

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

Quarterly Report On Consolidated Results
For The 4th Quarter Ended 30 June 2007
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year 30-Jun-2007 RM'000	Preceding Year 30-Jun-2006 RM'000	Current Year 30-Jun-2007 RM'000	Preceding Year 30-Jun-2006 RM'000
Revenue	318,654	296,273	1,183,846	1,166,335
(Deficit) / Surplus from General Insurance Revenue account	(120,031)	(98,688)	13,332	43,467
Investment income	398	862	1,143	1,775
Management expense	(1,476)	(178)	(4,375)	(3,373)
Other income net expenses	133	(516)	594	(826)
Operating (loss) / profit	(120,976)	(98,520)	10,694	41,043
Interest income	221	528	1,490	1,673
(Loss) / Profit before taxation	(120,755)	(97,992)	12,184	42,716
Taxation	28,502	29,244	(11,039)	(12,897)
Net (loss) / profit	(92,253)	(68,748)	1,145	29,819
(Loss) / Earnings per share (sen) - Basic	(6.15)	(4.58)	0.08	1.99

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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CONDENSED GENERAL INSURANCE REVENUE ACCOUNTS

	Individual Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	6/30/2007 RM'000	6/30/2006 RM'000	6/30/2007 RM'000	6/30/2006 RM'000	6/30/2007 RM'000	6/30/2006 RM'000	6/30/2007 RM'000	6/30/2006 RM'000	6/30/2007 RM'000	6/30/2006 RM'000
Gross Premium	6,271	4,878	267,319	258,062	4,150	2,031	20,548	14,651	298,288	279,622
Less: Reinsurance	(3,115)	(1,847)	(15,228)	(15,533)	(3,020)	(580)	(7,080)	(4,332)	(28,443)	(22,292)
Net Premium	3,156	3,031	252,091	242,529	1,130	1,451	13,468	10,319	269,845	257,330
UPR(Increase)/Decrease	(115)	(176)	(11,713)	(929)	252	(22)	(1,945)	(34)	(13,521)	(1,161)
Earned Premium	3,041	2,855	240,378	241,600	1,382	1,429	11,523	10,285	256,324	256,169
Commission (Net)	5	230	(24,343)	(22,077)	164	(187)	(1,076)	(1,211)	(25,250)	(23,245)
Net Claims Incurred	(5,161)	(1,214)	(360,221)	(280,371)	(1,591)	(1,880)	(7,604)	(6,936)	(374,577)	(290,401)
Underwriting surplus/(deficit) before management expense	(2,115)	1,871	(144,186)	(60,848)	(45)	(638)	2,843	2,138	(143,503)	(57,477)
Management expense									(46,380)	(47,918)
Underwriting deficit									(189,883)	(105,395)
Investment income									19,747	15,261
Other income / (expenditure) - net									50,105	(8,554)
(Deficit) transferred to Condensed Consolidated Income Statement									(120,031)	(98,688)

	Cumulative Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	6/30/2007 RM'000	6/30/2006 RM'000	6/30/2007 RM'000	6/30/2006 RM'000	6/30/2007 RM'000	6/30/2006 RM'000	6/30/2007 RM'000	6/30/2006 RM'000	6/30/2007 RM'000	6/30/2006 RM'000
Gross Premium	23,604	19,343	1,005,720	1,019,441	9,955	6,574	68,319	55,901	1,107,598	1,101,259
Less: Reinsurance	(11,219)	(7,892)	(51,015)	(52,924)	(5,100)	(2,038)	(20,788)	(15,623)	(88,122)	(78,477)
Net Premium	12,385	11,451	954,705	966,517	4,855	4,536	47,531	40,278	1,019,476	1,022,782
UPR(Increase)/Decrease	(785)	(39)	2,546	15,250	61	258	(4,087)	995	(2,265)	16,464
Earned Premium	11,600	11,412	957,251	981,767	4,916	4,794	43,444	41,273	1,017,211	1,039,246
Commission (Net)	(667)	(868)	(90,819)	(96,783)	(277)	(635)	(5,595)	(6,629)	(97,358)	(104,915)
Net Claims Incurred	(10,736)	(5,864)	(845,906)	(738,105)	(4,009)	(5,471)	(16,407)	(22,550)	(877,058)	(771,990)
Underwriting surplus/ (deficit) before management expense	197	4,680	20,526	146,879	630	(1,312)	21,442	12,094	42,795	162,341
Management expense									(211,463)	(184,837)
Underwriting deficit									(168,668)	(22,496)
Investment income									73,615	61,628
Other income - net									108,385	4,335
Surplus transferred to Condensed Consolidated Income Statement									13,332	43,467

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 30-Jun-2007 RM'000	(Audited) As At 30-Jun-2006 RM'000
<u>Assets</u>		
Property and equipment	255,154	259,136
Goodwill	10,484	-
Investments	1,745,116	1,464,005
Loans	18,056	20,039
Receivables	91,287	97,598
Tax recoverable	32,345	38,756
Cash and bank balances	70,104	96,400
Total assets	<u>2,222,546</u>	<u>1,975,934</u>
<u>Liabilities</u>		
Provision for outstanding claims	1,214,779	972,968
Payables	69,600	50,145
Provision for taxation	244	-
Staff retirement benefits	13,774	11,881
Deferred tax liability	6,954	9,923
	<u>1,305,351</u>	<u>1,044,917</u>
<u>Insurance reserve</u>		
Unearned premium reserve	453,607	447,976
<u>Shareholders' equity</u>		
Share capital	375,000	375,000
Reserves	88,588	47,210
Shareholders' equity	<u>463,588</u>	<u>422,210</u>
Negative goodwill	-	60,831
Total liabilities and shareholders' equity	<u>2,222,546</u>	<u>1,975,934</u>
Net Assets Value per ordinary share of RM0.25 each (SEN)	<u>30.91</u>	<u>32.20</u>

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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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>12 Months Ended 30/06/2007</u>					
Balance at 30 June 2006	375,000	12,578	-	34,632	422,210
Net profit for the year	-	-	-	1,145	1,145
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	-	-	(598)	-	(598)
Balance as at 30 June 2007	375,000	12,578	(598)	76,608	463,588
<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	-	-	-	29,819	29,819
Interim dividend paid for financial year ended 30 June 2006	-	-	-	(97,500)	(97,500)
Listing expenditure	-	(53)	-	-	(53)
Balance as at 30 June 2006	375,000	12,578	-	34,632	422,210

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	
	30-Jun-2007	30-Jun-2006
	RM'000	RM'000
Cash flow from operating activities:		
Profit before tax	12,184	42,716
Adjustment for:		
Depreciation	19,227	18,510
Increase in unearned premium reserve	2,263	(16,464)
Investment income	(76,323)	(65,076)
Profit on disposal of investment	(107,241)	2,897
(Gain)/loss on disposal of fixed assets/ fixed asset written off	970	(56)
Provision for/(write back of) diminution in value of investment	(361)	(4,378)
Allowance for doubtful debt	(1,399)	(4,322)
Provision for retirement benefits	2,577	2,377
Profit from operations before changes on operating assets and liabilities	(148,103)	(23,796)
Purchase of investments & fixed and called deposits	(1,333,858)	(570,659)
Proceeds from redemption and disposal of investments	1,212,630	660,910
Increase in loans	1,983	2,379
Increase in receivables	(40,400)	1,807
Increase in outstanding claims	238,698	102,595
Increase in payables	32,933	(5,968)
Cash generated from operating activities	(36,117)	167,268
Tax paid	(7,402)	(61,006)
Investment income received:		
Dividend	15,699	14,382
Interest	53,637	43,966
Retirement benefits paid	(685)	(434)
Net cash generated from operating activities	<u>25,132</u>	<u>164,176</u>
Investing activities		
Purchase of property and equipment	(15,629)	(22,942)
Placement in quoted securities	(20,379)	(65,169)
Proceeds from disposal of quoted securities	21,218	19,293
Acquisition of subsidiary, net of cash acquired	(17,965)	-
Others	1,910	3,488
Net cash used in investing activities	<u>(30,845)</u>	<u>(65,330)</u>
Financing activity		
Dividend paid	(20,000)	(97,500)
Proceeds from rights issue	-	-
Listing expenditure	-	(53)
Net cash used in financing activity	<u>(20,000)</u>	<u>(97,553)</u>
Net increase in cash and bank balances	(25,713)	1,293
Effect of exchange rate changes on cash & cash equivalent	(583)	-
Cash and bank balances at beginning of period	96,400	95,107
Cash and bank balances at end of period	<u><u>70,104</u></u>	<u><u>96,400</u></u>

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