

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT END OF CURRENT QUARTER 30/06/2006 RM '000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2005 RM '000
Non-Current Assets		
Property, Plant & Equipment	196,205	168,685
Intangible Assets	874	0
Investment in Associated Companies	106	106
Other Investment	116	116
Deferred Tax Asset	1,700	1,700
	<u>199,001</u>	<u>170,607</u>
Current Assets		
Inventories	69,283	46,188
Trade Receivables	103,373	83,941
Other Receivables	10,375	9,269
Cash & Bank Balances	13,464	5,311
	<u>196,495</u>	<u>144,709</u>
Current Liabilities		
Trade and Other Payables	67,359	52,174
Short Term Borrowings	97,363	65,304
Taxation	1,170	819
	<u>165,892</u>	<u>118,297</u>
Net Current Assets	30,603	26,412
	<u>229,604</u>	<u>197,019</u>
Equity and Liabilities		
Equity attributable to equity holders of the Company		
Share Capital	79,933	79,933
Reserves	95,752	78,633
	<u>175,685</u>	<u>158,566</u>
Minority Interest	434	2,293
Total Equity	<u>176,119</u>	<u>160,859</u>
Long Term Liabilities		
Borrowings	21,489	20,664
Deferred Taxation	14,486	12,156
Hire Purchase Creditors	17,510	3,340
	<u>229,604</u>	<u>197,019</u>
Net assets per share (RM)	1.10	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

Company No. 48166-W
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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	RM '000
Unaudited - 6 months ended 30 June 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	17,119	(1,859)	15,260
At 30 June 2006	<u>79,933</u>	<u>1,630</u>	<u>0</u>	<u>94,122</u>	<u>434</u>	<u>176,119</u>
Unaudited - 6 months ended 30 June 2005						
At 01 January 2005	66,611	6,657	87	63,525	2,214	139,094
Movement during the period (cumulative)	0	(1,234)	0	14,217	(37)	12,946
At 30 June 2005	<u>66,611</u>	<u>5,423</u>	<u>87</u>	<u>77,742</u>	<u>2,177</u>	<u>152,040</u>

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 30 JUNE 2006**

(These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter 30/06/2006	Preceding Year Corresponding Quarter 30/06/2005	Current year to Date 30/06/2006	Preceding Year Corresponding Period 30/06/2005
	RM '000	RM '000	RM '000	RM '000
Revenue	133,269	88,460	240,502	173,867
Operating Expenses	(120,228)	(79,011)	(217,576)	(155,496)
Other operating income	100	369	198	898
Profit from Operations	13,141	9,818	23,124	19,269
Finance cost	(1,470)	(976)	(2,652)	(1,882)
Investing Results - gain/(loss)	0	0	0	0
Profit before taxation	11,671	8,842	20,472	17,387
Less Taxation	2,068	1,655	3,500	3,207
Profit after taxation	9,603	7,187	16,972	14,180
Attributable to:				
Equity shareholders of the Company	9,657	7,211	17,119	14,217
Minority interests	(54)	(24)	(147)	(37)
	9,603	7,187	16,972	14,180
Earnings per share (sen)				
Basic based on 159,866,976 ordinary shares of RM 0.50 each	6.01	4.50	10.62	8.87

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 30 JUNE 2006**

(These figures have not been audited)

	Year to date ended 30/06/2006 RM '000
Net profit before taxation	20,472
Adjustment for non-cash items	
Depreciation	9,216
Operating profit before changes in working capital	<u>29,688</u>
Changes in Working Capital	
Net change in current assets	(43,633)
Net change in current liabilities	28,536
Net cash from operating activities	<u>14,591</u>
Investing Activities	
Acquisition of additional shares in a subsidiary company	(2,586)
Acquisition of property , plant and equipment	(36,736)
	<u>(24,731)</u>
Financing activities	
Net of finance borrowings and repayments	33,284
Net change in cash & cash equivalent	<u>8,553</u>
Cash & cash equivalent at beginning of year	3,359
Cash & cash equivalent at end of the period	<u><u>11,912</u></u>
Cash & cash equivalent at end of the period	
Cash & bank balances	13,464
Bank overdrafts	(1,552)
	<u><u>11,912</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

