

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

**Quarterly Report On Consolidated Results**  
**For The 3rd Quarter Ended 31 March 2009**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Individual Quarter		Cumulative Quarter	
	Current Year 31-Mar-2009 RM'000	Preceding Year 31-Mar-2008 RM'000	Current Year 31-Mar-2009 RM'000	Preceding Year 31-Mar-2008 RM'000
<b>Revenue</b>	280,623	301,991	873,063	895,054
<b>(Deficit) / Surplus from General Insurance Revenue account</b>	33,709	(32,097)	32,622	8,745
Investment income	-	304	-	951
Management expense	(1,508)	(1,977)	(6,361)	(4,121)
Other expense - Net	18	(137)	(299)	(487)
Finance expense	(5,348)	-	(11,862)	-
<b>Operating (loss) / profit</b>	26,871	(33,907)	14,100	5,088
Interest income	164	107	971	434
Share of profit of equity accounted associates	(577)	-	(577)	-
<b>(Loss) / Profit before taxation</b>	26,458	(33,800)	14,494	5,522
Taxation	(67)	8,384	(99)	(4,218)
<b>Net (loss) / profit</b>	26,391	(25,416)	14,395	1,304
<b>(Loss) / Earnings per share (sen) - Basic</b>	1.77	(1.71)	0.97	0.09

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008

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**CONDENSED GENERAL INSURANCE REVENUE ACCOUNTS**

	Individual Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross Premium	12,228	7,197	213,150	241,759	5,796	4,487	26,614	28,012	257,788	281,455
Less: Reinsurance	(8,868)	(4,383)	(10,749)	(11,996)	(4,941)	(3,004)	(7,308)	(7,886)	(31,866)	(27,269)
Net Premium	3,360	2,814	202,401	229,763	855	1,483	19,306	20,126	225,922	254,186
UPR Decrease	586	209	11,438	6,237	719	97	2,010	(3,475)	14,753	3,068
Earned Premium	3,946	3,023	213,839	236,000	1,574	1,580	21,316	16,651	240,675	257,254
Commission (Net)	237	(159)	(19,119)	(21,631)	(84)	(25)	(3,306)	(3,294)	(22,272)	(25,109)
Net Claims Incurred	(2,909)	(3,458)	(154,768)	(205,747)	(1,327)	(801)	(10,134)	(7,715)	(169,138)	(217,721)
Underwriting surplus before management expense	1,274	(594)	39,952	8,622	163	754	7,876	5,642	49,265	14,424
Management expense									(45,140)	(62,448)
Underwriting surplus/ (deficit)									4,125	(48,024)
Investment income									22,671	20,125
Other (expense) /income - net									6,913	(4,198)
Finance expense									-	-
(Deficit) / Surplus transferred to Condensed Consolidated Income Statement									33,709	(32,097)

	Cumulative Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross Premium	27,991	23,025	666,639	723,960	13,519	11,844	98,459	73,177	806,608	832,006
Less: Reinsurance	(18,735)	(13,092)	(32,852)	(35,978)	(14,162)	(7,588)	(28,899)	(21,563)	(94,648)	(78,221)
Net Premium	9,256	9,933	633,787	687,982	(643)	4,256	69,560	51,614	711,960	753,785
UPR Decrease	(466)	883	34,784	20,215	528	166	677	(9,074)	35,523	12,190
Earned Premium	8,790	10,816	668,571	708,197	(115)	4,422	70,237	42,540	747,483	765,975
Commission (Net)	860	(695)	(60,283)	(64,630)	(1,062)	(205)	(10,920)	(7,435)	(71,405)	(72,965)
Net Claims Incurred	(8,316)	(6,065)	(481,608)	(575,371)	(502)	(1,970)	(23,875)	(20,678)	(514,301)	(604,084)
Underwriting surplus before management expense	1,334	4,056	126,680	68,196	(1,679)	2,247	35,442	14,427	161,777	88,926
Management expense									(149,249)	(166,970)
Underwriting surplus / (deficit)									12,528	(78,044)
Investment income									65,484	61,663
Other (expense) / income - net									(41,220)	25,126
Finance expense									(4,170)	-
(Deficit) / Surplus transferred to Condensed Consolidated Income Statement									32,622	8,745

The Condensed Consolidated General Insurance Revenue Accounts should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008

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**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>As At 31-Mar-2009 RM'000</b>	<b>(Audited) As At 30-Jun-2008 RM'000</b>
<b><u>Assets</u></b>		
Property and equipment	190,021	201,678
Goodwill	11,359	11,362
Prepaid lease payment	31,271	31,585
Investment property	7,500	7,500
Investment in associates	16,431	-
Investments	1,911,350	1,625,235
Deferred tax assets	393	516
Loans (secured)	11,924	13,877
Receivables	85,481	93,778
Current tax assets	15,369	34,066
Cash and cash equivalents	77,535	95,692
<b>Total assets</b>	<u>2,358,634</u>	<u>2,115,289</u>
<b><u>Liabilities</u></b>		
Provision for outstanding claims	1,293,757	1,433,136
Payables and accruals	68,484	64,282
Current tax liabilities	(48)	248
Retirement benefits	20,117	17,448
Deferred tax liabilities	-	-
Term loan	400,000	-
	<u>1,782,310</u>	<u>1,515,114</u>
<b><u>Insurance reserve</u></b>		
Unearned premium reserve	<u>411,716</u>	<u>448,178</u>
<b><u>Shareholders' equity</u></b>		
Share capital	375,000	375,000
Reserves	<u>(210,392)</u>	<u>(223,003)</u>
<b>Shareholders' equity</b>	<u>164,608</u>	<u>151,997</u>
<b>Total liabilities and shareholders' equity</b>	<u>2,358,634</u>	<u>2,115,289</u>
<b>Net Assets Value per ordinary share of RM0.25 each (SEN)</b>	<u>11.06</u>	<u>10.21</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008

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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>9 Months Ended 31/03/2009</u></b>					
Balance at 30 June 2008	375,000	607	189	(223,799)	151,997
Net profit for the period	-	-	-	14,395	14,395
Foreign exchange translation differences	-	-	(1,784)	-	(1,784)
Balance as at 31 March 2009	375,000	607	(1,595)	(209,404)	164,608
<b><u>9 Months Ended 31/03/2008</u></b>					
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

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Reports for the year ended 30 June 2008

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<b>CONDENSED CONSOLIDATED CASH FLOW STATEMENTS</b>		
	<b>Year-To-Date</b>	
	<b>31-Mar-2009</b>	<b>31-Mar-2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Cash flow from operating activities:</u></b>		
(Loss) / Profit before tax	14,495	5,522
Adjustment for:		
Depreciation on property & equipment and amortisation of prepaid lease	17,803	14,536
Decrease in unearned premium reserve	(35,523)	(12,193)
Investment income	(53,536)	(63,012)
Loss /(Gain) on disposal of investment	34,971	(46,692)
Loss on disposal of fixed assets/ fixed asset written off	80	(13)
Provision for diminution in value of investment	7,521	22,966
Allowance for doubtful debt / bad debt recovery	1,105	952
Provision for retirement benefits	3,646	1,933
Share of profit of equity accounted associate	577	-
Profit /(Loss) from operations before changes on operating assets and liabilities	(8,861)	(76,001)
Purchase of investments & fixed and called deposits	(717,042)	(503,313)
Proceeds from redemption and disposal of investments	394,424	505,672
Increase /(Decrease) in loans	1,954	2,978
Decrease in receivables	24,253	4,262
(Decrease) / Increase in outstanding claims	(138,968)	46,366
Increase / (Decrease) in payables	(13,414)	(8,057)
Cash used in operating activities	(457,654)	(28,093)
Tax paid	18,398	(25,764)
Investment income received:		
Dividend	11,027	16,376
Interest	45,987	41,222
Retirement benefits paid	(977)	(287)
Net cash used in operating activities	<u>(383,219)</u>	<u>3,454</u>
<b><u>Investing activities</u></b>		
Purchase of property and equipment	(6,799)	(8,904)
Placement in quoted securities	-	(401)
Investment in associated company	(17,007)	-
Acquisition of subsidiary, net of cash acquired	-	28
Others	1,691	522
Net cash used in investing activities	<u>(22,115)</u>	<u>(8,755)</u>
<b><u>Financing activity</u></b>		
Repurchase of treasury shares	-	(11,972)
Drawdown of term loan	400,000	-
Term loan interest paid	(11,231)	-
Net cash generated from /(used in) financing activity	<u>388,769</u>	<u>(11,972)</u>
<b>Net decrease in cash and bank balances</b>	<b>(16,565)</b>	<b>(17,273)</b>
<b>Effect of exchange rate changes on cash &amp; cash equivalent</b>	<b>(1,592)</b>	<b>(300)</b>
<b>Cash and bank balances at beginning of period</b>	<b>95,692</b>	<b>70,104</b>
<b>Cash and bank balances at end of period</b>	<b><u>77,535</u></b>	<b><u>52,531</u></b>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008