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

Quarterly Report On Consolidated Results For The Second Quarter Ended 30 June 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
	30-Jun-2010	30-Jun-2009	30-Jun-2010	30-Jun-2009
	RM'000	RM'000	RM'000	RM'000
Operating revenue	289,478	264,656	564,438	545,279
Underwriting surplus before management expense	42,078	72,544	90,022	121,809
Management expense	(50,823)	(64,251)	(88,006)	(109,391)
Underwriting surplus	(8,745)	8,293	2,016	12,418
Investment income	20,330	19,062	40,367	41,733
Other income - net	591	8,629	10,135	15,542
Total insurance fund	12,176	35,984	52,518	69,693
Management expense	(1,080)	(1,535)	(1,959)	(3,043)
Other income (expense) - Net	23	(5,060)	221	(5,042)
Finance expense	(5,213)	(4,683)	(10,151)	(10,031)
Interest income	119	122	228	286
Share of profit (loss) of equity accounted associate	(47)	(254)	166	(831)
Total non-insurance fund	(6,198)	(11,410)	(11,495)	(18,661)
Profit before taxation	5,978	24,574	41,023	51,032
Taxation	(2,741)	18,081	(13,977)	18,014
Net profit for the period	3,237	42,655	27,046	69,046
Other comprehensive income				
Foreign currency translation differences for foreign operation	(240)	(358)	(1,546)	(503)
Fair value of available-for-sale financial assets	3,919	-	4,520	-
Other comprehensive income for the period	3,679	(358)	2,974	(503)
Total comprehensive income for the period	6,916	42,297	30,020	68,543
Earnings per share (sen) - Basic	0.22	2.87	1.82	4.64

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 6 months results beginning 01 January 2010 and 01 January 2009 respectively,

KURNIA ASIA BERHAD (539435-K)

(Incorporated in Malaysia)

Quarterly Report On Consolidated Results For The Second Quarter Ended 30 June 2010 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Goodwill Investment property Investment in associates 11 Investments in debts and equity securities 1,81 Deferred tax assets 1,81 Loans (secured) 3 Insurance assets 15 Other receivables, deposits and prepayments 55 Current tax assets 55 Cash and cash equivalents 55 Total assets 2,371 Shareholders' equity 33 Share capital 37 Reserves (3) Equity attributable to equity holders of the parent 33 Minority interest 33 Total shareholders' equity 33 Liabilities 400 Insurance payables 51 Current tax liabilities 400 Insurance premium liabilities 400 Insurance payables 51 Current tax liabilities 51 Insurance payables 51 Current tax liabilities 51 Insurance payables 51 Current tax liabilities 51 Retirement benefits 21 </th <th>As At -2010 M'000</th> <th>(Audited) As A 31-Dec-2009 RM'000</th>	As At -2010 M'000	(Audited) As A 31-Dec-2009 RM'000
Goodwill Investment property Investment in associates 1 Investments in debts and equity securities 1,81 Deferred tax assets 1,81 Loans (secured) 1 Insurance assets 15 Other receivables, deposits and prepayments 55 Current tax assets 55 Cash and cash equivalents 55 Total assets 2,37 Shareholders' equity 33 Share capital 37 Reserves (3) Equity attributable to equity holders of the parent 33 Minority interest 33 Total shareholders' equity 33 Liabilities 400 Insurance premium liabilities 1,11 Insurance payables 21 Other payables and accruals 55 Current tax liabilities 21 Retirement benefits 22 Term loan 400 Total liabilities 20 Otal liabilities 20 Solution 20 Discolution 20 Solution		
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Investment in associates11Investments in debts and equity securities1,81Deferred tax assets1,81Loans (secured)3Insurance assets115Other receivables, deposits and prepayments53Current tax assets55Current tax assets55Cash and cash equivalents55Total assets33Shareholders' equity33Share capital375Reserves(3Equity attributable to equity holders of the parent33Minority interest33Total shareholders' equity33Liabilities400Insurance premium liabilities400Insurance payables22Other payables and accruals55Current tax liabilities21Term loan400Total liabilities22Cotal liabilities22Other payables22Other payables22Other offits22Other offits22Other offits22Other offits22Other offits22Other offits22Other offits22Other offits22Other offits22Other offities22Other offities22Other offities22Other offities22Other offities22Other offities22Other offities22Other offities22Other off	4,899	5,061
Investments in debts and equity securities1,81Deferred tax assets1Loans (secured)1Insurance assets1Reinsurance assets1Other receivables, deposits and prepayments5Current tax assets5Current tax assets5Cash and cash equivalents53Total assets2,377Shareholders' equity33Share capital37Reserves(3)Equity attributable to equity holders of the parent33Minority interest33Total shareholders' equity33Liabilities400Insurance premium liabilities400Insurance claims liabilities21Other payables and accruals55Current tax liabilities21Total liabilities21Total liabilities21Current tax liabilities21Current tax liabilities21Current tax liabilities21Current tax liabilities21Current tax liabilities21Current tax liabilities21Term loan400Total liabilities21Current tax liabilities21Serves22Current tax liabilities21Current tax liabilities21Current tax liabilities21Current tax liabilities21Current tax liabilities21Current tax liabilities22Current tax liabilities21C	7,500	7,500
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Other receivables, deposits and prepayments55Current tax assets55Cash and cash equivalents55Total assets2,371Shareholders' equity375Share capital375Reserves(31Equity attributable to equity holders of the parent333Minority interest333Total shareholders' equity333Liabilities400Insurance premium liabilities400Insurance claims liabilities1,111Insurance payables210Other payables and accruals55Current tax liabilities20Retirement benefits20Total liabilities20Total liabilities20Colorent tax liabilities20Colorent tax liabilities20Current tax liabilities20	7,439	33,880
Current tax assets 53 Cash and cash equivalents 53 Total assets 2,371 Shareholders' equity 375 Share capital 375 Reserves (30 Equity attributable to equity holders of the parent 333 Minority interest 333 Total shareholders' equity 333 Liabilities 400 Insurance premium liabilities 400 Insurance payables 210 Other payables and accruals 55 Current tax liabilities 20 Retirement benefits 20 Total liabilities 20 Total liabilities 20 Current tax liabilities 20 Total liabilities 20 Total liabilities 20 Total liabilities 20 Retirement benefits 20 Total liabilities 20 Total liabilities 20	9,934	166,283
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Reserves(30)Equity attributable to equity holders of the parent333Minority interest333Total shareholders' equity333Liabilities334Insurance premium liabilities400Insurance claims liabilities1,111Insurance payables24Other payables and accruals55Current tax liabilities21Term loan400Total liabilities212002002012002022002032002042002052002062002072002082002092002092000200200020020002002000200200020020002002000200200020020002002000200200020020002002000200200020020002002000 </td <td></td> <td></td>		
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Minority interest 334 Total shareholders' equity 334 Liabilities 334 Insurance premium liabilities 409 Insurance claims liabilities 1,111 Insurance payables 24 Other payables and accruals 55 Current tax liabilities 21 Term loan 400 Total liabilities 21 Total liabilities 21	3,602	300,085
Total shareholders' equity333Liabilities333Insurance premium liabilities403Insurance premium liabilities1,111Insurance payables20Other payables and accruals55Current tax liabilities55Retirement benefits20Term loan400Total liabilities202,0312,031	5	-
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Other payables and accruals5Current tax liabilities20Retirement benefits20Term loan400Total liabilities2,03	5,031	26,304
Current tax liabilities 20 Retirement benefits 20 Term loan 400 Total liabilities 2,03	7,075	51,849
Term loan 400 Total liabilities 2,03	203	237
Term loan 400 Total liabilities 2,03	6,008	23,785
Total liabilities 2,03	0,000	400,000
Total liabilities and shareholders' equity 2,370	1,970	2,051,112
	0,577	2,351,197
Net Assets Value per ordinary share of RM0.25 each (SEN)	22.75	20.16

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 Second Quarter Ended 30 June 2010

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						
	Share	Share	Translation	Fair value	Distributable	Minority Interest	Total
	Capital	Premium	Reserve	Reserve	Retained profit		Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
6 Months Ended 30/06/2010							
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	-	-	(1,546)	4,520	27,046	-	30,020
Incorporation of subsidiary	-	-	-	-	-	5	5
Balance as at 30 June 2010	375,000	607	(2,364)	11,472	(46,113)	5	338,607
6 Months Ended 30/06/2009							
Balance at 31 December 2008-Restated	375,000	607	(1,450)	-	(195,170)	-	178,987
Total comprehensive income for the period	-	-	(503)	-	69,046	-	68,543
Balance as at 30 June 2009	375,000	607	(1,953)	-	(126,124)	-	247,530

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

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

Quarterly Report On Consolidated Results For The Second Quarter Ended 30 June 2010 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Year-To-Date		
	30-Jun-2010 RM'000	30-Jun-2009 # RM'000	
Cash flow from operating activities:			
Profit before tax	41,023	51 031	
Adjustment for:	41,023	51,031	
	8,750	11,847	
Depreciation on property Increase / (Decrease) in premium liabilities	36,807		
Investment and interest income	(40,840)	(38,666) (42,987)	
Interest expense	10,151	10,031	
(Gain) / Loss on disposal of investments	(9,113)	8,207	
(Gain) / Loss on disposal of / writing off fixed assets	(9,113)	4,841	
Write-back of diminution in value of investment	(267)		
Bad debt recovery	(4,881)	(28,347) (2,280)	
Provision for retirement benefits	2,743	(2,280) 2,430	
	(166)	2,430	
Share of profit /(loss) of equity accounted associate Profit/ (Loss) from operations before changes on operating assets and liabilities	44,134	(18,062)	
		,	
Purchase of investments & fixed and called deposits	(645,773) 614,995	(115,850) 176,223	
Proceeds from redemption and disposal of investments Decrease in loans	1,135	1,807	
Decrease / (Increase) in receivables			
Decrease in claims liabilities	15,934	(17,692)	
	(57,877)	(137,871)	
Increase in payables	5,230	51,928	
Cash used in operating activities Tax (recovered) / paid	(22,222)	(59,517) 30,918	
Dividend received	(664)	,	
	9,100	1,333	
Interest received	30,613	37,543	
Retirement benefits paid	(521)	(253)	
Net cash generated from operating activities	16,306	10,024	
Investing activities			
Acquisition of property, plant and equipment	(5,765)	(7,838)	
Proceeds from disposal of investments	-	17,050	
Investment in associated company	-	(17,234)	
Acquisition of subsidiary, net of cash acquired	-	(541)	
Others	1,543	2,434	
Net cash used in investing activities	(4,222)	(6,129)	
Financing activity			
Term loan interest paid	(10,187)	(10,282)	
Incorporation of subsidiary-Minority Interest	6	-	
Net cash used in financing activity	(10,181)	(10,282)	
Net increase / (decrease) in cash and cash equivalent	1,903	(6,387)	
Effect of exchange rate changes on cash & cash equivalents	(219)	(6)	
Cash and cash equivalents at beginning of period	57,496	64,468	
Cash and cash equivalents at beginning of period	59,180	58,075	
	00,100	50,015	

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 6 months cash flow beginning 01 January 2010 and 01 January 2009 respectively.