

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2006 RM '000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2005 RM '000
Non-Current Assets		
Property, Plant & Equipment	229,557	168,685
Intangible Assets	874	0
Investment in Associated Companies	106	106
Other Investment	116	116
Deferred Tax Asset	1,387	1,700
	<u>232,040</u>	<u>170,607</u>
Current Assets		
Inventories	64,872	46,188
Trade Receivables	121,143	83,941
Other Receivables	13,620	9,269
Cash & Bank Balances	3,085	5,311
	<u>202,720</u>	<u>144,709</u>
Current Liabilities		
Trade and Other Payables	82,334	52,174
Short Term Borrowings	100,320	65,304
Taxation	2,806	819
	<u>185,460</u>	<u>118,297</u>
Net Current Assets	17,260	26,412
	<u>249,300</u>	<u>197,019</u>
Equity and Liabilities		
Equity attributable to equity holders of the Company		
Share Capital	79,933	79,933
Reserves	111,004	78,633
	<u>190,937</u>	<u>158,566</u>
Minority Interest	433	2,293
Total Equity	<u>191,370</u>	<u>160,859</u>
Long Term Liabilities		
Borrowings	26,959	20,664
Deferred Taxation	18,013	12,156
Hire Purchase Creditors	12,958	3,340
	<u>249,300</u>	<u>197,019</u>
Net assets per share (RM)	1.19	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
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 - year ended 31 December 2006						
At 01 January 2006	79,933	1,629	28	76,976	2,293	160,859
Prior year adjustment	0	0	(28)	28	0	0
Movement during the period (cumulative)	0	0	0	39,725	(1,860)	37,865
Dividend paid	0	0	0	(7,354)	0	(7,354)
At 31 December 2006	<u>79,933</u>	<u>1,629</u>	<u>0</u>	<u>109,375</u>	<u>433</u>	<u>191,370</u>
Audited - year ended 31 December 2005						
At 01 January 2005	66,611	6,657	87	63,525	2,214	139,094
Movement during the period (cumulative)	13,322	(2,324)	(59)	29,005	79	40,023
Dividend paid	0	0	0	(4,796)	0	(4,796)
Bonus issue	0	(2,704)	0	(10,758)	0	(13,462)
At 31 December 2005	<u>79,933</u>	<u>1,629</u>	<u>28</u>	<u>76,976</u>	<u>2,293</u>	<u>160,859</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
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

(These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter	Preceding Year Corresponding Quarter	Current year to Date	Preceding Year to Date (Audited)
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
	RM '000	RM '000	RM '000	RM '000
Revenue	170,716	107,287	573,860	384,192
Operating Expenses	(153,498)	(97,486)	(518,726)	(346,153)
Other operating income	179	443	472	1,798
Profit from Operations	17,397	10,244	55,606	39,837
Finance cost	(2,553)	(893)	(7,040)	(3,723)
Investing Results - gain/(loss)	0	0	0	67
Profit before taxation	14,844	9,351	48,566	36,181
Less Taxation	3,131	2,092	8,989	7,156
Profit after taxation	11,713	7,259	39,577	29,025
Attributable to:				
Equity shareholders of the Company	11,748	7,165	39,725	28,946
Minority interests	(35)	94	(148)	79
	11,713	7,259	39,577	29,025
Earnings per share (sen)				
Basic based on 159,866,976 ordinary shares of RM 0.50 each	7.33	4.54	24.76	18.16

**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

Company No. 48166-W
(Incorporated in Malaysia)

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

(These figures have not been audited)

	Year to date ended 31/12/2006 RM '000
Net profit before taxation	48,566
Adjustment for non-cash items	
Depreciation	19,276
Operating profit before changes in working capital	<u>67,842</u>
Changes in Working Capital	
Net change in current assets	(60,237)
Net change in current liabilities	39,778
Net cash from operating activities	<u>47,383</u>
Investing Activities	
Acquisition of additional shares in a subsidiary company	(2,586)
Acquisition of property , plant and equipment	(80,148)
	<u>(82,734)</u>
Financing activities	
Net of finance borrowings and repayments	38,736
Dividend paid	(7,354)
Net change in cash & cash equivalent	<u>(3,969)</u>
Cash & cash equivalent at beginning of year	3,359
Cash & cash equivalent at end of the period	<u><u>(610)</u></u>
Cash & cash equivalent at end of the period	
Cash & bank balances	3,085
Bank overdrafts	(3,695)
	<u><u>(610)</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

(Incorporated in Malaysia)

**SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2006***(These figures have not been audited)*

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter 31/12/2006	Preceding Year Corresponding Quarter 31/12/2005	Current year to Date 31/12/2006	Preceding Year Corresponding Period 31/12/2005
	RM '000	RM '000	RM '000	RM '000
Part A2				
1 Revenue	170,716	107,287	573,860	384,192
2 Profit before tax	14,844	9,351	48,566	36,181
3 Profit after tax and minority interest	11,713	7,259	39,577	29,025
4 Net profit for the period	11,713	7,259	39,577	29,025
5 Basic earnings per share (sen)	7.33	4.54	24.76	18.16
6 Dividend per share (sen)	0.00	0.00	6.00	10.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net tangible assets per share (RM)	1.19		1.01	

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter 31/12/2006	Preceding Year Corresponding Quarter 31/12/2005	Current year to Date 31/12/2006	Preceding Year Corresponding Period 31/12/2005
	RM '000	RM '000	RM '000	RM '000
Part A3: ADDITIONAL INFORMATION				
1 Profit from operations	17,397	10,244	55,606	39,837
2 Gross interest income	0	0	0	0
3 Gross interest expense	2,553	893	7,040	3,723