

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT END OF CURRENT QUARTER 31/03/2006 RM' 000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2005 RM' 000
Non-Current Assets		
Property, Plant & Equipment	187,707	168,685
Intangible Assets	0	0
Investment in Associated Companies	106	106
Other Investment	116	116
Deferred tax asset	1,700	1,700
	<u>189,629</u>	<u>170,607</u>
Current Assets		
Inventories	58,365	46,188
Trade Receivables	88,264	83,941
Other Receivables	12,712	9,269
Cash & Bank Balances	11,482	5,311
	<u>170,823</u>	<u>144,709</u>
Current Liabilities		
Trade and Other Payables	68,768	52,174
Short Term Borrowings	81,132	65,304
Taxation	630	819
	<u>150,530</u>	<u>118,297</u>
Net Current Assets	20,293	26,412
	<u>209,922</u>	<u>197,019</u>
Equity and Liabilities		
Equity attributable to equity holders of the Company		
Share Capital	79,933	79,933
Reserves	86,094	78,633
	<u>166,027</u>	<u>158,566</u>
Minority Interest	2,201	2,293
Total Equity	<u>168,228</u>	<u>160,859</u>
Long Term Liabilities		
Borrowings	19,475	20,664
Deferred Taxation	12,956	12,156
Hire Purchase Creditors	9,263	3,340
	<u>209,922</u>	<u>197,019</u>
Net assets per share (RM)	1.05	1.01

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2005

KOSSAN RUBBER INDUSTRIES BHD

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2006**

	Attributable to equity holders of Company			Minority Interest	Total	
	Share Capital	Capital Reserve	Revenue Reserve			Retained earnings
	RM '000	RM '000	RM '000	RM '000	RM '000	
Unaudited - 3 months ended 31 March 2006						
At 01 January 2006	79,933	1,630	27	76,976	2,293	160,859
Prior year adjustment	0	0	(27)	27	0	0
Movement during the period (cumulative)	0	0	0	7,461	(92)	7,369
At 31 March 2006	79,933	1,630	0	84,464	2,201	168,228
Unaudited - 3 months ended 31 March 2005						
At 01 January 2005	66,611	6,657	87	63,525	2,214	139,094
Movement during the period (cumulative)	0	(597)	0	7,005	(12)	6,396
At 31 March 2005	66,611	6,060	87	70,530	2,202	145,490

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2005

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
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**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2006**

(These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter	Preceding Year Corresponding Quarter	Current year to Date	Preceding Year Corresponding Period
	3/31/2006	3/31/2005	3/31/2006	3/31/2005
	RM'000	RM'000	RM'000	RM'000
Revenue	107,233	85,407	107,233	85,407
Operating Expenses	(97,348)	(76,485)	(97,348)	(76,485)
Other operating income	98	529	98	529
Profit from Operations	9,983	9,451	9,983	9,451
Finance cost	(1,182)	(906)	(1,182)	(906)
Investing Results - gain/(loss)	0	0	0	0
Profit before taxation	8,801	8,545	8,801	8,545
Less Taxation	1,432	1,552	1,432	1,552
Profit after taxation	7,369	6,993	7,369	6,993
Attributable to:				
Equity shareholders of the Company	7,461	7,005	7,461	7,005
Minority interests	(92)	(12)	(92)	(12)
	7,369	6,993	7,369	6,993
Earnings per share (sen)				
Basic based on 159,866,976 ordinary shares of RM 0.50 each	4.61	4.37	4.61	4.37

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Annual Financial Statement for the year ended 31 December 2005

KOSSAN RUBBER INDUSTRIES BHD

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2006**

(These figures have not been audited)

Year to date ended 3/31/2006

RM' 000

Net profit before taxation	8,801
Adjustment for non-cash items	
Depreciation	4,332
Operating profit before changes in working capital	<u>13,133</u>
Changes in Working Capital	
Net change in current assets	(19,884)
Net change in current liabilities	22,517
Net cash from operating activities	<u>15,766</u>
Investing Activities	
Acquisition of property , plant and equipment	<u>(23,354)</u>
	(7,588)
Financing activities	
Net of finance borrowings and repayments	13,612
Net change in cash & cash equivalent	<u>6,024</u>
Cash & cash equivalent at beginning of year	3,359
Cash & cash equivalent at end of the period	<u><u>9,383</u></u>
Cash & cash equivalent at end of the period	
Cash & bank balances	11,482
Bank overdrafts	(2,099)
	<u><u>9,383</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Annual Financial Statement for the year ended 31 December 2005

