

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT PERIOD 30/06/2018 RM '000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2017 RM '000
ASSETS		
Non-Current Assets		
Property, plant & equipment	1,167,369	1,028,011
Investment properties	5,223	5,223
Investment in joint venture	1,362	1,362
Other investments	166	166
Goodwill on consolidation	4,926	4,926
Intangible assets	1,639	1,639
Deferred tax assets	0	94
	1,180,685	1,041,421
Current Assets		
Inventories	247,661	212,950
Trade receivables	340,702	339,277
Derivative financial liabilities	0	10,820
Other receivables	42,829	50,214
Cash and bank balances	228,995	210,382
	860,187	823,643
TOTAL ASSETS	2,040,872	1,865,064
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	323,885	323,885
Reserves	918,487	831,137
	1,242,372	1,155,022
Non-controlling interests	24,984	23,249
Total Equity	1,267,356	1,178,271
Non-Current Liabilities		
Loans and borrowings	244,847	186,456
Deferred tax liabilities	89,473	86,705
Finance lease liabilities	0	450
	334,320	273,611
Current Liabilities		
Trade and other payables	163,576	202,933
Derivative financial liabilities	7,619	0
Finance lease liabilities	1,383	2,487
Bank borrowings	226,718	168,789
Term loans	48,534	38,564
Taxation	-8,634	409
	439,196	413,182
Total liabilities	773,516	686,793
TOTAL EQUITY AND LIABILITIES	2,040,872	1,865,064
Net assets per share (sen)	191	178

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2017

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	Capital Reserve	Retained earnings			
	RM '000	RM '000	RM '000	RM '000	RM '000			
Unaudited - for the period ended 30 June 2018								
At 01 January 2018	323,885	0	6,513	(240)	824,864	1,155,022	23,249	1,178,271
Dividends To non-controlling interests	0	0	0	0	0	0	(300)	(300)
Foreign currency translation difference from foreign operations	0	0	(608)	0	0	(608)	0	(608)
Total comprehensive income for the period (cumulative)	0	0	0	0	87,958	87,958	2,035	89,993
At 30 June 2018	323,885	0	5,905	(240)	912,822	1,242,372	24,984	1,267,356
Unaudited - for the period ended 30 June 2017								
At 01 January 2017	319,734	4,151	8,238	0	713,144	1,045,267	28,929	1,074,196
Dividends To non-controlling interests	0	0	0	0	0	0	(450)	(450)
Foreign currency translation difference from foreign operations	0	0	(1,006)	0	0	(1,006)	0	(1,006)
Total comprehensive income for the period (cumulative)	0	0	0	0	92,045	92,045	1,048	93,093
At 30 June 2017	319,734	4,151	7,232	0	805,189	1,136,306	29,527	1,165,833

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 2017

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
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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
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	RM '000	RM '000	RM '000	RM '000
Revenue	496,787	490,514	980,965	990,492
Operating expenses	(438,937)	(432,665)	(867,039)	(875,005)
Other operating income	1,119	810	2,003	1,891
Profit from operations	58,969	58,659	115,929	117,378
Finance cost	(4,065)	(2,575)	(7,991)	(4,965)
Profit before taxation	54,904	56,084	107,938	112,413
Taxation	(10,201)	(10,243)	(17,945)	(19,320)
Profit after taxation	44,703	45,841	89,993	93,093
Other comprehensive income, net of tax				
- Exchange difference translation	0	0	0	0
Total comprehensive income for the period	44,703	45,841	89,993	93,093
Attributable to:				
Equity shareholders of the Company	43,443	45,510	87,958	92,045
Non-controlling interests	1,260	331	2,035	1,048
	44,703	45,841	89,993	93,093
Total comprehensive income for the period attributable to:				
Equity shareholders of the Company	43,443	45,510	87,958	92,045
Non-controlling interests	1,260	331	2,035	1,048
	44,703	45,841	89,993	93,093
Earnings per share attributed to equity holders of the Company				
Basic (sen)	6.79	7.12	13.75	14.39

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 2017

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Current Quarter period ended 30/06/2018 RM '000	Current Financial period ended 30/06/2018 RM '000
Other operating income		
Interest income	330	602
Rental income	12	24
Other income	777	1,377
Gain/(loss) in disposal of assets		
Bad debts recovered		
	1,119	2,003
Interest expenses	4,066	7,991
Depreciation	17,688	35,881
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	8,148	14,641
Foreign exchange gain/(loss) - unrealised	6,389	6,930
Gain/ (loss) on derivatives - unrealised	(15,036)	(7,619)
Exceptional items	-	-

KOSSAN RUBBER INDUSTRIES BHDCompany No. 48166-W
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	Year to date ended 30/06/2018 RM '000	Year to date ended 30/06/2017 RM '000
Net profit before taxation	107,938	112,413
Adjustment for non-cash items		
Depreciation	35,881	36,289
Interest income	(602)	(554)
Interest expenses	7,991	4,965
Gain/(loss) from disposal of fixed assets	0	0
Foreign exchange gain/(loss) - unrealised	6,930	(606)
Gain/(loss) on derivatives - unrealised	(7,619)	0
Operating profit before changes in working capital	<u>150,519</u>	<u>152,507</u>
Changes in Working Capital		
Net change in current assets	(36,181)	(37,787)
Net change in current liabilities	7,856	(79,764)
Cash from operating activities	<u>122,194</u>	<u>34,956</u>
Dividends paid	(32,275)	(450)
Interest expenses	(7,991)	(4,965)
Interest income	602	554
Taxation paid	(13,306)	(21,261)
Net cash from operating activities	<u>69,224</u>	<u>8,834</u>
Investing activities		
Acquisition of other investments	0	(75)
Acquisition of property, plant and equipment	(175,239)	(57,704)
	<u>(106,015)</u>	<u>(48,945)</u>
Financing activities		
Additional/(Repayment) of finance lease liabilities	(1,554)	(8,521)
Additional/(Repayment) of bank borrowings	126,290	127,454
Net change in cash & cash equivalent	<u>18,721</u>	<u>69,988</u>
Cash & cash equivalent at beginning of year	210,274	109,739
Cash & cash equivalent at end of the period	<u><u>228,995</u></u>	<u><u>179,727</u></u>
Cash & cash equivalent at end of the period		
Cash & bank balances	35,639	51,927
Short term deposits with licensed banks	193,464	127,908
	<u>229,103</u>	<u>179,835</u>
Less Deposits pledged to banks	(108)	(108)
	<u><u>228,995</u></u>	<u><u>179,727</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 2017