

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT END OF CURRENT QUARTER 30/06/2005 RM' 000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2004 RM' 000
Property, Plant & Equipment	149,205	129,617
Intangible Assets	440	881
Investment in Associated Companies	98	98
Other Investment	116	116
Deferred tax asset	1,854	1,854
Current Assets		
Inventories	48,659	38,029
Trade and Other Receivables	79,846	73,396
Cash & Bank Balances	1,720	4,488
	<u>130,225</u>	<u>115,913</u>
Current Liabilities		
Trade and Other Payables	48,288	44,750
Short Term Borrowings	55,807	42,663
Taxation	847	72
	<u>104,942</u>	<u>87,485</u>
Net Current Assets	25,283	28,428
	<u>176,996</u>	<u>160,994</u>
Share Capital	66,611	66,611
Reserves	83,252	70,269
Shareholders' Funds	<u>149,863</u>	<u>136,880</u>
Minority Interests	2,177	2,214
Long Term Liabilities		
Borrowings	11,160	10,347
Deferred Taxation	9,923	7,563
Hire Purchase Creditors	3,873	3,990
	<u>176,996</u>	<u>160,994</u>
Net Tangible Assets per Share (RM)	2.24	2.04

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2004

KOSSAN RUBBER INDUSTRIES BHD

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2005**

	Share Capital RM '000	Reserve attributable to Capital RM '000	Reserve attributable to Revenue RM '000	Retained earnings and dividend payable RM '000	Total RM '000
Unaudited - 6 months ended 30 June 2005					
At 01 January 2005	66,611	6,657	87	63,525	136,880
Movement during the period (cumulative)	0	(1,234)	0	14,217	12,983
At 30 June 2005	<u>66,611</u>	<u>5,423</u>	<u>87</u>	<u>77,742</u>	<u>149,863</u>
Unaudited - 6 months ended 30 June 2004					
At 01 January 2004	66,611	8,981	36	46,135	121,763
Movement during the period (cumulative)	0	0	0	8,759	8,759
At 30 June 2004	<u>66,611</u>	<u>8,981</u>	<u>36</u>	<u>54,894</u>	<u>130,522</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 2004

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
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**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2005**

(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
	6/30/2005	6/30/2004	6/30/2005	6/30/2004
	RM'000	RM'000	RM'000	RM'000
Revenue	88,460	71,282	173,867	130,165
Operating Expenses	(79,011)	(63,502)	(155,496)	(115,667)
Other operating income	369	187	898	426
Profit from Operations	9,818	7,967	19,269	14,924
Finance cost	(976)	(783)	(1,882)	(1,342)
Investing Results - gain/(loss)	0	0	0	0
Profit before taxation	8,842	7,184	17,387	13,582
Less Taxation	1,655	1,196	3,207	2,352
Profit after taxation	7,187	5,988	14,180	11,230
Add/(Less) Minority interests	24	(38)	37	(73)
Net profit for the period	7,211	5,950	14,217	11,157
Earnings per share (sen)				
Basic based on 66,611,240 ordinary shares of RM 1.00 each	10.83	8.93	21.34	16.75

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Annual Financial Statement for the year ended 31 December 2004

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2005**

(These figures have not been audited)

Year to date ended 6/30/2005 RM' 000

Net profit before taxation	17,387
Adjustment for non-cash items	
Amortisation of reserves (net of goodwill)	(692)
Depreciation	7,941
Operating profit before changes in working capital	<u>24,636</u>
Changes in Working Capital	
Net change in current assets	(17,080)
Net change in current liabilities	3,349
Net cash from operating activities	<u>10,905</u>
Investing Activities	
Acquisition of property , plant and equipment	<u>(27,529)</u>
	(16,624)
Financing activities	
Net of finance borrowings and repayments	8,952
Expenses for corporate exercise	(101)
Net change in cash & cash equivalent	<u>(7,773)</u>
Cash & cash equivalent at beginning of year	3,412
Cash & cash equivalent at end of the period	<u><u>(4,361)</u></u>
Cash & cash equivalent at end of the period	
Cash & bank balances	1,720
Bank overdrafts	(6,081)
	<u><u>(4,361)</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 2004

