

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

Quarterly Report On Consolidated Results
For The 1st Quarter Ended 30 September 2007
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year 30-Sep-2007 RM'000	Preceding Year 30-Sep-2006 RM'000	Current Year 30-Sep-2007 RM'000	Preceding Year 30-Sep-2006 RM'000
Revenue	291,431	285,185	291,431	285,185
(Deficit) / Surplus from General Insurance Revenue account	21,383	34,146	21,383	34,146
Investment income	339	187	339	187
Management expense	(662)	(1,071)	(662)	(1,071)
Other income net expenses	(334)	119	(334)	119
Operating (loss) / profit	20,726	33,381	20,726	33,381
Interest income	192	464	192	464
(Loss) / Profit before taxation	20,918	33,845	20,918	33,845
Taxation	(6,567)	(10,084)	(6,567)	(10,084)
Net (loss) / profit	14,351	23,761	14,351	23,761
(Loss) / Earnings per share (sen) - Basic	0.96	1.58	0.96	1.58

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007

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CONDENSED GENERAL INSURANCE REVENUE ACCOUNTS

	Individual Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	9/30/2007 RM'000	9/30/2006 RM'000	9/30/2007 RM'000	9/30/2006 RM'000	9/30/2007 RM'000	9/30/2006 RM'000	9/30/2007 RM'000	9/30/2006 RM'000	9/30/2007 RM'000	9/30/2006 RM'000
Gross Premium	9,116	5,743	238,241	244,237	3,058	1,718	18,109	14,736	268,524	266,434
Less: Reinsurance	(5,001)	(2,348)	(11,802)	(11,870)	(1,790)	(451)	(5,807)	(3,721)	(24,400)	(18,390)
Net Premium	4,115	3,395	226,439	232,367	1,268	1,267	12,302	11,015	244,124	248,044
UPR(Increase)/Decrease	237	(554)	10,145	4,852	95	(62)	226	(764)	10,703	3,472
Earned Premium	4,352	2,841	236,584	237,219	1,363	1,205	12,528	10,251	254,827	251,516
Commission (Net)	(380)	(297)	(22,365)	(21,945)	(86)	(162)	(1,858)	(1,794)	(24,689)	(24,198)
Net Claims Incurred	(2,272)	(2,517)	(182,487)	(157,841)	(627)	(555)	(6,789)	(3,074)	(192,175)	(163,987)
Underwriting surplus/(deficit) before management expense	1,700	27	31,732	57,433	650	488	3,881	5,383	37,963	63,331
Management expense									(50,984)	(51,013)
Underwriting deficit									(13,021)	12,318
Investment income									22,376	18,100
Other income / (expenditure) - net									12,028	3,728
(Deficit) transferred to Condensed Consolidated Income Statement									21,383	34,146

	Cumulative Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	9/30/2007 RM'000	9/30/2006 RM'000	9/30/2007 RM'000	9/30/2006 RM'000	9/30/2007 RM'000	9/30/2006 RM'000	9/30/2007 RM'000	9/30/2006 RM'000	9/30/2007 RM'000	9/30/2006 RM'000
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Surplus transferred to Condensed Consolidated Income Statement									21,383	34,146

The Condensed Consolidated General Insurance Revenue Accounts should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007

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CONDENSED CONSOLIDATED BALANCE SHEETS

	As At 30-Sep-2007 RM'000	(Audited) As At 30-Jun-2007 RM'000
<u>Assets</u>		
Property and equipment	254,567	255,153
Goodwill	11,301	11,301
Investments	1,790,227	1,745,117
Loans	17,620	18,056
Receivables	74,927	91,003
Tax recoverable	37,205	32,528
Cash and bank balances	52,219	70,104
Total assets	2,238,066	2,223,262
<u>Liabilities</u>		
Provision for outstanding claims	1,241,977	1,215,476
Payables	66,267	68,843
Provision for taxation	254	245
Staff retirement benefits	14,307	13,774
Deferred tax liability	6,954	6,954
	1,329,760	1,305,292
<u>Insurance reserve</u>		
Unearned premium reserve	442,191	453,004
<u>Shareholders' equity</u>		
Share capital	375,000	375,000
Reserves	91,115	89,966
Shareholders' equity	466,115	464,966
Total liabilities and shareholders' equity	2,238,066	2,223,262
Net Assets Value per ordinary share of RM0.25 each (SEN)	30.46	30.24

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007

KURNIA ASIA BERHAD (539435-K)*(Incorporated in Malaysia)***Quarterly Report On Consolidated Results
For The 1st Quarter Ended 30 September 2007***(The figures have not been audited)***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>3 Months Ended 30/09/2007</u>					
Balance at 30 June 2007	375,000	12,578	(598)	76,608	463,588
Net profit for the period	-	-	-	14,351	14,351
Treasury Shares	-	(11,971)	-	-	(11,971)
Foreign exchange translation differences	-	-	147	-	147
Balance as at 30 September 2007	375,000	607	(451)	90,959	466,115
<u>3 Months Ended 30/09/2006</u>					
Balance at 30 June 2006	375,000	12,578	-	34,632	422,210
Net profit for the period	-	-	-	23,761	23,761
Effect of adopting FRS 3 - Negative Goodwill	-	-	-	60,831	60,831
Balance as at 30 September 2006	375,000	12,578	-	119,224	506,802

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Reports for the year ended 30 June 2007

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS		
	Year-To-Date	
	30-Sep-2007	30-Sep-2006
	RM'000	RM'000
Cash flow from operating activities:		
Profit before tax	20,918	33,845
Adjustment for:		
Depreciation	4,883	4,728
Increase in unearned premium reserve	(10,705)	(3,472)
Investment income	(22,056)	(18,751)
Profit on disposal of investment	(13,724)	(3,976)
(Gain)/loss on disposal of fixed assets/ fixed asset written off	8	20
Provision for/(write back of) diminution in value of investment	645	653
Allowance for doubtful debt	(81)	306
Provision for retirement benefits	643	645
Profit from operations before changes on operating assets and liabilities	(19,468)	13,998
Purchase of investments & fixed and called deposits	(169,665)	(263,355)
Proceeds from redemption and disposal of investments	141,974	225,235
Increase in loans	436	328
Increase in receivables	15,340	429
Increase in outstanding claims	26,568	13,311
Increase in payables	(2,252)	6,371
Cash generated from operating activities	(7,067)	(3,683)
Tax paid	(11,235)	(12,818)
Investment income received:		
Dividend	5,848	3,129
Interest	12,073	9,066
Retirement benefits paid	(112)	(99)
Net cash generated from operating activities	(492)	(4,405)
Investing activities		
Purchase of property and equipment	(4,320)	(4,808)
Placement in quoted securities	(155)	-
Others	206	366
Treasury shares.	(11,971)	-
Net cash used in investing activities	(16,242)	(4,442)
Net increase in cash and bank balances	(16,733)	(8,847)
Effect of exchange rate changes on cash & cash equivalent	(30)	-
Cash and bank balances at beginning of period	68,982	96,400
Cash and bank balances at end of period	52,219	87,553

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007