur, Malaysia	Office towers and a business hotel	40.0%	107,000	8,000	Office Towers: Completed in December 2012 Hotel: Completed in January 2013
Aloft Kuala Lumpur Sentral Hotel Kuala Lumpur, Malaysia	Business-class hotel (a Starwood Hotel)	100.0%	28,000	5,000	Completed in January 2013
Phase 1: City International Hospital, International Healthcare Park, Ho Chi Minh City, Vietnam	Private general hospital	68.1%*	48,000	25,000	Completed in March 2013
PROJECT UNDER DEVELOPMENT					
The RuMa Hotel and Residences Kuala Lumpur, Malaysia	Luxury residential tower and boutique hotel	70.0%	40,000	4,000	Third quarter of 2017
LISTED EQUITY INVESTMENT					
Listed equity investment in Nam Long Investment Corporation, an established developer in Ho Chi Minh City, Vietnam	Listed equity investment	11.6%	n/a	n/a	n/a
UNDEVELOPED PROJECTS					
Waterside Estates Ho Chi Minh City, Vietnam	Villa and high-rise apartments	55.0%	94,000	57,000	n/a
Other developments in International Healthcare Park, Ho Chi Minh City, Vietnam (formerly International Hi-Tech Healthcare Park)	Commercial and residential development with healthcare theme	68.1%*	972,000	351,000	n/a
Kota Kinabalu seafront resort & residences Kota Kinabalu, Sabah, Malaysia	(i) Boutique resort hotel resort villas (ii) Resort homes	100.0% 80.0%	n/a	327,000	n/a

* Shareholding as at 31 December 2014
n/a: Not available / not applicable

••• SHARE PRICE CHART •••



••• PERFORMANCE SUMMARY •••

	Year ended 31 December 2014	Year ended 31 December 2013
TOTAL RETURNS SINCE LISTING		
Ordinary share price	-55.00%	-56.00%
FTSE All-share index	6.03%	8.34%
FTSE 350 Real Estate Index	-42.09%	-49.95%
ONE YEAR RETURNS		
Ordinary share price	2.27%	10.69%
FTSE All-share index	-2.13%	16.69%
FTSE 350 Real Estate Index	15.72%	19.10%
CAPITAL VALUES		
Total assets less current liabilities (US$ million)	310.16	361.63
Net asset value per share (US$)	0.76	0.75
Ordinary share price (US$)	0.45	0.44
FTSE 350 Real Estate Index	543.17	469.38
DEBT-TO-EQUITY RATIO		
Debt-to-equity-ratio[1]	127.64%	134.94%
Net debt-to-equity-ratio[2]	110.04%	120.25%
EARNINGS PER SHARE		
Earnings per ordinary share - basic (US cents)	4.29	-8.96
- diluted (US cents)	4.29	-8.96

NOTES:

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

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

••• FINANCIAL REVIEW •••

INTRODUCTION

The Group has recorded positive operating results for financial year ended 31 December 2014, mainly attributable to the increased level of sales at SENI Mont' Kiara, sale of three plots of lands at the International Healthcare Park ("IHP") and disposal of the Company's 40% stake in an associated company, Excellent Bonanza Sdn. Bhd ("EBSB").

STATEMENT OF COMPREHENSIVE INCOME

The Group registered an increase in revenue from US$29.3 million in 2013 to US$85.1 million in 2014; and a net profit before taxation of US$15.4 million as compared to a net loss of US$18.8 million in 2013. The net profit included profit attributable to SENI Mont' Kiara and Tiffani of US$16.7 million, gains on disposal of one plot of land at IHP to AEON Vietnam Co. Ltd. of US$10.8 million, gains on disposal of another two plots of land at IHP of US$4.1 million and also the disposal of the 40% stake in EBSB of US$5.3 million during the financial year. These profits are offset by operating losses and financing costs largely attributable to Four Points by Sheraton Sandakan Hotel and Harbour Mall Sandakan totalling US$5.4 million, together with operating losses and financing costs of City International Hospital of US$9.8 million. Finance cost for these three operating assets together with those of Aloft Kuala Lumpur Sentral Hotel totalled US$11.6 million.

Net profit attributable to equity holders of the parent was US$9.1 million in 2014, compared to a net loss of US$19.0 million in 2013. Tax charge for 2014 was higher at US$9.4 million (2013: US$2.9 million) due to corresponding higher revenue.

The consolidated comprehensive loss for the year ended 31 December 2014 was US$1.24 million compared to a consolidated comprehensive loss of US$27.7 million in 2013. The former includes a loss arising from foreign currency translation differences for foreign operations of US$7.4 million (2013: Loss of US$6.2 million) due to weakening of Ringgit against US Dollars during the year; and an increase in the fair value of shares in Nam Long of US$0.13 million (2013: Increase of US$ 0.13 million). The carrying amount of shares in Nam Long was US$12.8 million as at 31 December 2014 (2013: US$ 12.7 million).

Basic and diluted earnings per share for the year ended 31 December 2014 were both US cents 4.29 (2013: Loss per share of US cents 8.96).

STATEMENT OF FINANCIAL POSITION

Total assets at 31 December 2014 were US$445.4 million, compared to US$494.8 million for 2013, representing a decrease of US$49.4 million. The decrease was mainly due to a decrease in inventories following the disposal of completed units of SENI Mont' Kiara and Tiffani, and disposal of three plots of lands at IHP. Cash and cash equivalents (excluding the impact of deposit pledged) were higher at US$26.0 million (2013: US$24.6 million) mainly due to higher collection from SENI Mont' Kiara and proceeds from sale of lands in IHP.

Total liabilities have decreased from US$324.8 million in 2013 to US$274.7 million in 2014, a decrease of US$50.1 million. The decrease was mainly due to a decrease of trade and other payables from US$83.6 million in 2013 to US$40.5 million in 2014. Net Asset Value per share at 31 December 2014 was US cents 75.7 (2013: US cents 74.8).

CASH FLOW AND FUNDING

Changes in cash flow in 2014 were positive at US$3.4 million, compared to the positive cash flow of US$8.8 million in 2013.

The Group's subsidiaries borrow to fund property development projects. At 31 December 2014, the Group had gross borrowings of US$217.9 million (2013: US$229.4 million), a decrease of 5.0% over the previous year. Net debt-to-equity ratio decreased from 120.3% in 2013 to 110.0% in 2014. Moving forward, the Group will focus on parring down its borrowings.

Finance income was US$0.6 million in 2014 compared to US$0.4 million in 2013. Finance costs increased from US$9.8 million in 2013 to US$13.8 million in 2014. The increase was mainly attributable to Aloft Kuala Lumpur Sentral Hotel, City International Hospital and IHP.

DIVIDEND

No dividend was declared or paid in 2014.

PRINCIPAL RISKS AND UNCERTAINTIES

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

TREASURY AND FINANCIAL RISK MANAGEMENT

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

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

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

27 April 2015

••• CORPORATE SOCIAL RESPONSIBILITY •••

This Statement is about how Aseana Properties takes account of its economic, social and environmental impact in the way it operates as a business. By demonstrating the Group's commitment to corporate social responsibility, it aims to align its business values, purpose and strategy with the needs of its clients. Aseana Properties defines corporate citizenship as the business strategy that shapes the values underpinning the Group's mission and we believe that the following six core principles define the essence of corporate citizenship for the Group.

1. MANAGING CORPORATE RESPONSIBILITY

Here at Aseana Properties, the Board of Directors does not differentiate between corporate responsibility and the way they do business. Corporate responsibility is how it does business. The Board of Directors is responsible for approving appropriate policies and procedures to govern the manner in which it treats its customers, employees and shareholders. Aseana Properties manages its corporate social responsibility through the development and management of sustainable, commercially viable properties that are attractive to customers and contribute higher returns to its shareholders. It reviews corporate responsibility issues as part of the risk of business, and ensures that the reputation of Aseana Properties is protected and shareholders' values are enhanced.

2. ENVIRONMENTAL MANAGEMENT

Environmental management involves a set of processes and practices that enables an organisation to reduce its environmental impact and increase its operating efficiency. Aseana Properties is committed to environmental protection and to this end, recognises that development activities will have an impact on the environment and always aims to operate in manners that mitigate the impact on the environment. For example, Aseana Properties, through its Development Manager, works with local authorities and planners to ensure that environmental protection and amenity improvements are key criteria in any project scheme. It also works with architects and designers to incorporate natural elements such as water, greenery, light and air into its schemes.

3. HEALTH AND SAFETY

Aseana Properties recognises and accepts its responsibilities as an employer for providing a safe and healthy workplace and environment for all its employees and contractors. Health and safety issues are a top priority, and Aseana Properties will take all reasonable and practicable steps to ensure that they meet legislative and regulatory requirements. It will pay particular attention to the provision and maintenance of:

a. Equipment, plant and systems at work to ensure a healthy working environment.
b. Safe places of work and safe access to it.

Free Phaco surgery for 100 seniors

Charity walk for disabilities and victims of Agent Orange

c. Sufficient information, instruction, training and supervision to enable all employees to avoid hazards and contribute positively to their own safety and health at work and to enable the safe performance at work.

The Group believes that excellence in the management of health and safety is an essential element within its overall business plan.

4. EMPLOYEES

Aseana Properties recognises that it relies on its employees to be productive, creative and innovative in order for the Group to achieve excellence in the way it works. The Group therefore works closely with its Development Manager to ensure that all employees are treated fairly and with dignity to get the best out of them.

5. COMMUNITY

Aseana Properties believes in supporting and participating in community activities that enhance social progress and community welfare. During the year, Aseana Properties participated in various charity events and contributed in the areas of education, arts as well as causes that benefit the community. For example, City International Hospital offered free health check-ups for 3,500 seniors and free Phaco surgery for 100 seniors in Ho Chi Minh City. It also sponsored and participated in a charity walk for people with disabilities and victims of Agent Orange.

6. STAKEHOLDERS

Aseana Properties works collaboratively with its stakeholders to improve services. The Group is committed to meaningful dialogue and encourages stakeholders' participation through stakeholders' meetings, roadshows, conference calls, briefings, timely release of annual reports and publication of its quarterly magazine, CiTi-ZEN. Aseana Properties also maintains an updated and informative website (www.aseanaproperties.com) that is accessible to stakeholders and members of the public.

••• CALENDAR OF EVENTS •••

FEB

14 Aseana Properties announced that its investee company, Nam Long Investment Corporation, a real estate developer in Vietnam, in which Aseana Properties holds 11.63% stake, has successfully completed a placing of 25,500,000 new shares at VND18,000 (approximately US$0.855) per share to a list of prominent institutional investors, to raise VND459 billion (approximately US$21.8 million).

27 The Doctors' Appreciation Day ceremony was held to pay tribute to and honour the hard work of the City International Hospital's ("CIH") doctors. The event was attended by 100 doctors and presided over by CEO, Mr Stephens Lo.

APR

24 Aseana Properties announced its Audited Full Year Results for the financial year ended 31 December 2013.

MAY

19 Aseana Properties issued the Interim Management Statement for the period 1 January 2014 to 16 May 2014.

31 As part of its Healthy Living Series for the community, CIH organised a series of health talks, health checks and free advice to a range of patients in Ho Chi Minh City ("HCMC"), including children. The Speech and Language Therapy & Rehabilitation for Children with Hearing Impairment meeting was one such event. The Healthy Living Series was organised over an 8-month period.

JUN

11 SENI Mont' Kiara won the World Silver Winner of FIABCI World Prix d'Excellence Awards 2014 under the High Rise Residential category. SENI Mont' Kiara is a prestigious residential urban resort located on the highest point of Mont' Kiara, offering majority of its luxury residences impressive views of the Kuala Lumpur city skyline.

JUN

23 Aseana Properties announced that it has entered into a share sale agreement with Malaysian Resources Corporation Berhad ("MRCB") to dispose of its entire 40% stake in Excellent Bonanza Sdn. Bhd. ("EBSB"). EBSB is a joint venture company with MRCB which involved the development of the Kuala Lumpur Sentral Office Towers & Hotel Project, consisting of two Grade A office towers and a business hotel. This disposal represented an early exit and realisation of profit from this project.

Aseana Properties announced that its subsidiary company has entered into an agreement with AEON Vietnam Co., Ltd. ("AEON Vietnam") for the disposal of a 4.7 hectares (11 acres) plot of land with development rights at the International Healthcare Park in HCMC, Vietnam as part of its strategy to realise assets.

25 Aseana Properties convened its 8th Annual General Meeting at its registered office in Jersey, Channel Islands. All the resolutions tabled were passed at the meeting.

OCT

11 CIH was showcased at the Health & Wellness International Expo 2014 in Phnom Penh to promote the hospital in Cambodia which is a key part of its marketing programme for 2014.

AUG

1 AUG ▶ 31 DEC Free health checks for 3,500 seniors and free Phaco surgery for 100 seniors in HCMC were undertaken during this time. This was part of CIH's programme to reach out to the community.

9 As part of its Corporate Social Responsibility programme, hospital staff participated and sponsored in the charity walk for people with disabilities and victims of Agent Orange. The charity walk raised awareness about helping people with disabilities and victims of Agent Orange in the community.

27 Aseana Properties announced its Half-Year Results for the 6-month period ended 30 June 2014.

NOV

12 Aloft Kuala Lumpur Sentral Hotel won The International Real Estate Federation ("FIABCI") Malaysia Property Award 2014 for the Hotel category.

18 Aseana Properties issued the Interim Management Statement for the period 1 July 2014 to 17 November 2014.

••• BOARD OF DIRECTORS •••

MOHAMMED AZLAN HASHIM
Non-Executive Chairman

Mohammed Azlan Hashim was appointed as Chairman (Non-Executive) of Aseana Properties in March 2007.

In Malaysia, Azlan serves as Chairman of several public entities, listed on the Bursa Malaysia Securities Berhad, including D&O Green Technologies Berhad, SILK Holdings Berhad, Scomi Group Berhad and Deputy Chairman of IHH Healthcare Berhad.

He has extensive experience working in the corporate sector 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 Group.

Azlan also serves as a Board Member of various government related organisations including Khazanah Nasional Berhad, Labuan Financial Services Authority and is a member of Employees Provident Fund and the Government Retirement Fund Inc. Investment Panels.

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 Accountants, Australia, Malaysian Institute of Directors, Institute of Chartered Secretaries and Administrators, Hon. Member of the Institute of Internal Auditors, Malaysia and Member of the Malaysian Institute of Accountants.

CHRISTOPHER HENRY LOVELL
Non-Executive Director

Christopher Henry Lovell was appointed as Director (Non-Executive) of Aseana Properties in March 2007. 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 until his retirement from Capita in 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. Currently he is also a non-executive director of Public Service Properties Investments Limited, listed on AIM market of the London Stock Exchange.

Christopher holds an LI.B (Hons) degree from the London School of Economics and is a member of the Law Society of England & Wales.

DAVID HARRIS
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. Additionally, he also served as 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, 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 SHAHUDIN
Non-Executive Director

Ismail Shahudin was appointed as Director (Non-Executive) of Aseana Properties in March 2007. Ismail is chairman of Maybank Islamic Berhad, Opus Group Berhad, UEM Edgenta Berhad (formerly known as Faber Group 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, 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 arms. He is also a Non-Independent Non-Executive Director of Opus International Consultants Limited, a company listed on the New Zealand Stock Exchange and a director of MCB Bank Limited, Pakistan, a company listed on the Karachi Stock Exchange.

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 and was appointed Executive Director in 1997. Ismail subsequently assumed the position of Group CEO of MMC Corporation Berhad in 2002, until his retirement in 2007.

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

JOHN LYNTON JONES
Non-Executive Director

John Lynton Jones was appointed as Director (Non-Executive) of Aseana Properties in March 2007. Lynton is Chairman Emeritus 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.

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 Financial Services Attaché at the British Embassy in Paris.

He has been a board member of London's Futures and Options Association, of the London Clearing House and of Kenetics Group Limited. He was the founding chairman of the Dubai International Financial Exchange (now known as Nasdaq Dubai) from 2003 until 2006. He is chairman of Digiservex plc, an adviser to the City of London Corporation and a Fellow of the Chartered Institute for Securities and Investments. He was a Trustee of the Horniman Museum in London for 8 years until 2013. He studied at the University of Aberystwyth, where he took a first class honours in International Politics. He is now chairman of the University's Development Advisory Board.

GERALD ONG CHONG KENG
Non-Executive Director

Gerald Ong was appointed as Director (Non-Executive) of Aseana Properties in September 2009. Gerald is Chief Executive Officer of PrimePartners Corporate Finance Group, 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. In June 2007, he was appointed a Director of Metro Holdings Limited which is listed on the Singapore Exchange Securities Trading Limited.

Gerald has been granted the Financial Industry Certified Professional status and is an alumnus of the National University of Singapore, University of British Columbia and Harvard Business School.

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Group are acquisition, development and redevelopment of upscale residential, commercial, hospitality and healthcare 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 27 to 28. 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, hospitality and healthcare 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 and financial penalties.
LAW AND REGULATIONS	Changes in laws and regulations relating to planning, land use, development standards and ownership of land could have adverse effects on the business and returns for the shareholders.
TAX REGIMES	Changes in the tax regimes could affect the tax treatment of the Company and/ or its subsidiaries in these jurisdictions.
MANAGEMENT AND CONTROL	Changes that cause the management and control of the Company to be exercised in the United Kingdom could lead to the Company becoming liable to United Kingdom taxation on income and capital gains.
OPERATIONAL	Failure of the Development Manager's accounting system and disruption to the Development Manager's business, or that of a third party service providers, could lead to an inability to provide accurate reporting and monitoring leading to a loss of shareholders' confidence.
FINANCIAL	Inadequate controls by the Development Manager or third party service providers could lead to a misappropriation of assets. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations or a qualified audit report.
GOING CONCERN	Failure of property development projects due to poor sales and collection, construction delay, inability to secure financing from banks may result in inadequate financial resources to continue operational existence and to meet financial liabilities and commitments.

The Board seeks to mitigate and manage these risks through continual review, policy setting and enforcement of contractual rights and obligations. It also regularly monitors the economic and investment environment in countries that it operates in and the management of the Group's property development portfolio. Details of the Group's internal controls are described on pages 23 to 24.

RESULTS AND DIVIDENDS

The results for the year ended 31 December 2014 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 authority to purchase its own shares up to a total aggregate value of 14.99% of the issued ordinary shares capital of the Company was renewed in a resolution at its Annual General Meeting held on 25 June 2014. The authority shall expire 12 months from the date of passing of the resolution unless otherwise renewed, varied or revoked. The Company did not purchase its own shares during the year ended 31 December 2014.

SHARE CAPITAL

No shares have been issued in 2014. Further details on share capital are stated in Note 28 to the financial statements.

DIRECTORS

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

- Mohammed Azlan Hashim – Chairman
- Christopher Henry Lovell
- David Harris
- Ismail Shahudin
- John Lynton Jones
- Gerald Ong Chong Keng

DIRECTORS' INTERESTS

The interests of the directors in the Company's shares at 31 December 2014 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	165,000
Gerald Ong Chong Keng	2,250,000

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 over 45 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 development and management 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 more than 3% issued share capital of the Company at the latest practicable date before the publication of this Report at 7 April 2015:

	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF ISSUED SHARE CAPITAL
Ireka Corporation Berhad	48,913,623	23.07%
SIX SIS	40,140,013	18.93%
Legacy Essence Limited	39,086,377	18.43%
LIM Advisors	30,864,026	14.56%
Dr. Thong Kok Cheong	11,090,538	5.23%
Henderson Global Investors	7,570,000	3.57%
Ironsides Partners CFD	7,175,000	3.38%

EMPLOYEES

The Company has no executive directors or employees. The subsidiaries of the Group have a total of 941 employees at 31 December 2014. 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 65 managerial and technical staff under its employment in Malaysia and Vietnam at 31 December 2014.

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.

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 at 31 December 2014 amounted to 73 days (2013: 16 days) of property development cost incurred during the year.

FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise cash balances, balances with related parties, other payables, receivables and loans and borrowings 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 (as amended), the Company has arranged appropriate Directors' and Officers' liability 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 ("IFRS"), interpretations from the International Financial Reporting Interpretations Committee ("IFRIC") and Companies (Jersey) Law 1991 (as amended).

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 and Company 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.

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

- the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board; and

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

DISCLOSURE OF INFORMATION TO AUDITOR

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 AUDITOR

The auditor, KPMG LLP, has 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 22 to 24.

ANNUAL GENERAL MEETING

The tabling of the 2014 Annual Report and Financial Statements to shareholders will be at an Annual General Meeting ("AGM") to be held in June 2015.

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

MOHAMMED AZLAN HASHIM
Director

CHRISTOPHER HENRY LOVELL
Director

27 April 2015

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 UK Corporate Governance Code 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 setting the framework and reviewing compensation arrangements for all non-executive Directors before recommending the same to the Board for approval. The Remuneration Committee assesses the appropriateness of the emoluments on an annual basis by reference to comparable market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high calibre Board.

During the year, the Directors received the following emoluments in the form of fees from the Company:

	YEAR ENDED 31 DECEMBER 2014 (US$)	YEAR ENDED 31 DECEMBER 2013 (US$)
Mohammed Azlan Hashim (Chairman of the Board)	70,000	70,000
Christopher Henry Lovell (Chairman of the Audit Committee)	55,000	55,000
David Harris	48,000	48,000
Ismail Shahudin	48,000	48,000
John Lynton Jones	48,000	48,000
Gerald Ong Chong Keng	48,000	48,000
TOTAL	**317,000**	**317,000**

SHARE OPTIONS

The Company did not operate any share option schemes during the year ended 31 December 2014.

SHARE PRICE INFORMATION

- High for the year - US$0.46
- Low for the year - US$0.395
- Close for the year - US$0.45

PENSION SCHEMES

In view of the non-executive nature of the directorships, no pension schemes exist 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 of the Directors. Each Director was appointed by a letter of appointment that states his appointment subject to the Articles of Association of the Company which set out the main terms of his appointment.

JOHN LYNTON JONES
Chairman of the Remuneration Committee

27 April 2015

The Financial Conduct Authority requires all companies with a Premium Listing to comply with The UK Corporate Governance Code (the "Code"). Aseana Properties is a Jersey incorporated company with a Standard Listing on the UK Listing Authority's Official List and is therefore not subject to the Code. However, the Board recognises the importance and value of good corporate governance and voluntarily seeks to apply the principles of the Code where practical and relevant for a company of Aseana Properties' size and nature. The following explains how the relevant principles of governance are applied to the Company.

THE BOARD

The Company currently has a Board of six non-executive directors, including the non-executive Chairman. The brief biographies of the following directors appear on pages 16 to 17 of the Annual Report 2014:

- Mohammed Azlan Hashim (Non-Executive Chairman)
- Christopher Henry Lovell
- David Harris
- Ismail Shahudin
- John Lynton Jones
- Gerald Ong Chong Keng

The Board did not appoint a Chief Executive or a Senior Independent Director as it did not consider it appropriate given the nature of the Company's business and that the Company's property portfolio is externally managed by Ireka Development Management Sdn Bhd (the "Development Manager").

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 controls, enabling risks 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, and examines and approves all major potential investment, acquisitions and disposals. The Board also sets the Company's values and standards and ensures that its obligations to its shareholders and other stakeholders are met. The implementation of the Company's strategy is delegated to the Development Manager and its performance is assessed by the Board regularly.

Appropriate level of directors' and officers' liability insurance is maintained by the Company.

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 2014. Except for Ismail Shahudin, who was absent once, and Gerald Ong, who was absent twice, the meetings were attended by all the Directors. To enable the Board to discharge its duties effectively, all Directors receive accurate, timely and clear information, in an appropriate form and quality, including Board papers distributed in advance of Board meetings. The Board periodically will receive presentations at Board meetings relating to the Company's business and operations, significant financial, accounting and risk management issues. All Directors have access to the advice and services of the Development Manager, Company Secretary and advisers, who are responsible to the Board on matters of corporate governance, board procedures and regulatory compliance.

BOARD BALANCE AND INDEPENDENCE

Being an externally-managed company, the Board consists solely of non-executive directors of which Mohammed Azlan Hashim is the non-executive Chairman. The Board considers the Directors to be independent, being independent of management and also having no business or other relationships which could interfere materially with the exercise of their judgement.

The Chairman is responsible for leadership of the Board, ensuring effectiveness in all aspects of its role and setting its agenda. Matters referred to the Board are considered by the Board as a whole and no individual has unrestricted powers of decision. 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.

PERFORMANCE APPRAISAL

The Board undertakes an annual evaluation of its own performance and that of its Committees and individual Directors. In November 2014, the evaluation concluded that the performance of the Board, its Committees and each individual Director was and remains effective and that all Directors demonstrate full commitment in their respective roles. The Directors are encouraged to continually attend training courses at the Company's expense to enhance their skills and knowledge in matters that are relevant to their role on the Board. The Directors also receive updates on developments of corporate governance, the state of economy, management strategies and practices, laws and regulations, to enable effective functioning of their roles as Directors.

RE-ELECTION OF DIRECTORS

The Company's Articles of Association states 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 25 June 2014, Mohammed Azlan Hashim and John Lynton Jones, who retired by rotation as Directors, were re-elected to the Board. The remainder of the Board recommended their re-election.

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. Necessary recommendations are then made to the Board for its consideration and decision-making. No one, other than the committee chairman and members of the relevant committee, is entitled to be present at a meeting of board committees, but others may attend at the invitation of the board committees for presenting information concerning their areas of responsibility. 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 members and is chaired by Christopher Henry Lovell. Its other members are Mohammed Azlan Hashim and Ismail Shahudin. The Committee members have no links with the Company's external auditor 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. Any member of the Audit Committee or the auditor may request a meeting if they consider that one is necessary. The Committee met three times during the year ended 31 December 2014. The meetings were attended by all the committee members. Representatives of the auditor, 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 auditor, 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 systems operated by the Development Manager;
- making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor 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 auditor 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.

Since the start of the financial year ended 31 December 2014, the Audit Committee performed its duties as set out in the terms of reference. The main activities carried out by the Audit Committee encompassed the following:

- reviewing the audit plan with the Group's Auditor;
- reviewing and discussing the Audit Committee Report with the Group's Auditor;
- reviewing the draft Audited Financial Statements as contained in the draft Annual Report together with the Company's Auditor before tabling to the Board for consideration and approval;
- reviewing other published financial information including the half year results, the interim management statements and results announcements before tabling to the Board for consideration and approval;
- considering the independence of the auditor; and
- reviewing the auditor's performance and made a recommendation for the reappointment of the Group's auditor by shareholders.

NOMINATION COMMITTEE

The Nomination Committee is chaired by Mohammed Azlan Hashim. Other committee members are David Harris, John Lynton Jones and Gerald Ong Chong Keng. The Committee meets annually and at any such times as the Chairman of the Nomination Committee shall require. The Committee met once during the year ended 31 December 2014 and the meeting was attended by all committee members and other Board members at the invitation of the Nomination Committee.

During the year ended 31 December 2014, the Nomination Committee carried out its functions as set out in its terms of reference which are summarised below:

- 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 or re-election 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. Other committee members are David Harris and Ismail 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 2014. The meeting was attended by all committee members and other Board members at the invitation of the Remuneration Committee.

During the year ended 31 December 2014, the Remuneration Committee carried out its duties as set out in its terms of reference which are summarised below:

- 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 Regulations 2002, are fulfilled.

MANAGEMENT ENGAGEMENT COMMITTEE

The Management Engagement Committee is chaired by Mohammed Azlan Hashim. Other committee members are David Harris, John Lynton Jones and Gerald Ong Chong Keng. The Committee meets at least once a year and at any such times as the Chairman of the Management Engagement Committee shall require. The Committee met once during the year ended 31 December 2014. The meeting was attended by all committee members and other Board members at the invitation of the Management Engagement Committee.

During the year ended 31 December 2014, the Management Engagement Committee carried out its duties as set out in its terms of reference which are summarised below:

- monitoring compliance by the Development 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 monitoring compliance by providers of other services to the Company with the terms of their respective agreements; and
- reviewing and considering the appointment and remuneration of providers of services to the Company.

INVESTMENT COMMITTEE

The Investment Committee is appointed by the Board and comprises four members, being Lai Voon Hon, Mai Xuan Loc, Monica Lai Voon Huey and Dang The Duc. 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 Investment Committee meets at such time as required to review and evaluate potential investments for recommendation to the Board. The Investment Committee is responsible for providing advisory services to the Board to consider investment and disposal recommendations of the Development Manager. The Investment Committee has not met during the year ended 31 December 2014.

FINANCIAL REPORTING

The Board aims to present a fair, 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 and Directors' 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 internal auditor of the Development Manager, provide sufficient assurance that a sound system of risk management and internal control is maintained. An internal audit function specific to the Company is therefore considered not necessary. However, the Directors will continue to monitor if such need is required.

AUDITOR

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

Pursuant to audit and ethical standards, the auditor is required to assess and confirm to the Board their independence, integrity and objectivity. The auditor has carried out assessment and considers themselves to be independent, objective and in compliance with the APB (Auditing Practices Board) Ethical Standards.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the effectiveness of the Company's risk management and internal control systems and is supplied with information to enable it to discharge its duties. Such 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 risk management and internal control.

During the year, the Board discharged its responsibility for risk management and internal control 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.

In compliance with the Bribery Act 2010 (the "Act"), the Board has established a framework to comply with the requirement of the Act. The Development Manager had set up a legal and compliance function for the purposes of implementing the anti-corruption and anti-bribery policy. Training and briefing sessions were conducted for the Development Manager's senior management and employees. Compliance review will be carried out as and when required to ensure the effectiveness of the policy.

RELATIONSHIP WITH SHAREHOLDERS

The Board is committed to maintaining good communications with shareholders and has designated the Development Manager's Chief Executive Officer, Chief Financial Officer and designated members of its senior management as the principal spokepersons with investors, analysts, fund managers, the press and other interested parties. The Board is informed of material information provided to shareholders and is advised on their feedback. The Board has also developed an understanding of the views of major shareholders about the Company through meetings and teleconferences conducted by the financial adviser and the Development Manager. In addition, the Company seeks to regularly update shareholders through stock exchange announcements, press releases and participation in roadshows.

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

ANNUAL GENERAL MEETING ("AGM")

The AGM is the principal forum for dialogue with shareholders. At and after the AGM, investors are given the opportunity to question the Board and seek clarification on the business and affairs of the Group. All directors attended the 2014 AGM, held on 25 June 2014 at the Company's registered office.

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, against and withheld in respect of each resolution after the shareholders present have voted on each resolution. An announcement confirming whether all the resolutions have been passed at the AGM is made through the London Stock Exchange.

On behalf of the Board

MOHAMMED AZLAN HASHIM
Director

CHRISTOPHER HENRY LOVELL
Director

27 April 2015

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASEANA PROPERTIES LIMITED

We have audited the group and parent company financial statements of Aseana Properties Limited for the year ended 31 December 2014 which comprise the Consolidated and Company Statements of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

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 auditor's 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 AUDITOR

As explained more fully in the Statement of Directors' Responsibilities set out on page 19, the directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view, in accordance with International Financial Reporting Standards of the state of the group's and parent company's affairs as at 31 December 2014 and of the group's profit and the parent company's loss for the year then ended; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

BILL HOLLAND
for and on behalf of KPMG LLP
Chartered Accountants and Recognised Auditor
15 Canada Square
London E14 5GL

27 April 2015

Notes:

- The maintenance and integrity of Aseana's website is the responsibility of the directors; the work carried out by auditors does not involve consideration of these matters and accordingly, KPMG LLP accepts no responsibility for any changes that may have occurred to the financial statements or our audit report since 27 April 2015. KPMG LLP has carried out no procedures of any nature subsequent to 27 April 2015 which in any way extends this date.
- Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The directors shall remain responsible for establishing and controlling the process for doing so, and for ensuring that the financial statements are complete and unaltered in any way.

INVESTMENT GATEWAY TO **MALAYSIA AND VIETNAM**

CONTENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 31 December 2014

Continuing activities	Notes	2014 US$'000	2013 US$'000
Revenue	5	**85,102**	29,269
Cost of sales	6	**(51,821)**	(22,768)
Gross profit		**33,281**	6,501
Other income	7	**27,369**	16,122
Administrative expenses		**(1,193)**	(1,622)
Foreign exchange gain/ (loss)	8	**716**	(1,105)
Management fees	9	**(3,344)**	(3,762)
Marketing expenses		**(823)**	(1,953)
Other operating expenses		**(32,715)**	(23,635)
Operating profit/ (loss)		**23,291**	(9,454)
Finance income		**577**	424
Finance costs		**(13,760)**	(9,766)
Net finance costs	11	**(13,183)**	(9,342)
Gain on disposal of investment in an associate	17	**5,641**	–
Share of loss of equity-accounted associate, net of tax	17	**(335)**	–
Net profit/ (loss) before taxation	12	**15,414**	(18,796)
Taxation	13	**(9,387)**	(2,854)
Profit/ (loss) for the year		**6,027**	(21,650)
Other comprehensive income/ (expense), net of tax			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		**(7,388)**	(6,220)
Increase in fair value of available-for-sale investments	19	**125**	126
Total other comprehensive expense for the year	14	**(7,263)**	(6,094)
Total comprehensive loss for the year		**(1,236)**	(27,744)
Profit/ (loss) attributable to:			
Equity holders of the parent		**9,091**	(19,006)
Non-controlling interests	18	**(3,064)**	(2,644)
Total		**6,027**	(21,650)
Total comprehensive loss attributable to:			
Equity holders of the parent		**2,074**	(24,971)
Non-controlling interests		**(3,310)**	(2,773)
Total		**(1,236)**	(27,744)
Earnings/ (loss) per share			
Basic and diluted (US cents)	15	**4.29**	(8.96)

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 2014

Continuing activities	Notes	2014 US$'000	2013 US$'000
Revenue		–	–
Cost of sales		–	–
Gross profit		–	–
Administrative expenses		(533)	(456)
Foreign exchange gain	8	979	198
Management fees	9	(1,180)	(1,238)
Impairment of investment in subsidiaries	18	(124)	(6,305)
Impairment of amount due from subsidiaries	26	(15,103)	(12,950)
Other operating expenses		(499)	(485)
Operating loss		(16,460)	(21,236)
Finance income	11	21	5
Net loss before taxation	12	(16,439)	(21,231)
Taxation		–	–
Loss for the year/ Total comprehensive loss for the year		(16,439)	(21,231)
Loss per share			
Basic and diluted (US cents)	15	(7.75)	(10.01)

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

••• CONSOLIDATED STATEMENT OF ••• FINANCIAL POSITION

AT 31 DECEMBER 2014

	Notes	2014 US$'000	2013 US$'000
Non-current assets			
Property, plant and equipment	16	**1,018**	1,146
Investment in an associate	17	**–**	2,252
Available-for-sale investments	19	**12,822**	12,697
Intangible assets	20	**8,798**	13,525
Deferred tax assets	21	**1,683**	595
Total non-current assets		**24,321**	30,215
Current assets			
Inventories	22	**381,778**	428,609
Held-for-trading financial instrument	23	**4,041**	375
Trade and other receivables	24	**8,359**	9,654
Prepayments		**337**	258
Amount due from an associate	25	**–**	853
Current tax assets		**513**	233
Cash and cash equivalents	27	**26,011**	24,585
Total current assets		**421,039**	464,567
TOTAL ASSETS		**445,360**	494,782
Equity			
Share capital	28	**10,601**	10,601
Share premium	29	**218,926**	218,926
Capital redemption reserve	30	**1,899**	1,899
Translation reserve	31	**(10,247)**	(3,105)
Fair value reserve	32	**251**	126
Accumulated losses	33	**(60,932)**	(69,876)
Shareholders' equity		**160,498**	158,571
Non-controlling interests	18	**10,187**	11,429
Total equity		**170,685**	170,000
Non-current liabilities			
Amount due to non-controlling interests	35	**1,120**	1,440
Loans and borrowings	36	**53,364**	49,309
Medium term notes	37	**84,993**	140,877
Total non-current liabilities		**139,477**	191,626
Current liabilities			
Trade and other payables	34	**40,510**	83,640
Amount due to non-controlling interests	35	**10,222**	9,008
Loans and borrowings	36	**19,274**	25,466
Medium term notes	37	**60,237**	13,739
Current tax liabilities		**4,955**	1,303
Total current liabilities		**135,198**	133,156
Total liabilities		**274,675**	324,782
TOTAL EQUITY AND LIABILITIES		**445,360**	494,782

The financial statements were approved on 27 April 2015 and authorised for issue by the Board and were signed on its behalf by

MOHAMMED AZLAN 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 2014

	Notes	2014 US$'000	2013 US$'000
Non-current assets			
Investment in subsidiaries	18	**74,517**	74,641
Total non-current assets		**74,517**	74,641
Current assets			
Trade and other receivables	24	**18**	–
Amounts due from subsidiaries	26	**161,255**	161,785
Cash and cash equivalents	27	**6,454**	1,703
Total current assets		**167,727**	163,488
TOTAL ASSETS		**242,244**	238,129
Equity			
Share capital	28	**10,601**	10,601
Share premium	29	**218,926**	218,926
Capital redemption reserve	30	**1,899**	1,899
Accumulated losses	33	**(59,721)**	(43,282)
Total equity		**171,705**	188,144
Current liabilities			
Trade and other payables	34	**146**	1,253
Amounts due to subsidiaries	26	**70,393**	48,732
Total current liabilities		**70,539**	49,985
Total liabilities		**70,539**	49,985
TOTAL EQUITY AND LIABILITIES		**242,244**	238,129

The financial statements were approved on 27 April 2015 and authorised for issue by the Board and were signed on its behalf by

MOHAMMED AZLAN HASHIM
Director

CHRISTOPHER HENRY LOVELL
Director

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

••• STATEMENTS OF CHANGES IN EQUITY •••

For The Year Ended 31 December 2014

Consolidated	Share Capital US$'000	Share Premium US$'000	Capital Redemption Reserve US$'000	Translation Reserve US$'000	Fair Value Reserve US$'000	Accumulated Losses US$'000	Total Equity Attributable to Equity Holders of the Parent US$'000	Non-Controlling Interests US$'000	Total Equity US$'000
1 January 2013	10,626	218,926	1,874	2,986	–	(50,828)	183,584	13,063	196,647
Changes in ownership interests in subsidiaries (Note 40)	–	–	–	–	–	(42)	(42)	42	–
Non-controlling interests contribution	–	–	–	–	–	–	–	1,097	1,097
Loss for the year	–	–	–	–	–	(19,006)	(19,006)	(2,644)	(21,650)
Total other comprehensive expense	–	–	–	(6,091)	126	–	(5,965)	(129)	(6,094)
Total comprehensive loss	–	–	–	(6,091)	126	(19,006)	(24,971)	(2,773)	(27,744)
Cancellation of shares	(25)	–	25	–	–	–	–	–	–
At 31 December 2013/ 1 January 2014	**10,601**	**218,926**	**1,899**	**(3,105)**	**126**	**(69,876)**	**158,571**	**11,429**	**170,000**
Changes in ownership interests in subsidiaries (Note 40)	–	–	–	–	–	(147)	(147)	147	–
Non-controlling interests contribution	–	–	–	–	–	–	–	1,921	1,921
Profit for the year	–	–	–	–	–	9,091	9,091	(3,064)	6,027
Total other comprehensive expense	–	–	–	(7,142)	125	-	(7,017)	(246)	(7,263)
Total comprehensive loss	–	–	–	(7,142)	125	9,091	2,074	(3,310)	(1,236)
Shareholders' equity at 31 December 2014	**10,601**	**218,926**	**1,899**	**(10,247)**	**251**	**(60,932)**	**160,498**	**10,187**	**170,685**

Company	Share Capital US$ '000	Share Premium US$ '000	Capital Redemption Reserve US$ '000	Accumulated Losses US$ '000	Total Equity US$ '000
1 January 2013	10,626	218,926	1,874	(22,051)	209,375
Loss for the year/ Total comprehensive loss	–	–	–	(21,231)	(21,231)
Cancellation of shares	(25)	–	25	–	–
At 31 December 2013/ 1 January 2014	**10,601**	**218,926**	**1,899**	**(43,282)**	**188,144**
Loss for the year/ Total comprehensive loss	–	–	–	**(16,439)**	**(16,439)**
Shareholders' equity at 31 December 2014	**10,601**	**218,926**	**1,899**	**(59,721)**	**171,705**

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 2014

	Notes	2014 US$'000	2013 US$'000
Cash Flows from Operating Activities			
Net profit/ (loss) before taxation		**15,414**	(18,796)
Finance income		**(577)**	(424)
Finance costs		**13,760**	9,766
Unrealised foreign exchange (gain)/ loss		**(291)**	1,065
Impairment of goodwill		**4,727**	320
Depreciation of property, plant and equipment		**122**	114
Gain on disposal of investment in an associate		**(5,641)**	–
Gain on disposal of property, plant and equipment		**(3)**	–
Property, plant and equipment written off		**–**	7
Share of loss of equity-accounted associate, net of tax		**335**	–
Fair value gain on amount due to non-controlling interests		**(320)**	–
Fair value (gain)/ loss on held-for-trading financial instrument		**(39)**	5
Operating profit / (loss) before changes in working capital		**27,487**	(7,943)
Changes in working capital:			
Decrease/ (increase) in inventories		**29,437**	(96,690)
Decrease in trade and other receivables and prepayments		**647**	2,063
(Decrease)/ increase in trade and other payables		**(40,615)**	28,884
Cash generated from/ (used in) operations		**16,956**	(73,686)
Interest paid		**(13,760)**	(9,766)
Tax paid		**(6,679)**	(4,029)
Net cash used in operating activities		**(3,483)**	(87,481)
Cash Flows from Investing Activities			
Repayment from/ (advances to) associate		**853**	(630)
Proceeds from disposal of investment in an associate		**5,306**	–
Proceeds from disposal of property, plant and equipment		**12**	–
(Purchase of)/ disposal of held-for-trading financial instrument		**(3,651)**	899
Purchase of property, plant and equipment		**(20)**	(154)
Finance income received		**577**	424
Net cash generated from investing activities		**3,077**	539
Cash Flows from Financing Activities			
Advances from non-controlling interests		**1,635**	1,081
Issuance of ordinary shares of subsidiaries to non-controlling interests		**1,921**	1,097
Repayment of loans and borrowings		**(16,858)**	(17,341)
Drawdown of loans and borrowings		**17,108**	110,860
Decrease in pledged deposits placed in licensed banks		**–**	77
Net cash generated from financing activities		**3,806**	95,774
Net changes in cash and cash equivalents during the year		**3,400**	8,832
Effect of changes in exchange rates		**(1,355)**	(248)
Cash and cash equivalents at the beginning of the year		**14,166**	5,582
Cash and cash equivalents at the end of the year		**16,211**	14,166
Cash and Cash Equivalents			
Cash and cash equivalents included in the consolidated statement of cash flows comprise the following consolidated statement of financial position amounts:			
Cash and bank balances	27	**12,057**	11,498
Short term bank deposits	27	**13,954**	13,087
		26,011	24,585
Less: Deposits pledged	27	**(9,800)**	(10,419)
Cash and cash equivalents		**16,211**	14,166

In the previous financial year, the Group acquired property, plant and equipment with an aggregate cost of US$194,000 of which US$40,000 was acquired by means of finance leases.

During the financial year, US$1,921,000 (2013: US$1,097,000) of ordinary shares of subsidiaries were issued to non-controlling shareholders, which was satisfied via cash consideration.

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 2014

	Notes	2014 US$'000	2013 US$'000
Cash Flows from Operating Activities			
Net loss before taxation		**(16,439)**	(21,231)
Impairment of investment in subsidiaries		**124**	6,305
Impairment of amount due from subsidiaries		**15,103**	12,950
Finance income		**(21)**	(5)
Unrealised foreign exchange gain		**(1,175)**	(151)
Operating loss before changes in working capital		**(2,408)**	(2,132)
Changes in working capital:			
(Increase)/ decrease in receivables		**(18)**	3
Decrease in payables		**(1,107)**	(424)
Net cash used in operating activities		**(3,533)**	(2,553)
Cash Flows from Investing Activities			
Advances to subsidiaries		**(17,933)**	(19,455)
Finance income received		**21**	5
Net cash used in investing activities		**(17,912)**	(19,450)
Cash Flows from Financing Activitiy			
Advances from subsidiaries		**26,205**	23,201
Net cash generated from financing activity		**26,205**	23,201
Net changes in cash and cash equivalents during the year		**4,760**	1,198
Effect of changes in exchange rates		**(9)**	151
Cash and cash equivalents at the beginning of the year		**1,703**	354
Cash and cash equivalents at the end of the year	27	**6,454**	1,703

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

2 BASIS OF PREPARATION

2.1 Statement of compliance and going concern

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

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

The financial statements have been prepared on the historical cost basis except for available-for-sale investments and held-for-trading financial instruments which are measured at fair value and on the assumption that the Group and the Company are going concerns.

The Group has prepared and considered prospective financial information based on assumptions and events that may occur for at least 12 months from the date of approval of the financial statements and the possible actions to be taken by the Group. Prospective financial information includes the Group's profit and cash flow forecasts for the ongoing projects. In preparing the cash flow forecasts, the Directors have considered the availability of cash and held-for-trading financial instruments, along with the adequacy of bank loans and medium term notes and refinancing of these medium term notes (as described in Notes 36 and 37).

The Directors expect to fully "roll-over" the medium term notes which are due to expire in the next 12 months, as the notes are rated AAA (a highly sought after investment in Malaysia) and are guaranteed by three completed inventories of the Group with carrying amount of US$170.54 million as at 31 December 2014. Included in the terms of the medium term notes programme is an option for the Group to refinance the notes as provided on the onset of the programme. The option is available until 2021. The forecasts incorporate current payables, committed expenditure and other future expected expenditure, along with substantial sales of completed inventories, in addition to the disposal of certain land held for property development and available-for-sale investments. In the event that the Group disposes any of the three completed inventories that guaranteed the medium term notes, the proceeds from the disposal will reduce the amount of notes the Group seeks to "roll over".

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

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

New/Revised International Financial Reporting Standards		Issued/ Revised	Effective Date
IFRS 1 First-time Adoption of International Financial Reporting Standards	Amendments resulting from Annual Improvements 2011-2013 Cycle (meaning of effective IFRSs)	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 2 Share-based payment	Amendments resulting from Annual Improvements 2010-2012 Cycle (definition of "vesting condition")	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 3 Business Combinations	Amendments resulting from Annual Improvements 2010-2012 Cycle (accounting for contingent consideration)	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 3 Business Combinations	Amendments resulting from Annual Improvements 2011-2013 Cycle (scope exception for joint ventures)	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Amendments resulting from September 2014 Annual Improvements to IFRSs	September 2014	Annual periods beginning on or after 1 January 2016
IFRS 7 Financial Instruments: Disclosures	Amendments resulting from September 2014 Annual Improvements to IFRSs	September 2014	Annual periods beginning on or after 1 January 2016
IFRS 8 Operating Segments	Amendments resulting from Annual Improvements 2010-2012 Cycle (aggregation of segments, reconciliation of segment assets)	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 9 Financial Instruments	Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	July 2014	Effective for annual periods beginning on or after 1 January 2018
IFRS 10 Consolidated Financial Statements	Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	September 2014	Annual periods beginning on or after 1 January 2016
IFRS 11 Joint Arrangements	Amendments regarding the accounting for acquisitions of an interest in a joint operation	May 2014	Annual periods beginning on or after 1 January 2016
IFRS 13 Fair Value Measurement	Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52)	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 15 Revenue from Contracts with Customers	Original issue	May 2014	Applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2017
IAS 1 Presentation of Financial Statements	Amendments resulting from the disclosure initiative	December 2014	Annual periods beginning on or after 1 January 2016
IAS 16 Property, Plant and Equipment	Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation)	December 2013	Annual periods beginning on or after 1 July 2014
IAS 16 Property, Plant and Equipment	Amendments regarding the clarification of acceptable methods of depreciation and amortisation	May 2014	Annual periods beginning on or after 1 January 2016

2 BASIS OF PREPARATION *cont'd*

2.1 Statement of compliance and going concern *cont'd*

New/Revised International Financial Reporting Standards		Issued/ Revised	Effective Date
IAS 19 Employee Benefits	Amendments to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to period of service	November 2013	Annual periods beginning on or after 1 July 2014
IAS 19 Employee Benefits	Amendments resulting from September 2014 Annual Improvements to IFRSs	September 2014	Annual periods beginning on or after 1 January 2016
IAS 24 Related Party Disclosures	Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities)	December 2013	Annual periods beginning on or after 1 July 2014
IAS 27 Separate Financial Statements (as amended in 2011)	Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	August 2014	Annual periods beginning on or after 1 January 2016
IAS 28 Investments in Associates and Joint Ventures	Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	September 2014	Annual periods beginning on or after 1 January 2016
IAS 28 Investments in Associates and Joint Ventures	Amendments regarding the application of the consolidation exception	December 2014	Annual periods beginning on or after 1 January 2016
IAS 38 Intangible Assets	Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation)	December 2013	Annual periods beginning on or after 1 July 2014
IAS 38 Intangible Assets	Amendments regarding the clarification of acceptable methods of depreciation and amortisation	May 2014	Annual periods beginning on or after 1 January 2016
IAS 40 Investment Property	Amendments resulting from Annual Improvements 2011-2013 Cycle (inter-relationship between IFRS 3 and IAS 40)	December 2013	Annual periods beginning on or after 1 July 2014

The Directors anticipate that the adoption of the above standards, amendments and interpretations in future periods will have no material impact on the financial information of the Group or Company except as mentioned below.

(a) IFRS 9, Financial instruments
IFRS 9, which becomes mandatory for the Group's 2018 Consolidation Financial Statements, could change the classification and measurement of financial assets. The Directors are currently determining the impact of IFRS 9.

(b) IFRS 15, Revenue from contracts with customers
IFRS 15 replaces the guidance in IFRS 11, Construction Contracts, IFRS 18, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfer of Assets from Customers and IC Interpretation 131, Revenue – Barter Transactions Involving Advertising Services. The Directors are currently determining the impact of IFRS 15.

2.2 Functional and presentation currency

These financial statements are presented in US Dollar (US$), which is the Company's functional currency and the Group's presentation currency. All financial information is presented in US$ and has been rounded to the nearest thousand, unless otherwise stated.

2.3 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are discussed below:

(a) Net realisable value of inventories
The Group assesses the net realisable value of inventories under development, land held for development and completed properties held for sale according to their recoverable amounts based on the realisability of these properties, taking into account estimated costs to completion based on past experience and committed contracts and estimated net sales based on prevailing market conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts at completion of development may exceed net realisable value. The assessment requires the use of judgement and estimates.

(b) Impairment of licence contracts and related relationships
Licence contracts and related relationships represent the rights to develop the International Healthcare Park venture with the operation period ending on 9 July 2077.

The Group assesses the recoverable amount of license contracts and related relationships by reference to the realisability of the properties of which the license contracts and related relationship is attached (refer Note 2.3(a)).

The Group amortises licence contracts and related relationships when a component of the venture is disposed of.

(c) Impairment of goodwill
The Group assesses the recoverable amount of goodwill by reference to the realisability of the properties of which the goodwill is attached to (refer Note 2.3(a)).

(d) Classification of assets as inventory
The Group continues to classify its completed developments, namely the hotels, mall and hospital as inventories in line with the Group's intention to dispose these assets. The Group operate these inventories temporarily to stabilise its operations while seeking for a potential buyer.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Consolidation

(a) Business combinations
Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity.

Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.1 Basis of Consolidation *cont'd*

(a) Business combinations *cont'd*

Acquisitions prior to 1 January 2010
For acquisitions prior to 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

(b) Acquisition of non-controlling interests
Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(c) Subsidiaries
Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale.

(d) Loss of control
On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(e) Associates
Associates are those entities in which the Group exercises significant influence, but not control over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% to 50% of the voting power of another entity.

Investments in associated entities are accounted for using the equity method and are recognised initially at cost. The cost of investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

(f) Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but to the extent that there is no evidence of impairment.

3.2 Foreign Currencies

(a) Foreign currency transactions
The Group financial statements are presented in United States Dollar ("US$"), which is the Company's functional and the Groups's 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 translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity investments, which are recognised in other comprehensive income.

(b) Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to US$ at exchange rates at the reporting date. The income and expenses of foreign operations, are translated to US$ at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve ("translation reserve") in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interest. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

3.3 Revenue Recognition and Other Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue 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 which is when the completion certificate or occupancy permit has been issued as described in Note 5.

3 SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.3 Revenue Recognition and Other Income *cont'd*

(b) Interest income
Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(c) Rental income
Rental income is recognised in profit or loss on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income is recognised as other income.

(d) Revenue from hotel, hospital and mall operations
Revenue from hotel and hospital operations is recognised when services are rendered, and have been treated as other income.

Revenue from mall operations is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Revenue from mall operations has been treated as other income.

3.4 Property, Plant and Equipment

All property, plant and equipment are stated at cost less depreciation unless otherwise stated. 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 criterias are met. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life:

Furniture, fittings and equipment	4 - 10 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 overhaul costs, are normally charged to profit or loss 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.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimates amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period the asset is derecognised.

3.5 Leased Assets

Finance leases
Leases where the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest of the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.6 Income Tax

Income tax expense comprises current tax and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.7 Financial Instruments

(a) Non-derivative financial assets
The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

3 SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.7 Financial Instruments *cont'd*

(a) Non-derivative financial assets *cont'd*

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale investments.

(i) Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables.

(iii) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are designated as available for sale or are not classified in any of the other categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

(b) Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when the contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into other financial liability category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Accounting for interest income and finance cost is discussed in Note 3.3 (b) and 3.13.

(c) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expire. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.8 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 and are used by the Group and the Company in the management of their short term commitments. Bank overdrafts are included within borrowings in the current liabilities section on the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3.9 Intangible Assets

Intangible assets comprise 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. Acquired licence contracts and related relationships have finite useful lives.

Subsequent measurement

When a component of the project to which the licence contracts and related relationships relate is disposed of, the part of the carrying amount of the licence contracts and related relationships that has been allocated to the component is recognised in profit or loss.

(b) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1(a).

3.10 Inventories

Inventories comprise land held for property development, work-in-progress and stock of completed units.

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated net selling price in the ordinary course of business, less estimated total costs of completion and the estimated costs necessary to make the sale.

Land held for property development consists of reclaimed land, freehold land, leasehold land and land use rights on which development work has not been commenced along with related costs on activities that are necessary to prepare the land for its intended use. Land held for property development is transferred to work-in-progress when development activities have commenced.

Work-in-progress comprises all costs directly attributable to property development activities or that can be allocated on a reasonable basis to these activities.

Upon completion of development, unsold completed development properties are transferred to stock of completed units.

3.11 Impairment

(a) Non-derivative financial assets

A financial asset not classified as fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

(b) Loans and receivables

The Group considers evidence of impairment for loans and receivables at a specific asset level. All individually significant receivables are assessed for specific impairment.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the loss is recognised in the statement of comprehensive income within administrative expenses. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in profit or loss.

When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. The impairment loss is reversed, to the extent that the debtor's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed.

(c) Impairment of available-for-sale investment

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument are classified as available for sale not reversed through profit or loss.

(d) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting date to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination. Goodwill is tested for impairment on an annual basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. For other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(e) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(iii) Repurchase, disposal and reissue of share capital ("treasury shares")

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

Where treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the sales consideration is recognised in equity.

Where treasury shares are cancelled, the equivalent will be credited to capital redemption reserves.

3.12 Employee Benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3 SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.12 Employee Benefits *cont'd*

(b) State plans

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. The 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 profit or loss in the year to which they relate.

3.13 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 profit or loss in the period in which they are incurred using the effective interest method.

3.14 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.

3.15 Earnings per Ordinary Share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.16 Provisions

Provisions are recognised if, as a result of past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle 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 profit or loss 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.

3.17 Commitments and Contingencies

Commitments and contingent liabilities are disclosed in the financial statements and described in Note 42. 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.

3.18 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Executive Management of Ireka Development Management Sdn. Bhd. ("IDM"), to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Executive Management of IDM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the Group's administrative functions.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.19 Fair Value Measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial Risk Management Objectives and Policies

The Group's international operations and debt financing arrangements expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk, interest rate risk and price risk). The Group's financial risk management policies and their implementation on a group-wide basis are under the direction of the Board of Aseana Properties Limited.

The Group's treasury policies are formulated to manage the financial impact of fluctuations in interest rates and foreign exchange rates to minimise the Group's financial risks. The Group has not used derivative financial instruments, principally interest rate swaps and forward foreign exchange contracts for hedging transactions. The Group does not envisage using these derivative hedging instruments in the short term as it is the Group's policy to borrow in the currency to match the revenue stream to give it a natural hedge against foreign currency fluctuation. The derivative financial instruments will only be used under the strict direction of the Board. It is also the Group's policy not to enter into derivative transactions for speculative purposes.

4 FINANCIAL RISK MANAGEMENT *cont'd*

4.2 Credit Risk

The Group's credit risk is primarily attributable to deposits with banks and credit exposures to customers. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis. The Group manages its deposits with banks and financial institutions by monitoring credit ratings and limiting the aggregate risk to any individual counterparty. At 31 December 2014, 99.80% (2013: 96.00%) of deposits and cash balances were placed at banks and financial institutions with credit ratings of no less than A (Moody's/Rating Agency Malaysia) and 0.20% (2013: 4.00%) with local banks, in the case of Vietnam. Management does not expect any counterparty to fail to meet its obligations.

In respect of credit exposures to customers, the Group receives progress payments from sales of commercial and residential properties to individual customers prior to the completion of transactions. In the event of default by customers, the Group companies undertake legal proceedings to recover the properties. The Group has limited its credit exposure to customers due to secured bank loans taken by the purchasers. At 31 December 2014, there was no significant concentration of credit risk within the Group.

The Group's exposure to credit risk arising from total debtors was set out in Note 24 and totals US$8.4 million (2013: US$9.7 million). The Group's exposure to credit risk arising from deposits and balances with banks is set out in Note 27 and totals US$26.0 million (2013: US$24.6 million).

Financial guarantees
The Company provides unsecured financial guarantee to banks in respect of banking facilities granted to certain subsidiaries.

At the end of the reporting period, the maximum exposure to credit risk as represented by the outstanding banking and credit facilities of the subsidiaries is as follows:

Company	2014 US$'000	2013 US$'000
Financial institutions for bank facilities granted to its subsidiaries	**195,305**	199,196

At the end of the reporting period there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised in the Statement of Financial Position since the fair value on initial recognition was not material.

4.3 Liquidity Risk

The Group raises funds as required on the basis of budgeted expenditure and inflows for the next twelve months with the objective of ensuring adequate funds to meet commitments associated with its financial liabilities. When funds are sought, the Group balances the costs and benefits of equity and debt financing against the developments to be undertaken. At 31 December 2014, the Group's borrowings to fund the developments had terms of less than ten years.

Cash flows are monitored on an on-going basis. The Group manages its liquidity needs 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 while ensuring sufficient headroom on its undrawn committed borrowing facilities at all times so that borrowing limits and covenants are not breached. Capital investments are committed only after confirming the source of funds, e.g. securing financial liabilities.

Management is of the opinion that most of the bank borrowings can be renewed or re-financed based on the strength of the Group's earnings, cash flow and asset base.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at a significantly different amount.

4 FINANCIAL RISK MANAGEMENT *cont'd*

4.3 Liquidity Risk *cont'd*

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	Carrying amount US$'000	Contractual interest rate	Contractual cash flows US$'000	Under 1 year US$'000	1 – 2 years US$'000	2 – 5 years US$'000	More than 5 years US$'000
At 31 December 2014							
Finance lease liabilities	**38**	**2.50% – 3.50%**	**45**	**15**	**15**	**15**	–
Interest bearing loans and borrowings	**217,830**	**5.25% – 17.70%**	**241,610**	**92,649**	**93,344**	**33,742**	**21,875**
Trade and other payables	**40,510**	–	**40,510**	**40,510**	–	–	–
Amount due to non-controlling interests	**11,342**	–	**11,662**	**10,222**	–	**1,440**	–
	269,720		**293,827**	**143,396**	**93,359**	**35,197**	**21,875**
At 31 December 2013							
Finance lease liabilities	56	2.50% – 3.50%	65	16	16	33	–
Interest bearing loans and borrowings	229,335	5.25% – 17.70%	263,163	51,301	84,492	104,520	22,850
Trade and other payables	83,640	–	83,640	83,640	–	–	–
Amount due to non-controlling interests	10,448	–	10,448	9,008	–	–	1,440
	323,479		357,316	143,965	84,508	104,553	24,290

Company	Carrying amount US$'000	Contractual interest rate	Contractual cash flows US$'000	Under 1 year US$'000	1 – 2 years US$'000	2 – 5 years US$'000	More than 5 years US$'000
At 31 December 2014							
Trade and other payables	**146**	–	**146**	**146**	–	–	–
	146		**146**	**146**	–	–	–
At 31 December 2013							
Trade and other payables	1,253	–	1,253	1,253	–	–	–
	1,253		1,253	1,253	–	–	–

The above table excludes current tax liabilities.

4.4 Market Risk

(a) Foreign Exchange Risk

Entities within the Group are exposed to foreign exchange risk from future commercial transactions and net monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency. The foreign currency exposure is not hedged.

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.

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 which are denominated in currencies other than the functional currency of the relevant Group entity.

4 FINANCIAL RISK MANAGEMENT *cont'd*

4.4 Market Risk *cont'd*

(a) Foreign Exchange Risk *cont'd*

The Group's exposure to foreign currency risk on cash and cash equivalents at year end is as follows:

Group	2014 US$'000	2013 US$'000
Ringgit Malaysia	**490**	1,684
Sterling Pound	**571**	–
Others	**90**	25
	1,151	1,709

At 31 December 2014, if cash and cash equivalents denominated in a currency other than the functional currency of the Group entity strengthened/ (weakened) by 10% and all other variables were held constant, the effects on the Group profit and loss and equity expressed in US$ would have been US$115,100/ (US$115,100) (2013: US$170,900/ (US$170,900)).

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

Subsequent to year end, there are no significant monetary balances held by group companies that are denominated in a non-functional currency.

(b) Interest Rate Risk

The Group's policy is to minimise interest rate risk on bank loans and borrowings using a mix of fixed and variable rate debts that represent market rates. The Group prefers to maintain flexibility on the desired mix of fixed and variable interest rates as this will depend on the economic environment, the type of borrowings available and the funding requirements of the project when a decision is to be made.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instrument, based on carrying amounts at the end of the reporting period was:

	Group		Company	
	2014 US$'000	2013 US$'000	2014 US$'000	2013 US$'000
Fixed rate instruments:				
Financial assets	**26,011**	24,585	**6,454**	1,703
Financial liabilities	**145,268**	154,672	**–**	-
Floating rate instruments:				
Financial liabilities	**72,600**	74,719	**–**	-

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 fixed and floating interest rates were not hedged and would therefore expose the Group to cash flow interest rate risk. Borrowings at fixed rate represent 67% (2013: 67%) of the Group's borrowings at 31 December 2014.

Interest rate risk is reported internally to key management personnel via a sensitivity analysis, which is prepared based on the exposure to variable interest rates 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.

Sensitivity analysis for floating rate instrument
At 31 December 2014, if the interest rate had been 100 basis point lower/ higher and all other variables were held constant, this would increase/ (decrease) the Group profit for the year by approximately US$726,000/ (US$726,000) (2013: (decrease)/ increase Group loss for the year by (US$747,190)/ US$747,190).

(c) Price Risk

Equity price risk arises from the Group's investments in quoted shares on the Ho Chi Minh Stock Exchange ("HOSE") which are available-for-sale and held by the Group at fair value at reporting date. Gains and losses arising from changes in the fair value of available-for-sale investments are recognised in other comprehensive income/(expense).

Equity price risk sensitivity analysis
This analysis assumes that all other variables remain constant and the Group's equity investment moved in correlation with HOSE.

A 10% (2013: 10%) strengthening of the HOSE at the end of the reporting period would have increased equity by US$1,282,200 (2013: US$1,269,700) for investment classified as available for sale. A 10% (2013:10%) weakening of the HOSE would have had equal but opposite effect on equity.

4 FINANCIAL RISK MANAGEMENT *cont'd*

4.5 Fair Values

The carrying amount of trade and other receivables, amount due from an associate, deposits, cash and cash equivalents, trade and other payables and accruals of the Group and Company approximate their fair values in the current and prior years due to relatively short term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value, along with their carrying amounts shown in the statement of financial position:

2014 Group US$'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial assets										
Held-for-trading financial instrument	–	**4,041**	–	**4,041**	–	–	–	–	**4,041**	**4,041**
Available-for-sale investments	–	**12,822**	–	**12,822**	–	–	–	–	**12,822**	**12,822**
	–	**16,863**	–	**16,863**	–	–	–	–	**16,863**	**16,863**
Financial liabilities										
Amount due to non-controlling interests	–	–	–	–	–	–	**(11,342)**	**(11,342)**	**(11,342)**	**(11,342)**
Bank loans and borrowings	–	–	–	–	–	**(72,600)**	–	**(72,600)**	**(72,600)**	**(72,600)**
Finance lease liabilities	–	–	–	–	–	**(38)**	–	**(38)**	**(38)**	**(38)**
Medium term notes	–	–	–	–	–	**(139,746)**	–	**(139,746)**	**(139,746)**	**(145,230)**
	–	–	–	–	–	**(212,384)**	**(11,342)**	**(223,726)**	**(223,726)**	**(229,210)**

2013 Group US$'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial assets										
Held-for-trading financial instrument	–	375	–	375	–	–	–	–	375	375
Available-for-sale investments	–	12,697	–	12,697	–	–	–	–	12,697	12,697
	–	13,072	–	13,072	–	–	–	–	13,072	13,072
Financial liabilities										
Amount due to non-controlling interests	–	–	–	–	–	–	(10,059)	(10,059)	(10,059)	(10,448)
Bank loans and borrowings	–	–	–	–	–	(74,719)	–	(74,719)	(74,719)	(74,719)
Finance lease liabilities	–	–	–	–	–	(56)	–	(56)	(56)	(56)
Medium term notes	–	–	–	–	–	(147,381)	–	(147,381)	(147,381)	(154,616)
	–	–	–	–	–	(222,156)	(10,059)	(232,215)	(232,215)	(239,839)

Policy on transfer between levels
The fair value on an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value
Level 1 fair value is derived from quoted price (unadjusted) in an active market for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value
Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3 fair value
Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Transfers between Level 1 and Level 2 fair values
There has been no transfer between Level 1 and 2 fair values during the financial year (2013: no transfer in either direction).

Transfers between Level 2 and Level 3 fair values
During the previous financial year, available-for-sale investments with a carrying amount of US$12,571,000 were transferred from Level 3 to Level 2 as the quoted price in the market for the equity instrument became available following the listing of the instrument on the Ho Chi Minh Stock Exchange. There has been no transfer in either direction during the financial year.

Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. At 31 December 2014, the interest rate used to discount estimated cash flows of the amount due to non-controlling interests and medium term notes are 6.5% (2013:6.5%) and 7.51% (2013: 7.44%) respectively.

4.6 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.

4 FINANCIAL RISK MANAGEMENT *cont'd*

4.7 CAPITAL 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 to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The capital structure of the Group consisted of held-for-trading financial instrument, cash and cash equivalents, loans and borrowings, medium term notes and equity attributable to equity holders of the parent, comprising issued share capital and reserves, were as follows:

Group	2014 US$'000	2013 US$'000
Capital structure analysis:		
Held-for-trading financial instrument	**4,041**	375
Cash and cash equivalents	**26,011**	24,585
Loans and borrowings and finance lease liabilities	**(72,638)**	(74,775)
Medium term notes	**(145,230)**	(154,616)
Equity attributable to equity holders of the parent	**(160,498)**	(158,571)
Total capital	**(348,314)**	(363,002)

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 net debt-to-equity ratio.

Net debt-to-equity ratio is calculated as a total of interest-bearing borrowings less held-for-trading financial instrument and cash and cash equivalents to the total equity.

The net debt-to-equity ratios at 31 December 2014 and 31 December 2013 were as follows:

Group	2014 US$'000	2013 US$'000
Total borrowings and finance lease liabilities	**217,868**	229,391
Less: Held-for-trading financial instrument (Note 23)	**(4,041)**	(375)
Less: Cash and cash equivalents (Note 27)	**(26,011)**	(24,585)
Net debt	**187,816**	204,431
Total equity	**170,685**	170,000
Net debt-to-equity ratio	**1.10**	1.20

5 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 completed units in Malaysia and land held for property development in Vietnam.

5.1 Revenue recognised during the year as follows:

	Group		Company	
	2014 US$'000	2013 US$'000	2014 US$'000	2013 US$'000
Sale of completed units	**55,762**	29,269	**–**	–
Sale of land held for property development	**29,340**	–	**–**	–
	85,102	29,269	**–**	–

5 REVENUE AND SEGMENTAL INFORMATION *cont'd*

5.2 Segmental Information

The Group's assets and business activities are managed by Ireka Development Management Sdn. Bhd. ("IDM") as the Development Manager under a management agreement dated 27 March 2007.

Segmental information represents the level at which financial information is reported to the Executive Management of IDM, being the chief operating decision maker as defined in IFRS 8. The Executive Management consists of the Chief Executive Officer, the Chief Financial Officer, Chief Operating Officer and Chief Investment 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) Investment Holding Companies – investing activities;
(ii) Ireka Land Sdn. Bhd. – develops Tiffani by i-ZEN;
(iii) ICSD Ventures Sdn. Bhd. – owns and operates Harbour Mall Sandakan and Four Points by Sheraton Sandakan Hotel;
(iv) Amatir Resources Sdn. Bhd. – develops SENI Mont' Kiara;
(v) Iringan Flora Sdn. Bhd. – owns and operates Aloft Kuala Lumpur Sentral Hotel;
(vi) Urban DNA Sdn. Bhd. – develops The RuMa Hotel and Residences; and
(vii) Hoa Lam-Shangri-La Healthcare Group – master developer of International Healthcare Park; owns and operates City International Hospital.

Other non-reportable segments comprise the Group's other development projects. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2014 and 2013.

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

The Group's revenue generating development projects are in Malaysia and Vietnam.

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

Operating Segments – ended 31 December 2014

	Investment Holding Companies US$'000	Ireka Land Sdn. Bhd. US$'000	ICSD Ventures Sdn. Bhd. US$'000	Amatir Resources Sdn. Bhd. US$'000	Iringan Flora Sdn. Bhd. US$'000	Urban DNA Sdn. Bhd. US$'000	Hoa Lam-Shangri-La Healthcare Group US$'000	Total US$'000
Segment profit/ (loss) before taxation	**3,100**	**99**	**(5,436)**	**16,607**	**569**	**(1,474)**	**1,366**	**14,831**
Included in the measure of segment profit/ (loss) are:								
Revenue	–	4,839	–	50,923	–	–	29,340	85,102
Revenue from hotel operations	–	–	4,323	–	18,171	–	–	22,494
Revenue from mall operations	–	–	1,027	–	–	–	–	1,027
Revenue from hospital operations	–	–	–	–	–	–	2,525	2,525
Cost of acquisition written down #	–	(150)	–	(8,329)	–	–	–	(8,479)
Impairment of goodwill	–	–	–	(451)	–	–	(4,276)	(4,727)
Marketing expenses	–	–	–	(266)	–	(557)	–	(823)
Expenses from hotel operations	–	–	(4,507)	–	(12,499)	–	–	(17,006)
Expenses from mall operations	–	–	(1,789)	–	–	–	–	(1,789)
Expenses from hospital operations	–	–	–	–	–	–	(9,702)	(9,702)
Depreciation of property, plant and equipment	–	–	(10)	–	(9)	–	(99)	(118)
Finance costs	–	–	(4,328)	–	(4,906)	–	(4,526)	(13,760)
Finance income	24	11	312	115	20	14	81	577
Segment assets	**19,471**	**5,150**	**100,570**	**45,938**	**76,447**	**58,587**	**101,643**	**407,806**
Included in the measure of segment assets are:								
Addition to non-current assets other than financial instruments and deferred tax assets	–	–	–	–	–	1	19	20

Cost of acquisition relates to the fair value adjustment in relation to the inventories upon the acquisition of certain subsidiaries of the Group. The cost of acquisition written down is charged to profit or loss as part of cost of sales upon the sales of these inventories.

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

Profit or loss	**US$'000**
Total profit for reportable segments	14,831
Other non-reportable segments	587
Depreciation	(4)
Consolidated profit before taxation	15,414

5 REVENUE AND SEGMENTAL INFORMATION *cont'd*

5.3 Analysis of the group's reportable operating segments is as follows: *cont'd*

Operating Segments – ended 31 December 2013

	Investment Holding Companies US$'000	Ireka Land Sdn. Bhd. US$'000	ICSD Ventures Sdn. Bhd. US$'000	Amatir Resources Sdn. Bhd. US$'000	Iringan Flora Sdn. Bhd. US$'000	Urban DNA Sdn. Bhd. US$'000	Hoa Lam-Shangri-La Healthcare Group US$'000	Total US$'000
Segment profit/ (loss) before taxation	(2,217)	(323)	(5,927)	4,169	(4,382)	(2,126)	(7,559)	(18,365)
Included in the measure of segment profit/ (loss) are:								
Revenue	–	1,278	433	27,558	–	–	–	29,269
Revenue from hotel operations	–	–	3,409	–	10,089	–	–	13,498
Revenue from mall operations	–	–	954	–	–	–	–	954
Revenue from hospital operations	–	–	–	–	–	–	179	179
Cost of acquisition written down #	–	(33)	(68)	(5,918)	–	–	–	(6,019)
Impairment of goodwill	–	–	–	(320)	–	–	–	(320)
Marketing expenses	–	–	–	(711)	–	(1,242)	–	(1,953)
Expenses from hotel operations	–	–	(3,833)	–	(10,112)	–	–	(13,945)
Expenses from mall operations	–	–	(1,659)	–	–	–	–	(1,659)
Expenses from hospital operations	–	–	–	–	–	–	(4,538)	(4,538)
Depreciation of property, plant and equipment	–	(2)	(10)	(1)	(7)	–	(91)	(111)
Finance costs	–	–	(4,464)	(252)	(3,841)	–	(1,209)	(9,766)
Finance income	7	4	301	28	44	13	27	424
Segment assets	18,273	9,703	105,954	81,743	79,231	49,696	110,545	455,145
Included in the measure of segment assets are:								
Addition to non-current assets other than financial instruments and deferred tax assets	–	–	5	–	44	–	145	194

Cost of acquisition relates to the fair value adjustment in relation to the inventories upon the acquisition of certain subsidiaries of the Group. The cost of acquisition written down is charged to profit or loss as part of cost of sales upon the sales of these inventories.

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

Profit or loss	**US$'000**
Total profit or loss for reportable segments	(18,365)
Other non-reportable segments	(428)
Depreciation	(3)
Consolidated loss before taxation	(18,796)

2014 US$'000	**Revenue**	**Depreciation**	**Finance costs**	**Finance income**	**Segment assets**	**Addition to non-current assets**
Total reportable segment	**85,102**	**(118)**	**(13,760)**	**577**	**407,806**	**20**
Other non-reportable segments	–	**(4)**	–	–	**37,554**	–
Consolidated total	**85,102**	**(122)**	**(13,760)**	**577**	**445,360**	**20**

2013 US$'000	**Revenue**	**Depreciation**	**Finance costs**	**Finance income**	**Segment assets**	**Addition to non-current assets**
Total reportable segment	29,269	(111)	(9,766)	424	455,145	194
Other non-reportable segments	–	(3)	–	–	39,637	–
Consolidated total	29,269	(114)	(9,766)	424	494,782	194

5 REVENUE AND SEGMENTAL INFORMATION *cont'd*

5.3 Analysis of the group's reportable operating segments is as follows: *cont'd*

Geographical Information – ended 31 December 2014

	Malaysia US$'000	Vietnam US$'000	Consolidated US$'000
Revenue	**55,762**	**29,340**	**85,102**
Non-current assets	**4,104**	**20,217**	**24,321**

Major customer exceeded 10% of the Group's total revenue is as follows:

US$'000	Revenue 2014	2013	Segments
AEON Vietnam Co. Ltd.	**22,991**	–	Hoa Lam-Shangri-La Healthcare Group

Geographical Information – ended 31 December 2013

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

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

6 COST OF SALES

	Group		Company	
	2014 US$'000	2013 US$'000	2014 US$'000	2013 US$'000
Direct costs attributable to:				
Completed units	**36,856**	22,448	**–**	–
Land held for property development	**10,238**	–	**–**	–
Impairment of intangible assets (Note 20)	**4,727**	320	**–**	–
	51,821	22,768	**–**	–

7 OTHER INCOME

Group	2014 US$'000	2013 US$'000
Dividend income	**409**	15
Fair value gain on held-for-trading financial instrument	**39**	–
Gain on disposal of property, plant and equipment	**3**	–
Investment income	**–**	92
Late payment interest income	**52**	9
Novation fee (a)	**–**	641
Rental income	**196**	209
Revenue from hotel operations (b)	**22,494**	13,498
Revenue from mall operations (c)	**1,027**	954
Revenue from hospital operations (d)	**2,525**	179
Sundry income	**624**	525
	27,369	16,122

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

(b) Revenue from hotel operations
The revenue relates to the operations of two hotels – Four Points by Sheraton Sandakan Hotel and Aloft Kuala Lumpur Sentral Hotel which are owned by subsidiaries of the Company, ICSD Ventures Sdn. Bhd. and Iringan Flora Sdn. Bhd. respectively. The revenue earned from hotel operations is included in other income in line with management's intention to dispose of the hotels.

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

(d) Revenue from hospital operations
The revenue relates to the operation of City International Hospital which is owned by a subsidiary of the Company, City International Hospital Company Limited. The revenue earned from hospital operations is included in other income in line with management's intention to dispose of the hospital.

8 FOREIGN EXCHANGE GAIN/ (LOSS)

	Group 2014 US$'000	Group 2013 US$'000	Company 2014 US$'000	Company 2013 US$'000
Foreign exchange gain/ (loss) comprises:				
Realised foreign exchange gain/ (loss)	**425**	(40)	**(196)**	47
Unrealised foreign exchange gain/ (loss)	**291**	(1,065)	**1,175**	151
	716	(1,105)	**979**	198

9 MANAGEMENT FEES

	Group 2014 US$'000	Group 2013 US$'000	Company 2014 US$'000	Company 2013 US$'000
Management fees	**3,344**	3,762	**1,180**	1,238

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

In addition to the annual management fee, the Development Manager is entitled to a performance fee calculated at 20% of the out performance net asset value over a total compounded return hurdle rate of 10% per annum. No performance fee has been paid or accrued during the year (2013: US$ Nil).

10 STAFF COSTS

Group	2014 US$'000	2013 US$'000
Wages, salaries and others	**12,090**	7,120
Employees' provident fund, social security and other pension costs	**548**	505
	12,638	7,625

The Company has no executive directors or employees under its employment. The subsidiaries of the Group have a total of 941 (2013: 790) employees.

11 FINANCE (COSTS)/ INCOME

	Group 2014 US$'000	Group 2013 US$'000	Company 2014 US$'000	Company 2013 US$'000
Interest income from banks	**577**	424	**21**	5
Agency fees	**(104)**	(25)	**–**	–
Annual trustees monitoring fee	**(5)**	(7)	**–**	–
Bank guarantee commission	**–**	(4)	**–**	–
Interest on bank loans	**(4,526)**	(1,460)	**–**	-
Interest on financial liabilities at amortised cost	**(2)**	(1)	**–**	–
Interest on medium term notes	**(9,123)**	(8,269)	**–**	–
	(13,183)	(9,342)	**21**	5

12 NET PROFIT/ (LOSS) BEFORE TAXATION

	Group 2014 US$'000	Group 2013 US$'000	Company 2014 US$'000	Company 2013 US$'000
Net profit/ (loss) before taxation is stated after charging/(crediting):				
• Auditor's remuneration				
– current year	244	238	122	120
– under provision in prior year	–	2	–	–
• Directors' fees	317	317	317	317
• Depreciation of property, plant and equipment	122	114	–	–
• Expenses of hotel operations	17,006	13,945	–	–
• Expenses of mall operations	1,789	1,659	–	–
• Expenses of hospital operations	9,702	4,538	–	–
• Fair value (gain)/ loss on held-for-trading financial instrument	(39)	5	–	–
• Impairment of amount due from subsidiary	–	–	15,103	12,950
• Impairment of investment in subsidiary	–	–	124	6,305
• Unrealised foreign exchange (gain)/ loss	(291)	1,065	(1,175)	(151)
• Realised foreign exchange (gain)/ loss	(425)	40	196	(47)
• Impairment of goodwill	4,727	320	–	–
• Gain on disposal of property, plant and equipment	(3)	–	–	–
• Property, plant and equipment written off	–	7	–	–
• Tax services	25	11	–	–

13 TAXATION

Group	2014 US$'000	2013 US$'000
Current tax expense	10,587	3,470
Deferred tax credit	(1,200)	(616)
Total tax expense for the year	9,387	2,854

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	2014 US$'000	2013 US$'000
Accounting profit/ (loss)	15,414	(18,796)
Income tax at a rate of 25%	3,853	(4,699)
Add :		
Tax effect of expenses not deductible in determining taxable profit	2,063	4,989
Movement of unrecognised deferred tax benefits	2,621	1,833
Tax effect of different tax rates in subsidiaries	1,784	960
Less :		
Tax effect of income not taxable in determining taxable profit	(1,415)	(377)
Under provision in respect of prior years	481	148
Total tax expense for the year	9,387	2,854

The applicable corporate tax rate in Malaysia is 25%.

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

The applicable corporate tax rate in Singapore and Vietnam is 17% and 22% respectively.

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

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

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

14 OTHER COMPREHENSIVE EXPENSE

Group Items that are or may be reclassified subsequently to profit or loss, net of tax	2014 US$'000	2013 US$'000
Foreign currency translation differences for foreign operation	**(7,388)**	(6,220)
Fair value of available-for-sale investment	**125**	126
	(7,263)	(6,094)

15 EARNINGS/ (LOSS) PER SHARE

Basic and diluted earnings/ (loss) per ordinary share

The calculation of basic and diluted earnings/ (loss) per ordinary share for the year ended 31 December 2014 was based on the profit/ (loss) attributable to equity holders of the parent and a weighted average number of ordinary shares outstanding, calculated as below:

Group	2014 US$'000	2013 US$'000
Profit/ (loss) attributable to equity holders of the parent	**9,091**	(19,006)
Weighted average number of shares	**212,025**	212,025
Earnings/ (loss) per share **Basic and diluted (US cents)**	**4.29**	(8.96)
Company		
Loss for the year	**(16,439)**	(21,231)
Weighted average number of shares	**212,025**	212,025
Loss per share **Basic and diluted (US cents)**	**(7.75)**	(10.01)

16 PROPERTY, PLANT AND EQUIPMENT

Group	Furniture, Fittings & Equipment US$'000	Motor Vehicles US$'000	Leasehold Building US$'000	Total US$'000
Cost				
At 1 January 2014	**392**	**326**	**843**	**1,561**
Exchange adjustments	**(5)**	**(10)**	**(11)**	**(26)**
Additions	**1**	**5**	**14**	**20**
Disposal	**–**	**(22)**	**–**	**(22)**
Written off	**(22)**	**–**	**–**	**(22)**
At 31 December 2014	**366**	**299**	**846**	**1,511**
Accumulated Depreciation				
At 1 January 2014	**166**	**94**	**155**	**415**
Exchange adjustments	**(2)**	**(5)**	**(2)**	**(9)**
Charge for the year	**45**	**39**	**38**	**122**
Disposal	**–**	**(13)**	**–**	**(13)**
Written off	**(22)**	**–**	**–**	**(22)**
At 31 December 2014	**187**	**115**	**191**	**493**
Net carrying amount at 31 December 2014	**179**	**184**	**655**	**1,018**
Cost				
At 1 January 2013	450	169	854	1,473
Exchange adjustments	(8)	(6)	(11)	(25)
Additions	31	163	–	194
Disposal	–	–	–	–
Transfer to inventories	(28)	–	–	(28)
Written off	(53)	–	–	(53)
At 31 December 2013	392	326	843	1,561
Accumulated Depreciation				
At 1 January 2013	171	69	120	360
Exchange adjustments	(3)	(3)	(2)	(8)
Charge for the year	49	28	37	114
Disposal	–	–	–	-
Transfer to inventories	(5)	–	–	(5)
Written off	(46)	–	–	(46)
At 31 December 2013	166	94	155	415
Net carrying amount at 31 December 2013	226	232	688	1,146

In the previous financial year, the Group acquired property, plant and equipment with an aggregate cost of US$194,000 of which US$40,000 was acquired by means of finance lease. Motor vehicle of the Group with net carrying amount of US$40,000 (2013: US$59,000) is held under finance lease arrangement at year end.

17 INVESTMENT IN AN ASSOCIATE

Group	2014 US$'000	2013 US$'000
At cost - unquoted shares	611	611
Share of post-acquisition reserve	1,306	1,641
Disposal of associate	(1,917)	–
At 31 December	–	2,252

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

A summary of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the associate for the financial year ended 31 December 2013 was as follows:

Group Statement of Financial Position	2013 US$'000
Non-current asset	148,041
Current assets	5,281
Total assets	153,322
Non-current liabilities	3,239
Current liabilities	144,452
Total liabilities	147,691
Equity	5,631
Total Equity and Liabilities	153,322

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

The Group entered into a Sales and Purchase Agreement on 20 June 2014 to dispose of ASPL M3A Limited's interest in EBSB. The sale consideration was US$5,306,000.

The condition precedent for the completion of the disposal of EBSB was met on 20 August 2014, when the transfer of share was effected and payment of the sales proceeds were received.

The Group recognised a gain on disposal of US$5,641,000 from the sales of the associate. The details are as follows:

	2014 US$'000
Sales consideration	5,306
Carrying value of associate as at 20 August 2014	(1,917)
Realisation of previously unrealised profit in relation to sales of Aloft Kuala Lumpur Sentral Hotel	2,252
Gain on disposal	5,641

The unrealised profit of US$2,252,000 in relation to the sale of Aloft Kuala Lumpur Sentral Hotel to a subsidiary of the Group was realised as EBSB is no longer an associate of the Group.

18 INVESTMENT IN SUBSIDIARIES

Company	2014 US$'000	2013 US$'000
Unquoted shares, at cost	66,428	66,428
Discount on loans to subsidiaries	14,518	14,518
Less: Impairment loss	(6,429)	(6,305)
	74,517	74,641

A list of the main operating subsidiaries is provided in Note 41.

18 INVESTMENT IN SUBSIDIARIES *cont'd*

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

2014	Hoa Lam Services Co Ltd US$'000	Shangri-La Healthcare Investment Pte Ltd US$'000	ASPL PLB-Nam Long Ltd Liability Co US$'000	Urban DNA Sdn. Bhd. US$'000	Other individually immaterial subsidiaries US$'000	Total US$'000
NCI percentage of ownership interest and voting interest	**49%**	**24.62%**	**45%**	**30%**		
Carrying amount of NCI	**1,391**	**4,102**	**6,265**	**(969)**	**(602)**	**10,187**
Loss allocated to NCI	**(849)**	**(1,737)**	**(24)**	**(442)**	**(12)**	**(3,064)**
Summarised financial information before intra-group elimination						
As at 31 December						
Non-current assets	**28,911**	**65,380**	**15,056**	**833**		
Current assets	**35,081**	**82,283**	**62**	**57,752**		
Non-current liabilities	**(13,198)**	**(30,796)**	**–**	**(9,344)**		
Current liabilities	**(27,106)**	**(52,377)**	**(1,195)**	**(52,472)**		
Net assets/ (liabilities)	**23,688**	**64,490**	**13,923**	**(3,231)**		
Year ended 31 December						
Revenue	**8,802**	**20,538**	**–**	**–**		
Loss for the year	**(1,733)**	**(7,056)**	**(53)**	**(1,474)**		
Total comprehensive loss	**(1,942)**	**(7,639)**	**(193)**	**(1,259)**		
Cash flows used in operating activities	**(10,883)**	**(27,692)**	**(26,617)**	**(5,181)**		
Cash flows (used in)/ from investing activities	**(17)**	**8,226**	**52**	**–**		
Cash flows from financing activities	**10,546**	**18,628**	**36,557**	**4,942**		
Net (decrease)/ increase in cash and cash equivalents	**(354)**	**(838)**	**9,992**	**(239)**		

2013	Hoa Lam Services Co Ltd US$'000	Shangri-La Healthcare Investment Pte Ltd US$'000	ASPL PLB-Nam Long Ltd Liability Co US$'000	Urban DNA Sdn. Bhd. US$'000	Other individually immaterial subsidiaries US$'000	Total US$'000
NCI percentage of ownership interest and voting interest	49%	26%	45%	30%		
Carrying amount of NCI	2,648	3,787	6,352	(592)	(766)	11,429
Loss allocated to NCI	(793)	(1,176)	(32)	(638)	(5)	(2,644)
Summarised financial information before intra-group elimination						
As at 31 December						
Non-current assets	22,568	50,653	4	–		
Current assets	33,939	79,190	15,292	49,694		
Non-current liabilities	(11,788)	(27,506)	–	(41,692)		
Current liabilities	(26,246)	(58,090)	(1,181)	(9,974)		
Net assets/ (liabilities)	18,473	44,247	14,115	(1,972)		
Year ended 31 December						
Revenue	–	–	–	–		
Loss for the year	(1,618)	(4,543)	(70)	(2,126)		
Total comprehensive loss	(1,659)	(4,734)	(226)	(2,063)		
Cash flows from/ (used in) operating activities	35	(4,451)	(333)	(77)		
Cash flows used in investing activities	(15,284)	(31,826)	(13)	–		
Cash flows from financing activities	15,715	37,362	229	1,284		
Net increase/ (decrease) in cash and cash equivalents	466	1,085	(117)	1,207		

19 AVAILABLE-FOR-SALE INVESTMENTS

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

Group 2014	Quoted shares US$'000
1 January – fair value	**12,697**
Recognised in other comprehensive income	**125**
At 31 December – fair value	**12,822**

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

At 31 December 2014, an increase in fair value of US$0.125 million (2013: US$0.126 million) has been recognised in other comprehensive income. The Directors have considered various prevailing factors at year end, including the economic conditions and market conditions of the Ho Chi Minh Stock Exchange in assessing the fair value of the investment.

20 INTANGIBLE ASSETS

Group	Licence Contracts and Related Relationships US$'000	Goodwill US$'000	Total US$'000
Cost			
At 1 January 2013 / 31 December 2013 / 31 December 2014	**10,695**	**6,479**	**17,174**
Accumulated impairment losses			
At 1 January 2013	–	3,329	3,329
Impairment loss	–	320	320
At 31 December 2013 / 1 January 2014	–	**3,649**	**3,649**
Impairment loss	4,276	451	4,727
At 31 December 2014	**4,276**	**4,100**	**8,376**
Carrying amounts			
At 31 December 2013	10,695	2,830	13,525
At 31 December 2014	**6,419**	**2,379**	**8,798**

The licence contracts and related relationships represents the rights to develop the International Healthcare Park. Other than Phase 1 of City International Hospital, the rest of the projects have not commenced development. In 2014, the Group sold its undeveloped land in International Healthcare Park consisted of Lot D1, PT1, BV5 and BV6 to third party purchasers.

For the purpose of impairment testing, goodwill and licence contracts and related relationships are allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill and licence contracts and related relationships are monitored for internal management purposes.

The aggregate carrying amounts of intangible assets allocated to each unit are as follows:

Group	2014 US$'000	2013 US$'000
Licence, contracts and related relationships		
International Healthcare Park	**6,419**	10,695
Goodwill		
SENI Mont' Kiara	**432**	883
Sandakan Harbour Square	**1,947**	1,947
	2,379	2,830

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

Impairment losses of US$451,000 (2013: US$320,000) and US$4,276,000 (2013: US$Nil) in relation to the SENI Mont' Kiara and International Healthcare Park projects have been recognised as the recoverable amount of the cash generating units, estimated based on fair value less costs to sell is below their carrying amount.

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

21 DEFERRED TAX ASSETS

Group	2014 US$'000	2013 US$'000
At 1 January	595	–
Exchange adjustments	(112)	(21)
Deferred tax credit relating to origination and reversal of temporary differences during the year	1,200	616
At 31 December	**1,683**	595

The deferred tax assets comprise:

Group	2014 US$'000	2013 US$'000
Taxable temporary differences between accounting profit and taxable profit of property development units sold	1,683	595
At 31 December	**1,683**	595

Deferred tax assets have not been recognised in respect of unused tax losses of US$38,821,000 (2013: US$22,983,000) and other tax benefits which includes temporary differences between net carrying amount and tax written down value of property, plant and equipment accrual of construction costs and other deductible temporary differences of US$3,722,000 (2013: US$29,000) which are available for offset against future taxable profits. Deferred tax assets have not been recognised due to the uncertainty of the recovery of the losses.

22 INVENTORIES

Group	Note	2014 US$'000	2013 US$'000
Land held for property development	(a)	40,560	24,403
Work-in-progress	(b)	55,332	73,134
Stock of completed units, at cost		285,234	330,475
Consumables		652	597
At 31 December		**381,778**	428,609

(a) Land held for property development

Group	2014 US$'000	2013 US$'000
At 1 January	24,403	24,912
Add:		
Exchange adjustments	(849)	(1,036)
Additions	2,710	1,344
Transfer from work-in-progress	24,534	–
Transfer to stock of completed units	–	(817)
	50,798	24,403
Less:		
Costs recognised as expenses in the statement of comprehensive income during the year	(10,238)	–
At 31 December	**40,560**	24,403

(b) Work-in-progress

Group	2014 US$'000	2013 US$'000
At 1 January	73,134	116,876
Add :		
Exchange adjustments	(3,464)	(4,243)
Work-in-progress incurred during the year	10,196	112,390
Transfer to land held for property development #	(24,534)	–
Transfer to stock of completed units	–	(151,889)
At 31 December	**55,332**	73,134

The above amounts included borrowing cost capitalised at interest rate ranges from 7.53% to 12.62% per annum (2013: 7.43% to 13.58% per annum) of US$1,799,000 during the financial year (2013: US$2,446,000).

The land were reclassified as land held for property development from work-in-progress in line with the Group's intention to dispose of the land held.

23 HELD-FOR-TRADING FINANCIAL INSTRUMENT

The financial asset represents a placement in money market fund ("Fund"), which is held as a trading instrument. The market value and the market price per unit of the Fund at 31 December 2014 were US$4,041,000 (2013: US$375,000) and US$0.29 (2013: US$0.31) respectively. During the year, the Group acquired additional held-for-trading financial instrument for a consideration of US$3,651,000 at a market price per unit of US$0.29. The Group recognised a fair value gain of US$39,000 (2013: fair value loss of US$5,000) in relation to the investment.

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

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

24 TRADE AND OTHER RECEIVABLES

Group	2014 US$'000	2013 US$'000
Trade receivables	2,977	1,482
Other receivables	5,030	7,772
Sundry deposits	352	400
	8,359	9,654

Company	2014 US$'000	2013 US$'000
Other receivables	18	–

Trade receivables represent progress billings receivable from the sale of completed units and land held for property development. Progress billings receivable from sale of completed units are generally due for settlement within 21 days from the date 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.

The ageing analysis of trade receivables past due are set out below. These relate to a number of independent customers for whom there is no recent history of default.

Group 2014	Gross US$'000	Individual Impairment US$'000	Net US$'000
Within credit terms	715	–	715
Stakeholder sums	2,127	–	2,127
Past due			
0 – 60 days	–	–	–
61 –120 days	1	–	1
More than 120 days	134	–	134
	2,977	–	2,977

Group 2013	Gross US$'000	Individual Impairment US$'000	Net US$'000
Within credit terms	376	–	376
Stakeholder sums	938	–	938
Past due			
0 – 60 days	–	–	–
61 –120 days	–	–	–
More than 120 days	168	–	168
	1,482	–	1,482

As at 31 December 2014, the stakeholder sums represent amount receivable from AEON Vietnam Co. Ltd. of US$2.13 million. Subsequent to financial year end, the Group received US$1.7 million out of the total stakeholder sums of US$2.13 million with the remaining balance of US$0.43 million expected to be received within the next 12 months.

In the previous financial year, included in the stakeholder sums was approximately US$0.17 million in respect of SENI Mont' Kiara which was receivable upon the expiry of 6 months and 18 months from the date of vacant possession. It also included approximately US$0.76 million receivable from 1MK Retail Sdn. Bhd. and 1MK Office Sdn. Bhd. receivable upon the issuance of strata title from the land office. The stakeholder sums were fully collected during the financial year.

As at 31 December 2014, approximately 71% of the Group's trade receivables are from a customer with sound financial standing. There was no concentration of credit risk with respect to trade receivables in the previous financial year. The Group has a large number of customers whose property purchases are mainly secured by personal bank financing.

The maximum exposure to credit risk is represented by the carrying amount in the statement of financial position. No allowance for impairment loss of trade receivables has been made for the remaining past due receivables as the Group monitors the repayment of the customers regularly and are confident of the ability of the customers to repay the balance outstanding.

25 AMOUNT DUE FROM AN ASSOCIATE

The amount due from an associate was unsecured, interest free and repayable on demand. The amount was repaid during the financial year.

26 AMOUNTS DUE FROM / (TO) SUBSIDIARIES

Company	2014 US$'000	2013 US$'000
Due from subsidiaries (Current portion)	206,784	192,211
Less : Impairment loss	(45,529)	(30,426)
	161,255	161,785
Due to subsidiaries (Current portion)	(70,393)	(48,732)

The amounts due from/ (to) subsidiaries are current, unsecured and repayable on demand.

At the end of the reporting period, inter-company balances that were assessed to be irrecoverable were impaired by US$15,103,000 (2013: US$12,950,000).

27 CASH AND CASH EQUIVALENTS

Group	2014 US$'000	2013 US$'000
Cash and bank balances	12,057	11,498
Short term bank deposits	13,954	13,087
	26,011	24,585
Less : Deposit pledged	(9,800)	(10,419)
	16,211	14,166

Included in short term bank deposits is US$9,800,000 (2013: US$10,419,000) pledged for banking facilities granted to its subsidiaries.

Company	2014 US$'000	2013 US$'000
Cash and bank balances	6,454	726
Short term bank deposits	–	977
	6,454	1,703

The interest rate on cash and cash equivalents, excluding deposit pledged with licensed bank of US$9,800,000 (2013: US$10,419,000) pledged for banking facilities granted to subsidiaries, ranges from 2.65% to 2.80% per annum (2013: 2.55% to 3.15% per annum) and the maturity period ranges from 1 day to 7 days (2013: 1 day to 1 month).

The interest rate on short term bank deposits pledged for banking facilities granted to subsidiaries ranges from 0.20% to 4.70% per annum (2013: 0.50% to 7.00% per annum) and the maturity period ranges from 3 months to 1 year (2013: 1 month to 1 year).

28 SHARE CAPITAL

Group & Company	2014 Number of Shares'000	2013 Number of Shares'000
Authorised Share Capital	2,000,000	2,000,000
Issued Share Capital		
At 1 January	212,025	212,525
Cancellation of shares (Note 38)	–	(500)
At 31 December	212,025	212,025

Group & Company	2014 US$'000	2013 US$'000
Authorised Share Capital of US$0.05 each	100,000	100,000
Issued Share Capital of US$0.05 each		
At 1 January	10,601	10,626
Cancellation of shares (Note 38)	–	(25)
At 31 December	10,601	10,601

29 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	2014 US$'000	2013 US$'000
At 1 January / 31 December	**218,926**	218,926

30 CAPITAL REDEMPTION RESERVE

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

31 TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

32 FAIR VALUE RESERVE

The fair value reserve comprises the cumulative change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

33 ACCUMULATED LOSSES

Group	2014 US$'000	2013 US$'000
At 1 January	**(69,876)**	(50,828)
Profit/ (loss) attributable to equity holders of the parent	**9,091**	(19,006)
Changes in ownership interests in subsidiaries	**(147)**	(42)
At 31 December	**(60,932)**	(69,876)

Company	2014 US$'000	2013 US$'000
At 1 January	**(43,282)**	(22,051)
Loss for the year	**(16,439)**	(21,231)
At 31 December	**(59,721)**	(43,282)

34 TRADE AND OTHER PAYABLES

Group	2014 US$'000	2013 US$'000
Trade payables	**3,083**	10,389
Other payables	**8,278**	17,950
Progress billings	**22,514**	27,775
Deposits refundable	**1,193**	8,278
Accruals	**5,442**	19,248
	40,510	83,640

Company	2014 US$'000	2013 US$'000
Other payables	**4**	1,135
Accruals	**142**	118
	146	1,253

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.

Progress billings represent the proceeds received from purchasers for development properties i.e. SENI Mont' Kiara and The RuMa Hotel and Residences which are pending for transfer of vacant possession.

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

35 AMOUNT DUE TO NON-CONTROLLING INTERESTS

Group	2014 US$'000	2013 US$'000
Non-current		
Minority Shareholders of Shangri-La Healthcare Investment Pte Ltd:		
– Tran Thi Lam	**415**	533
– Econ Medicare Centre Holdings Pte Ltd	**491**	632
– Value Energy Sdn. Bhd.	**147**	189
– Thang Shieu Han	**56**	72
– Nguyen Quang Duc	**11**	14
	1,120	1,440
Current		
Minority Shareholder of Bumiraya Impian Sdn. Bhd.:		
– Global Evergroup Sdn. Bhd.	**1,418**	1,514
Minority Shareholders of Hoa Lam Services Co Ltd:		
– Tran Thi Lam	**1,725**	1,613
– Tri Hanh Consultancy Co Ltd	**2,510**	1,191
– Hoa Lam Development Investment Joint Stock Company	**188**	89
– Duong Ngoc Hoa	**126**	60
Minority Shareholder of Urban DNA Sdn. Bhd.:		
- Ireka Corporation Berhad	**4,255**	4,541
	10,222	9,008
	11,342	10,448

The current amount due to non-controlling interests amounting to US$10,222,000 (2013: US$9,008,000) is unsecured, interest free and repayable on demand.

The non-current amount due to non-controlling interests amounting to US$1,120,000 (2013: US$1,440,000) is unsecured, interest free and shall only be repayable to the respective minority shareholders if the minority shareholders cease to be a shareholder in Shangri-La Healthcare Investment Pte Ltd.

36 LOANS AND BORROWINGS

Group	2014 US$'000	2013 US$'000
Non-current		
Bank loans	**53,338**	49,267
Finance lease liabilities	**26**	42
	53,364	49,309
Current		
Bank loans	**19,262**	25,452
Finance lease liabilities	**12**	14
	19,274	25,466
	72,638	74,775

The effective interest rates on the bank loans and finance lease arrangement for the year ranged from 5.25% to 17.70% (2013: 5.25% to 17.70%) per annum and 2.50% to 3.50% (2013: 2.50% to 3.50%) per annum respectively.

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

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

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

Finance lease liabilities are payable as follows:

Group	Future minimum lease payment 2014 US$'000	Interest 2014 US$'000	Present value of minimum lease payment 2014 US$'000	Future minimum lease payment 2013 US$'000	Interest 2013 US$'000	Present value of minimum lease payment 2013 US$'000
Within one year	**15**	**3**	**12**	16	2	14
Between one and five years	**30**	**4**	**26**	49	7	42
	45	**7**	**38**	65	9	56

37 MEDIUM TERM NOTES

Group	2014 US$'000	2013 US$'000
Outstanding medium term notes	**147,004**	156,924
Net transaction costs	**(1,774)**	(2,308)
Less:		
Repayment due within twelve months *	**(60,237)**	(13,739)
Repayment due after twelve months	**84,993**	140,877

* Includes net transaction costs in relation to medium term notes due within twelve months of US$1.25 million.

The medium term notes ("MTN") were issued pursuant to a programme with a tenure of ten (10) years from the first issue date of the notes. The MTN were issued by a subsidiary, to fund two development projects known as Sandakan Harbour Square and Aloft Kuala Lumpur Sentral Hotel in Malaysia. US$70.07 million (RM245.00 million) was drawn down in 2011 for Sandakan Harbour Square. US$4.29 million (RM15.00 million) was drawn down in 2012 for Aloft Kuala Lumpur Sentral Hotel and the remaining US$72.64 million (RM254 million) in 2013. The Group secured a rollover of MTN amounting US$12.87 million (RM45 million) which was due for repayment on 8 December 2014 to be repaid on 8 December 2017. No repayments were made in the current financial year.

The weighted average interest rate of the MTN was 5.56% per annum at the statement of financial position date. The effective interest rates of the MTN and their outstanding amounts are as follows:

	Maturity Dates	Interest rate % per annum	US$'000
Series 1 Tranche FG 003	8 December 2017	5.90	7,150
Series 1 Tranche BG 003	8 December 2017	5.85	5,720
Series 1 Tranche FG 002	8 December 2015	5.46	12,870
Series 1 Tranche BG 002	8 December 2015	5.41	8,580
Series 2 Tranche FG 001	8 December 2015	5.46	20,020
Series 2 Tranche BG 001	8 December 2015	5.41	15,730
Series 3 Tranche FG 001	1 October 2015	5.40	2,860
Series 3 Tranche BG 001	1 October 2015	5.35	1,430
Series 3 Tranche FG 002	29 January 2016	5.50	4,290
Series 3 Tranche BG 002	29 January 2016	5.45	2,860
Series 3 Tranche FG 003	8 April 2016	5.65	36,894
Series 3 Tranche BG 003	8 April 2016	5.58	28,600
			147,004

The medium term notes are secured by way of:

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

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

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

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

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

(vi) first fixed land charge over the Aloft Kuala Lumpur Sentral Hotel and the Aloft Kuala Lumpur Sentral Hotel's Land (to be executed upon construction completion);

(vii) a corporate guarantee by Aseana Properties Limited;

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

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

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

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

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

38 PURCHASE OF OWN SHARES AND CANCELLATION OF SHARES

The shareholders of the Company, by a special resolution passed in a general meeting held on 25 June 2014, approved the Company's plan to repurchase its own shares.

There was no repurchase of issued share capital in the current financial year.

Cancellation of treasury shares

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

39 RELATED PARTY TRANSACTIONS

Transactions between the Group and the Company with Ireka Corporation Berhad ("ICB") and its group of companies are classified as related party transactions based on ICB's 23.07% shareholding in the Company. ICB's relationship with the Group is also mentioned on page 19 of the Directors' Report under the headings of 'Management'.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

Group	2014 US$'000	2013 US$'000
ICB Group of Companies		
Accounting and financial reporting services fee charged by an ICB subsidiary	**53**	53
Construction progress claims charged by an ICB subsidiary	**13,912**	11,035
Management fees charged by an ICB subsidiary	**3,344**	3,762
Marketing commission charged by an ICB subsidiary	**1,226**	330
Project management fee for interior fit out works charged by an ICB subsidiary	**–**	90
Project staff costs reimbursed to an ICB subsidiary	**544**	682
Rental expenses charged by an ICB subsidiary	**31**	–
Sales and administrative fee charged by an ICB subsidiary	**–**	50
Secretarial and administrative services fee charged by an ICB subsidiary	**53**	53
Key management personnel		
Remuneration of key management personnel - Directors' fees	**317**	317
Remuneration of key management personnel – Salaries	**49**	40

Company	2014 US$'000	2013 US$'000
ICB Group of Companies		
Accounting and financial reporting services fee charged by an ICB subsidiary	**53**	53
Management fees charged by an ICB subsidiary	**1,180**	1,238
Secretarial and administrative services fee charged by an ICB subsidiary	**53**	53
Key management personnel		
Remuneration of key management personnel - Directors' fees	**317**	317

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

Group	2014 US$'000	2013 US$'000
Non-controlling interests		
Advances – non-interest bearing (Note 35)	**1,635**	1,081
Associate – Excellent Bonanza Sdn. Bhd.		
Advances – non-interest bearing	**–**	630
Settlement of purchase consideration of Aloft Kuala Lumpur Sentral Hotel	**–**	63,867

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

The outstanding amounts due from/ (to) ICB and its group of companies as at 31 December 2014 and 31 December 2013 are as follows:

Group	2014 US$'000	2013 US$'000
Amount due to an ICB subsidiary for accounting and financial reporting services fee	**–**	53
Amount due to an ICB subsidiary for construction progress claims charged (2013: Net of LAD's recoverable US$6,046,000)	**891**	965
Amount due to an ICB subsidiary for management fees	**–**	2,343
Amount due to an ICB subsidiary for marketing commissions	**34**	151
Amount due to an ICB subsidiary for reimbursement of project staff costs	**60**	488
Amount due to an ICB subsidiary for rental expenses	**2**	–
Amount due to an ICB subsidiary for secretarial and administrative services fee	**–**	80

Company	2014 US$'000	2013 US$'000
Amount due to an ICB subsidiary for accounting and financial reporting services fee	**–**	53
Amount due to an ICB subsidiary for management fees	**10**	948
Amount due to an ICB subsidiary for secretarial and administrative services fee	**–**	80

The outstanding amounts due from/ (to) the other significant related parties as at 31 December 2014 and 31 December 2013 are as follows:

Group	2014 US$'000	2013 US$'000
Non-controlling interests		
Advances – non-interest bearing (Note 35)	**(11,342)**	(10,448)
Associate – Excellent Bonanza Sdn. Bhd.		
Advances – non-interest bearing	**–**	853

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 41.

40 BUSINESS COMBINATION

During the financial year, the Group increased its equity interest in Shangri-La Healthcare Investment Pte Ltd ("SHIPL") from 74.11% to 75.38% (2013: 73.50% to 74.11%) resulting from an issue of new shares in the subsidiary. Consequently, the Company's effective equity interest in Hoa Lam – Shangri-La Healthcare Ltd Liability Co, City International Hospital Co Ltd, Hoa Lam – Shangri-La 3 Ltd Liability Co and Hoa Lam – Shangri-La 4 Ltd Liability Co, subsidiaries of SHIPL, increased to 68.07% (2013:67.20%).

The Group recognised an increase in non-controlling interests of US$147,000 (2013: US$42,000) and an increase in accumulated losses of US$147,000 (2013: US$42,000) resulting from the increase in equity interest in the above subsidiaries. The transaction was accounted for using the purchase method of accounting.

During the financial year, the Group disposed of its entire interest in Hoa Lam-Shangri-La 2 Ltd Liability Co, a subsidiary of the Group for a consideration of US$500,000 (VND10.50 billion). The disposal of Hoa Lam-Shangri-La 2 Ltd Liability Co. has no significant impact on the results of the Group.

41 INVESTMENT IN PRINCIPAL SUBSIDIARIES AND ASSOCIATE

Name	Country of incorporation	Principal activities	Effective ownership interest 2014	2013
Principal Subsidiaries				
Ireka Land Sdn. Bhd.	Malaysia	Property development	**100%**	100%
Bumijaya Mawar Sdn. Bhd.	Malaysia	Property development	**100%**	100%
Bumijaya Mahligai Sdn. Bhd.	Malaysia	Property development	**100%**	100%
Amatir Resources Sdn. Bhd.	Malaysia	Property development	**100%**	100%
ICSD Ventures Sdn. Bhd.	Malaysia	Hotel and mall ownership and operation	**100%**	100%
Priority Elite Sdn. Bhd.	Malaysia	Project management services	**100%**	100%
Iringan Flora Sdn. Bhd.	Malaysia	Hotel ownership and operation	**100%**	100%
Silver Sparrow Berhad	Malaysia	Participating in the transactions contemplated under the Guaranteed MTN Programme	**100%**	100%
Bumiraya Impian Sdn. Bhd.	Malaysia	Property development	**80%**	80%
The RuMa Hotel KL Sdn. Bhd.	Malaysia	Investment holding	**70%**	70%
Urban DNA Sdn. Bhd.	Malaysia	Property development	**70%**	70%
Aseana-BDC Co Ltd	Vietnam	Investment holding	**65%**	65%
ASPL PLB-Nam Long Ltd Liability Co	Vietnam	Property development	**55%**	55%
Hoa Lam Services Co Ltd	Vietnam	Investment holding	**51%**	51%
Shangri-La Healthcare Investment Pte Ltd and its subsidiaries	Singapore	Investment holding	**75%**	74%
Hoa Lam-Shangri-La Healthcare Ltd Liability Co	Vietnam	Property development	**68%**	67%
City International Hospital Co Ltd	Vietnam	Hospital ownership and operation	**68%**	67%
Hoa Lam-Shangri-La 2 Ltd Liability Co*	Vietnam	Property development	**–**	67%
Hoa Lam-Shangri-La 3 Ltd Liability Co	Vietnam	Property development	**68%**	67%
Hoa Lam-Shangri-La 4 Ltd Liability Co	Vietnam	Property development	**68%**	–
Associate				
Excellent Bonanza Sdn. Bhd.**#	Malaysia	Property development	**–**	40%

* *The entire shareholding was disposed of in 2014*
** *The entire shareholding was disposed of in 2014 (Note 17)*
# *Not audited by KPMG*

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.

42 COMMITMENTS AND CONTINGENCIES

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

Debt service reserve account
Under the medium term notes programme of up to US$147 million, Silver Sparrow Berhad ("SSB") had opened a Ringgit Malaysia debt service reserve account ("DSRA") and shall ensure that an amount equivalent to RM30.0 million (US$8.58 million) (the "Minimum Deposit") be maintained in the DSRA at all times. In the event the funds in the DSRA falls below the Minimum Deposit, SSB shall within five (5) Business Days from the date of receipt of written notice from the facility agent or upon SSB becoming aware of the shortfall, whichever is earlier, deposit such sums of money into the DSRA to ensure the Minimum Deposit is maintained.

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.

••• CORPORATE INFORMATION •••

NON-EXECUTIVE CHAIRMAN

Mohammed Azlan Hashim

NON-EXECUTIVE DIRECTORS

Christopher Henry Lovell

David Harris

Ismail Shahudin

John Lynton Jones

Gerald Ong Chong Keng

COMPANY SECRETARY AND REGISTERED OFFICE

Capita Secretaries Limited
12 Castle Street, St. Helier
Jersey JE2 3RT
Channel Islands

WEBSITE

www.aseanaproperties.com

LISTING DETAILS

Main Market of the London Stock Exchange under the ticker symbol ASPL

AUDITOR

KPMG LLP
15 Canada Square
London E14 5GL
United Kingdom

CORPORATE BROKER

N+1 Singer
One Bartholomew Lane
London EC2N 2AX
United Kingdom

PUBLIC RELATIONS

Tavistock Communications
131 Finsbury Pavement
London EC2A 1NT
United Kingdom

REGISTRAR

Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street, St. Helier
Jersey JE1 1ES
Channel Islands

T +44(0) 870 707 4040
F +44(0) 870 873 5851

Aloft Kuala Lumpur Sentral Hotel
Kuala Lumpur

ASEANA PROPERTIES LIMITED

REGISTERED OFFICE
12 Castle Street, St. Helier, Jersey JE2 3RT, Channel Islands
T + 44(0) 1534 847 000 F +44 (0) 1534 847 001 www.aseanaproperties.com

This report is printed on environmental friendly paper