

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT PERIOD 30/09/2017 RM '000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2016 RM '000
ASSETS		
Non-Current Assets		
Property, plant & equipment	906,208	862,530
Investment properties	5,223	5,223
Investment in joint venture	1,381	1,381
Other investments	166	91
Goodwill on consolidation	4,926	4,926
Intangible assets	1,639	1,639
Deferred tax assets	61	61
	919,604	875,851
Current Assets		
Inventories	200,757	210,671
Trade receivables	330,612	304,969
Derivative financial liabilities	3,885	13,773
Other receivables	90,877	36,793
Cash and bank balances	174,633	109,847
	800,764	676,053
TOTAL ASSETS	1,720,368	1,551,904
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	319,734	319,734
Reserves	823,948	725,533
	1,143,682	1,045,267
Non-controlling interests	29,873	28,929
Total Equity	1,173,555	1,074,196
Non-Current Liabilities		
Loans and borrowings	116,385	55,951
Deferred tax liabilities	89,365	82,318
Finance lease liabilities	0	3,040
	205,750	141,309
Current Liabilities		
Trade and other payables	141,641	200,774
Derivative financial liabilities	0	14,810
Finance lease liabilities	4,952	12,292
Bank borrowings	181,248	79,637
Term loans	26,375	26,566
Taxation	-13,153	2,320
	341,063	336,399
Total liabilities	546,813	477,708
TOTAL EQUITY AND LIABILITIES	1,720,368	1,551,904
Net assets per share (sen)	178	163

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2016

KOSSAN RUBBER INDUSTRIES BHD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of Company				Total RM '000	Non-Controlling Interests RM '000	Total RM '000
	Share Capital	Share Premium	Translation Reserve	Retained earnings			
	RM '000	RM '000	RM '000	RM '000			
Unaudited - period ended 30 September 2017							
At 01 January 2017	319,734	4,151	8,238	713,144	1,045,267	28,929	1,074,196
Dividends							
To non-controlling interests	0	0	0	0	0	(450)	(450)
To owners of the Company	0	0	0	(38,368)	(38,368)	0	(38,368)
Foreign currency translation difference from foreign operations	0	0	(941)	0	(941)	0	(941)
Total comprehensive income for the period (cumulative)	0	0	0	137,724	137,724	1,394	139,118
At 30 September 2017	319,734	4,151	7,297	812,500	1,143,682	29,873	1,173,555
Unaudited - period ended 30 September 2016							
At 01 January 2016	319,734	4,151	7,417	619,619	950,921	25,525	976,446
Dividends							
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)
Total comprehensive income for the period (cumulative)	0	0	(337)	126,298	125,961	2,566	128,527
At 30 September 2016	319,734	4,151	7,080	704,352	1,035,317	27,790	1,063,107

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2016

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter	Preceding Year Corresponding Quarter	Current year to Date	Preceding Year to Date
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	RM '000	RM '000	RM '000	RM '000
Revenue	489,180	414,039	1,479,672	1,230,092
Operating expenses	(428,733)	(370,210)	(1,303,736)	(1,065,937)
Other operating income	865	1,076	2,755	2,263
Profit from operations	61,312	44,905	178,691	166,418
Finance cost	(3,117)	(2,297)	(8,083)	(7,416)
Profit before taxation	58,195	42,608	170,608	159,002
Taxation	(12,170)	(7,893)	(31,490)	(30,138)
Profit after taxation	46,025	34,715	139,118	128,864
Other comprehensive income, net of tax				
- Exchange difference translation	0	0	0	0
Total comprehensive income for the period	46,025	34,715	139,118	128,864
Attributable to:				
Equity shareholders of the Company	45,680	34,023	137,724	126,298
Non-controlling interests	345	692	1,394	2,566
	46,025	34,715	139,118	128,864
Total comprehensive income for the period attributable to:				
Equity shareholders of the Company	45,680	34,023	137,724	126,298
Non-controlling interests	345	692	1,394	2,566
	46,025	34,715	139,118	128,864
Earnings per share attributed to equity holders of the Company				
Basic (sen)	7.14	5.32	21.54	19.75

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2016

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Current Quarter ended 30/09/2017 RM '000	Financial period ended 30/09/2017 RM '000
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Other operating income

Interest income	341	895
Rental income	12	36
Other income	512	1,824
Gain/(loss) in disposal of assets	-	-
Bad debts recovered	-	-
	865	2,755
Interest expenses	3,117	8,083
Depreciation	17,887	54,176
Provision for/write off of receivables	-	-
Provision for/write off of inventories	-	-
Gain/(loss) on disposal of unquoted investment	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain/(loss) - realised	5,231	20,674
Foreign exchange gain/(loss) - unrealised	(2,621)	(3,227)
Gain/ (loss) on derivatives - unrealised	(1,435)	3,885
Exceptional items	-	-

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Year to date ended 30/09/2017 RM '000	Year to date ended 30/09/2016 RM '000
Net profit before taxation	170,608	159,002
Adjustment for non-cash items		
Depreciation	54,176	52,234
Gain on Derivatives	(3,885)	0
Interest and dividend income	(895)	(895)
Interest expenses	8,083	7,416
Foreign exchange gain/(loss) - unrealised	(3,227)	0
Gain/(loss) on derivatives - unrealised	3,885	0
Operating profit before changes in working capital	<u>228,745</u>	<u>217,757</u>
Changes in Working Capital		
Net change in current assets	(67,419)	34,189
Net change in current liabilities	<u>(77,828)</u>	<u>(51,517)</u>
Cash from operating activities	83,498	200,429
Dividends paid	(38,818)	(35,472)
Interest expenses	(8,083)	(7,416)
Interest income	895	895
Taxation paid	<u>(26,143)</u>	<u>(41,958)</u>
Net cash from operating activities	11,349	116,478
Investing activities		
Acquisition of other investments	(75)	(1,400)
Acquisition of property, plant and equipment	<u>(97,854)</u>	<u>(125,833)</u>
	(86,580)	(10,755)
Financing activities		
Additional/(Repayment) of finance lease liabilities	(10,380)	(18,748)
Additional/(Repayment) of bank borrowings	<u>161,854</u>	<u>17,432</u>
Net change in cash & cash equivalent	64,894	(12,071)
Cash & cash equivalent at beginning of year	109,739	168,275
Cash & cash equivalent at end of the period	<u>174,633</u>	<u>156,204</u>
Cash & cash equivalent at end of the period		
Cash & bank balances	46,833	28,404
Short term deposits with licensed banks	127,908	127,908
	<u>174,741</u>	<u>156,312</u>
Less Deposits pledged to banks	(108)	(108)
	<u>174,633</u>	<u>156,204</u>

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2016