

**KOSSAN RUBBER INDUSTRIES BHD**

Company No. 48166-W  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEET**

	UNAUDITED AS AT END OF CURRENT QUARTER 30/06/2007 RM '000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2006 RM '000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	255,949	229,223
Intangible assets	864	864
Investment in associated company	129	129
Other investment	116	116
Deferred tax asset	1,225	1,385
	<u>258,283</u>	<u>231,717</u>
<b>Current Assets</b>		
Inventories	77,356	63,640
Trade receivables	109,764	120,865
Other receivables	13,256	11,371
Cash and bank balances	51,799	3,729
	<u>252,175</u>	<u>199,605</u>
<b>TOTAL ASSETS</b>	<u>510,458</u>	<u>431,322</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	79,933	79,933
Reserves	133,891	110,863
	<u>213,824</u>	<u>190,796</u>
Minority shareholders' interest	456	456
<b>Total Equity</b>	<u>214,280</u>	<u>191,252</u>
<b>Non-Current Liabilities</b>		
Bank borrowings	26,959	28,555
Deferred taxation	19,943	17,993
Hire purchase creditors	23,405	13,831
	<u>70,307</u>	<u>60,379</u>
<b>Current Liabilities</b>		
Trade and other payables	78,050	80,490
Short term borrowings	145,071	99,052
Taxation	2,750	149
	<u>225,871</u>	<u>179,691</u>
<b>Total liabilities</b>	<u>296,178</u>	<u>240,070</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>510,458</u>	<u>431,322</u>
<b>Net assets per share (RM)</b>	1.33	1.19

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2006

**KOSSAN RUBBER INDUSTRIES BHD**

Company No. 48166-W  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007**

	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
<b>Unaudited - 6 months ended 30 June 2007</b>						
At 01 January 2007	79,933	1,551	0	109,312	456	191,252
Prior year adjustment	0	0	0		0	0
Movement during the period (cumulative)	0	0	0	23,028	0	23,028
At 30 June 2007	<u>79,933</u>	<u>1,551</u>	<u>0</u>	<u>132,340</u>	<u>456</u>	<u>214,280</u>
<b>Unaudited - 6 months ended 30 June 2006</b>						
At 01 January 2006	79,933	1,630	27	76,976	2,293	160,859
Prior year adjustment	0	0	(27)	27	0	0
Movement during the period (cumulative)	0	0	0	17,119	(1,859)	15,260
At 30 June 2006	<u>79,933</u>	<u>1,630</u>	<u>0</u>	<u>94,122</u>	<u>434</u>	<u>176,119</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 2006**

**KOSSAN RUBBER INDUSTRIES BHD**

Company No. 48166-W  
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**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2007**

*(These figures have not been audited)*

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter 30/06/2007	Preceding Year Corresponding Quarter 30/06/2006	Current year to Date 30/06/2007	Preceding Year to Date 30/06/2006
	RM '000	RM '000	RM '000	RM '000
<b>Revenue</b>	160,783	133,269	323,268	240,502
Operating expenses	(145,301)	(120,228)	(292,005)	(217,576)
Other operating income	341	100	552	198
Profit from operations	15,823	13,141	31,815	23,124
Finance cost	(2,033)	(1,470)	(3,927)	(2,652)
Investing results - gain/(loss)	0	0	0	0
<b>Profit before taxation</b>	13,790	11,671	27,888	20,472
Taxation	(2,400)	(2,068)	(4,860)	(3,500)
<b>Profit after taxation</b>	11,390	9,603	23,028	16,972
<b>Attributable to:</b>				
Equity shareholders of the Company	11,390	9,657	23,028	17,119
Minority interests	0	(54)	0	(147)
	11,390	9,603	23,028	16,972
<b>Earnings per share (sen)</b>				
Basic based on 159,866,976 ordinary shares of RM 0.50 each	7.12	6.04	14.40	10.71

**The Condensed Consolidated Income Statement should be read in conjunction with the Audited Annual Financial Statement for the year ended 31 December 2006**

**KOSSAN RUBBER INDUSTRIES BHD**

Company No. 48166-W  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007**

*(These figures have not been audited)*

	Year to date ended 30/06/2007 <b>RM '000</b>	Year to date ended 30/06/2006 <b>RM '000</b>
<b>Net profit before taxation</b>	27,888	20,472
<b>Adjustment for non-cash items</b>		
Depreciation	10,852	9,216
<b>Operating profit before changes in working capital</b>	38,740	29,688
<b>Changes in Working Capital</b>		
Net change in current assets	(4,500)	(43,633)
Net change in current liabilities	6,984	28,536
<b>Net cash from operating activities</b>	41,224	14,591
<b>Investing Activities</b>		
Acquisition of additional shares of subsidiary company	0	(2,586)
Acquisition of property , plant and equipment	(37,578)	(36,736)
	3,646	(24,731)
<b>Financing activities</b>		
Net of finance borrowings and repayments	46,883	33,284
<b>Net change in cash &amp; cash equivalent</b>	50,529	8,553
<b>Cash &amp; cash equivalent at beginning of year</b>	(755)	3,359
<b>Cash &amp; cash equivalent at end of the period</b>	49,774	11,912
<b>Cash &amp; cash equivalent at end of the period</b>		
Cash & bank balances	51,798	13,464
Bank overdrafts	(2,024)	(1,552)
	49,774	11,912

**The Condensed Consolidated Cash Flow Statement should be read in conjunction with  
the Audited Annual Financial Statement for the year ended 31 December 2006**

