ASEANA PROPERTIES LIMITED

INVESTMENT GATEWAY TO VIETNAM AND MALAYSIA

ANNUAL REPORT 2007

INTRODUCTION

Aseana Properties Limited ("Aseana Properties") is a property development company established to take advantage of opportunities in Malaysia and Vietnam. Product innovation and commitment to excellence are hallmarks of Aseana Properties. With a focus on the upmarket segment of the property market, Aseana Properties aims to be the premier investment gateway for investors into Malaysia and Vietnam.

COVER RATIONALE

Aseana Properties drives investment and continuously seeks new development opportunities in South East Asia. The Lotus flower and Bunga Raya (Hibiscus) are symbolic of this growth in partnership. The former, regarded as the symbol of Vietnam, depicts commitment and optimism for the future and the latter, being the national flower of Malaysia, reflects strength and vibrancy. Achieving balanced growth for Aseana Properties and its shareholders in these two exciting countries is our aim and ambition.

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CORPORATE STRATEGY

KEY FACTS

Exchange	: London Stock Exchange Main Market
Symbol	: ASPL
Lookup	: Reuters ASPL.L; Bloomberg ASPL:LN
Domicile	: Jersey
Shares Issued	: 250 million
Share Denomination	: US Dollars
Management Fee	: 2% of NAV
Performance Fee	: 20% of the out performance NAV over a total return hurdle rate of 10%
Admission Date	: 5 April 2007

ADVISORS & SERVICE PROVIDERS

Development Manager	: Ireka Development Management Sdn. Bhd.
Financial Adviser	: Fairfax I.S. PLC
Legal Advisors	
– UK	: Stephenson Harwood
– US	: Morrison Foerster MNP
– Jersey	: Walkers
– Malaysia	: Foong & Partners
– Vietnam	: Vilaf-Hong Duc
Auditors	: Mazars LLP

ASEANA PROPERTIES LIMITED AT A GLANCE

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

Aseana Properties has appointed Ireka Development Management Sdn. Bhd. (a wholly owned subsidiary of Ireka Corporation Berhad) as the Development Manager to be responsible for the day-to-day management of its property portfolio and the introduction and facilitation of new investment opportunities. Aseana Properties was listed on the Main Market of the London Stock Exchange on 5 April 2007.

Aseana Properties' investment objective is to provide shareholders with an attractive overall total return achieved primarily through capital appreciation by investing in properties in Vietnam and Malaysia. Aseana Properties intends 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 will typically invest in development projects at the pre-construction stage. It will also selectively invest in projects-in-construction and completed projects with the potential for high capital appreciation.

Aseana Properties anticipates making investments both as sole principal and, where appropriate, in joint arrangements with third parties, where management control resides with Aseana Properties. It is the intention that such joint arrangements will only be undertaken with other parties having demonstrable relevant experience or local knowledge.

Aseana Properties anticipates that between 30% and 40% of its funds be allocated to projects in Malaysia and between 60% and 70% will be allocated to projects in Vietnam.

CHAIRMAN'S STATEMENT

ASEANA PROPERTIES made a successful debut on the Official List of the London Stock Exchange on 5 April 2007. Amidst the current challenging global market conditions, Aseana Properties and its group of companies ("the Group"), have established a strong presence in the real estate market in Malaysia and Vietnam in 2007. The goal is to become a gateway for investments into these two rising property markets of South East Asia. Key milestones achieved this year include:

- Deployment of approximately US$52 million cash for new investments in Malaysia, including the completion of acquisition of five property development projects which comprised the initial portfolio on admission;
- Deployment of approximately US$23 million cash for new investments in Vietnam; and
- Launching of projects with Gross Development Value totalling US$388 million.

The Group's portfolio of investments today includes ten projects in Kuala Lumpur, Kota Kinabalu and Sandakan in Malaysia, and Ho Chi Minh City and Da Nang in Vietnam. Leveraging on the strengths of Ireka Development Management Sdn. Bhd. ("the Development Manager"), Aseana Properties has remained focused on the premier segment of the property markets of Malaysia and Vietnam as these two countries continue to achieve robust economic growth.

In 2008, the main focus in Malaysia will be centred on implementing and delivering existing projects in the portfolio. Several of these projects are now in full swing of the development cycle and are expected to contribute positively to the Group, commencing in the current financial year. In Vietnam, Aseana Properties will continue to seek investment opportunities to strengthen and deepen our presence there. For the investments committed, the Development Manager is making good headway in obtaining approvals from the respective authorities. The management are confident that some of these projects will be able to commence construction in 2008.

On a macroeconomic front, the Group will continue to monitor closely the issues and developments in the global credit and banking industry and the effects it may have on our investments. The approach adopted is to ensure that the Group has in place a prudent debt-equity structure for its investments, by closely aligning the debt and equity requirements with the nature of cash flows and tenure of the projects.

Though relatively new as a Group, we strive for excellence. This is reflected in our expectations from the management of total diligence, commitment to excellence and integrity. We believe the strengths and experience of the appointed Development Manager in hands-on execution, local market knowledge and innovation in products will be key to our performance in 2008.

On a personal note, I would like to take this opportunity to thank my fellow Directors for their commitments and invaluable counsel over the period. I also wish to extend my thanks to shareholders, government authorities, bankers and business associates for their continued support and confidence in the Company and the Group.

DATO' MOHAMMED AZLAN BIN HASHIM
CHAIRMAN
29 April 2008

DEVELOPMENT MANAGER'S REVIEW

BUSINESS OVERVIEW

Since the listing of Aseana Properties on 5 April 2007, Ireka Development Management Sdn. Bhd. ("the Development Manager"), has been actively pursuing and concluding the acquisitions of a number of pipeline projects identified on admission.

The Group has also successfully launched three projects, namely biz hub @ one Mont' Kiara, SENI Mont' Kiara Phase One and Sandakan Harbour Square Phase Two in Malaysia during the period under review. All projects registered very encouraging sales to date. We are also pleased to report that at the time of the launches, all projects achieved new benchmark pricings for similar projects in Mont' Kiara and Sandakan indicating strong demand for the Group's branded high-end properties in Malaysia.

As at the date of this report, the Group has invested 46% of the US$162 million raised at the time of the listing and committed the balance in a number of projects in Vietnam. Due to the real estate investment regulatory system in Vietnam, these funds can only be invested once the investment licences are issued by the government for the respective projects. We expect all the funds to be fully deployed into Vietnam over 2008.

Malaysia Economic Update

2007 was a very good year for the real-estate industry in Malaysia. Apart from the robust economic performance during the year with Gross Domestic Products ("GDP") growing by 6.3%, the other main contributing factors to the buoyant real estate market are the abolition of the Real Property Gain Tax for both foreigners and locals in April 2007, the relaxation of the local bank lending to foreigners, and the active overseas promotion by the government and the private sectors on Malaysia as an international property investment destination.

However, the continued escalation of oil price, strong demand for building materials in the regional market and a healthy uptake for high-end properties have resulted in an upward pressure on the construction cost and land prices in Malaysia throughout 2007.

Vietnam Economic Update

Vietnam continues to claim its place as one of the hottest emerging economies in Asia. It registered a GDP growth rate of 8.5%, becoming the second fastest growing economy after China. Over 2007, it received more than US$20.3 billion in Foreign Direct Investment ("FDI"), a 69.2% increase over the US$12 billion reported in 2006.


Interior of SENI Mont' Kiara, Kuala Lumpur


TM, Mont' Kiara, Kuala Lumpur


Wall Street Centre, Ho Chi Minh City

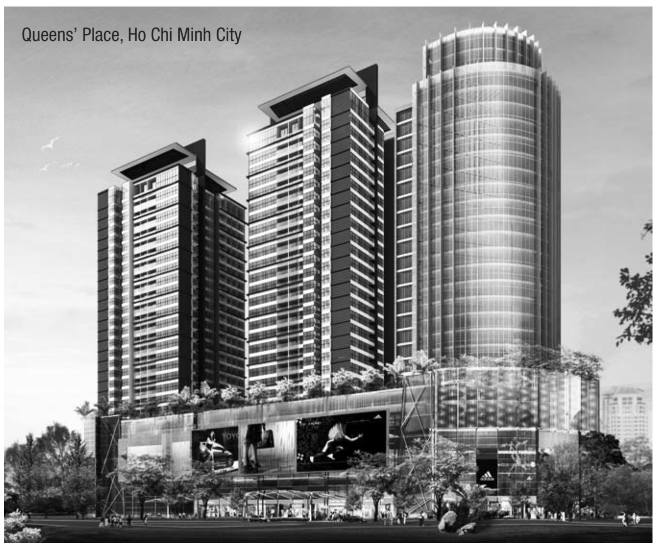
Apart from the stock market, the pace of growth in the economy has also been greatly affected by the rate of inflation. The Consumer Price Index ("CPI") for the year is 12.63% and in February 2008, the CPI went up to 15.67% which triggered grave concern on the part of the government. The huge surge in demand for imported goods, the high price of petrol and a double digit increase in the prices of food, construction materials and housing and the slide of the US dollar value against all major currencies have all contributed to the problem of rising inflation. The CPI is also exacerbated by flooding in parts of central Vietnam, which has destroyed rice crops leading to a shortage in the supply of rice, a staple food by itself and a key input to other staple foods in Vietnam. Food and beverages account for 43% of Vietnam's CPI basket of goods.

Various measures have been announced by the government over the last few months to try to arrest the high rate of inflation. Among these are the reduction of rice exports by more than 11% to ensure local prices are controlled, providing subsidies to fuel traders, a freeze on petrol price increases and restrictions on imported passenger cars and other capital goods.

The Vietnamese government has also been very concerned with the sharp increase in construction prices which have already affected the completion of a number of government projects. To counter such problems, the government has stated that they will not allow the prices of construction materials to get out of control and will introduce price stabilising regulation if necessary. Meanwhile, most developers have already started to increase their construction cost estimates. This will of course ultimately result in further increase in the prices of housing and other properties.

Since Vietnam's official entry into the World Trade Organisation, FDI has continued to pour into manufacturing, infrastructure construction, hotel, tourism and development projects from investors all over the world. The major investors include those from the United States, South Korea, France, Japan, Malaysia, Taiwan, Hong Kong and Singapore.

Vietnam's sudden surge in investments and high growth rate have started to put tremendous strain on the relatively young market-orientated economy. The stock market has experienced an exuberant growth rate of up to 130% in 2007, only to be reversed downwards by almost 50% in early 2008 as the impact of the confidence in the global financial markets and the unattractiveness of a heavily restricted market set in.This is by no means a crisis or a crash as there are little domestic retail borrowings and limited foreign funds for share purchase in the stock market. From the medium to long-term perspective, the correction in the market has been seen as healthy in guiding the market back to a more realistic level and sustainable growth into the future.


Queens' Place, Ho Chi Minh City

Tiffani by i-ZEN, Kuala Lumpur

i-ZEN @ Kiara I, Kuala Lumpur

SENI Mont' Kiara, Kuala Lumpur

PORTFOLIO REVIEW

Malaysia

Residential Property Market

We expect the Malaysian high-end residential market to continue to receive favourable demand in particular from foreign investors from the region especially Singapore, India, China and the Middle East who now find the traditional investment markets like Singapore, Australia and Dubai becoming very expensive or overpriced. With a stable economy, a transparent property and land ownership law, and the expected strengthening of the Ringgit against US dollars, Malaysia's real estate is increasingly seen as a safe haven for investors seeking stability from the turbulent global financial market.

The Group currently has three residential projects in Malaysia.

– **i-ZEN @ Kiara I**
  i-ZEN @ Kiara I has achieved 99% sales to date. The remaining 1% will be released for sale only upon completion in May 2008.

– **Tiffani by i-ZEN**
  Tiffani by i-ZEN, one of the most high profile residential projects in Mont' Kiara with a number of international celebrity owners, also achieved very commendable sales of 87% to date.

– **SENI Mont' Kiara**
  SENI Mont' Kiara Phase One was launched in July 2007. At the date of this report, over 85% of the 325 units launched had already been sold. Situated on one of the highest peaks in Mont' Kiara, this prime residential address in Kuala Lumpur, with the majority of the condominium units facing the magnificent world famous Petronas Twin Towers and KL Tower skyline, has set a new benchmark in the price per square feet of over RM700 for the high floor units at the time of launch. We are confident that the impending launch of SENI Mont' Kiara Phase Two, planned for August 2008, will command an even higher price in view of the price achieved in a recent launch by a developer nearby.

Commercial Office and Retail

On the Kuala Lumpur commercial and office sector front, prime offices have also done very well and are expected to continue to do well in view of the short supply of newly approved Grade A offices. The Kuala Lumpur City Hall has maintained a tight supply by restricting approvals since the Asian financial crisis in 1998. As a result of this restriction, capital values and rental prices have increased substantially for new buildings coming onto the market.

Capital values and rental yields of shopping centres on the other hand have also received a major boost from the advent of a number of new Real Estate Investment Trusts ("REITs") in the country over 2007. Currently, there are at least four major REITs that are actively acquiring shopping centres around the country and have pushed up the capital values of most of the well run shopping centres.

Interior of Tiffani by i-ZEN, Kuala Lumpur

The Group's two commercial projects under construction are therefore expected to perform well upon completion.

– **one Mont' Kiara**
  one Mont' Kiara is an integrated development with a retail mall and two office towers in the heart of Mont' Kiara commercial precinct. Designed by two award winning architect and interior design firms, the chic retail mall is set to attract many retailers and shoppers from the affluent neighbourhood and beyond.

  The Company has released 137 units of the office suites (biz hub) for sale and all units have been sold.

  The capital value of the retail mall and the remaining office tower has also increased in value by 25% over the year.

– **Sandakan Harbour Square**
  Phases Three and Four of the integrated commercial centre in Sandakan, Malaysia commenced construction in April 2008. These two phases comprising a modern retail mall and an international 4-star hotel and convention centre, will upon completion represent one of the most impressive urban renewal projects in East Malaysia. Phase One of the project is already 100% sold and completed while Phase Two is already 42% sold off the plan.

– **New Investments**
  The Group made two new investments in the commercial sector in 2007. The first project is a prime office and hotel project in Kuala Lumpur Sentral, the most sought after commercial centre in Kuala Lumpur today. This project is a joint venture with a Malaysian government-linked company, Malaysian Resources Corporation Berhad. The Group has a 40% interest in this venture.

  The design of the project has been completed and will be submitted for approval in April 2008. One of the office towers has already been pre-sold and the second tower has received several bids at a much higher price level than expected. The sales price of the offices is now at least 20% over the price anticipated by the Group at the time of acquisition.

  The second investment is twin office towers in Mont' Kiara which is a popular location for professional firms today. Following the successful launch of the Group's biz hub @ one Mont' Kiara, we are confident that this project will be another success. The land price in Mont' Kiara has already risen by 25% since the Group's acquisition of this land from Telekom Malaysia in August 2007.

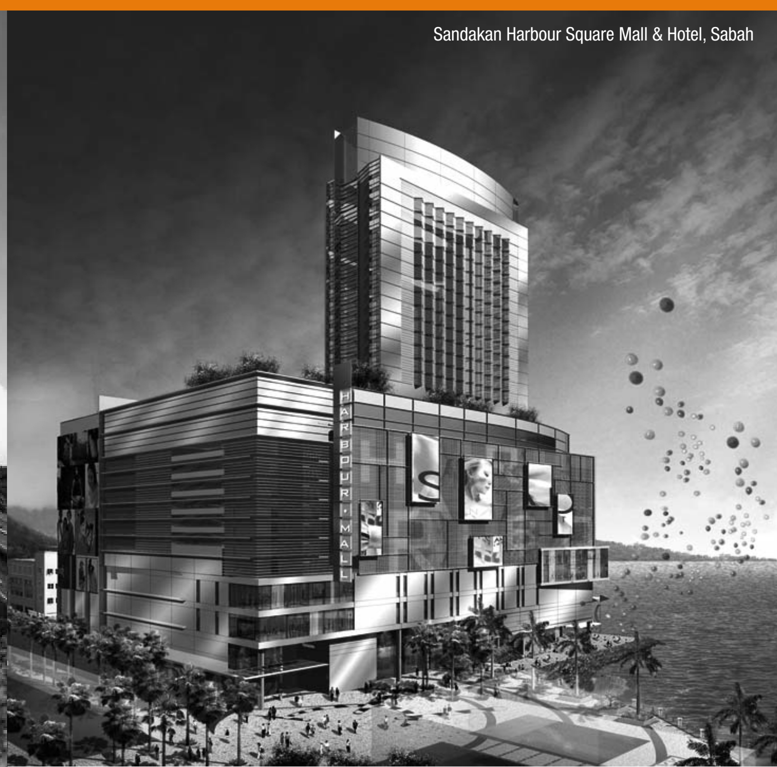
  Development plans for this project have already been submitted to the authorities for approval and we expect to begin work on this project before the end of 2008.

Hotels and Resort Homes

On the hotels and resort homes sector, Malaysia has received an increasingly good response from foreign investors who in the past have overlooked Malaysia in favour of more traditional locations like Bali, Phuket and Hawaii. The concerted and focused promotion by the Malaysian Government and the private sector on 'Malaysia My Second Home', coupled with the success of the Visit Malaysia 2007 campaign and the famous Malaysia Formula One Grand Prix have showcased Malaysia as an attractive tourist and second home destination. In 2007, tourist arrivals grew by 18% over 2006 from 17.6 million to 20.7 million.

The Malaysian Government announced in 2007 its decision to assist the private sector to further promote Malaysia as an international property investment destination by setting aside RM50 million in overseas promotional budget for 2008.


one Mont' Kiara, Kuala Lumpur


Sandakan Harbour Square Mall & Hotel, Sabah

Hotel and Office Development, Kuala Lumpur Sentral

Sandakan Harbour Square, Sabah

Apart from the hotel in Kuala Lumpur Sentral and in Sandakan Harbour Square, the Group has also successfully acquired a pristine piece of beach front property in the popular tourist destination of Kota Kinabalu, Sabah. Kota Kinabalu currently has the second busiest airport in Malaysia. With a new airport terminal being built, we expect tourist arrivals to the state to increase significantly. The Group will be planning a beach front 5-star resort cum residences on the land. The residential component of this project is targeted to be launched before the end of 2008 and will be priced very competitively compared to those in Bali, Phuket or Langkawi.

All the above conditions bode well for the Group. There is already an increase of approximately 8% on the Group's realisable net asset value ("RNAV") as a result of the healthy increase in the capital value of real estate in Malaysia. With the three new acquisitions by the Group in 2007 receiving authority approval to launch and construct in 2008, the Development Manager is confident that the Group will be able to realise healthy gains over its investment in Malaysia.

Vietnam

Residential Property Market

We are pleased to report that the Group's first investment in the buoyant middle to high-end residential market in Ho Chi Minh City will be concluded very soon. This project to be named Queens' Place is located in the upcoming area of District 4, Ho Chi Minh City, 10 minutes drive from District 1. This development comprises commercial retail, an office tower and serviced and up-market apartments.

This project has at early April obtained all the necessary planning and land use approvals from the relevant departments of the Ho Chi Minh City's People's Committee with full approval for the Investment License from the Ministry of Planning and Investment expected in May 2008. Upon issuance of the Investment Licence, we will deploy US$11 million as legal capital to begin development immediately.

With its strategic location and the current strong demand for up-market apartments in Ho Chi Minh City, we are confident that this project will exceed our return projection made before acquisition. The Group owns 65% of this development with a local developer owning the remaining 35%.

On the whole, we remain very positive that with the growing affluence of the local Vietnamese resulting from high economic growth coupled with the significant growth in FDI which will bring many expatriates to Vietnam, the prospect for high-end and quality residences development is very bright indeed. This is especially so since the Group would be able to leverage on its successful track record and Ireka Corporation Berhad's i-ZEN brand of properties in Malaysia.

Commercial Office and Retail

Ho Chi Minh City and Hanoi are currently severely short of Grade A office space to meet the demand for business expansion of local and foreign companies. In Ho Chi Minh City, office space rental for Grade A & B offices have increased more than 50% over 2007.

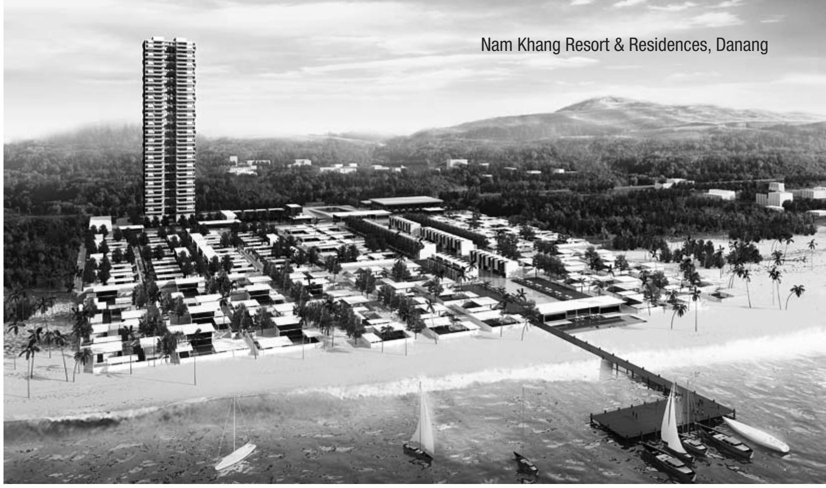
Currently Ho Chi Minh City has a total of 81,000 sq. m of Grade A office space. In 2007, only a handful of Grade A office projects received approval from the People's Committee of Ho Chi Minh City. It is expected that an additional 261,949 sq. m and 365,969 sq. m of office space will be completed by 2008 and 2009 respectively. With such an acute shortage of supply, the rental for Grade A offices is expected to rise to US$60 psm by 2008.

During 2007, the Group has signed two Memoranda Of Understanding to develop two commercial office projects in District 1, Ho Chi Minh City. Development plans and design for both projects have been submitted to the relevant authorities for approval.

One of the projects, namely Wall Street Centre, has a conditional approval from the People's Committee of District 1 and is currently being evaluated by People's Committee of Ho Chi Minh City for final approval. Meanwhile, the Group has deposited US$5.640 million, the required commitment, to the People's Committee of District 1 to secure the development rights for the project and we expect to receive full approval by the end of 2008.

Wall Street Centre is situated in the centre of the financial district of Ho Chi Minh City which houses most of the financial institutions and securities trading houses. The development will comprise two Grade A office towers and office suites. The expected Gross Development Value ("GDV") is US$106 million.

The other project comprises a 40-storey Grade A office tower, a 27-storey SOHO office, 4-6 storey entertainment and retail complex and a 5-star luxury hotel. The expected GDV of this project is US$280 million and it is located in one of the prime office, hotel and shopping precincts in District 1, Ho Chi Minh City.



Nam Khang Resort & Residences, Danang

Wall Street Centre, Ho Chi Minh City

Hotel and Resort Homes

Over 2007, Vietnam has registered 4.23 million international tourist arrivals, an increase of 18% over the previous year. The increase in tourist arrivals and business travellers to the key cities of Hanoi, Ho Chi Minh City and Danang has resulted in an acute shortage of hotel rooms in these cities, hence driving up room rates. The trend of double digit room rate increase and high occupancy is expected to continue for the foreseeable future until new hotel inventories are added to these cities. The government has currently estimated a shortage of 10,000 rooms in Ho Chi Minh City alone.

The Group is keen to take advantage of this vast shortage in the supply of hotels in the country and has already secured a project in Danang in central Vietnam to develop hotel and resort residences. It is also in discussion with the authorities to secure an additional site for a 5-star hotel in Ho Chi Minh City.

In November 2007, the Group entered into a conditional Business Co-operation Contract with Nam Khang to develop a 5-star resort hotel and residences in the world famous "China Beach" area in Danang. The project comprises a 5-star 180-room and 50 villas resort, spa and convention centre, 69 units of private villas and 82 units of luxury residences.

FUTURE OUTLOOK

Going forward, the Group will continue to be active in Vietnam sourcing new opportunities and cementing business networks. Leveraging on the development experience of the Development Manager, we believe that the Group is very well placed to take advantage of the booming real estate development in Vietnam.

2008 will be another promising year for real estate development in Vietnam. Despite the current uncertainties in the international financial market, Vietnam continues to progress steadily. The implementation of some of the mega infrastructure and development projects required to modernise the country will be sufficient to create a domestic consumption growth that will fuel the real estate development in Vietnam. We remain optimistic of the Group's performance in Vietnam.

In Malaysia, in view of the country's strong economic fundamentals and despite the current global financial uncertainties, we are confident the local real-estate market will continue to perform well over 2008 and beyond.

On a final note, we would like to thank the Board of Aseana Properties, our advisors and business associates for their support and guidance over the past period.

LAI VOON HON
CHIEF EXECUTIVE OFFICER
Ireka Development Management Sdn. Bhd.
The Development Manager
29 April 2008

PROPERTY PORTFOLIO

PROJECT	TYPE	COST OF INVESTMENT (US$)	MARKET VALUE AS AT 31 DECEMBER 2007 [1] (US$)
Projects under development as at 31 December 2007			
i-ZEN@Kiara I, Kuala Lumpur, Malaysia	Serviced residences	3,998,840	4,671,378
Tiffani by i-ZEN, Kuala Lumpur, Malaysia	Luxury condominiums	15,274,279	18,713,526
one Mont' Kiara by i-ZEN, Kuala Lumpur, Malaysia	Office suites, office tower and retail mall	21,453,419	27,000,967
Sandakan Harbour Square, Sandakan, Sabah, Malaysia	Retail lots, hotel and retail mall	18,701,588	20,299,420
SENI Mont' Kiara, Kuala Lumpur, Malaysia	Luxury condominiums	66,172,832	83,033,849
Property Portfolio as at 31 December 2007		**125,600,958**	**153,719,140**

PROJECT	TYPE	COST OF INVESTMENT (US$)	MARKET VALUE AS AT 31 DECEMBER 2007 [1] (US$)
New acquisitions pending completion as at 31 December 2007			
Kuala Lumpur Sentral project, Kuala Lumpur, Malaysia	Office towers and a business hotel	2,492,016 [2]	14,310,246
TM Mont' Kiara project, Kuala Lumpur, Malaysia	Commercial and office suites	3,130,609 [3]	3,931,650
Sea-front resort & residential development, Kota Kinabalu, Sabah, Malaysia	Resort homes, boutique resort hotel and resort villas	8,243,320 [3]	9,813,351
The Nam Khang Resort & Residences, Danang, Vietnam	Luxury hotel and resort-themed residences	18,000,000 [2]	N/A
Wall Street Centre, Ho Chi Minh City, Vietnam	Office towers	5,640,000 [4]	N/A

[1] Relates to effective interest of Aseana Properties
[2] Equity contribution
[3] Land cost, unleveraged
[4] Deposit paid

FINANCIAL HIGHLIGHTS

ASEANA PROPERTIES SHARE PRICE FROM LAUNCH

PERFORMANCE SUMMARY

	PERIOD ENDED 31 DECEMBER 2007
TOTAL RETURN	
Ordinary share price	4.25%
FTSE All-share index	5.32%
FTSE Real Estate Index	-36.80%
CAPITAL VALUES	
Total assets less current liabilities (US$ M)	301.96
Net asset value per share (US$)	0.95
Ordinary share price (US$)	1.04
FTSE Real Estate Index	3,627.60
GEARING	
Gearing (Note 1)	33.38%
Gearing (net of cash)	-17.94%
EARNINGS PER SHARE	
Earnings per ordinary share - basic	-1.76
- diluted	-1.76
TOTAL EXPENSES RATIO	
As a percentage of total assets less current liabilities (Note 2)	1.81%

Notes
1. Gearing: Total Borrowings ÷ Shareholders' Fund
2. Total expense ratio: (Management Fees, Operating and Administrative Expenses) ÷ Total Assets less Current Liabilities
3. The Group's performance data are from 16 May 2007 to 31 December 2007 while the FTSE indices are on calendar year.

FINANCIAL REVIEW

RESULTS FOR THE PERIOD

Loss For The Period

The consolidated loss after tax for the period ended 31 December 2007 was US$3.260 million.

The results include the following key expense:-

- Management fee of US$3.632 million, based on 2% of the net asset value of the Group payable on a quarterly basis.

Revenue

Group revenue for the period ended 31 December 2007 was US$45.176 million. The revenue was mainly contributed by projects included in the initial portfolio which were acquired by the Company in May 2007.

Operating Loss

The Group acquired five on-going projects at market valuation in May 2007. Most of these projects have yet to generate significant profits due to progressive recognition of profits in accordance with stage billing and construction schedule for all projects sold off the plans. The Group has acquired three new projects in Malaysia and one project in Vietnam over 2007 which are currently at the planning and approval stages. It is expected that the Group's results will improve with these projects coming on stream over the next two years.

Finance Costs and Investment Income

Finance costs for the period ended 31 December 2007 were US$0.133 milion. These were mainly related to interest payable on a revolving facility for working capital purposes and on hire purchase facilities.

Investment income for the period ended 31 December 2007 was US$4.320 million. This was mainly earned on the US dollar cash balance of the listing proceeds of the Company.

Taxation

The Company is an exempt company in Jersey.

Certain companies within the Group are residents of Malaysia and taxable profits in these companies are subject to Malaysian income tax.

Non-current Assets

Non-current assets comprised mainly of land held for property development and prepaid land lease of US$19.099 million, which were acquired during the period for future development.

Current Assets

Current assets comprised mainly of property development costs of US$213.586 million which were attributable to the five on-going projects in Malaysia.

The trade and other receivables mainly consisted of progress billings receivable from buyers of properties, amounting to US$16.084 million as at 31 December 2007.

The Group had cash and deposits totalling US$122.891 million, which included US$95.945 million from the Company's listing proceeds.

Loans and Borrowings

As at 31 December 2007, US$79.856 million had been drawn from the Group's loan facilities. The Group drew down funds of US$41.068 million during the period and repaid loans of US$22.774 million.

Current Liabilities

Trade and other payables consisted mainly of trade payments to suppliers of US$18.370 million, progress billings received in advance of US$8.655 million, balance payment to vendors for the acquisition of land of US$11.044 million, deposits received in advance from property purchasers of US$5.771 million and deferred consideration payable to Ireka Corporation Berhad and Legacy Essence Limited totalling US$7.828 million.

Share Based Payment Reserve

Share based payment reserves included a charge for share options granted for work carried out on the admission of the Company on the London Stock Exchange. The charge was calculated using the Black-Scholes model.

Share Capital and Share Premium

The Company was listed on the London Stock Exchange on 5 April 2007. On that date, the Company issued 250,000,000 ordinary shares with a nominal value of US$0.05 for US$1.00 each. This gave rise to a share capital of US$12.500 million and a share premium of US$237.500 million. Listing expenses of US$9.614 million were written off to the share premium account.

Earnings Per Share

The Group recorded a basic loss per share for its' maiden period ended 31 December 2007 of US cents 1.76 as explained above under the heading 'loss for the period'.

Dividends

No dividend was declared nor paid for the period ended 31 December 2007.

Dividend Policy

The Company's objective is to provide shareholders with an attractive overall return to be achieved primarily through capital appreciation. To the extent that the Company has realisable profits, the Directors intend to achieve an appropriate balance between re-investing capital for future growth in accordance with the Company's investment strategy and paying dividends to shareholders. Notwithstanding, following the fifth anniversary of listing, the Company will only re-invest capital with the sanction of an ordinary resolution in general meeting of the Company.

Assuming that profits from the initial portfolio arise when currently expected, the Company is targeting paying a dividend for the year ended 31 December 2009. It must be emphasised that there can be no guarantee that this target will be achieved and the Directors will update shareholders on the timing of dividend payments.

Gearing

As at 31 December 2007, the Group has a gearing ratio of 32%.

Cash Flows

The Group generated US$0.851 million cash flows from operating activities during the period ended 31 December 2007.

US$50.893 million were used for investing activities including US$37.883 million for the acquisition of the initial portfolio and subsidiaries and US$169.694 million were raised from financing activities with US$152.386 million generated from the net proceeds of the issue of shares.

FINANCIAL POSITION

As at 31 December 2007, the Group has US$122.891 million cash and cash equivalents of which US$95.945 million mainly in short term deposits are held by the Company. In addition, the Group has a bank overdraft of US$2.769 million. The breakdown of the cash position is in Notes 24 and 32 to the financial statements.

Key Performance Indicators

Property development is a long-term business. Investment decisions taken to create value will affect the initial years' earnings, so the Board will measure the performance of each investment projects over a three to five years' time horizon.

In measuring and benchmarking performance, a number of key performance indicators are used to measure the results of the Development Manager's recommendations. At the company's level, the indicators relied upon are 'shareholders' total return', 'capital values', 'earnings per share growth', 'total expenses ratio' and 'gearing' to reflect the performance of the business. Benchmarking is undertaken against our major quoted peers and the FTSE Real Estate Index.

As the Company has only commenced business since listing, it does not have a historical record of the indicators. The first year indicator is disclosed in the Financial Highlights on page 11. Further value added indicators may be added to the benchmarking table in the future.

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 20% ROE where the Company makes investment in Malaysia.

Capital Structure

The Group will consider further equity issuance of shares when the funds raised from the initial listing are fully committed for investments, and when commercial consideration and investment opportunities merit it.

The Group employs a mixed of floating and fixed interest rates from banks to finance the operating subsidiaries' property development projects which are secured against the projects' assets. The debt to equity ratio is generally expected to be between 60% and 80% of the total gross development value of the project. The extent of the borrowings and the terms thereof will depend on the Company's ability to obtain credit facilities and the lenders' estimate of the attractiveness of the development.

Liquidity

The Group's Treasury takes a prudent approach to liquidity management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the property development businesses, the Group's Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

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.

TREASURY AND FINANCIAL RISK MANAGEMENT

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

MONICA LAI VOON HUEY
CHIEF FINANCIAL OFFICER
Ireka Development Management Sdn. Bhd.
The Development Manager
29 April 2008

CORPORATE SOCIAL RESPONSIBILITY

As a newly listed corporation, Aseana Properties currently has a limited Corporate Social Responsibility ("CSR") programme but we envisage it to expand over time. The Company's CSR guiding principles are built on the following areas that reflect the existing and emerging standards of CSR:

MANAGING CORPORATE RESPONSIBILITY

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

ENVIRONMENTAL MANAGEMENT

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

HEALTH AND SAFETY

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

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

EMPLOYEES

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

COMMUNITY

Aseana Properties believes in supporting social benefit works, and participate in social activities that enhance social progress and public welfare and link our development projects closely with those of society. Since listing, the Group has contributed actively to areas of education, arts, alleviation of poverty and health. Our main sponsorships for the period ended 31 December 2007 include the following:-

Malaysia

- Terry Fox Run Launch and Charity Auction
  The objective of the charity campaign is to raise funds for the Cancer Research Initiatives Foundation ("CARIF"), which supports research, prevention and treatment of cancer in Malaysia. An amount of more than RM60,000 (of which RM10,000 was donated by the Company) was raised.
- Setting up an art gallery known as Art Salon @ SENI at one of our properties to promote Malaysian artists and art to the public, thus providing the artists with the space to showcase their art works while giving the art lovers and community easy access to the artists and their works. A percentage of the proceeds from sale of the art pieces is to be donated to charitable organisations.
- Organisation of an art competition named Art Quest to be held in collaboration with two local international schools to encourage development and raise awareness of arts among students.

Vietnam

- Donation of VND90 million or approximately US$5,700 to the People's Committee of District 8 for social progress and public welfare purposes.
- Donation of VND80 million or approximately US$5,000 to the People's Committee of District 4 for social progress and public welfare purposes.
- Contribution of computers and furniture to the Mekong Delta Province valued at approximately VND162 million or US$10,000.

STAKEHOLDERS

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

BOARD OF DIRECTORS

DATO' MOHAMMED AZLAN BIN HASHIM Aged 51
NON-EXECUTIVE CHAIRMAN

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

Azlan is also currently the Chairman of Westcomb Financial Group Limited and Asiasons Capital Limited (formerly known as Integra2000 Ltd) which are public listed companies on the Singapore Exchange Securities Trading Limited. He is also a board member of Genesis Malaysia Maju Fund Limited, a public listed company on the AIM Market of the London Stock Exchange.

In Malaysia, Azlan serves as Chairman of several public listed entities, listed on Bursa Malaysia Securities Berhad including PROTON Holdings Berhad, D&O Ventures Berhad and Golden Pharos Berhad. He is also a director of Scomi Group Bhd.

He has extensive experience working in the corporate sectors including financial services and investments. Among others, he has served as Chief Executive, Bumiputra Merchant Bankers Berhad, Group Managing Director, Amanah Capital Malaysia Berhad and Executive Chairman, Bursa Malaysia Berhad (formerly known as Kuala Lumpur Stock Exchange) Group.

Azlan is also a Board Member of various government and non-government related organisations including Khaznah Nasional Berhad, Labuan Offshore Financial Services Authority, Employees Provident Fund and Malaysian Industry-Government Group for High Technology. He was appointed Chairman of Universiti Darul Iman Malaysia in 2006.

Azlan holds a Bachelor of Economics (Monash) and qualified as a Chartered Accountant (Australia). He is a member of the Institute of Chartered Accountants, Australia, Malaysian Institute of Accountants, Fellow Member of Malaysian Institute of Directors, Fellow Member of the Institute of Chartered Secretaries and Administrators and Hon. Member of The Institute of Internal Auditors, Malaysia.

BOARD OF DIRECTORS

CHRISTOPHER HENRY LOVELL Aged 55
NON-EXECUTIVE DIRECTOR

Christopher Lovell is an English solicitor and has practiced in Jersey since 1979. He was a Partner with Theodore Goddard between 1983 and 1993 before setting up his own firm. He became a Partner and Director of Channel House Trustees Limited, a Jersey regulated trust company, in 2000. Channel House Trustees Limited was acquired by Capita Group Plc in September 2005. He was a Director of BFS Equity Income and Bond PLC between 1998 and 2004 and Chairman of BFS Managed Properties between 2001 and 2005. Mr Lovell is currently a director of Capita Trustees Limited and in addition to a number of funds for which Capita Fiduciary Group provides administrative services and is also a director of Dawnay, Day Treveria PLC, Northern European Properties Limited, Public Service Properties Investments Limited and Yatra Capital Limited.

DAVID HARRIS Aged 58
NON-EXECUTIVE DIRECTOR

David Harris is currently Chief Executive of InvaTrust Consultancy Ltd, a company that specialises in the provision of investment marketing services to the Financial Services Industry in both the UK and Europe. He was formerly Managing Director of Chantrey Financial Management Ltd, a successful investment and fund management company linked to Chartered Accountants, Chantrey Vellacott. From 1995 to 2000 he was Director of the Association of Investment Companies overseeing marketing and technical training. He is currently a non-executive director of a number of quoted companies in the UK including Character Group plc, COBRA Holdings plc, Small Companies Dividend Trust plc, Osprey Smaller Companies Income Fund Ltd and F&C Managed Portfolio 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.

JOHN LYNTON JONES Aged 63
NON-EXECUTIVE DIRECTOR

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

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

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

DATO' SERI ISMAIL BIN SHAHUDIN Aged 57
NON-EXECUTIVE DIRECTOR

Dato' Seri Ismail bin Shahudin is currently the Non-Executive Chairman of Bank Muamalat (a full-fledged Islamic banking group in Malaysia), a position he has held since March 2004. Dato' Seri Ismail was previously the Group CEO of MMC Corporation Berhad, a large diversified conglomerate in Malaysia, until March 2006. Prior to that, Dato' Seri Ismail spent 10 years in Malayan Banking Berhad ("Maybank"), Malaysia's largest bank with assets of over RM190 billion, holding the position of Executive Director before leaving Maybank in 2002. Dato' Seri 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. Dato' Seri Ismail holds a bachelor of Economics (Hons) degree from University of Malaya.

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007

The Directors present their first report together with the audited financial statements of the Group for the period 22 September 2006 to 31 December 2007.

PRINCIPAL ACTIVITIES

The Company was incorporated on 22 September 2006.

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

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The consolidated income statement for the period is set out on page 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 Vietnam and Malaysia. The Company intends to achieve its investment objective through acquisition, development and redevelopment of upscale residential, commercial and hospitality projects leveraging on the Development Manager's experience in these sectors. The Company will typically invest in development projects at the pre-construction stage. It will also selectively invest in projects under construction and newly completed projects with the potential for high capital appreciation.

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's business is property development in Vietnam and Malaysia. 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 Risk Management Objectives and Policies in the notes to the financial statements.

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

Economic	Inflation, economic recessions and movements in interest rates could affect property development activities.
Strategic	Incorrect strategy, including sector and geographical allocations and use of gearing, could lead to poor returns for shareholders.
Regulatory	Breach of regulatory rules could lead to suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report.
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.

The Board seeks to mitigate and manage these risks through continual review, policy setting and enforcement of contractual rights and obligations. It also regularly monitors the economic and investment environment in countries that it operates in and the management of the Group's property development portfolio. Details of the Group's internal controls are described in on page 25.

RESULTS AND DIVIDENDS

The results for the period ended 31 December 2007 are set out in the attached financial statements.

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

SHARE CAPITAL

On 5 April 2007, the Company issued 250,000,000 Ordinary Shares of US$0.05 each at US$1.00 per share. Further details on share capital are stated in Note 25.

DIRECTORS

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

- Carolyn Frances Cowan
  (Appointed on 22 September 2006 and resigned on 30 January 2007)
- Peter Charles Harris
  (Appointed on 22 September 2006 and resigned on 14 March 2007)
- Julle Dawn Mella
  (Appointed on 30 January 2007 and resigned on 14 March 2007)
- Dato' Mohammed Azlan Bin Hashim – Chairman
  (Appointed on 14 March 2007)
- Christopher Henry Lovell (Appointed on 14 March 2007)
- Dato' Seri Ismail Bin Shahudin (Appointed on 14 March 2007)
- David Harris (Appointed on 14 March 2007)
- John Lynton Jones (Appointed on 14 March 2007)

At the Annual General Meeting held on 19 March 2008, Dato' Mohammed Azlan bin Hashim, John Lynton Jones, David Harris, Christopher Henry Lovell and Dato' Seri Ismail bin Shahudin retired and being eligible, submitted themselves for re-election, and were re-elected.

DIRECTORS' INTERESTS

The interests of the directors in the Company's shares as at 31 December 2007 and as at the date of this report (all of which were beneficial) were as follows:

Number of Shares held (Indirect):

DIRECTOR	ORDINARY SHARES OF US$0.05 EACH
Christopher Henry Lovell	48,000

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

MANAGEMENT

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

INVESTMENT COMMITTEE

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

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007

SUBSTANTIAL SHAREHOLDERS

The Board was aware of the following direct and indirect interests comprising 3% or more of the issued share capital of the Company at the latest practicable date before the publication of this Report as at 21 April 2008:

	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF ISSUED SHARE CAPITAL
Vidacos Nominees Limited	53,223,500	21.29%
Ireka Corporation Berhad	48,913,623	19.57%
Legacy Essence Limited	39,086,377	15.73%
Vidacos Nominees Limited	25,000,000	10.00%
HSBC Global Custody Nominee (UK) Limited	9,690,278	3.88%

EVENTS AFTER THE BALANCE SHEET DATE

The Company has, via its wholly owned subsidiary ASPL M3A Limited (incorporated in British Virgin Islands), increased its shareholding in Excellent Bonanza Sdn. Bhd. by subscribing to RM1,999,960 ordinary shares of RM1.00 each and RM6,240,600 Non-cumulative Non-convertible Redeemable Preference Shares of RM0.01 each on 31 January 2008 and 15 February 2008 respectively. The Company owns a 40% stake in Excellent Bonanza Sdn. Bhd., which is currently undertaking a commercial development in Kuala Lumpur Sentral, Malaysia.

The Company has on 25 March 2008 paid a deposit of approximately US$5 million and a contribution to the Fund of Infrastructure Development of District 1 of approximately US$640,000 to the People's Committee of District 1, Ho Chi Minh City, Vietnam to secure the development rights of a prime site in District 1 of Ho Chi Minh City. The development consists of two office towers in the city-centre of District 1 and development approvals are currently expected to be obtained in the third quarter of 2008. The Company, which owns 65% of the joint venture, will undertake this development with a local partner.

EMPLOYEES

The Company has no executive directors or employees. A management agreement exists between the Company and its Development Manager which sets out the role of the Development Manager in managing the operating units of the Company. The Development Manager had seventy seven managerial and technical staff under its employment in Malaysia and Vietnam as at 31 December 2007.

CREDITORS PAYMENT POLICY

The Group's operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is the Group's policy that payments to supplier are made in accordance with all relevant terms and conditions. Trade creditors as at 31 December 2007 amount to 111 days of purchases made in the period.

FINANCIAL INSTRUMENTS

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

DIRECTORS' LIABILITIES

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Jersey Law requires the directors to prepare financial statements for each financial period, 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 period. 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;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

RE-APPOINTMENT OF AUDITORS

The auditors, Mazars LLP, have expressed their willingness to continue in office. A resolution proposing their re-appointment was passed during the last Annual General Meeting held on 19 March 2008.

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 23 to 25.

ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING

The Annual General Meeting of the Company was held on 19 March 2008 but the tabling of the 2007 Annual Report and Financial Statements to shareholders will be at an Extraordinary General Meeting to be held in May 2008 ("May General Meeting").

During the May General Meeting, investors will be given the opportunity to question the board and to meet with them afterwards. They will be encouraged to participate in the meeting.

On behalf of the Board

DATO' MOHAMMED AZLAN BIN HASHIM
DIRECTOR

CHRISTOPHER HENRY LOVELL
DIRECTOR

29 April 2008

REPORT OF DIRECTORS' REMUNERATION

DIRECTORS' EMOLUMENTS

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

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

Details of the emoluments of each director of the Company for the period ended 31 December 2007 were as follows:

DIRECTOR	DIRECTOR FEES (US$)
Dato' Mohammed Azlan Bin Hashim	48,984
Christopher Henry Lovell	40,658
Dato' Seri Ismail Bin Shahudin	40,854
David Harris	40,854
John Lynton Jones	40,854
Total	**212,204**

SHARE OPTIONS

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

SHARE PRICE INFORMATION

- High for the period – US$1.11
- Low for the period – US$0.89
- Close for the period – US$1.0425

PENSION SCHEME

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

SERVICE CONTRACT

In view of the non-executive nature of the directorships, there are no service contracts in existence between the Company and any directors but each of the directors was appointed by a letter of appointment which sets out the main terms of the appointment.

JOHN LYNTON JONES
CHAIRMAN OF THE REMUNERATION COMMITTEE
29 April 2008

CORPORATE GOVERNANCE STATEMENT

The Financial Services Authority requires all UK incorporated listed companies to disclose how they have applied the principles and complied with the provisions of the Combined Code of Corporate Governance (the "Combined Code"). The Company, as a Jersey incorporated company, is not required to comply with the Combined Code. However, the Board is committed to the high standards of good corporate governance embodied in the Combined Code and seeks to apply the principles of the Combined Code where practicable for a company of Aseana Properties' size and complexity.

The Board currently comprise the following members:

- Dato' Mohammed Azlan Bin Hashim (Non-Executive Chairman)
- Christopher Henry Lovell (Non-Executive Director)
- Dato' Seri Ismail Bin Shahudin (Non-Executive Director)
- David Harris (Non-Executive Director)
- John Lynton Jones (Non-Executive Director)

ROLE OF THE BOARD OF DIRECTORS

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

MEETINGS OF THE BOARD OF DIRECTORS

The Board meets at least four times a year and at such other times as the Chairman shall require. The Board met six times during the period ended 31 December 2007. To enable the Board to discharge its duties effectively, all directors receive accurate and timely information, including Board papers distributed in advance of Board meetings. All directors have access to the advice and services of the Company Secretary and advisors, who are responsible to the Board on matters of corporate governance.

BOARD BALANCE AND INDEPENDENCE

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

The Chairman is responsible for leadership of the Board, ensuring effectiveness on all aspects of its role and setting agenda. Together, the directors bring a wide range of experience and expertise in business, law, finance and accountancy, which are required to successfully direct and supervise the business activities of the Company. The profiles of the directors are provided on pages 15 to 17 of this Annual Report.

PERFORMANCE APPRAISAL

The Board intends to undertake a formal annual evaluation of its own performance and that of its Committees and that of individual directors. The first such review shall take place in May 2008, after the first full year of operation since admission.

RE-ELECTION OF DIRECTORS

The Company's Articles of Association provide that all Directors shall submit themselves for election at the first opportunity after their appointment, and shall not remain in office for longer than three years since their last election or re-election without submitting themselves for re-election.

BOARD COMMITTEES

The Board has established Nomination, Remuneration, Audit, Investment and Management Engagement Committees which deal with specific aspects of the Group's affairs, each of which has written terms of reference which are reviewed annually. Copies of these are kept by the Company Secretary and available on request at the registered office.

NOMINATION COMMITTEE

The Nomination Committee is chaired by Dato' Mohammed Azlan bin Hashim. Its other members are John Lynton Jones and David Harris. The Committee meets at least twice a year and at any such times as the Chairman of the Nomination Committee shall require. The first meeting has been planned for May 2008, after the first full year of operation since admission.

CORPORATE GOVERNANCE STATEMENT

The Committee is responsible for:-

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

REMUNERATION COMMITTEE

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

The Committee meets at least once a year and at any such times as the Chairman of the Remuneration Committee shall require. The first meeting has been planned for May 2008, after the first full year of operation since admission.

The Committee is responsible for:-

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

MANAGEMENT ENGAGEMENT COMMITTEE

The Management Engagement Committee is chaired by Dato' Mohammed Azlan bin Hashim. Its other members are John Lynton Jones and David Harris.

The Committee meets at least four times a year and at any such times as the Chairman of the Management Engagement Committee shall require. In the first year of operations, the full Board undertook many of the duties of the Management Engagement Committee, and considered it unnecessary for the Committee to meet separately. The first meeting of the Management Engagement Committee has been planned for May 2008, after the first full year of operation since admission.

The Committee is responsible for:-

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

AUDIT COMMITTEE

The Audit Committee is chaired by Christopher Henry Lovell. Its other members are Dato' Mohammed Azlan bin Hashim and Dato' Seri Ismail bin Shahudin. The Committee members have no links with the Company's external auditors and are independent of the Company's management. The Board considers that collectively the Audit Committee has significant recent and relevant financial experience and 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 auditors may request a meeting if they consider that one is necessary. The first meeting was held on 7 April 2008. A representative of the auditors and the Chief Financial Officer and Chief Executive Officer of the Development Manager attended by invitation.

The Committee is responsible for:-

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

FINANCIAL REPORTING

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

The Audit Committee has reviewed the significant reporting issues and judgements made in connection with the preparation of the Group'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 decided that the systems and procedures employed by the Development Manager, including its internal audit functions and the work carried out by the company's external and internal auditors, provide sufficient assurance that a sound system of internal control is maintained. An internal audit function specific to the Company is therefore considered not necessary.

AUDITORS

The Audit Committee's responsibilities include monitoring and reviewing the performance and independence of the Group's auditors, Mazars LLP. The Committee reviews the audit plan and audit report with the Auditors.

The Board acknowledges that in the light of auditing and ethical standards, the auditors are required to consider and disclose to the Board that they have considered the relationship that may bear on the firm's independence and on their integrity and objectivity. The auditors do consider themselves to be independent and objective and comply with the APB Ethnical Standards.

INTERNAL CONTROL

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

During the period, the Board discharged its responsibility for internal control through the following key procedures:-

- clearly defined delegation of responsibilities to the committees of the Board and to the management of 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 visit to operating units and projects by the Board.

RELATIONSHIP WITH SHAREHOLDERS

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

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

ANNUAL GENERAL MEETING (AGM)

The AGM is the principal forum for dialogue with shareholders. 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.

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

CHRISTOPHER HENRY LOVELL
CHAIRMAN OF THE AUDIT COMMITTEE
29 April 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASEANA PROPERTIES LIMITED

We have audited the Company and consolidated financial statements (the ''Financial Statements'') of Aseana Properties Limited for the period ended 31 December 2007 which comprise the Consolidated and Parent Company Income Statements, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Cash Flow Statements, the Consolidated and Parent Company Statements of Changes in Equity and the related notes. These Financial Statements have been prepared under the accounting policies set out therein.

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

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Annual Report and the Financial Statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union are set out on pages 20 and 21.

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

We report to you our opinion as to whether the Financial Statements give a true and fair view and have been properly prepared in accordance with the Companies (Jersey) Law 1991 and as regard the Consolidated Financial Statements, Article 4 of the IAS Regulations. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the Financial Statements.

In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

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

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion:

- the consolidated Financial Statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union, of the state of the Group's affairs as at 31 December 2007 and of the loss for the period then ended;
- the Parent Company Financial Statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as applied in accordance with the provisions of the Companies (Jersey) Law 1991, of the state of the Parent Company's affairs as at 31 December 2007 and of the loss for the period then ended;
- the information given in the Report of Directors is consistent with the Financial Statements; and
- the Financial Statements have been properly prepared in accordance with the Companies (Jersey) Law 1991 and as regard the consolidated Financial Statements Article 4 of the IAS Regulations.

Mazars LLP
Chartered Accountants

29 April 2008

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

FINANCIAL STATEMENT

INCOME STATEMENT FOR THE PERIOD 22 SEPTEMBER 2006 TO 31 DECEMBER 2007

	NOTES	GROUP 2007 US$	COMPANY 2007 US$
CONTINUING ACTIVITIES			
Revenue	6	45,176,071	–
Cost of sales	7	(46,239,698)	–
Gross loss		**(1,063,627)**	–
Other income	8	1,084,430	–
Administrative expenses		(976,293)	(162,472)
Management fees	9	(3,631,693)	(3,631,693)
Other operating expenses		(848,064)	(770,178)
Operating loss	10	**(5,435,247)**	**(4,564,343)**
Investment income	11	4,320,485	4,063,166
Finance costs	13	(132,689)	–
Net loss before taxation		**(1,247,451)**	**(501,177)**
Taxation	14	(1,982,731)	–
Net loss for the period		**(3,230,182)**	**(501,177)**
Equity minority interest		(29,998)	–
Loss for the period attributable to the equity holders of the parent		**(3,260,180)**	**(501,177)**
Loss per share attributable to shareholders of the company – US cents per share			
- Basic	15	(1.76)	(0.27)
- Diluted	15	(1.76)	(0.27)

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

BALANCE SHEET
AS AT 31 DECEMBER 2007

ASSETS	NOTES	GROUP	COMPANY
		US$	US$
Non–current assets			
Property, plant & equipment	16	389,556	–
Investment in associate	17	12	–
Investment in subsidiaries	18	–	66,428,468
Prepaid land lease payment	19	2,300,663	–
Land held for property development	20 (a)	16,798,134	–
Long term receivables	21	6,048,000	–
Total non-current assets		**25,536,365**	**66,428,468**
Current assets			
Property development costs	20 (b)	213,585,677	–
Trade and other receivables	22	18,609,214	272,624
Due from subsidiaries	23	–	86,985,241
Cash and cash equivalents	24	122,890,641	95,944,989
Total current assets		**355,085,532**	**183,202,854**
TOTAL ASSETS		**380,621,897**	**249,631,322**
EQUITY AND LIABILITIES			
Equity			
Share capital	25	12,500,000	12,500,000
Share premium	26	227,233,267	227,233,267
Share based payment reserve	27	117,799	117,799
Exchange fluctuation reserve	28	469,497	–
Retained earnings	29	(2,725,443)	33,560
Shareholders' equity		**237,595,120**	**239,884,626**
Minority interests		1,845,682	–
Total equity		**239,440,802**	**239,884,626**
Current liabilities			
Trade and other payables	30	58,269,002	9,746,696
Finance lease liabilities	31	23,939	–
Bank loans and borrowings	32	17,381,300	–
Current tax liabilities		2,986,364	–
Total current liabilities		**78,660,605**	**9,746,696**

BALANCE SHEET AS AT 31 DECEMBER 2007

	NOTES	GROUP US$	COMPANY US$
Non-current liabilities			
Finance lease liabilities	31	41,971	–
Bank term loans	33	26,584,146	–
Long term loans	34	35,890,646	–
Deferred tax liabilities	35	3,727	–
Total non-current liabilities		**62,520,490**	**–**
Total liabilities		**141,181,095**	**9,746,696**
TOTAL EQUITY AND LIABILITIES		**380,621,897**	**249,631,322**

The financial statements were approved on 29 April 2008 and authorised for issue by the Board and were signed on behalf by

DATO' MOHAMMED AZLAN BIN HASHIM
DIRECTOR

CHRISTOPHER HENRY LOVELL
DIRECTOR

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

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2007

GROUP	RETAINED EARNINGS US$	SHARE CAPITAL US$	SHARE PREMIUM US$	SHARE-BASED PAYMENT RESERVE US$	EXCHANGE FLUCTUATION RESERVE US$	TOTAL US$
Issue of shares	–	12,500,000	237,500,000	–	–	250,000,000
Loss for the financial period	(3,260,180)	–	–	–	–	(3,260,180)
Fair value of share options granted	–	–	(652,536)	652,536	–	–
Fair value of share options exercised	534,737	–	–	(534,737)	–	–
Share issue costs	–	–	(9,614,197)	–	–	(9,614,197)
Currency translation differences	–	–	–	–	469,497	469,497
Shareholders' equity as at 31 December 2007	**(2,725,443)**	**12,500,000**	**227,233,267**	**117,799**	**469,497**	**237,595,120**

COMPANY	RETAINED EARNINGS US$	SHARE CAPITAL US$	SHARE PREMIUM US$	SHARE BASED PAYMENT RESERVE US$	TOTAL US$
Issue of shares	–	12,500,000	237,500,000	–	250,000,000
Loss for the financial period	(501,177)	–	–	–	(501,177)
Fair value of share options granted	–	–	(652,536)	652,536	–
Fair value of share options exercised	534,737	–	–	(534,737)	–
Share issue costs	–	–	(9,614,197)	–	(9,614,197)
Shareholders' equity as at 31 December 2007	**33,560**	**12,500,000**	**227,233,267**	**117,799**	**239,884,626**

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

CASHFLOW STATEMENT FOR THE PERIOD 22 SEPTEMBER 2006 TO 31 DECEMBER 2007

	GROUP US$	COMPANY US$
Cash Flows from Operating Activities		
Net loss for the financial period	(1,247,451)	(501,177)
Depreciation of property, plant & equipment	30,953	–
Amortisation of leasehold land payment	9,916	–
Operating profit before working capital changes	**(1,206,582)**	**(501,177)**
Changes in working capital:		
Decrease in inventories	2,167,598	–
Increase in property development costs	(3,743,106)	–
Increase in leasehold land payment	(2,300,663)	–
Increase in receivables	(5,079,922)	(272,624)
Increase in payables	12,155,747	5,109,008
Net cash used in operations	**1,993,072**	**4,335,207**
Tax paid	(1,142,124)	–
Net cash flows from operating activities	**850,948**	**4,335,207**
Cash Flows From Investing Activities		
Acquisition of subsidiaries, net of cash	(37,883,066)	(22,704,403)
Acquisition of land held for property	(13,212,866)	–
Advances to associate	252,019	–
Advances to subsidiaries	–	(38,071,618)
Purchase of property, plant and equipment	(49,467)	–
Purchase of shares in associate	(12)	–
Net cash used in investing activities	**(50,893,392)**	**(60,776,021)**
Cash Flows From Financing Activities		
Net proceeds from issue of shares	152,385,803	152,385,803
Repayment of borrowings	(22,774,397)	–
Drawdown of borrowings	41,067,791	–
Repayment of finance lease liabilities	(96,086)	–
Repayment of amount owing to directors	(889,021)	–
Net cash flows generated from financing activities	**169,694,090**	**152,385,803**
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	**119,651,646**	**95,944,989**
Effect of changes in exchange rates	**469,497**	**–**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	**–**	**–**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	**120,121,143**	**95,944,989**

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

NOTES TO THE GROUP FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Aseana Properties was incorporated in Jersey on 22 September 2006 under the laws of Jersey. The Company was registered under the number 94592. The Company's registered office is located at Walker House, 28-34 Hill Street, St. Helier, JE4 8PN. The Company is domiciled in Jersey.

On 5 April 2007, the Company was listed on the main market of the London Stock Exchange.

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

There are no comparative consolidated financial statements as this is the first set of report since the company's incorporation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation

The Group financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and IFRIC interpretations issued, and effective, or issued and early adopted, as at the date of these financial statements. The Group financial statements have been prepared under the historical cost convention as modified for financial assets and financial liabilities at fair value.

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

2.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by the Group made up to 31 December 2007.

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

Control is normally evident when Aseana Properties Limited, or a company which it controls, owns more than 50% of the voting rights of a company's share capital. List of the Group's subsidiaries is set out in Note 38.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Basis of Consolidation (cont'd)

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

The Board has reviewed the accounting policies set out below and considers them to be the most appropriate to the Group's business activities.

2.3 Statement of Compliance

The consolidated financial statements of Aseana Properties Limited have been prepared in accordance with IFRS.

2.4 IFRS issued but not yet effective

The Group has not adopted the following standards in the preparation of financial statements as they are either not effective as at 31 December 2007 or not applicable to the Group's business:

IFRS 7	Financial Instruments – Disclosure Original issuance 2005	Annual periods beginning on or after 1 January 2007
IFRS 2	Share-based Payment – Amendment relating to vesting conditions and cancellations Revised 2008	Annual periods beginning on or after 1 January 2009
IFRS 3	Business Combinations – Comprehensive revision on applying the acquisition method Revised 2008	Annual periods beginning on or after 1 July 2009
IFRS 8	Operating Segments Original issuance 2006	Annual periods beginning on or after 1 January 2009
IAS 1	Presentation of Financial Statements – Comprehensive revision including requiring a statement of comprehensive income 2007	Annual periods beginning on or after 1 January 2009
IAS 1	Presentation of Financial Statements – Amendments relating to disclosure of puttable instruments and obligations arising on liquidation 2008	Annual periods beginning on or after 1 January 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 IFRS issued but not yet effective (cont'd)

IAS 23	Borrowing Costs – Comprehensive revision to prohibit immediate expensing 2005	Borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009
IAS 27	Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3 2008	Annual periods beginning on or after 1 July 2009
IAS 27	Investments in Associates – Consequential amendments arising from amendments to IFRS 3 2008	Annual periods beginning on or after 1 July 2009
IAS 31	Interests in Joint Ventures – Consequential amendments arising from amendments to IFRS 3 2008	Annual periods beginning on or after 1 July 2009
IAS 32	Financial Instruments: Presentation – Amendments relating to puttable instruments and obligations arising on liquidation 2008	Annual periods beginning on or after 1 January 2009
IFRIC 8	Scope of IFRS 2	Period commencing on or after 1 May 2006
IFRIC 9	Reassessment of Embedded Derivatives	Period commencing on or after 1 June 2006
IFRIC 11	IFRS 2: Group and Treasury Share Transactions	Annual periods beginning on or after 1 March 2007
IFRIC 12	Service Concession Arrangements	Annual periods beginning on or after 1 January 2008
IFRIC 13	Customer Loyalty Programmes	Annual periods beginning on or after 1 July 2008
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Requirements and their Interaction Annual periods beginning on or after 1 January 2008

The Group is still evaluating the impact that these standards will have on the Group's financial statements, if any, but expect that there will be no material impact when implemented.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Significant Accounting Judgements, Estimates and Assumptions

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

a Profit Recognition

In accordance with IAS 11, 'Construction Contracts' turnover and costs of sales in the financial statements have been recognised based on the percentage of work completed. Accordingly, turnover is recognised on the basis of sales to date multiplied by percentage of cost completed and costs of sales are calculated as the difference between the completed gross profit to date and the turnover. Where a loss is expected on a project, the loss is recognised in the income statement immediately.

b Cost of Acquisition Recognition

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

c Income Taxes

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

d Impairment of Assets

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

e Allowance for Doubtful Debts of Receivables

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

2.6 Revenue Recognition

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

a Sale of Development Properties

Revenue from sale of development properties is recognised on the percentage of completion method and represents the proportionate sales value of development properties sold attributable to the percentage of development work performed during the financial period as described in Note 2.16 (b).

b Interest Income

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

2.7 Foreign Currencies

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

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

Transactions during the period in foreign currencies are translated into the respective local currencies at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into respective local currencies at the exchange rates prevailing at the period-end. Exchange gains and losses are recognised in the income statement.

2.8 Business Combinations

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

On 15 May 2007, the Group acquired two companies: Ireka Land Sdn. Bhd. and ICSD Ventures Sdn. Bhd.; and on 31 May 2007, the Group acquired Amatir Resources Limited. These subsidiaries were consolidated from the date on which the control is transferred to the Group. The financial statements of these subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Property, Plant and Equipment

All plant and equipment are stated at cost less depreciation unless otherwise shown. Cost includes all relevant external expenditure incurred in acquiring the asset. No property assets are currently held within the Group.

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

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

Office equipment	10 years
Furniture and fittings	10 years
Information systems equipment	4 years
Motor vehicles	5 years

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

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

2.10 Taxation

a Current Tax

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

2.10 **Taxation** (cont'd)

b Deferred Tax

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

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

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

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

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

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

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

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

2.11 Investment in associate

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

Investment in associates is stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Investment in subsidiaries

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

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

2.13 Investments and Other Financial Assets

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

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

2.14 Impairment of Tangible Assets

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

The recoverable amount is the higher of fair value, less costs to sell, and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a discount rate appropriate to the specific asset or cash-generating unit. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised immediately in the income statement. When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable; property development costs on the development units sold are recognised when incurred.

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

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

2.15 Prepaid Land Lease Payment

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Property Development Activities

a Land held for Property Development

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

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

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Company's normal operating cycle.

b Property Development Costs

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

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method. The stage of completion is measured by reference to the proportion that property development costs incurred bear to the estimated total costs for the property development.

Included in the property development cost is the cost of acquisition for the five property development assets in Malaysia, which are identified as the Initial Portfolio. The Initial Portfolio is acquired based on fair value of the development assets on the acquisition date and recorded as cost of acquisition. The cost of acquisition is written down over the life of the development assets. The balance of the cost of acquisition is reviewed annually or more frequently and where necessary, further write downs are made for any impairment in value.

2.17 Trade and Other Receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at balance sheet date.

2.18 Cash and Cash Equivalents

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

2.19 Trade and Other Payables

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Borrowings

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

2.21 Finance Costs

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

All other finance costs are recognised in the profit or loss in the period in which they are incurred.

2.22 Finance Lease

Property, plant and equipment acquired under hire purchase are capitalised and depreciated in accordance with the policy set out in Note 2.9 above. The correspondence outstanding obligations due under hire purchase after deducting finance expenses are included as liabilities in the financial statements. Finance charges are allocated to the income statement over the period of the hire purchase agreements on a straight line basis.

2.23 Equity Instruments

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

2.24 Share-based Payments

The cost of equity-settled transactions is measured by reference to the fair value at the date at which shares are granted. Fair value, in the case of shares options issued, is measured using the Black-Scholes pricing model.

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Employee Benefits

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

2.26 Separately Disclosable Items

Items that are both material in size and unusual and infrequent in nature are presented as separately disclosable items in the income statement 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 FINANCIAL RISK MANAGEMENT, RECOGNITION AND ACCOUNTING

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

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

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

4.1 Interest Rate Risk

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

4.2 Liquidity Risk

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

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

4.3 Foreign Currency Risk

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

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

4.4 Fair Values

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

The fair values of finance lease liabilities approximate the carrying amounts shown in the balance sheets.

4.5 Price Risk

The carrying amount of the following financial assets and liabilities approximate to their fair value due to their short term nature: cash and cash equivalent, receivables and payables.

4.6 Credit Risk

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

5 DERECOGNITION AND IMPAIRMENT OF FINANCIAL ASSETS AND LIABILITIES

5.1 Financial Assets

A financial asset is derecognised where:

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

(a) either has transferred substantially all the risks and rewards of the asset or

(b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

5.2 Financial Liabilities

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

5.3 Provisions

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

5.4 Commitments and Contingencies

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

5.5 Events after the Balance Sheet Date

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

6 REVENUE AND SEGMENTAL INFORMATION

The gross revenue represents the proportionate sales value of development properties attributable to the work in progress performed for the period 15 May to 31 December 2007.

The Company is an investment holding company and has no operating revenue. The Group operating revenue for the period mentioned are from the sale of development properties in Malaysia. The Company's property investment in Vietnam has not commenced business.

	GROUP US$	COMPANY US$
Revenue from sale of development properties	43,073,785	–
Sales of completed units	2,102,286	–
	45,176,071	**–**

The Directors consider that the Group has only one reportable segment and the results and position of this segment is as disclosed in the Consolidated Income Statement and Consolidated Balance Sheet.

7 COST OF SALES

	GROUP US$	COMPANY US$
Direct costs attributable to property development	46,239,698	–
	46,239,698	**–**

8 OTHER INCOME

	GROUP US$	COMPANY US$
Sundry income	1,084,430	–
	1,084,430	**–**

9 MANAGEMENT FEES

	GROUP US$	COMPANY US$
Development management fee	3,631,693	3,631,693
	3,631,693	**3,631,693**

Under the Management Agreement between the Company and Ireka Development Management Sdn Bhd dated 27 March 2007, the Company shall pay to the Development Manager a fee in respect of managing the assets of the Group and other obligations undertaken by it under the Management Agreement at the rate of 2% per annum of the net asset value, calculated on the last business day of March, June, September and December of each calendar year, and payable quarterly in advance.

In addition to the annual management fee, the Development Manager shall be entitled to a performance fee calculated at 20% of the out performance net asset value over a total return hurdle rate of 10%. No performance fee has been paid during the period ended 31 December 2007.

10 OPERATING LOSS

	GROUP US$	COMPANY US$
Operating loss is stated after charging/(crediting):		
Directors' fees	212,204	212,204
Staff costs	251,501	–
Auditor's remuneration - audit services	96,000	96,000
- non audit services*	330,536	330,536
Depreciation of property, plant & equipment	30,953	–
Amortisation of prepaid leasehold land lease	9,916	–
Foreign exchange (gain) / loss	(89,397)	461,240

* The non audit services fees were charged to the share premium account.

11 INVESTMENT INCOME

	GROUP US$	COMPANY US$
Bank interest receivable	4,320,485	4,063,166
Total	4,320,485	4,063,166

12 STAFF COSTS

	GROUP US$	COMPANY US$
Wages & salaries	224,933	–
Social security costs	1,291	–
Other pension costs	25,277	–
Total	251,501	–

The Company has no executive directors or employees under its employment. Of the Group's subsidiaries, only ICSD Ventures Sdn Bhd has eleven employees, of which four are in management and seven are in technical and support capacity.

13 FINANCE COSTS

	GROUP US$	COMPANY US$
Interest on bank overdraft	122,511	–
Hire purchase charges	10,178	–
	132,689	**–**

14 TAXATION

	GROUP US$
Current period	1,997,209
Deferred tax	(14,478)
Total tax expense for the period	**1,982,731**

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

	GROUP US$
Accounting loss	**(1,247,451)**
Income tax at a rate of 26%	(324,337)
Add :	
Tax effect of expenses not deductible in determining taxable profit	3,683,488
Less :	
Tax effect of income not taxable in determining taxable profit	(1,376,420)
Total tax expense for the period	**1,982,731**

14 TAXATION (CONT'D)

The Company has been granted exempt company status within the meaning of Article 123A of the Income Tax (Jersey) Law 1961 (as amended). The effect of such special status is that the Company is treated as non-resident company for the purpose of Jersey tax laws and is therefore exempt from Jersey income tax on its profits arising outside Jersey, and, by concession, on bank deposit interest arising in Jersey and from any obligation to withhold Jersey income tax from any interest or dividend payments made by it. This status is renewable on an annual basis upon payment of a fee of £600 to the Controller of Income Tax in Jersey, and it is the Company's intention to maintain this status.

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.

Certain subsidiaries in Malaysia are subject to Malaysian income tax on income arising from property development activities after deduction of allowable expenses.

15 LOSS PER SHARE

	2007 US$
Loss for the period attributable to the equity holders of the parent	3,260,180
Weighted average number of shares:	
Basic	185,616,440
Diluted	186,050,708
Loss per share (US cents):	
Basic	**1.76**
Diluted	**1.76**

Basic loss per share is calculated by dividing the net loss for the period of the Company by the weighted average number of ordinary shares in issue during the period.

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

16 PROPERTY, PLANT AND EQUIPMENT

GROUP	FURNITURE, FITTINGS & EQUIPMENT US$	MOTOR VEHICLES US$	TOTAL US$
Cost			
At incorporation	–	–	–
Additions through acquisition of subsidiaries	268,128	102,914	371,042
Additions	49,467	–	49,467
As at 31 December 2007	**317,595**	**102,914**	**420,509**
Accumulated Depreciation			
At incorporation	–	–	–
Charge for the period	25,630	5,323	30,953
As at 31 December 2007	**25,630**	**5,323**	**30,953**
Net carrying amount as at 31 December 2007	**291,965**	**97,591**	**389,556**

All leased assets are pledged as security for related hire purchase obligations and as at 31 December 2007, the net carrying amount of motor vehicles under hire purchase agreements amounted to US$97,591.

17 INVESTMENT IN ASSOCIATES

	GROUP US$
Unquoted shares, at cost	**12**

The Company, via a wholly owned subsidiary, acquired 40% ordinary shares of a company known as Excellent Bonanza Sdn Bhd, a company incorporated in Malaysia, which is a special purpose vehicle set up to undertake a commercial development in Malaysia. The remaining 60% is owned by Malaysian Resources Corporation Berhad, a government-linked corporation in Malaysia.

17 INVESTMENT IN ASSOCIATES (CONT'D)

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

	2007 US$
Balance sheet	
Non-current assets	30,833,914
Current assets	218
Total assets	**30,834,132**
Current liabilities	**30,833,913**
Total liabilities	**30,833,913**
Equity	**219**
Profit & loss	
Revenue	–
Cost of sales, expenses including finance costs & taxation	–

The associated company has not commenced business as at 31 December 2007.

18 INVESTMENT IN SUBSIDIARIES

	COMPANY US$
Unquoted shares, at cost	**66,428,468**

A list of the subsidiaries is detailed in Note 38.

19 PREPAID LAND LEASE PAYMENT

	GROUP US$
Cost of purchase	2,310,579
Amortisation for the period	(9,916)
As at 31 December 2007	**2,300,663**

The leasehold land was purchased on 25 August 2007 at a fair market value of US$2,310,579 for a resort development and amortised over the remaining lease period of 83 years.

20 PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

	GROUP US$
At incorporation	–
Additions through acquisition of subsidiaries	5,885,930
Additions	10,912,204
	16,798,134

(b) Property development costs

	GROUP US$
At acquisition:	
Acquisition of subsidiaries' development costs base on year end rate	75,324,653
Cost of acquisition of Initial Portfolio assets	125,600,958
	200,925,611
Add:	
Developments costs incurred during the period	58,899,764
	259,825,375
Less:	
Costs recognised as expenses in the income statement:-	
Recognised during the period	(38,095,040)
Write down of cost of acquisition of Initial Portfolio assets	(8,144,658)
As at 31 December 2007	**213,585,677**

The above amounts include borrowing cost capitalised which amounted to US$1,383,258.

21 LONG TERM RECEIVABLES

	GROUP US$	COMPANY US$
Long term receivable	6,048,000	–
	6,048,000	**–**

The long term receivable is an advance payment made to the main contractor of a project known as one Mont' Kiara, and the amount shall be recouped in whole upon the issuance of "Certificate of Making Good Defects" or at the end of the fifth anniversary from the date of payment, whichever is earlier. The advance payments were made on 13 June 2007 and 14 September 2007.

22 TRADE AND OTHER RECEIVABLES

	GROUP US$	COMPANY US$
Trade receivables	16,083,809	–
Other receivables	2,311,717	272,624
Sundry deposits	211,480	–
Prepayments	2,208	–
	18,609,214	272,624

Trade receivables represent progress billings receivable from sale of development properties, which are generally due for settlement within two weeks of invoice and are recognised and carried at the original invoice amount less an allowance for any uncollectible amounts. An estimated for doubtful debts is made when the collection of the full amount is no longer probable. Bad debts are written off when identified.

Sundry deposits and prepayments are for normal transactions of the Group.

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

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

23 AMOUNT DUE FROM SUBSIDIARIES

The amounts due from subsidiaries are unsecured and have no fixed terms of repayment.

24 CASH AND CASH EQUIVALENTS

	GROUP US$	COMPANY US$
Cash and cash at bank	22,068,549	126,394
Short term bank deposits	100,822,092	95,818,595
	122,890,641	95,944,989

The interest rate of bank deposits and principal protected deposits ranged between 0% and 6.5% per annum and the maturity period was between 1 day and 33 days during the period ended 31 December 2007.

25 SHARE CAPITAL

	GROUP & COMPANY AS AT 31 DECEMBER 2007	
	NUMBER OF SHARES	US$
Authorised		
Ordinary Shares of US$0.05 each	2,500,000,000	125,000,000
Issued, called up and fully paid		
Issued equity at incorporation	2	2
Cancelled	(2)	(2)
Issue of shares	159,344,900	7,967,245
Exercise of share options		
- Allotment of shares	2,655,100	132,755
Cost of business combination	88,000,000	4,400,000
Issued Share Capital	**250,000,000**	**12,500,000**

26 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 have been deducted form the share premium during the period.

	GROUP & COMPANY US$
Received on placing of Ordinary Shares	237,500,000
Less: Share costs charged to capital	(10,266,733)
As at 31 December 2007	**227,233,267**

27 SHARE-BASED PAYMENT RESERVE

Share-based payment reserve includes a reserve and charge (refer to company's statement of changes in equity) for share options granted and exercised to/by Fairfax I.S. PLC, the financial adviser and placing agent, for work carried out on the Admission of the Company on the London Stock Exchange.

	NUMBER
Movement during the period:	
Opening balance	–
Granted during the period	3,240,000
Exercised during the period	(2,655,100)
Expired during the period	–
Options outstanding and exercisable as at 31 December 2007	584,900

The following table states the inputs used for the calculation of the share options:

	5 APRIL 2007
Exercise price	US$1.00
Share price at issue	US$1.00
Exercised price	US$1.00
Expected volatility	19.8%
Risk-free interest rate	4.57%
Expected life of options (years)	3
Model used	Black-Scholes Model

The weighted average share price during the period was US$1.0224 per share. The expected volatility reflects the historical volatility of the FTSE 350 Real Estate Index is not an indicative of the future trend, which may not necessarily be the actual outcome.

The vesting period of the share option is for three years and will lapse if not exercised by 5 April 2010. The options are exercisable at anytime and not subject to any performance criteria and so have vested immediately.

Weighted average exercise price of share options granted	US$1.00
Weighted average exercise price of share options exercised	US$1.00
Weighted average exercise price of share options outstanding at the end of the period	US$1.00
Weighted average exercise price of share options exercised during the period at the date of exercise	US$1.00
Weighted average contractual remaining life of share options outstanding at the end of the period contractual remaining life	2.26 years

28 EXCHANGE FLUCTUATION RESERVE

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

29 RETAINED EARNINGS

	GROUP US$	COMPANY US$
Loss for the period	(3,260,180)	(501,177)
Fair value of share options exercised	534,737	534,737
As at 31 December 2007	**(2,725,443)**	**33,560**

30 TRADE AND OTHER PAYABLES

	GROUP US$	COMPANY US$
Progress billings received in advance	8,655,095	–
Trade payables	18,370,550	–
Other payables	27,878,840	9,746,696
Deposits refundable	1,318,606	–
Accruals	738,611	–
Payables to ICB and subsidiaries (see Note 36)	1,307,300	–
	58,269,002	**9,746,696**

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

Under other payables is US$7,902,506 being deferred payment payable to the vendors of the subsidiaries acquired by the Company as stated in Note 37, US$11,044,112 being balance of payment payable for three parcels of prepaid leasehold land acquired for a resort and residential property development in Malaysia and US$5,770,695 are deposits received from overseas purchasers of residential properties prior to executing the sales and purchase agreements.

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

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.

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

31 FINANCE LEASE LIABILITIES

Gross finance lease liabilities – minimum lease payments:

	GROUP US$
Not later than 1 year	27,773
Later than 1 year and no later than 5 years	45,265
	73,038
Future finance charges on finance leases	(7,128)
Present value of finance lease liabilities	**65,910**

The present value of finance lease liabilities is as follows:

No later than 1 year	23,939
Later than 1 year and no later than 5 years	41,971
	65,910

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

As at 31 December 2007, the hire purchase liabilities bore effective interest at rates between 3.45% and 4.75% per annum.

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

32 BANK LOANS AND BORROWINGS

	GROUP US$
Secured	
Revolving credit facility	453,600
Bank term loans	14,158,202
Bank overdraft	2,769,498
	17,381,300

The effective interest rates of the borrowings for the year ranged from 5.6% to 9.0% per annum.

The borrowings are secured by landed properties as stated in note 2.16(a) (fixed charges on project lands Note 20(a) above) and corporate guarantee by the Company.

The borrowings are denominated in Ringgit Malaysia.

The bank term loans are repayable by monthly or quarterly instalments, the revolving credit by bullet repayment on 30 September 2008 and the overdraft is repayable on demand.

The carrying amount of borrowings approximates its fair value at balance sheet date.

33 BANK TERM LOANS

	GROUP
Secured	
Outstanding term loans	40,742,348
Less:	
Repayments due within twelve months	(14,158,202)
Repayment due after twelve months	**26,584,146**

The effective interest rates of the term loan borrowings for the year ranged from 7.75% to 9.0% per annum.

The bank term loans and overdraft facilities of the Group are secured by landed properties as stated in note 2.16(a) (fixed charges on project lands Note 20(a) above) and corporate guarantee by the Company.

The term loans are denominated in Ringgit Malaysia.

The bank term loans are repayable by monthly or quarterly instalments.

34 LONG TERM LOANS

	GROUP US$
Advance	33,890,646
Concessional loan	2,000,000
	35,890,646

The advance is from a special purpose vehicle and used to fund a development project known as one Mont' Kiara in Malaysia. The weighted interest rate of the loan was 8.01% as at 31 December 2007.

The concessional loan of US$2,000,000 is provided by the joint venture partner of the one Mont' Kiara project for working capital purposes.

35 DEFERRED TAX LIABILITY

	GROUP US$
At incorporation	–
Deferred tax liability at acquisition	17,032
Difference due to timing & translation difference	1,173
Deferred tax income relating to origination and reversal of temporary differences during the period	(14,478)
As at 31 December 2007	**3,727**

The deferred tax liability represents taxable temporary differences between net book value and tax written down value of property, plant and equipment.

36 RELATED PARTY TRANSACTIONS

Transactions between the Group and the Company with Ireka Corporation Berhad and its' group of companies are classified as related party transactions and details of these relationships are mentioned on page 18 and page 20 of the Directors' Report under the headings of "Management" and "Substantial Shareholders" respectively.

	GROUP US$	COMPANY US$
Sale of properties to directors of ICB	309,615	–
Advances from ICB	1,855,405	–
Repayment of advances from ICB	13,144	–
Repayment of advances to ICB subsidiaries	4,471,431	–
Repayment of advances to former related associates	245,064	–
Interest paid to ICB subsidiary	1,496,163	–
Management fee charged by ICB	142,884	–
Management fee paid to ICB subsidiaries	3,631,693	–
Payment for construction progress claims made by an ICB subsidiary	48,269,431	–
Site staff salary and fuel expenses paid to a ICB subsidiary	218,949	–
Payment to a, ICB subsidiary	80,189	–
Repayment of advances from ICB	454,613	–
Repayment of advances to ICB	13,144	–
Repayment of advances from ICB subsidiaries	11,208,116	–
Payment of management fees to an ICB subsidiary	3,631,693	3,631,693
Reimbursement to an ICB subsidiary	243,183	243,183

The net amount due, by the Group to ICB and its subsidiaries for contract works performed is US$16.975 million as at 31 December 2007.

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 38.

37 ACQUISITION OF BUSINESS

Aseana Properties Limited is the parent company of a group of companies involved in property development business. The acquisition of the following companies by the Company was completed on 15 May 2007 and funded by raising US$88 million by the issue of 88 million ordinary shares in Aseana Properties at an issue price of US$1.00 per share and cash consideration of US$45,785,572.

(a) Acquisition of Ireka Land Sdn Bhd

On 15 May 2007, the Group acquired 100% of the issued share capital of Ireka Land Sdn Bhd for a total consideration of US$49.117 million. The transaction has been accounted for using the purchase method of accounting.

	NET ASSETS US$
Net asset acquired	
Property, plant & equipment	217,175
Property development costs	51,548,127
Trade and other receivables	10,509,886
Cash and cash equivalents	4,200,723
Trade and other payables	(17,878,429)
Current tax liabilities	(2,007,730)
Bank borrowings	(32,042,284)
Deferred tax liabilities	(10,287)
Hire purchase	(91,327)
Bank Loans	(6,055,611)
Minority interest	(15)
	8,390,228
Fair value adjustment to property development costs	40,726,538
Fair value of net assets acquired	**49,116,766**
Satisfied by:	
Issuance of shares	34,587,457
Cash consideration (including deferred cash consideration as disclosed in Note 37(c))	14,529,309
Total consideration	**49,116,766**
Net cash outflow arising on acquisition (see Note 37(c))	

Ireka Land Sdn Bhd contributed US$39.253 million revenue and profit of US$6.862 million to the Group's loss before tax for the period between the date of acquisition and the balance sheet date.

There are no other fair value adjustments other than the adjustment disclosed above relating to property development costs.

If the acquisition of Ireka Land Sdn Bhd had occurred on 1 January 2007, they would have added approximately US$42.949 million to Group income and a profit of approximately US$7.224 million to Group loss before tax for the period.

37 ACQUISITION OF BUSINESS (CONT'D)

(b) Acquisition of Amatir Resources Sdn Bhd

On 31 May 2007, the Group acquired 99.9% of the issued share capital of Amatir Resources Sdn Bhd for a total consideration of US$66.428 million. The transaction has been accounted for by using the purchase method of accounting.

	NET ASSETS US$
Net asset acquired	
Property development costs	14,523,080
Trade and other receivables	1,279,034
Cash and bank balances	290,496
Trade and other payables	(2,758,460)
Bank overdraft and borrowings	(2,903,227)
Long term loans	(2,014,195)
Term loans	(7,474,714)
Minority interest	(686,385)
	255,629
Fair value adjustment to property development costs	66,172,832
Total consideration	**66,428,461**
Satisfied by:	
Issuance of shares	39,086,377
Deferred cash consideration	4,645,832
Cash consideration	22,696,252
Total consideration	**66,428,461**
Net cash outflow arising on acquisition	
Cash consideration	27,342,084
Less deferred cash consideration	(4,645,832)
Cash and cash equivalents acquired	2,479,002
	25,175,254

Amatir Resources Sdn Bhd contributed US$1.938 million revenue and profit of US$0.528 million to the Group's loss before tax for the period between the date of acquisition and the balance sheet date.

There are no other fair value adjustments other than the adjustment disclosed above relating to property development costs.

If the acquisition of Amatir Resources Sdn Bhd had occurred on 1 January 2007, they would have added approximately US$1.938 million to Group income and a profit of approximately US$0.597 million to Group loss before tax for the period.

37 ACQUISITION OF BUSINESS (CONT'D)

(c) Acquisition of ICSD Ventures Sdn Bhd

On 15 May 2007, the Group acquired 60% of the issued share capital of ICSD Ventures Sdn Bhd for cash consideration of US$20.344 million. The transaction has been accounted for by the purchase method of accounting.

	NET ASSETS US$
Net asset acquired	
Property, plant & equipment	140,198
Land held for property development	5,885,930
Property development costs	7,126,291
Inventories	2,167,598
Trade and other receivables	1,992,427
Cash and bank balances	382,157
Hire purchase creditors	(70,669)
Bank term loans	(5,862,481)
Deferred tax liabilities	(6,745)
Trade and other payables	(3,715,697)
Bank overdraft and borrowings	(5,176,548)
Tax liabilities	(124,721)
Minority interest	(1,095,105)
	1,642,635
Fair value adjustment to property development costs	18,701,588
Total	**20,344,223**
Satisfied by:	
Issuance of shares	14,326,166
Cash consideration (including deferred cash consideration as disclosed below)	6,018,057
Total consideration	**20,344,223**

ICSD Ventures Sdn Bhd contributed US$3.984 million revenue and a loss of US$0.863 million to the Group's loss before tax for the period between the date of acquisition and the balance sheet date.

There are no other fair value adjustments other than the adjustment disclosed above relating to property development cost.

If the acquisition of ICSD Ventures Sdn Bhd had occurred on 1 January 2007, they would have added approximately US$3.984 million to Group income and a loss of approximately US$0.94 million to Group loss before tax for the period.

The acquisitions of Ireka Land Sdn Bhd ("ILSB") and ICSD Ventures Sdn Bhd ("ICSD") include a total deferred cash consideration of US$3,256,674. Therefore, the net cash outflow arising on these two acquisitions is:

	US$
Cash consideration	20,547,366
Less deferred cash consideration	(3,256,674)
Cash and cash equivalents acquired	(4,582,880)
	12,707,812

38 INVESTMENT IN SUBSIDIARIES AND ASSOCIATE

The direct and indirect investment holding in subsidiaries and associate of the Group are as follows:-

NAME	COUNTRY OF INCORPORATION	PERCENTAGE INTEREST	PRINCIPAL ACTIVITIES
ASPL M 1 Limited	British Virgin Islands	100%	Investment holding
ASPL M 2 Limited	British Virgin Islands	100%	Investment holding
Amatir Resources Limited	British Virgin Islands	100%	Investment holding
ASPL MH 3A Limited	British Virgin Islands	100%	Investment holding
ASPL M 3A Limited	British Virgin Islands	100%	Investment holding
ASPL MH 4A Limited	British Virgin Islands	100%	Investment holding
ASPL M 4 Limited	British Virgin Islands	100%	Investment holding
ASPL MH 5A Limited	British Virgin Islands	100%	Investment holding
ASPL M 5 Limited	British Virgin Islands	100%	Investment holding
ASPL MH 6 Limited	British Virgin Islands	100%	Investment holding
ASPL M 6 Limited	British Virgin Islands	100%	Investment holding
ASPL MH 7 Limited	British Virgin Islands	100%	Investment holding
ASPL M 7 Limited	British Virgin Islands	100%	Investment holding
Aseana Properties (BVI) Limited	British Virgin Islands	100%	Investment holding
ASPL V 1 Limited	British Virgin Islands	100%	Investment holding
ASPL V 2 Limited	British Virgin Islands	100%	Investment holding
ASPL V 3 Limited	British Virgin Islands	100%	Investment holding
ASPL V 4 Limited	British Virgin Islands	100%	Investment holding
ASPL V 5 Limited	British Virgin Islands	100%	Investment holding
ASPL V 6 Limited	British Virgin Islands	100%	Investment holding
Ireka Land Sdn Bhd	Malaysia	100%	Property development
Bumijaya Mawar Sdn Bhd	Malaysia	100%	Property development
Bumijaya Mahligai Sdn Bhd	Malaysia	100%	Property development
Bumiraya Impian Sdn Bhd	Malaysia	100%	Property development
Amatir Resources Sdn Bhd	Malaysia	99.9%	Property development
ICSD Ventures Sdn Bhd	Malaysia	60%	Property development
Excellent Bonanza Sdn Bhd	Malaysia	40%	Property development

39 COMMITMENTS & CONTINGENCIES

The Group and Company have no capital commitments or contingencies as at the balance sheet date.

40 EVENTS AFTER THE BALANCE SHEET DATE

The Company has, via its wholly owned subsidiary ASPL M3A Limited, a company incorporated in the British Virgin Island, increased its shareholding in Excellent Bonanza Sdn Bhd by subscribing to RM1,999,960 ordinary shares of RM1.00 each and RM6,240,600 Non-cumulative Non-convertible Redeemable Preference Shares of RM0.01 each on 31 January 2008 and 15 February 2008 respectively. The Company owns 40% stake in Excellent Bonanza Sdn Bhd, which is currently undertaking a commercial development in Sentral Kuala Lumpur, Malaysia.

The Company has on 25 March 2008 paid a deposit of approximately US$5 million and a contribution to the Fund of Infrastructure Development of District 1 of approximately US$640,000 to the People's Committee of District 1, Ho Chi Minh City, Vietnam to secure the development rights of a prime site in District 1 of Ho Chi Minh City. The development consists of two office towers in the city-centre of District 1 and development approvals are currently expected to be obtained in the third quarter of 2008. The Company will undertake this development with a local partner and with a 65% stake in the joint venture.

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, Walker House, 28-34 Hill Street, St. Helier, Jersey, JE4 8PN, Channel Islands.

CORPORATE INFORMATION

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Dato' Mohammed Azlan bin Hashim

NON-EXECUTIVE DIRECTORS
Christopher Henry Lovell
David Harris
John Lynton Jones
Dato' Seri Ismail bin Shahudin

COMPANY SECRETARY AND REGISTERED OFFICE
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Channel Islands

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Stephenson Harwood

AUDITORS
Mazars LLP

REGISTRAR
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PUBLIC RELATIONS
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