

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2005 RM' 000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2004 RM' 000
Property, Plant & Equipment	172,271	129,617
Intangible Assets	0	881
Investment in Associated Companies	98	98
Other Investment	116	116
Deferred tax asset	1,700	1,854
Current Assets		
Inventories	46,188	38,029
Trade and Other Receivables	96,258	73,396
Cash & Bank Balances	4,117	4,488
	<u>146,563</u>	<u>115,913</u>
Current Liabilities		
Trade and Other Payables	59,914	44,750
Short Term Borrowings	61,884	42,663
Taxation	2,345	72
	<u>124,143</u>	<u>87,485</u>
Net Current Assets	22,420	28,428
	<u>196,605</u>	<u>160,994</u>
Share Capital	79,933	66,611
Reserves	78,810	70,269
Shareholders' Funds	<u>158,743</u>	<u>136,880</u>
Minority Interests	2,210	2,214
Long Term Liabilities		
Borrowings	20,182	10,347
Deferred Taxation	12,187	7,563
Hire Purchase Creditors	3,283	3,990
	<u>196,605</u>	<u>160,994</u>
Net assets per share (RM)	1.01	1.04

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

Company No. 48166-W
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2005**

(These figures have not been audited)

Year to date ended 12/31/2005 RM' 000
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Net profit before taxation	36,148
Adjustment for non-cash items	
Amortisation of reserves (net of goodwill)	(1,384)
Depreciation	15,917
Operating profit before changes in working capital	<u>50,681</u>
Changes in Working Capital	
Net change in current assets	(31,021)
Net change in current liabilities	14,427
Net cash from operating activities	<u>34,087</u>
Investing Activities	
Acquisition of property , plant and equipment	<u>(58,570)</u>
	(24,483)
Financing activities	
Net of finance borrowings and repayments	29,149
Dividend paid	(4,796)
Expenses for corporate exercise	(147)
Net change in cash & cash equivalent	<u>(277)</u>
Cash & cash equivalent at beginning of year	3,412
Cash & cash equivalent at end of the period	<u><u>3,135</u></u>
Cash & cash equivalent at end of the period	
Cash & bank balances	4,117
Bank overdrafts	(982)
	<u><u>3,135</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

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
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**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 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
	12/31/2005	12/31/2004	12/31/2005	12/31/2004
	RM'000	RM'000	RM'000	RM'000
Revenue	107,287	71,720	387,966	279,155
Operating Expenses	(97,486)	(63,887)	(349,889)	(249,421)
Other operating income	443	1,639	1,798	2,381
Profit from Operations	10,244	9,472	39,875	32,115
Finance cost	(893)	(852)	(3,727)	(2,856)
Investing Results - gain/(loss)	0	0	0	0
Profit before taxation	9,351	8,620	36,148	29,259
Less Taxation	2,092	3,082	7,081	6,655
Profit after taxation	7,259	5,538	29,067	22,604
Add/(Less) Minority interests	(94)	57	4	9
Net profit for the period	7,165	5,595	29,071	22,613
Earnings per share (sen)				
Basic based on 159,866,976 ordinary shares of RM 0.50 each	4.48	3.50	18.18	14.14

**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

Company No. 48166-W
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 - 12 months ended 31 December 2005					
At 01 January 2005	66,611	6,658	87	63,524	136,880
Movement during the period (cumulative)	0	(2,412)	0	29,071	26,659
Dividend paid	0	0	0	(4,796)	(4,796)
Bonus issue	13,322	(2,570)	0	(10,752)	0
At 31 December 2005	<u>79,933</u>	<u>1,676</u>	<u>87</u>	<u>77,047</u>	<u>158,743</u>
Audited - 12 months ended 31 December 2004					
At 01 January 2004	66,611	8,981	36	46,135	121,763
Movement during the period (cumulative)	0	(2,323)	51	17,389	15,117
At 31 December 2004	<u>66,611</u>	<u>6,658</u>	<u>87</u>	<u>63,524</u>	<u>136,880</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**

