

KURNIA ASIA BERHAD (539435-K)
(Incorporated in Malaysia)

Quarterly Report On Consolidated Results
For The 2nd Quarter Ended 31 December 2005

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year 31-Dec-2005 RM'000	Preceding Year# 31-Dec-2004 RM'000	Current Year 31-Dec-2005 RM'000	Preceding Year# 31-Dec-2004 RM'000
Operating revenue	293,474	198,195	572,113	198,195
Surplus from General Insurance Revenue account	29,386	27,198	82,267	27,198
Management expense	(1,297)	-	(2,208)	-
Operating profit/(loss)	28,089	27,198	80,059	27,198
Investment Income	375	124	1,270	124
Profit before taxation	28,464	27,322	81,329	27,322
Taxation	(8,738)	(10,553)	(24,416)	(10,553)
Net profit	19,726	16,769	56,913	16,769
Earnings per share (sen) - Basic	1.32	6.92	3.79	6.92

Comparative figures 31/12/2004 consist only post-acquisition results of the subsidiary Kurnia Insurans (Malaysia) Berhad. The subsidiary was acquired on 5 November 2004.

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2005

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CONDENSED GENERAL INSURANCE REVENUE ACCOUNT

	Individual Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	31/12/05 RM'000	31/12/04 RM'000	31/12/05 RM'000	31/12/04 RM'000	31/12/05 RM'000	31/12/04 RM'000	31/12/05 RM'000	31/12/04 RM'000	31/12/05 RM'000	31/12/04 RM'000
Gross Premium	4,350	2,990	255,903	173,978	1,592	1,099	14,395	8,814	276,240	186,881
Less: Reinsurance	(1,771)	(1,143)	(12,569)	(10,108)	(646)	(226)	(4,550)	(4,262)	(19,536)	(15,739)
Net Premium	2,579	1,847	243,334	163,870	946	873	9,845	4,552	256,704	171,142
UPR(Increase)/Decrease	297	684	4,059	328	61	6	479	2,958	4,896	3,976
Earned Premium	2,876	2,531	247,393	164,198	1,007	879	10,324	7,510	261,600	175,118
Commission (Net)	(273)	(192)	(22,919)	(15,379)	(116)	(97)	(1,498)	(872)	(24,806)	(16,540)
Net Claims Incurred	(1,320)	(2,052)	(160,126)	(102,746)	(442)	(842)	(4,590)	(1,554)	(166,478)	(107,194)
Underwriting surplus before management expense	1,283	287	64,348	46,073	449	(60)	4,236	5,084	70,316	51,384
Management expense									(49,135)	(42,502)
Underwriting surplus									21,181	8,882
Investment income									16,859	11,190
Other income / (expenditure) - net									(8,654)	7,126
Surplus transferred to Condensed Consolidated Income Statement									29,386	27,198

	Cumulative Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	31/12/05 RM'000	31/12/04 RM'000	31/12/05 RM'000	31/12/04 RM'000	31/12/05 RM'000	31/12/04 RM'000	31/12/05 RM'000	31/12/04 RM'000	31/12/05 RM'000	31/12/04 RM'000
Gross Premium	8,329	2,990	499,798	173,978	3,120	1,099	27,018	8,814	538,265	186,881
Less: Reinsurance	(3,037)	(1,143)	(24,641)	(10,108)	(1,091)	(226)	(7,400)	(4,262)	(36,169)	(15,739)
Net Premium	5,292	1,847	475,157	163,870	2,029	873	19,618	4,552	502,096	171,142
UPR(Increase)/Decrease	386	684	22,236	328	222	6	1,396	2,958	24,240	3,976
Earned Premium	5,678	2,531	497,393	164,198	2,251	879	21,014	7,510	526,336	175,118
Commission (Net)	(617)	(192)	(44,733)	(15,379)	(257)	(97)	(3,036)	(872)	(48,643)	(16,540)
Net Claims Incurred	(2,653)	(2,052)	(313,631)	(102,746)	(1,744)	(842)	(10,458)	(1,554)	(328,486)	(107,194)
Underwriting surplus before management expense	2,408	287	139,029	46,073	250	(60)	7,520	5,084	149,207	51,384
Management expense									(92,095)	(42,502)
Underwriting surplus									57,112	8,882
Investment income									32,578	11,190
Other income / (expenditure) - net									(7,423)	7,126
Surplus transferred to Condensed Consolidated Income Statement									82,267	27,198

Comparative figures 31/12/2004 consist only post-acquisition results of the subsidiary Kurnia Insurans (Malaysia) Berhad. The subsidiary was acquired on 5 November 2004.

The Condensed Consolidated General Insurance Revenue Accounts should be read in conjunction with the Annual Financial Report for the year ended 30 June 2005

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CONDENSED CONSOLIDATED BALANCE SHEETS

	As At 31-Dec-2005 RM'000	(Audited) As At 30-Jun-2005 RM'000
<u>Assets</u>		
Property and equipment	259,392	254,733
Investments	1,499,740	1,539,600
Loans	21,812	22,418
Receivables	37,075	59,059
Cash and bank balances	88,297	95,107
Total assets	<u>1,906,316</u>	<u>1,970,917</u>
<u>Liabilities</u>		
Provision for outstanding claims	869,491	870,373
Payables	60,352	56,115
Provision for taxation	8,999	13,197
Staff retirement benefits	11,060	9,938
Deferred tax liability	6,079	6,079
	<u>955,981</u>	<u>955,702</u>
<u>Insurance reserves</u>		
Unearned premium reserve	440,201	464,440
<u>Shareholders' equity</u>		
Share capital	375,000	375,000
Share premium	12,578	12,631
Retained profits	61,726	102,313
Shareholders' equity	<u>449,304</u>	<u>489,944</u>
Negative goodwill	60,831	60,831
Total liabilities and shareholders' equity	<u>1,906,316</u>	<u>1,970,917</u>
Net Assets Value per ordinary share of RM0.25 each (SEN)	<u>34.01</u>	<u>36.72</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2005

KURNIA ASIA BERHAD (539435-K)*(Incorporated in Malaysia)***Quarterly Report On Consolidated Results
For The 2nd Quarter Ended 31 December 2005***(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital RM '000	Share Premium RM '000	Distributable Retained profit RM '000	Total RM '000
<u>6 Months Ended 31/12/2005</u>				
Balance at 30 June 2005	375,000	12,631	102,313	489,944
Net profit for the period	-	-	56,913	56,913
Interim dividend paid for financial year ending 30 June 2006	-	-	(97,500)	(97,500)
Listing expenditure	-	(53)	-	(53)
Balance as at 31 December 2005	375,000	12,578	61,726	449,304
<u>6 Months Ended 31/12/2004</u>				
Balance at 30 June 2004	*	-	(5)	(5)
Net profit for the period	-	-	16,769	16,769
Pursuant to acquisition of KIMB	328,007	-	-	328,007
Pursuant to rights issue	46,993	15,038	-	62,031
Balance as at 31 December 2004	375,000	15,038	16,764	406,802

* Represents RM2.00

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Reports for the year ended 30 June 2005

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS		
	Year-To-Date	
	31-Dec-2005	31-Dec-2004 #
	RM'000	RM'000
<u>Cash flow from operating activities:</u>		
Cash generated from operating activities	145,498	113,040
Tax paid	(28,613)	(9,918)
Investment income received:		
Dividend	9,833	4,404
Interest	21,719	6,287
Retirement benefits paid	(68)	-
Net cash generated from operating activities	<u>148,369</u>	<u>113,813</u>
<u>Investing activities</u>		
Purchase of equipment	(13,935)	(10,201)
Placement in quoted securities	(45,000)	-
Net cash used in acquisition of KIMB	-	(6,092)
Others	1,309	309
Net cash used in investing activities	<u>(57,626)</u>	<u>(15,984)</u>
<u>Financing activity</u>		
Dividend paid	(97,500)	(75,000)
Proceeds from rights issue	(53)	62,031
Net cash used in financing activity	<u>(97,553)</u>	<u>(12,969)</u>
Net increase in cash and bank balance	(6,810)	84,860
Cash and bank balance at beginning of period	95,107	*
Cash and bank balances at end of period	<u>88,297</u>	<u>84,860</u>

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* Represents RM2.00

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2005