

KURNIA ASIA BERHAD (539435-K)*(Incorporated in Malaysia)***Quarterly Report On Consolidated Results****For The 3rd Quarter Ended 31 March 2006***(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>9 Months Ended 31/03/2006</u>				
Balance at 30 June 2005	375,000	12,631	102,313	489,944
Net profit for the period	-	-	98,567	98,567
Interim dividend paid for financial year ending 30 June 2006	-	-	(97,500)	(97,500)
Listing expenditure	-	(53)	-	(53)
Balance as at 31 March 2006	375,000	12,578	103,380	490,958
<u>9 Months Ended 31/03/2005</u>				
Balance at 30 June 2004	*	-	(5)	(5)
Net profit for the period	-	-	42,301	42,301
Pursuant to acquisition of KIMB	328,007	-	-	328,007
Pursuant to rights issue	46,993	15,038	-	62,031
Listing expenditure	-	(1,841)	-	(1,841)
Balance as at 31 March 2005	375,000	13,197	42,296	430,493

*** 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

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

Quarterly Report On Consolidated Results
For The 3rd Quarter Ended 31 March 2006
(The figures have not been audited)

CONDENSED CONSOLIDATED BALANCE SHEETS

	As At 31-Mar-2006 RM'000	(Audited) As At 30-Jun-2005 RM'000
<u>Assets</u>		
Property and equipment	258,283	254,733
Investments	1,462,708	1,539,600
Loans	20,920	22,418
Receivables	62,363	59,059
Cash and bank balances	113,271	95,107
Total assets	<u>1,917,545</u>	<u>1,970,917</u>
<u>Liabilities</u>		
Provision for outstanding claims	851,319	870,373
Payables	41,602	56,115
Provision for taxation	8,409	13,197
Staff retirement benefits	11,532	9,938
Deferred tax liability	6,079	6,079
	<u>918,941</u>	<u>955,702</u>
<u>Insurance reserve</u>		
Unearned premium reserve	<u>446,815</u>	<u>464,440</u>
<u>Shareholders' equity</u>		
Share capital	375,000	375,000
Share premium	12,578	12,631
Retained profits	103,380	102,313
Shareholders' equity	<u>490,958</u>	<u>489,944</u>
Negative goodwill	<u>60,831</u>	<u>60,831</u>
Total liabilities and shareholders' equity	<u>1,917,545</u>	<u>1,970,917</u>
Net Assets Value per ordinary share of RM0.25 each (SEN)	<u>36.79</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)
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Quarterly Report On Consolidated Results
For The 3rd Quarter Ended 31 March 2006
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CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year 31-Mar-2006 RM'000	Preceding Year 31-Mar-2005 RM'000	Current Year 31-Mar-2006 RM'000	Preceding Year# 31-Mar-2005 RM'000
Operating revenue	297,949	340,847	870,062	539,041
Surplus from General Insurance Revenue account	59,888	42,216	142,155	69,414
Management expense	(1,297)	(380)	(3,505)	(380)
Operating profit/(loss)	58,591	41,836	138,650	69,034
Investment Income	788	407	2,058	531
Profit before taxation	59,379	42,243	140,708	69,565
Taxation	(17,725)	(16,711)	(42,141)	(27,264)
Net profit	41,654	25,532	98,567	42,301
Earnings per share (sen) - Basic	2.78	4.14	6.57	6.85

Comparative figures 31/03/2005 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

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

Quarterly Report On Consolidated Results
For The 3rd Quarter Ended 31 March 2006
(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS		
	Year-To-Date	
	31-Mar-2006	31-Mar-2005 #
	RM'000	RM'000
<u>Cash flow from operating activities:</u>		
Profit before tax	140,708	69,565
Adjustment for:		
Depreciation	13,831	7,101
Increase in Unearned Premium Reserve	(17,625)	24,160
Investment income	(48,424)	(23,974)
Profit on disposal of investment	(6,879)	(23,811)
(Gain)/loss on disposal of fixed assets/ fixed asset written off	(19)	(656)
Provision for/(write back of) diminution in value of investment	(4,221)	14,006
Allowance for doubtful debt	4,159	(2,388)
Provision for retirement benefits	1,783	-
Profit from operations before changes on operating assets and liabilities	83,313	64,003
Purchase of investments & fixed and called deposits	(65,806)	(148,460)
Proceeds from redemption and disposal of investments	199,965	132,684
Increase in loans	1,499	295
Increase in receivables	(5,424)	9,147
Increase in outstanding claims	(19,054)	66,449
Increase in payables	(14,537)	5,034
Cash generated from operating activities	179,956	129,152
Tax paid	(46,930)	(14,836)
Investment income received:		
Dividend	12,085	5,982
Interest	31,463	15,521
Retirement benefits paid	(189)	(160)
Net cash generated from operating activities	176,385	135,659
<u>Investing activities</u>		
Purchase of equipment	(17,410)	(15,047)
Placement in quoted securities	(45,457)	-
Net cash used in acquisition of KIMB	-	(6,092)
Others	2,199	(1,773)
Net cash used in investing activities	(60,668)	(22,912)
<u>Financing activity</u>		
Dividend paid	(97,500)	(75,000)
Proceeds from rights issue	-	62,031
Listing expenditure	(53)	(1,841)
Net cash used in financing activity	(97,553)	(14,810)
Net increase in cash and bank balance	18,164	97,937
Cash and bank balance at beginning of period	95,107	*
Cash and bank balance at end of period	113,271	97,937

Comparative figures 31/03/2005 consist only post-acquisition results of the subsidiary Kurnia Insurans (Malaysia) Berhad. The subsidiary was acquired on 5 November 2004.

* 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

KURNIA ASIA BERHAD (539435-K)

(Incorporated in Malaysia)

Quarterly Report On Consolidated Results

For The 3rd Quarter Ended 31 March 2006

(The figures have not been audited)

CONDENSED GENERAL INSURANCE REVENUE ACCOUNT

	Individual Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	31/03/06 RM'000	31/03/05 RM'000	31/03/06 RM'000	31/03/05 RM'000	31/03/06 RM'000	31/03/05 RM'000	31/03/06 RM'000	31/03/05 RM'000	31/03/06 RM'000	31/03/05 RM'000
Gross Premium	6,136	6,349	261,581	303,467	1,423	1,895	14,232	16,476	283,372	328,187
Less: Reinsurance	(3,008)	(3,343)	(12,750)	(14,788)	(367)	(729)	(3,891)	(5,915)	(20,016)	(24,775)
Net Premium	3,128	3,006	248,831	288,679	1,056	1,166	10,341	10,561	263,356	303,412
UPR(Increase)/Decrease	(249)	120	(6,057)	(28,788)	58	(68)	(367)	600	(6,615)	(28,136)
Earned Premium	2,879	3,126	242,774	259,891	1,114	1,098	9,974	11,161	256,741	275,276
Commission (Net)	(481)	(58)	(29,973)	(27,300)	(191)	(170)	(2,382)	(1,699)	(33,027)	(29,227)
Net Claims Incurred	(1,997)	(1,635)	(144,103)	(171,425)	(1,847)	(796)	(5,156)	(3,446)	(153,103)	(177,302)
Underwriting surplus before management expense	401	1,433	68,698	61,166	(924)	132	2,436	6,016	70,611	68,747
Management expense									(44,824)	(43,243)
Underwriting surplus									25,787	25,504
Investment income									13,789	12,253
Other income / (expenditure) - net									20,312	4,459
Surplus transferred to Condensed Consolidated Income Statement									59,888	42,216

	Cumulative Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	31/03/06 RM'000	31/03/2005# RM'000	31/03/06 RM'000	31/03/2005# RM'000	31/03/06 RM'000	31/03/2005# RM'000	31/03/06 RM'000	31/03/2005# RM'000	31/03/06 RM'000	31/03/2005# RM'000
Gross Premium	14,465	9,339	761,379	477,445	4,543	2,994	41,250	25,290	821,637	515,068
Less: Reinsurance	(6,045)	(4,486)	(37,391)	(24,896)	(1,458)	(955)	(11,291)	(10,177)	(56,185)	(40,514)
Net Premium	8,420	4,853	723,988	452,549	3,085	2,039	29,959	15,113	765,452	474,554
UPR(Increase)/Decrease	137	804	16,179	(28,460)	280	(62)	1,029	3,558	17,625	(24,160)
Earned Premium	8,557	5,657	740,167	424,089	3,365	1,977	30,988	18,671	783,077	450,394
Commission (Net)	(1,098)	(250)	(74,706)	(42,679)	(448)	(267)	(5,418)	(2,571)	(81,670)	(45,767)
Net Claims Incurred	(4,650)	(3,687)	(457,734)	(274,171)	(3,591)	(1,638)	(15,614)	(4,999)	(481,589)	(284,495)
Underwriting surplus before management expense	2,809	1,720	207,727	107,239	(674)	72	9,956	11,101	219,818	120,132
Management expense									(136,919)	(85,745)
Underwriting surplus									82,899	34,387
Investment income									46,367	23,442
Other income / (expenditure) - net									12,889	11,585
Surplus transferred to Condensed Consolidated Income Statement									142,155	69,414

Comparative figures 31/03/2005 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