

KrisAssets Holdings Berhad (24123-H)
(Incorporated in Malaysia)

**Interim Report
for the financial three months ended 31 March 2007**

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Notes:

M1 to M12 are explanatory notes in accordance with FRS 134.

K1 to K13 are explanatory notes in accordance with paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

KrisAssets Holdings Berhad (24123-H)
(Incorporated in Malaysia)

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

	3 Months Current Year Quarter 31.03.2007 RM' 000	3 Months Preceding Year Quarter 31.03.2006 RM' 000	3 Months Current Year To Date 31.03.2007 RM' 000	3 Months Preceding Year To Date 31.03.2006 RM' 000
Revenue	49,310	46,808	49,310	46,808
Cost of sales	<u>(9,770)</u>	<u>(8,625)</u>	<u>(9,770)</u>	<u>(8,625)</u>
Gross profit	39,540	38,183	39,540	38,183
Other income	1,049	1,070	1,049	1,070
Interest income	1,398	931	1,398	931
Administrative expenses	<u>(5,157)</u>	<u>(3,646)</u>	<u>(5,157)</u>	<u>(3,646)</u>
Profit from operations	36,830	36,538	36,830	36,538
Finance costs	<u>(8,191)</u>	<u>(9,202)</u>	<u>(8,191)</u>	<u>(9,202)</u>
Profit before tax	28,639	27,336	28,639	27,336
Tax expense	<u>(8,680)</u>	<u>(8,440)</u>	<u>(8,680)</u>	<u>(8,440)</u>
Profit for the period	<u>19,959</u>	<u>18,896</u>	<u>19,959</u>	<u>18,896</u>
Attributable to:				
Equity holders of the Company	<u>19,959</u>	<u>18,896</u>	<u>19,959</u>	<u>18,896</u>
Earnings per share attributable to ordinary equity holders of the Company				
- basic (sen)	6.04	5.72	6.04	5.72
- diluted (sen)	6.00	N/A	6.00	N/A
Dividends per ordinary share (sen)	-	10.00	-	10.00

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.

KrisAssets Holdings Berhad (24123-H)
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Condensed Consolidated Balance Sheets
(The figures have not been audited)

	As at 31.03.2007 RM '000	As at 31.12.2006 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	3,420	3,626
Investment property	<u>1,680,000</u>	<u>1,680,000</u>
	<u>1,683,420</u>	<u>1,683,626</u>
Current assets		
Inventories	31	32
Trade and other receivables	7,282	7,505
Amounts owing by related companies	2,368	2,157
Deposits with licensed banks	214,316	197,182
Cash and bank balances	<u>5,581</u>	<u>6,059</u>
	<u>229,578</u>	<u>212,935</u>
TOTAL ASSETS	<u>1,912,998</u>	<u>1,896,561</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	330,502	330,502
Share premium	376,711	376,711
Treasury shares	(220)	(220)
Capital redemption reserve	200	200
Retained earnings	169,743	97,278
Current period profit	<u>19,959</u>	<u>72,465</u>
	<u>896,895</u>	<u>876,936</u>
Warrants reserve	6,075	6,075
Total equity	<u>902,970</u>	<u>883,011</u>
Non-current liabilities		
Redeemable preference shares	93,000	93,000
Redeemable secured bonds	330,000	330,000
Bank guaranteed bonds	195,323	195,013
Deferred taxation	<u>290,088</u>	<u>290,088</u>
	<u>908,411</u>	<u>908,101</u>
Current liabilities		
Trade and other payables	54,370	55,266
Amounts owing to holding & related companies	1,160	7,080
Redeemable secured bonds	40,000	40,000
Taxation	<u>6,087</u>	<u>3,103</u>
	<u>101,617</u>	<u>105,449</u>
Total liabilities	<u>1,010,028</u>	<u>1,013,550</u>
TOTAL EQUITY AND LIABILITIES	<u>1,912,998</u>	<u>1,896,561</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>2.71</u>	<u>2.65</u>

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.

KrisAssets Holdings Berhad (24123-H)
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Condensed Consolidated Statements of Changes in Equity
(The figures have not been audited)

	Attributable to equity holders of the Company									
	Issued and fully paid ordinary shares of RM1.00 each		-----Treasury shares-----		Share premium RM '000	Capital redemption reserve RM '000	Retained earnings RM '000	Total RM'000	Warrants reserve RM'000	Total equity RM '000
Number of shares '000	Nominal value RM '000	Number of shares '000	Value RM '000							
As at 1 January 2007	330,502	330,502	(100)	(220)	376,711	200	169,743	876,936	6,075	883,011
Profit for the period	-	-	-	-	-	-	19,959	19,959	-	19,959
As at 31 March 2007	330,502	330,502	(100)	(220)	376,711	200	189,702	896,895	6,075	902,970

KrisAssets Holdings Berhad (24123-H)
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Condensed Consolidated Statements of Changes in Equity
(The figures have been audited)

	Issued and fully paid ordinary shares of RM1.00 each		-----Treasury shares-----		Share premium RM '000	Capital redemption reserves RM '000	Reserves on consolidation RM '000	Retained earnings RM '000	Total equity RM '000
	Number of shares '000	Nominal value RM '000	Number of shares '000	Value RM '000					
As at 1 January 2006	330,502	330,502	(100)	(220)	376,711	200	19,165	119,856	846,214
Reserves on consolidation transferred to retained earnings (effects of adopting FRS 3)	-	-	-	-	-	-	(19,165)	19,165	-
Fair value adjustment on investment property as at 1 January 2006, net of tax (effects of adopting FRS 140)	-	-	-	-	-	-	-	144,000	144,000
Profit for the period	-	-	-	-	-	-	-	18,896	18,896
Dividends	-	-	-	-	-	-	-	(23,789)	(23,789)
As at 31 March 2006	330,502	330,502	(100)	(220)	376,711	200	-	278,128	985,321

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.

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

	3 months ended 31.03.2007 RM '000	3 months ended 31.03.2006 RM '000
Operating activities		
Profit before tax	28,639	27,336
Adjustment for non-cash flow items:		
Non-cash items	277	310
Non-operating items (which are investing or financing)	6,793	8,398
Operating profit before changes in working capital	35,709	36,044
Net change in current assets	(5,839)	(3,705)
Net change in current liabilities	5,329	(1,880)
Cash flow from operations	35,199	30,459
Income taxes paid	(5,695)	(7,155)
Net cash generated from operating activities	29,504	23,304
Investing activities		
Purchase of property, plant & equipment	(138)	(85)
Interest received	1,398	931
Net cash generated from investing activities	1,260	846
Financing activities		
Interest paid	(14,108)	(11,853)
Dividend paid	-	(23,789)
Net cash used in financing activities	(14,108)	(35,642)
Net increase in cash and cash equivalents	16,656	(11,492)
Cash and cash equivalents at beginning of period	203,241	199,786
Cash and cash equivalents at end of period	219,897	188,294

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.

**Explanatory notes to the Interim Financial Statements
for the three (3) months ended 31 March 2007**

M1 Basis of preparation

This interim report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard 134 "Interim Financial Reporting" issued by Malaysian Accounting Standards Board and paragraph 9.22 together with Part A, Appendix 9B of Listing Requirements of Bursa Malaysia Securities Berhad. This interim report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2006. The accounting policies and methods of computation adopted in this interim report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2006.

M2 Auditors' report on preceding annual financial statements

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2006 was not subject to any audit qualification.

M3 Seasonality or cyclicity factors

The Group's operations were not materially affected by significant 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 during the current financial quarter and year-to-date.

M5 Material changes in estimates

Not applicable.

M6 Debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations and resale of treasury shares for the current financial quarter.

M7 Dividends paid

Not applicable.

M8 Segment reporting

The segmental financial information by business or geographical segments is not presented as the Group is the owner and operator of Mid Valley Megamall of which the entire business is conducted in Kuala Lumpur, Malaysia.

M9 Valuations

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

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 Interim Report.

M11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter.

M12 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at 31 March 2007.

K1 Review of performance

For the current quarter ended 31 March 2007, the Group's revenue, reflecting mainly the operations of Mid Valley Megamall was RM49.310 million, representing 5.35% increase, compared with the corresponding period of RM46.808 million in 2006. This was mainly contributed by higher rental income due to renewal of tenancy agreements and higher percentage rental.

The Group recorded a pre-tax profit for the current quarter ended 31 March 2007 of RM28.639 million, representing 4.77% increase, compared with pre-tax profit of RM27.336 million in the corresponding period in 2006. This was due to the higher rental income from renewal of tenancy agreements and higher percentage rental.

K2 Comparison with immediate preceding quarter

For the current quarter ended 31 March 2007, the Group's revenue was RM49.310 million compared with the immediate preceding quarter ended 31 December 2006 of RM51.634 million. This was mainly due to the higher percentage rental in the immediate preceding quarter.

The Group recorded a pre-tax profit for the current quarter ended 31 March 2007 of RM28.639 million compared with pre-tax profit of RM22.622 million in the immediate preceding quarter ended 31 December 2006. This was mainly due to higher repairs & maintenance costs in the immediate preceding quarter.

K3 Prospects for 2007

Barring unforeseen circumstances, the Group's financial performance for the financial year ending 31 December 2007 should be satisfactory.

K4 Profit forecast/profit guarantee

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

K5 Tax

	Current quarter ended 31.03.2007 RM '000	Current year-to-date ended 31.03.2007 RM '000
Malaysian income tax (Company and subsidiaries)		
- Current financial period	<u>8,680</u>	<u>8,680</u>
	<u>8,680</u>	<u>8,680</u>

The effective tax rate for the current financial quarter and year-to-date are higher than the statutory tax rate mainly due to certain expenses are disallowed for tax deduction purposes.

K6 Unquoted investments and properties

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

K7 Quoted securities

There was no purchase or disposal of quoted securities for the current financial quarter and year-to-date.

K8 Corporate proposals

There are no corporate proposals announced but not completed as at the date of this Interim Report.

K9 Group borrowings and debt securities

The Group's borrowings and debt securities as at 31 March 2007 were as follows:

	RM '000
Long term borrowings:	
Secured :-redeemable secured bonds	330,000
-bank guaranteed bonds	195,323
Unsecured :-redeemable preference shares	<u>93,000</u>
	<u>618,323</u>
Short term borrowings:	
Secured :-redeemable secured bonds	<u>40,000</u>
	<u>40,000</u>
TOTAL	<u>658,323</u>
Total equity as at 31 March 2007	<u>902,970</u>

K10 Financial instruments

The Group does not have any off-balance sheet financial instruments.

K11 Material litigation

The Board is not aware of any pending material litigation as at the date of this Interim Report.

K12 Dividend

At the forthcoming Annual General Meeting on 30 May 2007, a final dividend of 10% less tax for the financial year ended 31 December 2006 will be proposed for shareholders' approval.

K13 Earnings per share

		Current Quarter ended 31.03.2007	Preceding Quarter ended 31.03.2006	Current Year-To-Date ended 31.03.2007	Preceding Year-To-Date ended 31.03.2006
Profit for the period	RM '000	19,959	18,896	19,959	18,896
Weighted average number of ordinary shares in issue ^{*1}	'000	330,402	330,402	330,402	330,402
Basic earnings per share	sen	<u><u>6.04</u></u>	<u><u>5.72</u></u>	<u><u>6.04</u></u>	<u><u>5.72</u></u>
Weighted average number of ordinary shares in issue ^{*1}	'000	330,402	330,402	330,402	330,402
Adjustments for Warrants	'000	2,412	-	2,412	-
Weighted average number of ordinary shares in issue for diluted earnings per share	'000	332,814	330,402	332,814	330,402
Diluted earnings per share	sen	<u><u>6.00</u></u>	<u><u>N/A</u></u>	<u><u>6.00</u></u>	<u><u>N/A</u></u>

Note:

^{*1} After taking into consideration 100,000 treasury shares of RM1.00 each in the Company.

BY ORDER OF THE BOARD
TINA CHAN LAI YIN
Secretary

Kuala Lumpur
30 May 2007