

KSK GROUP BERHAD (Formerly known as KURNIA ASIA BERHAD)(539435-K)
(Incorporated in Malaysia)

Quarterly Report On Consolidated Results
For The Second Quarter Ended 30 June 2012
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
	Individual Quarter		Cumulative Quarter	
	Current Year 30-Jun-2012 RM'000	Preceding Year 30-Jun-2011 RM'000	Current Year 30-Jun-2012 RM'000	Preceding Year 30-Jun-2011 RM'000
<u>Continuing operations</u>				
Operating revenue	10,835	5,706	21,797	12,099
Gross written premiums	13,000	6,363	25,400	13,225
Change in unearned premiums provision	(2,297)	(840)	(3,884)	(1,117)
Gross earned premiums	10,703	5,523	21,516	12,108
Premium ceded to reinsurers	(6,314)	(3,169)	(12,766)	(7,641)
Net earned premiums	4,389	2,354	8,750	4,467
Other income	1,703	988	3,314	1,342
Net claims incurred	(3,596)	(2,244)	(5,670)	(3,411)
Other expenses	(12,954)	(7,837)	(23,468)	(16,722)
Operating profit	(10,458)	(6,739)	(17,074)	(14,324)
Share of net loss of equity accounted associate	1,060	(157)	(691)	(513)
Profit before taxation	(9,398)	(6,896)	(17,765)	(14,837)
Tax expense	(788)	(684)	(1,678)	(1,367)
Net loss for the period from continuing operations	(10,186)	(7,580)	(19,443)	(16,204)
<u>Discontinuing operation</u>				
Profit for the period from discontinuing operation, net of tax	33,544	22,205	67,404	45,129
Profit for the period	23,358	14,625	47,961	28,925
<u>Other comprehensive income, net of tax</u>				
Foreign currency translation differences for foreign operation	158	555	158	691
Fair value change of available-for-sale financial assets	(1,286)	2,775	(1,286)	2,219
Revaluation on properties	-	-	-	-
Other comprehensive income for the period	(1,128)	3,330	(1,128)	2,910
Total comprehensive income for the period	22,230	17,955	46,833	31,835
Earnings per share (sen) - Basic	1.57	0.98	3.22	1.94

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
	As At 30-Jun-2012 RM'000	Restated As At 31-Dec-2011 RM'000	Restated As At 01-Jan-2011 RM'000
Assets			
Property and equipment	2,106	229,339	233,137
Investment property	-	7,713	7,713
Investments in associates	3,911	4,156	2,767
Investments in debt and equity securities			
- financial assets - HTM	-	62,123	63,278
- financial assets - AFS	31	947,342	975,928
- financial assets - HFT	14	156,298	141,482
- financial assets - Loans and receivables	-	469,171	522,158
Reinsurance assets	17,660	551,273	372,759
Insurance receivables	10,208	56,832	52,851
Other receivables, deposits and prepayments	1,098	80,333	35,187
Deferred acquisition costs	1,587	26,070	36,275
Deferred tax assets	2,193	3,780	1,172
Current tax assets	2,372	23,746	30,560
Cash and cash equivalents	92,843	130,771	129,632
Assets classified as held for sale	2,678,093	-	-
Total assets	2,812,116	2,748,947	2,604,899
Shareholders' equity			
Share capital	375,000	375,000	375,000
Reserves	14,364	8,447	13,442
Retained earnings /(Accumulated losses)	53,676	5,715	(41,610)
	443,040	389,162	346,832
Minority interest	6	6	6
Shareholders' equity	443,046	389,168	346,838
Liabilities			
Insurance contract liabilities	29,825	1,690,838	1,669,152
Deferred tax liabilities	-	-	7,436
Other financial liabilities	360,000	450,630	435,322
Insurance payables	6,855	87,373	29,630
Tax payables	625	629	249
Other payables	121,602	102,976	90,728
Staff retirement benefits	3,730	27,333	25,544
Liabilities classified as held for sale	1,846,433	-	-
Total liabilities	2,369,070	2,359,779	2,258,061
Total liabilities and shareholders' equity	2,812,116	2,748,947	2,604,899
Net Assets Value per ordinary share of RM0.25 each (SEN)	29.54	26.15	23.30

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						Non-controlling 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 30/06/2012								
Balance at 1 January 2012, as previously stated	375,000	607	(2,041)	7,377	30,746	(10,303)	6	401,392
Effect of adopting MFRS	-	-	2,504	-	(30,746)	16,018	-	(12,224)
Balance at 1 January 2012, as restated	375,000	607	463	7,377	-	5,715	6	389,168
Total comprehensive income for the period	-	-	158	(1,286)	-	47,961	-	46,833
Disposal of treasury shares	-	7,045	-	-	-	-	-	7,045
Balance as at 30 June 2012	375,000	7,652	621	6,091	-	53,676	6	443,046
6 Months Ended 30/06/2011								
Balance at 1 January 2011, as previously stated	375,000	607	(2,504)	12,835	-	(58,147)	6	327,797
Effect of adopting MFRS	-	-	2,504	-	-	16,537	-	19,041
Balance at 1 January 2011, as restated	375,000	607	-	12,835	-	(41,610)	6	346,838
Total comprehensive income for the period	-	-	691	2,219	-	28,925	-	31,835
Balance as at 30 June 2011	375,000	607	691	15,054	-	(12,685)	6	378,673

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW		
	Year-To-Date	
	30-Jun-2012	30-Jun-2011
	RM'000	RM'000
<u>Cash flows from operating activities</u>		
Profit before tax		
- Continuing operation	(17,765)	(14,837)
- Discontinuing operation	86,980	56,179
Adjustments for non-cash items	(57,981)	(38)
Operating profit /(loss) before changes in working capital	11,234	41,304
Net change in operating assets	82,269	(78,923)
Net change in operating liabilities	(13,078)	(23,125)
Net cash flows from/ (used in) operating activities	80,425	(60,744)
Net cash used in investing activities	(4,075)	(5,321)
Net cash used in financing activities	(3,847)	(10,389)
Net increase/ (decrease) in cash and cash equivalent	72,503	(76,454)
Effect of exchange rate changes on cash & cash equivalents	1,492	(272)
Cash and cash equivalents at beginning of period	130,770	129,632
Cash and cash equivalents at end of period	204,765	52,906
	-	-

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011