

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

Quarterly Report On Consolidated Results
For The First Quarter Ended 31 March 2011
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year 31-Mar-2011 RM'000	Preceding Year 31-Mar-2010 RM'000	Current Year 31-Mar-2011 RM'000	Preceding Year 31-Mar-2010 RM'000
Operating revenue	286,851	259,463	286,851	259,463
Gross written premiums	270,313	254,814	270,313	254,814
Change in unearned premiums provision	(4,705)	(15,617)	(4,705)	(15,617)
Gross earned premiums	265,608	239,197	265,608	239,197
Premium ceded to reinsurers	(54,801)	(33,436)	(54,801)	(33,436)
Net earned premiums	210,807	205,761	210,807	205,761
Other income	39,504	39,057	39,504	39,057
Net claims incurred	(140,838)	(134,824)	(140,838)	(134,824)
Other expenses	(87,840)	(75,162)	(87,840)	(75,162)
Operating profit	21,633	34,832	21,633	34,832
Share of profit after tax of equity accounted associate	(356)	213	(356)	213
Profit before taxation	21,277	35,045	21,277	35,045
Tax expense	(6,826)	(11,236)	(6,826)	(11,236)
Net profit for the period	14,451	23,809	14,451	23,809
<u>Other comprehensive income</u>				
Foreign currency translation differences for foreign operation	136	(1,306)	136	(1,306)
Fair value of available-for-sale financial assets	(556)	601	(556)	601
Other comprehensive income for the period	(420)	(705)	(420)	(705)
Total comprehensive income for the period	14,031	23,104	14,031	23,104
Earnings per share (sen) - Basic	0.97	1.60	0.97	1.60

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 31-Mar-2011 RM'000	(Audited) As At 31-Dec-2010 RM'000
<u>Assets</u>		
Property and equipment	202,126	202,236
Investment property	7,500	7,500
Investments in associates	12,930	13,279
- financial assets - HTM	63,229	63,278
- financial assets - AFS	1,002,937	975,928
- financial assets - HFT	173,027	141,482
- financial assets - Loans and receivables	498,808	522,158
Reinsurance assets	389,690	372,759
Insurance receivables	44,752	52,851
Other receivables, deposits and prepayments	42,160	35,187
Deferred acquisition costs	24,361	36,275
Deferred tax assets	1,195	1,172
Current tax assets	32,700	30,613
Cash and cash equivalents	82,444	129,632
Total assets	<u>2,577,859</u>	<u>2,584,350</u>
<u>Shareholders' equity</u>		
Share capital	375,000	375,000
Reserves	10,518	10,938
Accumulated losses	(43,696)	(58,147)
	<u>341,822</u>	<u>327,791</u>
Minority interest	6	6
Shareholders' equity	<u>341,828</u>	<u>327,797</u>
<u>Liabilities</u>		
Insurance contract liabilities	1,642,933	1,669,152
Deferred tax liabilities	5,743	5,928
Other financial liabilities	415,688	435,322
Insurance payables	67,675	29,630
Tax payables	250	249
Other payables	77,212	90,728
Staff retirement benefits	26,530	25,544
Total liabilities	<u>2,236,031</u>	<u>2,256,553</u>
Total liabilities and shareholders' equity	<u>2,577,859</u>	<u>2,584,350</u>
Net Assets Value per ordinary share of RM0.25 each (SEN)	<u>22.97</u>	<u>22.02</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010

KURNIA ASIA BERHAD (539435-K)*(Incorporated in Malaysia)***Quarterly Report On Consolidated Results****For The First Quarter Ended 31 March 2011***(The figures have not been audited)***CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to equity holders of the parent					Minority Interest RM '000	Total Equity RM '000
	Share Capital RM '000	Share Premium RM '000	Translation Reserve RM '000	Fair value Reserve RM '000	Distributable Retained profit RM '000		
3 Months Ended 31/03/2011							
Balance at 31 December 2010	375,000	607	(2,504)	12,835	(58,147)	6	327,797
Total comprehensive income for the period	-	-	136	(556)	14,451	-	14,031
Balance as at 31 March 2011	375,000	607	(2,368)	12,279	(43,696)	6	341,828
3 Months Ended 31/03/2010							
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	-	-	(1,306)	601	23,809	-	23,104
Balance as at 31 March 2010	375,000	607	(2,124)	7,553	(49,350)	-	331,686

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW		
	Year-To-Date	
	31-Mar-2011	31-Mar-2010
	RM'000	RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	21,277	35,045
Adjustments for non-cash items	<u>(46,423)</u>	<u>(62,594)</u>
Operating loss before changes in working capital	(25,146)	(27,549)
Net change in operating assets	16,972	106,962
Net change in operating liabilities	<u>(30,366)</u>	<u>(95,597)</u>
Net cash flows used in operating activities	<u>(38,540)</u>	<u>(16,184)</u>
Net cash used in investing activities	<u>(3,454)</u>	<u>(1,802)</u>
Net cash used in financing activities	<u>(5,039)</u>	<u>(5,021)</u>
Net increase / (decrease) in cash and cash equivalent	(47,033)	(23,007)
Effect of exchange rate changes on cash & cash equivalents	(155)	(431)
Cash and cash equivalents at beginning of year	<u>129,632</u>	<u>169,787</u>
Cash and cash equivalents at end of period	<u>82,444</u>	<u>146,349</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010