

Interim Financial Report for the three months ended 31 March 2011

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Note:

M1 to M12 are explanatory notes in accordance with FRS134.

K1 to K15 are explanatory notes in accordance with paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

Condensed Consolidated Income Statements

(The figures have not been audited)

	Current Year Quarter 31.03.2011 RM' 000	Preceding Year Quarter 31.03.2010 RM' 000	Current Year To Date 31.03.2011 RM' 000	Preceding Year To Date 31.03.2010 RM' 000
Revenue	180,071	156,138	180,071	156,138
Cost of sales	(63,262)	(58,071)	(63,262)	(58,071)
Gross profit	116,809	98,067	116,809	98,067
Other operating income	10,048	18,390	10,048	18,390
Administrative expenses	(41,389)	(44,393)	(41,389)	(44,393)
Other operating expenses	(7,037)	(10,390)	(7,037)	(10,390)
Profit from operations	78,431	61,674	78,431	61,674
Finance costs	(10,799)	(13,051)	(10,799)	(13,051)
Share of after-tax results of associates	1,640	9,707	1,640	9,707
Profit before tax	69,272	58,330	69,272	58,330
Less tax:				
Company and subsidiaries	(21,807)	(16,273)	(21,807)	(16,273)
Profit for the period	47,465	42,057	47,465	42,057
Attributable to:				
Equity holders of the Company	38,819	35,322	38,819	35,322
Minority interests	8,646	6,735	8,646	6,735
	47,465	42,057	47,465	42,057
Earnings per share (sen)				
- basic	2.67	2.42	2.67	2.42
- diluted ^{note 1}	na	na	na	na
Dividends per ordinary share (sen)	-	-	-	-

Note 1:

Computation of diluted earnings per share is not applicable as there are no outstanding shares to be issued.

Condensed Consolidated Statements of Comprehensive Income
(The figures have not been audited)

	Current Year Quarter 31.03.2011 RM' 000	Preceding Year Quarter 31.03.2010 RM' 000	Current Year To Date 31.03.2011 RM' 000	Preceding Year To Date 31.03.2010 RM' 000
Profit for the period	47,465	42,057	47,465	42,057
Other comprehensive income:				
Exchange differences on translating foreign operations-equity holders	187	(17,763)	187	(17,763)
Exchange differences on translating foreign operations-minority interests	140	346	140	346
Share of an associate's realisation revaluation surplus on property, plant and equipment, net of tax	(59)	-	(59)	-
Realisation of revaluation surplus on property, plant and equipment, net of tax	-	219	-	219
Realisation of deferred tax on property, plant and equipment	-	73	-	73
Total comprehensive income for the period, net of tax	<u>47,733</u>	<u>24,932</u>	<u>47,733</u>	<u>24,932</u>
Total comprehensive income attributable to:				
Equity holders of the Company	38,947	17,851	38,947	17,851
Minority interests	8,786	7,081	8,786	7,081
	<u>47,733</u>	<u>24,932</u>	<u>47,733</u>	<u>24,932</u>

Condensed Consolidated Statements of Financial Position

(The figures have not been audited)

	31.03.2011 RM '000	Audited 31.12.2010 RM '000
Capital and reserves attributable to the Company's equity holders		
Share capital	745,148	745,148
Share premium	427,221	427,221
Treasury shares	(59,301)	(59,301)
Revaluation and other reserves	437,736	437,827
Retained earnings	1,593,732	1,554,694
	3,144,536	3,105,589
Minority interests	181,936	149,613
TOTAL EQUITY	3,326,472	3,255,202
Represented by:		
Non current assets		
Property, plant and equipment	958,584	948,877
Long term prepaid lease	4,056	4,186
Investment properties	1,755,310	1,750,583
Land held for property development	274,240	277,564
Investments in associates	528,625	544,230
Available-for-sale financial assets	6,492	6,152
Deferred tax assets	9,106	9,209
	3,536,413	3,540,801
Current assets		
Property development costs	145,367	144,455
Inventories	67,551	64,809
Non current asset held for sale	5,535	-
Financial assets at fair value through profit or loss	30,071	60,438
Trade and other receivables	72,802	93,215
Amounts owing by associates	129,795	130,663
Amount owing by a jointly controlled entity	10,369	11,071
Tax recoverable	8,718	11,637
Cash held in Housing Development Accounts	48,010	47,901
Cash and bank balances	975,844	580,856
	1,494,062	1,145,045
Less: Current liabilities		
Trade and other payables	312,154	404,447
Amounts owing to associates	25,084	26,321
Borrowings	370,572	252,197
Current tax payable	31,736	23,394
	739,546	706,359
Net current assets	754,516	438,686
Less: Non current liabilities		
Trade and other payables	32,145	30,728
Borrowings	808,324	580,000
Deferred tax liabilities	123,988	113,557
	964,457	724,285
	3,326,472	3,255,202

Condensed Consolidated Statement of Changes in Equity for the three months ended 31 March 2011
(The figures have not been audited)

	Attributable to equity holders							Minority Interests			
	Issued and fully paid ordinary shares of RM0.50 each	Nominal value RM '000	Number of shares '000	Treasury Shares ordinary shares of RM0.50 each	Nominal value RM '000	Share premium RM '000	Revaluation and other reserves RM '000		Non-distributable	Distributable	Retained earnings RM '000
At 1 January 2011	1,490,296	745,148	(37,283)	(59,301)	427,221	437,827	1,554,694	149,613	3,255,202		
Total comprehensive income for the period	-	-	-	-	-	(91)	39,038	8,786	47,733		
Conversion of warrants to ordinary shares of a subsidiary	-	-	-	-	-	-	-	16,852	16,852		
Equity portion of convertible bonds of a subsidiary	-	-	-	-	-	-	-	14,628	14,628		
Dividends	-	-	-	-	-	-	-	(7,943)	(7,943)		
At 31 March 2011	1,490,296	745,148	(37,283)	(59,301)	427,221	437,736	1,593,732	181,936	3,326,472		

Condensed Consolidated Statement of Changes in Equity for the three months ended 31 March 2010
(The figures have not been audited)

	Attributable to equity holders										Minority Interests
	Issued and fully paid ordinary shares of RM0.50 each		Treasury Shares ordinary shares of RM0.50 each		Non-distributable			Distributable		Total RM '000	
	Number of shares '000	Nominal value RM '000	Number of shares '000	Nominal value RM '000	Share premium RM '000	Revaluation and other reserves RM '000	Retained earnings RM '000	RM '000	RM '000		
At 1 January 2010	1,490,296	745,148	(30,339)	(48,474)	427,221	353,451	1,379,147	114,908	2,971,401		
FRS 139 adjustments	-	-	-	-	-	-	3,717	-	3,717		
At 1 January 2010 - restated	1,490,296	745,148	(30,339)	(48,474)	427,221	353,451	1,382,864	114,908	2,975,118		
Total comprehensive income for the period	-	-	-	-	-	(17,982)	35,616	7,081	24,715		
Conversion of warrants to ordinary shares	-	-	-	-	-	-	-	456	456		
Dividends	-	-	-	-	-	-	-	(6,339)	(6,339)		
At 31 March 2010	1,490,296	745,148	(30,339)	(48,474)	427,221	335,469	1,418,480	116,106	2,993,950		

Condensed Consolidated Cash Flow Statements
(The figures have not been audited)

	31.03.2011 RM '000	31.03.2010 RM '000
Operating activities		
Receipts from customers	199,983	175,178
Payments to contractors, suppliers and employees	(171,513)	(123,644)
Cash flow from operations	28,470	51,534
Interest paid	(11,515)	(12,324)
Income taxes paid	(7,451)	(7,987)
Net cash generated from operating activities	9,504	31,223
Investing activities		
Dividends received from associates	24,175	7,500
Interest received	3,036	2,373
Proceeds from disposal of property, plant and equipment	-	4
Proceeds from disposal of financial assets	33,932	-
Purchase of property, plant and equipment	(39,232)	(14,897)
Repayments/(advances) from/(to) associates	333	(949)
Net cash used in investing activities	22,244	(5,969)
Financing activities		
Purchase of treasury shares	-	-
Receipts from bank borrowings, net of repayments	366,165	(3,625)
Net cash used in financing activities	366,165	(3,625)
Foreign currencies exchange difference	(2,816)	(8,618)
Net decrease in cash and cash equivalents	395,097	13,011
Cash and cash equivalents at beginning of financial year	628,757	646,253
Cash and cash equivalents at end of period	1,023,854	659,264

**Explanatory notes to the Interim Financial Statements
for the three months ended 31 March 2011**

M1 Basis of preparation

This Interim Financial Report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard 134 – “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and paragraph 9.22 together with Part A, Appendix 9B of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements, and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2010.

This Interim Financial Report has been prepared based on accounting policies and methods of computation which are consistent with those adopted for the annual audited financial statements for the year financial ended 31 December 2010 except for the adoption of the following revised Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations that are applicable for the current financial year:

(Effective for annual periods beginning on or after 1 March 2010)

- Amendment to FRS 132 Financial instruments: Presentation

(Effective for annual periods beginning on or after 1 July 2010)

- Revised FRS 3 Business combinations
- Revised FRS 127 Consolidated and separate financial statements
- Amendments to FRS 138 Intangible assets
- IC Interpretation 9 Reassessment of embedded derivatives

(Effective for annual periods beginning on or after 1 January 2011)

- Amendments to FRS 1 First-time adoption of financial reporting standards
- Amendments to FRS 7 Financial instruments: Disclosures
- IC Interpretation 14 Interim financial reporting and impairment

The adoption of the above revised FRSs, Amendments to FRSs and Interpretations did not have any material impact on the financial statements of the Group.

M2 Qualification

The Audit Report of the Group’s annual financial statements for the financial year ended 31 December 2010 was not subject to any audit qualification.

M3 Seasonality or cyclical

The Group’s operations were not materially affected by seasonal or cyclical factors.

M4 Significant unusual items

There were no significant unusual items that affect the assets, liabilities, equity, net income or cash flows other than those disclosed elsewhere in these notes.

M5 Material changes in estimates

Not applicable.

M6 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, share buy backs and share cancellations for the current financial period.

M7 Dividends paid

An interim dividend of 5% less tax at 25% for the financial year ended 31 December 2010 was paid on 8 April 2011.

A share dividend by way of distribution of 14,528,233 treasury shares on the basis of one (1) treasury share for every one hundred (100) existing shares held was also completed on 8 April 2011, on which date the treasury shares were credited into the entitled Depositors' Securities Accounts.

M8 Segment Reporting

Business segments	Property development RM '000	Property investment RM '000	Hotel RM '000	Construction RM '000	Others RM '000	Group RM '000
3 months ended 31 March 2011						
Revenue						
Total revenue	9,753	116,529	51,735	11,699	8,297	198,013
Intersegment revenue	-	(4,482)	(1,380)	(6,704)	(5,376)	(17,942)
External revenue	<u>9,753</u>	<u>112,047</u>	<u>50,355</u>	<u>4,995</u>	<u>2,921</u>	<u>180,071</u>
Results						
Segment results (external)	2,508	65,362	12,796	(176)	3,786	84,276
Unallocated income						3,036
Unallocated expense						<u>(8,882)</u>
Profit from operations						78,430
Finance costs						(10,799)
Share of after-tax results of associates	<u>511</u>	<u>168</u>	<u>1,171</u>	<u>-</u>	<u>(209)</u>	<u>1,641</u>
Profit from ordinary activities before tax						69,272
Tax-Company and subsidiaries						<u>(21,807)</u>
Profit for the period						<u><u>47,465</u></u>
Attributable to:						
Equity holders of the Company						38,819
Minority interests						<u>8,646</u>
						<u><u>47,465</u></u>

Unallocated income represents interest income while unallocated expenses relates to head-office general administrative expenses that arise at the Group level and relate to the Group as a whole.

M8 Segment Reporting (continued..)

Business segments	Property development RM '000	Property investment RM '000	Hotel RM '000	Construction RM '000	Others RM '000	Group RM '000
3 months ended						
31 March 2010						
Revenue						
Total revenue	6,481	108,340	43,745	4,241	8,166	170,973
Intersegment revenue	-	(3,800)	(1,130)	(4,241)	(5,664)	(14,835)
External revenue	6,481	104,540	42,615	-	2,502	156,138
Results						
Segment results (external)	2,381	55,271	6,316	21	763	64,752
Unallocated income						2,373
Unallocated expense						(5,451)
Profit from operations						61,674
Finance costs						(13,051)
Share of after-tax results of associates	1,369	936	7,495	-	(93)	9,707
Profit from ordinary activities before tax						58,330
Tax-Company and subsidiaries						(16,273)
Profit for the period						42,057
Attributable to:						
Equity holders of the Company						35,322
Minority interests						6,735
						42,057

Unallocated income represents interest income while unallocated expenses relates to head-office general administrative expenses that arise at the Group level and relate to the Group as a whole.

M9 Valuations

Valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

M10 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period up to the date of this report.

M11 Changes in the composition of the Group

On 27 January 2011, the Company announced to Bursa Malaysia that the following wholly-owned subsidiaries will be dissolved on 28 January 2011 pursuant to Section 272(5) of the Companies Act 1965 ie K Parking Sdn Bhd, Mid Valley Residences Sdn Bhd and T-Bond Construction Sdn Bhd.

On 28 March 2011, the Company announced to Bursa Malaysia that Cititel Hotel Management Sdn Bhd, a 60%-owned subsidiary, had on 28 March 2011 incorporated a wholly-owned subsidiary known as St Giles Hotels (Asia) Limited under the Labuan Companies Act 1990.

M12 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since 31 December 2009.

K1 Review of performance

For the three months ended 31 March 2011, Group revenue increased by 15% to RM180.1 million when compared to the corresponding period in 2010 of RM156.1 million due to higher contributions from all operating divisions.

Correspondingly, Group pre-tax profit increased by 19% to RM69.3 million when compared to pre-tax profit of RM58.3 million achieved in the corresponding period in 2010 as a result of improved performances by all operating divisions.

K2 Comparison with immediate preceding quarter

Group revenue for the three months ended 31 March 2011 decreased by 16% to RM180.1 million when compared to Group revenue of RM215.0 million for the three months ended 31 December 2010 due mainly to lower contributions from the Property Development and Hotel divisions.

Group pre-tax profit decreased by 21% to RM69.3 million when compared to the RM87.9 million reported in the immediate preceding quarter mainly attributable to lower contribution from the Property Development division.

K3 Prospects for 2011

Barring unforeseen circumstances, the Board is cautiously optimistic that the Group's operational results for the current financial year will be satisfactory.

K4 Profit forecast/profit guarantee

The Group did not issue any profit forecast or profit guarantee.

K5 Tax

	Current quarter ended 31.03.2011 RM '000	Cumulative current Year-To-Date ended 31.03.2011 RM '000
Malaysian income tax		
- Company and subsidiaries	12,516	12,516
Under provision in previous year	1,325	1,325
Transferred from deferred tax	7,933	7,933
	<u>21,774</u>	<u>21,774</u>
Overseas tax		
- Company and subsidiaries	33	33
	<u>21,807</u>	<u>21,807</u>

The effective tax rate of the Group for the current quarter and for the financial year to-date was higher than the statutory tax rate as Group relief is not available for set-off of losses of certain subsidiaries.

K6 Unquoted investments

There was no sale of unquoted investments for the current quarter and financial year to-date.

K7 Financial assets at fair value

Total financial assets at fair value as at 31 March 2011 were as follows:

	RM '000
Total financial assets at cost	<u>29,093</u>
Total financial assets at fair value (after provision for diminution in value)	<u>30,070</u>
Total financial assets at market value at 31 March 2011	<u>30,070</u>

K8 Corporate proposals

Disposal of Mid Valley City Gardens Sdn Bhd ("MVCG") by the Company to KrisAssets Holdings Berhad ("KrisAssets"), a 75%-owned subsidiary.

On 14 February 2011, it was announced to Bursa Malaysia that the Company had on 14 February 2011 entered into a Heads of Agreement with KrisAssets for the proposed disposal of 100,000 ordinary shares of RM1.00 each representing the entire issued and paid-up ordinary share capital in MVCG for a cash consideration.

On 25 March 2011, it was announced to Bursa Malaysia that the Company had on 25 March 2011 entered into a conditional share sale agreement with KrisAssets for the proposed disposal of its 100% equity interest in MVCG for a cash consideration of RM215,710,000 upon the terms and subject to the conditions contained therein.

On 28 April 2011, it was announced to Bursa Malaysia that KrisAssets had on 28 April 2011 submitted the valuation report dated 25 April 2011 prepared by the independent valuer, Jordan Lee & Jaafar Sdn Bhd in respect of the Gardens Mall.

K9 Group borrowings and debt securities

Group borrowings as at 31 March 2011 were as follows:

	RM '000
Long term borrowings:	
Secured	
Term Loan	410,000
Redeemable Bonds	398,324
	<u>808,324</u>
Short term borrowings:	
Secured	
Current portion of term loan	60,000
Current portion of Redeemable Bonds	50,000
Short term loan	135,000
Unsecured	
Short term loan	125,572
	<u>370,572</u>
TOTAL	<u>1,178,896</u>
Total equity as at 31 March 2011	<u>3,326,472</u>

K10 Financial instruments

The Group does not have any financial instruments with off-balance sheet risk. With the adoption of FRS 139, off-balance sheet financial instruments will be recognized in the balance sheet.

K11 Material litigation

There was no pending material litigation as at the date of this report which exceeds 5% of the net assets of the Group.

K12 Proposed dividend

No dividend is declared or proposed in respect of the financial year ending 31 December 2011.

K13 Earnings per share

		Current Quarter ended 31.03.2011	Preceding Year Quarter ended 31.03.2010	Current Year To Date ended 31.03.2011	Preceding Year To Date ended 31.03.2010
Profit for the period	RM '000	<u>38,819</u>	<u>35,322</u>	<u>38,819</u>	<u>35,322</u>
Weighted average number of ordinary shares in issue	'000	<u>1,453,013</u>	<u>1,459,958</u>	<u>1,453,013</u>	<u>1,459,958</u>
Basic earnings per share	sen	<u><u>2.67</u></u>	<u><u>2.42</u></u>	<u><u>2.67</u></u>	<u><u>2.42</u></u>

Note: Computation of diluted earnings for share is not applicable as there are no outstanding shares to be issued.

K14 Realised and unrealised retained earnings

	As at 31.03.2011 RM '000	As at 31.12.2010 RM '000
Total retained earnings		
i) Company and subsidiaries		
- realised profit	1,825,962	1,747,262
- unrealised loss	(149,629)	(110,162)
	1,676,333	1,637,100
ii) Associates		
- realised profit	194,842	200,431
- unrealised (loss)/profit	2,979	(277)
	197,821	200,154
iii) Group consolidation adjustments	(280,422)	(282,560)
Total Group retained earnings as per unaudited consolidated statement of financial position	<u><u>1,593,732</u></u>	<u><u>1,554,694</u></u>

K15 Authorisation for issue

This Interim Financial Report was authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 12 May 2011.