

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(These figures have not been audited)

	UNAUDITED AS AT END OF CURRENT PERIOD 30/06/2012 RM '000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2011 RM '000
ASSETS		
Non-Current Assets		
Property, plant & equipment	451,233	432,958
Intangible assets	4926	4,926
Other investment	116	116
Deferred tax asset	46	46
	<u>456,321</u>	<u>438,046</u>
Current Assets		
Inventories	167,638	163,779
Trade receivables	185,982	146,891
Foreign exchange derivatives assets	0	96
Other receivables	23,405	12,011
Cash and bank balances	42,796	51,624
	<u>419,821</u>	<u>374,401</u>
TOTAL ASSETS	<u><u>876,142</u></u>	<u><u>812,447</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	159,867	159,867
Reserves	382,017	336,986
	<u>541,884</u>	<u>496,853</u>
Minority shareholders' interest	10,422	9,480
Total Equity	<u>552,306</u>	<u>506,333</u>
Non-Current Liabilities		
Bank loan borrowings	13,416	18,195
Deferred taxation	36,975	34,195
Finance lease liabilities	3,553	7,802
	<u>53,944</u>	<u>60,192</u>
Current Liabilities		
Trade and other payables	117,698	102,709
Finance lease liabilities	9,989	9,024
Foreign exchange derivatives liabilities	0	751
Short term borrowings	121,183	118,806
Bank loan borrowings	6,292	6,135
Taxation	14,730	8,497
	<u>269,892</u>	<u>245,922</u>
Total liabilities	<u>323,836</u>	<u>306,114</u>
TOTAL EQUITY AND LIABILITIES	<u><u>876,142</u></u>	<u><u>812,447</u></u>
Net assets per share (sen)	168	154

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

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(These figures have not been audited)

	Attributable to equity holders of Company				Total	Minority Interest	Total
	Share Capital	Capital Reserve	Treasury Shares	Retained earnings			
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Unaudited - 6 months ended 30 June 2012							
At 01 January 2012	159,867	1,136	(3,460)	339,310	496,853	9,480	506,333
Total comprehensive income for the period (cumulative)	0	(544)	0	45,575	45,031	942	45,973
At 30 June 2012	159,867	592	(3,460)	384,885	541,884	10,422	552,306
Unaudited - 6 months ended 30 June 2011							
At 01 January 2011	159,867	1,148	(3,031)	284,613	442,597	2,018	444,615
Total comprehensive income for the period (cumulative)	0	0	0	43,892	43,892	785	44,677
Share buy-back	0	0	(429)	0	(429)	4,913	4,484
At 30 June 2011	159,867	1,148	(3,460)	328,505	486,060	7,716	493,776

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

KOSSAN RUBBER INDUSTRIES BHD

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter	Preceding Year Corresponding Quarter	Current year to Date (unaudited)	Preceding Year to Date (unaudited)
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
	RM '000	RM '000	RM '000	RM '000
Revenue	304,753	275,610	594,187	532,056
Operating expenses	(273,045)	(248,493)	(532,658)	(475,749)
Other operating income	930	1,400	1,389	2,164
Profit from operations	32,638	28,517	62,918	58,471
Finance cost	(1,541)	(1,869)	(3,188)	(3,919)
Profit before taxation	31,097	26,648	59,730	54,552
Taxation	(7,038)	(5,350)	(13,213)	(9,875)
Profit after taxation	24,059	21,298	46,517	44,677
Attributable to:				
Equity shareholders of the Company	23,621	20,938	45,575	43,892
Minority interests	438	360	942	785
	24,059	21,298	46,517	44,677
Earnings per share attributed to equity holders of the Company				
Basic (sen)	7.39	6.55	14.25	13.73
Diluted (sen) for share buy-back	7.41	6.57	14.30	13.78
Total comprehensive income for the period attributable to:				
Equity shareholders of the Company	23,621	20,938	45,575	43,892
Minority interests	438	360	942	785
	24,059	21,298	46,517	44,677
Profit after taxation	24,059	21,298	46,517	44,677
Other comprehensive income				
- Exchange difference translation	0	0	0	0
Total comprehensive income for the period	24,059	21,298	46,517	44,677

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

KOSSAN RUBBER INDUSTRIES BHD

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(These figures have not been audited)

	Year to date ended 30/06/2012 RM '000	Audited Year to date ended 31/12/2011 RM '000
Net profit before taxation	59,730	112,920
Adjustment for non-cash items		
Depreciation	21,792	40,280
Interest income	(470)	(1,588)
Interest expenses	3,188	7,465
Gain/(loss) from disposal of fixed assets	337	(71)
Foreign exchange gain/(loss) - unrealised	0	(1,268)
Gain/ (loss) on derivatives - unrealised	0	656
Negative goodwill	0	52
Impairment of assets	0	635
Operating profit before changes in working capital	<u>84,577</u>	<u>159,081</u>
Changes in Working Capital		
Net change in current assets	(52,372)	(37,703)
Net change in current liabilities	14,445	(13,147)
Cash from operating activities	<u>46,650</u>	<u>108,231</u>
Dividends paid	0	(35,048)
Interest expenses	(3,188)	(7,465)
Interest income	470	1,588
Taxation paid	(7,501)	(21,395)
Net cash from operating activities	<u>36,431</u>	<u>45,911</u>
Investing Activities		
Proceed from disposal of fixed assets	337	87
Acquisition of subsidiary company	0	(8,816)
Proceed from rights issue in subsidiary	0	1,151
Acquisition of property , plant and equipment	(40,067)	(39,785)
	<u>(3,299)</u>	<u>(1,452)</u>
Financing activities		
Repayment of finance lease liabilities	(3,284)	(18,932)
Repayment of bank loans borrowings	(6,328)	(11,846)
Shares buy-back	0	(429)
Increase in deposit pledged	0	(264)
Net change in cash & cash equivalent	<u>(12,911)</u>	<u>(32,923)</u>
Cash & cash equivalent at beginning of year	47,736	80,659
Cash & cash equivalent at end of the period	<u><u>34,825</u></u>	<u><u>47,736</u></u>
Cash & cash equivalent at end of the period		
Cash & bank balances	14,880	32,308
Short term deposits with licensed banks	27,916	19,316
Bank overdrafts	(7,015)	(2,932)
	<u>35,781</u>	<u>48,692</u>
Less Deposits pledged to banks	(956)	(956)
	<u><u>34,825</u></u>	<u><u>47,736</u></u>

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

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NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*(These figures have not been audited)*

	Current year Quarter	Current year to Date
	30/06/2012	30/06/2012
	RM '000	RM '000
Other operating income		
Interest income	223	470
Rental income	65	119
Other income	305	463
Gain in disposal of assets	337	337
Bad debts recovered	0	0
	930	1,389
Interest expenses	1,541	3,188
Depreciation	10,955	21,792
Provision for/write off of receivables	0	0
Provision for/write off of inventories	0	0
Gain/(loss) on disposal of unquoted investment	0	0
Gain/(loss) on disposal of properties	0	0
Impairment of assets	0	0
Foreign exchange gain/(loss) - realised	2,647	3,441
Foreign exchange gain/(loss) - unrealised	0	0
Gain/ (loss) on derivatives - unrealised	0	0
Exceptional items	0	0