

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

**Quarterly Report On Consolidated Results**  
**For The Fourth Quarter Ended 31 December 2012**

(The figures have not been audited)

<b>CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>				
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year</b> <b>31-Dec-2012</b> <b>RM'000</b>	<b>Preceding Year</b> <b>31-Dec-2011</b> <b>RM'000</b>	<b>Current Year</b> <b>31-Dec-2012</b> <b>RM'000</b>	<b>Preceding Year</b> <b>31-Dec-2011</b> <b>RM'000</b>
<b><u>Continuing operations</u></b>				
Operating revenue	22,131	8,658	60,320	27,726
Gross written premiums	14,880	14,431	56,460	37,045
Change in unearned premiums provision	(823)	(5,750)	(6,327)	(9,632)
Gross earned premiums	14,057	8,681	50,133	27,413
Premium ceded to reinsurers	(9,325)	(5,232)	(31,560)	(16,997)
Net earned premiums	4,732	3,449	18,573	10,416
Other income #	(22,081)	1,089	827,187	3,425
Net claims incurred	(3,280)	(2,603)	(12,343)	(8,014)
Other expenses #	14,310	(18,080)	(53,626)	(44,986)
Operating profit / (loss)	(6,319)	(16,145)	779,791	(39,159)
Share of net loss of equity accounted associate	(1,318)	461	(3,677)	(557)
Profit / (Loss) before taxation	(7,637)	(15,684)	776,114	(39,716)
Tax expense	(310)	3,015	(2,394)	942
<b>Net profit /(loss) for the year from continuing operations</b>	<b>(7,947)</b>	<b>(12,669)</b>	<b>773,720</b>	<b>(38,774)</b>
<b><u>Discontinued operation</u></b>				
<b>Profit for the year from discontinued operation, net of tax</b>	<b>-</b>	<b>23,801</b>	<b>99,617</b>	<b>86,099</b>
<b>Profit /(Loss) for the year</b>	<b>(7,947)</b>	<b>11,132</b>	<b>873,337</b>	<b>47,325</b>
<b><u>Other comprehensive income, net of tax</u></b>				
Foreign currency translation differences for foreign operation	(244)	(426)	(551)	463
Fair value change of available-for-sale financial assets	4	(1,232)	(121)	(5,458)
<b>Other comprehensive income for the year</b>	<b>(240)</b>	<b>(1,658)</b>	<b>(672)</b>	<b>(4,995)</b>
<b>Total comprehensive income for the year</b>	<b>(8,187)</b>	<b>9,474</b>	<b>872,665</b>	<b>42,330</b>
<b><u>Basic Earnings per share (sen)</u></b>				
- from continuing operations	(0.53)	(0.85)	51.75	(2.61)
- from discontinued operation	-	1.60	6.66	5.78
<b>Basic Earnings per share (sen) - Total</b>	<b>(0.53)</b>	<b>0.75</b>	<b>58.42</b>	<b>3.18</b>

# Included a reclassification of RM28.506 million professional fee incurred in relation to the KIMB Disposal, from "Other Expense" to "Other Income"

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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<b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>			
	<b>As At 31-Dec-2012 RM'000</b>	<b>Restated As At 31-Dec-2011 RM'000</b>	<b>Restated As At 01-Jan-2011 RM'000</b>
<b>Assets</b>			
Property and equipment	10,158	229,339	233,137
Investment property	40,000	7,713	7,713
Investments in associates	948	4,156	2,767
Investments in debt and equity securities			
- financial assets - HTM	-	62,123	63,278
- financial assets - AFS	106,270	947,342	975,928
- financial assets - HFT	808,225	156,298	141,482
- financial assets - Loans and receivables	1,151	469,171	522,158
Reinsurance assets	23,655	551,273	372,759
Insurance receivables	9,829	56,832	52,851
Other receivables, deposits and prepayments	3,229	80,333	35,187
Deferred acquisition costs	960	26,070	36,275
Deferred tax assets	85	3,780	1,172
Current tax assets	2,244	23,746	30,560
Cash and cash equivalents	216,527	130,771	129,632
<b>Total assets</b>	<u>1,223,281</u>	<u>2,748,947</u>	<u>2,604,899</u>
<b>Shareholders' equity</b>			
Share capital	375,000	375,000	375,000
Reserves	7,568	8,447	13,442
Retained earnings /(Accumulated losses)	788,221	5,715	(41,610)
	<u>1,170,789</u>	<u>389,162</u>	<u>346,832</u>
Minority interest	-	6	6
<b>Shareholders' equity</b>	<u>1,170,789</u>	<u>389,168</u>	<u>346,838</u>
<b>Liabilities</b>			
Insurance contract liabilities	32,968	1,690,838	1,669,152
Deferred tax liabilities	-	-	7,436
Other financial liabilities	-	450,630	435,322
Insurance payables	6,108	87,373	29,630
Tax payables	165	629	249
Other payables	9,785	102,976	90,728
Staff retirement benefits	3,466	27,333	25,544
<b>Total liabilities</b>	<u>52,492</u>	<u>2,359,779</u>	<u>2,258,061</u>
<b>Total liabilities and shareholders' equity</b>	<u>1,223,281</u>	<u>2,748,947</u>	<u>2,604,899</u>
<b>Net Assets Value per ordinary share of RM0.25 each (SEN)</b>	<u>78.05</u>	<u>26.15</u>	<u>23.30</u>

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		
12 Months Ended 31/12/2012								
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	-	-	(551)	(121)	-	873,337	-	872,665
Dividend payment	-	-	-	-	-	(30,000)	-	(30,000)
Disposal of treasury shares	-	7,045	-	-	-	-	-	7,045
Disposal of subsidiary, KIMB #	-	-	-	(7,252)	-	(60,831)	(6)	(68,089)
Balance as at 31 December 2012	375,000	7,652	(88)	4	-	788,221	-	1,170,789
12 Months Ended 31/12/2011								
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	-	-	463	(5,458)	(0)	47,325	-	42,330
Balance as at 31 December 2011	375,000	607	463	7,377	(0)	5,715	6	389,168

# RM60.831 million - being deconsolidation of negative goodwill derived from the acquisition of KIMB in year 2004

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<b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW</b>		
	<b>Year-To-Date</b>	
	<b>31-Dec-2012</b>	<b>31-Dec-2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
Profit / (Loss) before tax		
- Continuing operation	776,114	(39,716)
- Discontinued operation	133,255	99,962
Adjustments for non-cash items	(944,653)	6,718
<b>Operating (loss)/ profit before changes in working capital</b>	<b>(35,284)</b>	<b>66,964</b>
Net change in operating assets	81,336	(124,769)
Net change in operating liabilities	(88,272)	90,714
<b>Net cash flows (used in) / from operating activities</b>	<b>(42,220)</b>	<b>32,909</b>
<b>Net cash from /(used in) investing activities</b>	<b>530,573</b>	<b>(10,542)</b>
<b>Net cash used in financing activities</b>	<b>(402,011)</b>	<b>(21,335)</b>
<b>Net increase in cash and cash equivalent</b>	<b>86,342</b>	<b>1,032</b>
<b>Effect of exchange rate changes on cash &amp; cash equivalents</b>	<b>(586)</b>	<b>107</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>130,771</b>	<b>129,632</b>
<b>Cash and cash equivalents at end of year</b>	<b>216,527</b>	<b>130,771</b>
<p><b>The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011</b></p>		