

**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 30/06/2016 RM '000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2015 RM '000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	811,408	771,450
Goodwill on consolidation	4,926	4,926
Other investments	6,714	5,314
Deferred tax asset	0	36
	<u>823,048</u>	<u>781,726</u>
<b>Current Assets</b>		
Inventories	210,204	205,588
Trade receivables	251,462	285,823
Current tax assets	0	2,061
Other receivables	23,583	32,714
Cash and bank balances	230,988	168,383
	<u>716,237</u>	<u>694,569</u>
<b>TOTAL ASSETS</b>	<u>1,539,285</u>	<u>1,476,295</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	319,734	319,734
Reserves	681,774	631,187
	<u>1,001,508</u>	<u>950,921</u>
Non-controlling interests	27,099	25,525
<b>Total Equity</b>	<u>1,028,607</u>	<u>976,446</u>
<b>Non-Current Liabilities</b>		
Loans and borrowings	69,171	88,214
Deferred tax liabilities	75,552	72,379
Finance lease liabilities	10,240	15,265
	<u>154,963</u>	<u>175,858</u>
<b>Current Liabilities</b>		
Trade and other payables	177,341	186,009
Derivative financial liabilities	0	536
Finance lease liabilities	17,824	24,473
Bank borrowings	117,603	84,559
Term loans	26,375	10,781
Taxation	16,572	17,633
	<u>355,715</u>	<u>323,991</u>
<b>Total liabilities</b>	<u>510,678</u>	<u>499,849</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,539,285</u>	<u>1,476,295</u>
<b>Net assets per share (sen)</b>	156	148

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2015

**KOSSAN RUBBER INDUSTRIES BHD**  
**Company No. 48166-W**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
*(These figures have not been audited)*

	Attributable to equity holders of Company				Total	Non- Controlling Interests	Total
	Share Capital	Share Premium	Translation Reserve	Retained earnings			
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>Unaudited - period ended 30 June 2016</b>							
<b>At 01 January 2016</b>	319,734	4,151	7,417	619,619	950,921	25,525	976,446
<b>Dividends</b>							
To non-controlling interests	0	0	0	0	0	(301)	(301)
To owners of the Company	0	0	0	(41,565)	(41,565)	0	(41,565)
<b>Total comprehensive income for the period (cumulative)</b>	0	0	(122)	92,274	92,152	1,875	94,027
<b>At 30 June 2016</b>	319,734	4,151	7,295	670,328	1,001,508	27,099	1,028,607
<b>Unaudited - period ended 30 June 2015</b>							
<b>At 01 January 2015</b>	319,734	4,151	2,109	481,036	807,030	20,983	828,013
<b>Dividend</b>							
To non-controlling interests	0	0	0	0	0	(301)	(301)
<b>Total comprehensive income for the period (cumulative)</b>	0	0	1,674	92,890	94,564	1,538	96,102
<b>At 30 June 2015</b>	319,734	4,151	3,783	573,926	901,594	22,220	923,814

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 2015

**KOSSAN RUBBER INDUSTRIES BHD**

Company No. 48166-W  
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**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter 30/06/2016	Preceding Year Corresponding Quarter 30/06/2015	Current year to Date (unaudited) 30/06/2016	Preceding Year to Date (audited) 30/06/2015
	RM '000	RM '000	RM '000	RM '000
<b>Revenue</b>	403,773	385,779	816,053	755,035
Operating expenses	(350,795)	(324,314)	(695,728)	(633,325)
Other operating income	368	1,139	1,187	2,135
Profit from operations	53,346	62,604	121,512	123,845
Finance cost	(2,605)	(2,430)	(5,118)	(4,665)
<b>Profit before taxation</b>	50,741	60,174	116,394	119,180
Taxation	(8,903)	(11,781)	(22,245)	(24,752)
<b>Profit after taxation</b>	41,838	48,393	94,149	94,428
<b>Other comprehensive income, net of tax</b>				
- Exchange difference translation	0	0	0	0
<b>Total comprehensive income for the period</b>	41,838	48,393	94,149	94,428
<b>Attributable to:</b>				
Equity shareholders of the Company	40,968	47,440	92,274	92,890
Non-controlling interests	870	953	1,875	1,538
	41,838	48,393	94,149	94,428
<b>Total comprehensive income for the period attributable to:</b>				
Equity shareholders of the Company	40,968	47,440	92,274	92,890
Non-controlling interests	870	953	1,875	1,538
	41,838	48,393	94,149	94,428
<b>Earnings per share attributed to equity holders of the Company</b>				
Basic (sen)	6.41	7.42	14.43	14.53

**The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2015**

**KOSSAN RUBBER INDUSTRIES BHD**

Company No. 48166-W

(Incorporated in Malaysia)

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

<b>Current Quarter ended 30/06/2016 RM '000</b>	<b>Financial period ended 30/06/2016 RM '000</b>
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**Other operating income**

Interest income	341	617
Rental income	12	24
Other income	15	546
Gain/(loss) in disposal of assets	-	-
Bad debts recovered	-	-
	<b>368</b>	<b>1,187</b>

<b>Interest expenses</b>	2,605	5,118
<b>Depreciation</b>	17,331	34,689
<b>Provision for/write off of receivables</b>	-	-
<b>Provision for/write off of inventories</b>	-	-
<b>Gain/(loss) on disposal of unquoted investment</b>	-	-
<b>Gain/(loss) on disposal of properties</b>	-	-
<b>Impairment of assets</b>	-	-
<b>Foreign exchange gain/(loss) - realised</b>	3,882	8,092
<b>Foreign exchange gain/(loss) - unrealised</b>	-	-
<b>Gain/ (loss) on derivatives - unrealised</b>	-	-
<b>Exceptional items</b>	-	-

**KOSSAN RUBBER INDUSTRIES BHD**

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

*(These figures have not been audited)*

	Year to date ended 30/06/2016 <b>RM '000</b>	Audited Year to date ended 31/12/2015 <b>RM '000</b>
<b>Net profit before taxation</b>	116,394	268,567
<b>Adjustment for non-cash items</b>		
Depreciation	34,689	66,908
Interest and dividend income	(617)	(2,166)
Interest expenses	5,118	10,155
Gain/(loss) from disposal of fixed assets	0	(22)
Foreign exchange (gain)/loss - unrealised	0	(5,628)
Loss on derivatives - unrealised	0	536
Negative goodwill	0	0
Impairment of assets	0	31
<b>Operating profit before changes in working capital</b>	<u>155,584</u>	<u>338,381</u>
<b>Changes in Working Capital</b>		
Net change in current assets	38,862	(51,831)
Net change in current liabilities	(15,598)	15,662
<b>Cash from operating activities</b>	<u>178,848</u>	<u>302,212</u>
Dividends paid	(35,472)	(64,501)
Interest expenses	(5,118)	(10,155)
Interest income	617	2,166
Taxation paid	(18,036)	(37,227)
<b>Net cash from operating activities</b>	<u>120,839</u>	<u>192,495</u>
<b>Investing Activities</b>		
Proceed from disposal of fixed assets	0	1,283
Disposal/(Acquisition) of other investments	(1,400)	8,316
Acquisition of property, plant and equipment	(74,647)	(97,623)
	<u>44,792</u>	<u>104,471</u>
<b>Financing activities</b>		
Additional/(Repayment) of finance lease liabilities	(11,674)	(23,162)
Additional/(Repayment) of bank borrowings	29,595	24,404
Proceed from disposal of treasury shares	0	0
Decrease in deposit pledged	0	0
<b>Net change in cash &amp; cash equivalent</b>	<u>62,713</u>	<u>105,713</u>
<b>Cash &amp; cash equivalent at beginning of year</b>	168,275	62,562
<b>Cash &amp; cash equivalent at end of the period</b>	<u><u>230,988</u></u>	<u><u>168,275</u></u>
<b>Cash &amp; cash equivalent at end of the period</b>		
Cash & bank balances	103,188	108,275
Short term deposits with licensed banks	127,908	60,108
Bank overdrafts	0	0
	<u>231,096</u>	<u>168,383</u>
Less Deposits pledged to banks	(108)	(108)
	<u><u>230,988</u></u>	<u><u>168,275</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 2015**