INVESTMENT GATEWAY TO VIETNAM & MALAYSIA

annual report 2008

ASEANA PROPERTIES LIMITED

COVER RATIONALE

South East Asia is a tapestry of diverse cultures and races, as well as real estate patterns and growth trends. Aseana Properties is ideally positioned at the forefront of the region's property development. We also combine knowledge, experience and skill to weave together innovative and attractive property strategies to optimise return for our shareholders and investors.

INTRODUCTION

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

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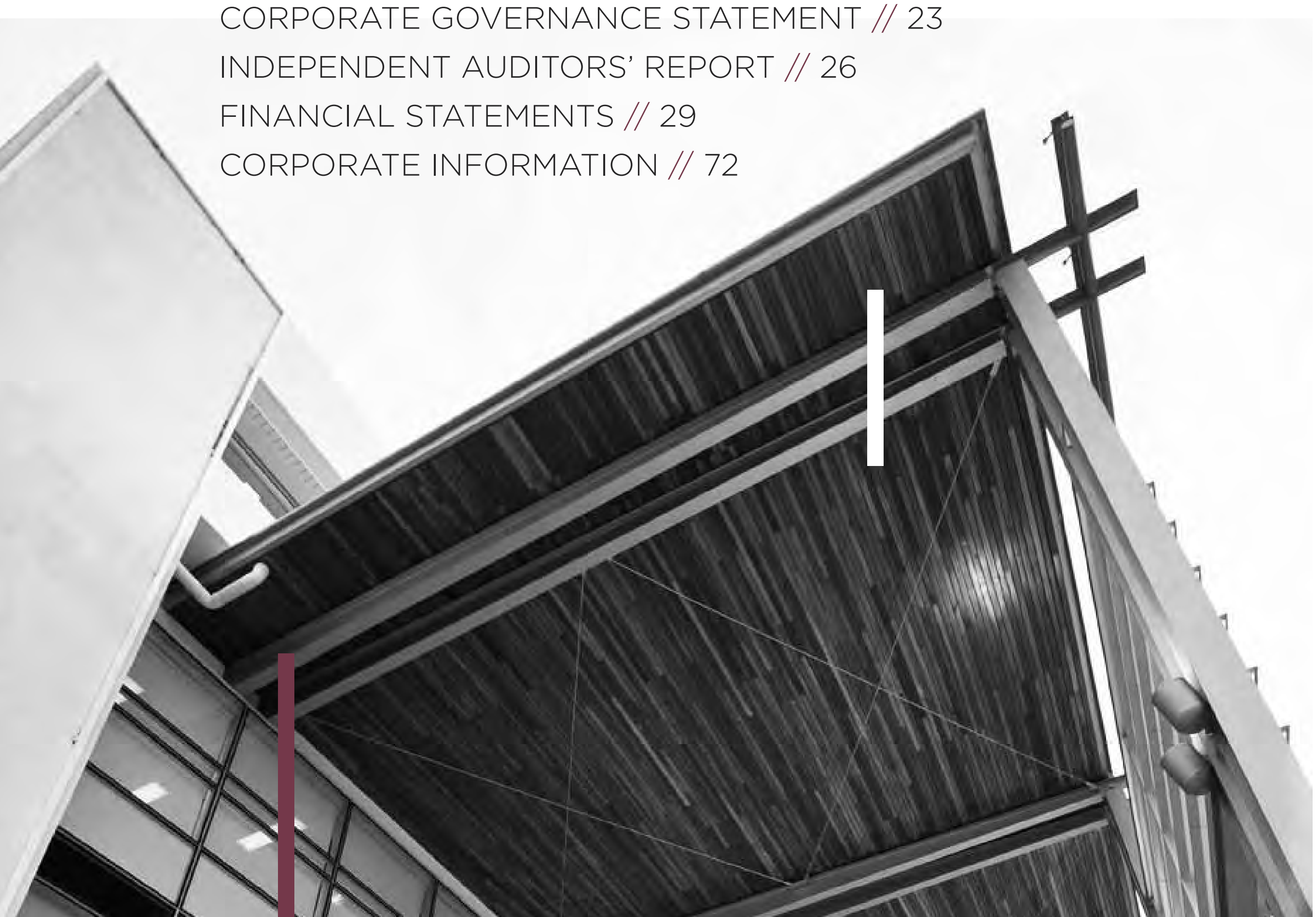

CORPORATE STRATEGY

02

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
Auditors	:	Mazars LLP

ASEANA PROPERTIES LIMITED AT A GLANCE

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

Ireka Development Management Sdn. Bhd. (a wholly-owned subsidiary of Ireka Corporation Berhad), the Development Manager for Aseana Properties is responsible for the day-to-day management of its property portfolio as well as the introduction and facilitation of new investment opportunities. Aseana Properties 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 Malaysia and Vietnam. Aseana Properties seeks to achieve its investment objective through the acquisition, development and redevelopment of upscale residential, commercial and hospitality projects leveraging on the Development Manager's experience in these sectors.

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

Currently approximately 54% of Aseana Properties' investment portfolio is allocated to projects in Malaysia and approximately 46% of its total fund is allocated to projects in Vietnam.

CHAIRMAN'S STATEMENT

ASEANA PROPERTIES made significant progress in delivering on its strategy in the 2008 financial year, largely through positioning itself as an investment gateway to the real estate markets in Malaysia and Vietnam. We have successfully completed a development project in Malaysia and have further strengthened our presence in Vietnam through three investments.

Aseana Properties' key achievements include:

- Completion and successful handover of 305 units of serviced residences at i-ZEN@Kiara I, with a total gross development value of RM135 million (US$39 million) in June 2008.
- Investment Licence awarded by the People's Committee of Ho Chi Minh City in June 2008 for the Queen's Place project, a residential, hospitality and commercial development in District 4. The project has an estimated gross development value of US$195 million.
- Investment Licence awarded by the People's Committee of Ho Chi Minh City in July 2008 for the International Hi-Tech Healthcare Park, a planned mixed development consisting of world-class private hospitals, mixed commercial, hospitality and residential developments in the Binh Tan District. The project has an estimated gross development value of US$770 million. Aseana Properties has also secured the Land Use Rights Certificate for this 37.54 hectares site in January 2009.
- Acquisition of a strategic investment stake in Nam Long Investment Corporation, a leading private property development company in Ho Chi Minh City, with over 500 hectares of land bank in the city and neighbouring provinces. As part of the transaction, Aseana Properties has secured options to develop high-end projects with Nam Long.

Amidst these positive achievements, Aseana Properties and its group of companies ("the Group") are fully aware that the global economic environment has changed tremendously over the course of the last year, and is likely to remain challenging for the year ahead. The Board has therefore decided to adopt a cautious approach in its activities in three key areas: (a) by ensuring sufficient financing facilities are readily available for all ongoing projects; (b) accelerating the realisation of cash flows from ongoing projects; and (c) deferring or rescinding uncommitted projects which have long gestation periods. These measures are essential in ensuring that the Group maintains a healthy balance sheet and a strong cash flow position during these volatile fiscal times and into the foreseeable future.

As at the end of December 2008, the Group maintained a cash balance of approximately US$67.3 million, of which has been allocated to new projects in the portfolio. During this financial year, revenue for the Group has more than doubled from that of the previous period from US$45.2 million to US$97.9 million. This is the result of strong sales from ongoing projects in Malaysia. The recorded net loss before tax of US$8.8 million is largely attributable to the unrealised foreign exchange loss, due to the strengthening of the US Dollar against the foreign currency holdings in the Group. In order to enhance shareholder value, the Board has resolved to implement a share buyback scheme.

I am confident that, for the year ahead, the Group remains well-capitalised to complete and deliver on the development projects in our portfolio, with construction expected to be completed by the fourth quarter of 2010, namely Tiffani by i-ZEN, SENI Mont' Kiara, one Mont' Kiara by i-ZEN and Sandakan Harbour Square (Phases 3 and 4). These projects will provide sustainable revenue and earnings for the Group over the next two to three years. We are also committed to embarking on several new projects within the existing portfolio in Malaysia and Vietnam. We are well-positioned to capture the upturn in the real estate market once overall global economic conditions improve.

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

DATO' MOHAMMED AZLAN BIN HASHIM
CHAIRMAN
16 April 2009

DEVELOPMENT MANAGER'S REVIEW

i-ZEN@Kiara I, Kuala Lumpur

BUSINESS OVERVIEW

The 2008 financial year represented a year of both successes and challenges for Aseana Properties. The Group has continued to make good progress on construction and sales of its ongoing projects in Malaysia. At the same time, the Group has gained a stronger foothold in Vietnam through the award of Investment Licences for two prestigious projects and the acquisition of a strategic investment stake in a local real estate company. Amidst these notable achievements, the challenging global economic conditions have presented a tough operating environment for the Group. Throughout the year, the Development Manager has worked closely with the Board to optimise all aspects of investments and operations to ensure that the Group remains strong and resilient in this difficult climate.

In January 2009, Aseana Properties' Development Manager, Ireka Development Management Sdn. Bhd., was awarded with the MS ISO 9001:2000 Quality Management System certification from SIRIM QAS International and UKAS Quality Management for its property development and management services, covering residential, commercial, industrial and institutional properties. This quality certification will ensure that all development processes meet the stringent guidelines and requirements of international governing bodies, ensuring that the end product has all the ingredients to meet the demands of the discernings target segments.

During the financial year, the Group completed its maiden development, i-ZEN@Kiara I, a high-end serviced residential project, which was handed over to its buyers in June 2008. The Group's latest luxury condominium development, SENI Mont' Kiara, has registered relatively good sales despite a tough operating environment. Construction of all ongoing projects in Malaysia is also progressing well.

In addition, the Group has gained significant headway in Vietnam where two of its projects, Queen's Place and the International Hi-Tech Healthcare Park, both in Ho Chi Minh City, received their Investment Licences in June and July respectively. Aseana Properties also acquired a strategic minority stake in Nam Long Investment Corporation, a leading private real estate developer in Ho Chi Minh City. These investments place the Group in a stronger position to capitalise on the growth opportunities in Vietnam over the medium to long term.

The global financial slowdown has not spared the economies of both Malaysia and Vietnam. As such, we remain cautious of the immediate to short term business climate in 2009. Over the medium term, the Group's development portfolio has unrealised sales of some RM663 million (US$191 million) (as at the date of this report). The Group is optimistic of the longer term outlook in these economies, and we are confident that the market will withstand the current difficulties. Until then, we will continue to take an opportunistic approach in our involvement in these markets, so that we can leverage on the prospects when market conditions improve.

Malaysia Economic Update

Growth in the Malaysian economy in 2008 was recorded at a growth rate of 4.6% against the forecast growth rate of 5.3%. The momentum gained from 2007 continued to flow into 2008, with domestic consumption remaining resilient throughout the early part of the year. However, the business climate in general was somewhat dampened by the political uncertainties brought about by an unprecedented low margin victory by the ruling coalition in the country's General Election in March 2008. Also, in the midst of this, was the weakening global business sentiment, which saw the Kuala Lumpur Composite Index record a four-year low of 829 points in October 2008. Consumer and business confidence indices have both dropped sharply below the 100-point mark in the final quarter of 2008. Local sentiments did, however, improve towards the end of 2008 as the Government outlined a clear leadership succession plan.

The Malaysian economy is expected to rely on public spending and the services sector in the coming year as the manufacturing sector is facing direct negative effects from the slowdown in the US economy.

Economists are predicting a slowdown of the Malaysian economy in 2009 and the Government has also taken a cautionary stance by revising the GDP growth forecast to a range of -1% to 1% in March 2009. Amidst the bleak outlook, a trend reversal in the prices of commodities and raw materials, in particular oil, steel bars and cement, will bode well for the construction and building industry in the short to medium term. To stimulate domestic demand and cushion the effects of the economic slowdown, the Government has recently announced a stimulus package totalling RM67 billion (US$19 million) to be implemented over the next two years.


i-ZEN@Kiara I, Kuala Lumpur

Vietnam Economic Update

The Vietnamese economy grew by 6.2% in 2008, down from 8.5% in 2007, and from the earlier forecasted 7% growth rate. The reduced rate was due to the Government's effort to rein in inflationary pressures, which was subsequently exacerbated by a slowdown in the global economy. Vietnam's growth rate however remains one of the highest in the region after China and India.

The economic performance of Vietnam in 2008 is a story of two halves. In the first half of the year, the rising inflation rate reached 28.3% in August 2008, which led to speculation of the sustainability of Vietnam's growth rate and its widening trade deficit, bringing about fear of a looming balance of payment crisis. This fear culminated at the end of May 2008 with a sudden drop in the spot and unofficial market rates for the Vietnam Dong by as much as 11% in reaction to the Government's decision to widen the trading band of the currency to 2%. Non-deliverable forwards for the currency were trading with an anticipation of the currency devaluing more than 20% over the next year. Shortly thereafter, both Fitch and Standard & Poor's, the international rating agencies, moved to downgrade Vietnam's sovereign credit rating.


Queens' Place, Ho Chi Minh City

To prevent further speculation and negative reporting, the Government of Vietnam moved swiftly to engage the investment community by holding an open dialogue with international investors and fund managers. The Government outlined its various fiscal and monetary policies in combating inflation, which included a directive to state-owned enterprises to eliminate investments in non-core businesses, imposing import restrictions on non-essential goods, increasing the reserve ratio of financial institutions and increasing prime interest rates. The prime interest rate in Vietnam was increased three times in 2008 from 8.5% culminating to a high of 14% in the third quarter of 2008. The issues faced by Vietnam in the first half of 2008 highlighted the growing pains of an emerging economy that has received significant attention from the investment community.

As the global economic slowdown sets in towards the second half of 2008, the Vietnamese economy was also beginning to feel the dampening effects of the Government's earlier policy measures. With credit growth tightening, the real estate industry, often considered a barometer of an emerging economy, experienced a slowdown. Transaction volumes for both the primary and secondary markets fell sharply and in some cases high-end property prices dropped by as much as 40%.

Recognising that the Vietnamese economy would not be spared from the global economic slowdown, the Government decisively reversed its credit tightening policy by cutting prime interest rates five times since October 2008 to 8.5% by December 2008 and a further reduction to 7% in January 2009, effectively unwinding all the previous increases. The Government has also reduced the reserve ratio requirement in the hope of spurring credit growth to support the fledging real estate and manufacturing sectors. In a move to provide further support to local businesses, in particular small to medium-sized enterprises, the Government has announced a 4% interest subsidy policy in February 2009.

DEVELOPMENT MANAGER'S REVIEW


Tiffani by i-ZEN, Kuala Lumpur

The Government's swift policy decisions in 2008 and early 2009 demonstrate that it is prepared to actively manage the economy during these volatile times. Despite the challenges in 2008, Vietnam has attracted approximately US$64 billion in Foreign Direct Investment ("FDI") commitments, eclipsing 2007 commitments by 315%. The Government has stated that it expects disbursements of these FDI commitments to be slower, given the global economic conditions. However, this achievement nevertheless represents investors' continued confidence in the Vietnamese economy.

We firmly believe that there has been little change to the fundamentals that have attracted Aseana Properties to Vietnam. Vietnam's large and young population makes it a natural choice for multinationals expanding their footprint in South East Asia and at the same time the Government has continued to show that it is prepared to adapt its economy to welcome future investors. These factors will all contribute positively to the long term growth of the real estate market in Vietnam.

PORTFOLIO REVIEW

MALAYSIA

Residential Property Market

The growth of the high-end residential market in Malaysia in the past few years was largely driven by the increasing affluence of young Malaysians demanding high quality residences in popular residential addresses as well as the significant growth in foreign demand, due to attractive real estate pricing in Malaysia relative to its neighbouring countries. With the global economy entering into recession, demand for high-end properties in the last quarter of 2008 has tapered and is expected to remain soft for 2009. Nevertheless, the high-end residential market in Malaysia has shown resilience compared to other Asian markets such as Singapore, Hong Kong and Shanghai, with capital values remaining largely stable with only very few real estate transactions executed below 20% from their peak. Kuala Lumpur City Centre, Mont' Kiara, Bangsar and Damansara Heights will remain choice areas for investors and buyers.

In 2008, the Group completed its maiden development, i-ZEN@Kiara I, where 305 units of serviced residences in Mont' Kiara were handed over to buyers in June 2008. The Group currently has two other high-end residential projects in Malaysia:

- Tiffani by i-ZEN
  Tiffani by i-ZEN is a luxury condominium project in Mont' Kiara that has attracted a number of international celebrity owners. 88% of the total units have been sold to date and the project is expected to complete in the second quarter of 2009.

- SENI Mont' Kiara
  SENI Mont' Kiara is a luxury condominium project situated on one of the highest point in Mont' Kiara. Towering some 40-storeys above this vantage point, a majority of the units in the project command an impressive view of the Kuala Lumpur city skyline, which includes the 88-storey Petronas Twin Towers and the KL Tower. The project consists of 605 units of residences, of which 51% has been sold to date. Completion of this project is expected in the fourth quarter of 2010.


SENI Mont' Kiara, Kuala Lumpur

Hotel & Office Development at Kuala Lumpur Sentral

Commercial Office and Retail

The first three quarters of 2008 saw relatively active sale and leasing activities for commercial office and retail buildings in Kuala Lumpur, culminating with the announcement of two major transactions in the second and third quarter, being the sale of Kenanga International Building for RM157.5 million (US$45.5 million) and Menara Citibank for RM733 million (US$211.6 million). However, in the fourth quarter, the global economic crisis proved to be a dampener as these transactions failed to complete. Efforts to launch real estate investment trusts by a number of local and foreign players have also been delayed due to the weakening market conditions.

Despite these setbacks, the office market in Kuala Lumpur remains fundamentally strong with low vacancies and stable yields, as there is limited new supply of prime offices in the city centre and its vicinity. Rental growth and absorption rate of new supply in 2009 are however expected to soften as businesses will remain wary of making any major leasing decisions or in some cases as a result of businesses scaling down.

The retail market has generally been subdued with inflation hitting an all-time high of 8.5% in the third quarter of 2008. Whilst prime retail malls in the city centre and suburban areas, such as Suria KLCC and Mid Valley Megamall, are expected to continue enjoying high occupancy and modest rental rate growth, rental rates in new and secondary malls are expected to come under pressure in 2009.

The Group currently has three ongoing commercial projects in Kuala Lumpur and Sandakan (Sabah). With respective completion expected between 2010 and 2012, the Group believes that these projects are well-positioned to capture the upturn in the commercial property market:

- **one Mont' Kiara by i-ZEN**
  one Mont' Kiara by i-ZEN is an integrated commercial development consisting of a 33-storey office suite tower, a 20-storey office tower and a 5-level retail complex. 137 office suite units out of 179 units have been launched for sale, all of which have been sold. The remaining 42 units were held back for sale at a later date. The office tower and the retail complex are planned for block sale after completion.

  Located in the heart of Mont' Kiara commercial precinct, this development is expected to be the hub of commercial activities for Mont' Kiara, as well as for the surrounding affluent neighbourhoods of Sri Hartamas, Bangsar and Damansara Heights.

- **Sandakan Harbour Square**
  Sandakan Harbour Square is an urban redevelopment project in the commercial centre of Sandakan, Sabah. Phases 1 and 2 consist of 129 units of shop lots, of which Phase 1 has been completed and fully sold and Phase 2 is due to be completed in April 2009. Phases 3 and 4 are a retail mall and an International 4-star hotel respectively, with expected completion in the fourth quarter of 2010.

  The Company has recently entered into an agreement with Starwood Hotels & Resorts Worldwide Inc., a leading hospitality and leisure group, where Starwood will manage the proposed hotel at Sandakan Harbour Square under the 'Four Points by Sheraton' brand.

- **Kuala Lumpur Sentral Project**
  Kuala Lumpur Sentral project is a mixed commercial and hospitality development project consisting of two office towers and a business-class hotel situated in the heart of Kuala Lumpur's urban transportation hub. Kuala Lumpur Sentral is currently the most sought after commercial centre in Kuala Lumpur with a number of multinational companies such as General Electric and PriceWaterhouseCoopers locating their headquarters here. Piling works for this project commenced in March 2009, with completion expected in 2012.

Hospitality & Resort

In 2008, Malaysia recorded an all-time high of 22.05 million in tourist arrivals, an increase of 5.1% compared to 2007. This achievement is on the back of a successful second annual "Visit Malaysia" programme organised by the Government, and is testament to Malaysia's rising popularity as a holiday destination of choice. However, the tourism industry is expected to experience a slowdown in 2009.

The Group currently has three hospitality and resort development projects in Malaysia, two of which, Sandakan Harbour Square and Kuala Lumpur Sentral Project, are described above. In 2007, the Group acquired a pristine section of the beach front in Kota Kinabalu (Sabah), a popular tourist destination in Malaysia. Whilst development planning is currently underway, the Group will assess market conditions prior to its launch.

Despite the setback due to the global economic crisis, we remain confident that the hospitality and resort sector in Malaysia will be an attractive investment asset-class in the medium to long term.

DEVELOPMENT MANAGER'S REVIEW

VIETNAM

Residential Property Market

The activities in the residential property market of Ho Chi Minh City are closely correlated to the movements of the economy in Vietnam in 2008. The buoyant market seen in the residential property sector in 2007 was somewhat subdued in 2008 as prime interest rates and corresponding lending rates peaked at 14% and 21% respectively in the third quarter of the year. This resulted in a drop in capital values of high-end residential properties, in particular the secondary market, as demand from new and existing buyers dwindled. However, supply of high-end properties is expected to remain tight in 2009 as a result of delays and deferments of a number of projects.

The low and mid-end residential properties sectors have, however, remained robust with a number of projects launched in Ho Chi Minh City in 2008 registering a strong sales take-up. With a considerable population of approximately 7 million people in Ho Chi Minh City, primary demand for housing in the coming years is expected to bode well for this segment of the market.

As a result of scarcity of good-sized development land in District 1, the focus of residential development has shifted primarily to District 7, District 2, District 4 and Saigon South.

Commercial Office and Retail

The demand for commercial office and retail space in Ho Chi Minh City remained strong throughout 2008, mainly as a result of limited supply of prime developments in the market. The availability of Grade A office is low at a mere 81,000 square metres in 2008, with a vacancy rate of approximately 1%. Gross rental rates have reached an average of US$71 psm per month from about US$60 psm per month recorded a year earlier. However the slowing economy, resulting in the reduction of new entrants to Vietnam, is expected to limit the rise of rental rates in the coming year. Additionally, approximately 117,000 square metres of new supply of Grade B offices entering the market in 2009 should enable commercial tenants hoping to reduce overhead costs to trade down from occupying Grade A offices. Grade B offices are currently achieving rents of approximately US$45 psm per month.


International Hi-Tech Healthcare Park, Ho Chi Minh City

Similar to the office market, the prime retail market is also facing a shortage of good quality retail space, particularly in Ho Chi Minh City. Vacancy rates at prime retail centres remained low at 2% to 3%, with rental rates moving up steadily to the region of US$84 psm per month. International retailers have also resorted to converting traditional shop houses or bungalows for their boutiques, providing an eclectic mix of street side and mall shopping experience in Ho Chi Minh City.

In line with its WTO commitment, Vietnam has introduced a further relaxation of its retail licensing laws allowing 100% foreign-owned retailers to operate in Vietnam from January 2009 onwards. Despite the global slowdown, this is expected to continue to spur demand for prime retai areas in the coming years as international retailers seek to diversify into an emerging and burgeoning consumer market like Vietnam.

Aseana Properties marked its entrance into the property market in Ho Chi Minh City in 2008 following the award of Investment Licences for two of its projects, Queen's Place and the International Hi-Tech Healthcare Park. The Group has also acquired a strategic minority interest in a leading real estate developer in Ho Chi Minh City, Nam Long Investment Corporation.

- **Queen's Place**
  Queen's Place is a planned mixed residential, hospitality and commercial development consisting of two residential towers, a hotel, serviced apartment tower and a retail mall. Queen's Place is strategically located at the periphery of District 4, adjacent to District 1, the central business and commercial district of Ho Chi Minh City. With land area of approximately 8,400 square metres, the development is expected to have a gross development value of approximately US$195 million. Aseana Properties is developing this project jointly with Binh Duong Corporation, a Vietnam property development company, on a 65:35 basis. Resettlement planning is currently underway for this project.

- International Hi-Tech Healthcare Park
  International Hi-Tech Healthcare Park is a planned mixed development over 37.54 hectares of land consisting of world-class private hospitals, mixed commercial, hospitality and residential developments.

  The project has an estimated gross development value of US$770 million. Approximately 4.9 hectares in the International Hi-Tech Healthcare Park has been allocated for residential development. This development is located in the Binh Tan District and close to Chinatown, the most affluent district in Ho Chi Minh City. Aseana Properties has a 51% stake in this development.

- Nam Long Investment Corporation
  Nam Long is a leading private property development company in Vietnam, with a strong presence in the low to medium-end segment of the market. Their brand of low to medium housing called 'e-homes' has continued to register almost sold-out sales for launches throughout 2008 despite the tough economic environment. Nam Long currently has over 500 hectares of land bank mainly in Ho Chi Minh City and its neighbouring provinces. Through this partnership, Aseana Properties is expected to co-develop at least three high-end projects with Nam Long in Ho Chi Minh City in the immediate to medium term. Aseana Properties has also secured the option to develop future high-end projects with Nam Long.

Wall Street Centre, Ho Chi Minh City

Sandakan Harbour Square Mall & Hotel, Sabah

Apart from the residential component of our projects, we are confident that the retail development components in Queen's Place and the International Hi-Tech Healthcare Park will benefit from this sustained demand in the retail market trend.

Aside from these two projects, Aseana Properties also received conditional approval in early 2008 from the People's Committee of District 1, Ho Chi Minh City, to develop a Grade A office development in the heart of the financial district of Ho Chi Minh City. The proposed development, the "Wall Street Centre", will comprise of two prime office towers and an office suite tower and is expected to have an estimated gross development value of US$131 million. Development planning is currently underway to secure the full development rights from the authorities.

In line with Aseana Properties' current strategy to optimise all of its investments in Vietnam and focusing only on projects which have potential to launch in the short to medium term, the Company has decided to discontinue the pursuit of the Nam Khang Resort Project in Danang, Vietnam.

FUTURE OUTLOOK

Having successfully navigated through three past recessions and financial downturns in Malaysia, the Development Manager is confident of steering the Group through what will be a challenging year for the global real estate industry. The Group's current quality and mix of property portfolio will not only enable it to weather the tough business conditions in the short term but also strongly position it to capitalise on the real estate markets in Malaysia and Vietnam over the medium to long term.

We believe deeply that when the global financial market recovers, the international investment community will once again acknowledge the strong economic fundamentals and high growth potential of Vietnam and Malaysia. Aseana Properties will reaffirm its position as one of the most attractive listed investment vehicles on the London Stock Exchange. Meanwhile, the Group will continue to be prudent in its operations and cash flow management to ensure timely and cost-efficient delivery of all its projects.

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

LAI VOON HON
CHIEF EXECUTIVE OFFICER
Ireka Development Management Sdn. Bhd.
The Development Manager
16 April 2009

PROPERTY PORTFOLIO

PROJECT	TYPE	EXPECTED COST OF INVESTMENT[3] (US$)	MARKET VALUE AS AT 31 DECEMBER 2008[1] (US$)
Projects under development as at 31 December 2008			
i-ZEN@Kiara I, Kuala Lumpur, Malaysia	Serviced residences	3,998,840	5,522,943
Tiffani by i-ZEN, Kuala Lumpur, Malaysia	Luxury condominiums	15,274,279	17,942,570
one Mont' Kiara by i-ZEN, Kuala Lumpur, Malaysia	Office suites, office tower and retail mall	21,453,419	22,753,233
Sandakan Harbour Square, Sandakan, Sabah, Malaysia	Retail lots, hotel and retail mall	18,701,588	20,288,858
SENI Mont' Kiara, Kuala Lumpur, Malaysia	Luxury condominiums	66,172,832	70,058,048
Kuala Lumpur Sentral project, Kuala Lumpur, Malaysia	Office towers and a business hotel	2,567,974	13,948,811
Sea-front resort & residential development, Kota Kinabalu, Sabah, Malaysia	Resort homes, boutique resort hotel and resort villas	10,354,782 [2]	11,545,509 [2]
Queen's Place, Ho Chi Minh City, Vietnam	Residential, hotel, serviced apartments and retail mall	11,283,460 [3]	N/A
Equity Investment in Nam Long Investment Corporation, an established developer in Ho Chi Minh City, Vietnam	Private equity investment	17,223,621 [3]	N/A
International Hi-Tech Healthcare Park, Ho Chi Minh City, Vietnam	Commercial and residential development with healthcare theme	27,601,000 [3]	N/A
Property Portfolio as at 31 December 2008		**194,631,795**	**162,059,972**
Acquisitions pending completion as at 31 December 2008			
TM Mont' Kiara Commercial Development, Kuala Lumpur, Malaysia	Commercial and office suites	3,130,609 [2]	3,753,100 [2]
Wall Street Centre, Ho Chi Minh City, Vietnam	Office towers	5,772,000 [4]	N/A
Sandakan Harbour Square, Sandakan Sabah, Malaysia	Retail lots, hotel and retail mall	4,330,500 [5]	13,525,761

Notes:
1 Relates to effective interest of Aseana Properties
2 Land cost, un-leveraged
3 Expected cost of investment refers to equity deployed and estimated equity to be deployed *
4 Deposit paid
5 Acquired additional 40% minority stake in this project

* As at 31 December 2008, Aseana Properties had contributed US$13,023,572 and US$7,601,000 for Equity Investment in Nam Long and International Hi-Tech Healthcare Park respectively.

FINANCIAL HIGHLIGHTS

Aseana Properties Share Price from launch
Shareholders' total return: -78.50%

Aseana Properties Limited (ASPL:LN) Price Chart

PERFORMANCE SUMMARY

	Year ended 31 December 2008	Period ended 31 December 2007
Total Returns		
Ordinary share price	**-78.50%**	4.25%
FTSE All-share index	**-33.39%**	5.32%
FTSE Real Estate Index	**-67.51%**	-36.80%
One Year Returns		
Ordinary share price	**-79.29%**	4.25%
FTSE All-share index	**-32.78%**	5.32%
FTSE Real Estate Index	**-48.90%**	-36.80%
Capital Values		
Total assets less current liabilities (US$ M)	**325.49**	301.96
Net asset value per share (US$)	**0.89**	0.95
Ordinary share price (US$)	**0.22**	1.04
FTSE Real Estate Index	**1,853.87**	3,627.60
Gearing		
Gearing (Note 1)	**43.87%**	33.64%
Gearing (net of cash)	**13.66%**	- 18.08%
Earnings Per Share		
Earnings per ordinary share		
- basic (US$)	**-5.33**	-1.76
- diluted (US$)	**-5.33**	-1.76
Total Expenses Ratio		
As a percentage of total assets less current liabilities (Note 2)	**2.30%**	1.81%

Notes
1. Gearing: Total Borrowings ÷ Shareholders' Fund
2. Total expense ratio: Management Fees, Operating and Administrative Expenses ÷ Total Assets less Current Liabilities

FINANCIAL REVIEW

RESULTS FOR THE YEAR

Loss For The Year

The consolidated loss after tax for the year ended 31 December 2008 was US$13.334 million (2007: US$3.260 million). The results for 2007 are for the fifteen months ended 31 December 2007, although the trading subsidiaries were only acquired in May 2007.

The results include the following key expenses:-

- Unrealised foreign exchange loss of US$9.9 million (2007: US$0.09 million - foreign exchange gain) due to strengthening of US Dollars against foreign currency holdings in the Group;
- Management fees of US$4.744 million (2007: US$3.632 million), based on 2% of the net asset value of the Group payable on a quarterly basis;
- Write down of cost of acquisition of Initial Portfolio assets of US$8.272 million (2007: US$8.145 million), based on percentage of profit before tax recognised post acquisition compared to the budgeted post acquisition profit; and
- Marketing expenses and sales commissions of US$14.306 million (2007: US$1.606 million) included in cost of sales.

Revenue

Group revenue for the year ended 31 December 2008 was US$97.895 million, an increase of 116.7% compared to US$45.176 million in the seven and a half month period ended 31 December 2007. The revenue was mainly contributed by increased billings from sales of properties in Malaysia as follows:-

• i-ZEN@Kiara I, Mont' Kiara, Kuala Lumpur	US$	11.439	million
• Tiffani by i-ZEN, Mont' Kiara, Kuala Lumpur	US$	40.291	million
• Office Suites at one Mont' Kiara by i-ZEN, Mont' Kiara, Kuala Lumpur	US$	4.287	million
• SENI Mont' Kiara, Kuala Lumpur	US$	32.189	million
• Phase 2 of Sandakan Harbour Square, Sandakan, Sabah	US$	9.689	million
Total	**US$**	**97.895**	**million**

Operating Loss

The Group's current projects are based on progressive recognition of profits in accordance with stage billings and construction schedules for all projects sold off the plan. Some properties under construction were kept for en-bloc sales after completion and no profits were recognised. The Group has four projects that were under planning stage, and these are expected to generate income over the next two to five years.

Finance costs and investment income

Finance costs for the year ended 31 December 2008 were US$0.357 million (2007: US$0.133 million). These were mainly related to interest payable on overdraft, revolving credit facility and hire purchase facilities.

Investment income for the year ended 31 December 2008 was US$4.534 million (2007: US$4.320 million).

Taxation

The Company is an exempt company registered 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 land held for property development and prepaid land lease of US$17.419 million (2007: US$19.099 million), of which US$2.595 million (2007: US$13.223 million) were acquired during the year for future development.

Current assets

Current assets comprised mainly property development costs of US$224.380 million (2007: US$213.586 million), which were attributed to five projects in Malaysia and two projects in Vietnam.

The trade and other receivables mainly consisted of progress billings receivable from buyers of properties, amounting to US$9.003 million (2007: US$16.084 million) and a deposit amounting to US$5.772 million (2007: US$Nil) was paid 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 (Wall Street Centre) project of Ho Chi Minh City.

The Group had cash and cash equivalents totalling US$67.252 million (2007: US$122.891 million) as at 31 December 2008.

Loans and borrowings

As at 31 December 2008, US$46.348 million (2007: US$40.742 million) had been utilised from the Group's loan facilities. The Group drew down funds of US$32.093 million (2007: US$41.068 million) and repaid loans of US$14.065 million (2007: US$22.774 million) during the year. The Group had also repaid its bank overdraft by US$0.253 million (2007: US$Nil) during the year.

Current liabilities

Trade and other payables consisted mainly of amounts due to suppliers of US$15.607 million (2007: US$18.370 million), progress billings received in advance of US$3.169 million (2007: US$8.655 million), balance payments to vendors for the acquisition of land of US$1.964 million (2007: US$11.044 million) and deposits received in advance from property purchasers of US$0.199 million (2007: US$1.319 million).

Share capital and share premium

As at 31 December 2008, the Company has issued share capital of US$12.5 million (2007: US$12.5 million) comprising 250,000,000 ordinary shares with a nominal value of US$0.05. The share premium account was US$227.233 million (2007: US$227.233 million) as at 31 December 2008.

Loss Per Share

The Company recorded a basic loss per share for the year ended 31 December 2008 of US cents 5.33 (2007: US cents 1.76) and a diluted loss per share of US cents 5.33 (2007: US cents 1.76).

Dividends

No dividend was declared nor paid for the year ended 31 December 2008.

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. The Directors will update the shareholders on the timing of any dividend payments. Notwithstanding, following the fifth anniversary of listing, the Company will only re-invest capital with the sanction of an ordinary resolution in a general meeting of the Company.

Gearing

As at 31 December 2008, the Group has a gearing ratio of 44% (2007: 34%).

Cash Flows

The Group utilised US$51.093 million cash flows from operating activities during the year ended 31 December 2008. The Group generated US$0.851 million cash flows from operating activities during the period ended 31 December 2007.

During the year, US$23.714 million (2007: US$50.893 million) was used for investing activities while US$18.002 million (2007: US$169.694 million) was generated from financing activities.

FINANCIAL POSITION

As at 31 December 2008, the Group has US$67.252 million (2007: US$122.891 million) cash and cash equivalents of which US$44.963 million (2007: US$95.945 million) was mainly in short term deposits and investments held by the Company. In addition, the Group has a bank overdraft of US$2.516 million (2007: US$2.769 million). The breakdown of the cash position is in Note 27 and Note 35 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 project over a three to five years' time horizon.

FINANCIAL REVIEW

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 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.

Key performance indicators for 2008 and 2007 are disclosed in the Financial Highlights on page 11.

The Company will only invest in projects where, at the time the investment is made, both the Company and the 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 investments 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 mix 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
16 April 2009

CORPORATE SOCIAL RESPONSIBILITY

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

MANAGING CORPORATE RESPONSIBILITY

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

ENVIRONMENTAL MANAGEMENT

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

HEALTH AND SAFETY

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

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

EMPLOYEES

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

COMMUNITY

Aseana Properties believes in supporting social benefit works, and participate in social activities that enhance social progress and public welfare and link our development projects closely with those of society. During the year, the Group has continued to contribute to areas of education, arts, alleviation of poverty and health.

Among our main sponsorships is SENI Art Quest 2008 in Malaysia. The objective of the inaugural art competition initiated by SENI Mont' Kiara in collaboration with Garden International School and Mont' Kiara International School is to cultivate the young artistic talents among the children of our community. SENI Art Quest 08 was regarded by students, parents and teachers as a unique and rewarding experience, in its pursuit to discover more young and promising artistic talents.

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

Azlan is also a Board Member of various government and non-government related organisations including Khaznah Nasional Berhad, Labuan Offshore Financial Services Authority, Employees Provident Fund and he was appointed Chairman of Universiti Darul Iman Malaysia.

Azlan holds a Bachelor of Economics (Monash) and qualified as a Chartered Accountant (Australia). He is a Fellow 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.

CHRISTOPHER HENRY LOVELL
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, is also a director of Treveria PLC, NR Nordic & Russia Properties Limited, Public Service Properties Investments Limited and Yatra Capital Limited.

DAVID HARRIS
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.

DATO’ SERI ISMAIL BIN SHAHUDIN
NON-EXECUTIVE DIRECTOR

Ismail bin Shahudin was the Non-Executive Chairman of Bank Muamalat (a full-fledged Islamic banking group in Malaysia), a position he had held from March 2004 to June 2008. Prior to joining Bank Muamalat, Ismail was the Group CEO of MMC Corporation Berhad, a large diversified conglomerate in Malaysia until March 2006. Aside from this, 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.

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

JOHN LYNTON JONES
NON-EXECUTIVE DIRECTOR

John Lynton Jones 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 until 2006. He serves on the board of Kenetics Group Limited, an AIM-listed company and is a Trustee of the Horniman Museum in London. He studied at the University of Wales, Aberystwyth, where he took a first class honours in International Politics.

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The consolidated income statement for the year is set out on page 30. A review of the development and performance of the business has been set out in the Chairman's Statement, the Development Manager's Review and the Financial Review reports.

OBJECTIVES AND STRATEGY

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Economic	Inflation, economic recessions and movements in interest rates could affect property development activities.
Strategic	Incorrect strategy, including sector and geographical allocations and use of gearing, could lead to poor returns for shareholders.
Regulatory	Breach of regulatory rules could lead to suspension of the Company's Stock Exchange listing, financial penalties 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.
Going Concern	Failure of property development projects due to poor sales and collection, construction delays, inability to secure financing from banks may result in inadequate financial resources to continue operational existence and to meet financial liabilities and commitments.

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

RESULTS AND DIVIDENDS

The results for the year ended 31 December 2008 are set out in the attached financial statements.

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

PURCHASE OF OWN SHARES

The Company was granted authority in a resolution at the Extraordinary General Meeting on 17 October 2008 to purchase its own shares up to a total aggregate value of 14.99% of the issued nominal capital. The authority shall expire 12 months from the date of passing of this resolution. No purchase of own shares by the Company accrued during year 2008.

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. No further shares have been issued in 2008. Further details on share capital are stated in Note 28.

DIRECTORS

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

- Dato' Mohammed Azlan Bin Hashim – Chairman
- Christopher Henry Lovell
- David Harris
- Dato' Seri Ismail Bin Shahudin
- John Lynton Jones

DIRECTORS' INTERESTS

The interests of the directors in the Company's shares as at 31 December 2008 and as at the date of this report were as follows:

Number of Shares held:

DIRECTOR	ORDINARY SHARES OF US$0.05 EACH
Christopher Henry Lovell (Indirect)	48,000
John Lynton Jones (Direct)	20,000

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

MANAGEMENT

The Board has contractually delegated the development management of the property development portfolio to Ireka Development Management Sdn. Bhd.. 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.

SUBSTANTIAL SHAREHOLDERS

The Board was aware of the following direct and indirect interests comprising a significant amount of the 3% or issued share capital of the Company at the latest practicable date before the publication of this Report as at 31 March 2009:

	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF ISSUED SHARE CAPITAL
Credit Suisse Securities Usa Llc	57,526,891	23.01%
Ireka Corporation Berhad	48,913,623	19.57%
Legacy Essence Limited	39,086,377	15.63%
Standard Life Investments	25,000,000	10.00%
European Clearing	19,175,094	7.67%
New Star Asset Management	14,000,000	5.60%
Ospraie Management Llc	8,122,500	3.25%

EVENTS AFTER THE BALANCE SHEET DATE

On 12 January 2009, the Company has, via its wholly-owned subsidiary ASPL M2 Limited, entered into a conditional Sale and Purchase Agreement to acquire the remaining 40% stake in ICSD Ventures Sdn. Bhd. from Geo Fusion Resources Sdn. Bhd. for RM15.000 million (US$4.330 million) comprising 70% cash and 30% in the form of completed properties at the Sandakan Harbour Square Project ("SHSP"). The completion date for the acquisition shall be thirty three months from 21 September 2008 or upon obtaining the certificate of fitness for Phases 3 and 4 of SHSP, whichever is earlier.

On 15 January 2009, the Company's 51% subsidiary Hoa Lam - Shangri-La Healthcare Limited Liability Company has secured the Land Use Rights Certificate for its 37.54 hectares site to develop a mixed commercial hospitality and residential development known as International Hi-Tech Healthcare Park in the Binh Tan District, Ho Chi Minh City.

On 30 March 2009, the Company has, via its wholly-owned subsidiary ASPL M8 Limited acquired 851 ordinary shares, representing 85.1% of the issued shares, of RM1.00 each for RM851.00 in Legolas Capital Sdn. Bhd..

EMPLOYEES

The Company has no executive directors or employees. A management agreement exists between the Company and its Development Manager which sets out the role of the Development Manager in managing the operating units of the Company. The Development Manager had eighty managerial and technical staff under its employment in Malaysia and Vietnam as at 31 December 2008.

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 suppliers are made in accordance with all relevant terms and conditions. Trade creditors as at 31 December 2008 amounted to 75 days (2007: 111 days) of purchases made in the year.

FINANCIAL INSTRUMENTS

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

DIRECTORS' LIABILITIES

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

RE-APPOINTMENT OF AUDITORS

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

BOARD COMMITTEES

Information on the Audit Committee, Nomination Committee, Remuneration Committee, Management Engagement Committee and Investment Committee is included in the Corporate Governance section of the Annual Report on pages 23 to 25.

ANNUAL GENERAL MEETING

The tabling of the 2008 Annual Report and Financial Statements to shareholders will be at Annual General Meeting to be held on 2 June 2009.

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

On behalf of the Board

DATO' MOHAMMED AZLAN BIN HASHIM
DIRECTOR

CHRISTOPHER HENRY LOVELL
DIRECTOR

16 April 2009

REPORT OF DIRECTORS' REMUNERATION

DIRECTORS' EMOLUMENTS

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

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

Details of the emoluments of each director of the Company for the year ended 31 December 2008 were as follows:

DIRECTOR	DIRECTOR FEES (US$)
Dato' Mohammed Azlan Bin Hashim	54,737
Christopher Henry Lovell	45,590
David Harris	45,626
Dato' Seri Ismail Bin Shahudin	45,598
John Lynton Jones	45,583
Total	**237,134**

SHARE OPTIONS

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

SHARE PRICE INFORMATION

- High for the year – US$1.038
- Low for the year – US$0.212
- Close for the year – US$0.215

PENSION SCHEME

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

SERVICE CONTRACTS

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

JOHN LYNTON JONES
CHAIRMAN OF THE REMUNERATION COMMITTEE
16 April 2009

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's size and complexity.

The Board currently comprises the following members:

- Dato' Mohammed Azlan Bin Hashim (Non-executive chairman)
- Christopher Henry Lovell (Non-executive director)
- David Harris (Non-executive director)
- Dato' Seri Ismail Bin Shahudin (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 seven times during the year ended 31 December 2008. 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 non-executive 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 16 to 17 of this Annual Report.

PERFORMANCE APPRAISAL

The Board undertakes a formal annual evaluation of its own performance and that of its Committees and that of individual directors. The reviews took place in May and November 2008.

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 Audit, Nomination, Remuneration, Management Engagement and Investment 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 Company's registered office at 12 Castle Street, St. Helier, Jersey, JE2 3RT, Channel Islands.

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. The Committee met twice during the year ended 31 December 2008. Any member of the Audit Committee or the auditors may request a meeting if they consider that one is necessary. A representative of the auditors, the Chief Financial Officer and Chief Executive Officer of the Development Manager shall attend 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.

NOMINATION COMMITTEE

The Nomination Committee is chaired by Dato' Mohammed Azlan bin Hashim. Its other members are David Harris and John Lynton Jones. The Committee meets at least twice a year and at any such times as the Chairman of the Nomination Committee shall require. The Committee met twice during the year ended 31 December 2008.

The Committee is responsible for:-

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

REMUNERATION COMMITTEE

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

The Committee meets at least once a year and at any such times as the Chairman of the Remuneration Committee shall require. The Committee met once during the year ended 31 December 2008.

The Committee is responsible for:-

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

MANAGEMENT ENGAGEMENT COMMITTEE

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

The Committee meets at least twice a year and at any such times as the Chairman of the Management Engagement Committee shall require. The Committee met twice during the year ended 31 December 2008.

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.

INVESTMENT COMMITTEE

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

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 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 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 year, 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 visits to operating units and projects by the Board.

RELATIONSHIP WITH SHAREHOLDERS

The Company has designated the Development Manager's Chief Executive Officer and designated members of its senior management as the principal spokesmen with investors, analysts, fund managers, the press and other interested parties. The Board is informed on material information provided to shareholders and 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
16 April 2009

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ASEANA PROPERTIES LIMITED

We have audited the Group and Parent Company financial statements (the "Financial Statements") of Aseana Properties Limited for the year ended 31 December 2008 which comprise the Group and Parent Company Income Statements, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the Group 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

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

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

We report to you our opinion as to whether the Financial Statements give a true and fair view, whether the Financial Statements have been properly prepared in accordance with the Companies (Jersey) Law 1991 and, as regards the Group Financial Statements, Article 4 of the IAS Regulations and whether the information given in the Directors' Report is consistent with the financial statements. We also 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 required for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the 2006 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

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 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 judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

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

OPINION

In our opinion:

- the Financial Statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the Group's and the Parent Company's affairs as at 31 December 2008 and of the Group's and the Parent Company's loss for the year then ended;
- the Financial Statements have been properly prepared in accordance with the Companies (Jersey) Law 1991 and, as regards the Group Financial Statements, Article 4 of the IAS Regulations, and
- the information given in the Directors' Report is consistent with the Financial Statements.

Mazars LLP
Chartered Accountants

16 April 2009

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

FINANCIAL STATEMENTS

i-ZEN@Kiara I, Kuala Lumpur

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

		Group		Company	
			Fifteen		Fifteen
		Year ended	months ended	Year ended	months ended
		31 December	31 December	31 December	31 December
		2008	2007	2008	2007
Continuing activities	**Notes**	**US$**	**US$**	**US$**	**US$**
Revenue	6	**97,894,616**	45,176,071	**–**	–
Cost of sales	7	**(91,367,018)**	(46,239,698)	**–**	–
Gross profit/ (loss)		**6,527,598**	(1,063,627)	**–**	–
Other income	8	**82,480**	995,033	**–**	–
Administrative expenses		**(1,382,449)**	(976,293)	**(722,445)**	(162,472)
Foreign exchange (loss)/ gain	9	**(10,170,627)**	89,397	**(8,142,239)**	(461,240)
Management fees	10	**(4,743,880)**	(3,631,693)	**(4,743,880)**	(3,631,693)
Other operating expenses		**(1,365,863)**	(848,064)	**(717,035)**	(308,938)
Operating loss	11	**(11,052,741)**	(5,435,247)	**(14,325,599)**	(4,564,343)
Investment income	6	**4,534,122**	4,320,485	**3,073,714**	4,063,166
Finance costs	13	**(357,168)**	(132,689)	**(55,535)**	–
Impairment of investment in associate		**(1,956,718)**	–	**–**	–
Share of results of associated company		**(3,863)**	–	**–**	–
Net loss before taxation		**(8,836,368)**	(1,247,451)	**(11,307,420)**	(501,177)
Taxation	14	**(3,820,493)**	(1,982,731)	**–**	–
Net loss for the year/period		**(12,656,861)**	(3,230,182)	**(11,307,420)**	(501,177)
Equity minority interest		**(677,125)**	(29,998)	**–**	–
Loss for the year/period attributable to the equity holders of the company		**(13,333,986)**	(3,260,180)	**(11,307,420)**	(501,177)
Loss per share attributable to shareholders of the company – US cents per share					
• Basic	15	**(5.33)**	(1.76)	**(4.52)**	(0.27)
• Diluted	15	**(5.33)**	(1.76)	**(4.52)**	(0.27)

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

BALANCE SHEET

AS AT
31 DECEMBER 2008

	Notes	Group 2008 US$	Group 2007 US$	Company 2008 US$	Company 2007 US$
Assets					
Non-current assets					
Property, plant and equipment	16	**347,597**	389,556	**–**	–
Investment in associate	17	**573,537**	12	**–**	–
Investment in subsidiaries	18	**–**	–	**66,428,475**	66,428,468
Available-for-sale investments	19	**13,023,572**	–	**–**	–
Intangible assets	20	**10,694,446**	–	**–**	–
Prepaid land lease payment	21	**–**	2,300,663	**–**	–
Land held for property development	22(a)	**17,418,710**	16,798,134	**–**	–
Long term receivables	23	**7,217,500**	6,048,000	**–**	–
Deferred tax assets	24	**120,586**	–	**–**	–
Total non-current assets		**49,395,948**	25,536,365	**66,428,475**	66,428,468
Current assets					
Property development costs	22(b)	**224,380,241**	213,585,677	**–**	–
Trade and other receivables	25	**18,703,053**	18,609,214	**1,559,646**	272,624
Due from subsidiaries	26	**–**	–	**118,272,466**	86,985,241
Cash and cash equivalents	27	**67,252,282**	122,890,641	**44,963,188**	95,944,989
Total current assets		**310,335,576**	355,085,532	**164,795,300**	183,202,854
TOTAL ASSETS		**359,731,524**	380,621,897	**231,223,775**	249,631,322
Equity and Liabilities					
Equity					
Share capital	28	**12,500,000**	12,500,000	**12,500,000**	12,500,000
Share premium	29	**227,233,267**	227,233,267	**227,233,267**	227,233,267
Exchange fluctuation reserve	31	**(1,150,503)**	469,497	**–**	–
Retained earnings	32	**(15,941,630)**	(2,607,644)	**(11,156,061)**	151,359
Shareholders' equity		**222,641,134**	237,595,120	**228,577,206**	239,884,626
Minority interests		**8,257,045**	1,845,682	**–**	–
Total equity		**230,898,179**	239,440,802	**228,577,206**	239,884,626

BALANCE SHEET
AS AT
31 DECEMBER 2008

	Notes	Group 2008 US$	Group 2007 US$	Company 2008 US$	Company 2007 US$
Current liabilities					
Trade and other payables	33	**29,257,923**	58,269,002	**2,646,569**	9,746,696
Finance lease liabilities	34	**20,553**	23,939	**–**	–
Bank loans and borrowings	35	**3,062,611**	17,381,300	**–**	–
Current tax liabilities		**1,904,698**	2,986,364	**–**	–
Total current liabilities		**34,245,785**	78,660,605	**2,646,569**	9,746,696
Non-current liabilities					
Finance lease liabilities	34	**19,517**	41,971	**–**	–
Bank term loans	36	**45,801,429**	26,584,146	**–**	–
Long term loans	37	**48,766,614**	35,890,646	**–**	–
Deferred tax liability	38	**–**	3,727	**–**	–
Total non-current liabilities		**94,587,560**	62,520,490	**–**	–
Total liabilities		**128,833,345**	141,181,095	**2,646,569**	9,746,696
TOTAL EQUITY AND LIABILITIES		**359,731,524**	380,621,897	**231,223,775**	249,631,322

The financial statements were approved on 16 April 2009 and authorised for issue by the Board and were signed on behalf by

DATO' MOHAMMED AZLAN BIN HASHIM
DIRECTOR

CHRISTOPHER HENRY LOVELL
DIRECTOR

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2008

	Retained Earnings US$	Share Capital US$	Share Premium US$	Exchange Fluctuation Reserve US$	Total US$
Group					
Balance as at 1 January 2008	(2,607,644)	12,500,000	227,233,267	469,497	237,595,120
Loss for the financial year	(13,333,986)	–	–	–	(13,333,986)
Currency translation differences	–	–	–	(1,620,000)	(1,620,000)
Shareholders' equity as at 31 December 2008	**(15,941,630)**	**12,500,000**	**227,233,267**	**(1,150,503)**	**222,641,134**

	Retained Earnings US$	Share Capital US$	Share Premium US$	Total US$
Company				
Balance as at 1 January 2008	151,359	12,500,000	227,233,267	239,884,626
Loss for the financial year	(11,307,420)	–	–	(11,307,420)
Shareholders' equity as at 31 December 2008	**(11,156,061)**	**12,500,000**	**227,233,267**	**228,577,206**

	Retained Earnings US$	Share Capital US$	Share Premium US$	Exchange Fluctuation Reserve US$	Total US$
Group					
Issue of shares	–	12,500,000	237,500,000	–	250,000,000
Loss for the financial period	(3,260,180)	–	–	–	(3,260,180)
Share options	652,536	–	–	–	652,536
Share issue costs	–	–	(10,266,733)	–	(10,266,733)
Currency translation differences	–	–	–	469,497	469,497
Shareholders' equity as at 31 December 2007	(2,607,644)	12,500,000	227,233,267	469,497	237,595,120

	Retained Earnings US$	Share Capital US$	Share Premium US$	Total US$
Company				
Issue of shares	–	12,500,000	237,500,000	250,000,000
Loss for the financial period	(501,177)	–	–	(501,177)
Share options	652,536	–	–	652,536
Share issue costs	–	–	(10,266,733)	(10,266,733)
Shareholders' equity as at 31 December 2007	151,359	12,500,000	227,233,267	239,884,626

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Group 2008 US$	Group 2007 US$	Company 2008 US$	Company 2007 US$
Cash Flows from Operating Activities				
Net loss before taxation for the financial year/period	**(8,836,368)**	(1,247,451)	**(11,307,420)**	(501,177)
Unrealised foreign exchange loss/(gain)	**9,914,487**	(87,091)	**7,981,375**	–
Depreciation of property, plant and equipment	**54,952**	30,953	**–**	–
Amortisation of leasehold land payment	**–**	9,916	**–**	–
Impairment of investment in associate	**1,956,718**	–	**–**	–
Operating profit/ (loss) before working capital changes	**3,089,789**	(1,293,673)	**(3,326,045)**	(501,177)
Changes in working capital:				
Decrease in inventories	**–**	2,167,598	**–**	–
Increase in property development costs	**(12,518,925)**	(3,743,106)	**–**	–
Decrease/ (increase) in leasehold land payment	**2,196,181**	(2,300,663)	**–**	–
Share of results from associated company	**3,863**	–	**–**	–
Increase in receivables	**(1,263,339)**	(5,079,922)	**(1,287,022)**	(272,624)
(Decrease)/ increase in payables	**(27,942,654)**	12,155,747	**(7,100,127)**	5,109,008
Net cash (used in)/ generated from operations	**(36,435,085)**	1,905,981	**(11,713,194)**	4,335,207
Tax paid	**(4,743,431)**	(1,142,124)	**–**	–
Net cash flows (used in)/ from operating activities	**(41,178,516)**	763,857	**(11,713,194)**	4,335,207
Cash Flows From Investing Activities				
Acquisition of subsidiaries, net of cash	**(4,831,774)**	(37,883,066)	**(7)**	(22,704,403)
Acquisition of land held for property development	**(1,382,184)**	(13,212,866)	**–**	–
Advances to associate	**–**	252,019	**–**	–
Advances to subsidiaries	**–**	–	**(31,287,225)**	(38,071,618)
Purchase of property, plant and equipment	**(28,517)**	(49,467)	**–**	–
Purchase of shares in associate	**(2,567,962)**	(12)	**–**	–
Purchase of available-for-sale investments	**(13,023,572)**	–	**–**	–
Placement of short term bank deposits	**(1,880,189)**	–	**–**	–
Net cash used in investing activities	**(23,714,198)**	(50,893,392)	**(31,287,232)**	(60,776,021)
Cash Flows From Financing Activities				
Net proceeds from issue of shares	**–**	152,385,803	**–**	152,385,803
Repayment of borrowings	**(14,064,981)**	(22,774,397)	**–**	–
Drawdown of borrowings	**32,093,251**	41,067,791	**–**	–
Repayment of finance lease liabilities	**(25,840)**	(96,086)	**–**	–
Repayment of amount owing to directors	**–**	(889,021)	**–**	–
Net cash flows generated from financing activities	**18,002,430**	169,694,090	**–**	152,385,803
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR/PERIOD	**(46,890,284)**	119,564,555	**(43,000,426)**	95,944,989
Effect of changes in exchange rates	**(10,374,556)**	556,588	**(7,981,375)**	–
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/PERIOD	**120,121,143**	–	**95,944,989**	–
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD	**62,856,303**	120,121,143	**44,963,188**	95,944,989

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

1 GENERAL INFORMATION

Aseana Properties Limited 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 12 Castle Street, St. Helier, Jersey, JE2 3RT, Channel Islands. 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 Malaysia and Vietnam. The Group typically invests in development projects at the pre-construction stage and also selectively invest in projects in construction and newly completed projects with potential capital appreciation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation

The Group and the Company financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and IFRIC interpretations issued, and effective, or issued and early adopted, 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 2008.

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

Control is normally evident when Aseana Properties Limited, or a company which it controls, owns more than 50% of the voting rights of a company's share capital. A list of the main operating subsidiaries is provided in Note 42.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Statement of Compliance

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

2.4 IFRSs 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 2008 or not applicable to the Group's business.

New/Revised International Financial Reporting Standards		Issued	Effective Date
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendment relating to cost of an investment on first-time adoption	Revised May 2008	Annual periods beginning on or after 1 January 2009
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 5	Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from May 2008 Annual Improvements to IFRSs	Revised May 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
IAS 1	Presentation of Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 2009
IAS 16	Property, Plant and Equipment - Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 2009
IAS 19	Employee Benefits - Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 2009
IAS 20	Government Grants and Disclosure of Government Assistance - Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New/Revised International Financial Reporting Standards		Issued	Effective Date
IAS 23	Borrowing Costs - Comprehensive revision to prohibit immediate expensing	2007	Borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009
IAS 23	Borrowing Costs - Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning 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	Consolidated and Separate Financial Statements - Amendment relating to cost of an investment on first-time adoption	Revised 2008	Annual periods beginning on or after 1 January 2009
IAS 27	Consolidated and Separate Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 2009
IAS 28	Investments in Associates - Consequential amendments arising from amendments to IFRS 3	2008	Annual periods beginning on or after 1 July 2009
IAS 28	Investments in Associates - Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 2009
IAS 29	Financial Reporting in Hyperinflationary Economies - Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 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 31	Interests in Joint Ventures - Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 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
IAS 36	Impairment of Assets - Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 2009
IAS 38	Intangible Assets - Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 2009
IAS 39	Financial Instruments: Recognition and Measurement - Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New/Revised International Financial Reporting Standards		Issued	Effective Date
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items	July 2008	Annual periods beginning on or after 1 July 2009
IAS 40	Investment Property - Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 2009
IAS 41	Agriculture - Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 2009

IFRIC Interpretation		Effective Date
IFRIC 13	Customer Loyalty Programmes	Annual periods beginning on or after 1 July 2008
IFRIC 15	Agreements for the Construction of Real Estate	Annual periods beginning on or after 1 January 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	Annual periods beginning on or after 1 October 2008
IFRIC 17	Distributions of Non-cash Assets to Owners	Annual periods beginning on or after 1 July 2009

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.

The significant accounting policies adopted are consistent with those of the previous financial period except for the adoption of IFRS 7 Financial Instruments – Disclosure Original issuance which is mandatory and applicable to the Company for financial periods beginning on or after 1 January 2007.

In the opinion of the directors, the adoption of these IFRSs does not result in significant changes in the accounting policies of the Company or has significant impact on the financial statements of the Company.

2.5 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 year as described in Note 2.17(b).

b. Interest Income

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 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, Malaysian Ringgit and Vietnam Dong. 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 year, unless exchange rates fluctuate significantly during the year, in which case the exchange rates at the dates of the transactions are used.

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

2.7 Business Combinations

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

The Group acquired three companies: Shangri-La Healthcare Investment Pte Ltd, Hoa Lam Services Company Ltd and Hoa Lam - Shangri-La Healthcare Limited Liability on 29 May 2008. 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.

2.8 Available-for-Sale Investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held to maturity investments or financial assets at fair value through profit and loss. After initial recognition available-for-sale financial assets are measure at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the closure of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of which is substantially the same; discounted cash flow analysis and option pricing models.

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.

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 year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of equipment beyond its original assessed standard of performance, the expenditures are capitalised as an additional cost of equipment. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of equipment.

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

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

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.

2.15 Intangible Assets

Intangible Assets comprise licence contracts and related relationships. On acquisition, value is attributable to non-contractual relationships and other contracts with long-standing to the extent that future economic benefits are expected to flow from the relationships.

Licence contracts and related relationships are amortised over their expected useful lives at a rate to match the expected future economic benefits. Licence contracts and related relationships will be amortised progressively until the end of the licence period (ending on 9 July 2077) or upon the progressive disposal of the various components of the project.

2.16 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)

2.17 Property Development Activities

a. Land held for Property Development

Land held for property development consists 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 a non-current asset and is stated at cost less accumulated impairment losses.

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

Land 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 the fair value of the development assets on the acquisition date and is 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.

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 are recognised as an asset and are stated at the lower of cost and net realisable value. Upon completion of development, the unsold completed development properties are transferred to inventories.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Trade and Other Receivables

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

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

2.19 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.

2.20 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.

2.21 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.

2.22 Finance Costs

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

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

2.23 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 corresponding outstanding obligations due under hire purchase after deducting finance expenses are included as liabilities in the financial statements. Finance charges are allocated to the income statement over the period of the hire purchase agreements on a straight line basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Financial instruments

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

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

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement. Accounting for interest income and finance cost is discussed in note 2.5(b) and 2.22 respectively.

2.25 Equity Instruments

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

2.26 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.

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

2.27 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.28 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.

2.29 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 year. The Directors believe that the accounting policies chosen are appropriate to the circumstances and that estimates, judgements and assumptions involved in its financial reporting are reasonable. Accounting estimates made by Directors are based on historical experience and on information available to them at the time the estimates is made. Accordingly, actual outcome may differ materially from current expectations under different assumptions and conditions. The principal areas in which significant estimates, assumptions and judgement are applied are as follows:

a. Profit Recognition

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

Accordingly, revenue 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 year 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

3 FINANCIAL RISK MANAGEMENT, RECOGNITION AND ACCOUNTING

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

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

4 FINANCIAL AND CAPITAL RISK MANAGEMENT

(a) Financial risk management objectives and policies

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

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

4.1 Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's 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 AND CAPITAL RISK MANAGEMENT (CONT'D)

4.3 Foreign Currency Risk

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

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

4.4 Fair Values

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

The fair values of finance lease liabilities approximate the carrying amounts shown in the 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 equivalents, 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.

4.7 Management and Control Risk

Changes that cause the management and control of the Company to be exercised in the United Kingdom could lead to the Company becoming liable to United Kingdom taxation on income and capital gains.

(b) Capital risk management

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

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

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

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

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

4 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

The Group's policy is to maintain the gearing ratio at a moderate level. As at 31 December 2008 the ratio was 43.9% compared to 33.6% as at 31 December 2007, as follows:-

	Group	
	2008	2007
	US$	US$
Debts		
Bank Borrowings	**97,670,724**	79,922,002
	97,670,724	79,922,002
Equity		
Capital and reserve attributable to equity holders of the company	**222,641,134**	237,595,120
	222,641,134	237,595,120
Gearing Ratio	**43.9%**	33.6%

The debt to equity ratio, defined and calculated by the Group as total debts (total liabilities) to the owner's equity. As at 31 December 2008 the ratio was 57.9% compared to 59.4% as at 31 December 2007, as follows:-

	Group	
	2008	2007
	US$	US$
Total Debts	**128,833,345**	141,181,095
	128,833,345	141,181,095
Capital and reserve attributable to equity holders of the company	**222,641,134**	237,595,120
	222,641,134	237,595,120
Debt to Equity Ratio	**57.9%**	59.4%

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.

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

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 disclosed in the financial statements and described in Note 43. 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 year.

The Company is an investment holding company and has no operating revenue. The Group's operating revenue for the year was attributable to the sale of development properties in Malaysia. The Company's property investments in Vietnam have not commenced business as at 31 December 2008.

	Group		Company	
Revenue	**2008**	**2007**	**2008**	**2007**
	US$	**US$**	**US$**	**US$**
Sale of development properties	**97,894,616**	43,073,785	**–**	–
Sale of completed units	**–**	2,102,286	**–**	–
	97,894,616	45,176,071	**–**	–

6 REVENUE AND SEGMENTAL INFORMATION (CONT'D)

	Group		Company	
Investment Income	2008	2007	2008	2007
	US$	US$	US$	US$
Bank interest receivable	**4,534,122**	4,320,485	**3,073,714**	4,063,166
	4,534,122	4,320,485	**3,073,714**	4,063,166

The Directors consider that the Group has only one reportable business and geographical segment and the results and position of this segment is as disclosed in the Consolidated Income Statement and Consolidated Balance Sheet. The business and geographical segment of the Group are property development and Malaysia respectively.

7 COST OF SALES

	Group		Company	
	2008	2007	2008	2007
	US$	US$	US$	US$
Direct costs attributable to property development	**91,367,018**	46,239,698	**–**	–
	91,367,018	46,239,698	**–**	–

8 OTHER INCOME

	Group		Company	
	2008	2007	2008	2007
	US$	US$	US$	US$
Sundry income	**82,480**	995,033	**–**	–
	82,480	995,033	**–**	–

9 FOREIGN EXCHANGE (LOSS)/ GAIN

	Group		Company	
	2008	2007	2008	2007
	US$	US$	US$	US$
Foreign exchange (loss)/ gain comprises:				
Unrealised foreign exchange (loss)/ gain on foreign currency denominated cash and cash equivalents and long term loans	**(9,914,487)**	87,091	**(7,981,375)**	–
Realised foreign exchange (loss)/ gain	**(256,140)**	2,306	**(160,864)**	(461,240)
	(10,170,627)	89,397	**(8,142,239)**	(461,240)

10 MANAGEMENT FEES

	Group		Company	
	2008	2007	2008	2007
	US$	US$	US$	US$
Development management fees	**4,743,880**	3,631,693	**4,743,880**	3,631,693
	4,743,880	3,631,693	**4,743,880**	3,631,693

Under the Management Agreement between the Company and Ireka Development Management Sdn. Bhd. dated 27 March 2007, the Development Manager is entitled to 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 is entitled to a performance fee calculated at 20% of the out performance net asset value over a total return hurdle rate of 10%. No performance fee has been paid during the year (2007: US$Nil).

11 OPERATING LOSS

	Group		Company	
	2008	2007	2008	2007
	US$	US$	US$	US$
Operating loss is stated after charging/(crediting):				
• Directors' fees	**237,134**	212,204	**237,134**	212,204
• Staff costs	**278,090**	251,501	**–**	–
• Auditor's remuneration – audit services	**76,012**	96,000	**76,012**	96,000
• Company auditor's and its associates' remuneration:				
–audit services	**43,197**	–	**–**	–
–tax services	**8,777**	–	**–**	–
–other service*	**–**	330,536	**–**	330,536
• Depreciation of property, plant and equipment	**54,952**	30,953	**–**	–
• Amortisation of prepaid leasehold land lease	**–**	9,916	**–**	–

* The other service fees in 2007 were charged to the share premium account.

12 STAFF COSTS

	Group		Company	
	2008	2007	2008	2007
	US$	US$	US$	US$
Wages & salaries	**251,299**	224,933	**–**	–
Social security and other pension costs	**26,791**	26,568	**–**	–
	278,090	251,501	**–**	–

The Company has no executive directors or employees under its employment. Of the Group's non wholly-owned subsidiaries, ICSD Ventures Sdn. Bhd., Aseana-BDC Company Limited and Hoa Lam – Shangri-La Healthcare Limited Liability Company have a total of 22 (2007: 11) employees.

13 FINANCE COSTS

	Group		Company	
	2008	2007	2008	2007
	US$	US$	US$	US$
Interest on bank overdraft	231,021	122,511	13,187	–
Hire purchase charges	3,808	10,178	–	–
Bank guarantee commission	42,348	–	42,348	–
Revolving credit interests	79,991	–	–	–
	357,168	132,689	55,535	–

14 TAXATION

	Group	
	2008	2007
	US$	US$
Current year/period	3,949,625	1,997,209
Deferred tax	(129,132)	(14,478)
Total tax expense for the year/period	3,820,493	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	
	2008	2007
	US$	US$
Accounting loss	(8,836,368)	(1,247,451)
Income tax at a rate of 26%	(2,297,456)	(324,337)
Add:		
Tax effect of expenses not deductible in determining taxable profit	7,182,643	3,683,488
Less:		
Tax effect of income not taxable in determining taxable profit	(1,064,694)	(1,376,420)
Total tax expense for the year/period	3,820,493	1,982,731

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 Comptroller 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.

The tax payable arose out of the Malaysian subsidiary companies.

15 LOSS PER SHARE

	2008 US$	2007 US$
Loss for the year/period attributable to the equity holders of the company	**(13,333,986)**	(3,260,180)
Weighted average number of shares:		
Basic and diluted	**250,000,000**	185,616,440
Loss per share (US cents) :		
Basic	**5.33**	1.76
Diluted	**5.33**	1.76

Basic loss per share is calculated by dividing the net loss for the year/period of the Company by the weighted average number of ordinary shares in issue during the year/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 1 January 2008	317,595	102,914	420,509
Exchange adjustments	(14,388)	(4,662)	(19,050)
Additions	28,517	–	28,517
As at 31 December 2008	**331,724**	**98,252**	**429,976**
Accumulated Depreciation			
At 1 January 2008	25,630	5,323	30,953
Exchange adjustments	(2,536)	(990)	(3,526)
Charge for the year	35,569	19,383	54,952
As at 31 December 2008	**58,663**	**23,716**	**82,379**
Net carrying amount as at 31 December 2008	**273,061**	**74,536**	**347,597**

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

17 INVESTMENT IN ASSOCIATE

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

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

During the financial year, ASPL M3A Limited, increased its shareholding in Excellent Bonanza Sdn. Bhd. by subscribing for 1,999,960 of ordinary shares of RM1.00 each at a cost of RM1,999,960 (US$611,048). This increased the number of ordinary shares owned by the Company from 40 in 2007 to 2,000,000 in 2008.

During the financial year, ASPL M3A Limited also subscribed for 62,406 redeemable preference shares in Excellent Bonanza Sdn. Bhd. at a cost of RM6,240,600 (US$1,956,914). The redeemable preference shares were issued at par value of RM0.01 with a premium of RM99.99, and redeemable at RM0.01 per share. This resulted in an impairment of investment in associate of RM6,239,976 (US$1,956,718).

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:

	2008	2007
Balance sheet	US$	US$
Non-current assets	–	30,833,914
Current assets	32,870,055	218
Total assets	32,870,055	30,834,132
Non-current liabilities	27,453,515	–
Current liabilities	3,982,698	30,833,913
Total liabilities	31,436,213	30,833,913
Equity	1,433,842	219
Total Equity and Liabilities	32,870,055	30,834,132
Profit & loss		
Revenue	–	–
Other operating income	1,824	–
Cost of sales, expenses including finance costs & taxation	(11,482)	–
Loss	(9,658)	–

The associated company has not commenced trading as at 31 December 2008.

18 INVESTMENT IN SUBSIDIARIES

	Company	
	2008	2007
	US$	US$
Unquoted shares, at cost	**66,428,475**	66,428,468

A list of the main operating subsidiaries is provided in Note 42.

19 AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2008	2007
	US$	US$
Unquoted shares, at cost	**13,023,572**	–

The Directors review the carrying amounts of available-for-sale investments at each balance sheet date to determine whether there is an indication of impairment in value other than temporary. The Directors' assessment on whether there is an indication is mainly based on the latest available financial statements of these investee companies. The available-for-sale investment includes unquoted equity instruments whose fair value could not be reliably measured, and which were therefore recognised at cost in the amount of US$13,023,572 (2007: US$Nil).

20 INTANGIBLE ASSETS

Group

	Licence Contracts and related relationships US$
Cost	
At 1 January 2008	–
Additions through acquisition of subsidiaries	10,694,446
As at 31 December 2008	**10,694,446**
Accumulated amortisation and impairment losses	
At 1 January 2008 and 31 December 2008	–
Amortisation recognised	–
As at 31 December 2008	**–**
Net carrying amount as at 31 December 2008	**10,694,446**
Net carrying amount as at 31 December 2007	–

Licence contracts and related relationships will be fully amortised according to the future economic benefits of the relationships.

21 PREPAID LAND LEASE PAYMENT

	Group 2008 US$	Group 2007 US$
Cost		
At 1 January	2,310,579	–
Exchange adjustments	(104,932)	–
Additions through acquisition of subsidiaries	–	2,310,579
Transfer to land held for property development	(2,205,647)	–
As at 31 December	–	2,310,579
Accumulated amortisation		
At 1 January	9,916	–
Exchange adjustments	(450)	–
Charge for the year/period	–	9,916
Transfer to land held for property development	(9,466)	–
As at 31 December	–	9,916
Net carrying amount as at 31 December	–	2,300,663

The leasehold land was purchased for a resort development on 25 August 2007 at a fair market value of US$2,310,579 and was transferred to land held for property development during the year.

22 PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

	Group 2008 US$	Group 2007 US$
At 1 January	16,798,134	–
Exchange adjustments	(761,608)	–
Additions through acquisition of subsidiaries	–	5,885,930
Additions	2,595,381	10,912,204
Transfer from prepaid land lease payment, after amortisation	2,196,181	–
Transfer to property development cost	(3,409,378)	–
As at 31 December	17,418,710	16,798,134

(b) Property development costs

	Group 2008 US$	Group 2007 US$
At 1 January	259,825,375	–
Exchange adjustments	(1,724,361)	–
At acquisition:		
• Subsidiaries' development costs based on year end exchange rate	–	75,324,653
• Cost of acquisition of Initial Portfolio assets	–	125,600,958
	258,101,014	200,925,611

(b) Property development costs (cont'd)

	Group 2008 US$	2007 US$
Add:		
Developments costs incurred during the year/period	85,485,051	58,899,764
Transfer from land held for property development	3,409,378	–
	346,995,443	259,825,375
Less:		
Costs recognised as expenses in the income statement:-		
• Recognised in previous financial period	(38,095,040)	–
• Recognised during the year/period	(68,103,536)	(38,095,040)
• Write down of cost of acquisition of Initial Portfolio assets recognised in previous financial period	(8,144,658)	–
• Write down of cost of acquisition of Initial Portfolio assets recognised during the year/period	(8,271,968)	(8,144,658)
As at 31 December	224,380,241	213,585,677

The above amounts include borrowing cost capitalised which amounted to US$6,790,772 (2007: US$1,383,258).

23 LONG TERM RECEIVABLES

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

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

24 DEFERRED TAX ASSETS

	Group 2008 US$	2007 US$
As at 1 January	–	–
Exchange adjustment	(4,988)	–
Deferred tax credit relating to origination and reversal of temporary differences during the year/period	125,574	–
As at 31 December	120,586	–

The deferred tax assets comprise:

	Group 2008 US$	2007 US$
Taxable temporary differences between net carrying amount and tax written down value of property, plant and equipment	(11,694)	–
Deductible temporarily differences between accounting profit and taxable profit of property development units sold	132,280	–
As at 31 December	120,586	–

25 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008	2007	2008	2007
	US$	US$	US$	US$
Accrued Billings	**1,764,313**	–	**–**	–
Trade receivables	**7,238,249**	16,083,809	**–**	–
Other receivables	**3,646,689**	2,311,717	**1,559,646**	272,624
Sundry deposits	**6,002,492**	211,480	**–**	–
Prepayments	**51,310**	2,208	**–**	–
	18,703,053	18,609,214	**1,559,646**	272,624

Accrued billings represent the excess of revenue recognised in the income statement over billing to purchasers of development properties.

Trade receivables represent progress billings receivable from the 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. They are recognised at their original invoice amounts which represent their fair values on initial recognition less provision for impairment where it is required.

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

	Group	
	2008	2007
	US$	US$
0 – 30 days	**2,714,872**	4,862,047
31 – 90 days	**1,145,204**	2,573,825
91 – 120 days	**891,079**	5,860,575
121 – 360 days	**1,202,269**	1,267,094
More than one year	**1,284,825**	1,520,268
	7,238,249	16,083,809

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

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

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

26 AMOUNT DUE FROM SUBSIDIARIES

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

27 CASH AND CASH EQUIVALENTS

	Group		Company	
	2008	2007	2008	2007
	US$	US$	US$	US$
Cash and cash at bank	**33,013,081**	22,068,549	**21,222,028**	126,394
Short term bank deposits and cash investments	**32,359,012**	100,822,092	**23,741,160**	95,818,595
Short term bank deposits pledged	**1,880,189**	–	**–**	–
	67,252,282	122,890,641	**44,963,188**	95,944,989

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

	Group		Company	
	2008	2007	2008	2007
	US$	US$	US$	US$
Cash and cash equivalents (as above)	**67,252,282**	122,890,641	**44,963,188**	95,944,989
Less: Short term bank deposits pledged (as above)	**(1,880,189)**	–	**–**	–
Less: Bank overdraft (Note 35)	**(2,515,790)**	(2,769,498)	**–**	–
	62,856,303	120,121,143	**44,963,188**	95,944,989

The interest rate of bank deposits and cash investments ranged between 2.7% and 4.2% per annum (2007: 0% and 6.5%) and the maturity period was between 3 days and 1 month during the year ended 31 December 2008 (2007: between 1 day and 33 days).

28 SHARE CAPITAL

	Group & Company		Group & Company	
	2008	2007	2008	2007
	Number of Shares		US$	US$
Authorised				
Ordinary Shares of US$0.05 each	**2,000,000,000**	2,000,000,000	**100,000,000**	100,000,000
Issued Share Capital	**250,000,000**	250,000,000	**12,500,000**	12,500,000

29 SHARE PREMIUM

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

	Group & Company 2008 US$	Group & Company 2007 US$
As at 31 December	**227,233,267**	227,233,267

30 SHARE OPTIONS

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

	2008 Number
1 January	**3,240,000**
Granted during the year/period	**–**
Exercised during the year/period	**–**
Expired during the year/period	**–**
Options outstanding and exercisable as at 31 December	**3,240,000**

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 year was US$0.6424 per share. The expected volatility reflects the historical volatility of the FTSE 350 Real Estate Index and is not indicative of the future trend, which may not necessarily be the actual outcome.

The 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.

	2008	2007
Weighted average exercise price of share options granted	**US$1.00**	US$1.00
Weighted average exercise price of share options exercised	**US$1.00**	US$1.00
Weighted average exercise price of share options outstanding at the end of the year/period	**US$1.00**	US$1.00
Weighted average exercise price of share options exercised during the year/period at the date of exercise	**US$1.00**	US$1.00
Weighted average contractual remaining life of share options outstanding at the end of the year/period contractual remaining life	**1.26 years**	2.26 years

31 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.

32 RETAINED EARNINGS

	Group		Company	
	2008 US$	2007 US$	2008 US$	2007 US$
At 1 January	**(2,607,644)**	–	**151,359**	–
Loss for the year/period	**(13,333,986)**	(3,260,180)	**(11,307,420)**	(501,177)
Share Options	**–**	652,536	**–**	652,536
As at 31 December	**(15,941,630)**	(2,607,644)	**(11,156,061)**	151,359

33 TRADE AND OTHER PAYABLES

	Group		Company	
	2008 US$	2007 US$	2008 US$	2007 US$
Progress billings received in advance	**3,169,544**	8,655,095	**–**	–
Trade payables	**15,606,921**	18,370,550	**–**	–
Other payables	**8,349,253**	27,878,840	**2,584,021**	9,746,696
Deposits refundable	**198,844**	1,318,606	**–**	–
Accruals	**501,888**	738,611	**62,548**	–
Loan from a minority shareholder of a subsidiary	**1,431,473**	–	**–**	–
Payables to ICB and subsidiaries	**–**	1,307,300	**–**	–
	29,257,923	58,269,002	**2,646,569**	9,746,696

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

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 loan from a minority shareholder of a subsidiary – Bumiraya Impian Sdn. Bhd. – is to finance the acquisition of a piece of land by the company.

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

34 FINANCE LEASE LIABILITIES

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

34 FINANCE LEASE LIABILITIES (CONT'D)

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 2008, the hire purchase liabilities bore effective interest at rates between 3.45% and 4.75% (2007: 3.45% and 4.75%) per annum.

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

35 BANK LOANS AND BORROWINGS

	Group	
	2008	2007
Secured	US$	US$
Revolving credit facility	–	453,600
Bank term loans	**546,821**	14,158,202
Bank overdraft	**2,515,790**	2,769,498
	3,062,611	17,381,300

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

The borrowings are secured by landed properties as stated in Note 2.17(a) (fixed charges on project lands (Note 22(a)) above) and corporate guarantee by the Company.

The borrowings are denominated in Malaysia Ringgit.

The bank term loans are repayable by monthly or quarterly instalments and the overdraft is repayable on demand.

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

36 BANK TERM LOANS

	Group	
	2008	2007
Secured	US$	US$
Outstanding term loans	**46,348,250**	40,742,348
Less:		
Repayments due within twelve months	**(546,821)**	(14,158,202)
Repayment due after twelve months	**45,801,429**	26,584,146

The effective interest rates of the term loan borrowings for the year ranged from 4.79% to 8.25% (2007: 7.75% to 9.00%) per annum.

The bank term loans and overdraft facilities of the Group are secured by landed properties as stated in Note 2.17(a) (fixed charges on project lands (Note 22(a)) above) and corporate guarantee by the Company.

The term loans are denominated in Malaysia Ringgit.

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

37 LONG TERM LOANS

	Group	
	2008	2007
	US$	US
Advance	**45,326,014**	33,890,646
Concessional loan	**2,000,000**	2,000,000
Long term loan from minority shareholders of a subsidiary	**1,440,600**	–
	48,766,614	35,890,646

The advance is from a special purpose vehicle and used to fund a development project known as one Mont' Kiara, Kuala Lumpur, Malaysia. The weighted interest rate of the loan was 6.98% (2007: 8.01%) as at 31 December 2008.

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

The long term loan from minority shareholders of a subsidiary – Shangri-La Healthcare Investment Pte Ltd - is to finance the investment in Hoa Lam Shangri-La Healthcare Limited Liability Company.

38 DEFERRED TAX LIABILITY

	Group	
	2008	2007
	US$	US$
At 1 January	**3,727**	–
Exchange adjustment	**(169)**	–
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 year/period	**(3,558)**	(14,478)
As at 31 December	**–**	3,727

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

39 FINANCIAL INSTRUMENTS

Categories of financial instruments

The carrying amount of each of the categories of financial instruments as at the balance sheet date are as follows:

	Group		Company	
	2008	2007	2008	2007
	US$	US$	US$	US$
Financial Assets				
Available-for-sale investments	**13,023,572**	–	**–**	–
Loans and receivables	**25,920,553**	24,657,214	**119,832,112**	87,257,865

39 FINANCIAL INSTRUMENTS (CONT'D)

	Group		Company	
	2008	2007	2008	2007
	US$	US$	US$	US$
Cash and cash equivalents	**67,252,282**	122,890,641	**44,963,188**	95,944,989
	106,196,407	147,547,855	**164,795,300**	183,202,854
Financial Liabilities				
Borrowings	**97,670,724**	79,922,002	**–**	–
Trade and other payables	**29,257,923**	58,269,002	**2,646,569**	9,746,696
	126,928,647	138,191,004	**2,646,569**	9,746,696

The above table excludes current tax liabilities and deferred tax liability.

Risk management objectives and policies

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern whilst optimising the debt and equity balance. The capital structure of the Group consists of debts, which includes bank loan and borrowings, bank term loans & long term loans disclosed in Notes 35, 36 and 37 respectively, cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

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

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

Interest rate sensitivity analysis

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

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

As at 31 December 2008, if interest rates had been 100 basis point higher/ lower and all other variables were held constant, this would increase/ (decrease) the Group's loss after tax by approximately US$269,778/ (US$269,778) (2007: (decrease)/increase by (US$449,686)/ US$449,686).

Liquidity risk analysis

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

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

39 FINANCIAL INSTRUMENTS (CONT'D)

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

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

Group	Within 1 year US$	1 – 5 years US$
At 31 December 2008		
Interest bearing loans, borrowings and obligation under finance lease	**3,083,164**	**94,587,560**
Trade and other payables	**29,257,923**	**–**
At 31 December 2007		
Interest bearing loans, borrowings and obligation under finance lease	17,405,239	62,516,763
Trade and other payables	58,269,002	–

The above table excludes current tax liabilities and deferred tax liability.

Company	Within 1 year US$	1 – 5 years US$
At 31 December 2008		
Trade and other payables	**2,646,569**	**–**
At 31 December 2007		
Trade and other payables	9,746,696	–

The above table excludes current tax liabilities and deferred tax liability.

Foreign currency risk sensitivity analysis

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

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

	2008		2007	
	Cash and cash equivalents US$	Long term loans US$	Cash and cash equivalents US$	Long term loans US$
US$	**1,811,691**	**3,440,600**	109,966,050	2,000,000
Non US$	**65,440,591**	**45,326,014**	12,924,591	33,890,646
	67,252,282	**48,766,614**	122,890,641	35,890,646

As at 31 December 2008, if United States Dollar strengthened/ (weakened) by 10% against Swiss Francs and all other variables were held constant, this would increase/ (decrease) the Group's loss after tax by approximately US$3,873,384/ (US$3,873,384).

As at 31 December 2008, if United States Dollar strengthened/ (weakened) by 10% against Malaysian Ringgit and all other variables were held constant, this would increase/ (decrease) the Group's loss after tax by approximately US$329,490/ (US$329,490).

As at 31 December 2008, if United States Dollar strengthened/ (weakened) by 10% against Vietnam Dong and all other variables were held constant, this would increase/ (decrease) the Group's loss after tax by approximately US$383,304/ (US$383,304).

39 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk analysis

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

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

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

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

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

40 RELATED PARTY TRANSACTIONS

Transactions between the Group and the Company with Ireka Corporation Berhad ("ICB") and its group of companies are classified as related party transactions as ICB owns 19.57% of the Company's issued ordinary shares as at 31 December 2008. Its relationships with the Group is as mentioned on page 19 of the Directors' Report under the headings of 'Management'.

	Group		Company	
	2008	2007	2008	2007
	US$	US$	US$	US$
Sale of properties to directors of ICB	–	309,615	–	–
Advances from an ICB subsidiary	**11,435,368**	33,890,646	–	–
Repayment of advances to ICB subsidiaries	–	4,471,431	–	–
Repayment of advances to former related associates	–	245,064	–	–
Interest paid to an ICB subsidiary	**2,863,482**	1,496,163	–	–
Payment for construction progress claims made by an ICB subsidiary	**71,143,525**	48,269,431	–	–
Site staff salary and costs paid to an ICB subsidiary	**611,147**	218,949	–	–
Payment to an 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 sales and administration fees to an ICB subsidiary	**189,189**	142,884	–	–
Payment of management fees to an ICB subsidiary	**4,743,880**	3,631,693	**4,743,880**	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$11.920 million as at 31 December 2008 (2007: US$16.975 million). Included within long term loans is a balance of US$45.300 million (2007: US$33.900 million) due to Legolas Capital Sdn. Bhd., a subsidiary of ICB.

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 42.

41 ACQUISITION OF BUSINESS

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

(a) Acquisition of Shangri-La Healthcare Investment Pte Ltd

On 29 May 2008, the Group acquired 51% of the issued share capital of Shangri-La Healthcare Investment Pte Ltd for a total consideration of US$3.821 million. The transaction is accounted for using the purchase method of accounting.

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

	Provisional fair value US$	Acquiree's carrying amount US$
Current assets	1,173,682	1,173,682
Cash and cash equivalents	9,826	9,826
Accruals	(351)	(351)
Licence contracts and related relationships	6,309,588	–
Net assets	7,492,745	1,183,157
Minority interest	(3,671,445)	
Net assets acquired	**3,821,300**	
Satisfied by:		
Cash consideration		3,821,300
Cash consideration		3,821,300
Less Cash and cash equivalents acquired		(9,826)
Net cash outflow arising on acquisition (see Note 41 (b))		**3,811,474**

If the acquisition of Shangri-La Healthcare Investment Pte Ltd had occurred on 1 January 2008, this would have increased the Group's loss before tax for the year by approximately US$1,121.

(b) Acquisition of Hoa Lam Services Company Limited

On 29 May 2008 , the Group acquired 51% of the issued share capital of Hoa Lam Services Company Limited for a total consideration of US$2.280 million. The transaction is accounted for by using the purchase method of accounting.

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

	Provisional fair value US$	Acquiree's carrying amount US$
Cash and cash equivalents	1,260,000	1,260,000
Licence contracts and related relationships	3,211,176	–
Net assets	4,471,176	1,260,000
Minority interest	(2,190,876)	–
Net assets acquired	**2,280,300**	

41 ACQUISITION OF BUSINESS (CONT'D)

	Provisional fair value US$	Acquiree's carrying amount US$
Satisfied by:		
Cash consideration		2,280,300
Cash consideration		2,280,300
Less Cash and cash equivalents acquired		(1,260,000)
Net cash outflow arising on acquisition		**1,020,300**

The acquisitions of Shangri-La Healthcare Investment Pte Ltd and Hoa Lam Services Company Ltd amounted to a total cash consideration of US$6,101,600. Therefore, the net cash outflow arising from these two acquisitions is:

	US$
Cash consideration	6,101,600
Less Cash and cash equivalents acquired	(1,269,826)
Net cash outflow arising on acquisition	**4,831,774**

(c) Acquisition of Hoa Lam – Shangri-La Healthcare Limited Liability Company

On 29 May 2008, the Group acquired 51% of the issued share capital of Hoa Lam – Shangri-La Healthcare Limited Liability Company ("HLSLHLLC") for a total consideration of US$5.370 million via Shangri-La Healthcare Investment Pte Ltd and Hoa Lam Services Company Limited between them acquiring a total of 100% of HLSLHLLC. The transaction is accounted for by using the purchase method of accounting.

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

	Provisional fair value US$	Acquiree's carrying amount US$
Cash and cash equivalents	4,200,000	4,200,000
Licence contracts and related relationships	1,173,682	–
Net assets	5,373,682	4,200,000
Minority interest	–	
Net assets acquired	**5,373,682**	
Satisfied by:		
Directly attributable costs		1,173,682
Cash consideration		4,200,000
		5,373,682
Cash consideration		4,200,000
Less Cash and cash equivalents acquired		(4,200,000)
Net cash outflow arising on acquisition		**–**

41 ACQUISITION OF BUSINESS (CONT'D)

(d) Acquisition of Aseana-BDC Company Limited

On 25 June 2008, the Group acquired 65% of the issued share capital of Aseana-BDC Company Limited. No capital contribution has been paid to the company as at 31 December 2008.

42 INVESTMENT IN PRINCIPAL SUBSIDIARIES AND ASSOCIATE

Name	Country of Incorporation	Percentage Interest	Principal Activities
Ireka Land Sdn. Bhd.	Malaysia	100%	Property development
Bumijaya Mawar Sdn. Bhd.	Malaysia	100%	Property development
Bumijaya Mahligai Sdn. Bhd.	Malaysia	100%	Property development
Amatir Resources Sdn. Bhd.	Malaysia	99.9%	Property development
Bumiraya Impian Sdn. Bhd.	Malaysia	80%	Property development
Aseana-BDC Co Ltd	Vietnam	65%	Property development
ICSD Ventures Sdn. Bhd.	Malaysia	60%	Property development
Hoa Lam-Shangri-La Healthcare Ltd Liability Co	Vietnam	51%	Property development
Excellent Bonanza Sdn. Bhd.	Malaysia	40%	Property development

Principal subsidaries and associates are those which materially affect the results or assets of the Group. The shareholdings of the principal subsidiaries and associates are held through subsidiaries.

43 COMMITMENTS & CONTINGENCIES

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

(a) Investment in Nam Long Investment Corporation

On 7 July 2008, the Company, via a wholly-owned subsidiary ASPL V6 Limited, acquired a strategic minority stake in Nam Long Investment Corporation ("Nam Long") for approximately US$18.03 million and at the same time, established an exclusive agreement with Nam Long to co-develop four projects in Ho Chi Minh City and also secured the option to develop other future high-end projects with Nam Long. Nam Long, a private property development company established in 1992, is a leading player in the real estate market in Ho Chi Minh City, Vietnam.

43 COMMITMENTS & CONTINGENCIES (CONT'D)

The investment in Nam Long Investment Corporation will be made in four tranches of shares subsciptions as per the Shares Subscription Agreement. As at 31 December 2008, ASPL V6 Limited has completed 3 tranches of shares which cost US$13,023,572 in total and the last tranche of shares was subscribed and paid for on 23 January 2009 which amounted to US$4,200,049.

(b) Bank Guarantees

The Company has provided three bank guarantees totalling RM49.500 million (US$14.291 million) to assist a subsidiary in securing syndicated facilities of RM249.500 million (US$72.030 million) from banks.

44 COMPARATIVES

The comparative figures cover the financial period from 22 September 2006 (date of incorporation) to 31 December 2007. Accordingly, the comparative figures for the income statement, statement of changes in equity, cash flow statement and the related notes thereon are not comparable to the current financial year.

45 EVENTS AFTER THE BALANCE SHEET DATE

On 12 January 2009, the Company has, via its wholly-owned subsidiary ASPL M2 Limited, entered into a conditional Sale and Purchase Agreement to acquire the remaining 40% stake in ICSD Ventures Sdn. Bhd. from Geo Fusion Resources Sdn. Bhd. for RM15.000 million (US$4.330 million) comprising 70% cash and 30% in the form of completed properties at the Sandakan Harbour Square Project ("SHSP"). The completion date for the acquisition shall be thirty three months from 21 September 2008 or upon obtaining the certificate of fitness for Phases 3 and 4 of SHSP, whichever is earlier.

On 15 January 2009, the Company's 51% subsidary Hoa Lam - Shangri-La Healthcare Limited Liability Company has secured the Land Use Rights Certificate for its 37.54 hectares site to develop a mixed commercial hospitality and residential developement known as International Hi-Tech Healthcare Park in the Binh Tan District, Ho Chi Minh City.

On 30 March 2009, the Company has, via its wholly-owned subsidiary ASPL M8 Limited acquired 851 ordinary shares, representing 85.1% of the issued shares, of RM1.00 each for RM851.00 in Legolas Capital Sdn. Bhd..

Copies of the Annual Report

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

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David Harris
Dato' Seri Ismail bin Shahudin
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