

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

**Interim Report
for the financial period ended 30 June 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)

	3 Months Current Year Quarter 30.06.2008 RM' 000	3 Months Preceding Year Quarter 30.06.2007 RM' 000	6 Months Current Year To Date 30.06.2008 RM' 000	6 Months Preceding Year To Date 30.06.2007 RM' 000
Revenue	55,813	49,330	110,179	98,640
Cost of sales	<u>(11,531)</u>	<u>(13,085)</u>	<u>(23,716)</u>	<u>(22,855)</u>
Gross profit	44,282	36,245	86,463	75,785
Other income	1,531	1,384	3,885	2,433
Interest income	945	1,500	1,760	2,898
Administrative expenses	<u>(5,981)</u>	<u>(7,978)</u>	<u>(12,289)</u>	<u>(13,135)</u>
Profit from operations	40,777	31,151	79,819	67,981
Finance costs	<u>(7,686)</u>	<u>(8,211)</u>	<u>(15,413)</u>	<u>(16,402)</u>
Profit before tax	33,091	22,940	64,406	51,579
Tax expense	<u>(9,500)</u>	<u>(7,730)</u>	<u>(18,500)</u>	<u>(16,410)</u>
Profit for the period	<u><u>23,591</u></u>	<u><u>15,210</u></u>	<u><u>45,906</u></u>	<u><u>35,169</u></u>
Attributable to:				
Equity holders of the Company	<u><u>23,591</u></u>	<u><u>15,210</u></u>	<u><u>45,906</u></u>	<u><u>35,169</u></u>
Earnings per share attributable to ordinary equity holders of the Company				
- basic (sen)	7.14	4.60	13.89	10.64
- diluted (sen)	7.08	4.53	13.67	10.29
Dividends per ordinary share (sen)	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 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 30.06.2008 RM '000	As at 31.12.2007 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	2,955	3,226
Investment property	<u>1,750,000</u>	<u>1,750,000</u>
	<u>1,752,955</u>	<u>1,753,226</u>
Current assets		
Inventories	25	16
Trade and other receivables	6,232	8,733
Amounts owing by holding & other related companies	745	4,386
Deposits with licensed banks	143,440	108,058
Cash and bank balances	<u>7,925</u>	<u>55,089</u>
	<u>158,367</u>	<u>176,282</u>
TOTAL ASSETS	<u><u>1,911,322</u></u>	<u><u>1,929,508</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	268	243
Retained earnings	231,632	133,356
Current period profit	<u>45,906</u>	<u>122,738</u>
	<u>984,799</u>	<u>963,330</u>
Warrants reserve	<u>6,075</u>	<u>6,075</u>
Total equity	<u><u>990,874</u></u>	<u><u>969,405</u></u>
Non-current liabilities		
Redeemable preference shares	25,000	50,000
Redeemable secured bonds	290,000	290,000
Bank guaranteed bonds	196,892	196,268
Deferred taxation	<u>308,746</u>	<u>308,746</u>
	<u>820,638</u>	<u>845,014</u>
Current liabilities		
Trade and other payables	53,938	72,631
Amounts owing to holding & other related companies	1,374	2,138
Redeemable secured bonds	40,000	40,000
Taxation	<u>4,498</u>	<u>320</u>
	<u>99,810</u>	<u>115,089</u>
Total liabilities	<u><u>920,448</u></u>	<u><u>960,103</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,911,322</u></u>	<u><u>1,929,508</u></u>
Net assets per share attributable to equity holders of the Company (RM)	<u><u>2.98</u></u>	<u><u>2.91</u></u>

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
As at 1 January 2008	330,502	330,502	(100)	(220)	376,711	243	256,094	963,330	6,075	969,405
Profit for the period	-	-	-	-	-	-	45,906	45,906	-	45,906
Liquidation of subsidiaries	-	-	-	-	-	-	13	13	-	13
Redemption of RPS	-	-	-	-	-	25	(25)	-	-	-
Dividend	-	-	-	-	-	-	(24,450)	(24,450)	-	(24,450)
As at 30 June 2008	330,502	330,502	(100)	(220)	376,711	268	277,538	984,799	6,075	990,874

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	-	-	-	-	-	-	35,169	35,169	-	35,169
As at 30 June 2007	330,502	330,502	(100)	(220)	376,711	200	204,912	912,105	6,075	918,180

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)

	6 months ended 30.06.2008 RM '000	6 months ended 30.06.2007 RM '000
Operating activities		
Profit before tax	64,406	51,579
Adjustment for non-cash flow items:		
Non-cash items	753	590
Non-operating items (which are investing or financing)	13,653	13,504
Operating profit before changes in working capital	78,812	65,673
Net change in current assets	4,231	(2,981)
Net change in current liabilities	(17,453)	1,106
Cash flow from operations	65,590	63,798
Income taxes paid	(14,322)	(11,390)
Net cash generated from operating activities	51,268	52,408
Investing activities		
Purchase of property, plant & equipment	(232)	(325)
Interest received	1,765	2,784
Net cash generated from investing activities	1,533	2,459
Financing activities		
Redemption of redeemable preference shares	(25,000)	-
Interest paid	(13,197)	(14,086)
Dividend paid for redeemable preference shares	(1,936)	(3,394)
Dividend paid	(24,450)	-
Net cash used in financing activities	(64,583)	(17,480)
Net (decrease)/increase in cash and cash equivalents	(11,782)	37,387
Cash and cash equivalents at beginning of period	163,147	203,241
Cash and cash equivalents at end of period	<u>151,365</u>	<u>240,628</u>

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 30 June 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 ("FRS") 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:

- ?? FRS 107 Cash Flow Statements
- ?? FRS 112 Income Taxes
- ?? FRS 118 Revenue
- ?? 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 for a total redemption sum of RM25 million 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 and year-to-date.

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 30 June 2008, the Group's revenue, reflecting mainly the operations of Mid Valley Megamall was RM55.813 million, representing 13.14% increase, compared with the corresponding period of RM49.330 million in 2007. This was mainly contributed by higher total rental income.

The Group recorded a pre-tax profit for the current quarter ended 30 June 2008 of RM33.091 million, representing 44.25% increase, compared with pre-tax profit of RM22.940 million in the corresponding period in 2007. This was mainly due to the higher total rental income and lower property maintenance cost in current quarter.

K2 Comparison with immediate preceding quarter

For the current quarter ended 30 June 2008, the Group's revenue was RM55.813 million, representing 2.66% increase, compared with the immediate preceding quarter ended 30 March 2008 of RM54.366 million. This was mainly due to higher total rental income in the current quarter.

The Group recorded a pre-tax profit for the current quarter ended 30 June 2008 of RM33.091 million, representing 5.67% increase, compared with pre-tax profit of RM31.315 million in the immediate preceding quarter ended 31 March 2008. This was mainly due to higher total rental income.

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 30.06.2008 RM '000	Current year-to-date ended 30.06.2008 RM '000
Malaysian income tax (Company and subsidiaries)		
- Current financial period	<u>9,500</u>	<u>18,500</u>
	<u>9,500</u>	<u>18,500</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 30 June 2008 were as follows:

	RM '000
Long term borrowings:	
Secured :-redeemable secured bonds	290,000
-bank guaranteed bonds	196,892
Unsecured :-redeemable preference shares	<u>25,000</u>
	<u>511,892</u>
Short term borrowings:	
Secured :-redeemable secured bonds	<u>40,000</u>
	<u>40,000</u>
TOTAL	<u>551,892</u>
Total equity as at 30 June 2008	<u>990,874</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 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

		Current quarter ended 30.06.2008	Preceding quarter ended 30.06.2007	Current year-to-date ended 30.06.2008	Preceding year-to-date ended 30.06.2007
Profit for the period	RM '000	23,591	15,210	45,906	35,169
Weighted average number of ordinary shares in issue ^{*1}	'000	330,402	330,402	330,402	330,402
Basic earnings per share	sen	7.14	4.60	13.89	10.64
Weighted average number of ordinary shares in issue ^{*1}	'000	330,402	330,402	330,402	330,402
Adjustments for Warrants	'000	2,684	5,612	5,368	11,224
Weighted average number of ordinary shares in issue for diluted earnings per share	'000	333,086	336,014	335,770	341,626
Diluted earnings per share	sen	7.08	4.53	13.67	10.29

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
26 August 2008