

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

**Interim Report  
for the financial period ended 31 March 2008**

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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.

**Condensed Consolidated Income Statements**

*(The figures have not been audited)*

	<b>3 Months Current Year Quarter 31.03.2008 RM' 000</b>	3 Months Preceding Year Quarter 31.03.2007 RM' 000	<b>3 Months Current Year To Date 31.03.2008 RM' 000</b>	3 Months Preceding Year To Date 31.03.2007 RM' 000
Revenue	<b>54,366</b>	49,310	<b>54,366</b>	49,310
Cost of sales	<u><b>(12,185)</b></u>	<u>(9,770)</u>	<u><b>(12,185)</b></u>	<u>(9,770)</u>
Gross profit	<b>42,181</b>	39,540	<b>42,181</b>	39,540
Other income	<b>2,354</b>	1,049	<b>2,354</b>	1,049
Interest income	<b>815</b>	1,398	<b>815</b>	1,398
Administrative expenses	<u><b>(6,308)</b></u>	<u>(5,157)</u>	<u><b>(6,308)</b></u>	<u>(5,157)</u>
Profit from operations	<b>39,042</b>	36,830	<b>39,042</b>	36,830
Finance costs	<u><b>(7,727)</b></u>	<u>(8,191)</u>	<u><b>(7,727)</b></u>	<u>(8,191)</u>
Profit before tax	<b>31,315</b>	28,639	<b>31,315</b>	28,639
Tax expense	<u><b>(9,000)</b></u>	<u>(8,680)</u>	<u><b>(9,000)</b></u>	<u>(8,680)</u>
Profit for the period	<u><b>22,315</b></u>	<u>19,959</u>	<u><b>22,315</b></u>	<u>19,959</u>
Attributable to:				
Equity holders of the Company	<u><b>22,315</b></u>	<u>19,959</u>	<u><b>22,315</b></u>	<u>19,959</u>
Earnings per share attributable to ordinary equity holders of the Company				
- basic (sen)	<b>6.75</b>	6.04	<b>6.75</b>	6.04
- diluted (sen)	*	6.00	*	6.00
Dividends per ordinary share (sen)	<b>5.00</b>	-	<b>5.00</b>	-

**Note:**

\* *The diluted earnings per ordinary share for the first financial quarter and year-to-date ended 31 March 2008 have not been presented because the warrants are anti-dilutive as the market price of the ordinary shares as at 31 March 2008 is not above the exercise price of the warrants.*

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 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 <b>31.03.2008</b> RM '000	As at 31.12.2007 RM '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,138	3,226
Investment property	<u>1,750,000</u>	<u>1,750,000</u>
	<b>1,753,138</b>	<b>1,753,226</b>
<b>Current assets</b>		
Inventories	35	16
Trade and other receivables	8,522	8,733
Amounts owing by other related companies	483	4,386
Deposits with licensed banks	138,698	108,058
Cash and bank balances	<u>5,236</u>	<u>55,089</u>
	<b>152,974</b>	<b>176,282</b>
<b>TOTAL ASSETS</b>	<b><u>1,906,112</u></b>	<b><u>1,929,508</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	330,502	330,502
Share premium	376,711	376,711
Treasury shares	(220)	(220)
Capital redemption reserve	268	243
Retained earnings	256,082	133,356
Current period profit	<u>22,315</u>	<u>122,738</u>
	<b>985,658</b>	<b>963,330</b>
Warrants reserve	<u>6,075</u>	<u>6,075</u>
<b>Total equity</b>	<b><u>991,733</u></b>	<b><u>969,405</u></b>
<b>Non-current liabilities</b>		
Redeemable preference shares	25,000	50,000
Redeemable secured bonds	290,000	290,000
Bank guaranteed bonds	196,580	196,268
Deferred taxation	<u>308,746</u>	<u>308,746</u>
	<b>820,326</b>	<b>845,014</b>
<b>Current liabilities</b>		
Trade and other payables	49,676	72,631
Amounts owing to holding & other related companies	2,218	2,138
Redeemable secured bonds	40,000	40,000
Taxation	<u>2,159</u>	<u>320</u>
	<b>94,053</b>	<b>115,089</b>
<b>Total liabilities</b>	<b><u>914,379</u></b>	<b><u>960,103</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>1,906,112</u></b>	<b><u>1,929,508</u></b>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>	<b><u>2.98</u></b>	<b><u>2.91</u></b>

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying notes attached to the interim financial statements.

**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	Capital redemption reserve	Retained earnings	Total	Warrants reserve	Total equity
	Number of shares '000	Nominal value RM '000	Number of shares '000	Value RM '000	RM '000	RM '000	RM '000	RM'000	RM'000	RM '000
<b>As at 1 January 2008</b>	330,502	330,502	(100)	(220)	376,711	243	256,094	963,330	6,075	969,405
Profit for the period	-	-	-	-	-	-	22,315	22,315	-	22,315
Liquidation of subsidiaries	-	-	-	-	-	-	13	13	-	13
Redemption of RPS	-	-	-	-	-	25	(25)	-	-	-
<b>As at 31 March 2008</b>	<b>330,502</b>	<b>330,502</b>	<b>(100)</b>	<b>(220)</b>	<b>376,711</b>	<b>268</b>	<b>278,397</b>	<b>985,658</b>	<b>6,075</b>	<b>991,733</b>

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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							
<b>As at 1 January 2007</b>	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
<b>As at 31 March 2007</b>	<b>330,502</b>	<b>330,502</b>	<b>(100)</b>	<b>(220)</b>	<b>376,711</b>	<b>200</b>	<b>189,702</b>	<b>896,895</b>	<b>6,075</b>	<b>902,970</b>

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 2007 and the accompanying notes attached to the interim financial statements.

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

	<b>3 months ended 31.03.2008 RM '000</b>	3 months ended 31.03.2007 RM '000
<b>Operating activities</b>		
Profit before tax	<b>31,315</b>	28,639
Adjustment for non-cash flow items:		
Non-cash items	<b>367</b>	277
Non-operating items (which are investing or financing)	<b>6,912</b>	6,793
Operating profit before changes in working capital	<b>38,594</b>	35,709
Net change in current assets	<b>3,639</b>	(5,839)
Net change in current liabilities	<b>(18,181)</b>	5,329
Cash flow from operations	<b>24,052</b>	35,199
Income taxes paid	<b>(7,161)</b>	(5,695)
<b>Net cash generated from operating activities</b>	<b>16,891</b>	29,504
<b>Investing activities</b>		
Purchase of property, plant & equipment	<b>(198)</b>	(138)
Interest received	<b>835</b>	1,398
<b>Net cash generated from investing activities</b>	<b>637</b>	1,260
<b>Financing activities</b>		
Redemption of redeemable preference shares	<b>(25,000)</b>	-
Interest paid	<b>(9,805)</b>	(10,714)
Dividend paid for redeemable preference shares	<b>(1,936)</b>	(3,394)
<b>Net cash used in financing activities</b>	<b>(36,741)</b>	(14,108)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(19,213)</b>	16,656
Cash and cash equivalents at beginning of period	<b>163,147</b>	203,241
<b>Cash and cash equivalents at end of period</b>	<b>143,934</b>	219,897

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying notes attached to the interim financial statements.

**Explanatory notes to the Interim Financial Statements  
for the financial period ended 31 March 2008**

**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 2007. 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 2007 except for the adoption of the following Financial Reporting Standards which are mandatory for financial periods beginning on or after 1 July 2007 and relevant to the Group and such adoption does not have significant financial impact on the Group:

- (a) FRS 107 Cash Flow Statements
- (b) FRS 112 Income Taxes
- (c) FRS 118 Revenue
- (d) FRS 137 Provisions, Contingent Liabilities and Contingent Assets

**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 2007 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 the redemption of 250,000 redeemable preference shares ("RPS") of RM0.10 each in the Company issued at RM100.00 per RPS on 4 February 2008, 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**

Interim dividends of 5% less 26% tax and 10% less 26% tax on ordinary shares for the financial year ended 31 December 2007 were paid on 8 January 2008 and 20 May 2008 respectively.

**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**

The 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 2007.

**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 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 March 2008, the Group's revenue, reflecting mainly the operations of Mid Valley Megamall was RM54.366 million, representing 10.25% increase, compared with the corresponding period of RM49.310 million in 2007. This was mainly contributed by higher total rental income and increase in car park income.

The Group recorded a pre-tax profit for the current quarter ended 31 March 2008 of RM31.315 million, representing 9.34% increase, compared with pre-tax profit of RM28.639 million in the corresponding period in 2007. This was mainly due to the higher total rental and car park income.



**K2 Comparison with immediate preceding quarter**

For the current quarter ended 31 March 2008, the Group's revenue was RM54.366 million, representing 4.30% decrease, compared with the immediate preceding quarter ended 31 December 2007 of RM56.807 million. This was mainly due to higher percentage rental income in the immediate preceding quarter.

The Group recorded a pre-tax profit for the current quarter ended 31 March 2008 of RM31.315 million, representing 67.99% lower, compared with pre-tax profit of RM97.831 million in the immediate preceding quarter ended 31 December 2007. This was mainly due to recognition of revaluation surplus of RM70 million as fair value gain on investment property pursuant to Financial Reporting Standard 140 in the immediate preceding quarter ("Revaluation Surplus").

Excluding the Revaluation Surplus, the pre-tax profit for the current quarter of RM31.315 million, representing 12.52% increase, compared with that of immediate preceding quarter of RM27.831 million.

**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**

	<b>Current quarter ended 31.03.2008 RM '000</b>	<b>Current year-to-date ended 31.03.2008 RM '000</b>
Malaysian income tax (Company and subsidiaries)		
- Current financial period	<u>9,000</u>	<u>9,000</u>
	<u>9,000</u>	<u>9,000</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 2008 were as follows:

	<b>RM '000</b>
<b>Long term borrowings:</b>	
Secured :-redeemable secured bonds	290,000
-bank guaranteed bonds	196,580
Unsecured :-redeemable preference shares	<u>25,000</u>
	<u>511,580</u>
<b>Short term borrowings:</b>	
Secured :-redeemable secured bonds	<u>40,000</u>
	<u>40,000</u>
<b>TOTAL</b>	<b><u>551,580</u></b>
<b>Total equity as at 31 March 2008</b>	<b><u>991,733</u></b>

**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 dividends of 5% less 26% tax and 10% less 26% tax for the financial year ended 31 December 2007 which were paid on 8 January 2008 and 20 May 2008 respectively, there are no other dividends declared as at the date of this Interim Report.

**K13 Earnings per share**

		<b>Current quarter ended 31.03.2008</b>	Preceding quarter ended 31.03.2007	<b>Current year-to-date ended 31.03.2008</b>	Preceding year-to-date ended 31.03.2007
Profit for the period	RM '000	<b>22,315</b>	19,959	<b>22,315</b>	19,959
Weighted average number of ordinary shares in issue <sup>*1</sup>	'000	<b>330,402</b>	330,402	<b>330,402</b>	330,402
<b>Basic earnings per share</b>	sen	<b>6.75</b>	6.04	<b>6.75</b>	6.04
Weighted average number of ordinary shares in issue <sup>*1</sup>	'000	<b>330,402</b>	330,402	<b>330,402</b>	330,402
Adjustments for Warrants	'000	2,412	2,412	2,412	2,412
Weighted average number of ordinary shares in issue for diluted earnings per share	'000	<b>330,402</b>	332,814	<b>330,402</b>	332,814
<b>Diluted earnings per share</b>	sen	<b>6.00</b>	6.00	<b>6.00</b>	6.00

**Notes:**

<sup>\*1</sup> After taking into consideration 100,000 treasury shares of RM1.00 each in the Company.

<sup>\*2</sup> The diluted earnings per ordinary share for the first financial quarter and year-to-date ended 31 March 2008 have not been presented because the warrants are anti-dilutive as the market price of ordinary shares as at 31 March 2008 is not above the exercise price of the warrants.

BY ORDER OF THE BOARD  
TINA CHAN LAI YIN  
Secretary

Kuala Lumpur  
27 May 2008