

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

Quarterly Report On Consolidated Results
For The 4th Quarter Ended 30 June 2006

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year#
	30-Jun-2006 RM'000	30-Jun-2005 RM'000	30-Jun-2006 RM'000	30-Jun-2005 RM'000
Revenue	296,273	309,024	1,166,335	848,065
(Deficit) / Surplus from General Insurance Revenue account	(70,795)	76,175	71,360	145,589
Investment income	862	-	1,775	-
Management expense	(187)	(662)	(3,382)	(1,042)
Other expenses	(516)	-	(826)	-
Operating (loss) / profit	(70,636)	75,513	68,927	144,547
Interest income	528	489	1,673	1,020
(Loss) / Profit before taxation	(70,108)	76,002	70,600	145,567
Taxation	21,397	(15,985)	(20,744)	(43,249)
Net (loss) / profit	(48,711)	60,017	49,856	102,318
(Loss) / Earnings per share (sen) - Basic	(3.25)	4.00	3.32	10.31

Comparative figures 30/06/2005 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 4th Quarter Ended 30 June 2006

(The figures have not been audited)

CONDENSED GENERAL INSURANCE REVENUE ACCOUNT

	Individual Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	6/30/2006 RM'000	6/30/2005 RM'000	6/30/2006 RM'000	6/30/2005 RM'000	6/30/2006 RM'000	6/30/2005 RM'000	6/30/2006 RM'000	6/30/2005 RM'000	6/30/2006 RM'000	6/30/2005 RM'000
Gross Premium	4,878	4,596	258,062	271,793	2,031	1,759	14,651	15,544	279,622	293,692
Less: Reinsurance	(1,847)	(1,560)	(15,533)	(17,453)	(580)	(522)	(4,332)	(4,427)	(22,292)	(23,962)
Net Premium	3,031	3,036	242,529	254,340	1,451	1,237	10,319	11,117	257,330	269,730
UPR(Increase)/Decrease	(176)	(339)	(929)	4,758	(22)	65	(34)	(440)	(1,161)	4,044
Earned Premium	2,855	2,697	241,600	259,098	1,429	1,302	10,285	10,677	256,169	273,774
Commission (Net)	230	111	(22,077)	(23,018)	(187)	(188)	(1,211)	(1,631)	(23,245)	(24,726)
Net Claims Incurred	(1,214)	(799)	(252,345)	(138,982)	(1,880)	(401)	(6,936)	(3,302)	(262,375)	(143,484)
Underwriting (loss) / surplus before management expense	1,871	2,009	(32,822)	97,098	(638)	713	2,138	5,744	(29,451)	105,564
Management expense									(48,052)	(33,852)
Underwriting (loss) / surplus									(77,503)	71,712
Investment income									15,261	14,843
Other income / (expenditure) - net									(8,553)	(10,380)
(Loss)/ Surplus transferred to Condensed Consolidated Income Statement									(70,795)	76,175

	Cumulative Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	6/30/2006 RM'000	30/06/2005# RM'000	6/30/2006 RM'000	30/06/2005# RM'000	6/30/2006 RM'000	30/06/2005# RM'000	6/30/2006 RM'000	30/06/2005# RM'000	6/30/2006 RM'000	30/06/2005# RM'000
Gross Premium	19,343	13,935	1,019,441	749,238	6,574	4,753	55,901	40,834	1,101,259	808,760
Less: Reinsurance	(7,892)	(6,046)	(52,924)	(42,349)	(2,038)	(1,477)	(15,623)	(14,604)	(78,477)	(64,476)
Net Premium	11,451	7,889	966,517	706,889	4,536	3,276	40,278	26,230	1,022,782	744,284
UPR(Increase)/Decrease	(39)	465	15,250	(23,702)	258	3	995	3,118	16,464	(20,116)
Earned Premium	11,412	8,354	981,767	683,187	4,794	3,279	41,273	29,348	1,039,246	724,168
Commission (Net)	(868)	(139)	(96,783)	(65,697)	(635)	(455)	(6,629)	(4,202)	(104,915)	(70,493)
Net Claims Incurred	(5,864)	(4,486)	(710,079)	(413,153)	(5,471)	(2,039)	(22,550)	(8,301)	(743,964)	(427,979)
Underwriting surplus before management expense	4,680	3,729	174,905	204,337	(1,312)	785	12,094	16,845	190,367	225,696
Management expense									(184,971)	(119,597)
Underwriting surplus									5,396	106,099
Investment income									61,628	38,285
Other income / (expenditure) - net									4,336	1,205
Surplus transferred to Condensed Consolidated Income Statement									71,360	145,589

Comparative figures 30/06/2005 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

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

Quarterly Report On Consolidated Results
For The 4th Quarter Ended 30 June 2006
(The figures have not been audited)

CONDENSED CONSOLIDATED BALANCE SHEETS

	As At 30-Jun-2006 RM'000	(Audited) As At 30-Jun-2005 RM'000
<u>Assets</u>		
Property and equipment	259,136	254,733
Investments	1,464,500	1,539,600
Loans	20,054	22,418
Receivables	97,136	59,059
Tax recoverable	27,065	-
Cash and bank balances	96,193	95,107
Total assets	<u>1,964,084</u>	<u>1,970,917</u>
<u>Liabilities</u>		
Provision for outstanding claims	944,942	870,373
Payables	50,128	56,115
Provision for taxation	-	13,197
Staff retirement benefits	11,881	9,938
Deferred tax liability	6,079	6,079
	<u>1,013,030</u>	<u>955,702</u>
<u>Insurance reserves</u>		
Unearned premium reserve	447,976	464,440
<u>Shareholders' equity</u>		
Share capital	375,000	375,000
Share premium	12,578	12,631
Retained profits	54,669	102,313
Shareholders' equity	<u>442,247</u>	<u>489,944</u>
Negative goodwill	<u>60,831</u>	<u>60,831</u>
Total liabilities and shareholders' equity	<u>1,964,084</u>	<u>1,970,917</u>
Net Assets Value per ordinary share of RM0.25 each (SEN)	<u>33.54</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 4th Quarter Ended 30 June 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>12 Months Ended 30/06/2006</u>				
Balance at 30 June 2005	375,000	12,631	102,313	489,944
Net profit for the period	-	-	49,856	49,856
Interim dividend paid for financial year ending 30 June 2006	-	-	(97,500)	(97,500)
Listing expenditure	-	(53)	-	(53)
Balance as at 30 June 2006	375,000	12,578	54,669	442,247
<u>12 Months Ended 30/06/2005</u>				
Balance at 30 June 2004	*	-	(5)	(5)
Net profit for the period	-	-	102,318	102,318
Pursuant to acquisition of KIMB	328,007	-	-	328,007
Pursuant to rights issue	46,993	15,038	-	62,031
Listing expenditure	-	(2,407)	-	(2,407)
Balance as at 30 June 2005	375,000	12,631	102,313	489,944

* 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 4th Quarter Ended 30 June 2006
(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS		
	Year-To-Date	
	30-Jun-2006	30-Jun-2005 #
	RM'000	RM'000
<u>Cash flow from operating activities:</u>		
Profit before tax	70,600	145,567
Adjustment for:		
Depreciation	18,510	11,942
Increase in Unearned Premium Reserve	(16,464)	20,116
Investment income	(65,076)	(39,305)
Profit on disposal of investment	2,897	(1,962)
(Gain)/loss on disposal of fixed assets/ fixed asset written off	(56)	(788)
Provision for/(write back of) diminution in value of investment	(4,378)	3,305
Allowance for doubtful debt	(4,335)	(5,792)
Provision for retirement benefits	2,377	2,199
Profit from operations before changes on operating assets and liabilities	4,075	135,282
Purchase of investments & fixed and called deposits	(571,154)	(321,522)
Proceeds from redemption and disposal of investments	661,405	158,376
Increase in loans	2,364	159
Increase in receivables	1,787	28,729
Increase in outstanding claims	74,569	108,315
Increase in payables	(5,985)	(66,438)
Cash generated from operating activities	167,061	42,901
Tax paid	(61,006)	(16,513)
Investment income received:		
Dividend	14,382	8,495
Interest	43,966	28,068
Retirement benefits paid	(434)	(301)
Net cash generated from operating activities	<u>163,969</u>	<u>62,650</u>
<u>Investing activities</u>		
Purchase of equipment	(22,942)	(22,940)
Placement in quoted securities	(65,169)	-
Proceeds from disposal of quoted securities	19,293	-
Net cash used in acquisition of KIMB	-	(6,092)
Others	3,488	1,865
Net cash used in investing activities	<u>(65,330)</u>	<u>(27,167)</u>
<u>Financing activity</u>		
Dividend paid	(97,500)	-
Proceeds from rights issue	-	62,031
Listing expenditure	(53)	(2,407)
Net cash used in financing activity	<u>(97,553)</u>	<u>59,624</u>
Net increase in cash and bank balance	1,086	95,107
Cash and bank balance at beginning of period	95,107	*
Cash and bank balances at end of period	<u><u>96,193</u></u>	<u><u>95,107</u></u>

Comparative figures 30/06/2005 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