

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

Quarterly Report On Consolidated Results
For The 3rd Quarter Ended 31 March 2007
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

| | Individual Quarter | | Cumulative Quarter | |
|-------------------------------------------------------|---------------------------------------|-----------------------------------------|---------------------------------------|-----------------------------------------|
| | Current Year 31-Mar-2007 RM'000 | Preceding Year 31-Mar-2006 RM'000 | Current Year 31-Mar-2007 RM'000 | Preceding Year 31-Mar-2006 RM'000 |
| Revenue | 298,469 | 297,949 | 865,191 | 870,062 |
| Surplus from General Insurance Revenue account | 46,248 | 59,888 | 133,363 | 142,155 |
| Investment income | 358 | 492 | 744 | 913 |
| Management expense | (634) | (1,334) | (2,899) | (3,195) |
| Other income net expenses | - | 37 | 461 | (310) |
| Operating profit | 45,972 | 59,083 | 131,669 | 139,563 |
| Interest income | 297 | 296 | 1,269 | 1,145 |
| Profit before taxation | 46,269 | 59,379 | 132,938 | 140,708 |
| Taxation | (13,670) | (17,725) | (39,540) | (42,141) |
| Net profit | 32,599 | 41,654 | 93,398 | 98,567 |
| Earnings per share (sen) - Basic | 2.17 | 2.78 | 6.23 | 6.57 |

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006

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For The 3rd Quarter Ended 31 March 2007

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CONDENSED GENERAL INSURANCE REVENUE ACCOUNTS

| | Individual Quarter Ended | | | | | | | | | |
|----------------------------------------------------------------|--------------------------|---------------------|---------------------|---------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Fire | | Motor | | Marine, Aviation & Transit | | Miscellaneous | | Total | |
| | 3/31/2007 RM'000 | 3/31/2006 RM'000 | 3/31/2007 RM'000 | 3/31/2006 RM'000 | 3/31/2007 RM'000 | 3/31/2006 RM'000 | 3/31/2007 RM'000 | 3/31/2006 RM'000 | 3/31/2007 RM'000 | 3/31/2006 RM'000 |
| Gross Premium | 7,293 | 6,136 | 252,821 | 261,581 | 2,609 | 1,423 | 17,306 | 14,232 | 280,029 | 283,372 |
| Less: Reinsurance | (3,715) | (3,008) | (12,178) | (12,750) | (1,260) | (367) | (4,835) | (3,891) | (21,988) | (20,016) |
| Net Premium | 3,578 | 3,128 | 240,643 | 248,831 | 1,349 | 1,056 | 12,471 | 10,341 | 258,041 | 263,356 |
| UPR(Increase)/Decrease | (403) | (249) | (1,003) | (6,057) | (95) | 58 | (1,262) | (367) | (2,763) | (6,615) |
| Earned Premium | 3,175 | 2,879 | 239,640 | 242,774 | 1,254 | 1,114 | 11,209 | 9,974 | 255,278 | 256,741 |
| Commission (Net) | (190) | (481) | (22,868) | (29,973) | (132) | (191) | (1,931) | (2,382) | (25,121) | (33,027) |
| Net Claims Incurred | (1,478) | (1,997) | (165,876) | (144,103) | (835) | (1,847) | (2,510) | (5,156) | (170,699) | (153,103) |
| Underwriting surplus /(loss) before management expense | 1,507 | 401 | 50,896 | 68,698 | 287 | (924) | 6,768 | 2,436 | 59,458 | 70,611 |
| Management expense | | | | | | | | | (57,109) | (44,824) |
| Underwriting surplus | | | | | | | | | 2,349 | 25,787 |
| Investment income | | | | | | | | | 17,785 | 13,789 |
| Other income / (expenditure) - net | | | | | | | | | 26,114 | 20,312 |
| Surplus transferred to Condensed Consolidated Income Statement | | | | | | | | | 46,248 | 59,888 |

| | Cumulative Quarter Ended | | | | | | | | | |
|----------------------------------------------------------------|--------------------------|---------------------|---------------------|---------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Fire | | Motor | | Marine, Aviation & Transit | | Miscellaneous | | Total | |
| | 3/31/2007 RM'000 | 3/31/2006 RM'000 | 3/31/2007 RM'000 | 3/31/2006 RM'000 | 3/31/2007 RM'000 | 3/31/2006 RM'000 | 3/31/2007 RM'000 | 3/31/2006 RM'000 | 3/31/2007 RM'000 | 3/31/2006 RM'000 |
| Gross Premium | 17,332 | 14,465 | 738,401 | 761,379 | 5,806 | 4,543 | 47,771 | 41,250 | 809,310 | 821,637 |
| Less: Reinsurance | (8,104) | (6,045) | (35,787) | (37,391) | (2,081) | (1,458) | (13,707) | (11,291) | (59,679) | (56,185) |
| Net Premium | 9,228 | 8,420 | 702,614 | 723,988 | 3,725 | 3,085 | 34,064 | 29,959 | 749,631 | 765,452 |
| UPR(Increase)/Decrease | (670) | 137 | 14,259 | 16,179 | (191) | 280 | (2,142) | 1,029 | 11,256 | 17,625 |
| Earned Premium | 8,558 | 8,557 | 716,873 | 740,167 | 3,534 | 3,365 | 31,922 | 30,988 | 760,887 | 783,077 |
| Commission (Net) | (672) | (1,098) | (66,475) | (74,706) | (442) | (448) | (4,519) | (5,418) | (72,108) | (81,670) |
| Net Claims Incurred | (5,575) | (4,650) | (485,685) | (457,734) | (2,418) | (3,591) | (8,803) | (15,614) | (502,481) | (481,589) |
| Underwriting surplus /(loss) before management expense | 2,311 | 2,809 | 164,713 | 207,727 | 674 | (674) | 18,600 | 9,956 | 186,298 | 219,818 |
| Management expense | | | | | | | | | (165,083) | (136,919) |
| Underwriting surplus | | | | | | | | | 21,215 | 82,899 |
| Investment income | | | | | | | | | 53,868 | 46,367 |
| Other income / (expenditure) - net | | | | | | | | | 58,280 | 12,889 |
| Surplus transferred to Condensed Consolidated Income Statement | | | | | | | | | 133,363 | 142,155 |

The Condensed Consolidated General Insurance Revenue Accounts should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006

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CONDENSED CONSOLIDATED BALANCE SHEETS

| | As At 31-Mar-2007 RM'000 | (Audited) As At 30-Jun-2006 RM'000 |
|-----------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------|
| <u>Assets</u> | | |
| Property and equipment | 257,804 | 259,136 |
| Goodwill | 10,381 | - |
| Investments | 1,614,046 | 1,464,005 |
| Loans | 19,292 | 20,039 |
| Receivables | 67,740 | 97,598 |
| Tax recoverable | 35,288 | 38,756 |
| Cash and bank balances | 76,952 | 96,400 |
| Total assets | 2,081,503 | 1,975,934 |
| <u>Liabilities</u> | | |
| Provision for outstanding claims | 996,823 | 972,968 |
| Payables | 61,825 | 50,145 |
| Provision for taxation | 187 | - |
| Staff retirement benefits | 13,635 | 11,881 |
| Deferred tax liability | 12,876 | 9,923 |
| | 1,085,346 | 1,044,917 |
| <u>Insurance reserve</u> | | |
| Unearned premium reserve | 440,060 | 447,976 |
| <u>Shareholders' equity</u> | | |
| Share capital | 375,000 | 375,000 |
| Reserves | 181,097 | 47,210 |
| Shareholders' equity | 556,097 | 422,210 |
| Negative goodwill | - | 60,831 |
| Total liabilities and shareholders' equity | 2,081,503 | 1,975,934 |
| Net Assets Value per ordinary share of RM0.25 each (SEN) | 37.07 | 32.20 |

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006

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For The 3rd Quarter Ended 31 March 2007

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | Share Capital RM '000 | Share Premium RM '000 | Translation Reserve RM '000 | Distributable Retained profit RM '000 | Total RM '000 |
|--------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------------|---------------------------------------------|------------------|
| <u>9 Months Ended 31/03/2007</u> | | | | | |
| Balance at 30 June 2006 | 375,000 | 12,578 | - | 34,632 | 422,210 |
| Net profit for the period | - | - | - | 93,398 | 93,398 |
| Effect of adopting FRS 3 - Negative Goodwill | - | - | - | 60,831 | 60,831 |
| Interim dividend paid for financial year ending 30 June 2007 | - | - | - | (20,000) | (20,000) |
| Foreign exchange translation differences | - | - | (342) | - | (342) |
| Balance as at 31 March 2007 | 375,000 | 12,578 | (342) | 168,861 | 556,097 |
| <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 ended 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 |
| | | | | | |

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Reports for the year ended 30 June 2006

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| CONDENSED CONSOLIDATED CASH FLOW STATEMENTS | | |
|---------------------------------------------------------------------------|---------------------|--------------------|
| | Year-To-Date | |
| | 31-Mar-2007 | 31-Mar-2006 |
| | RM'000 | RM'000 |
| Cash flow from operating activities: | | |
| Profit before tax | 132,938 | 140,708 |
| Adjustment for: | | |
| Depreciation | 14,339 | 13,831 |
| Increase in unearned premium reserve | (11,256) | (17,625) |
| Investment income | (55,908) | (48,424) |
| Profit on disposal of investment | (57,708) | (6,879) |
| Loss/(Gain) on disposal of fixed assets/ fixed asset written off | 15 | (19) |
| Provision for/(write back of) diminution in value of investment | 535 | (4,221) |
| Allowance for doubtful debt | 1,041 | 4,159 |
| Provision for retirement benefits | 1,933 | 1,783 |
| Profit from operations before changes on operating assets and liabilities | 25,929 | 83,313 |
| Purchase of investments & fixed and called deposits | (1,009,572) | (65,806) |
| Proceeds from redemption and disposal of investments | 977,782 | 199,965 |
| Increase in loans | 746 | 1,499 |
| Increase in receivables | (21,447) | (5,424) |
| Increase in outstanding claims | 20,767 | (19,054) |
| Increase in payables | 20,582 | (14,537) |
| Cash generated from operating activities | 14,787 | 179,956 |
| Tax paid | (32,980) | (46,930) |
| Investment income received: | | |
| Dividend | 10,826 | 12,085 |
| Interest | 35,961 | 31,463 |
| Retirement benefits paid | (180) | (189) |
| Net cash generated from operating activities | 28,414 | 176,385 |
| Investing activities | | |
| Purchase of property and equipment | (12,178) | (17,410) |
| Placement in quoted securities | (20,169) | (45,457) |
| Proceeds from disposal of quoted securities | 21,218 | - |
| Acquisition of subsidiary, net of cash acquired | (17,862) | - |
| Others | 1,395 | 2,199 |
| Net cash used in investing activities | (27,596) | (60,668) |
| Financing activity | | |
| Dividend paid | (20,000) | (97,500) |
| Proceeds from rights issue | - | - |
| Listing expenditure | - | (53) |
| Net cash used in financing activity | (20,000) | (97,553) |
| Net increase in cash and bank balances | (19,182) | 18,164 |
| Effect of exchange rate changes on cash & cash equivalent | (266) | - |
| Cash and bank balances at beginning of period | 96,400 | 95,107 |
| Cash and bank balances at end of period | 76,952 | 113,271 |

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006