

**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 30/09/2012 <b>RM '000</b>	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2011 <b>RM '000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	453,828	432,958
Intangible assets	4,926	4,926
Other investment	116	116
Deferred tax asset	46	46
	<b>458,916</b>	<b>438,046</b>
<b>Current Assets</b>		
Inventories	158,462	163,779
Trade receivables	193,871	146,891
Foreign exchange derivatives assets	0	96
Other receivables	26,032	12,011
Cash and bank balances	59,801	51,624
	<b>438,166</b>	<b>374,401</b>
<b>TOTAL ASSETS</b>	<b>897,082</b>	<b>812,447</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	159,867	159,867
Reserves	398,559	336,986
	<b>558,426</b>	<b>496,853</b>
Minority shareholders' interest	11,231	9,480
<b>Total Equity</b>	<b>569,657</b>	<b>506,333</b>
<b>Non-Current Liabilities</b>		
Bank loan borrowings	12,385	18,195
Deferred taxation	40,350	34,195
Finance lease liabilities	1,897	7,802
	<b>54,632</b>	<b>60,192</b>
<b>Current Liabilities</b>		
Trade and other payables	117,558	102,709
Finance lease liabilities	9,822	9,024
Foreign exchange derivatives liabilities	0	751
Short term borrowings	125,760	118,806
Bank loan borrowings	6,366	6,135
Taxation	13,287	8,497
	<b>272,793</b>	<b>245,922</b>
<b>Total liabilities</b>	<b>327,425</b>	<b>306,114</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>897,082</b>	<b>812,447</b>
<b>Net assets per share (sen)</b>	173	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**

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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			
<b>Unaudited - 9 months ended 30 September 2012</b>							
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	(477)	0	74,795	74,318	1,751	76,069
Dividend paid	0	0	0	(12,745)	(12,745)	0	(12,745)
At 30 September 2012	159,867	659	(3,460)	401,360	558,426	11,231	569,657
<b>Unaudited - 9 months ended 30 September 2011</b>							
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	67,536	67,536	1,148	68,684
Dividend paid	0	0	0	(25,489)	(25,489)	0	(25,489)
Movement during the year	0	0	(429)	0	(429)	4,913	4,484
At 30 September 2011	159,867	1,148	(3,460)	326,660	484,215	8,079	492,294

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)
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM '000	RM '000	RM '000	RM '000
<b>Revenue</b>	322,730	278,531	916,917	810,587
Operating expenses	(281,756)	(246,062)	(814,414)	(721,810)
Other operating income	537	447	1,926	2,611
Profit from operations	41,511	32,916	104,429	91,388
Finance cost	(1,498)	(1,793)	(4,686)	(5,712)
<b>Profit before taxation</b>	40,013	31,123	99,743	85,676
Taxation	(9,984)	(7,117)	(23,197)	(16,992)
<b>Profit after taxation</b>	30,029	24,006	76,546	68,684
<b>Attributable to:</b>				
Equity shareholders of the Company	29,221	23,643	74,795	67,536
Minority interests	808	363	1,751	1,148
	30,029	24,006	76,546	68,684
<b>Earnings per share attributed to equity holders of the Company</b>				
Basic (sen)	9.14	7.39	23.39	21.12
Diluted (sen) for share buy-back	9.17	7.42	23.47	21.20
<b>Total comprehensive income for the period attributable to:</b>				
Equity shareholders of the Company	29,221	23,643	74,795	67,536
Minority interests	808	363	1,751	1,148
	30,029	24,006	76,546	68,684
<b>Profit after taxation</b>	30,029	24,006	76,546	68,684
Other comprehensive income				
- Exchange difference translation	0	0	0	0
<b>Total comprehensive income for the period</b>	30,029	24,006	76,546	68,684

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 30/09/2012 <b>RM '000</b>	Audited Year to date ended 31/12/2011 <b>RM '000</b>
<b>Net profit before taxation</b>	99,743	112,920
<b>Adjustment for non-cash items</b>		
Depreciation	32,608	40,280
Interest income	(630)	(1,588)
Interest expenses	4,686	7,465
Gain/(loss) from disposal of fixed assets	(363)	(71)
Foreign exchange gain/(loss) - unrealised	0	(1,268)
Gain/ (loss) on derivatives - unrealised	(656)	656
Negative goodwill	0	52
Impairment of assets	0	635
<b>Operating profit before changes in working capital</b>	135,388	159,081
<b>Changes in Working Capital</b>		
Net change in current assets	(55,684)	(37,703)
Net change in current liabilities	14,373	(13,147)
<b>Cash from operating activities</b>	94,077	108,231
Dividends paid	(12,745)	(35,048)
Interest expenses	(4,686)	(7,465)
Interest income	630	1,588
Taxation paid	(12,252)	(21,395)
<b>Net cash from operating activities</b>	65,024	45,911
<b>Investing Activities</b>		
Proceed from disposal of fixed assets	363	87
Acquisition of subsidiary company	0	(8,816)
Proceed from rights issue in subsidiary	0	1,151
Acquisition of property , plant and equipment	(53,478)	(39,785)
	11,909	(1,452)
<b>Financing activities</b>		
Repayment of finance lease liabilities	(5,107)	(18,932)
Repayment of bank loans borrowings	(5,579)	(11,846)
Additional short term borrowings	6,364	0
Shares buy-back	0	(429)
Increase in deposit pledged	0	(264)
<b>Net change in cash &amp; cash equivalent</b>	7,587	(32,923)
<b>Cash &amp; cash equivalent at beginning of year</b>	47,736	80,659
<b>Cash &amp; cash equivalent at end of the period</b>	55,323	47,736
<b>Cash &amp; cash equivalent at end of the period</b>		
Cash & bank balances	11,840	32,308
Short term deposits with licensed banks	47,961	19,316
Bank overdrafts	(3,522)	(2,932)
	56,279	48,692
Less Deposits pledged to banks	(956)	(956)
	55,323	47,736

**The Condensed Consolidated Cash Flow Statements 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)*

	<b>Current year Quarter</b>	<b>Current year to Date</b>
	<b>30/09/2012</b>	<b>30/09/2012</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Other operating income</b>		
Interest income	160	630
Rental income	43	120
Other income	261	766
Gain in disposal of assets	26	363
Bad debts recovered	47	47
	<b>537</b>	<b>1,926</b>
<b>Interest expenses</b>	1,498	4,686
<b>Depreciation</b>	10,816	32,608
<b>Provision for/write off of receivables</b>	0	0
<b>Provision for/write off of inventories</b>	0	0
<b>Gain/(loss) on disposal of unquoted investment</b>	0	0
<b>Gain/(loss) on disposal of properties</b>	0	0
<b>Impairment of assets</b>	0	0
<b>Foreign exchange gain/(loss) - realised</b>	1,822	5,263
<b>Foreign exchange gain/(loss) - unrealised</b>	0	(656)
<b>Gain/ (loss) on derivatives - unrealised</b>	0	0
<b>Exceptional items</b>	0	0