

Interim Financial Report for the three months ended 30 September 2012

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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 30.09.2012 RM' 000	Preceding Year Quarter 30.09.2011 RM' 000	Current Year To Date 30.09.2012 RM' 000	Preceding Year To Date 30.09.2011 RM' 000
Revenue	241,190	186,060	724,914	547,100
Cost of sales	(79,616)	(56,184)	(251,779)	(180,566)
Gross profit	161,574	129,876	473,135	366,534
Other operating income	33,590	13,709	66,937	37,920
Administrative expenses	(91,604)	(43,266)	(193,566)	(132,243)
Other operating expenses	(11,326)	4,659	(26,937)	(1,148)
Profit from operations	92,234	104,978	319,569	271,063
Finance costs	(15,796)	(16,519)	(45,859)	(44,259)
Share of after-tax results of associates	8,863	2,115	11,861	8,369
Profit before tax	85,301	90,574	285,571	235,173
Less tax:				
Company and subsidiaries	(51,080)	(24,514)	(112,958)	(67,431)
Profit for the period	34,221	66,060	172,613	167,742
Attributable to:				
Equity holders of the Company ^{note 1}	37,499	59,488	150,920	145,772
Non-controlling interests	(3,278)	6,572	21,693	21,970
	34,221	66,060	172,613	167,742
Earnings per share (sen)				
- basic	2.58	4.05	10.39	9.93
- diluted ^{note 2}	na	na	na	na
Dividends per ordinary share (sen)	-	-	-	5.0

Note 1:

During the current quarter, the corporate exercise to list IGB REIT was completed. As at 30 September 2012, IGB's equity shareholdings in KrisAssets Holdings Berhad was 63.5% and in IGB REIT was 51.0%. The gain on disposal of the investment properties to IGB REIT was eliminated upon consolidation. However, expenses relating to the listing was accrued in the Consolidated Income Statement in the current quarter (refer to note K1).

Note 2:

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 30.09.2012 RM' 000	Preceding Year Quarter 30.09.2011 RM' 000	Current Year To Date 30.09.2012 RM' 000	Preceding Year To Date 30.09.2011 RM' 000
Profit for the period	34,221	66,060	172,613	167,742
Other comprehensive income:				
Exchange differences on translating foreign operations:				
Equity holders	163	5,897	534	6,365
Non-controlling interests	194	(323)	147	(179)
Share of an associate's realisation of reevaluation surplus on property, plant and equipment, net of tax	-	(58)	-	(177)
Realisation of deferred tax on property, plant and equipment		-		4,900
Total comprehensive income for the period, net of tax	34,578	71,576	173,294	178,651
Total comprehensive income attributable to:				
Equity holders of the Company	37,662	65,326	151,454	156,860
Non-controlling interests	(3,084)	6,250	21,840	21,791
	34,578	71,576	173,294	178,651

Condensed Consolidated Statements of Financial Position

(The figures have not been audited)

	30.09.2012 RM '000	Audited 31.12.2011 RM '000
Capital and reserves attributable to the Company's equity holders ^{note 1}		
Share capital	745,148	745,148
Share premium	404,112	404,112
Treasury shares	(130,106)	(49,021)
Revaluation and other reserves	513,179	618,537
Retained earnings	2,567,330	1,705,224
	4,099,663	3,424,000
Non-controlling interests	692,853	220,577
TOTAL EQUITY	4,792,516	3,644,577
 Represented by:		
Non current assets		
Property, plant and equipment	1,835,857	1,139,546
Long term prepaid lease	3,764	4,049
Investment properties	1,965,815	1,913,422
Land held for property development	248,028	242,942
Investments in associates	355,426	538,438
Goodwill	19,164	-
Deferred tax assets	5,896	6,664
Cash and bank balances	-	1,983
	4,433,950	3,847,044
Current assets		
Property development costs	191,852	203,177
Inventories	67,268	67,320
Financial assets at fair value through profit or loss	422	23,771
Trade and other receivables	229,758	219,044
Amounts owing by associates	54,715	135,941
Amount owing by a jointly controlled entity	-	249
Tax recoverable	3,557	3,737
Cash held in Housing Development Accounts	10,463	22,271
Cash and bank balances	2,234,222	820,350
	2,792,257	1,495,860
Less: Current liabilities		
Trade and other payables	368,432	319,234
Amounts owing to associates	22,707	25,518
Amount owing to a jointly controlled entity	2,819	-
Borrowings	395,013	282,627
Current tax payable	31,070	40,279
	820,041	667,658
Net current assets	1,972,216	828,202
 Less: Non current liabilities		
Trade and other payables	58,465	39,381
Borrowings	1,303,212	823,013
Deferred tax liabilities	251,973	168,275
	1,613,650	1,030,669
	4,792,516	3,644,577

Note 1 - Upon completion of the corporate exercise to list IGB REIT, Capital and reserves attributable to the Company's equity holders have increased to RM2.75 per share as at 30 September 2012 compared to RM2.30 as at 31 December 2011. For details of the increase, please refer to the following page.

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2012

(The figures have not been audited)

	Attributable to equity holders						Non-controlling Interests	Total RM '000	
	Issued and fully paid ordinary shares of RM0.50 each	Nominal value RM '000	Number of shares '000	Number of shares '000	Treasury Shares ordinary shares of RM0.50 each	Nominal value RM '000			Non-distributable
						Share premium RM '000	Revaluation and other reserves RM '000	Retained earnings RM '000	
At 1 January 2012	1,490,296	745,148	(29,307)	(49,021)	404,112	618,537	1,705,224	220,577	3,644,577
Total comprehensive income for the period	-	-	-	-	-	(105,358)	256,812	21,840	173,294
Share buy-back	-	-	(31,138)	(81,085)	-	-	-	-	(81,085)
Dilution of equity in a subsidiary which does not result in a change in control	-	-	-	-	-	-	632,737	461,294	1,094,031
Cancellation of treasury shares by a subsidiary	-	-	-	-	-	-	100	-	100
Dividends	-	-	-	-	-	-	(27,543)	(10,858)	(38,401)
At 30 September 2012	1,490,296	745,148	(60,445)	(130,106)	404,112	513,179	2,567,330	692,853	4,792,516

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2011
(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		
	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	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	-	-	-	-	-	10,431	146,429	21,791	178,651		
Purchase of treasury shares	-	-	(6,424)	(12,596)	-	-	-	-	(12,596)		
Distribution of treasury shares as dividend	-	-	14,528	23,109	(23,109)	-	-	-	-		
Conversion of warrants to ordinary shares of a subsidiary	-	-	-	-	-	-	205	25,572	25,777		
Disposal of shares in a subsidiary which does not result in a change in control	-	-	-	-	-	-	(7,579)	7,579	-		
Equity portion of convertible bonds of a subsidiary	-	-	-	-	-	-	-	14,628	14,628		
Dividends	-	-	-	-	-	-	(82,089)	(7,943)	(90,032)		
At 30 September 2011	1,490,296	745,148	(29,179)	(48,788)	404,112	448,258	1,611,660	211,240	3,371,630		

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

	30.09.2012 RM '000	30.09.2011 RM '000
Operating activities		
Receipts from customers	794,715	572,181
Payments to contractors, suppliers and employees	(515,677)	(363,016)
Cash flow from operations	279,038	209,165
Interest paid	(50,421)	(48,767)
Income taxes paid	(61,576)	(29,628)
Net cash generated from operating activities	167,041	130,770
Investing activities		
Dividends received from associates	18,915	31,675
Dividends received from investments	-	432
Proceeds from dilution of equity in a subsidiary	837,500	-
Interest received	15,835	17,418
Proceeds from disposal of an associate	114,325	-
Acquisition of a subsidiary	(101,140)	-
Proceeds from disposal of property, plant and equipment	-	183
Proceeds from disposal of financial assets	23,444	33,932
Purchase of property, plant and equipment	(119,295)	(221,361)
Repayments/(advances) from/(to) associates	(176,729)	(6,042)
Net cash generated from/(used in) investing activities	612,855	(143,763)
Financing activities		
Purchase of treasury shares	(81,085)	(12,596)
Receipt of bank borrowings, net of repayments	731,559	78,901
Proceeds from issuance of Redeemable Convertible Bonds	-	267,790
Dividends paid	(27,385)	(82,089)
Net cash generated from financing activities	623,089	252,006
Foreign currencies exchange difference	(2,904)	4,193
Net increase in cash and cash equivalents	1,400,081	243,206
Cash and cash equivalents at beginning of financial year	844,604	628,757
Cash and cash equivalents at end of period	2,244,685	871,963

**Explanatory notes to the Interim Financial Statements
for the three months ended 30 September 2012**

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 2011.

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 2011 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 January 2012)

- Amendment to FRS 112 Income taxes
- Revised FRS 124 Related party disclosures

The adoption of the above revised FRS and Amendment to FRS 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 2011 was not subject to any audit qualification.

M3 Seasonality or cyclicality

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

Shares repurchased during the current financial year to-date were as follows:

Date	No. of shares	Lowest Price RM	Highest Price RM	Cost RM
As at 31 December 2011	29,306,467	1.15	2.82	49,020,578
Purchased in February 2012	431,400	2.70	2.70	1,169,024
Purchased in March 2012	1,782,200	2.69	2.77	4,896,261
As at 31 March 2012	31,520,067	1.15	2.82	55,085,863
Purchased in April 2012	2,873,700	2.71	2.77	7,901,148
Purchased in May 2012	3,027,400	2.71	2.76	8,314,114
Purchased in June 2012	3,646,900	2.69	2.78	9,987,301
As at 30 June 2012	41,068,067			81,288,426
Purchased in July 2012	1,087,700	2.70	2.75	2,974,154
Purchased in August 2012	7,207,200	2.42	2.72	18,660,371
Purchased in September 2012	13,428,100	2.20	2.61	32,430,014
As at 30 September 2012	62,791,067			135,352,965
Purchased in October 2012	3,663,900	2.28	2.50	8,870,958
Purchased in November 2012	2,160,900	2.36	2.43	5,180,038
As at reporting date	68,615,867			149,403,961

The number of treasury shares held as at the date of this report was 68,615,867 ordinary shares of RM0.50 each.

Other than the above, there were no other 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 2011 was paid on 6 April 2012.

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
9 months ended 30 September 2012						
Revenue						
Total revenue	84,641	376,216	236,779	121,613	28,534	847,783
Intersegment revenue	-	(15,595)	(4,954)	(83,753)	(18,567)	(122,869)
External revenue	<u>84,641</u>	<u>360,621</u>	<u>231,825</u>	<u>37,860</u>	<u>9,967</u>	<u>724,914</u>
Results						
Segment results (external)	62,968	182,545	77,174	1,660	940	325,287
Unallocated income						15,835
Unallocated expense						(21,554)
Profit from operations						319,568
Finance costs						(45,859)
Share of after-tax results of associates	1,694	452	4,022	-	5,694	11,862
Profit from ordinary activities before tax						285,571
Tax-Company and subsidiaries						(112,958)
Profit for the period						<u>172,613</u>
Attributable to:						
Equity holders of the Company						150,920
Non-controlling interests						21,693
						<u>172,613</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
9 months ended 30 September 2011						
Revenue						
Total revenue	20,118	357,234	168,626	25,248	26,930	598,156
Intersegment revenue	-	(14,360)	(4,595)	(14,594)	(17,507)	(51,056)
External revenue	<u>20,118</u>	<u>342,874</u>	<u>164,031</u>	<u>10,654</u>	<u>9,423</u>	<u>547,100</u>
Results						
Segment results (external)	21,327	198,827	51,267	(594)	1,753	272,580
Unallocated income						17,418
Unallocated expense						(18,935)
Profit from operations						271,063
Finance costs						(44,259)
Share of after-tax results of associates	<u>2,250</u>	<u>693</u>	<u>5,350</u>	<u>-</u>	<u>76</u>	<u>8,369</u>
Profit from ordinary activities before tax						235,173
Tax-Company and subsidiaries						(67,431)
Profit for the period						<u>167,742</u>
Attributable to:						
Equity holders of the Company						145,772
Minority interests						21,970
						<u>167,742</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.

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 23 March 2012, the Company announced to Bursa Malaysia that the Company had acquired 50,000,000 ordinary shares of RM1.00 each representing 50% equity interest in Great Union Properties Sdn Bhd ("GUP") and accordingly GUP is now a wholly-owned subsidiary of the Company.

On 26 March 2012, the Company announced to Bursa Malaysia the acquisition of the entire issued shares of two new companies incorporated in Malaysia known as Southkey Megamall Sdn Bhd and Dimensi Magnitud Sdn Bhd for cash consideration. The issued and fully paid-up share capital of each of these companies is RM2.00. The acquisition of these companies is to facilitate potential joint ventures.

On 16 April 2012, an announcement was made to Bursa Malaysia that the Company had acquired a newly incorporated subsidiary, IGB REIT Management Sdn Bhd ("IGB REIT Management") to act as the proposed management company for IGB REIT, details of which are in Section K8 below. The issued and fully paid-up share capital of IGB REIT Management is RM2.00.

On 28 May 2012, the Company announced to Bursa Malaysia the acquisition of the entire issued and paid-up shares of IGB International Ventures Sdn Bhd ("IGBIV") whose present issued and paid-up share capital comprises 2 ordinary shares of RM1.00 each.

On 18 June 2012, the Company announced to Bursa Malaysia that IGBIV had on 15 June 2012 entered into a Joint Venture Agreement with Aspire Horizon Ltd for the establishment of a joint venture through an equity participation of 58% in Wilmer Link Limited.

The disposal of Mid Valley Megamall and The Gardens Mall by Mid Valley City Sdn Bhd and Mid Valley City Gardens Sdn Bhd respectively to IGB Real Estate Investment Trust ("IGB REIT") was completed on 20 September 2012. IGB REIT was listed on the Main Market of Bursa Malaysia on 21 September 2012. IGB currently holds approximately 51% in IGB REIT.

M12 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since 31 December 2011.

K1 Review of performance

For the three months ended 30 September 2012, Group revenue increased by 30% to RM241.2 million when compared to the corresponding period in 2011 of RM186.1 million due mainly to higher contributions from all Property Development and Hotel divisions.

Group pre-tax profit decreased by 6% to RM85.3 million when compared to pre-tax profit of RM90.6 million achieved in the corresponding period in 2011 mainly due to a one-off accrual during the current quarter of expenses of about RM28.7 million incurred in the listing of IGB REIT.

K2 Comparison with immediate preceding quarter

Group revenue for the three months ended 30 September 2012 decreased by 8% to RM241.2 million when compared to Group revenue of RM260.8 million for the three months ended 30 June 2012 mainly due to lower contributions from the Property Development and Property Investment divisions.

Group pre-tax profit decreased by 15% to RM85.3 million when compared to pre-tax profit of RM100.7 million reported in the immediate preceding quarter mainly due to a one-off accrual during the current quarter of expenses of about RM28.7 million incurred in the listing of IGB REIT.

K3 Prospects for 2012

Operating results for the first nine months of 2012 have been encouraging with Group revenue increasing by 32% to RM724.9 million when compared to the first nine months of 2011 of RM547.1 million arising from increased contributions from all divisions. Property Development and Construction divisions' turnover both increased by more than 100%, whilst Property Investment and Hotel divisions' turnover increased by 5% and 41% respectively.

In the Property Development division, Opt Ventures Sdn Bhd, a 70%-owned subsidiary launched a condominium development in Kuala Lumpur known as G Residence in February 2012. To-date more than 86% of the total 474 units of service apartments have been sold. The Group's two other on-going projects, Garden Manor in Sierramas and Seri Ampang Hilir in Kuala Lumpur are targeted to be completed by this December and 1Q2013 respectively.

In the Property Investment division, the Group's two major retail malls, Mid Valley Megamall and The Gardens Mall registered encouraging turnover growth whilst total rental income from the Group's office buildings have increased by 8% when compared to the same period in 2011. The corporate exercise to list IGB REIT which is currently the largest REIT in Malaysia by market capitalization and appraised value was completed on 21 September 2012. All five office buildings located in Mid Valley City are now close to 100% occupied and management's efforts are now geared towards increasing yields by improving efficiencies in managing the buildings.

In the Hotel division, total turnover achieved by the Group's hotels including associates was RM322.5 million, an increase of 6% when compared to the same period in 2011. The acquisition of the balance 50% equity in Great Union Properties Sdn Bhd, the owner and operator of Renaissance Hotel Kuala Lumpur, was completed during the year.

Group pre-tax profit for the nine months to 30 September 2012 has improved significantly by 21% to RM285.6 million when compared to the same period in 2011.

With these improved performances, the Board is confident that the Group's operational results for the current financial year will be better than the previous financial year.

K4 Profit forecast/profit guarantee

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

K5 Tax

	Current quarter ended 30.09.2012 RM '000	Cumulative current Year-To-Date ended 30.09.2012 RM '000
Malaysian income tax		
- Company and subsidiaries	37,291	80,329
Under provision in previous year	(396)	1,444
Transferred from deferred tax	14,112	30,633
	<u>51,007</u>	<u>112,406</u>
Overseas tax		
- Company and subsidiaries	73	552
	<u>51,080</u>	<u>112,958</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 certain expenses were not deductible for tax purposes. In addition, arising from the disposal of the assets of both Mid Valley City Sdn Bhd and Mid Valley City Gardens Sdn Bhd to IGB REIT pursuant to the listing of IGB REIT, there is a provision for tax on balancing charge amounting to approximately RM64.0 million.

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 30 June 2012 were as follows:

	RM '000
Total financial assets at cost	<u>1,114</u>
Total financial assets at fair value (after provision for impairment)	<u>422</u>
Total financial assets at market value at 30 Sept 2012	<u>422</u>

K8 Corporate proposals

Proposed establishment and listing of a Real Estate Investment Trust on the Main Market of Bursa Malaysia Securities Berhad.

On 16 April 2012, it was announced to Bursa Malaysia that the Company proposes to establish and list a real estate investment trust ("IGB REIT") on the Main Market of Bursa Securities. The initial investment portfolio of IGB REIT shall comprise an 8-Storey retail mall known as The Gardens Mall and a 5-storey retail mall with 1 mezzanine floor known as Mid Valley Megamall ("Subject Properties"), which are currently owned by wholly-owned subsidiaries of KrisAssets Holdings Berhad, which in turn is a subsidiary of the Company.

On 14 May 2012, it was announced to Bursa Malaysia that an application relating to the proposed IGB REIT Establishment and Listing had been submitted to the Securities Commission ("SC") on even date.

On 26 June 2012, it was announced to Bursa Malaysia that the shareholders of the Company had, in the Extraordinary General Meeting held on even date, approved the proposed listing of IGB REIT on the Main Market of Bursa Malaysia.

On 19 July 2012, it was announced to Bursa Malaysia that the SC had in its letter dated 18 July 2012, approved the Proposed IGB REIT establishment and Listing, which included the following approvals:

- i) Establishment of IGB REIT with a fund size of 3,550 million units in IGB REIT ("Units");
- ii) Listing of and quotation for the entire 3,550 million Units on the Main Market of Bursa Malaysia;
- iii) Appointment of IGB REIT Management Sdn Bhd as the management company of IGB REIT;
- iv) Appointment of AmTrustee Berhad as the trustee for IGB REIT; and
- v) Exemptions/variations from certain clauses in the Guidelines on Real Estate Investment Trusts, Prospectus Guidelines for Collective Investment Schemes and the Asset Valuation Guidelines.

On 26 July 2012, it was announced to Bursa Malaysia that IGB REIT was established on 25 July 2012 upon the registration of the deed of trust executed on 18 July 2012 between IGB REIT Management Sdn Bhd and AM Trustee Berhad, with the SC.

On 3 August 2012, it was announced to Bursa Malaysia that Bursa Malaysia had in its letter dated 3 August 2012 approved (i) the admission of IGB REIT to the Official List of the Main Market of Bursa Malaysia and the listing and quotation of 3,400 million IGB REIT units ("Units") under the "REIT" sector of the Main Market of Bursa Malaysia; (ii) the extension of time of one month from the date of listing of IGB REIT to meet the public shareholding spread under paragraphs 3.06(1), 4.07 and 8.02(1) of the Main Market Listing Requirements of Bursa Malaysia; and (iii) the listing and quotation of up to 150 million Units to be issued on a staggered basis to IGB REIT Management Sdn Bhd as management fees.

On 3 August 2012, it was announced to Bursa Malaysia that the Company's Share Transfer Book and Register of Members will be closed from 15 August 2012 to 17 August 2012 (both dates inclusive) for the purpose of determining the entitlements of up to 120,000,000 Units allocated to Eligible IGB Shareholders pursuant to the IGB REIT Establishment and Listing.

K9 Group borrowings and debt securities

Group borrowings as at 30 September 2012 were as follows:

	RM '000
Long term borrowings:	
Secured	
Term Loan	1,433,212
	<u>1,433,212</u>
Short term borrowings:	
Secured	
Current portion of term loan	12,559
Short term loan	173,454
Unsecured	
Short term loan	79,000
	<u>265,013</u>
TOTAL	<u>1,698,225</u>
Capital and reserves attributable to equity holders of the Company	<u>4,099,663</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 interim dividend is declared or proposed during this quarter in respect of the financial year ending 31 December 2012.

K13 Earnings per share

		Current Quarter ended 30.09.2012	Preceding Year Quarter ended 30.09.2011	Current Year To Date ended 30.09.2012	Preceding Year To Date ended 30.09.2011
Profit for the period	RM '000	<u>37,499</u>	<u>59,488</u>	<u>150,920</u>	<u>145,772</u>
Weighted average number of ordinary shares in issue	'000	<u>1,452,723</u>	<u>1,468,433</u>	<u>1,452,723</u>	<u>1,468,433</u>
Basic earnings per share	sen	<u>2.58</u>	<u>4.05</u>	<u>10.39</u>	<u>9.93</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

	Unaudited As at 30.09.2012 RM '000	Audited As at 31.12.2011 RM '000
Total retained earnings		
i) Company and subsidiaries		
- realised profit	<u>2,873,497</u>	<u>1,958,260</u>
- unrealised loss	<u>(260,439)</u>	<u>(183,556)</u>
	<u>2,613,058</u>	<u>1,774,704</u>
ii) Associates		
- realised profit	<u>230,878</u>	<u>204,062</u>
- unrealised profit	<u>3,548</u>	<u>6,919</u>
	<u>234,426</u>	<u>210,981</u>
iii) Group consolidation adjustments	<u>(280,154)</u>	<u>(280,461)</u>
Total Group retained earnings as per unaudited consolidated statement of financial position	<u>2,567,330</u>	<u>1,705,224</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 29 November 2012.

Interim Financial Report for the three months ended 30 September 2012

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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 30.09.2012 RM' 000	Preceding Year Quarter 30.09.2011 RM' 000	Current Year To Date 30.09.2012 RM' 000	Preceding Year To Date 30.09.2011 RM' 000
Revenue	241,190	186,060	724,914	547,100
Cost of sales	(79,616)	(56,184)	(251,779)	(180,566)
Gross profit	161,574	129,876	473,135	366,534
Other operating income	33,590	13,709	66,937	37,920
Administrative expenses	(91,604)	(43,266)	(193,566)	(132,243)
Other operating expenses	(11,326)	4,659	(26,937)	(1,148)
Profit from operations	92,234	104,978	319,569	271,063
Finance costs	(15,796)	(16,519)	(45,859)	(44,259)
Share of after-tax results of associates	8,863	2,115	11,861	8,369
Profit before tax	85,301	90,574	285,571	235,173
Less tax:				
Company and subsidiaries	(51,080)	(24,514)	(112,958)	(67,431)
Profit for the period	34,221	66,060	172,613	167,742
Attributable to:				
Equity holders of the Company ^{note 1}	37,499	59,488	150,920	145,772
Non-controlling interests	(3,278)	6,572	21,693	21,970
	34,221	66,060	172,613	167,742
Earnings per share (sen)				
- basic	2.58	4.05	10.39	9.93
- diluted ^{note 2}	na	na	na	na
Dividends per ordinary share (sen)	-	-	-	5.0

Note 1:

During the current quarter, the corporate exercise to list IGB REIT was completed. As at 30 September 2012, IGB's equity shareholdings in KrisAssets Holdings Berhad was 63.5% and in IGB REIT was 51.0%. The gain on disposal of the investment properties to IGB REIT was eliminated upon consolidation. However, expenses relating to the listing was accrued in the Consolidated Income Statement in the current quarter (refer to note K1).

Note 2:

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 30.09.2012 RM' 000	Preceding Year Quarter 30.09.2011 RM' 000	Current Year To Date 30.09.2012 RM' 000	Preceding Year To Date 30.09.2011 RM' 000
Profit for the period	34,221	66,060	172,613	167,742
Other comprehensive income:				
Exchange differences on translating foreign operations:				
Equity holders	163	5,897	534	6,365
Non-controlling interests	194	(323)	147	(179)
Share of an associate's realisation of reevaluation surplus on property, plant and equipment, net of tax	-	(58)	-	(177)
Realisation of deferred tax on property, plant and equipment		-		4,900
Total comprehensive income for the period, net of tax	34,578	71,576	173,294	178,651
Total comprehensive income attributable to:				
Equity holders of the Company	37,662	65,326	151,454	156,860
Non-controlling interests	(3,084)	6,250	21,840	21,791
	34,578	71,576	173,294	178,651

Condensed Consolidated Statements of Financial Position

(The figures have not been audited)

	30.09.2012 RM '000	Audited 31.12.2011 RM '000
Capital and reserves attributable to the Company's equity holders ^{note 1}		
Share capital	745,148	745,148
Share premium	404,112	404,112
Treasury shares	(130,106)	(49,021)
Revaluation and other reserves	513,179	618,537
Retained earnings	2,567,330	1,705,224
	4,099,663	3,424,000
Non-controlling interests	692,853	220,577
TOTAL EQUITY	4,792,516	3,644,577
 Represented by:		
Non current assets		
Property, plant and equipment	1,835,857	1,139,546
Long term prepaid lease	3,764	4,049
Investment properties	1,965,815	1,913,422
Land held for property development	248,028	242,942
Investments in associates	355,426	538,438
Goodwill	19,164	-
Deferred tax assets	5,896	6,664
Cash and bank balances	-	1,983
	4,433,950	3,847,044
Current assets		
Property development costs	191,852	203,177
Inventories	67,268	67,320
Financial assets at fair value through profit or loss	422	23,771
Trade and other receivables	229,758	219,044
Amounts owing by associates	54,715	135,941
Amount owing by a jointly controlled entity	-	249
Tax recoverable	3,557	3,737
Cash held in Housing Development Accounts	10,463	22,271
Cash and bank balances	2,234,222	820,350
	2,792,257	1,495,860
Less: Current liabilities		
Trade and other payables	368,432	319,234
Amounts owing to associates	22,707	25,518
Amount owing to a jointly controlled entity	2,819	-
Borrowings	395,013	282,627
Current tax payable	31,070	40,279
	820,041	667,658
Net current assets	1,972,216	828,202
 Less: Non current liabilities		
Trade and other payables	58,465	39,381
Borrowings	1,303,212	823,013
Deferred tax liabilities	251,973	168,275
	1,613,650	1,030,669
	4,792,516	3,644,577

Note 1 - Upon completion of the corporate exercise to list IGB REIT, Capital and reserves attributable to the Company's equity holders have increased to RM2.75 per share as at 30 September 2012 compared to RM2.30 as at 31 December 2011. For details of the increase, please refer to the following page.

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2012

(The figures have not been audited)

	Attributable to equity holders						Non-controlling Interests	Total RM '000	
	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	Non-distributable			Distributable
					Share premium RM '000	Revaluation and other reserves RM '000	Retained earnings RM '000		
At 1 January 2012	1,490,296	745,148	(29,307)	(49,021)	404,112	618,537	1,705,224	220,577	3,644,577
Total comprehensive income for the period	-	-	-	-	-	(105,358)	256,812	21,840	173,294
Share buy-back	-	-	(31,138)	(81,085)	-	-	-	-	(81,085)
Dilution of equity in a subsidiary which does not result in a change in control	-	-	-	-	-	-	632,737	461,294	1,094,031
Cancellation of treasury shares by a subsidiary	-	-	-	-	-	-	100	-	100
Dividends	-	-	-	-	-	-	(27,543)	(10,858)	(38,401)
At 30 September 2012	1,490,296	745,148	(60,445)	(130,106)	404,112	513,179	2,567,330	692,853	4,792,516

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2011
(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 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	-	-	-	-	-	10,431	146,429	21,791	178,651		
Purchase of treasury shares	-	-	(6,424)	(12,596)	-	-	-	-	(12,596)		
Distribution of treasury shares as dividend	-	-	14,528	23,109	(23,109)	-	-	-	-		
Conversion of warrants to ordinary shares of a subsidiary	-	-	-	-	-	-	205	25,572	25,777		
Disposal of shares in a subsidiary which does not result in a change in control	-	-	-	-	-	-	(7,579)	7,579	-		
Equity portion of convertible bonds of a subsidiary	-	-	-	-	-	-	-	14,628	14,628		
Dividends	-	-	-	-	-	-	(82,089)	(7,943)	(90,032)		
At 30 September 2011	1,490,296	745,148	(29,179)	(48,788)	404,112	448,258	1,611,660	211,240	3,371,630		

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

	30.09.2012 RM '000	30.09.2011 RM '000
Operating activities		
Receipts from customers	794,715	572,181
Payments to contractors, suppliers and employees	(515,677)	(363,016)
Cash flow from operations	279,038	209,165
Interest paid	(50,421)	(48,767)
Income taxes paid	(61,576)	(29,628)
Net cash generated from operating activities	167,041	130,770
Investing activities		
Dividends received from associates	18,915	31,675
Dividends received from investments	-	432
Proceeds from dilution of equity in a subsidiary	837,500	-
Interest received	15,835	17,418
Proceeds from disposal of an associate	114,325	-
Acquisition of a subsidiary	(101,140)	-
Proceeds from disposal of property, plant and equipment	-	183
Proceeds from disposal of financial assets	23,444	33,932
Purchase of property, plant and equipment	(119,295)	(221,361)
Repayments/(advances) from/(to) associates	(176,729)	(6,042)
Net cash generated from/(used in) investing activities	612,855	(143,763)
Financing activities		
Purchase of treasury shares	(81,085)	(12,596)
Receipt of bank borrowings, net of repayments	731,559	78,901
Proceeds from issuance of Redeemable Convertible Bonds	-	267,790
Dividends paid	(27,385)	(82,089)
Net cash generated from financing activities	623,089	252,006
Foreign currencies exchange difference	(2,904)	4,193
Net increase in cash and cash equivalents	1,400,081	243,206
Cash and cash equivalents at beginning of financial year	844,604	628,757
Cash and cash equivalents at end of period	2,244,685	871,963

**Explanatory notes to the Interim Financial Statements
for the three months ended 30 September 2012**

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 2011.

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 2011 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 January 2012)

- Amendment to FRS 112 Income taxes
- Revised FRS 124 Related party disclosures

The adoption of the above revised FRS and Amendment to FRS 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 2011 was not subject to any audit qualification.

M3 Seasonality or cyclicality

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

Shares repurchased during the current financial year to-date were as follows:

Date	No. of shares	Lowest Price RM	Highest Price RM	Cost RM
As at 31 December 2011	29,306,467	1.15	2.82	49,020,578
Purchased in February 2012	431,400	2.70	2.70	1,169,024
Purchased in March 2012	1,782,200	2.69	2.77	4,896,261
As at 31 March 2012	31,520,067	1.15	2.82	55,085,863
Purchased in April 2012	2,873,700	2.71	2.77	7,901,148
Purchased in May 2012	3,027,400	2.71	2.76	8,314,114
Purchased in June 2012	3,646,900	2.69	2.78	9,987,301
As at 30 June 2012	41,068,067			81,288,426
Purchased in July 2012	1,087,700	2.70	2.75	2,974,154
Purchased in August 2012	7,207,200	2.42	2.72	18,660,371
Purchased in September 2012	13,428,100	2.20	2.61	32,430,014
As at 30 September 2012	62,791,067			135,352,965
Purchased in October 2012	3,663,900	2.28	2.50	8,870,958
Purchased in November 2012	2,160,900	2.36	2.43	5,180,038
As at reporting date	68,615,867			149,403,961

The number of treasury shares held as at the date of this report was 68,615,867 ordinary shares of RM0.50 each.

Other than the above, there were no other 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 2011 was paid on 6 April 2012.

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
9 months ended 30 September 2012						
Revenue						
Total revenue	84,641	376,216	236,779	121,613	28,534	847,783
Intersegment revenue	-	(15,595)	(4,954)	(83,753)	(18,567)	(122,869)
External revenue	<u>84,641</u>	<u>360,621</u>	<u>231,825</u>	<u>37,860</u>	<u>9,967</u>	<u>724,914</u>
Results						
Segment results (external)	62,968	182,545	77,174	1,660	940	325,287
Unallocated income						15,835
Unallocated expense						(21,554)
Profit from operations						319,568
Finance costs						(45,859)
Share of after-tax results of associates	<u>1,694</u>	<u>452</u>	<u>4,022</u>	<u>-</u>	<u>5,694</u>	<u>11,862</u>
Profit from ordinary activities before tax						285,571
Tax-Company and subsidiaries						(112,958)
Profit for the period						<u>172,613</u>
Attributable to:						
Equity holders of the Company						150,920
Non-controlling interests						<u>21,693</u>
						<u>172,613</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
9 months ended 30 September 2011						
Revenue						
Total revenue	20,118	357,234	168,626	25,248	26,930	598,156
Intersegment revenue	-	(14,360)	(4,595)	(14,594)	(17,507)	(51,056)
External revenue	<u>20,118</u>	<u>342,874</u>	<u>164,031</u>	<u>10,654</u>	<u>9,423</u>	<u>547,100</u>
Results						
Segment results (external)	21,327	198,827	51,267	(594)	1,753	272,580
Unallocated income						17,418
Unallocated expense						(18,935)
Profit from operations						271,063
Finance costs						(44,259)
Share of after-tax results of associates	<u>2,250</u>	<u>693</u>	<u>5,350</u>	<u>-</u>	<u>76</u>	<u>8,369</u>
Profit from ordinary activities before tax						235,173
Tax-Company and subsidiaries						(67,431)
Profit for the period						<u>167,742</u>
Attributable to:						
Equity holders of the Company						145,772
Minority interests						21,970
						<u>167,742</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.

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 23 March 2012, the Company announced to Bursa Malaysia that the Company had acquired 50,000,000 ordinary shares of RM1.00 each representing 50% equity interest in Great Union Properties Sdn Bhd ("GUP") and accordingly GUP is now a wholly-owned subsidiary of the Company.

On 26 March 2012, the Company announced to Bursa Malaysia the acquisition of the entire issued shares of two new companies incorporated in Malaysia known as Southkey Megamall Sdn Bhd and Dimensi Magnitud Sdn Bhd for cash consideration. The issued and fully paid-up share capital of each of these companies is RM2.00. The acquisition of these companies is to facilitate potential joint ventures.

On 16 April 2012, an announcement was made to Bursa Malaysia that the Company had acquired a newly incorporated subsidiary, IGB REIT Management Sdn Bhd ("IGB REIT Management") to act as the proposed management company for IGB REIT, details of which are in Section K8 below. The issued and fully paid-up share capital of IGB REIT Management is RM2.00.

On 28 May 2012, the Company announced to Bursa Malaysia the acquisition of the entire issued and paid-up shares of IGB International Ventures Sdn Bhd ("IGBIV") whose present issued and paid-up share capital comprises 2 ordinary shares of RM1.00 each.

On 18 June 2012, the Company announced to Bursa Malaysia that IGBIV had on 15 June 2012 entered into a Joint Venture Agreement with Aspire Horizon Ltd for the establishment of a joint venture through an equity participation of 58% in Wilmer Link Limited.

The disposal of Mid Valley Megamall and The Gardens Mall by Mid Valley City Sdn Bhd and Mid Valley City Gardens Sdn Bhd respectively to IGB Real Estate Investment Trust ("IGB REIT") was completed on 20 September 2012. IGB REIT was listed on the Main Market of Bursa Malaysia on 21 September 2012. IGB currently holds approximately 51% in IGB REIT.

M12 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since 31 December 2011.

K1 Review of performance

For the three months ended 30 September 2012, Group revenue increased by 30% to RM241.2 million when compared to the corresponding period in 2011 of RM186.1 million due mainly to higher contributions from all Property Development and Hotel divisions.

Group pre-tax profit decreased by 6% to RM85.3 million when compared to pre-tax profit of RM90.6 million achieved in the corresponding period in 2011 mainly due to a one-off accrual during the current quarter of expenses of about RM28.7 million incurred in the listing of IGB REIT.

K2 Comparison with immediate preceding quarter

Group revenue for the three months ended 30 September 2012 decreased by 8% to RM241.2 million when compared to Group revenue of RM260.8 million for the three months ended 30 June 2012 mainly due to lower contributions from the Property Development and Property Investment divisions.

Group pre-tax profit decreased by 15% to RM85.3 million when compared to pre-tax profit of RM100.7 million reported in the immediate preceding quarter mainly due to a one-off accrual during the current quarter of expenses of about RM28.7 million incurred in the listing of IGB REIT.

K3 Prospects for 2012

Operating results for the first nine months of 2012 have been encouraging with Group revenue increasing by 32% to RM724.9 million when compared to the first nine months of 2011 of RM547.1 million arising from increased contributions from all divisions. Property Development and Construction divisions' turnover both increased by more than 100%, whilst Property Investment and Hotel divisions' turnover increased by 5% and 41% respectively.

In the Property Development division, Opt Ventures Sdn Bhd, a 70%-owned subsidiary launched a condominium development in Kuala Lumpur known as G Residence in February 2012. To-date more than 86% of the total 474 units of service apartments have been sold. The Group's two other on-going projects, Garden Manor in Sierramas and Seri Ampang Hilir in Kuala Lumpur are targeted to be completed by this December and 1Q2013 respectively.

In the Property Investment division, the Group's two major retail malls, Mid Valley Megamall and The Gardens Mall registered encouraging turnover growth whilst total rental income from the Group's office buildings have increased by 8% when compared to the same period in 2011. The corporate exercise to list IGB REIT which is currently the largest REIT in Malaysia by market capitalization and appraised value was completed on 21 September 2012. All five office buildings located in Mid Valley City are now close to 100% occupied and management's efforts are now geared towards increasing yields by improving efficiencies in managing the buildings.

In the Hotel division, total turnover achieved by the Group's hotels including associates was RM322.5 million, an increase of 6% when compared to the same period in 2011. The acquisition of the balance 50% equity in Great Union Properties Sdn Bhd, the owner and operator of Renaissance Hotel Kuala Lumpur, was completed during the year.

Group pre-tax profit for the nine months to 30 September 2012 has improved significantly by 21% to RM285.6 million when compared to the same period in 2011.

With these improved performances, the Board is confident that the Group's operational results for the current financial year will be better than the previous financial year.

K4 Profit forecast/profit guarantee

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

K5 Tax

	Current quarter ended 30.09.2012 RM '000	Cumulative current Year-To-Date ended 30.09.2012 RM '000
Malaysian income tax		
- Company and subsidiaries	37,291	80,329
Under provision in previous year	(396)	1,444
Transferred from deferred tax	14,112	30,633
	<u>51,007</u>	<u>112,406</u>
Overseas tax		
- Company and subsidiaries	73	552
	<u>51,080</u>	<u>112,958</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 certain expenses were not deductible for tax purposes. In addition, arising from the disposal of the assets of both Mid Valley City Sdn Bhd and Mid Valley City Gardens Sdn Bhd to IGB REIT pursuant to the listing of IGB REIT, there is a provision for tax on balancing charge amounting to approximately RM64.0 million.

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 30 June 2012 were as follows:

	RM '000
Total financial assets at cost	<u>1,114</u>
Total financial assets at fair value (after provision for impairment)	<u>422</u>
Total financial assets at market value at 30 Sept 2012	<u>422</u>

K8 Corporate proposals

Proposed establishment and listing of a Real Estate Investment Trust on the Main Market of Bursa Malaysia Securities Berhad.

On 16 April 2012, it was announced to Bursa Malaysia that the Company proposes to establish and list a real estate investment trust ("IGB REIT") on the Main Market of Bursa Securities. The initial investment portfolio of IGB REIT shall comprise an 8-Storey retail mall known as The Gardens Mall and a 5-storey retail mall with 1 mezzanine floor known as Mid Valley Megamall ("Subject Properties"), which are currently owned by wholly-owned subsidiaries of KrisAssets Holdings Berhad, which in turn is a subsidiary of the Company.

On 14 May 2012, it was announced to Bursa Malaysia that an application relating to the proposed IGB REIT Establishment and Listing had been submitted to the Securities Commission ("SC") on even date.

On 26 June 2012, it was announced to Bursa Malaysia that the shareholders of the Company had, in the Extraordinary General Meeting held on even date, approved the proposed listing of IGB REIT on the Main Market of Bursa Malaysia.

On 19 July 2012, it was announced to Bursa Malaysia that the SC had in its letter dated 18 July 2012, approved the Proposed IGB REIT establishment and Listing, which included the following approvals:

- i) Establishment of IGB REIT with a fund size of 3,550 million units in IGB REIT ("Units");
- ii) Listing of and quotation for the entire 3,550 million Units on the Main Market of Bursa Malaysia;
- iii) Appointment of IGB REIT Management Sdn Bhd as the management company of IGB REIT;
- iv) Appointment of AmTrustee Berhad as the trustee for IGB REIT; and
- v) Exemptions/variations from certain clauses in the Guidelines on Real Estate Investment Trusts, Prospectus Guidelines for Collective Investment Schemes and the Asset Valuation Guidelines.

On 26 July 2012, it was announced to Bursa Malaysia that IGB REIT was established on 25 July 2012 upon the registration of the deed of trust executed on 18 July 2012 between IGB REIT Management Sdn Bhd and AM Trustee Berhad, with the SC.

On 3 August 2012, it was announced to Bursa Malaysia that Bursa Malaysia had in its letter dated 3 August 2012 approved (i) the admission of IGB REIT to the Official List of the Main Market of Bursa Malaysia and the listing and quotation of 3,400 million IGB REIT units ("Units") under the "REIT" sector of the Main Market of Bursa Malaysia; (ii) the extension of time of one month from the date of listing of IGB REIT to meet the public shareholding spread under paragraphs 3.06(1), 4.07 and 8.02(1) of the Main Market Listing Requirements of Bursa Malaysia; and (iii) the listing and quotation of up to 150 million Units to be issued on a staggered basis to IGB REIT Management Sdn Bhd as management fees.

On 3 August 2012, it was announced to Bursa Malaysia that the Company's Share Transfer Book and Register of Members will be closed from 15 August 2012 to 17 August 2012 (both dates inclusive) for the purpose of determining the entitlements of up to 120,000,000 Units allocated to Eligible IGB Shareholders pursuant to the IGB REIT Establishment and Listing.

K9 Group borrowings and debt securities

Group borrowings as at 30 September 2012 were as follows:

	RM '000
Long term borrowings:	
Secured	
Term Loan	1,433,212
	<u>1,433,212</u>
Short term borrowings:	
Secured	
Current portion of term loan	12,559
Short term loan	173,454
Unsecured	
Short term loan	79,000
	<u>265,013</u>
TOTAL	<u>1,698,225</u>
Capital and reserves attributable to equity holders of the Company	<u>4,099,663</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 interim dividend is declared or proposed during this quarter in respect of the financial year ending 31 December 2012.

K13 Earnings per share

		Current Quarter ended 30.09.2012	Preceding Year Quarter ended 30.09.2011	Current Year To Date ended 30.09.2012	Preceding Year To Date ended 30.09.2011
Profit for the period	RM '000	<u>37,499</u>	<u>59,488</u>	<u>150,920</u>	<u>145,772</u>
Weighted average number of ordinary shares in issue	'000	<u>1,452,723</u>	<u>1,468,433</u>	<u>1,452,723</u>	<u>1,468,433</u>
Basic earnings per share	sen	<u>2.58</u>	<u>4.05</u>	<u>10.39</u>	<u>9.93</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

	Unaudited As at 30.09.2012 RM '000	Audited As at 31.12.2011 RM '000
Total retained earnings		
i) Company and subsidiaries		
- realised profit	<u>2,873,497</u>	<u>1,958,260</u>
- unrealised loss	<u>(260,439)</u>	<u>(183,556)</u>
	<u>2,613,058</u>	<u>1,774,704</u>
ii) Associates		
- realised profit	<u>230,878</u>	<u>204,062</u>
- unrealised profit	<u>3,548</u>	<u>6,919</u>
	<u>234,426</u>	<u>210,981</u>
iii) Group consolidation adjustments	<u>(280,154)</u>	<u>(280,461)</u>
Total Group retained earnings as per unaudited consolidated statement of financial position	<u>2,567,330</u>	<u>1,705,224</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 29 November 2012.

Interim Financial Report for the three months ended 30 September 2012

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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 30.09.2012 RM' 000	Preceding Year Quarter 30.09.2011 RM' 000	Current Year To Date 30.09.2012 RM' 000	Preceding Year To Date 30.09.2011 RM' 000
Revenue	241,190	186,060	724,914	547,100
Cost of sales	(79,616)	(56,184)	(251,779)	(180,566)
Gross profit	161,574	129,876	473,135	366,534
Other operating income	33,590	13,709	66,937	37,920
Administrative expenses	(91,604)	(43,266)	(193,566)	(132,243)
Other operating expenses	(11,326)	4,659	(26,937)	(1,148)
Profit from operations	92,234	104,978	319,569	271,063
Finance costs	(15,796)	(16,519)	(45,859)	(44,259)
Share of after-tax results of associates	8,863	2,115	11,861	8,369
Profit before tax	85,301	90,574	285,571	235,173
Less tax:				
Company and subsidiaries	(51,080)	(24,514)	(112,958)	(67,431)
Profit for the period	34,221	66,060	172,613	167,742
Attributable to:				
Equity holders of the Company ^{note 1}	37,499	59,488	150,920	145,772
Non-controlling interests	(3,278)	6,572	21,693	21,970
	34,221	66,060	172,613	167,742
Earnings per share (sen)				
- basic	2.58	4.05	10.39	9.93
- diluted ^{note 2}	na	na	na	na
Dividends per ordinary share (sen)	-	-	-	5.0

Note 1:

During the current quarter, the corporate exercise to list IGB REIT was completed. As at 30 September 2012, IGB's equity shareholdings in KrisAssets Holdings Berhad was 63.5% and in IGB REIT was 51.0%. The gain on disposal of the investment properties to IGB REIT was eliminated upon consolidation. However, expenses relating to the listing was accrued in the Consolidated Income Statement in the current quarter (refer to note K1).

Note 2:

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 30.09.2012 RM' 000	Preceding Year Quarter 30.09.2011 RM' 000	Current Year To Date 30.09.2012 RM' 000	Preceding Year To Date 30.09.2011 RM' 000
Profit for the period	34,221	66,060	172,613	167,742
Other comprehensive income:				
Exchange differences on translating foreign operations:				
Equity holders	163	5,897	534	6,365
Non-controlling interests	194	(323)	147	(179)
Share of an associate's realisation of revaluation surplus on property, plant and equipment, net of tax	-	(58)	-	(177)
Realisation of deferred tax on property, plant and equipment		-		4,900
Total comprehensive income for the period, net of tax	<u>34,578</u>	<u>71,576</u>	<u>173,294</u>	<u>178,651</u>
Total comprehensive income attributable to:				
Equity holders of the Company	37,662	65,326	151,454	156,860
Non-controlling interests	(3,084)	6,250	21,840	21,791
	<u>34,578</u>	<u>71,576</u>	<u>173,294</u>	<u>178,651</u>

Condensed Consolidated Statements of Financial Position

(The figures have not been audited)

	30.09.2012 RM '000	Audited 31.12.2011 RM '000
Capital and reserves attributable to the Company's equity holders ^{note 1}		
Share capital	745,148	745,148
Share premium	404,112	404,112
Treasury shares	(130,106)	(49,021)
Revaluation and other reserves	513,179	618,537
Retained earnings	2,567,330	1,705,224
	4,099,663	3,424,000
Non-controlling interests	692,853	220,577
TOTAL EQUITY	4,792,516	3,644,577
 Represented by:		
Non current assets		
Property, plant and equipment	1,835,857	1,139,546
Long term prepaid lease	3,764	4,049
Investment properties	1,965,815	1,913,422
Land held for property development	248,028	242,942
Investments in associates	355,426	538,438
Goodwill	19,164	-
Deferred tax assets	5,896	6,664
Cash and bank balances	-	1,983
	4,433,950	3,847,044
Current assets		
Property development costs	191,852	203,177
Inventories	67,268	67,320
Financial assets at fair value through profit or loss	422	23,771
Trade and other receivables	229,758	219,044
Amounts owing by associates	54,715	135,941
Amount owing by a jointly controlled entity	-	249
Tax recoverable	3,557	3,737
Cash held in Housing Development Accounts	10,463	22,271
Cash and bank balances	2,234,222	820,350
	2,792,257	1,495,860
Less: Current liabilities		
Trade and other payables	368,432	319,234
Amounts owing to associates	22,707	25,518
Amount owing to a jointly controlled entity	2,819	-
Borrowings	395,013	282,627
Current tax payable	31,070	40,279
	820,041	667,658
Net current assets	1,972,216	828,202
 Less: Non current liabilities		
Trade and other payables	58,465	39,381
Borrowings	1,303,212	823,013
Deferred tax liabilities	251,973	168,275
	1,613,650	1,030,669
	4,792,516	3,644,577

Note 1 - Upon completion of the corporate exercise to list IGB REIT, Capital and reserves attributable to the Company's equity holders have increased to RM2.75 per share as at 30 September 2012 compared to RM2.30 as at 31 December 2011. For details of the increase, please refer to the following page.

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2012

(The figures have not been audited)

	Attributable to equity holders										Non-controlling Interests
	Issued and fully paid ordinary shares of RM0.50 each		Treasury Shares ordinary shares of RM0.50 each		Non-distributable		Distributable		Retained earnings		
	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	Share premium RM '000	Retained earnings RM '000	Share premium RM '000	Retained earnings RM '000	Total RM '000
At 1 January 2012	1,490,296	745,148	(29,307)	(49,021)	404,112	618,537	1,705,224	220,577	220,577	3,644,577	
Total comprehensive income for the period	-	-	-	-	-	(105,358)	256,812	21,840	21,840	173,294	
Share buy-back	-	-	(31,138)	(81,085)	-	-	-	-	-	(81,085)	
Dilution of equity in a subsidiary which does not result in a change in control	-	-	-	-	-	-	632,737	461,294	461,294	1,094,031	
Cancellation of treasury shares by a subsidiary	-	-	-	-	-	-	100	-	-	100	
Dividends	-	-	-	-	-	-	(27,543)	(10,858)	(10,858)	(38,401)	
At 30 September 2012	1,490,296	745,148	(60,445)	(130,106)	404,112	513,179	2,567,330	692,853	692,853	4,792,516	

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2011
(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			
	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	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	178,651	
Total comprehensive income for the period	-	-	-	-	-	10,431	146,429	21,791	178,651		
Purchase of treasury shares	-	-	(6,424)	(12,596)	-	-	-	-	(12,596)		
Distribution of treasury shares as dividend	-	-	14,528	23,109	(23,109)	-	-	-	-		
Conversion of warrants to ordinary shares of a subsidiary	-	-	-	-	-	-	205	25,572	25,777		
Disposal of shares in a subsidiary which does not result in a change in control	-	-	-	-	-	-	(7,579)	7,579	-		
Equity portion of convertible bonds of a subsidiary	-	-	-	-	-	-	-	14,628	14,628		
Dividends	-	-	-	-	-	-	(82,089)	(7,943)	(90,032)		
At 30 September 2011	1,490,296	745,148	(29,179)	(48,788)	404,112	448,258	1,611,660	211,240	3,371,630		

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

	30.09.2012 RM '000	30.09.2011 RM '000
Operating activities		
Receipts from customers	794,715	572,181
Payments to contractors, suppliers and employees	(515,677)	(363,016)
Cash flow from operations	279,038	209,165
Interest paid	(50,421)	(48,767)
Income taxes paid	(61,576)	(29,628)
Net cash generated from operating activities	167,041	130,770
Investing activities		
Dividends received from associates	18,915	31,675
Dividends received from investments	-	432
Proceeds from dilution of equity in a subsidiary	837,500	-
Interest received	15,835	17,418
Proceeds from disposal of an associate	114,325	-
Acquisition of a subsidiary	(101,140)	-
Proceeds from disposal of property, plant and equipment	-	183
Proceeds from disposal of financial assets	23,444	33,932
Purchase of property, plant and equipment	(119,295)	(221,361)
Repayments/(advances) from/(to) associates	(176,729)	(6,042)
Net cash generated from/(used in) investing activities	612,855	(143,763)
Financing activities		
Purchase of treasury shares	(81,085)	(12,596)
Receipt of bank borrowings, net of repayments	731,559	78,901
Proceeds from issuance of Redeemable Convertible Bonds	-	267,790
Dividends paid	(27,385)	(82,089)
Net cash generated from financing activities	623,089	252,006
Foreign currencies exchange difference	(2,904)	4,193
Net increase in cash and cash equivalents	1,400,081	243,206
Cash and cash equivalents at beginning of financial year	844,604	628,757
Cash and cash equivalents at end of period	2,244,685	871,963

**Explanatory notes to the Interim Financial Statements
for the three months ended 30 September 2012**

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 2011.

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 2011 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 January 2012)

- Amendment to FRS 112 Income taxes
- Revised FRS 124 Related party disclosures

The adoption of the above revised FRS and Amendment to FRS 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 2011 was not subject to any audit qualification.

M3 Seasonality or cyclicality

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

Shares repurchased during the current financial year to-date were as follows:

Date	No. of shares	Lowest Price RM	Highest Price RM	Cost RM
As at 31 December 2011	29,306,467	1.15	2.82	49,020,578
Purchased in February 2012	431,400	2.70	2.70	1,169,024
Purchased in March 2012	1,782,200	2.69	2.77	4,896,261
As at 31 March 2012	31,520,067	1.15	2.82	55,085,863
Purchased in April 2012	2,873,700	2.71	2.77	7,901,148
Purchased in May 2012	3,027,400	2.71	2.76	8,314,114
Purchased in June 2012	3,646,900	2.69	2.78	9,987,301
As at 30 June 2012	41,068,067			81,288,426
Purchased in July 2012	1,087,700	2.70	2.75	2,974,154
Purchased in August 2012	7,207,200	2.42	2.72	18,660,371
Purchased in September 2012	13,428,100	2.20	2.61	32,430,014
As at 30 September 2012	62,791,067			135,352,965
Purchased in October 2012	3,663,900	2.28	2.50	8,870,958
Purchased in November 2012	2,160,900	2.36	2.43	5,180,038
As at reporting date	68,615,867			149,403,961

The number of treasury shares held as at the date of this report was 68,615,867 ordinary shares of RM0.50 each.

Other than the above, there were no other 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 2011 was paid on 6 April 2012.

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
9 months ended 30 September 2012						
Revenue						
Total revenue	84,641	376,216	236,779	121,613	28,534	847,783
Intersegment revenue	-	(15,595)	(4,954)	(83,753)	(18,567)	(122,869)
External revenue	<u>84,641</u>	<u>360,621</u>	<u>231,825</u>	<u>37,860</u>	<u>9,967</u>	<u>724,914</u>
Results						
Segment results (external)	62,968	182,545	77,174	1,660	940	325,287
Unallocated income						15,835
Unallocated expense						(21,554)
Profit from operations						319,568
Finance costs						(45,859)
Share of after-tax results of associates	1,694	452	4,022	-	5,694	11,862
Profit from ordinary activities before tax						285,571
Tax-Company and subsidiaries						(112,958)
Profit for the period						<u>172,613</u>
Attributable to:						
Equity holders of the Company						150,920
Non-controlling interests						21,693
						<u>172,613</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
9 months ended 30 September 2011						
Revenue						
Total revenue	20,118	357,234	168,626	25,248	26,930	598,156
Intersegment revenue	-	(14,360)	(4,595)	(14,594)	(17,507)	(51,056)
External revenue	<u>20,118</u>	<u>342,874</u>	<u>164,031</u>	<u>10,654</u>	<u>9,423</u>	<u>547,100</u>
Results						
Segment results (external)	21,327	198,827	51,267	(594)	1,753	272,580
Unallocated income						17,418
Unallocated expense						(18,935)
Profit from operations						271,063
Finance costs						(44,259)
Share of after-tax results of associates	<u>2,250</u>	<u>693</u>	<u>5,350</u>	<u>-</u>	<u>76</u>	<u>8,369</u>
Profit from ordinary activities before tax						235,173
Tax-Company and subsidiaries						(67,431)
Profit for the period						<u>167,742</u>
Attributable to:						
Equity holders of the Company						145,772
Minority interests						21,970
						<u>167,742</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.

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 23 March 2012, the Company announced to Bursa Malaysia that the Company had acquired 50,000,000 ordinary shares of RM1.00 each representing 50% equity interest in Great Union Properties Sdn Bhd ("GUP") and accordingly GUP is now a wholly-owned subsidiary of the Company.

On 26 March 2012, the Company announced to Bursa Malaysia the acquisition of the entire issued shares of two new companies incorporated in Malaysia known as Southkey Megamall Sdn Bhd and Dimensi Magnitud Sdn Bhd for cash consideration. The issued and fully paid-up share capital of each of these companies is RM2.00. The acquisition of these companies is to facilitate potential joint ventures.

On 16 April 2012, an announcement was made to Bursa Malaysia that the Company had acquired a newly incorporated subsidiary, IGB REIT Management Sdn Bhd ("IGB REIT Management") to act as the proposed management company for IGB REIT, details of which are in Section K8 below. The issued and fully paid-up share capital of IGB REIT Management is RM2.00.

On 28 May 2012, the Company announced to Bursa Malaysia the acquisition of the entire issued and paid-up shares of IGB International Ventures Sdn Bhd ("IGBIV") whose present issued and paid-up share capital comprises 2 ordinary shares of RM1.00 each.

On 18 June 2012, the Company announced to Bursa Malaysia that IGBIV had on 15 June 2012 entered into a Joint Venture Agreement with Aspire Horizon Ltd for the establishment of a joint venture through an equity participation of 58% in Wilmer Link Limited.

The disposal of Mid Valley Megamall and The Gardens Mall by Mid Valley City Sdn Bhd and Mid Valley City Gardens Sdn Bhd respectively to IGB Real Estate Investment Trust ("IGB REIT") was completed on 20 September 2012. IGB REIT was listed on the Main Market of Bursa Malaysia on 21 September 2012. IGB currently holds approximately 51% in IGB REIT.

M12 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since 31 December 2011.

K1 Review of performance

For the three months ended 30 September 2012, Group revenue increased by 30% to RM241.2 million when compared to the corresponding period in 2011 of RM186.1 million due mainly to higher contributions from all Property Development and Hotel divisions.

Group pre-tax profit decreased by 6% to RM85.3 million when compared to pre-tax profit of RM90.6 million achieved in the corresponding period in 2011 mainly due to a one-off accrual during the current quarter of expenses of about RM28.7 million incurred in the listing of IGB REIT.

K2 Comparison with immediate preceding quarter

Group revenue for the three months ended 30 September 2012 decreased by 8% to RM241.2 million when compared to Group revenue of RM260.8 million for the three months ended 30 June 2012 mainly due to lower contributions from the Property Development and Property Investment divisions.

Group pre-tax profit decreased by 15% to RM85.3 million when compared to pre-tax profit of RM100.7 million reported in the immediate preceding quarter mainly due to a one-off accrual during the current quarter of expenses of about RM28.7 million incurred in the listing of IGB REIT.

K3 Prospects for 2012

Operating results for the first nine months of 2012 have been encouraging with Group revenue increasing by 32% to RM724.9 million when compared to the first nine months of 2011 of RM547.1 million arising from increased contributions from all divisions. Property Development and Construction divisions' turnover both increased by more than 100%, whilst Property Investment and Hotel divisions' turnover increased by 5% and 41% respectively.

In the Property Development division, Opt Ventures Sdn Bhd, a 70%-owned subsidiary launched a condominium development in Kuala Lumpur known as G Residence in February 2012. To-date more than 86% of the total 474 units of service apartments have been sold. The Group's two other on-going projects, Garden Manor in Sierramas and Seri Ampang Hilir in Kuala Lumpur are targeted to be completed by this December and 1Q2013 respectively.

In the Property Investment division, the Group's two major retail malls, Mid Valley Megamall and The Gardens Mall registered encouraging turnover growth whilst total rental income from the Group's office buildings have increased by 8% when compared to the same period in 2011. The corporate exercise to list IGB REIT which is currently the largest REIT in Malaysia by market capitalization and appraised value was completed on 21 September 2012. All five office buildings located in Mid Valley City are now close to 100% occupied and management's efforts are now geared towards increasing yields by improving efficiencies in managing the buildings.

In the Hotel division, total turnover achieved by the Group's hotels including associates was RM322.5 million, an increase of 6% when compared to the same period in 2011. The acquisition of the balance 50% equity in Great Union Properties Sdn Bhd, the owner and operator of Renaissance Hotel Kuala Lumpur, was completed during the year.

Group pre-tax profit for the nine months to 30 September 2012 has improved significantly by 21% to RM285.6 million when compared to the same period in 2011.

With these improved performances, the Board is confident that the Group's operational results for the current financial year will be better than the previous financial year.

K4 Profit forecast/profit guarantee

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

K5 Tax

	Current quarter ended 30.09.2012 RM '000	Cumulative current Year-To-Date ended 30.09.2012 RM '000
Malaysian income tax		
- Company and subsidiaries	37,291	80,329
Under provision in previous year	(396)	1,444
Transferred from deferred tax	14,112	30,633
	<u>51,007</u>	<u>112,406</u>
Overseas tax		
- Company and subsidiaries	73	552
	<u>51,080</u>	<u>112,958</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 certain expenses were not deductible for tax purposes. In addition, arising from the disposal of the assets of both Mid Valley City Sdn Bhd and Mid Valley City Gardens Sdn Bhd to IGB REIT pursuant to the listing of IGB REIT, there is a provision for tax on balancing charge amounting to approximately RM64.0 million.

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 30 June 2012 were as follows:

	RM '000
Total financial assets at cost	<u>1,114</u>
Total financial assets at fair value (after provision for impairment)	<u>422</u>
Total financial assets at market value at 30 Sept 2012	<u>422</u>

K8 Corporate proposals

Proposed establishment and listing of a Real Estate Investment Trust on the Main Market of Bursa Malaysia Securities Berhad.

On 16 April 2012, it was announced to Bursa Malaysia that the Company proposes to establish and list a real estate investment trust ("IGB REIT") on the Main Market of Bursa Securities. The initial investment portfolio of IGB REIT shall comprise an 8-Storey retail mall known as The Gardens Mall and a 5-storey retail mall with 1 mezzanine floor known as Mid Valley Megamall ("Subject Properties"), which are currently owned by wholly-owned subsidiaries of KrisAssets Holdings Berhad, which in turn is a subsidiary of the Company.

On 14 May 2012, it was announced to Bursa Malaysia that an application relating to the proposed IGB REIT Establishment and Listing had been submitted to the Securities Commission ("SC") on even date.

On 26 June 2012, it was announced to Bursa Malaysia that the shareholders of the Company had, in the Extraordinary General Meeting held on even date, approved the proposed listing of IGB REIT on the Main Market of Bursa Malaysia.

On 19 July 2012, it was announced to Bursa Malaysia that the SC had in its letter dated 18 July 2012, approved the Proposed IGB REIT establishment and Listing, which included the following approvals:

- i) Establishment of IGB REIT with a fund size of 3,550 million units in IGB REIT ("Units");
- ii) Listing of and quotation for the entire 3,550 million Units on the Main Market of Bursa Malaysia;
- iii) Appointment of IGB REIT Management Sdn Bhd as the management company of IGB REIT;
- iv) Appointment of AmTrustee Berhad as the trustee for IGB REIT; and
- v) Exemptions/variations from certain clauses in the Guidelines on Real Estate Investment Trusts, Prospectus Guidelines for Collective Investment Schemes and the Asset Valuation Guidelines.

On 26 July 2012, it was announced to Bursa Malaysia that IGB REIT was established on 25 July 2012 upon the registration of the deed of trust executed on 18 July 2012 between IGB REIT Management Sdn Bhd and AM Trustee Berhad, with the SC.

On 3 August 2012, it was announced to Bursa Malaysia that Bursa Malaysia had in its letter dated 3 August 2012 approved (i) the admission of IGB REIT to the Official List of the Main Market of Bursa Malaysia and the listing and quotation of 3,400 million IGB REIT units ("Units") under the "REIT" sector of the Main Market of Bursa Malaysia; (ii) the extension of time of one month from the date of listing of IGB REIT to meet the public shareholding spread under paragraphs 3.06(1), 4.07 and 8.02(1) of the Main Market Listing Requirements of Bursa Malaysia; and (iii) the listing and quotation of up to 150 million Units to be issued on a staggered basis to IGB REIT Management Sdn Bhd as management fees.

On 3 August 2012, it was announced to Bursa Malaysia that the Company's Share Transfer Book and Register of Members will be closed from 15 August 2012 to 17 August 2012 (both dates inclusive) for the purpose of determining the entitlements of up to 120,000,000 Units allocated to Eligible IGB Shareholders pursuant to the IGB REIT Establishment and Listing.

K9 Group borrowings and debt securities

Group borrowings as at 30 September 2012 were as follows:

	RM '000
Long term borrowings:	
Secured	
Term Loan	1,433,212
	<u>1,433,212</u>
Short term borrowings:	
Secured	
Current portion of term loan	12,559
Short term loan	173,454
Unsecured	
Short term loan	79,000
	<u>265,013</u>
TOTAL	<u>1,698,225</u>
Capital and reserves attributable to equity holders of the Company	<u>4,099,663</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 interim dividend is declared or proposed during this quarter in respect of the financial year ending 31 December 2012.

K13 Earnings per share

		Current Quarter ended 30.09.2012	Preceding Year Quarter ended 30.09.2011	Current Year To Date ended 30.09.2012	Preceding Year To Date ended 30.09.2011
Profit for the period	RM '000	<u>37,499</u>	<u>59,488</u>	<u>150,920</u>	<u>145,772</u>
Weighted average number of ordinary shares in issue	'000	<u>1,452,723</u>	<u>1,468,433</u>	<u>1,452,723</u>	<u>1,468,433</u>
Basic earnings per share	sen	<u>2.58</u>	<u>4.05</u>	<u>10.39</u>	<u>9.93</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

	Unaudited As at 30.09.2012 RM '000	Audited As at 31.12.2011 RM '000
Total retained earnings		
i) Company and subsidiaries		
- realised profit	<u>2,873,497</u>	<u>1,958,260</u>
- unrealised loss	<u>(260,439)</u>	<u>(183,556)</u>
	<u>2,613,058</u>	<u>1,774,704</u>
ii) Associates		
- realised profit	<u>230,878</u>	<u>204,062</u>
- unrealised profit	<u>3,548</u>	<u>6,919</u>
	<u>234,426</u>	<u>210,981</u>
iii) Group consolidation adjustments	<u>(280,154)</u>	<u>(280,461)</u>
Total Group retained earnings as per unaudited consolidated statement of financial position	<u>2,567,330</u>	<u>1,705,224</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 29 November 2012.

Interim Financial Report for the three months ended 30 September 2012

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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 30.09.2012 RM' 000	Preceding Year Quarter 30.09.2011 RM' 000	Current Year To Date 30.09.2012 RM' 000	Preceding Year To Date 30.09.2011 RM' 000
Revenue	241,190	186,060	724,914	547,100
Cost of sales	(79,616)	(56,184)	(251,779)	(180,566)
Gross profit	161,574	129,876	473,135	366,534
Other operating income	33,590	13,709	66,937	37,920
Administrative expenses	(91,604)	(43,266)	(193,566)	(132,243)
Other operating expenses	(11,326)	4,659	(26,937)	(1,148)
Profit from operations	92,234	104,978	319,569	271,063
Finance costs	(15,796)	(16,519)	(45,859)	(44,259)
Share of after-tax results of associates	8,863	2,115	11,861	8,369
Profit before tax	85,301	90,574	285,571	235,173
Less tax:				
Company and subsidiaries	(51,080)	(24,514)	(112,958)	(67,431)
Profit for the period	34,221	66,060	172,613	167,742
Attributable to:				
Equity holders of the Company ^{note 1}	37,499	59,488	150,920	145,772
Non-controlling interests	(3,278)	6,572	21,693	21,970
	34,221	66,060	172,613	167,742
Earnings per share (sen)				
- basic	2.58	4.05	10.39	9.93
- diluted ^{note 2}	na	na	na	na
Dividends per ordinary share (sen)	-	-	-	5.0

Note 1:

During the current quarter, the corporate exercise to list IGB REIT was completed. As at 30 September 2012, IGB's equity shareholdings in KrisAssets Holdings Berhad was 63.5% and in IGB REIT was 51.0%. The gain on disposal of the investment properties to IGB REIT was eliminated upon consolidation. However, expenses relating to the listing was accrued in the Consolidated Income Statement in the current quarter (refer to note K1).

Note 2:

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 30.09.2012 RM' 000	Preceding Year Quarter 30.09.2011 RM' 000	Current Year To Date 30.09.2012 RM' 000	Preceding Year To Date 30.09.2011 RM' 000
Profit for the period	34,221	66,060	172,613	167,742
Other comprehensive income:				
Exchange differences on translating foreign operations:				
Equity holders	163	5,897	534	6,365
Non-controlling interests	194	(323)	147	(179)
Share of an associate's realisation of reevaluation surplus on property, plant and equipment, net of tax	-	(58)	-	(177)
Realisation of deferred tax on property, plant and equipment		-		4,900
Total comprehensive income for the period, net of tax	34,578	71,576	173,294	178,651
Total comprehensive income attributable to:				
Equity holders of the Company	37,662	65,326	151,454	156,860
Non-controlling interests	(3,084)	6,250	21,840	21,791
	34,578	71,576	173,294	178,651

Condensed Consolidated Statements of Financial Position

(The figures have not been audited)

	30.09.2012 RM '000	Audited 31.12.2011 RM '000
Capital and reserves attributable to the Company's equity holders ^{note 1}		
Share capital	745,148	745,148
Share premium	404,112	404,112
Treasury shares	(130,106)	(49,021)
Revaluation and other reserves	513,179	618,537
Retained earnings	2,567,330	1,705,224
	4,099,663	3,424,000
Non-controlling interests	692,853	220,577
TOTAL EQUITY	4,792,516	3,644,577
 Represented by:		
Non current assets		
Property, plant and equipment	1,835,857	1,139,546
Long term prepaid lease	3,764	4,049
Investment properties	1,965,815	1,913,422
Land held for property development	248,028	242,942
Investments in associates	355,426	538,438
Goodwill	19,164	-
Deferred tax assets	5,896	6,664
Cash and bank balances	-	1,983
	4,433,950	3,847,044
Current assets		
Property development costs	191,852	203,177
Inventories	67,268	67,320
Financial assets at fair value through profit or loss	422	23,771
Trade and other receivables	229,758	219,044
Amounts owing by associates	54,715	135,941
Amount owing by a jointly controlled entity	-	249
Tax recoverable	3,557	3,737
Cash held in Housing Development Accounts	10,463	22,271
Cash and bank balances	2,234,222	820,350
	2,792,257	1,495,860
Less: Current liabilities		
Trade and other payables	368,432	319,234
Amounts owing to associates	22,707	25,518
Amount owing to a jointly controlled entity	2,819	-
Borrowings	395,013	282,627
Current tax payable	31,070	40,279
	820,041	667,658
Net current assets	1,972,216	828,202
 Less: Non current liabilities		
Trade and other payables	58,465	39,381
Borrowings	1,303,212	823,013
Deferred tax liabilities	251,973	168,275
	1,613,650	1,030,669
	4,792,516	3,644,577

Note 1 - Upon completion of the corporate exercise to list IGB REIT, Capital and reserves attributable to the Company's equity holders have increased to RM2.75 per share as at 30 September 2012 compared to RM2.30 as at 31 December 2011. For details of the increase, please refer to the following page.

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2012

(The figures have not been audited)

	Attributable to equity holders						Non-controlling Interests	Total RM '000	
	Issued and fully paid ordinary shares of RM0.50 each	Treasury Shares ordinary shares of RM0.50 each	Number of shares '000	Nominal value RM '000	Nominal value RM '000	Share premium RM '000			Revaluation and other reserves RM '000
At 1 January 2012	1,490,296		(29,307)	(49,021)	404,112	618,537	1,705,224	220,577	3,644,577
Total comprehensive income for the period	-	-	-	-	-	(105,358)	256,812	21,840	173,294
Share buy-back	-	-	(31,138)	(81,085)	-	-	-	-	(81,085)
Dilution of equity in a subsidiary which does not result in a change in control	-	-	-	-	-	-	632,737	461,294	1,094,031
Cancellation of treasury shares by a subsidiary	-	-	-	-	-	-	100	-	100
Dividends	-	-	-	-	-	-	(27,543)	(10,858)	(38,401)
At 30 September 2012	1,490,296	745,148	(60,445)	(130,106)	404,112	513,179	2,567,330	692,853	4,792,516

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2011
(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		
	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	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	-	-	-	-	-	10,431	146,429	21,791	178,651		
Purchase of treasury shares	-	-	(6,424)	(12,596)	-	-	-	-	(12,596)		
Distribution of treasury shares as dividend	-	-	14,528	23,109	(23,109)	-	-	-	-		
Conversion of warrants to ordinary shares of a subsidiary	-	-	-	-	-	-	205	25,572	25,777		
Disposal of shares in a subsidiary which does not result in a change in control	-	-	-	-	-	-	(7,579)	7,579	-		
Equity portion of convertible bonds of a subsidiary	-	-	-	-	-	-	-	14,628	14,628		
Dividends	-	-	-	-	-	-	(82,089)	(7,943)	(90,032)		
At 30 September 2011	1,490,296	745,148	(29,179)	(48,788)	404,112	448,258	1,611,660	211,240	3,371,630		

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

	30.09.2012 RM '000	30.09.2011 RM '000
Operating activities		
Receipts from customers	794,715	572,181
Payments to contractors, suppliers and employees	(515,677)	(363,016)
Cash flow from operations	279,038	209,165
Interest paid	(50,421)	(48,767)
Income taxes paid	(61,576)	(29,628)
Net cash generated from operating activities	167,041	130,770
Investing activities		
Dividends received from associates	18,915	31,675
Dividends received from investments	-	432
Proceeds from dilution of equity in a subsidiary	837,500	-
Interest received	15,835	17,418
Proceeds from disposal of an associate	114,325	-
Acquisition of a subsidiary	(101,140)	-
Proceeds from disposal of property, plant and equipment	-	183
Proceeds from disposal of financial assets	23,444	33,932
Purchase of property, plant and equipment	(119,295)	(221,361)
Repayments/(advances) from/(to) associates	(176,729)	(6,042)
Net cash generated from/(used in) investing activities	612,855	(143,763)
Financing activities		
Purchase of treasury shares	(81,085)	(12,596)
Receipt of bank borrowings, net of repayments	731,559	78,901
Proceeds from issuance of Redeemable Convertible Bonds	-	267,790
Dividends paid	(27,385)	(82,089)
Net cash generated from financing activities	623,089	252,006
Foreign currencies exchange difference	(2,904)	4,193
Net increase in cash and cash equivalents	1,400,081	243,206
Cash and cash equivalents at beginning of financial year	844,604	628,757
Cash and cash equivalents at end of period	2,244,685	871,963

**Explanatory notes to the Interim Financial Statements
for the three months ended 30 September 2012**

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 2011.

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 2011 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 January 2012)

- Amendment to FRS 112 Income taxes
- Revised FRS 124 Related party disclosures

The adoption of the above revised FRS and Amendment to FRS 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 2011 was not subject to any audit qualification.

M3 Seasonality or cyclicality

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

Shares repurchased during the current financial year to-date were as follows:

Date	No. of shares	Lowest Price RM	Highest Price RM	Cost RM
As at 31 December 2011	29,306,467	1.15	2.82	49,020,578
Purchased in February 2012	431,400	2.70	2.70	1,169,024
Purchased in March 2012	1,782,200	2.69	2.77	4,896,261
As at 31 March 2012	31,520,067	1.15	2.82	55,085,863
Purchased in April 2012	2,873,700	2.71	2.77	7,901,148
Purchased in May 2012	3,027,400	2.71	2.76	8,314,114
Purchased in June 2012	3,646,900	2.69	2.78	9,987,301
As at 30 June 2012	41,068,067			81,288,426
Purchased in July 2012	1,087,700	2.70	2.75	2,974,154
Purchased in August 2012	7,207,200	2.42	2.72	18,660,371
Purchased in September 2012	13,428,100	2.20	2.61	32,430,014
As at 30 September 2012	62,791,067			135,352,965
Purchased in October 2012	3,663,900	2.28	2.50	8,870,958
Purchased in November 2012	2,160,900	2.36	2.43	5,180,038
As at reporting date	68,615,867			149,403,961

The number of treasury shares held as at the date of this report was 68,615,867 ordinary shares of RM0.50 each.

Other than the above, there were no other 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 2011 was paid on 6 April 2012.

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
9 months ended 30 September 2012						
Revenue						
Total revenue	84,641	376,216	236,779	121,613	28,534	847,783
Intersegment revenue	-	(15,595)	(4,954)	(83,753)	(18,567)	(122,869)
External revenue	<u>84,641</u>	<u>360,621</u>	<u>231,825</u>	<u>37,860</u>	<u>9,967</u>	<u>724,914</u>
Results						
Segment results (external)	62,968	182,545	77,174	1,660	940	325,287
Unallocated income						15,835
Unallocated expense						(21,554)
Profit from operations						319,568
Finance costs						(45,859)
Share of after-tax results of associates	<u>1,694</u>	<u>452</u>	<u>4,022</u>	<u>-</u>	<u>5,694</u>	<u>11,862</u>
Profit from ordinary activities before tax						285,571
Tax-Company and subsidiaries						(112,958)
Profit for the period						<u>172,613</u>
Attributable to:						
Equity holders of the Company						150,920
Non-controlling interests						<u>21,693</u>
						<u>172,613</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
9 months ended 30 September 2011						
Revenue						
Total revenue	20,118	357,234	168,626	25,248	26,930	598,156
Intersegment revenue	-	(14,360)	(4,595)	(14,594)	(17,507)	(51,056)
External revenue	<u>20,118</u>	<u>342,874</u>	<u>164,031</u>	<u>10,654</u>	<u>9,423</u>	<u>547,100</u>
Results						
Segment results (external)	21,327	198,827	51,267	(594)	1,753	272,580
Unallocated income						17,418
Unallocated expense						(18,935)
Profit from operations						271,063
Finance costs						(44,259)
Share of after-tax results of associates	<u>2,250</u>	<u>693</u>	<u>5,350</u>	<u>-</u>	<u>76</u>	<u>8,369</u>
Profit from ordinary activities before tax						235,173
Tax-Company and subsidiaries						(67,431)
Profit for the period						<u>167,742</u>
Attributable to:						
Equity holders of the Company						145,772
Minority interests						21,970
						<u>167,742</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.

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 23 March 2012, the Company announced to Bursa Malaysia that the Company had acquired 50,000,000 ordinary shares of RM1.00 each representing 50% equity interest in Great Union Properties Sdn Bhd ("GUP") and accordingly GUP is now a wholly-owned subsidiary of the Company.

On 26 March 2012, the Company announced to Bursa Malaysia the acquisition of the entire issued shares of two new companies incorporated in Malaysia known as Southkey Megamall Sdn Bhd and Dimensi Magnitud Sdn Bhd for cash consideration. The issued and fully paid-up share capital of each of these companies is RM2.00. The acquisition of these companies is to facilitate potential joint ventures.

On 16 April 2012, an announcement was made to Bursa Malaysia that the Company had acquired a newly incorporated subsidiary, IGB REIT Management Sdn Bhd ("IGB REIT Management") to act as the proposed management company for IGB REIT, details of which are in Section K8 below. The issued and fully paid-up share capital of IGB REIT Management is RM2.00.

On 28 May 2012, the Company announced to Bursa Malaysia the acquisition of the entire issued and paid-up shares of IGB International Ventures Sdn Bhd ("IGBIV") whose present issued and paid-up share capital comprises 2 ordinary shares of RM1.00 each.

On 18 June 2012, the Company announced to Bursa Malaysia that IGBIV had on 15 June 2012 entered into a Joint Venture Agreement with Aspire Horizon Ltd for the establishment of a joint venture through an equity participation of 58% in Wilmer Link Limited.

The disposal of Mid Valley Megamall and The Gardens Mall by Mid Valley City Sdn Bhd and Mid Valley City Gardens Sdn Bhd respectively to IGB Real Estate Investment Trust ("IGB REIT") was completed on 20 September 2012. IGB REIT was listed on the Main Market of Bursa Malaysia on 21 September 2012. IGB currently holds approximately 51% in IGB REIT.

M12 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since 31 December 2011.

K1 Review of performance

For the three months ended 30 September 2012, Group revenue increased by 30% to RM241.2 million when compared to the corresponding period in 2011 of RM186.1 million due mainly to higher contributions from all Property Development and Hotel divisions.

Group pre-tax profit decreased by 6% to RM85.3 million when compared to pre-tax profit of RM90.6 million achieved in the corresponding period in 2011 mainly due to a one-off accrual during the current quarter of expenses of about RM28.7 million incurred in the listing of IGB REIT.

K2 Comparison with immediate preceding quarter

Group revenue for the three months ended 30 September 2012 decreased by 8% to RM241.2 million when compared to Group revenue of RM260.8 million for the three months ended 30 June 2012 mainly due to lower contributions from the Property Development and Property Investment divisions.

Group pre-tax profit decreased by 15% to RM85.3 million when compared to pre-tax profit of RM100.7 million reported in the immediate preceding quarter mainly due to a one-off accrual during the current quarter of expenses of about RM28.7 million incurred in the listing of IGB REIT.

K3 Prospects for 2012

Operating results for the first nine months of 2012 have been encouraging with Group revenue increasing by 32% to RM724.9 million when compared to the first nine months of 2011 of RM547.1 million arising from increased contributions from all divisions. Property Development and Construction divisions' turnover both increased by more than 100%, whilst Property Investment and Hotel divisions' turnover increased by 5% and 41% respectively.

In the Property Development division, Opt Ventures Sdn Bhd, a 70%-owned subsidiary launched a condominium development in Kuala Lumpur known as G Residence in February 2012. To-date more than 86% of the total 474 units of service apartments have been sold. The Group's two other on-going projects, Garden Manor in Sierramas and Seri Ampang Hilir in Kuala Lumpur are targeted to be completed by this December and 1Q2013 respectively.

In the Property Investment division, the Group's two major retail malls, Mid Valley Megamall and The Gardens Mall registered encouraging turnover growth whilst total rental income from the Group's office buildings have increased by 8% when compared to the same period in 2011. The corporate exercise to list IGB REIT which is currently the largest REIT in Malaysia by market capitalization and appraised value was completed on 21 September 2012. All five office buildings located in Mid Valley City are now close to 100% occupied and management's efforts are now geared towards increasing yields by improving efficiencies in managing the buildings.

In the Hotel division, total turnover achieved by the Group's hotels including associates was RM322.5 million, an increase of 6% when compared to the same period in 2011. The acquisition of the balance 50% equity in Great Union Properties Sdn Bhd, the owner and operator of Renaissance Hotel Kuala Lumpur, was completed during the year.

Group pre-tax profit for the nine months to 30 September 2012 has improved significantly by 21% to RM285.6 million when compared to the same period in 2011.

With these improved performances, the Board is confident that the Group's operational results for the current financial year will be better than the previous financial year.

K4 Profit forecast/profit guarantee

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

K5 Tax

	Current quarter ended 30.09.2012 RM '000	Cumulative current Year-To-Date ended 30.09.2012 RM '000
Malaysian income tax		
- Company and subsidiaries	37,291	80,329
Under provision in previous year	(396)	1,444
Transferred from deferred tax	14,112	30,633
	<u>51,007</u>	<u>112,406</u>
Overseas tax		
- Company and subsidiaries	73	552
	<u>51,080</u>	<u>112,958</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 certain expenses were not deductible for tax purposes. In addition, arising from the disposal of the assets of both Mid Valley City Sdn Bhd and Mid Valley City Gardens Sdn Bhd to IGB REIT pursuant to the listing of IGB REIT, there is a provision for tax on balancing charge amounting to approximately RM64.0 million.

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 30 June 2012 were as follows:

	RM '000
Total financial assets at cost	<u>1,114</u>
Total financial assets at fair value (after provision for impairment)	<u>422</u>
Total financial assets at market value at 30 Sept 2012	<u>422</u>

K8 Corporate proposals

Proposed establishment and listing of a Real Estate Investment Trust on the Main Market of Bursa Malaysia Securities Berhad.

On 16 April 2012, it was announced to Bursa Malaysia that the Company proposes to establish and list a real estate investment trust ("IGB REIT") on the Main Market of Bursa Securities. The initial investment portfolio of IGB REIT shall comprise an 8-Storey retail mall known as The Gardens Mall and a 5-storey retail mall with 1 mezzanine floor known as Mid Valley Megamall ("Subject Properties"), which are currently owned by wholly-owned subsidiaries of KrisAssets Holdings Berhad, which in turn is a subsidiary of the Company.

On 14 May 2012, it was announced to Bursa Malaysia that an application relating to the proposed IGB REIT Establishment and Listing had been submitted to the Securities Commission ("SC") on even date.

On 26 June 2012, it was announced to Bursa Malaysia that the shareholders of the Company had, in the Extraordinary General Meeting held on even date, approved the proposed listing of IGB REIT on the Main Market of Bursa Malaysia.

On 19 July 2012, it was announced to Bursa Malaysia that the SC had in its letter dated 18 July 2012, approved the Proposed IGB REIT establishment and Listing, which included the following approvals:

- i) Establishment of IGB REIT with a fund size of 3,550 million units in IGB REIT ("Units");
- ii) Listing of and quotation for the entire 3,550 million Units on the Main Market of Bursa Malaysia;
- iii) Appointment of IGB REIT Management Sdn Bhd as the management company of IGB REIT;
- iv) Appointment of AmTrustee Berhad as the trustee for IGB REIT; and
- v) Exemptions/variations from certain clauses in the Guidelines on Real Estate Investment Trusts, Prospectus Guidelines for Collective Investment Schemes and the Asset Valuation Guidelines.

On 26 July 2012, it was announced to Bursa Malaysia that IGB REIT was established on 25 July 2012 upon the registration of the deed of trust executed on 18 July 2012 between IGB REIT Management Sdn Bhd and AM Trustee Berhad, with the SC.

On 3 August 2012, it was announced to Bursa Malaysia that Bursa Malaysia had in its letter dated 3 August 2012 approved (i) the admission of IGB REIT to the Official List of the Main Market of Bursa Malaysia and the listing and quotation of 3,400 million IGB REIT units ("Units") under the "REIT" sector of the Main Market of Bursa Malaysia; (ii) the extension of time of one month from the date of listing of IGB REIT to meet the public shareholding spread under paragraphs 3.06(1), 4.07 and 8.02(1) of the Main Market Listing Requirements of Bursa Malaysia; and (iii) the listing and quotation of up to 150 million Units to be issued on a staggered basis to IGB REIT Management Sdn Bhd as management fees.

On 3 August 2012, it was announced to Bursa Malaysia that the Company's Share Transfer Book and Register of Members will be closed from 15 August 2012 to 17 August 2012 (both dates inclusive) for the purpose of determining the entitlements of up to 120,000,000 Units allocated to Eligible IGB Shareholders pursuant to the IGB REIT Establishment and Listing.

K9 Group borrowings and debt securities

Group borrowings as at 30 September 2012 were as follows:

	RM '000
Long term borrowings:	
Secured	
Term Loan	1,433,212
	<u>1,433,212</u>
Short term borrowings:	
Secured	
Current portion of term loan	12,559
Short term loan	173,454
Unsecured	
Short term loan	79,000
	<u>265,013</u>
TOTAL	<u>1,698,225</u>
Capital and reserves attributable to equity holders of the Company	<u>4,099,663</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 interim dividend is declared or proposed during this quarter in respect of the financial year ending 31 December 2012.

K13 Earnings per share

		Current Quarter ended 30.09.2012	Preceding Year Quarter ended 30.09.2011	Current Year To Date ended 30.09.2012	Preceding Year To Date ended 30.09.2011
Profit for the period	RM '000	<u>37,499</u>	<u>59,488</u>	<u>150,920</u>	<u>145,772</u>
Weighted average number of ordinary shares in issue	'000	<u>1,452,723</u>	<u>1,468,433</u>	<u>1,452,723</u>	<u>1,468,433</u>
Basic earnings per share	sen	<u>2.58</u>	<u>4.05</u>	<u>10.39</u>	<u>9.93</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

	Unaudited As at 30.09.2012 RM '000	Audited As at 31.12.2011 RM '000
Total retained earnings		
i) Company and subsidiaries		
- realised profit	<u>2,873,497</u>	<u>1,958,260</u>
- unrealised loss	<u>(260,439)</u>	<u>(183,556)</u>
	2,613,058	1,774,704
ii) Associates		
- realised profit	<u>230,878</u>	<u>204,062</u>
- unrealised profit	<u>3,548</u>	<u>6,919</u>
	234,426	210,981
iii) Group consolidation adjustments	<u>(280,154)</u>	<u>(280,461)</u>
Total Group retained earnings as per unaudited consolidated statement of financial position	<u>2,567,330</u>	<u>1,705,224</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 29 November 2012.