

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT END OF CURRENT QUARTER 30/06/2003 RM' 000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2002 RM' 000
Property, Plant & Equipment	82,920	71,920
Intangible Assets	1,553	859
Investment in Associated Companies	167	167
Other Investment	116	116
Current Assets		
Inventories	25,126	18,229
Trade and Other Receivables	64,243	56,427
Cash & Bank Balances	832	1,061
	90,201	75,717
Current Liabilities		
Trade and Other Payables	32,660	20,561
Overdraft & Short Term Borrowings	32,056	27,462
Taxation	732	79
	65,448	48,102
Net Current Assets	24,753	27,615
	109,509	100,677
Share Capital	62,088	51,740
Reserves	35,770	40,014
Shareholders' Funds	97,858	91,754
Minority Interests	2,291	1,092
Long Term Liabilities		
Borrowings	5,092	4,193
Deferred Taxation	4,268	3,638
	109,509	100,677
Net Tangible Assets per Share (RM)	1.55	1.76

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2003**

(These figures have not been audited)

	Share Capital RM '000	Reserve attributable to Capital RM '000	Reserve attributable to Revenue RM '000	Retained Earnings RM '000	Total RM '000
6 months ended 30 June 2003					
At 01 January 2003 (as previously stated)	51,740	3,498	917	35,599	91,754
Prior year adjustment	0	0	0	(385)	(385)
Restated	<u>51,740</u>	<u>3,498</u>	<u>917</u>	<u>35,214</u>	<u>91,369</u>
Movement during the period (cumulative)	0	0	(107)	6,596	6,489
Bonus issue	<u>10,348</u>	<u>0</u>	<u>0</u>	<u>(10,348)</u>	<u>0</u>
At 30 June 2003	<u><u>62,088</u></u>	<u><u>3,498</u></u>	<u><u>810</u></u>	<u><u>31,462</u></u>	<u><u>97,858</u></u>

**6 months
ended 30 June 2003**

At 01 January 2002	51,740	3,498	891	21,240	77,369
Movement during the period (cumulative)	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,306</u>	<u>6,306</u>
At 30 June 2002	<u><u>51,740</u></u>	<u><u>3,498</u></u>	<u><u>891</u></u>	<u><u>27,546</u></u>	<u><u>83,675</u></u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2003**

(These figures have not been audited)

Year to date ended 6/30/2003 RM' 000

Net profit before taxation	7,863
Adjustment for non-cash items	
Pre acquisition profit	(295)
Depreciation	4,500
Operating profit before changes in working capital	<u>12,068</u>
Changes in Working Capital	
Net change in current assets	(11,299)
Net change in current liabilities	9,880
Net cash flows from operating activities	<u>10,649</u>
Investing Activities	
Acquisition of property , plant and equipment	(12,432)
Acquisition of subsidiary company	(3,378)
Expenses for Bonus issue	(107)
	<u>(5,268)</u>
Financing activities	
Bank borrowings received	4,051
Repayment of bank borrowings	(1,510)
	<u>(1,510)</u>
Net change in cash & cash equivalent	(2,727)
Cash & cash equivalent at beginning of year	(3,752)
Cash & cash equivalent at end of year	<u><u>(6,479)</u></u>
Cash & cash equivalent at end of year	
Cash & bank balances	832
Bank overdrafts	(7,311)
	<u><u>(6,479)</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
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**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2003**

(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
	6/30/2003	6/30/2002	6/30/2003	6/30/2002
	RM'000	RM'000	RM'000	RM'000
Revenue	46,281	37,724	83,131	71,955
Operating Expenses	(40,973)	(33,266)	(74,324)	(63,635)
Other operating income	92	450	169	550
Profit from Operations	5,400	4,908	8,976	8,870
Finance cost	(559)	(548)	(1,113)	(1,126)
Investing Results - gain/(loss)	0	0	0	0
Profit before taxation	4,841	4,360	7,863	7,744
Less Taxation	516	526	977	1,202
Profit after taxation	4,325	3,834	6,886	6,542
Less Pre acquisition profit	(295)	0	(295)	0
Less Minority interests	(47)	116	(5)	236
Net profit for the period	4,077	3,718	6,596	6,306
Earnings per share (sen)				
Basic (based on 62,088,000 ordinary shares)	6.57	7.19	10.62	12.19
Fully diluted (based on 67,058,160 ordinary shares)	6.08	6.81	9.84	11.55

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002

