

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

Quarterly Report On Consolidated Results
For The Quarter Ended 30 September 2009
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter #	
	Current Year 30-Sep-2009 RM'000	Preceding Year 30-Sep-2008 RM'000	Current Year 30-Sep-2009 RM'000	Preceding Year 30-Sep-2008 RM'000
Revenue	254,966	304,495	254,966	304,495
Surplus / (Deficit) from General Insurance Revenue account	37,707	(9,466)	37,707	(9,466)
Investment income	-	-	-	-
Management expense	(962)	(2,213)	(962)	(2,213)
Other expense - Net	9	(47)	9	(47)
Finance expense	(4,108)	(763)	(4,108)	(763)
Operating profit / (loss)	32,646	(12,489)	32,646	(12,489)
Interest income	123	409	123	409
Share of profit of equity accounted associates	(146)	-	(146)	-
Profit / (Loss) before taxation	32,623	(12,080)	32,623	(12,080)
Taxation	(408)	(28)	(408)	(28)
Net profit / (loss)	32,215	(12,108)	32,215	(12,108)
Earnings / (Loss) per share (sen) - Basic	2.16	(0.81)	2.16	(0.81)

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 September 2009

The Group has changed its financial year end from 30 June to 31 December. Accordingly, the next financial statements will be for the six months ending 31 December 2009.

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Quarterly Report On Consolidated Results

For The Quarter Ended 30 September 2009

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CONDENSED GENERAL INSURANCE REVENUE ACCOUNTS

	Individual Quarter Ended									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	30/09/2009 RM'000	30/09/2008 RM'000	30/09/2009 RM'000	30/09/2008 RM'000	30/09/2009 RM'000	30/09/2008 RM'000	30/09/2009 RM'000	30/09/2008 RM'000	30/09/2009 RM'000	30/09/2008 RM'000
Gross Premium	9,342	7,947	191,127	236,223	6,947	6,635	23,899	31,746	231,315	282,551
Less: Reinsurance	(6,137)	(3,795)	(9,983)	(11,691)	(5,621)	(4,746)	(6,185)	(8,339)	(27,926)	(28,571)
Net Premium	3,205	4,152	181,144	224,532	1,326	1,889	17,714	23,407	203,389	253,980
UPR Decrease / (Increase)	1,138	(1,092)	13,123	3,168	204	(116)	4,315	(1,894)	18,780	66
Earned Premium	4,343	3,060	194,267	227,700	1,530	1,773	22,029	21,513	222,169	254,046
Commission (Net)	117	(246)	(17,361)	(21,290)	55	(61)	(3,246)	(4,071)	(20,435)	(25,668)
Net Claims Incurred	(830)	(2,132)	(145,021)	(162,423)	(1,089)	(1,855)	(9,141)	(6,456)	(156,081)	(172,866)
Underwriting surplus / (deficit) before management expense	3,630	682	31,885	43,987	496	(143)	9,642	10,986	45,653	55,512
Management expense									(41,969)	(52,842)
Underwriting surplus/ (deficit)									3,684	2,670
Investment income									23,528	21,535
Other (expense) /income - net									10,495	(33,671)
Surplus / (Deficit) transferred to Condensed Consolidated Income Statement									37,707	(9,466)

	Cumulative Quarter Ended #									
	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	30/09/2009 RM'000	30/09/2008 RM'000	30/09/2009 RM'000	30/09/2008 RM'000	30/09/2009 RM'000	30/09/2008 RM'000	30/09/2009 RM'000	30/09/2008 RM'000	30/09/2009 RM'000	30/09/2008 RM'000
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Other (expense) / income - net									10,495	(33,671)
Surplus / (Deficit) transferred to Condensed Consolidated Income Statement									37,707	(9,466)

The Condensed Consolidated General Insurance Revenue Accounts should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009

The Group has changed its financial year end from 30 June to 31 December. Accordingly, the next financial statements will be for the six months ending 31 December 2009.

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CONDENSED CONSOLIDATED BALANCE SHEETS

	As At 30-Sep-2009 RM'000	(Audited) As At 30-Jun-2009 RM'000
<u>Assets</u>		
Property and equipment	181,404	183,162
Goodwill	4,686	4,654
Prepaid lease payment	31,062	31,166
Investment property	7,500	7,500
Investment in associates	16,442	16,403
Investments	1,879,299	1,865,582
Deferred tax assets	17,066	17,025
Loans (secured)	10,611	11,348
Receivables	82,054	84,040
Current tax assets	18,542	17,941
Cash and cash equivalents	50,382	58,075
Total assets	<u>2,299,048</u>	<u>2,296,896</u>
<u>Liabilities</u>		
Provision for outstanding claims	1,187,035	1,180,210
Payables and accruals	101,188	100,119
Current tax liabilities	128	-
Retirement benefits	22,489	21,192
Term loan	400,000	400,000
	<u>1,710,840</u>	<u>1,701,521</u>
<u>Insurance reserve</u>		
Unearned premium reserve	<u>369,948</u>	<u>388,470</u>
<u>Shareholders' equity</u>		
Share capital	375,000	375,000
Reserves	<u>(156,740)</u>	<u>(168,095)</u>
Shareholders' equity	<u>218,260</u>	<u>206,905</u>
Total liabilities and shareholders' equity	<u>2,299,048</u>	<u>2,296,896</u>
Net Assets Value per ordinary share of RM0.25 each (SEN)	<u>14.66</u>	<u>13.90</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009

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KURNIA ASIA BERHAD (539435-K)*(Incorporated in Malaysia)***Quarterly Report On Consolidated Results****For The Quarter Ended 30 September 2009***(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 30/09/2009</u>					
Balance at 30 June 2009	375,000	607	(1,953)	(166,749)	206,905
Prior year adjustments#	-	-	-	(21,606)	(21,606)
Balance at 30 June 2009-Restated	375,000	607	(1,953)	(188,355)	185,299
Net profit for the period	-	-	-	32,215	32,215
Foreign exchange translation differences	-	-	746	-	746
Balance as at 30 September 2009	375,000	607	(1,207)	(156,140)	218,260
<u>3 Months Ended 30/09/2008</u>					
Balance at 30 June 2008	375,000	607	189	(223,799)	151,997
Prior year adjustments#	-	-	-	(25,779)	(25,779)
Balance at 30 June 2008-Restated	375,000	607	189	(249,578)	126,218
Loss for the period	-	-	-	(12,108)	(12,108)
Foreign exchange translation differences	-	-	284	-	284
Balance as at 30 September 2008	375,000	607	473	(261,686)	114,394

Prior year adjustments relate to the change in the accounting policy on the valuation methodology of claims reserves, which are applied retrospectively

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Reports for the year ended 30 June 2009

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS		
	Year-To-Date	
	30-Sep-2009	30-Sep-2008
	RM'000	RM'000
<u>Cash flow from operating activities:</u>		
Profit / (Loss) before tax	32,623	(12,080)
Adjustment for:		
Depreciation on property & equipment and amortisation of prepaid lease	5,283	6,032
Decrease in unearned premium reserve	(18,779)	(66)
Investment and interest income	(24,428)	(21,127)
Interest expense	4,108	-
Loss /(Gain) on disposal of investments	(2,573)	3,631
Loss on disposal of / impairment on / writing off fixed assets	(324)	174
Impairment on purchase goodwill	-	-
(Write-back of) / Allowance of diminution in value of investment	(7,298)	26,107
Allowance for doubtful debt / bad debt recovery	(172)	244
Provision for retirement benefits	1,297	1,215
Share of profit of equity accounted associate	146	-
Loss from operations before changes on operating assets and liabilities	(10,117)	4,130
Purchase of investments & fixed and called deposits	(113,700)	(379,722)
Proceeds from redemption and disposal of investments	111,116	64,015
Increase /(Decrease) in loans	736	(538)
Decrease in receivables	7,894	4,402
(Decrease) / Increase in outstanding claims	(14,959)	(88,193)
Increase / (Decrease) in payables	785	1,493
Cash used in operating activities	(18,245)	(394,413)
Tax paid	(883)	(5,845)
Dividend received	5,483	5,801
Interest received	12,886	11,847
Retirement benefits paid	-	(864)
Net cash (used in)/ generated from operating activities	(759)	(383,474)
<u>Investing activities</u>		
Acquisition of property, plant and equipment	(3,443)	(1,601)
Others	537	267
Net cash (used in) / generated from investing activities	(2,906)	(1,334)
<u>Financing activity</u>		
Drawdown of term loan	-	400,000
Term loan interest paid	(3,929)	-
Net cash generated from /(used in) financing activity	(3,929)	400,000
Net (decrease) / increase in cash and cash equivalents	(7,594)	15,192
Effect of exchange rate changes on cash & cash equivalents	(99)	163
Cash and cash equivalents at beginning of period	58,075	95,692
Cash and cash equivalents at end of period	50,382	111,047

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009

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