

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT END OF CURRENT QUARTER 30/09/2006 RM '000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2005 RM '000
Non-Current Assets		
Property, Plant & Equipment	210,112	168,685
Intangible Assets	874	0
Investment in Associated Companies	106	106
Other Investment	116	116
Deferred Tax Asset	1,600	1,700
	<u>212,808</u>	<u>170,607</u>
Current Assets		
Inventories	74,981	46,188
Trade Receivables	127,698	83,941
Other Receivables	10,424	9,269
Cash & Bank Balances	7,954	5,311
	<u>221,057</u>	<u>144,709</u>
Current Liabilities		
Trade and Other Payables	84,027	52,174
Short Term Borrowings	114,582	65,304
Taxation	2,278	819
	<u>200,887</u>	<u>118,297</u>
Net Current Assets	20,170	26,412
	<u>232,978</u>	<u>197,019</u>
Equity and Liabilities		
Equity attributable to equity holders of the Company		
Share Capital	79,933	79,933
Reserves	99,256	78,633
	<u>179,189</u>	<u>158,566</u>
Minority Interest	468	2,293
Total Equity	<u>179,657</u>	<u>160,859</u>
Long Term Liabilities		
Borrowings	21,826	20,664
Deferred Taxation	15,636	12,156
Hire Purchase Creditors	15,859	3,340
	<u>232,978</u>	<u>197,019</u>
Net assets per share (RM)	1.12	0.99

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 SEPT 2006**

	Attributable to				Minority Interest	Total
	Share Capital	equity holders of Company				
	Capital Reserve	Revenue Reserve	Retained earnings			
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Unaudited - 9 months ended 30 Sept 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	27,977	(1,825)	26,152
Dividend paid	0	0	0	(7,354)	0	(7,354)
At 30 Sept 2006	79,933	1,630	0	97,626	468	179,657
Unaudited - 9 months ended 30 Sept 2005						
At 01 January 2005	66,611	6,657	87	63,525	2,214	139,094
Movement during the period (cumulative)	13,322	(1,844)	0	21,906	0	33,384
Dividend paid	0	0	0	(4,796)	0	(4,796)
Bonus issue	0	(2,570)	0	(10,752)	(98)	(13,420)
At 30 Sept 2005	79,933	2,243	87	69,883	2,116	154,262

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 SEPT 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
	9/30/2006	9/30/2005	9/30/2006	9/30/2005
	RM '000	RM '000	RM '000	RM '000
Revenue	162,643	106,812	403,145	280,680
Operating Expenses	(147,652)	(96,905)	(365,228)	(252,404)
Other operating income	94	456	292	1,355
Profit from Operations	15,085	10,363	38,209	29,631
Finance cost	(1,835)	(953)	(4,487)	(2,834)
Investing Results - gain/(loss)	0	0	0	0
Profit before taxation	13,250	9,410	33,722	26,797
Less Taxation	2,358	1,782	5,858	4,989
Profit after taxation	10,892	7,628	27,864	21,808
Attributable to:				
Equity shareholders of the Company	10,858	7,689	27,977	21,906
Minority interests	34	(61)	(113)	(98)
	10,892	7,628	27,864	21,808
Earnings per share (sen)				
Basic based on 159,866,976 ordinary shares of RM 0.50 each	6.81	4.77	17.43	13.64

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 SEPT 2006**

(These figures have not been audited)

Year to date ended 9/30/2006

RM '000

Net profit before taxation	33,722
Adjustment for non-cash items	
Depreciation	14,110
Operating profit before changes in working capital	<u>47,832</u>
Changes in Working Capital	
Net change in current assets	(73,705)
Net change in current liabilities	44,372
Net cash from operating activities	<u>18,499</u>
Investing Activities	
Acquisition of additional shares in a subsidiary company	(2,586)
Acquisition of property , plant and equipment	(55,537)
	<u>(39,624)</u>
Financing activities	
Net of finance borrowings and repayments	48,744
Dividend paid	(7,354)
Net change in cash & cash equivalent	<u>1,766</u>
Cash & cash equivalent at beginning of year	3,359
Cash & cash equivalent at end of the period	<u><u>5,125</u></u>
Cash & cash equivalent at end of the period	
Cash & bank balances	7,954
Bank overdrafts	(2,829)
	<u><u>5,125</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

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
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**SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE FINANCIAL PERIOD ENDED 30 SEPT 2006**

(These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter 9/30/2006	Preceding Year Corresponding Quarter 9/30/2005	Current year to Date 9/30/2006	Preceding Year Corresponding Period 9/30/2005
	RM '000	RM '000	RM '000	RM '000
Part A2				
1 Revenue	162,643	106,812	403,145	280,680
2 Profit before tax	13,250	9,410	33,722	26,797
3 Profit after tax and minority interest	10,892	7,628	27,864	21,808
4 Net profit for the period	10,892	7,628	27,864	21,808
5 Basic earnings per share (sen)	6.81	4.77	17.43	13.64
6 Dividend per share (sen)	6.00	10.00	6.00	10.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net tangible assets per share (RM)	1.12		0.99	

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter 9/30/2006	Preceding Year Corresponding Quarter 9/30/2005	Current year to Date 9/30/2006	Preceding Year Corresponding Period 9/30/2005
	RM '000	RM '000	RM '000	RM '000
Part A3: ADDITIONAL INFORMATION				
1 Profit from operations	15,085	10,363	38,209	29,631
2 Gross interest income	0	0	0	0
3 Gross interest expense	1,835	953	4,487	2,834