

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

**Quarterly Report On Consolidated Results**  
**For The First Quarter Ended 31 March 2010**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter #	
	Current Year	Preceding Year	Current Year	Preceding Year
	31-Mar-2010	31-Mar-2009	31-Mar-2010	31-Mar-2009
	RM'000	RM'000	RM'000	RM'000
<b>Operating revenue</b>	274,960	280,623	274,960	280,623
Underwriting surplus before management expense	47,944	49,265	47,944	49,265
Management expense	(37,183)	(45,140)	(37,183)	(45,140)
Underwriting surplus	10,761	4,125	10,761	4,125
Investment income	20,037	22,671	20,037	22,671
Other (expense) /income - net	9,544	6,913	9,544	6,913
<b>Total insurance fund</b>	40,342	33,709	40,342	33,709
Management expense	(879)	(1,508)	(879)	(1,508)
Other expense - Net	198	18	198	18
Finance expense	(4,938)	(5,348)	(4,938)	(5,348)
Interest income	109	164	109	164
Share of profit of equity accounted associates	213	(577)	213	(577)
<b>Total non-insurance fund</b>	(5,297)	(7,251)	(5,297)	(7,251)
<b>Profit before taxation</b>	35,045	26,458	35,045	26,458
Taxation	(11,236)	(67)	(11,236)	(67)
<b>Net profit for the period</b>	23,809	26,391	23,809	26,391
<b>Other comprehensive income</b>				
Foreign currency translation differences for foreign operation	(1,306)	(145)	(1,306)	(145)
Fair value of available-for-sale financial assets	601	-	601	-
<b>Other comprehensive income for the period</b>	(705)	(145)	(705)	(145)
<b>Total comprehensive income for the period</b>	23,104	26,246	23,104	26,246
<b>Earnings per share (sen) - Basic</b>	1.60	1.77	1.60	1.77

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2009

# The Group has changed its financial year from 30 June to 31 December. Cumulative quarters consist of 3 months results beginning 01 January 2010 and 01 January 2009 respectively

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At 31-Mar-2010 RM'000</b>	<b>(Audited) As At 31-Dec-2009 RM'000</b>
<b><u>Assets</u></b>		
Property and equipment	179,515	182,151
Goodwill	4,951	5,061
Prepaid lease payment	30,852	30,957
Investment property	7,500	7,500
Investment in associates	15,970	16,537
Investments in debts and equity securities	1,826,578	1,785,580
Deferred tax assets	6,388	8,919
Loans (secured)	9,583	10,114
Insurance assets	25,345	33,880
Reinsurance assets	164,976	166,283
Other receivables, deposits and prepayments	34,288	27,333
Current tax assets	8,781	19,386
Cash and cash equivalents	54,132	57,496
<b>Total assets</b>	<b>2,368,859</b>	<b>2,351,197</b>
<b><u>Shareholders' equity</u></b>		
Share capital	375,000	375,000
Reserves	(43,314)	(74,915)
<b>Shareholders' equity</b>	<b>331,686</b>	<b>300,085</b>
<b><u>Liabilities</u></b>		
Insurance premium liabilities	385,425	368,444
Insurance claims liabilities	1,151,931	1,180,493
Insurance payables	32,092	26,304
Other payables and accruals	42,514	51,849
Current tax liabilities	139	237
Retirement benefits	25,072	23,785
Term loan	400,000	400,000
	<b>2,037,173</b>	<b>2,051,112</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,368,859</b>	<b>2,351,197</b>
<b>Net Assets Value per ordinary share of RM0.25 each (SEN)</b>	<b>22.28</b>	<b>20.16</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2009

**KURNIA ASIA BERHAD (539435-K)***(Incorporated in Malaysia)***Quarterly Report On Consolidated Results****For The First Quarter Ended 31 March 2010***(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	Fair value Reserve RM '000	Distributable Retained profit RM '000	Total RM '000
<b><u>3 Months Ended 31/03/2010</u></b>						
Balance at 31 December 2009	375,000	607	(818)	-	(74,704)	300,085
Adoption of FRS 139	-	-	-	6,952	1,545	8,497
Balance at 31 December 2009-Restated	375,000	607	(818)	6,952	(73,159)	308,582
Total comprehensive income for the period	-	-	(1,306)	601	23,809	23,104
Balance as at 31 March 2010	375,000	607	(2,124)	7,553	(49,350)	331,686
<b><u>3 Months Ended 31/03/2009</u></b>						
Balance at 31 December 2008-Restated	375,000	607	(1,450)	-	(195,170)	178,987
Total comprehensive income for the period	-	-	(145)	-	26,391	26,246
Balance as at 31 March 2009	375,000	607	(1,595)	-	(168,779)	205,233

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Statements for the period ended 31 December 2009

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<b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW</b>		
	<b>Year-To-Date</b>	
	<b>31-Mar-2010</b>	<b>31-Mar-2009 #</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Cash flow from operating activities:</u></b>		
Profit before tax	35,045	26,458
Adjustment for:		
Depreciation on property & equipment and amortisation of prepaid lease	4,515	5,884
Decrease in unearned premium reserve	17,030	(14,753)
Investment and interest income	(20,373)	(22,118)
Interest expense	4,938	5,348
Gain on disposal of investments	(6,583)	(739)
Loss on disposal of / impairment on / writing off fixed assets	119	(85)
Write-back of diminution in value of investment	(2,998)	(5,658)
Allowance for doubtful debt / bad debt recovery	(4,226)	(7)
Provision for retirement benefits	1,446	1,215
Share of profit /(loss) of equity accounted associate	(213)	577
Profit/ (Loss) from operations before changes on operating assets and liabilities	28,700	(3,878)
Purchase of investments & fixed and called deposits	(558,857)	(96,947)
Proceeds from redemption and disposal of investments	538,810	94,085
Decrease in loans	531	1,231
Decrease in receivables	7,450	2,357
(Decrease) / Increase in outstanding claims	(23,106)	(23,941)
Increase / (Decrease) in payables	(5,109)	3,370
Cash used in operating activities	(11,581)	(23,723)
Tax paid	(728)	31,964
Dividend received	2,365	(450)
Interest received	13,725	13,128
Retirement benefits paid	(160)	(113)
Net cash generated from operating activities	<u>3,621</u>	<u>20,806</u>
<b><u>Investing activities</u></b>		
Acquisition of property, plant and equipment	(1,657)	(3,449)
Proceeds from disposal of investments	-	43
Acquisition of subsidiary, net of cash acquired	-	1,150
Others	(145)	-
Net cash used in investing activities	<u>(1,802)</u>	<u>(2,256)</u>
<b><u>Financing activity</u></b>		
Term loan interest paid	(5,021)	(5,443)
Net cash used in financing activity	<u>(5,021)</u>	<u>(5,443)</u>
<b>Net decrease in cash and cash equivalent</b>	(3,202)	13,107
<b>Effect of exchange rate changes on cash &amp; cash equivalents</b>	(162)	(40)
<b>Cash and cash equivalents at beginning of period</b>	<u>57,496</u>	<u>64,468</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>54,132</u></u>	<u><u>77,535</u></u>
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The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2009

# The Group has changed its financial year from 30 June to 31 December. Year-to-date figures consist of 3 months cash flow beginning 01 January 2010 and 01 January 2009 respectively.