

**KOSSAN RUBBER INDUSTRIES BHD**

Company No. 48166-W  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	UNAUDITED AS AT END OF CURRENT PERIOD 31/12/2017 <b>RM '000</b>	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2016 <b>RM '000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	1,027,897	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	79	61
	<u>1,041,311</u>	<u>875,851</u>
<b>Current Assets</b>		
Inventories	206,210	210,671
Trade receivables	341,085	304,969
Derivative financial liabilities	10,820	13,773
Other receivables	38,119	36,793
Cash and bank balances	207,993	109,847
	<u>804,227</u>	<u>676,053</u>
<b>TOTAL ASSETS</b>	<u><u>1,845,538</u></u>	<u><u>1,551,904</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	319,734	319,734
Reserves	836,498	725,533
	<u>1,156,232</u>	<u>1,045,267</u>
Non-controlling interests	23,737	28,929
<b>Total Equity</b>	<u>1,179,969</u>	<u>1,074,196</u>
<b>Non-Current Liabilities</b>		
Loans and borrowings	187,039	55,951
Deferred tax liabilities	87,545	82,318
Finance lease liabilities	0	3,040
	<u>274,584</u>	<u>141,309</u>
<b>Current Liabilities</b>		
Trade and other payables	185,089	200,774
Derivative financial liabilities	0	14,810
Finance lease liabilities	3,006	12,292
Bank borrowings	168,788	79,637
Term loans	37,982	26,566
Taxation	-3,880	2,320
	<u>390,985</u>	<u>336,399</u>
<b>Total liabilities</b>	<u>665,569</u>	<u>477,708</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,845,538</u></u>	<u><u>1,551,904</u></u>
<b>Net assets per share (sen)</b>	180	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 RM '000	Share Premium RM '000	Translation Reserve RM '000	Capital Reserve RM '000	Retained earnings RM '000			
<b>Unaudited - for the year ended 31 December 2017</b>								
<b>At 01 January 2017</b>	319,734	4,151	8,238	0	713,144	1,045,267	28,929	1,074,196
<b>Dividends</b>								
To non-controlling interests	0	0	0	0	0	0	(561)	(561)
To owners of the Company	0	0	0	0	(70,342)	(70,342)	0	(70,342)
<b>Foreign currency translation difference from foreign operations</b>	0	0	(2,397)	0	0	(2,397)	0	(2,397)
<b>Acquisition of Non-Controlling Interests</b>	0	0	0	(240)	0	(240)	(6,270)	(6,510)
<b>Total comprehensive income for the period (cumulative)</b>	0	0	0	0	183,944	183,944	1,639	185,583
<b>At 31 December 2017</b>	319,734	4,151	5,841	(240)	826,746	1,156,232	23,737	1,179,969
<b>Audited - for the year ended 31 December 2016</b>								
<b>At 01 January 2016</b>	319,734	4,151	7,417	0	619,619	950,921	25,525	976,446
<b>Dividends</b>								
To non-controlling interests	0	0	0	0	0	0	(715)	(715)
To owners of the Company	0	0	0	0	(73,538)	(73,538)	0	(73,538)
<b>Total comprehensive income for the period (cumulative)</b>	0	0	821	0	167,063	167,884	4,119	172,003
<b>At 31 December 2016</b>	319,734	4,151	8,238	0	713,144	1,045,267	28,929	1,074,196

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

**KOSSAN RUBBER INDUSTRIES BHD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter 31/12/2017 RM '000	Preceding Year Corresponding Quarter 31/12/2016 RM '000	Current year to Date 31/12/2017 RM '000	Preceding Year to Date (audited) 31/12/2016 RM '000
<b>Revenue</b>	477,773	438,187	1,957,445	1,667,996
Operating expenses	(416,277)	(382,340)	(1,720,013)	(1,455,891)
Other operating income	757	1,153	3,512	7,938
Profit from operations	62,253	57,000	240,944	220,043
Finance cost	(3,256)	(2,607)	(11,338)	(10,035)
<b>Profit before taxation</b>	58,997	54,393	229,606	210,008
Taxation	(12,533)	(9,023)	(44,023)	(38,960)
<b>Profit after taxation</b>	46,464	45,370	185,583	171,048
<b>Other comprehensive income, net of tax</b>				
- Exchange difference translation	0	0	0	955
<b>Total comprehensive income for the period</b>	46,464	45,370	185,583	172,003
<b>Attributable to:</b>				
Equity shareholders of the Company	45,907	44,633	183,944	167,063
Non-controlling interests	557	737	1,639	3,985
	46,464	45,370	185,583	171,048
<b>Total comprehensive income for the period attributable to:</b>				
Equity shareholders of the Company	45,907	44,633	183,944	167,884
Non-controlling interests	557	737	1,639	4,119
	46,464	45,370	185,583	172,003
<b>Earnings per share attributed to equity holders of the Company</b>				
Basic (sen)	7.18	6.98	28.77	26.13

**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**

<b>Current Quarter ended 31/12/2017</b>	<b>Financial period ended 31/12/2017</b>
<b>RM '000</b>	<b>RM '000</b>

**Other operating income**

Interest income	256	1,151
Rental income	12	48
Other income	489	2,313
Gain/(loss) in disposal of assets	-	-
Bad debts recovered	-	-
	<b>757</b>	<b>3,512</b>
<b>Interest expenses</b>	3,256	11,338
<b>Depreciation</b>	17,948	72,124
<b>Provision for/write off of receivables</b>	2,066	2,066
<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>	3,794	24,468
<b>Foreign exchange gain/(loss) - unrealised</b>	(852)	(4,079)
<b>Gain/ (loss) on derivatives - unrealised</b>	6,935	10,820
<b>Exceptional items</b>	-	-

**KOSSAN RUBBER INDUSTRIES BHD**

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	Year to date ended 31/12/2017	Year to date ended 31/12/2016
	RM '000	RM '000
<b>Net profit before taxation</b>	229,606	210,008
<b>Adjustment for non-cash items</b>		
Depreciation	72,124	69,316
Gain on Derivatives	(10,820)	0
Interest income	(1,151)	(4,103)
Interest expenses	11,338	10,035
Gain/(loss) from disposal of fixed assets	0	53
Foreign exchange gain/(loss) - unrealised	(4,079)	(19,320)
Gain/(loss) on derivatives - unrealised	10,820	14,810
Share of losses of equity-accounted joint venture, net of tax	0	19
Impairment of assets	0	103
<b>Operating profit before changes in working capital</b>	<u>307,838</u>	<u>280,921</u>
<b>Changes in Working Capital</b>		
Net change in current assets	(31,191)	(9,524)
Net change in current liabilities	(41,315)	17,962
<b>Cash from operating activities</b>	<u>235,332</u>	<u>289,359</u>
Dividends paid	(70,903)	(77,451)
Interest expenses	(11,338)	(10,035)
Interest income	1,151	4,103
Taxation paid	(31,241)	(56,069)
<b>Net cash from operating activities</b>	<u>123,001</u>	<u>149,907</u>
<b>Investing activities</b>		
Proceed from disposal of fixed assets	0	431
Acquisition of other investments	(6,585)	(3,039)
Acquisition of property, plant and equipment	(237,491)	(159,795)
	<u>(121,075)</u>	<u>(12,496)</u>
<b>Financing activities</b>		
Additional/(Repayment) of finance lease liabilities	(12,326)	(26,006)
Additional/(Repayment) of bank borrowings	231,655	(21,400)
<b>Net change in cash &amp; cash equivalent</b>	<u>98,254</u>	<u>(59,902)</u>
<b>Effect of exchange rate fluctuations on cash held</b>	0	1,366
<b>Cash &amp; cash equivalent at beginning of year</b>	109,739	168,275
<b>Cash &amp; cash equivalent at end of the period</b>	<u><u>207,993</u></u>	<u><u>109,739</u></u>
<b>Cash &amp; cash equivalent at end of the period</b>		
Cash & bank balances	80,193	73,014
Short term deposits with licensed banks	127,908	36,833
	<u>208,101</u>	<u>109,847</u>
Less Deposits pledged to banks	(108)	(108)
	<u><u>207,993</u></u>	<u><u>109,739</u></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