

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

Quarterly Report On Consolidated Results
For The 3rd Quarter Ended 31 March 2008
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year 31-Mar-2008 RM'000	Preceding Year 31-Mar-2007 RM'000	Current Year 31-Mar-2008 RM'000	Preceding Year 31-Mar-2007 RM'000
Revenue	301,991	298,469	895,054	865,191
(Deficit) / Surplus from General Insurance Revenue account	(32,097)	46,248	8,745	133,363
Investment income	304	358	951	744
Management expense	(1,977)	(634)	(4,121)	(2,899)
Other income / (expenses) - Net	(137)	-	(487)	461
Operating (loss) / profit	(33,907)	45,972	5,088	131,669
Interest income	107	297	434	1,269
(Loss) / Profit before taxation	(33,800)	46,269	5,522	132,938
Taxation	8,384	(13,670)	(4,218)	(39,540)
Net (loss) / profit	(25,416)	32,599	1,304	93,398
(Loss) / Earnings per share (sen) - Basic	(1.71)	2.17	0.09	6.23

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	
	3/31/2008 RM'000	3/31/2007 RM'000	3/31/2008 RM'000	3/31/2007 RM'000	3/31/2008 RM'000	3/31/2007 RM'000	3/31/2008 RM'000	3/31/2007 RM'000	3/31/2008 RM'000	3/31/2007 RM'000
Gross Premium	7,197	7,293	241,759	252,821	4,487	2,609	28,012	17,306	281,455	280,029
Less: Reinsurance	(4,383)	(3,715)	(11,996)	(12,178)	(3,004)	(1,260)	(7,886)	(4,835)	(27,269)	(21,988)
Net Premium	2,814	3,578	229,763	240,643	1,483	1,349	20,126	12,471	254,186	258,041
UPR(Increase)/Decrease	209	(403)	6,237	(1,003)	97	(95)	(3,475)	(1,262)	3,068	(2,763)
Earned Premium	3,023	3,175	236,000	239,640	1,580	1,254	16,651	11,209	257,254	255,278
Commission (Net)	(159)	(190)	(21,631)	(22,868)	(25)	(132)	(3,294)	(1,931)	(25,109)	(25,121)
Net Claims Incurred	(3,458)	(1,478)	(205,747)	(165,876)	(801)	(835)	(7,715)	(2,510)	(217,721)	(170,699)
Underwriting surplus /(deficit) before management expense	(594)	1,507	8,622	50,896	754	287	5,642	6,768	14,424	59,458
Management expense									(62,448)	(57,109)
Underwriting deficit									(48,024)	2,349
Investment income									20,125	17,785
Other income - net									(4,198)	26,114
Surplus transferred to Condensed Consolidated Income Statement									(32,097)	46,248

	Cumulative Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	3/31/2008 RM'000	3/31/2007 RM'000	3/31/2008 RM'000	3/31/2007 RM'000	3/31/2008 RM'000	3/31/2007 RM'000	3/31/2008 RM'000	3/31/2007 RM'000	3/31/2008 RM'000	3/31/2007 RM'000
Gross Premium	23,025	17,333	723,960	738,401	11,844	5,805	73,177	47,771	832,006	809,310
Less: Reinsurance	(13,092)	(8,104)	(35,978)	(35,787)	(7,588)	(2,080)	(21,563)	(13,708)	(78,221)	(59,679)
Net Premium	9,933	9,229	687,982	702,614	4,256	3,725	51,614	34,063	753,785	749,631
UPR(Increase)/Decrease	883	(670)	20,215	14,259	166	(191)	(9,074)	(2,142)	12,190	11,256
Earned Premium	10,816	8,559	708,197	716,873	4,422	3,534	42,540	31,921	765,975	760,887
Commission (Net)	(695)	(672)	(64,630)	(66,476)	(205)	(441)	(7,435)	(4,519)	(72,965)	(72,108)
Net Claims Incurred	(6,065)	(5,575)	(575,371)	(485,685)	(1,970)	(2,418)	(20,678)	(8,803)	(604,084)	(502,481)
Underwriting surplus before management expense	4,056	2,312	68,196	164,712	2,247	675	14,427	18,599	88,926	186,298
Management expense									(166,970)	(165,083)
Underwriting (deficit) / surplus									(78,044)	21,215
Investment income									61,663	53,868
Other income - net									25,126	58,280
Surplus transferred to Condensed Consolidated Income Statement									8,745	133,363

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-Mar-2008 RM'000	(Audited) As At 30-Jun-2007 RM'000
<u>Assets</u>		
Property and equipment	249,411	255,153
Goodwill	11,273	11,301
Investments	1,770,720	1,737,617
Investment property	7,500	7,500
Deferred tax assets	403	444
Loans (secured)	15,077	18,056
Receivables	77,821	91,003
Current tax assets	53,628	32,084
Cash and cash equivalents	52,531	70,104
Total assets	2,238,364	2,223,262
<u>Liabilities</u>		
Provision for outstanding claims	1,261,577	1,215,476
Payables	59,860	68,843
Current tax liabilities	203	245
Retirement benefits	15,420	13,774
Deferred tax liabilities	6,954	6,954
	1,344,014	1,305,292
<u>Insurance reserve</u>		
Unearned premium reserve	440,339	453,004
<u>Shareholders' equity</u>		
Share capital	375,000	375,000
Reserves	79,011	89,966
Shareholders' equity	454,011	464,966
Total liabilities and shareholders' equity	2,238,364	2,223,262
Net Assets Value per ordinary share of RM0.25 each (SEN)	30.50	31.00

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 3rd Quarter Ended 31 March 2008***(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>9 Months Ended 31/03/2008</u>					
Balance at 30 June 2007	375,000	12,578	(602)	77,990	464,966
Net profit for the period	-	-	-	1,304	1,304
Treasury Shares	-	(11,971)	-	-	(11,971)
Foreign exchange translation differences	-	-	(288)	-	(288)
Balance as at 31 March 2008	375,000	607	(890)	79,294	454,011
<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 FYE 30/06/2007	-	-	-	(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

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	
	31-Mar-2008	31-Mar-2007
	RM'000	RM'000
<u>Cash flow from operating activities:</u>		
Profit before tax	5,522	132,938
Adjustment for:		
Depreciation	14,536	14,339
Increase in unearned premium reserve	(12,193)	(11,256)
Investment income	(63,012)	(55,908)
Profit on disposal of investment	(46,692)	(57,708)
(Gain)/loss on disposal of fixed assets/ fixed asset written off	(13)	15
Provision for diminution in value of investment	22,966	535
Allowance for doubtful debt	952	1,041
Provision for retirement benefits	1,933	1,933
Profit from operations before changes on operating assets and liabilities	(76,001)	25,929
Purchase of investments & fixed and called deposits	(503,313)	(1,009,572)
Proceeds from redemption and disposal of investments	505,672	977,782
Increase in loans	2,978	746
Decrease /(Increase) in receivables	4,262	(21,447)
Increase in outstanding claims	46,366	20,767
(Decrease)/Increase in payables	(8,057)	20,582
Cash generated from operating activities	(28,093)	14,787
Tax paid	(25,764)	(32,980)
Investment income received:		
Dividend	16,376	10,826
Interest	41,222	35,961
Retirement benefits paid	(287)	(180)
Net cash generated from operating activities	3,454	28,414
<u>Investing activities</u>		
Purchase of property and equipment	(8,904)	(12,178)
Placement in quoted securities	(401)	(20,169)
Proceeds from disposal of quoted securities	-	21,218
Acquisition of subsidiary, net of cash acquired	28	(17,862)
Others	522	1,395
Net cash used in investing activities	(8,755)	(27,596)
<u>Financing activity</u>		
Dividend paid	-	(20,000)
Purchase of own shares	(11,972)	-
Net cash used in financing activity	(11,972)	(20,000)
Net decrease in cash and bank balances	(17,273)	(19,182)
Effect of exchange rate changes on cash & cash equivalent	(300)	(266)
Cash and bank balances at beginning of period	70,104	96,400
Cash and bank balances at end of period	52,531	76,952

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