

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

**Quarterly Report On Consolidated Results**  
**For The 2nd Quarter Ended 31 December 2007**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Individual Quarter		Cumulative Quarter	
	Current Year 31-Dec-2007 RM'000	Preceding Year 31-Dec-2006 RM'000	Current Year 31-Dec-2007 RM'000	Preceding Year 31-Dec-2006 RM'000
<b>Revenue</b>	302,312	281,537	593,063	566,722
<b>Surplus from General Insurance Revenue account</b>	19,459	52,969	40,842	87,115
Investment income	307	199	647	386
Management expense	(1,480)	(1,194)	(2,144)	(2,265)
Other income net expenses	(22)	342	(350)	461
<b>Operating profit</b>	18,264	52,316	38,995	85,697
Interest income	140	508	327	972
<b>Profit before taxation</b>	18,404	52,824	39,322	86,669
Taxation	(6,035)	(15,786)	(12,602)	(25,870)
<b>Net profit</b>	12,369	37,038	26,720	60,799
<b>Earnings per share (sen) - Basic</b>	0.83	2.47	1.79	4.05

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	
	31/12/2007 RM'000	31/12/2006 RM'000	31/12/2007 RM'000	31/12/2006 RM'000	31/12/2007 RM'000	31/12/2006 RM'000	31/12/2007 RM'000	31/12/2006 RM'000	31/12/2007 RM'000	31/12/2006 RM'000
Gross Premium	6,712	4,297	243,960	241,343	4,299	1,478	27,056	15,729	282,027	262,847
Less: Reinsurance	(3,708)	(2,041)	(12,180)	(11,739)	(2,794)	(369)	(7,870)	(5,152)	(26,552)	(19,301)
Net Premium	3,004	2,256	231,780	229,604	1,505	1,109	19,186	10,577	255,475	243,546
UPR( Increase)/Decrease	437	287	3,833	10,410	(26)	(34)	(5,825)	(116)	(1,581)	10,547
Earned Premium	3,441	2,543	235,613	240,014	1,479	1,075	13,361	10,461	253,894	254,093
Commission (Net)	(156)	(185)	(20,634)	(21,663)	(94)	(147)	(2,283)	(794)	(23,167)	(22,789)
Net Claims Incurred	(335)	(1,580)	(187,137)	(161,968)	(542)	(1,028)	(6,174)	(3,219)	(194,188)	(167,795)
Underwriting surplus /(deficit) before management expense	2,950	778	27,842	56,383	843	(100)	4,904	6,448	36,539	63,509
Management expense									(53,081)	(56,961)
Underwriting deficit									(16,542)	6,548
Investment income									19,838	17,983
Other income - net									16,163	28,438
Surplus transferred to Condensed Consolidated Income Statement									19,459	52,969

	Cumulative Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	31/12/2007 RM'000	31/12/2006 RM'000	31/12/2007 RM'000	31/12/2006 RM'000	31/12/2007 RM'000	31/12/2006 RM'000	31/12/2007 RM'000	31/12/2006 RM'000	31/12/2007 RM'000	31/12/2006 RM'000
Gross Premium	15,828	10,040	482,201	485,580	7,357	3,196	45,165	30,465	550,551	529,281
Less: Reinsurance	(8,709)	(4,389)	(23,982)	(23,609)	(4,584)	(820)	(13,677)	(8,873)	(50,952)	(37,691)
Net Premium	7,119	5,651	458,219	461,971	2,773	2,376	31,488	21,592	499,599	491,590
UPR( Increase)/Decrease	674	(267)	13,978	15,262	69	(96)	(5,599)	(880)	9,122	14,019
Earned Premium	7,793	5,384	472,197	477,233	2,842	2,280	25,889	20,712	508,721	505,609
Commission (Net)	(536)	(482)	(42,999)	(43,608)	(180)	(309)	(4,141)	(2,588)	(47,856)	(46,987)
Net Claims Incurred	(2,607)	(4,097)	(369,624)	(319,809)	(1,169)	(1,583)	(12,963)	(6,293)	(386,363)	(331,782)
Underwriting surplus before management expense	4,650	805	59,574	113,816	1,493	388	8,785	11,831	74,502	126,840
Management expense									(104,522)	(107,974)
Underwriting (deficit) / surplus									(30,020)	18,866
Investment income									41,538	36,083
Other income - net									29,324	32,166
Surplus transferred to Condensed Consolidated Income Statement									40,842	87,115

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 31-Dec-2007 RM'000	(Audited) As At 30-Jun-2007 RM'000
<b><u>Assets</u></b>		
Property and equipment	251,284	255,153
Goodwill	11,301	11,301
Investments	1,812,689	1,737,617
Investment property	7,500	7,500
Deferred tax assets	240	444
Loans (secured)	16,369	18,056
Receivables	78,296	91,003
Current tax assets	41,577	32,084
Cash and cash equivalents	52,284	70,104
<b>Total assets</b>	<u>2,271,540</u>	<u>2,223,262</u>
<b><u>Liabilities</u></b>		
Provision for outstanding claims	1,265,940	1,215,476
Payables	60,730	68,843
Current tax liabilities	279	245
Retirement benefits	14,776	13,774
Deferred tax liabilities	6,954	6,954
	<u>1,348,679</u>	<u>1,305,292</u>
<b><u>Insurance reserve</u></b>		
Unearned premium reserve	<u>443,476</u>	<u>453,004</u>
<b><u>Shareholders' equity</u></b>		
Share capital	375,000	375,000
Reserves	<u>104,385</u>	<u>89,966</u>
<b>Shareholders' equity</b>	<u>479,385</u>	<u>464,966</u>
<b>Total liabilities and shareholders' equity</b>	<u>2,271,540</u>	<u>2,223,262</u>
<b>Net Assets Value per ordinary share of RM0.25 each (SEN)</b>	<u>32.21</u>	<u>31.00</u>

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 2nd Quarter Ended 31 December 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
<b><u>6 Months Ended 31/12/2007</u></b>					
Balance at 30 June 2007	375,000	12,578	(602)	77,990	464,966
Net profit for the period	-	-	-	26,720	26,720
Treasury Shares	-	(11,971)	-	-	(11,971)
Foreign exchange translation differences	-	-	(330)	-	(330)
Balance as at 31 December 2007	375,000	607	(932)	104,710	479,385
<b><u>6 Months Ended 31/12/2006</u></b>					
Balance at 30 June 2006	375,000	12,578	-	34,632	422,210
Net profit for the period	-	-	-	60,799	60,799
Effect of adopting FRS 3 - Negative Goodwill	-	-	-	60,831	60,831
Interim dividend paid for FYE 30/06/2007	-	-	-	(20,000)	(20,000)
Foreign exchange translation differences	-	-	1	-	1
Balance as at 31 December 2006	375,000	12,578	1	136,262	523,841

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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<b>CONDENSED CONSOLIDATED CASH FLOW STATEMENTS</b>		
	<b>Year-To-Date</b>	
	<b>31-Dec-2007</b>	<b>31-Dec-2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Cash flow from operating activities:</u></b>		
Profit before tax	39,322	86,669
Adjustment for:		
Depreciation	9,655	9,509
Increase in unearned premium reserve	(9,122)	(14,019)
Investment income	(42,306)	(37,441)
Profit on disposal of investment	(28,935)	(32,496)
(Gain)/loss on disposal of fixed assets/ fixed asset written off	(1)	22
Provision for diminution in value of investment	471	912
Allowance for doubtful debt	24	266
Provision for retirement benefits	1,289	1,289
Profit from operations before changes on operating assets and liabilities	(29,603)	14,711
Purchase of investments & fixed and called deposits	(389,305)	(785,356)
Proceeds from redemption and disposal of investments	343,763	736,767
Increase in loans	1,687	285
Decrease /(Increase) in receivables	10,687	(268)
Increase in outstanding claims	50,683	32,958
(Decrease)/Increase in payables	(7,693)	18,862
Cash generated from operating activities	(19,781)	17,959
Tax paid	(21,854)	(24,896)
Investment income received:		
Dividend	11,002	6,901
Interest	31,097	24,915
Retirement benefits paid	(287)	(180)
Net cash generated from operating activities	177	24,699
<b><u>Investing activities</u></b>		
Purchase of property and equipment	(5,860)	(9,560)
Placement in quoted securities	(281)	(20,001)
Proceeds from disposal of quoted securities	-	21,218
Others	368	1,079
Net cash used in investing activities	(5,773)	(7,264)
<b><u>Financing activity</u></b>		
Dividend paid	-	(20,000)
Purchase of own shares	(11,972)	-
Net cash used in financing activity	(11,972)	(20,000)
<b>Net decrease in cash and bank balances</b>	<b>(17,568)</b>	<b>(2,565)</b>
<b>Effect of exchange rate changes</b>	<b>(252)</b>	<b>1</b>
<b>Cash and bank balances at beginning of period</b>	<b>70,104</b>	<b>96,400</b>
<b>Cash and bank balances at end of period</b>	<b>52,284</b>	<b>93,836</b>

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