

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

**Interim Report
for the financial year ended 31 December 2007**

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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 31.12.2007 RM' 000	3 Months Preceding Year Quarter 31.12.2006 RM' 000	12 Months Current Year To Date 31.12.2007 RM' 000	12 Months Preceding Year To Date 31.12.2006 RM' 000
Revenue	56,807	51,634	207,095	190,317
Cost of sales	<u>(11,556)</u>	<u>(14,544)</u>	<u>(47,036)</u>	<u>(44,009)</u>
Gross profit	45,251	37,090	160,059	146,308
Other income	1,709	1,043	5,594	3,919
Fair value gain on investment property	70,000	-	70,000	-
Interest income	1,173	1,271	5,358	4,436
Administrative expenses	<u>(12,374)</u>	<u>(7,911)</u>	<u>(30,410)</u>	<u>(23,494)</u>
Profit from operations	105,759	31,493	210,601	131,169
Finance costs	<u>(7,928)</u>	<u>(8,871)</u>	<u>(33,608)</u>	<u>(35,041)</u>
Profit before tax	97,831	22,622	176,993	96,128
Tax expense	<u>(27,148)</u>	<u>(205)</u>	<u>(54,255)</u>	<u>(23,663)</u>
Profit for the period	<u><u>70,683</u></u>	<u><u>22,417</u></u>	<u><u>122,738</u></u>	<u><u>72,465</u></u>
Attributable to:				
Equity holders of the Company	<u><u>70,683</u></u>	<u><u>22,417</u></u>	<u><u>122,738</u></u>	<u><u>72,465</u></u>
Earnings per share attributable to ordinary equity holders of the Company				
- basic (sen)	21.39	6.78	37.15	21.93
- diluted (sen)	21.05	N/A	34.90	N/A
Dividends per ordinary share (sen)	-	5.00	10.00	15.00

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)
(Incorporated in Malaysia)

Condensed Consolidated Balance Sheets
(The figures have not been audited)

	As at 31.12.2007 RM '000	As at 31.12.2006 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	3,226	3,626
Investment property	<u>1,750,000</u>	<u>1,680,000</u>
	<u>1,753,226</u>	<u>1,683,626</u>
Current assets		
Inventories	16	32
Trade and other receivables	10,928	7,505
Amounts owing by related companies	2,459	2,157
Deposits with licensed banks	108,058	197,182
Cash and bank balances	<u>55,089</u>	<u>6,059</u>
	<u>176,550</u>	<u>212,935</u>
TOTAL ASSETS	<u><u>1,929,776</u></u>	<u><u>1,896,561</u></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	243	200
Retained earnings	133,356	97,278
Current period profit	<u>122,738</u>	<u>72,465</u>
	<u>963,330</u>	<u>876,936</u>
Warrants reserve	6,075	6,075
Total equity	<u><u>969,405</u></u>	<u><u>883,011</u></u>
Non-current liabilities		
Redeemable preference shares	50,000	93,000
Redeemable secured bonds	290,000	330,000
Bank guaranteed bonds	196,268	195,013
Deferred taxation	<u>308,746</u>	<u>290,088</u>
	<u>845,014</u>	<u>908,101</u>
Current liabilities		
Trade and other payables	72,988	55,266
Amounts owing to holding & related companies	2,049	7,080
Redeemable secured bonds	40,000	40,000
Taxation	<u>320</u>	<u>3,103</u>
	<u>115,357</u>	<u>105,449</u>
Total liabilities	<u><u>960,371</u></u>	<u><u>1,013,550</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,929,776</u></u>	<u><u>1,896,561</u></u>
Net assets per share attributable to equity holders of the Company (RM)	<u><u>2.91</u></u>	<u><u>2.65</u></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-----										
	Number of shares '000	Nominal value RM '000	Number of shares '000	Value RM '000	Share premium RM '000	Capital redemption reserve RM '000	Retained earnings RM '000	Total RM'000	Warrants reserve RM'000	Total equity 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 year	-	-	-	-	-	-	122,738	122,738	-	122,738
Redemption of RPS	-	-	-	-	-	43	(43)	-	-	-
Dividend	-	-	-	-	-	-	(36,344)	(36,344)	-	(36,344)
As at 31 December 2007	330,502	330,502	(100)	(220)	376,711	243	256,094	963,330	6,075	969,405

Condensed Consolidated Statements of Changes in Equity
(The figures have 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	Reserves on consolidation 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 2006	330,502	330,502	(100)	(220)	376,711	200	19,165	119,856	846,214	-	846,214
Reserves on consolidation transferred to retained earnings (effects of adopting FRS 3)	-	-	-	-	-	-	(19,165)	19,165	-	-	-
Additional deferred tax liabilities in respect of fair value adjustments on investment property in prior years	-	-	-	-	-	-	-	(154,059)	(154,059)	-	(154,059)
Fair value adjustment on investment property as at 1 January 2006, net of tax (effects of adopting FRS 140)	-	-	-	-	-	-	-	148,000	148,000	-	148,000
Income and expense recognised directly in equity	-	-	-	-	-	-	(19,165)	13,106	(6,059)	-	(6,059)
Profit for the year	-	-	-	-	-	-	-	72,465	72,465	-	72,465
Total recognised income and expense for the financial year	-	-	-	-	-	-	(19,165)	85,571	66,406	-	66,406
Issue of warrants, net of expenses	-	-	-	-	-	-	-	-	-	6,075	6,075
Dividends	-	-	-	-	-	-	-	(35,684)	(35,684)	-	(35,684)
As at 31 December 2006	330,502	330,502	(100)	(220)	376,711	200	-	169,743	876,936	6,075	883,011

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)

	12 months ended 31.12.2007 RM '000	12 months ended 31.12.2006 RM '000
Operating activities		
Profit before tax	176,993	96,128
Adjustment for non-cash flow items:		
Non-cash items	(68,046)	2,086
Non-operating items (which are investing or financing)	28,250	28,971
Operating profit before changes in working capital	137,197	127,185
Net change in current assets	(9,359)	(3,000)
Net change in current liabilities	7,672	262
Cash flow from operations	135,510	124,447
Income taxes paid	(38,378)	(29,040)
Net cash generated from operating activities	97,132	95,407
Investing activities		
Purchase of property, plant & equipment	(939)	(903)
Proceeds from disposal of property, plant & equipment	-	24
Interest received	5,360	5,877
Net cash generated from investing activities	4,421	4,998
Financing activities		
Repayment of redeemable secured bonds	(40,000)	(30,000)
Redemption of redeemable preference shares	(43,000)	-
Proceeds from issuance of warrants	-	6,608
Expenses on corporate and fund raising exercise	-	(533)
Net inter-company balances movement	-	7,591
Interest paid	(30,248)	(30,625)
Dividend paid for redeemable preference shares	(4,280)	(14,307)
Dividend paid	(24,119)	(35,684)
Net cash used in financing activities	(141,647)	(96,950)
Net (decrease)/increase in cash and cash equivalents	(40,094)	3,455
Cash and cash equivalents at beginning of period	203,241	199,786
Cash and cash equivalents at end of period	163,147	203,241

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 financial year ended 31 December 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 audited financial statements for the financial year ended 31 December 2006 except for the adoption of Financial Reporting Standard 124 "Related Party Disclosures", which is mandatory for financial periods beginning on or after 1 January 2007 and relevant to the Group. Such adoption does not have significant financial impact on the Group.

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 period except as disclosed in this Interim Report.

M5 Material changes in estimates

Not applicable.

M6 Debt and equity securities

Save for principal repayment of RM40 million on 14 September 2007 in relation to RM400 million nominal value redeemable secured bonds issued by Mid Valley Capital Sdn Bhd and redemption of 430,000 redeemable preference shares ("RPS") of RM0.10 each in the Company issued at RM100.00 per RPS on 26 July 2007, 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

A final dividend of 10% less 27% tax on ordinary shares for the financial year ended 31 December 2006 was paid on 6 July 2007.

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

A revaluation has been conducted by Collier, Jordan Lee & Jaafar Sdn Bhd ("Valuers") on Mid Valley Megamall on portion of land held under title No.105027, PT No.14, Section 95A Town and District of Kuala Lumpur to assess its current market value ("Mid Valley Megamall").

Based on the valuation letter dated 18 February 2008, the market value of Mid Valley Megamall as at 31 December 2007 is RM1.75 billion, a surplus of RM70 million from the recorded value of RM1.68 billion. In accordance with the Group's accounting policy, the revaluation surplus of RM70 million is recognised as fair value gain on investment property in the income statement for the financial year ended 31 December 2007.

Save as disclosed above, carrying values of property, plant and equipment have been brought forward without amendment from the audited financial statements for the financial year ended 31 December 2006.

M10 Material events subsequent to the end of the interim period

A total of 250,000 out of the outstanding 500,000 RPS were redeemed at RM100.00 per RPS for a total redemption sum of RM25 million on 4 February 2008.

Save as disclosed above, 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 period.

M12 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at the date of this Interim report.

K1 Review of performance

For the current quarter ended 31 December 2007, the Group's revenue, reflecting mainly the operations of Mid Valley Megamall was RM56.807 million, representing 10.02% increase, compared with the corresponding period of RM51.634 million in 2006. This was mainly contributed by higher rental income and increase in car park income.

The Group recorded a pre-tax profit for the current quarter ended 31 December 2007 of RM97.831 million, representing 332.46% increase, compared with pre-tax profit of RM22.622 million in the corresponding period in 2006. This was mainly due to the higher total rental and car park income as well as recognition of revaluation surplus of RM70 million as fair value gain on investment property in accordance with the Group's accounting policy.

K2 Comparison with immediate preceding quarter

For the current quarter ended 31 December 2007, the Group's revenue was RM56.807 million, representing 9.99% increase, compared with the immediate preceding quarter ended 30 September 2007 of RM51.648 million. This was mainly due to higher rental income in the current quarter.

The Group recorded a pre-tax profit for the current quarter ended 31 December 2007 of RM97.831 million, representing 254.68% increase, compared with pre-tax profit of RM27.583 million in the immediate preceding quarter ended 30 September 2007. This was mainly due to higher rental income and recognition of revaluation surplus of RM70 million as fair value gain on investment property pursuant to Financial Reporting Standard 140 in the current quarter.

K3 Prospects for 2008

Barring unforeseen circumstances, the Group's financial performance for the financial year ending 31 December 2008 should be satisfactory.

K4 Profit forecast/profit guarantee

Not applicable.

K5 Tax

	Current quarter ended 31.12.2007 RM '000	Current year-to-date ended 31.12.2007 RM '000
Malaysian income tax (Company and subsidiaries)		
- Current financial period	8,490	35,070
- Prior financial period/year	-	527
Deferred tax	18,658	18,658
	27,148	54,255

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 December 2007 were as follows:

	RM '000
Long term borrowings:	
Secured :-redeemable secured bonds	290,000
-bank guaranteed bonds	196,268
Unsecured :-redeemable preference shares	<u>50,000</u>
	<u>536,268</u>
Short term borrowings:	
Secured :-redeemable secured bonds	<u>40,000</u>
	<u>40,000</u>
TOTAL	<u>576,268</u>
Total equity as at 31 December 2007	<u>969,405</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

Apart from the interim dividend of 5% less tax for the financial year ended 31 December 2007 which was paid on 8 January 2008, an interim dividend of 10% less tax is declared for the financial year ended 31 December 2007. The dividend will be paid on 20 May 2008 to every member who is entitled to receive the dividend at 4.00 p.m. on 28 April 2008.

K13 Earnings per share

		Current quarter ended 31.12.2007	Preceding quarter ended 31.12.2006	Current year-to-date ended 31.12.2007	Preceding year-to-date ended 31.12.2006
Profit for the period/year	RM '000	70,683	22,417	122,738	72,465
Weighted average number of ordinary shares in issue ^{*1}	'000	330,402	330,402	330,402	330,402
Basic earnings per share	sen	<u>21.39</u>	<u>6.78</u>	<u>37.15</u>	<u>21.93</u>
Weighted average number of ordinary shares in issue ^{*1}	'000	330,402	330,402	330,402	330,402
Adjustments for Warrants	'000	5,329	-	21,316	-
Weighted average number of ordinary shares in issue for diluted earnings per share	'000	335,731	330,402	351,718	330,402
Diluted earnings per share	sen	<u>21.05</u>	<u>N/A</u>	<u>34.90</u>	<u>N/A</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
25 February 2008