

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2007 RM '000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2006 RM '000
ASSETS		
Non-Current Assets		
Property, plant & equipment	277,987	229,223
Intangible assets	864	864
Investment in associated company	129	129
Other investment	116	116
Deferred tax asset	2,919	1,385
	<u>282,015</u>	<u>231,717</u>
Current Assets		
Inventories	86,766	63,640
Trade receivables	128,607	120,865
Other receivables	8,491	11,371
Cash and bank balances	24,062	3,729
	<u>247,926</u>	<u>199,605</u>
TOTAL ASSETS	<u>529,941</u>	<u>431,322</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	79,933	79,933
Reserves	174,220	123,336
	<u>254,153</u>	<u>203,269</u>
Minority shareholders' interest	456	456
Total Equity	<u>254,609</u>	<u>203,725</u>
Non-Current Liabilities		
Bank borrowings	24,556	28,555
Deferred taxation	0	5,520
Hire purchase creditors	11,408	13,831
	<u>35,964</u>	<u>47,906</u>
Current Liabilities		
Trade and other payables	106,778	80,490
Short term borrowings	131,425	99,052
Taxation	1,165	149
	<u>239,368</u>	<u>179,691</u>
Total liabilities	<u>275,332</u>	<u>227,597</u>
TOTAL EQUITY AND LIABILITIES	<u>529,941</u>	<u>431,322</u>
Net assets per share (RM)	1.58	1.27

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 YEAR ENDED 31 DECEMBER 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
Unaudited - year ended 31 December 2007						
At 01 January 2007 (as previously stated)	79,933	1,551	0	109,312	456	191,252
Prior year adjustment Restated	0	0	0	12,474	0	12,474
	79,933	1,551	0	121,786	456	203,726
Movement during the period (cumulative)	0	0	0	60,195	0	60,195
Dividend paid	0	0	0	(9,312)	0	(9,312)
At 31 December 2007	79,933	1,551	0	172,669	456	254,609
Audited - year ended 31 December 2006						
At 01 January 2006 (as previously stated)	79,933	1,630	27	76,976	2,293	160,859
Prior year adjustment Restated	0	(21)	21	8,351	0	8,351
	79,933	1,609	48	85,327	2,293	169,210
Movement during the period (cumulative)	0	0	(48)	43,754	(1,837)	41,869
Currency translation	0	(58)	0	58	0	0
Dividend paid	0	0	0	(7,354)	0	(7,354)
At 31 December 2006	79,933	1,551	0	121,785	456	203,725

Prior year adjustment is due to changes in accounting policy in recognition of unutilised reinvestment allowance as deferred tax assets in the accounts. This is in compliance with FRS 112 whereby the Group has opted for early adoption.

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 31 DECEMBER 2007**

(These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter	Preceding Year Corresponding Quarter	Current year to Date	Preceding Year to Date (audited)
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	RM '000	RM '000	RM '000	RM '000
Revenue	186,340	170,716	697,918	573,965
Operating expenses	(166,553)	(153,498)	(629,542)	(519,036)
Other operating income	278	179	967	472
Profit from operations	20,065	17,397	69,343	55,401
Finance cost	(4,386)	(2,553)	(10,317)	(6,971)
Investing results - gain/(loss)	0	0	0	23
Profit before taxation	15,679	14,844	59,026	48,453
Taxation	8,979	(3,131)	1,169	(8,890)
Prior year adjustment (change in accounting policy)	0	4,122	0	4,122
Profit after taxation	24,658	15,835	60,195	43,685
Attributable to:				
Equity shareholders of the Company	24,658	15,870	60,195	43,754
Minority interests	0	(35)	0	(69)
	24,658	15,835	60,195	43,685
Earnings per share (sen)				
Basic based on 159,866,976 ordinary shares of RM 0.50 each	15.42	9.93	37.65	27.37

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

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

(These figures have not been audited)

	Year to date ended 31/12/2007 RM '000	Year to date ended 31/12/2006 RM '000
Net profit before taxation	59,026	48,453
Adjustment for non-cash items		
Depreciation	22,805	19,125
Operating profit before changes in working capital	81,831	67,578
Changes in Working Capital		
Net change in current assets	(25,464)	(60,120)
Net change in current liabilities	23,865	55,957
Net cash from operating activities	80,232	63,415
Investing Activities		
Acquisition of additional shares of subsidiary company	0	(2,586)
Acquisition of property , plant and equipment	(71,569)	(55,307)
	8,663	5,522
Financing activities		
Net of finance borrowings and repayments	19,777	(2,282)
Dividend paid	(9,312)	(7,354)
Net change in cash & cash equivalent	19,128	(4,114)
Cash & cash equivalent at beginning of year	(755)	3,359
Cash & cash equivalent at end of the period	18,373	(755)
Cash & cash equivalent at end of the period		
Cash & bank balances	24,062	3,729
Bank overdrafts	(5,689)	(4,484)
	18,373	(755)

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

