

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

Quarterly Report On Consolidated Results
For The Second Quarter Ended 30 June 2011
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year 30-Jun-2011 RM'000	Preceding Year 30-Jun-2010 RM'000	Current Year 30-Jun-2011 RM'000	Preceding Year 30-Jun-2010 RM'000
Operating revenue	287,131	269,728	573,982	529,191
Gross written premiums	261,444	269,030	531,757	523,844
Change in unearned premiums provision	3,518	(20,370)	(1,187)	(35,987)
Gross earned premiums	264,962	248,660	530,570	487,857
Premium ceded to reinsurers	(75,778)	(32,289)	(130,579)	(65,725)
Net earned premiums	189,184	216,371	399,991	422,132
Other income	45,880	23,409	85,384	62,466
Net claims incurred	(135,178)	(151,399)	(276,016)	(286,223)
Other expenses	(79,073)	(82,356)	(166,913)	(157,518)
Operating profit	20,813	6,025	42,446	40,857
Share of net profit / (loss) of equity accounted associate	(157)	(47)	(513)	166
Profit before taxation	20,656	5,978	41,933	41,023
Tax expense	(5,644)	(2,741)	(12,470)	(13,977)
Net profit for the period	15,012	3,237	29,463	27,046
<u>Other comprehensive income</u>				
Foreign currency translation differences for foreign operation	555	(240)	691	(1,546)
Fair value of available-for-sale financial assets	2,775	3,919	2,219	4,520
Revaluation on properties	30,746	-	30,746	-
Other comprehensive income for the period	34,076	3,679	33,656	2,974
Total comprehensive income for the period	49,088	6,916	63,119	30,020
Earnings per share (sen) - Basic	1.01	0.22	1.98	1.82

The Condensed Consolidated Statement of Comprehensive Income 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 Second Quarter Ended 30 June 2011
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 31/06/2011 RM'000	(Audited) As At 31-Dec-2010 RM'000
<u>Assets</u>		
Property and equipment	233,112	202,236
Investment property	7,713	7,500
Investments in associates	13,572	13,279
- financial assets - HTM	63,153	63,278
- financial assets - AFS	1,007,237	975,928
- financial assets - HFT	146,971	141,482
- financial assets - Loans and receivables	463,868	522,158
Reinsurance assets	466,210	372,759
Insurance receivables	48,079	52,851
Other receivables, deposits and prepayments	82,232	35,187
Deferred acquisition costs	24,720	36,275
Deferred tax assets	1,208	1,172
Current tax assets	33,815	30,613
Cash and cash equivalents	52,906	129,632
Total assets	<u>2,644,796</u>	<u>2,584,350</u>
<u>Shareholders' equity</u>		
Share capital	375,000	375,000
Reserves	44,594	10,938
Accumulated losses	(28,684)	(58,147)
	<u>390,910</u>	<u>327,791</u>
Minority interest	6	6
Shareholders' equity	<u>390,916</u>	<u>327,797</u>
<u>Liabilities</u>		
Insurance contract liabilities	1,608,089	1,669,152
Deferred tax liabilities	8,339	5,928
Other financial liabilities	447,330	435,322
Insurance payables	88,565	29,630
Tax payables	251	249
Other payables	73,514	90,728
Staff retirement benefits	27,792	25,544
Total liabilities	<u>2,253,880</u>	<u>2,256,553</u>
Total liabilities and shareholders' equity	<u>2,644,796</u>	<u>2,584,350</u>
Net Assets Value per ordinary share of RM0.25 each (SEN)	<u>26.26</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 Second Quarter Ended 30 June 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	Revaluation Reserve RM '000	Distributable Retained profit RM '000		
6 Months Ended 30/06/2011								
Balance at 31 December 2010	375,000	607	(2,504)	12,835	-	(58,147)	6	327,797
Total comprehensive income for the period	-	-	691	2,219	30,746	29,463	-	63,119
Balance as at 30 June 2011	375,000	607	(1,813)	15,054	30,746	(28,684)	6	390,916
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

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

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

Quarterly Report On Consolidated Results
For The Second Quarter Ended 30 June 2011
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW		
	Year-To-Date	
	30-Jun-2011	30-Jun-2010
	RM'000	RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	41,933	41,023
Adjustments for non-cash items	(629)	(71,565)
Operating loss before changes in working capital	41,304	(30,542)
Net change in operating assets	(78,923)	96,704
Net change in operating liabilities	(23,125)	(82,268)
Net cash flows used in operating activities	(60,744)	(16,106)
Net cash used in investing activities	(5,321)	(4,223)
Net cash used in financing activities	(10,389)	(10,181)
Net increase / (decrease) in cash and cash equivalent	(76,454)	(30,510)
Effect of exchange rate changes on cash & cash equivalents	(272)	(662)
Cash and cash equivalents at beginning of period	129,632	169,787
Cash and cash equivalents at end of period	52,906	138,615

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