

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

**Quarterly Report On Consolidated Results**  
**For The 4th Quarter Ended 30 June 2008**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Individual Quarter		Cumulative Quarter	
	Current Year 30-Jun-2008 RM'000	Preceding Year 30-Jun-2007 RM'000	Current Year 30-Jun-2008 RM'000	Preceding Year 30-Jun-2007 RM'000
<b>Revenue</b>	308,038	318,784	1,203,092	1,183,975
<b>(Deficit) / Surplus from General Insurance Revenue account</b>	(317,296)	(118,833)	(308,551)	14,530
Investment income	296	398	1,247	1,142
Management expense	(2,336)	(1,471)	(6,457)	(4,370)
Other income / (expenses) - Net	(691)	128	(1,178)	589
<b>Operating (loss) / profit</b>	(320,027)	(119,778)	(314,939)	11,891
Interest income	100	221	534	1,490
<b>(Loss) / Profit before tax</b>	(319,927)	(119,557)	(314,405)	13,381
Tax expense	16,834	28,687	12,616	(10,854)
<b>(Loss) / Profit after tax</b>	(303,093)	(90,870)	(301,789)	2,527
<b>Earnings per share (sen) - Basic</b>	(20.36)	(6.06)	(20.26)	0.17

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	
	30/06/2008 RM'000	30/06/2007 RM'000	30/06/2008 RM'000	30/06/2007 RM'000	30/06/2008 RM'000	30/06/2007 RM'000	30/06/2008 RM'000	30/06/2007 RM'000	30/06/2008 RM'000	30/06/2007 RM'000
Gross Premium	9,786	6,271	240,865	267,319	5,603	4,150	31,785	20,614	288,039	298,354
Less: Reinsurance	(6,364)	(3,115)	(13,995)	(15,228)	(3,054)	(3,020)	(8,946)	(7,080)	(32,359)	(28,443)
Net Premium	3,422	3,156	226,870	252,091	2,549	1,130	22,839	13,534	255,680	269,911
UPR( Increase)/Decrease	(262)	139	(2,030)	(10,583)	(732)	388	(4,696)	(2,042)	(7,720)	(12,098)
Earned Premium	3,160	3,295	224,840	241,508	1,817	1,518	18,143	11,492	247,960	257,813
Commission (Net)	(346)	5	(21,643)	(24,343)	(118)	164	(3,128)	(1,076)	(25,235)	(25,250)
Net Claims Incurred	(2,398)	(4,644)	(459,760)	(360,796)	(2,899)	(1,648)	(13,055)	(7,419)	(478,112)	(374,507)
Underwriting deficit before management expense	416	(1,344)	(256,563)	(143,631)	(1,200)	34	1,960	2,997	(255,387)	(141,944)
Management expense									(68,292)	(46,741)
Underwriting deficit									(323,679)	(188,685)
Investment income									19,603	19,811
Other income - net									(13,220)	50,041
Deficit transferred to Condensed Consolidated Income Statement									(317,296)	(118,833)

	Cumulative Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	30/06/2008 RM'000	30/06/2007 RM'000	30/06/2008 RM'000	30/06/2007 RM'000	30/06/2008 RM'000	30/06/2007 RM'000	30/06/2008 RM'000	30/06/2007 RM'000	30/06/2008 RM'000	30/06/2007 RM'000
Gross Premium	32,811	23,604	964,825	1,005,720	17,447	9,955	104,962	68,385	1,120,045	1,107,664
Less: Reinsurance	(19,456)	(11,219)	(49,973)	(51,015)	(10,642)	(5,100)	(30,509)	(20,788)	(110,580)	(88,122)
Net Premium	13,355	12,385	914,852	954,705	6,805	4,855	74,453	47,597	1,009,465	1,019,542
UPR( Increase)/Decrease	621	(531)	18,185	3,676	(566)	197	(13,770)	(4,184)	4,470	(842)
Earned Premium	13,976	11,854	933,037	958,381	6,239	5,052	60,683	43,413	1,013,935	1,018,700
Commission (Net)	(1,041)	(667)	(86,273)	(90,819)	(323)	(277)	(10,563)	(5,595)	(98,200)	(97,358)
Net Claims Incurred	(8,463)	(10,219)	(1,035,131)	(846,481)	(4,869)	(4,066)	(33,733)	(16,222)	(1,082,196)	(876,988)
Underwriting surplus before management expense	4,472	968	(188,367)	21,081	1,047	709	16,387	21,596	(166,461)	44,354
Management expense									(235,262)	(211,824)
Underwriting deficit									(401,723)	(167,470)
Investment income									81,266	73,679
Other income - net									11,906	108,321
(Deficit) / Surplus transferred to Condensed Consolidated Income Statement									(308,551)	14,530

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**

	<b>As At 30-Jun-2008 RM'000</b>	<b>(Audited) As At 30-Jun-2007 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	201,678	223,149
Prepaid lease payments	31,585	32,004
Goodwill	11,362	11,301
Investments in debt and equity securities	1,625,235	1,737,617
Investment property	7,500	7,500
Deferred tax assets	516	444
Loans (secured)	13,878	18,056
Receivables, deposits and prepayments	93,777	91,003
Current tax assets	34,066	32,084
Cash and cash equivalents	95,692	70,104
<b>Total assets</b>	<u>2,115,289</u>	<u>2,223,262</u>
<b>Liabilities</b>		
Provision for outstanding claims	1,433,136	1,215,476
Payables and accruals	64,282	68,843
Current tax liabilities	248	245
Retirement benefits	17,448	13,774
Deferred tax liabilities	-	6,954
	<u>1,515,114</u>	<u>1,305,292</u>
<b>Insurance reserve</b>		
Unearned premium reserve	<u>448,178</u>	<u>453,004</u>
<b>Shareholders' equity</b>		
Share capital	375,000	375,000
Reserves	<u>(223,003)</u>	<u>89,966</u>
<b>Shareholders' equity</b>	<u>151,997</u>	<u>464,966</u>
<b>Total liabilities and shareholders' equity</b>	<u>2,115,289</u>	<u>2,223,262</u>
<b>Net Assets Value per ordinary share of RM0.25 each (SEN)</b>	<u>10.21</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

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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
<b><u>12 Months Ended 30/06/2008</u></b>					
Balance at 30 June 2007	375,000	12,578	(602)	77,990	464,966
Net loss for the year	-	-	-	(301,789)	(301,789)
Treasury Shares	-	(11,971)	-	-	(11,971)
Foreign exchange translation differences	-	-	791	-	791
Balance as at 30 June 2008	375,000	607	189	(223,799)	151,997
<b><u>12 Months Ended 30/06/2007</u></b>					
Balance at 30 June 2006	375,000	12,578	-	34,632	422,210
Net profit for the year	-	-	-	2,527	2,527
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	-	-	(602)	-	(602)
Balance as at 30 June 2007	375,000	12,578	(602)	77,990	464,966

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>30-Jun-2008</b>	<b>30-Jun-2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Cash flow from operating activities:</u></b>		
(Loss) / Profit before tax	(314,405)	13,381
Adjustment for:		
Depreciation	32,473	18,808
Amortisation of prepaid lease payments	419	419
(Decrease) /Increase in unearned premium reserve	(4,470)	842
Investment income net accretion of discount net amortisation of premiums	(83,063)	(76,323)
Gain on disposal of investment	(37,054)	(107,241)
Gain on disposal of property, plant and equipment net of written off	956	970
Allowance for diminution /(write back) in value of investment	26,035	(361)
Bad debt recovered / written off / allowance for doubtful debt	499	(1,346)
Retirement benefits expense	4,102	2,578
Loss from operations before changes in operating assets and liabilities	(374,508)	(148,273)
Purchase of investments & fixed and called deposits	(603,623)	(1,333,858)
Proceeds from redemption and disposal of investments	685,304	1,212,630
Decrease in loans	4,179	1,983
Increase in receivables	(10,945)	(20,533)
Increase in provision for outstanding claims	217,857	239,749
(Decrease)/Increase in payables	(4,537)	12,183
Cash used in operating activities	(86,273)	(36,119)
Tax refunded (paid)	3,613	(7,401)
Investment income received:		
Dividend income received	20,348	15,699
Interest income received	67,080	53,637
Retirement benefits paid	(428)	(685)
Net cash generated from operating activities	<u>4,340</u>	<u>25,131</u>
<b><u>Investing activities</u></b>		
Purchase of property, plant and equipment	(12,147)	(15,399)
Placement in quoted securities	(529)	(20,379)
Proceeds from disposal of quoted securities	45,263	21,218
Acquisition of subsidiary, net of cash acquired	29	(17,965)
Others	691	1,676
Net cash generated from /(used in) investing activities	<u>33,307</u>	<u>(30,849)</u>
<b><u>Financing activity</u></b>		
Dividend paid	-	(20,000)
Repurchase of treasury share	(11,971)	-
Net cash used in financing activity	<u>(11,971)</u>	<u>(20,000)</u>
<b>Net increase / (decrease) in cash and bank balances</b>	<b>25,676</b>	<b>(25,718)</b>
<b>Effect of exchange rate changes on cash &amp; cash equivalent</b>	<b>(88)</b>	<b>(578)</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><u>95,692</u></b>	<b><u>70,104</u></b>

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