

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT END OF CURRENT QUARTER 30/09/2005 RM' 000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2004 RM' 000
Property, Plant & Equipment	151,307	129,617
Intangible Assets	220	881
Investment in Associated Companies	98	98
Other Investment	116	116
Deferred tax asset	1,854	1,854
Current Assets		
Inventories	52,162	38,029
Trade and Other Receivables	91,445	73,396
Cash & Bank Balances	1,498	4,488
	<u>145,105</u>	<u>115,913</u>
Current Liabilities		
Trade and Other Payables	45,163	44,750
Short Term Borrowings	61,278	42,663
Taxation	1,249	72
	<u>107,690</u>	<u>87,485</u>
Net Current Assets	37,415	28,428
	<u>191,010</u>	<u>160,994</u>
Share Capital	79,933	66,611
Reserves	72,213	70,269
Shareholders' Funds	<u>152,146</u>	<u>136,880</u>
Minority Interests	2,116	2,214
Long Term Liabilities		
Borrowings	19,206	10,347
Deferred Taxation	11,303	7,563
Hire Purchase Creditors	6,239	3,990
	<u>191,010</u>	<u>160,994</u>
Net Tangible Assets (NTA) per Share (RM)	0.95	1.02

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 SEPTEMBER 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 - 9 months ended 30 September 2005					
At 01 January 2005	66,611	6,657	87	63,525	136,880
Movement during the period (cumulative)	0	(1,844)	0	21,906	20,062
Dividend paid	0	0	0	(4,796)	(4,796)
Bonus issue	13,322	(2,570)	0	(10,752)	0
At 30 September 2005	<u>79,933</u>	<u>2,243</u>	<u>87</u>	<u>69,883</u>	<u>152,146</u>
Unaudited - 9 months ended 30 September 2004					
At 01 January 2004	66,611	8,981	36	46,135	121,763
Movement during the period (cumulative)	0	0	0	12,222	12,222
At 30 September 2004	<u>66,611</u>	<u>8,981</u>	<u>36</u>	<u>58,357</u>	<u>133,985</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 SEPTEMBER 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
	30/09/2005	30/09/2004	30/09/2005	30/09/2004
	RM'000	RM'000	RM'000	RM'000
Revenue	106,812	77,269	280,680	207,435
Operating Expenses	(96,905)	(69,866)	(252,404)	(185,534)
Other operating income	456	316	1,355	741
Profit from Operations	10,363	7,719	29,631	22,642
Finance cost	(953)	(662)	(2,834)	(2,003)
Investing Results - gain/(loss)	0	0	0	0
Profit before taxation	9,410	7,057	26,797	20,639
Less Taxation	1,782	1,221	4,989	3,573
Profit after taxation	7,628	5,836	21,808	17,066
Add/(Less) Minority interests	61	25	98	(48)
Net profit for the period	7,689	5,861	21,906	17,018
Earnings per share (sen)				
Basic based on 159,866,976 ordinary shares of RM 0.50 each	4.81	3.67	13.70	10.65

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

KOSSAN RUBBER INDUSTRIES BHD

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

(These figures have not been audited)

Year to date ended 30/09/2005 RM' 000
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Net profit before taxation	26,797
Adjustment for non-cash items	
Amortisation of reserves (net of goodwill)	(1,040)
Depreciation	11,966
Operating profit before changes in working capital	<u>37,723</u>
Changes in Working Capital	
Net change in current assets	(32,182)
Net change in current liabilities	2,590
Net cash from operating activities	<u>8,131</u>
Investing Activities	
Acquisition of property , plant and equipment	<u>(33,656)</u>
	(25,525)
Financing activities	
Net of finance borrowings and repayments	25,773
Dividend paid	(4,796)
Expenses for corporate exercise	(143)
Net change in cash & cash equivalent	<u>(4,691)</u>
Cash & cash equivalent at beginning of year	3,412
Cash & cash equivalent at end of the period	<u><u>(1,279)</u></u>
Cash & cash equivalent at end of the period	
Cash & bank balances	1,498
Bank overdrafts	(2,777)
	<u><u>(1,279)</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

