

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT END OF CURRENT QUARTER 30/09/2004 RM' 000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2003 RM' 000
Property, Plant & Equipment	121,000	103,360
Intangible Assets	1,762	1,762
Investment in Associated Companies	117	117
Other Investment	116	116
Deferred tax asset	2,785	4,960
Current Assets		
Inventories	31,365	23,709
Trade and Other Receivables	82,109	63,509
Cash & Bank Balances	1,622	5,389
	<u>115,096</u>	<u>92,607</u>
Current Liabilities		
Trade and Other Payables	40,766	34,646
Overdraft & Short Term Borrowings	42,042	27,628
Taxation	1,268	40
	<u>84,076</u>	<u>62,314</u>
Net Current Assets	31,020	30,293
	<u>156,800</u>	<u>140,608</u>
Share Capital	66,611	66,611
Reserves	67,374	55,152
Shareholders' Funds	<u>133,985</u>	<u>121,763</u>
Minority Interests	2,345	2,297
Long Term Liabilities		
Borrowings	10,191	4,185
Deferred Taxation	5,362	5,232
Hire purchase creditors	4,917	7,131
	<u>156,800</u>	<u>140,608</u>
Net Tangible Assets per Share (RM)	1.99	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 THIRD QUARTER ENDED 30 SEPTEMBER 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
Unaudited - 9 months ended 30 September 2004					
At 01 January 2004	66,611	8,981	36	46,135	121,763
Movement during the period (cumulative)	0	0	0	17,018	17,018
Dividend paid	0	0	0	(4,796)	(4,796)
At 30 September 2004	<u>66,611</u>	<u>8,981</u>	<u>36</u>	<u>58,357</u>	<u>133,985</u>
Unaudited - 9 months ended 30 September 2003					
At 01 January 2003 (as previously stated)	51,740	4,395	20	35,599	91,754
Prior year adjustment	0	(1,704)	0	5,453	3,749
Restated	<u>51,740</u>	<u>2,691</u>	<u>20</u>	<u>41,052</u>	<u>95,503</u>
Movement during the period (cumulative)	0	(203)	0	11,441	11,238
Consolidation reserve	0	3,731	0	0	3,731
Dividend paid	0	0	0	(1,366)	(1,366)
ESOS issue	1,894	890	0	0	2,784
Bonus issue	10,348	0	0	(10,348)	0
At 30 September 2003	<u>63,982</u>	<u>7,109</u>	<u>20</u>	<u>40,779</u>	<u>111,890</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
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**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2004**

(These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter 9/30/2004	Preceding Year Corresponding Quarter 9/30/2003	Current year to Date 9/30/2004	Preceding Year Corresponding Period 9/30/2003
	RM'000	RM'000	RM'000	RM'000
Revenue	77,269	49,796	207,435	132,927
Operating Expenses	(69,866)	(43,812)	(185,534)	(118,137)
Other operating income	316	89	741	258
Profit from Operations	7,719	6,073	22,642	15,048
Finance cost	(662)	(640)	(2,003)	(1,753)
Investing Results - gain/(loss)	0	0	0	0
Profit before taxation	7,057	5,433	20,639	13,295
Less Taxation	1,221	326	3,573	1,303
Profit after taxation	5,836	5,107	17,066	11,992
Less Minority interests	(25)	262	48	256
Less Preacquisition profits	0	0	0	295
Net profit for the period	5,861	4,845	17,018	11,441
Earnings per share (sen)				
Basic based on 66,611,240 ordinary shares (2003 base on 62,088,000 ordinary shares)	8.80	7.80	25.55	18.43

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
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2004**

(These figures have not been audited)

Year to date ended 9/30/2004 RM' 000

Net profit before taxation	20,639
Adjustment for non-cash items	
Depreciation	9,202
Operating profit before changes in working capital	<u>29,841</u>
Changes in Working Capital	
Net change in current assets	(26,256)
Net change in current liabilities	3,866
Cash from operating activities	<u>7,451</u>
Dividend paid	(4,796)
Net cash from operating activities	<u>2,655</u>
Investing Activities	
Acquisition of property , plant and equipment	(26,842)
	<u>(24,187)</u>
Financing activities	
Net of finance borrowings and repayments	20,486
	<u>20,486</u>
Net change in cash & cash equivalent	(3,701)
Cash & cash equivalent at beginning of year	2,853
Cash & cash equivalent at end of year	<u><u>(848)</u></u>
Cash & cash equivalent at end of year	
Cash & bank balances	1,622
Bank overdrafts	(2,470)
	<u><u>(848)</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

