



KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT PERIOD 31/12/2018 RM '000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2017 RM '000
ASSETS		
Non-Current Assets		
Property, plant & equipment	1,265,936	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
	<u>1,279,252</u>	<u>1,041,421</u>
Current Assets		
Inventories	251,553	212,950
Trade receivables	405,857	339,277
Derivative financial liabilities	698	10,820
Other receivables	36,945	50,214
Cash and bank balances	143,087	210,382
	<u>838,140</u>	<u>823,643</u>
TOTAL ASSETS	<u><u>2,117,392</u></u>	<u><u>1,865,064</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	323,885	323,885
Reserves	992,620	831,137
	<u>1,316,505</u>	<u>1,155,022</u>
Non-controlling interests	27,353	23,249
Total Equity	<u><u>1,343,858</u></u>	<u><u>1,178,271</u></u>
Non-Current Liabilities		
Loans and borrowings	264,400	186,456
Deferred tax liabilities	89,263	86,705
Finance lease liabilities	390	450
	<u>354,053</u>	<u>273,611</u>
Current Liabilities		
Trade and other payables	191,460	202,933
Derivative financial liabilities	0	0
Finance lease liabilities	1,577	2,487
Bank borrowings	196,296	168,789
Term loans	46,133	38,564
Taxation	-15,985	409
	<u>419,481</u>	<u>413,182</u>
Total liabilities	<u><u>773,534</u></u>	<u><u>686,793</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,117,392</u></u>	<u><u>1,865,064</u></u>
Net assets per share (sen)	101	89

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	Non-Controlling Interests	
	Share Capital	Share Premium	Translation Reserve	Capital Reserve	Retained earnings		RM '000	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Unaudited - for the period ended 31 December 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	(412)	(412)
To owners of the Company	0	0	0	0	(38,368)	(38,368)	0	(38,368)
Foreign currency translation difference from foreign operations	0	0	(933)	0	0	(933)	0	(933)
Total comprehensive income for the period (cumulative)	0	0	0	0	200,784	200,784	4,516	205,300
At 31 December 2018	323,885	0	5,580	(240)	987,280	1,316,505	27,353	1,343,858
Audited - for the period ended 31 December 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	(561)	(561)
To owners of the Company	0	0	0	0	(70,341)	(70,341)	0	(70,341)
Transfers in accordance with the Companies Act 2016	4,151	(4,151)	0	0	0	0	0	0
Foreign currency translation difference from foreign operations	0	0	(2,519)	0	0	(2,519)	(230)	(2,749)
Acquisition of Non Controlling interests	0	0	794	(240)	0	554	(7,063)	(6,509)
Total comprehensive income for the period (cumulative)	0	0	0	0	182,061	182,061	2,174	184,235
At 31 December 2017	323,885	0	6,513	(240)	824,864	1,155,022	23,249	1,178,271

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 31/12/2018	Preceding Year Corresponding Quarter 31/12/2017	Current Year to Date 31/12/2018	Preceding Year to Date 31/12/2017
	RM '000	RM '000	RM '000	RM '000
Revenue	589,372	477,773	2,144,235	1,957,627
Operating expenses	(514,097)	(416,277)	(1,879,824)	(1,721,502)
Other operating income	1,451	757	4,410	3,512
Profit from operations	76,726	62,253	268,821	239,637
Finance cost	(5,326)	(3,256)	(19,492)	(11,324)
Profit before taxation	71,400	58,997	249,329	228,313
Taxation	(10,367)	(12,533)	(44,029)	(44,078)
Profit after taxation	61,033	46,464	205,300	184,235
Other comprehensive income, net of tax				
- Exchange difference translation	0	0	0	0
Total comprehensive income for the period	61,033	46,464	205,300	184,235
Attributable to:				
Equity shareholders of the Company	59,514	45,907	200,784	182,061
Non-controlling interests	1,519	557	4,516	2,174
	61,033	46,464	205,300	184,235
Total comprehensive income for the period attributable to:				
Equity shareholders of the Company	59,514	45,907	200,784	182,061
Non-controlling interests	1,519	557	4,516	2,174
	61,033	46,464	205,300	184,235
Earnings per share attributed to equity holders of the Company				
Basic (sen)	4.65	3.59	15.70	14.24

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 31/12/2018	Current Financial year ended 31/12/2018
RM '000	RM '000

Other operating income

Interest income	427	1,380
Rental income	12	48
Other income	1,012	2,982
Gain/(loss) in disposal of assets	-	-
Bad debts recovered	-	-
	1,451	4,410
Interest expenses	5,326	19,492
Depreciation	22,596	76,997
Provision for/write off of receivables	159	159
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	5,127	16,796
Foreign exchange gain/(loss) - unrealised for Trade Debtors and Rabobank	(4,532)	(1,317)
Gain/ (loss) on derivatives - unrealised	1,392	723
Exceptional items	-	-



KOSSAN RUBBER INDUSTRIES BHD

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Year to date ended 31/12/2018 RM '000	Year to date ended 31/12/2017 RM '000
Net profit before taxation	249,329	228,313
Adjustment for non-cash items		
Depreciation	76,997	73,236
Interest income	(1,380)	(3,667)
Interest expenses	19,492	11,324
Gain/(loss) from disposal of fixed assets	0	(64)
Foreign exchange gain/(loss) - unrealised	1,317	(10,820)
Gain/(loss) on derivatives - unrealised	(723)	4,079
Share of losses of equity-accounted joint venture, net of tax	0	19
Impairment of assets	0	2,115
Operating profit before changes in working capital	<u>345,032</u>	<u>304,535</u>
Changes in Working Capital		
Net change in current assets	(83,934)	(69,941)
Net change in current liabilities	21,225	2,159
Cash from operating activities	<u>282,323</u>	<u>236,753</u>
Dividends paid	(70,755)	(70,902)
Interest expenses	(19,492)	(11,324)
Interest income	1,380	3,667
Taxation paid	(57,771)	(31,240)
Net cash from operating activities	<u>135,685</u>	<u>126,954</u>
Investing activities		
Proceed from disposal of fixed assets	0	380
Acquisition of other investments	0	(6,584)
Acquisition of property, plant and equipment	(314,922)	(239,159)
	<u>(179,237)</u>	<u>(118,409)</u>
Financing activities		
Additional/(Repayment) of finance lease liabilities	(970)	(13,276)
Additional/(Repayment) of bank borrowings	113,020	234,010
Net change in cash & cash equivalent	<u>(67,187)</u>	<u>102,325</u>
Effect of exchange rate fluctuations on cash held	0	(1,790)
Cash & cash equivalent at beginning of year	210,274	109,739
Cash & cash equivalent at end of the period	<u>143,087</u>	<u>210,274</u>
Cash & cash equivalent at end of the period		
Cash & bank balances	30,943	158,049
Short term deposits with licensed banks	112,252	52,333
	<u>143,195</u>	<u>210,382</u>
Less Deposits pledged to banks	(108)	(108)
	<u>143,087</u>	<u>210,274</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