

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

**Interim Financial Report  
for the 3-month ended 31 December 2011**

**Contents**

	<b>Page</b>
<b>Condensed Consolidated Statement of Comprehensive Income</b>	<b>1</b>
<b>Condensed Consolidated Statement of Financial Position</b>	<b>2</b>
<b>Condensed Consolidated Statement of Changes in Equity</b>	<b>3-4</b>
<b>Condensed Consolidated Cash Flow Statement</b>	<b>5</b>
<b>Explanatory Notes to the Interim Financial Statements:</b>	
<b>M1 – Basis of preparation</b>	<b>6</b>
<b>M2 – Auditors’ report on preceding annual financial statements</b>	<b>7</b>
<b>M3 – Seasonality or cyclical factors</b>	<b>7</b>
<b>M4 – Significant unusual items</b>	<b>7</b>
<b>M5 – Material changes in estimates</b>	<b>7</b>
<b>M6 – Capital management: debt and equity securities</b>	<b>7-8</b>
<b>M7 – Dividends paid</b>	<b>9</b>
<b>M8 – Segment reporting</b>	<b>9</b>
<b>M9 – Valuations</b>	<b>9</b>
<b>M10 – Material events subsequent to the end of the interim period</b>	<b>10</b>
<b>M11 – Changes in the composition of the Group</b>	<b>10</b>
<b>M12 – Contingent liabilities and contingent assets</b>	<b>10</b>
<b>K1 – Review of performance</b>	<b>11</b>
<b>K2 – Comparison with immediate preceding quarter</b>	<b>11</b>
<b>K3 – Prospects for 2012</b>	<b>11</b>
<b>K4 – Profit forecast/profit guarantee</b>	<b>12</b>
<b>K5 – Tax</b>	<b>12</b>
<b>K6 – Unquoted investments and properties</b>	<b>12</b>
<b>K7 – Quoted securities</b>	<b>12</b>
<b>K8 – Corporate proposals</b>	<b>12</b>
<b>K9 – Group borrowings and debt securities</b>	<b>13</b>
<b>K10 – Financial instruments</b>	<b>13</b>
<b>K11 – Material litigation</b>	<b>13</b>
<b>K12 – Dividend</b>	<b>13</b>
<b>K13 – Earnings per share</b>	<b>14</b>
<b>K14 – Realised and unrealised retained earnings</b>	<b>14</b>
<b>K15 – Authorised for issue</b>	<b>14</b>

**Notes:**

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

K1 to K15 are explanatory notes in accordance with paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

**Condensed Consolidated Statement of Comprehensive Income**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Restated Preceding Year Corresponding Quarter	Current Year To Date	Restated Preceding Year Corresponding Period
	31.12.2011 RM' 000	31.12.2010 RM' 000	31.12.2011 RM' 000	31.12.2010 RM' 000
Revenue	97,006	88,054	370,137	339,605
Cost of sales	<u>(25,092)</u>	<u>(20,488)</u>	<u>(85,343)</u>	<u>(77,026)</u>
Gross profit	71,914	67,566	284,794	262,579
Other income	2,230	1,938	9,332	8,072
Fair value gain on investment property	470,000	70,000	550,000	120,000
Interest income	291	2,951	5,699	8,324
Administrative expenses	<u>(5,123)</u>	<u>(19,854)</u>	<u>(48,674)</u>	<u>(65,738)</u>
Profit from operations	539,312	122,601	801,151	333,237
Finance costs	<u>(11,088)</u>	<u>(9,428)</u>	<u>(40,683)</u>	<u>(40,660)</u>
Profit before tax	528,224	113,173	760,468	292,577
Tax expense	<u>(130,898)</u>	<u>(32,377)</u>	<u>(192,330)</u>	<u>(77,911)</u>
Profit for the period from continuing operations	<u>397,326</u>	<u>80,796</u>	<u>568,138</u>	<u>214,666</u>
Profit for the period	397,326	80,796	568,138	214,666
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>397,326</u>	<u>80,796</u>	<u>568,138</u>	<u>214,666</u>
Profit attributable to:				
Owners of the Parent	<u>397,326</u>	<u>80,796</u>	<u>568,138</u>	<u>214,666</u>
Earnings per share				
- basic (sen)	90.77	23.64	129.79	62.81
- diluted (sen)	84.88	23.59	101.60	62.33
Total comprehensive income attributable to:				
Owners of the Parent	<u>397,326</u>	<u>80,796</u>	<u>568,138</u>	<u>214,666</u>

The acquisition of 100% equity interest in Mid Valley City Gardens Sdn Bhd was accounted for by KrisAssets Holdings Berhad via the adoption of merger accounting arising from business combinations under common control. Comparative figures have been amended to conform to current year presentation.

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying notes attached to the interim financial statements.

**Condensed Consolidated Statement of Financial Position**  
(The figures have not been audited)

	As at 31.12.2011 RM '000	Restated As at 31.12.2010 RM '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	16,162	62,960
Investment property	<u>3,290,000</u>	<u>2,681,649</u>
	<u>3,306,162</u>	<u>2,744,609</u>
<b>Current assets</b>		
Trade and other receivables	30,623	23,558
Amounts owing by other related companies	4,209	9,700
Tax recoverable	809	9,177
Deposits with licensed banks	82,937	202,921
Cash and bank balances	<u>11,532</u>	<u>20,773</u>
	<u>130,110</u>	<u>266,129</u>
<b>TOTAL ASSETS</b>	<u><u>3,436,272</u></u>	<u><u>3,010,738</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	440,432	430,386
Share premium	547,669	532,046
Treasury shares	(220)	(220)
Capital redemption reserve	4,093	4,093
Retained earnings		
- realised	97,600	38,706
- unrealised	325,187	235,187
Current year profit		
- realised	155,638	124,666
- unrealised	<u>412,500</u>	<u>90,000</u>
	<u>1,982,899</u>	<u>1,454,864</u>
Other reserve	14,628	-
Warrants reserve	-	565
<b>Total equity</b>	<u><u>1,997,527</u></u>	<u><u>1,455,429</u></u>
<b>Non-current liabilities</b>		
Fixed term loans	170,000	230,000
Redeemable secured bonds	200,000	150,000
Redeemable convertible secured bonds	253,013	-
Financial liabilities at amortised cost	33,443	30,728
Deferred taxation	<u>557,830</u>	<u>404,186</u>
	<u>1,214,286</u>	<u>814,914</u>
<b>Current liabilities</b>		
Trade and other payables	104,107	104,822
Amounts owing to holding & other related companies	10,848	516,723
Fixed term loans	100,000	60,000
Redeemable secured bonds	-	50,000
Taxation	<u>9,504</u>	<u>8,850</u>
	<u>224,459</u>	<u>740,395</u>
<b>Total liabilities</b>	<u><u>1,438,745</u></u>	<u><u>1,555,309</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>3,436,272</u></u>	<u><u>3,010,738</u></u>
<b>Net assets per share</b>	<u><u>4.50</u></u>	<u><u>3.38</u></u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying notes attached to the interim financial statements.

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

**Condensed Consolidated Statement of Changes in Equity**

*(The figures have not been audited)*

	Attributable to owners of the Parent										
	Issued and fully paid ordinary shares of RM1.00 each										
	Number of shares '000	Nominal value RM '000	Treasury shares RM '000	Share premium RM '000	Capital redemption reserve RM '000	Retained earnings RM '000	Total RM'000	Other reserve RM'000	Warrants reserve RM'000	Total equity RM '000	
<b>As at 1 January 2011</b>	430,386	430,386	(220)	532,046	4,093	488,559	1,454,864	-	565	1,455,429	
Total comprehensive income for the period	-	-	-	-	-	568,138	568,138	-	-	568,138	
Issuance of redeemable convertible secured bonds - equity component, net of tax	-	-	-	-	-	-	-	14,628	-	14,628	
Exercise of warrants	10,046	10,046	-	15,623	-	11	25,680	-	(565)	25,115	
Dividend	-	-	-	-	-	(65,783)	(65,783)	-	-	(65,783)	
<b>As at 31 December 2011</b>	<b>440,432</b>	<b>440,432</b>	<b>(220)</b>	<b>547,669</b>	<b>4,093</b>	<b>990,925</b>	<b>1,982,899</b>	<b>14,628</b>	<b>-</b>	<b>1,997,527</b>	

Dividend proposed and declared for the current quarter ended 31 December 2011 was 7.5 sen per ordinary share.

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

**Condensed Consolidated Statement of Changes in Equity (Restated)**

*(The figures have not been audited)*

	Attributable to owners of the Parent								
	Issued and fully paid ordinary shares of RM1.00 each				Capital	Retained	Total	Warrants	Total
	Number of	Nominal	Treasury	Share	redemption	earnings		reserve	equity
	shares	value	shares	premium	reserve		RM'000	RM'000	RM'000
	'000	RM '000	RM '000	RM '000	RM '000	RM '000			
<b>As at 1 January 2010</b>	336,875	336,875	(220)	386,621	293	408,297	1,131,866	5,723	1,137,589
Acquisition of subsidiary (effect of merger accounting)	-	-	-	-	-	(73,060) <sup>1</sup>	(73,060)	-	(73,060)
Redemption of RPS	-	-	-	-	3,800	(3,800)	-	-	-
<b>Restated balance</b>	336,875	336,875	(220)	386,621	4,093	331,437	1,058,806	5,723	1,064,529
Total comprehensive income for the period	-	-	-	-	-	214,666	214,666	-	214,666
Exercise of warrants	93,511	93,511	-	145,425	-	-	238,936	(5,158)	233,778
Dividend	-	-	-	-	-	(57,544)	(57,544)	-	(57,544)
<b>As at 31 December 2010</b>	<b>430,386</b>	<b>430,386</b>	<b>(220)</b>	<b>532,046</b>	<b>4,093</b>	<b>488,559</b>	<b>1,454,864</b>	<b>565</b>	<b>1,455,429</b>

Dividend proposed and declared for the quarter ended 31 December 2010 was 7.5 sen per ordinary share.

**Note:**

<sup>1</sup> A reduction in retained earnings is due to merger deficit arising from the adoption of merger accounting for the acquisition of 100% equity interest in Mid Valley City Gardens Sdn Bhd.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying notes attached to the interim financial statements.

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

	<b>12 months ended 31.12.2011 RM'000</b>	<b>Restated 12 months ended 31.12.2010 RM'000</b>
<b>Operating activities</b>		
Profit before tax	760,468	292,577
Adjustment for non-cash flow items:		
Non-cash items	(545,339)	(111,200)
Non-operating items (which are investing or financing)	34,984	32,336
Operating profit before changes in working capital	250,113	213,713
Net change in current assets	(12,464)	(2,878)
Net change in current liabilities	(40,077)	13,798
Cash flow from operations	197,572	224,633
Income taxes	(36,941)	(52,646)
<b>Net cash generated from operating activities</b>	<b>160,631</b>	<b>171,987</b>
<b>Investing activities</b>		
Purchase of property, plant & equipment	(2,848)	(3,037)
Acquisition of subsidiary	(215,455)	-
Interest received	3,888	3,158
<b>Net cash (used)/generated from investing activities</b>	<b>(214,415)</b>	<b>121</b>
<b>Financing activities</b>		
Repayment of redeemable secured bonds	-	(50,000)
Redemption of bank guaranteed bonds	-	(200,000)
Redemption of medium term notes	-	(20,000)
Redemption of redeemable preference shares	(250,000)	-
Proceeds from issuance of redeemable convertible secured bonds	267,790	-
Repayment of revolving credit	(20,000)	(10,000)
Proceeds from exercise of warrants	25,115	233,778
Interest paid	(33,319)	(37,534)
Dividend paid for ordinary shares	(65,027)	(50,529)
<b>Net cash (used) in financing activities</b>	<b>(75,441)</b>	<b>(134,285)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(129,225)</b>	<b>37,823</b>
Cash and cash equivalents at beginning of period	223,694	185,871
<b>Cash and cash equivalents at end of period</b>	<b>94,469</b>	<b>223,694</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying notes attached to the interim financial statements.

**Explanatory Notes to the Interim Financial Statements  
for the 3-month ended 31 December 2011**

**M1 Basis of preparation**

This Interim Financial Report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134 "Interim Financial Reporting" issued by Malaysian Accounting Standards Board and paragraph 9.22 together with Part A, Appendix 9B of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Interim Financial Report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2010. The accounting policies and methods of computation adopted in this Interim Financial Report are consistent with those adopted in the Group's audited financial statements for the financial year ended 31 December 2010 except for the following:

FRS 3 (revised)	Business Combinations
FRS 127 (revised)	Consolidated and Separate Financial Statements
Amendment to FRS 1	First-time adoption of financial reporting standards
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 132	Financial Instruments: Presentation
IC Interpretation 4	Determining whether an arrangement contains a lease

The adoption of the revised FRSs, Amendments to FRSs and IC Interpretations that are applicable to the Group and effective from 1 January 2011 has no material effect to the Group's financial statements of the current financial year or the comparative financial statements of the preceding financial year.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will be required to restate the financial position as at 1 January 2012 to amounts reflecting the application of MFRS Framework. The Group has started a preliminary assessment of the differences between FRS and accounting standards under the MFRS Framework and is in the process of assessing the financial effects of the differences. The financial position as disclosed in the financial statements for the financial year ended 31 December 2011 could be different if prepared under the MFRS Framework. The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

**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 2010 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 Financial Report.

**M5 Material changes in estimates**

Not applicable.

**M6 Capital management: debt and equity securities**

The overall objective of capital management is to create a more efficient or optimal capital structure. This would enable continuing operations to be run as going concern whilst providing fair returns to stakeholders such as holders of ordinary shares as well as bonds in the Group. The key components of capital structure mainly consist of equity and debt securities. Based on the Statement of Financial Position as at 31 December 2011, the capital structure was approximately 73% equity financing and 27% debt financing which indicated a gearing of approximately 36%.

Save as disclosed below, 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.

- (i) The issuance of RM300 million nominal value redeemable convertible secured bonds by the Company ("Convertible Bonds") on 30 March 2011; and
- (ii) Since 26 July 2008, Warrants 2006/2011 ("Warrants") are exercisable into new ordinary shares of RM1.00 each in the Company on a one-to-one basis at the exercise price of RM2.50. The Warrants expired on 25 July 2011 and 204,608 warrants lapsed. The Company's issued and paid-up ordinary share capital increased from RM430,386,104 as at 31 December 2010 to RM440,432,058 as at 31 December 2011 as follows:



**M6 Capital management: debt and equity securities (continued)**

Date of allotment	No. of shares allotted	Type of issue	Total issued & paid-up ordinary share capital RM
As at 31 December 2010			430,386,104
19.01.11	1,600,000	Exercise of Warrants	431,986,104
28.01.11	21,547	Exercise of Warrants	432,007,651
08.02.11	100,000	Exercise of Warrants	432,107,651
17.02.11	1,906,400	Exercise of Warrants	434,014,051
22.02.11	832,602	Exercise of Warrants	434,846,653
24.02.11	1,539,900	Exercise of Warrants	436,386,553
01.03.11	462,700	Exercise of Warrants	436,849,253
07.03.11	10,000	Exercise of Warrants	436,859,253
21.03.11	2,000	Exercise of Warrants	436,861,253
30.03.11	800	Exercise of Warrants	436,862,053
05.04.11	14,200	Exercise of Warrants	436,876,253
14.04.11	14,439	Exercise of Warrants	436,890,692
27.04.11	7,100	Exercise of Warrants	436,897,792
03.05.11	13,366	Exercise of Warrants	436,911,158
06.05.11	71,700	Exercise of Warrants	436,982,858
11.05.11	20,200	Exercise of Warrants	437,003,058
16.05.11	2,667	Exercise of Warrants	437,005,725
23.05.11	44,700	Exercise of Warrants	437,050,425
27.05.11	2,691	Exercise of Warrants	437,053,116
02.06.11	31,800	Exercise of Warrants	437,084,916
08.06.11	65,282	Exercise of Warrants	437,150,198
14.06.11	26,788	Exercise of Warrants	437,176,986
17.06.11	32,479	Exercise of Warrants	437,209,465
22.06.11	19,643	Exercise of Warrants	437,229,108
28.06.11	18,126	Exercise of Warrants	437,247,234
01.07.11	603,088	Exercise of Warrants	437,850,322
05.07.11	411,082	Exercise of Warrants	438,261,404
08.07.11	393,498	Exercise of Warrants	438,654,902
12.07.11	357,606	Exercise of Warrants	439,012,508
15.07.11	1,000,183	Exercise of Warrants	440,012,691
21.07.11	128,417	Exercise of Warrants	440,141,108
27.07.11	290,950	Exercise of Warrants	440,432,058

## **M7 Dividends paid**

The following dividends were declared or paid during the current financial year-to-date:

1. Interim dividend for the financial year	31.12.2010
Approved and declared on	22.11.2010
Date paid	18.01.2011
Number of ordinary shares on which dividends were paid ('000)	430,286
Amount per share (single-tier) (sen)	7.5
Net dividend paid (RM'000)	32,271
2. Interim dividend for the financial year	31.12.2010
Approved and declared on	11.02.2011
Date paid	28.03.2011
Number of ordinary shares on which dividends were paid ('000)	436,749
Amount per share (single-tier) (sen)	7.5
Net dividend paid (RM'000)	32,756
3. Interim dividend for the financial year	31.12.2011
Approved and declared on	22.11.2011
Date paid	20.01.2012
Number of ordinary shares on which dividends were paid ('000)	440,332
Amount per share (single-tier) (sen)	7.5
Net dividend paid (RM'000)	33,025

## **M8 Segment reporting**

The segmental financial information by operating segments is not presented as the Group is the owner and operator of Mid Valley Megamall and The Gardens Mall of which the entire business is considered as one (1) operating segment.

## **M9 Valuations**

A revaluation has been conducted by Jordan Lee & Jaafar Sdn Bhd on Mid Valley Megamall and The Gardens Mall to assess the market value. Based on a valuation letter dated 15 February 2012, the market value of Mid Valley Megamall and The Gardens Mall as at 31 December 2011 are RM2.36 billion and RM930 million respectively, indicating surplus of RM440 million and RM110 million respectively from the previous financial year.

In accordance with Group's accounting policy, revaluation surplus is recognised as fair value gain on investment properties in statement of comprehensive income for the financial year ended 31 December 2011.

Save as disclosed above and consolidation of non-current assets of Mid Valley City Gardens Sdn Bhd, the carrying values of property, plant and equipment have been brought forward without material changes from the audited financial statements for the financial year ended 31 December 2010.

**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 Financial Report.

**M11 Changes in the composition of the Group**

Save for the completion of acquisition of 100% equity interest in Mid Valley City Gardens Sdn Bhd from IGB Corporation Berhad for a total cash consideration of RM215.71 million on 29 July 2011 ("Acquisition"), there were no changes in the composition of the Group for the current financial period. The Acquisition was accounted for via the adoption of merger accounting arising from business combination under common control.

Mid Valley City Gardens Sdn Bhd has contributed the following results to the Group:

	<b>Current quarter</b>	Current year-to-date
	<b>ended 31.12.2011</b>	ended 31.12.2011
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
Turnover	<b>34,053</b>	112,499
Profit for the period	<b>106,435</b>	121,204

The assets and liabilities acquired as well as net cash outflow arising from the Acquisition are as follows:

	<u>RM '000</u>
Non-current assets	619,003
Non-current liabilities	(276,445)
Net current liabilities	(320,876)
Fair value gain adjustment	200,997
Purchase consideration	222,679
Less: Cash and cash equivalents in subsidiary acquired	<u>(7,224)</u>
Net cash outflow on the Acquisition	<u><u>215,455</u></u>

**M12 Contingent liabilities and contingent assets**

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

## **K1 Review of performance**

The acquisition of 100% equity interest in Mid Valley City Gardens Sdn Bhd (“MVCG”) which owns and operates The Gardens Mall (“Acquisition”), was completed on 29 July 2011. Merger accounting was adopted in view of common control by IGB Corporation Berhad, the substantial shareholder.

For the current quarter ended 31 December 2011, the Group’s revenue, reflecting mainly the operations of Mid Valley Megamall and The Gardens Mall, increased by 10.10% to RM97.0 million, compared with RM88.1 million in the corresponding period in 2010. This was mainly due to higher total rental income.

The Group recorded a pre-tax profit of RM528.2 million, representing 366.61% increase, compared with pre-tax profit of RM113.2 million in the corresponding period in 2010. This was mainly due to recognition of revaluation surplus of RM470.0 million as fair value gain on investment property in current quarter compared with RM70.0 in corresponding quarter.

Excluding the fair value gain on investment property, the Group recorded pre-tax profit of RM58.2 million, representing 34.72% increase, compared with pre-tax profit of RM43.2 million in the corresponding quarter. This was mainly due to higher total rental income and lower property maintenance costs in current quarter.

## **K2 Comparison with immediate preceding quarter**

For the current quarter ended 31 December 2011, the Group’s revenue was RM97.0 million, representing 6.59% increase over the immediate preceding quarter ended 30 September 2011 of RM91.0 million. This was mainly due to higher total rental income in current quarter.

The Group recorded a pre-tax profit for the current quarter ended 31 December 2011 of RM528.2 million, representing 559.43% increase, compared with pre-tax profit of RM80.1 million in the immediate preceding quarter. This was mainly due to recognition of revaluation surplus of RM470.0 million as fair value gain on investment property in the current quarter compared with RM25.0 million in immediate preceding quarter.

Excluding fair value gains on investment properties, the Group recorded pre-tax profit of RM58.2 million, representing 5.63% increase, compared with pre-tax profit of RM55.1 million in the immediate preceding quarter. This was mainly due to higher total rental income in current quarter.

## **K3 Prospects for 2012**

Despite the challenging global conditions, growth in domestic demand in fourth quarter 2011 remained favourable. Going forward, the external environment presents great downside risks to further growth activity. In this environment, consumers will remain cautious. Retail sales have been projected to grow by 6% to 87 billion in 2012, marginally lower than in 2011. The Group expects its financial performance for the year ending 31 December 2012 to be satisfactory.

**K4 Profit forecast/profit guarantee**

Not applicable.

**K5 Tax**

	<b>Current quarter ended 31.12.2011 RM '000</b>	Current year-to-date ended 31.12.2011 RM '000
Malaysian income tax (Company and subsidiaries)		
- Current financial period	<b>13,398</b>	55,212
- Prior financial period/year	-	(382)
Deferred tax	<b>117,500</b>	137,500
	<b><u>130,898</u></b>	<b><u>192,330</u></b>

The effective tax rate for the current financial year-to-date is 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 were no corporate proposals announced but not completed as at the date of this Interim Financial Report.

**K9 Group borrowings and debt securities**

The Group's borrowings and debt securities as at 31 December 2011 were as follows:

	<b>RM '000</b>
<b>Long term borrowings:</b>	
Secured :-redeemable secured bonds	200,000
-redeemable convertible secured bonds	253,013
-fixed term loans	170,000
<b>Short term borrowings:</b>	
Secured :-fixed term loans	<u>100,000</u>
<b>TOTAL</b>	<b><u><u>723,013</u></u></b>
 <b>Total equity as at 31 December 2011</b>	 <b><u><u>1,997,527</u></u></b>

**K10 Financial instruments**

The Group does not have any off-balance sheet financial instruments. With the adoption of FRS 139, off-balance sheet financial instruments, if any, will be recognised on the statement of financial position.

**K11 Material litigation**

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

**K12 Proposed dividend**

The Board of Directors has approved a single-tier interim dividend of 7.5% for the financial year ended 31 December 2011, to be payable on 30 March 2012 to every member who is entitled to receive the single-tier interim dividend as at 4.00 p.m. on 8 March 2012.

**K13 Earnings per share**

		<b>Current quarter ended 31.12.2011</b>	Preceding quarter ended 31.12.2010	<b>Current year-to-date ended 31.12.2011</b>	Preceding year-to-date ended 31.12.2010
Profit for the period	RM '000	<b>397,326</b>	80,796	<b>568,138</b>	214,666
Weighted average number of ordinary shares in issue <sup>*1</sup>	'000	<b>437,752</b>	341,770	<b>437,752</b>	341,770
<b>Basic earnings per share</b>	sen	<u><b>90.77</b></u>	<u>23.64</u>	<u><b>129.79</b></u>	<u>62.81</u>
Weighted average number of ordinary shares in issue <sup>*1</sup>	'000	<b>437,752</b>	341,770	<b>437,752</b>	341,770
Adjustments for Convertible Bonds	'000	<b>30,360</b>	661	<b>121,440</b>	2,646
Weighted average number of ordinary shares in issue for diluted earnings per share	'000	<b>468,112</b>	342,431	<b>559,192</b>	344,416
<b>Diluted earnings per share</b>	sen	<u><b>84.88</b></u>	<u>23.59</u>	<u><b>101.60</b></u>	<u>62.33</u>

**Note:**

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

**K14 Realised and unrealised retained earnings**

	<b>As at 31.12.2011 RM'000</b>	As at 31.12.2010 RM'000
Total retained earnings (Company and subsidiaries)		
- realised	<b>253,238</b>	163,372
- unrealised	<b>737,687</b>	325,187
Total group retained earnings as per consolidated financial statements	<u><b>990,925</b></u>	<u>488,559</u>

**K15 Authorised for issue**

This Interim Financial Report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 February 2012.