

**KOSSAN RUBBER INDUSTRIES BHD**

Company No. 48166-W  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEET**

	UNAUDITED AS AT END OF CURRENT QUARTER 30/06/2004 RM' 000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2003 RM' 000
<b>Property, Plant &amp; Equipment</b>	114,175	103,360
<b>Intangible Assets</b>	1,762	1,762
<b>Investment in Associated Companies</b>	117	117
<b>Other Investment</b>	116	116
<b>Deferred tax asset</b>	3,660	4,960
<b>Current Assets</b>		
Inventories	29,483	23,709
Trade and Other Receivables	77,588	63,509
Cash & Bank Balances	2,193	5,389
	<u>109,264</u>	<u>92,607</u>
<b>Current Liabilities</b>		
Trade and Other Payables	38,376	34,646
Overdraft & Short Term Borrowings	42,723	27,628
Taxation	900	40
	<u>81,999</u>	<u>62,314</u>
<b>Net Current Assets</b>	27,265	30,293
	<u>147,095</u>	<u>140,608</u>
<b>Share Capital</b>	66,611	66,611
<b>Reserves</b>	63,911	55,152
<b>Shareholders' Funds</b>	<u>130,522</u>	<u>121,763</u>
<b>Minority Interests</b>	2,370	2,297
<b>Long Term Liabilities</b>		
Borrowings	3,422	4,185
Deferred Taxation	5,372	5,232
Hire purchase creditors	5,409	7,131
	<u>147,095</u>	<u>140,608</u>
<b>Net Tangible Assets per Share (RM)</b>	1.93	1.80

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2003

**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 2004**

	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
<b>Unaudited - 6 months ended 30 June 2004</b>					
At 01 January 2004	66,611	8,981	36	46,135	121,763
Movement during the period (cumulative)	0	0	0	11,157	11,157
Dividend paid	0	0	0	(2,398)	(2,398)
At 30 June 2004	<u>66,611</u>	<u>8,981</u>	<u>36</u>	<u>54,894</u>	<u>130,522</u>
<b>Unaudited - 6 months ended 30 June 2003</b>					
At 01 January 2003 (as previously stated)	51,740	4,395	20	35,599	91,754
Prior year adjustment Restated	<u>0</u>	<u>(1,704)</u>	<u>0</u>	<u>5,453</u>	<u>3,749</u>
	51,740	2,691	20	41,052	95,503
Movement during the period (cumulative)	0	(107)	0	6,596	6,489
Bonus issue	10,348	0	0	(10,348)	0
At 30 June 2003	<u>62,088</u>	<u>2,584</u>	<u>20</u>	<u>37,300</u>	<u>101,992</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2003

**KOSSAN RUBBER INDUSTRIES BHD**

Company No. 48166-W  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE 2ND QUARTER ENDED 30 JUNE 2004**

*(These figures have not been audited)*

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter 6/30/2004	Preceding Year Corresponding Quarter 6/30/2003	Current year to Date 6/30/2004	Preceding Year Corresponding Period 6/30/2003
	RM'000	RM'000	RM'000	RM'000
Revenue	71,282	46,281	130,165	83,131
Operating Expenses	(63,502)	(40,973)	(115,667)	(74,324)
Other operating income	187	92	426	169
Profit from Operations	7,967	5,400	14,924	8,976
Finance cost	(783)	(559)	(1,342)	(1,113)
Investing Results - gain/(loss)	0	0	0	0
Profit before taxation	7,184	4,841	13,582	7,863
Less Taxation	1,196	516	2,352	977
Profit after taxation	5,988	4,325	11,230	6,886
Less Minority interests	38	(47)	73	(5)
Less Preacquisition profits	0	295	0	295
Net profit for the period	5,950	4,077	11,157	6,596
<b>Earnings per share (sen)</b>				
Basic based on 66,611,240 ordinary shares (2003 on 62,088,000 ordinary shares)	8.93	6.57	16.75	10.62

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2003

**KOSSAN RUBBER INDUSTRIES BHD**

Company No. 48166-W  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2004**

*(These figures have not been audited)*

Year to date ended 6/30/2004 RM' 000
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<b>Net profit before taxation</b>	13,582
<b>Adjustment for non-cash items</b>	
Depreciation	6,084
<b>Operating profit before changes in working capital</b>	<u>19,666</u>
<b>Changes in Working Capital</b>	
Net change in current assets	(19,905)
Net change in current liabilities	3,730
<b>Cash from operating activities</b>	<u>3,491</u>
Dividend paid	(2,398)
<b>Net cash from operating activities</b>	<u>1,093</u>
<b>Investing Activities</b>	
Acquisition of property , plant and equipment	(16,899)
	<u>(15,806)</u>
<b>Financing activities</b>	
Net of finance borrowings and repayments	11,673
	<u>11,673</u>
<b>Net change in cash &amp; cash equivalent</b>	(4,133)
<b>Cash &amp; cash equivalent at beginning of year</b>	2,853
<b>Cash &amp; cash equivalent at end of year</b>	<u><u>(1,280)</u></u>
<b>Cash &amp; cash equivalent at end of year</b>	
Cash & bank balances	2,193
Bank overdrafts	(3,473)
	<u><u>(1,280)</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Annual Financial Report for the year ended 31 December 2003

