

KURNIA ASIA BERHAD (539435-K)

(Incorporated in Malaysia)

Quarterly Report On Consolidated Results
For The Third Quarter Ended 30 September 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
	Individual Quarter		Cumulative Quarter	
	Current Year 30-Sep-2011 RM'000	Preceding Year 30-Sep-2010 RM'000	Current Year 30-Sep-2011 RM'000	Preceding Year 30-Sep-2010 RM'000
Operating revenue	295,062	286,920	869,044	816,111
Gross written premiums	282,901	275,581	814,658	799,425
Change in unearned premiums provision	(17,469)	(14,114)	(18,656)	(50,101)
Gross earned premiums	265,432	261,467	796,002	749,324
Premium ceded to reinsurers	(82,678)	(39,949)	(213,257)	(105,674)
Net earned premiums	182,754	221,518	582,745	643,650
Other income	37,892	43,523	123,276	105,989
Net claims incurred	(129,258)	(181,640)	(405,274)	(467,863)
Other expenses	(81,856)	(85,305)	(248,769)	(242,823)
Operating profit /(loss)	9,532	(1,904)	51,978	38,953
Share of net profit / (loss) of equity accounted associate	(505)	(482)	(1,018)	(316)
Profit / (loss) before taxation	9,027	(2,386)	50,960	38,637
Tax expense	(1,759)	(1,361)	(14,229)	(15,338)
Net profit / (loss) for the period	7,268	(3,747)	36,731	23,299
<u>Other comprehensive income</u>				
Foreign currency translation differences for foreign operation	198	(367)	889	(1,913)
Fair value change of available-for-sale financial assets	(6,445)	6,280	(4,226)	10,800
Revaluation on properties	-	-	30,746	-
Other comprehensive income for the period	(6,247)	5,913	27,409	8,887
Total comprehensive income for the period	1,021	2,166	64,140	32,186
Earnings per share (sen) - Basic	0.49	(0.25)	2.47	1.57

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 30-Sep-2011 RM'000	(Audited) As At 31-Dec-2010 RM'000
<u>Assets</u>		
Property and equipment	231,294	202,236
Investment property	7,713	7,500
Investments in associates	14,276	13,279
- financial assets - HTM	63,074	63,278
- financial assets - AFS	974,157	975,928
- financial assets - HFT	133,716	141,482
- financial assets - Loans and receivables	472,770	522,158
Reinsurance assets	480,238	372,759
Insurance receivables	46,422	52,851
Other receivables, deposits and prepayments	90,893	35,187
Deferred acquisition costs	26,313	36,275
Deferred tax assets	1,235	1,172
Current tax assets	31,614	30,613
Cash and cash equivalents	97,712	129,632
Total assets	2,671,427	2,584,350
<u>Shareholders' equity</u>		
Share capital	375,000	375,000
Reserves	38,347	10,938
Accumulated losses	(21,416)	(58,147)
	391,931	327,791
Minority interest	6	6
Shareholders' equity	391,937	327,797
<u>Liabilities</u>		
Insurance contract liabilities	1,606,922	1,669,152
Deferred tax liabilities	6,191	5,928
Other financial liabilities	464,833	435,322
Insurance payables	83,458	29,630
Tax payables	273	249
Other payables	89,054	90,728
Staff retirement benefits	28,759	25,544
Total liabilities	2,279,490	2,256,553
Total liabilities and shareholders' equity	2,671,427	2,584,350
Net Assets Value per ordinary share of RM0.25 each (SEN)	26.33	22.02

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

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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		
9 Months Ended 30/09/2011								
Balance at 31 December 2010	375,000	607	(2,504)	12,835	-	(58,147)	6	327,797
Total comprehensive income for the period	-	-	889	(4,226)	30,746	36,731	-	64,140
Balance as at 30 September 2011	375,000	607	(1,615)	8,609	30,746	(21,416)	6	391,937
9 Months Ended 30/09/2010								
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	-	-	(1,913)	10,800	-	23,299	-	32,186
Incorporation of subsidiary	-	-	-	-	-	-	7	7
Balance as at 30 September 2010	375,000	607	(2,731)	17,752	-	(49,860)	7	340,775

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	
	30-Sep-2011	30-Sep-2010
	RM'000	RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	50,960	38,638
Adjustments for non-cash items	7,923	(118,140)
Operating profit /(loss) before changes in working capital	58,883	(79,502)
Net change in operating assets	(70,081)	160,505
Net change in operating liabilities	1,588	(126,887)
Net cash flows used in operating activities	(9,610)	(45,884)
Net cash used in investing activities	(5,383)	(5,910)
Net cash used in financing activities	(15,860)	(15,706)
Net decrease in cash and cash equivalent	(30,853)	(67,500)
Effect of exchange rate changes on cash & cash equivalents	(1,067)	(489)
Cash and cash equivalents at beginning of period	129,632	169,787
Cash and cash equivalents at end of period	97,712	101,798

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