

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT PERIOD 30/09/2018 RM '000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2017 RM '000
ASSETS		
Non-Current Assets		
Property, plant & equipment	1,216,978	1,028,011
Investment properties	5,223	5,223
Investment in joint venture	1,362	1,362
Other investments	166	166
Goodwill on consolidation	4,926	4,926
Intangible assets	1,639	1,639
Deferred tax assets	0	94
	<u>1,230,294</u>	<u>1,041,421</u>
Current Assets		
Inventories	248,806	212,950
Trade receivables	394,148	339,277
Derivative financial liabilities	0	10,820
Other receivables	41,238	50,214
Cash and bank balances	141,802	210,382
	<u>825,994</u>	<u>823,643</u>
TOTAL ASSETS	<u>2,056,288</u>	<u>1,865,064</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	323,885	323,885
Reserves	932,780	831,137
	<u>1,256,665</u>	<u>1,155,022</u>
Non-controlling interests	25,946	23,249
Total Equity	<u>1,282,611</u>	<u>1,178,271</u>
Non-Current Liabilities		
Loans and borrowings	255,097	186,456
Deferred tax liabilities	89,253	86,705
Finance lease liabilities	0	450
	<u>344,350</u>	<u>273,611</u>
Current Liabilities		
Trade and other payables	193,595	202,933
Derivative financial liabilities	669	0
Finance lease liabilities	633	2,487
Bank borrowings	196,029	168,789
Term loans	47,810	38,564
Taxation	-9,409	409
	<u>429,327</u>	<u>413,182</u>
Total liabilities	<u>773,677</u>	<u>686,793</u>
TOTAL EQUITY AND LIABILITIES	<u>2,056,288</u>	<u>1,865,064</u>
Net assets per share (sen)	97	89

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2017

KOSSAN RUBBER INDUSTRIES BHD
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(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of Company					Total RM '000	Non- Controlling Interests RM '000	Total RM '000
	Share Capital	Share Premium	Translation Reserve	Capital Reserve	Retained earnings			
	RM '000	RM '000	RM '000	RM '000	RM '000			
Unaudited - for the period ended 30 September 2018								
At 01 January 2018	323,885	0	6,513	(240)	824,864	1,155,022	23,249	1,178,271
Dividends								
To non-controlling interests	0	0	0	0	0	0	(300)	(300)
To owners of the Company	0	0	0	0	(38,368)	(38,368)	0	(38,368)
Foreign currency translation difference from foreign operations	0	0	(1,258)	0	0	(1,258)	0	(1,258)
Total comprehensive income for the period (cumulative)	0	0	0	0	141,269	141,269	2,997	144,266
At 30 September 2018	323,885	0	5,255	(240)	927,765	1,256,665	25,946	1,282,611
Unaudited - for the period ended 30 September 2017								
At 01 January 2017	319,734	4,151	8,238	0	713,144	1,045,267	28,929	1,074,196
Dividends								
To non-controlling interests	0	0	0	0	0	0	(450)	(450)
To owners of the Company	0	0	0	0	(38,368)	(38,368)	0	(38,368)
Foreign currency translation difference from foreign operations	0	0	(941)	0	0	(941)	0	(941)
Total comprehensive income for the period (cumulative)	0	0	0	0	137,724	137,724	1,394	139,118
At 30 September 2017	319,734	4,151	7,297	0	812,500	1,143,682	29,873	1,173,555

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2017

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year to Date
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
	RM '000	RM '000	RM '000	RM '000
Revenue	573,897	489,180	1,554,862	1,479,672
Operating expenses	(498,386)	(428,733)	(1,365,727)	(1,303,736)
Other operating income	956	865	2,959	2,755
Profit from operations	76,467	61,312	192,094	178,691
Finance cost	(5,641)	(3,117)	(14,166)	(8,083)
Profit before taxation	70,826	58,195	177,928	170,608
Taxation	(15,718)	(12,170)	(33,662)	(31,490)
Profit after taxation	55,108	46,025	144,266	139,118
Other comprehensive income, net of tax				
- Exchange difference translation	0	0	0	0
Total comprehensive income for the period	55,108	46,025	144,266	139,118
Attributable to:				
Equity shareholders of the Company	54,146	45,680	141,269	137,724
Non-controlling interests	962	345	2,997	1,394
	55,108	46,025	144,266	139,118
Total comprehensive income for the period attributable to:				
Equity shareholders of the Company	54,146	45,680	141,269	137,724
Non-controlling interests	962	345	2,997	1,394
	55,108	46,025	144,266	139,118
Earnings per share attributed to equity holders of the Company				
Basic (sen)	4.23	3.57	11.05	10.77

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2017

KOSSAN RUBBER INDUSTRIES BHD

Company No. 48166-W

(Incorporated in Malaysia)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Current Quarter period ended 30/09/2018 RM '000	Current Financial period ended 30/09/2018 RM '000
Other operating income		
Interest income	351	953
Rental income	12	36
Other income	593	1,970
Gain/(loss) in disposal of assets	-	-
Bad debts recovered	-	-
	956	2,959
Interest expenses	5,641	14,166
Depreciation	18,520	54,401
Provision for/write off of receivables	-	-
Provision for/write off of inventories	-	-
Gain/(loss) on disposal of unquoted investment	-	-
Gain/(loss) on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange gain/(loss) - realised	(2,972)	11,669
Foreign exchange gain/(loss) - unrealised for Trade Debtors and Rabobank	(3,715)	3,215
Gain/ (loss) on derivatives - unrealised	6,950	(669)
Exceptional items	-	-

KOSSAN RUBBER INDUSTRIES BHDCompany No. 48166-W
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	Year to date ended 30/09/2018 RM '000	Year to date ended 30/09/2017 RM '000
Net profit before taxation	177,928	170,608
Adjustment for non-cash items		
Depreciation	54,401	54,176
Interest income	(953)	(895)
Interest expenses	14,166	8,083
Gain/(loss) from disposal of fixed assets	0	0
Foreign exchange gain/(loss) - unrealised	3,215	(3,227)
Gain/(loss) on derivatives - unrealised	(669)	(3,885)
Share of losses of equity-accounted joint venture, net of tax	0	0
Impairment of assets	0	0
Operating profit before changes in working capital	<u>248,088</u>	<u>224,860</u>
Changes in Working Capital		
Net change in current assets	(75,296)	(63,534)
Net change in current liabilities	23,975	(77,828)
Cash from operating activities	<u>196,767</u>	<u>83,498</u>
Dividends paid	(70,643)	(38,818)
Interest expenses	(14,166)	(8,083)
Interest income	953	895
Taxation paid	(40,838)	(26,143)
Net cash from operating activities	<u>72,073</u>	<u>11,349</u>
Investing activities		
Acquisition of other investments	0	(75)
Acquisition of property, plant and equipment	(243,368)	(97,854)
	<u>(171,295)</u>	<u>(86,580)</u>
Financing activities		
Additional/(Repayment) of finance lease liabilities	(2,304)	(10,380)
Additional/(Repayment) of bank borrowings	105,127	161,854
Net change in cash & cash equivalent	<u>(68,472)</u>	<u>64,894</u>
Cash & cash equivalent at beginning of year	210,274	109,739
Cash & cash equivalent at end of the period	<u>141,802</u>	<u>174,633</u>
Cash & cash equivalent at end of the period		
Cash & bank balances	43,190	46,833
Short term deposits with licensed banks	98,720	127,908
	<u>141,910</u>	<u>174,741</u>
Less Deposits pledged to banks	(108)	(108)
	<u>141,802</u>	<u>174,633</u>

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 December 2017