



STRETCHING LIMITS • SINCE 1979

KOSSAN RUBBER INDUSTRIES BHD.

197901003918 (48166-W)



Creating
Shared Values
Through

Sustainable Ecosystem

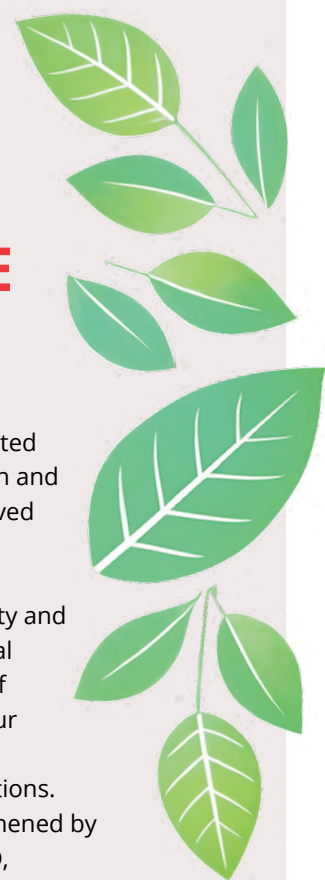
INSIDE OUR REPORT

	Basis of This Report	01
01	WHO WE ARE AND WHAT WE DO	
	Awards and Certifications	02
	Our Business Overview	04
	Corporate Structure	06
	Corporate Information	07
02	MESSAGE FROM OUR LEADERS AND VALUE CREATION	
	The Market and Trends that Shape Us	08
	Our Value Creation Model	10
	In Conversation with Chairman	12
	Management Discussion and Analysis	16
03	ISSB SUSTAINABILITY STATEMENT	20
04	OUR GOVERNANCE	
	Directors' Profile	44
	Key Senior Management Profile	49
	Corporate Governance Overview Statement	50
	Statement on Risk Management and Internal Control	56
	Audit Committee Report	60
05	OUR PERFORMANCE	
	Directors' Responsibility Statement	62
	Directors' Report	63
	Statements of Financial Position	69
	Statements of Profit or Loss and Other Comprehensive Income	71
	Consolidated Statement of Changes in Equity	73
	Statement of Changes in Equity	75
	Statements of Cash Flows	76
	Notes to the Financial Statements	81
	Statement by Directors	133
	Statutory Declaration	133
	Independent Auditors' Report	134
06	OTHER INFORMATION	
	List of Top 10 Properties	138
	Additional Compliance Information	139
	Statistics on Shareholdings	141
	Notice of Annual General Meeting	144
	IFRS S1 and S2 Disclosure Index	151
	Proxy Form	.

COVER RATIONALE

CREATING SHARED VALUES THROUGH SUSTAINABLE ECOSYSTEM

The cover reflects KOSSAN's integrated business model, innovation strength and sustainability commitment. The gloved hands highlight KOSSAN's technical expertise and leadership in gloves, embodying protection, quality, safety and trust across healthcare and essential industries. Additionally, the visual of rubber components underscores our capability in delivering high-quality technical rubber products and solutions. These elements are further strengthened by KOSSAN's strong foundation in R&D, engineering excellence and technological innovation. The green leaves signify growth, renewal and a resilient ecosystem while the circular form symbolises unity, continuity and a closed-loop ecosystem — together representing our dedication in embedding sustainability across our value chain. Collectively, the cover communicates KOSSAN's ability to transform innovation and sustainable practices into long-term sustainable growth.



46th Annual General Meeting

DAY AND DATE

Tuesday, 9 June 2026

TIME

10.30 A.M.

VENUE

Ballroom 1, Ground Floor,
Setia City Convention Centre,
1 Jalan Setia Dagang AG U13/AG,
Setia Alam, Seksyen U13,
40170 Shah Alam, Selangor Darul Ehsan.

BASIS OF THIS REPORT

Dear Valued Stakeholders,

We are pleased to present Kossan Rubber Industries Bhd.'s ("KOSSAN") Integrated Annual Report ("IAR" or "Report") 2025. Our IAR 2025 provides a holistic view on how we perform and progress in creating long-term sustainable growth. This IAR 2025 should be read together with our Sustainability Report ("SR") 2025.



Scan this QR code to view the online version of:
 1) Integrated Annual Report 2025
 2) Sustainability Report 2025

SCOPE AND BOUNDARIES

This Report covers the reporting period from 1 January to 31 December 2025 and includes the performance of KOSSAN and its subsidiaries ("the Group"), unless otherwise stated. It covers both financial and non-financial aspects, including our material matters, stakeholder outcomes and other factors affecting our ability to generate value over the short, medium and long term.

FORWARD-LOOKING STATEMENTS AND DISCLAIMER

This IAR contains forward-looking statements relating to future plans or expectations that are based on reasonable assumptions and subject to risks and uncertainties beyond our control. Accordingly, such statements should not be construed as guarantees of future performance, and readers are cautioned against placing undue reliance on them.

KEY STANDARDS AND FRAMEWORKS APPLIED

This IAR is prepared with reference to local and international standards and frameworks, namely:

- International Integrated Reporting Council's International Integrated Reporting (<IIR>) Framework
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Malaysian Code on Corporate Governance 2021
- Companies Act 2016
- International Financial Reporting Standards ("IFRS")
- Malaysian Financial Reporting Standards
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures

ASSURANCE

Our financial statements, included in this IAR, have been audited by our external auditors, KPMG PLT. We have also engaged an independent verifier to provide limited assurance for selected sustainability disclosures within our SR 2025.

BOARD OF DIRECTORS' APPROVAL

The Board acknowledges its responsibility to ensure the integrity of the IAR. The Board has reviewed this Report and is satisfied that the Report presents a fair, balanced and comprehensive account of the Group's performance for the year under review and addresses all material issues relevant to our business and operating environment.

Approved and acknowledged on behalf of the Board by:

Dato' Chua Tia Guan
 Chairman

Tan Sri Dato' Lim Kuang Sia
 Group Managing Director/
 Chief Executive Officer

OUR NAVIGATION ICONS

Our Six Capitals

- Financial Capital
- Intellectual Capital
- Manufactured Capital
- Social and Relationship Capital
- Human Capital
- Natural Capital

Our Stakeholders

- Employees
- Customers
- Vendors, Suppliers and Business Partners
- Shareholders, Investors, Analysts and Bankers
- Local Communities and Society
- Authorities, Government and Regulators
- Industry Associations and Federations
- Pressure Groups/NGOs

Indicates where additional information can be found within IAR 2025 and SR 2025.

AWARDS AND CERTIFICATIONS

KEY AWARDS IN 2025



ESG PLUS Awards 2025
Industry Specific ESG Excellence Award – Manufacturing & Industrial Innovation

ESG PLUS Awards 2025
Environment Sustainability Award – Climate Action & Carbon Reduction

ESG PLUS Awards 2025
Innovation & Future Impact Award – Future of Sustainable Business



Green Building Certification (Kossan Tower)
- Green Building Index Rating: Silver



2025 Global Supplier Conference:
Nexteer Perfect Quality Award 2025



World Halal Excellence Award 2024:
Halal International Business Awards

CERTIFICATIONS

Accredited Laboratory



Skim Akreditasi Makmal (SAMM) No. 464

KOSSAN Laboratory



International Laboratory Accreditation Cooperation



Skim Akreditasi Makmal (SAMM) No. 1038

Analytical Services, R&D Centre



International Laboratory Accreditation Cooperation



Skim Akreditasi Makmal (SAMM) No. 372

E-Lab Testing & Research Center



International Laboratory Accreditation Cooperation

Occupational Health and Safety and Environmental Management Systems



ISO 45001

BSI Assurance UK Limited



ISO 14001 - ISO 45001

Lloyd's Register Quality Assurance Limited



ISO 14001

Lloyd's Register Quality Assurance Limited



ISO 14001

BSI Assurance UK Limited








ISO 45001





Lloyd's Register Quality Assurance Limited



Awards and Certifications (cont'd)

Quality Management System


 <p>IATF 16949</p> <p>Lloyd's Register Quality Assurance Limited</p>	 <p>ISO 9001</p> <p>Lloyd's Register Quality Assurance Limited</p>	 <p>ISO 9001 & IATF 16949</p> <p>TUV Rheinland Malaysia Sdn. Bhd.</p>	 <p>ISO 9001</p> <p>TUV Rheinland Malaysia Sdn. Bhd.</p>	 <p>EN1337-3:2005</p> <p>Ikram QA Services Sdn. Bhd.</p>
--	--	---	--	--

 <p>ISO 13485 & EN ISO 13485</p> <p>BSI Assurance UK Limited</p>	 <p>ISO 9001</p> <p>BSI Assurance UK Limited</p>	 <p>US • Canada • Australia • Brazil</p> <p>BSI Group America Inc.</p>	 <p>UK MDR 2002</p> <p>BSI Assurance UK Limited</p>
--	--	---	---

 <p>MDR (EU) 2017/745</p> <p>BSI Group The Netherlands B.V.</p>	 <p>PPER (EU) 2016/425</p> <p>BSI Group The Netherlands B.V.</p>	 <p>PPER (EU) 2016/425</p> <p>SATRA Technology Europe Limited</p>	 <p>(EN 15129, EN 1337-3, EN 1337-5 & EN 1337-7) Certificate of Constasy of Performance</p> <p>TZUS Cert.</p>
---	--	---	---

 <p>BRC Global Standard</p> <p>SGS United Kingdom Limited</p>	 <p>Hazard Analysis and Critical Control Point (HACCP)</p> <p>SGS (Malaysia) Sdn. Bhd.</p>
---	--

Halal Accreditation

 <p>MS 2636 9 037-02/2017</p> <p>Malaysian Halal Management System (MHMS)</p> <p>Jabatan Kemajuan Islam Malaysia (JAKIM)</p>	 <p>Halal Product Assurance System (HPAS)</p> <p>Badan Penyelenggara Jaminan Produk Halal (BPJPH)</p>
---	---

Forest Management Certification

 <p>Forest Stewardship Council (FSC)™ Chain of Custody Certification</p> <p>* FSC™ certified products are available on request</p>
--

OUR BUSINESS OVERVIEW

ABOUT US

KOSSAN was founded in 1979 by Tan Sri Dato' Lim Kuang Sia who started the first company in Malaysia to manufacture rubber cutlass bearings for fishing boat propellers. In 1988, KOSSAN then ventured into glove manufacturing with the establishment of our first factory in Klang, Selangor, Malaysia.

Stretching limits since 1979, we have now emerged as a world class manufacturer of disposable gloves and technical engineered rubber products with a broad-based global market reach. Guided by our corporate philosophy, our journey continues in delivering long-term sustainable growth.

OUR VISION

To be a respected global company by protecting lives through purposeful rubber products.

OUR MISSION

To provide innovative and reliable gloves and engineered rubber products in a sustainable manner and with integrity.

OUR CORE VALUES

INSPIRED

Life-changing achievements start out as unrealistic ideas. We deliver passionately because we are inspired by vision and excellence.

HONOURABLE

Honesty and professional ethics are badges we proudly wear.

INNOVATIVE

We believe in providing the best possibilities, so we keep taking unbeaten paths toward unprecedented solutions.

CARING

We understand and care about people's needs and circumstances. So we take proud ownership of our responsibilities and relationships.

COMMITTED

We are dedicated to every customer entrusted to us. We strive to make our final product ideal, and the extra mile that we walk for them is imperative.

OUR THREE MAIN BUSINESS DIVISIONS



Gloves Division

Specialises in the manufacturing and distribution of high-quality disposable gloves serving healthcare, industrial and laboratory markets worldwide.



Technical Rubber Products Division

Focuses on the design and manufacture of customised rubber components and engineered rubber products for diverse industries, including automotive, infrastructure, electrical, industrial and food applications.



Cleanroom Division

Provides high-performance cleanroom products, including gloves and other cleanroom disposable products, catering to controlled environments such as semiconductor, electronics, pharmaceutical and precision manufacturing industries.

OUR GLOBAL PRESENCE

Our products are exported to over **90 countries** around the world meeting the needs for protection and safety in a wide variety of personal, commercial and industrial applications.



Please visit www.kossan.com.my for more details.

Our Business Overview (cont'd)



CORPORATE MILESTONES

2025

- KOSSAN Tower was accredited with the Green Building Index (“GBI”) Silver Certification.
- A member of the United Nations Global Compact (“UNGC”).

2024

Corporate headquarters relocated to KOSSAN Tower.

2023

Included as constituents in the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index.

2018

Launched the first protection against fentanyl nitrile glove with U.S. FDA 510(k) clearance.

2019

The first Malaysia glove company that obtained the Indonesia Badan Penyelenggara Jaminan Produk Halal (“BPJPH”) Halal certification.

2020

Launched KOSSAN internal clinic for employees.

2022

Founding Member of Responsible Glove Alliance (“RGA”).

2017

Awarded the world’s first Halal certified glove by Jabatan Kemajuan Islam Malaysia (“JAKIM”).

2016

Launched the first clinically tested patented glove formula (LOW DERMA) with Low Dermatitis Potential claim.

2015

Established Yayasan Kossan (“YK”).

2011

Ventured into cleanroom disposable products.

1979

Founded by Tan Sri Dato’ Lim Kuang Sia (Founder).

1988

Ventured into glove manufacturing.

1996

Listed on the Second Board of Kuala Lumpur Stock Exchange.

2001

Ventured into high technical infrastructure rubber products.

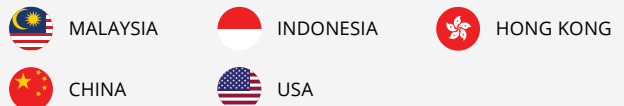
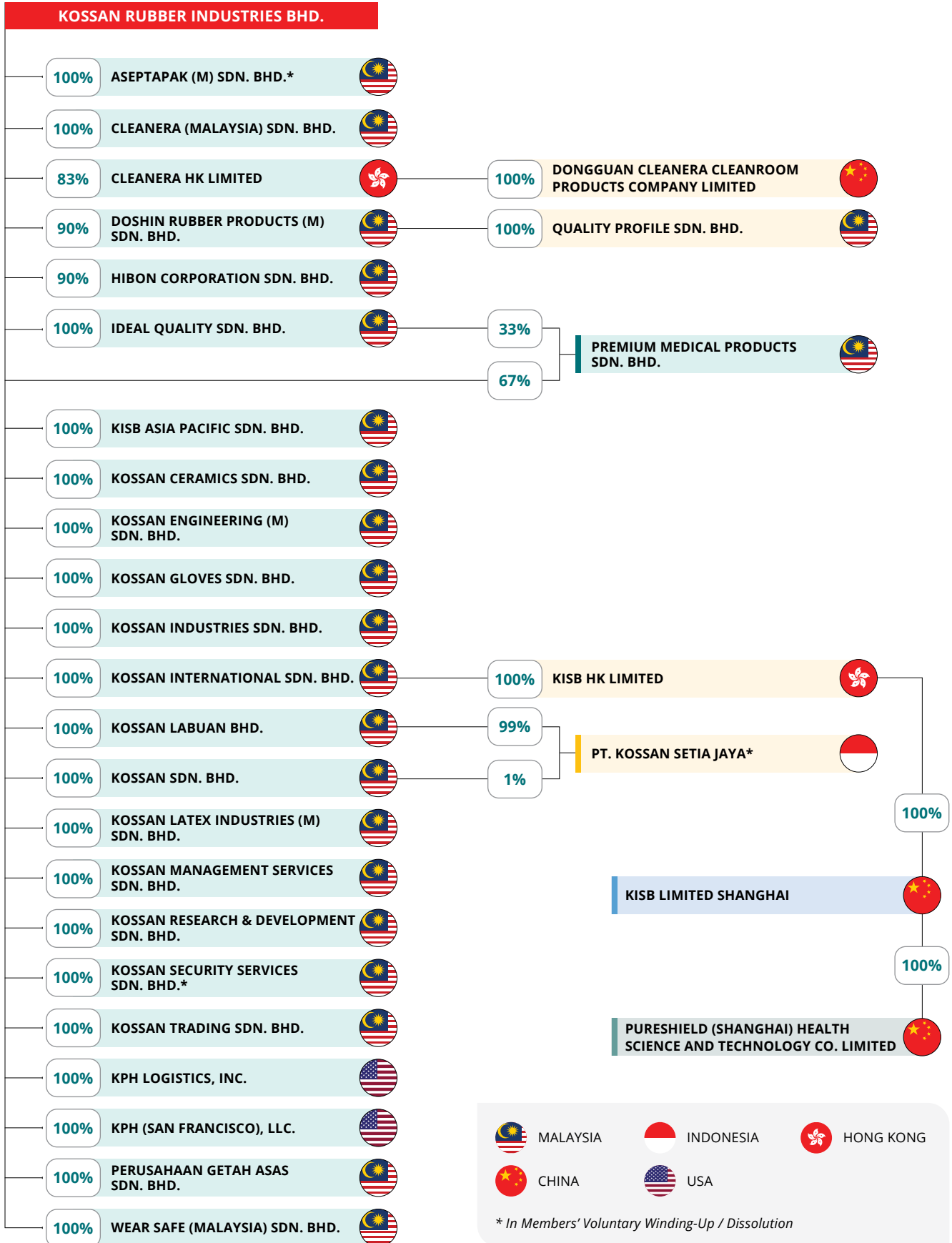
2003

- Listed on the Main Board of Bursa Malaysia.
- Ventured into surgical glove manufacturing.
- Ventured into rubber part to metal bonded parts manufacturer.

CORPORATE STRUCTURE



STRETCHING LIMITS • SINCE 1979



* In Members' Voluntary Winding-Up / Dissolution

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' LIM KUANG SIA

*Group Managing Director/Chief Executive Officer,
Non-Independent Executive Director*

DATO' CHUA TIA GUAN

*Chairman,
Non-Independent Non-Executive Director*

HOH KIM HUAN

Senior Independent Non-Executive Director

SHARON SHANTHY A/P DORAIRAJ

Independent Non-Executive Director

LIM HUN SOON @ DAVID LIM

Independent Non-Executive Director

DATIN PADUKA TPr. NORAINI BINTI ROSLAN

Independent Non-Executive Director

TAN KONG CHANG

Non-Independent Executive Director

LIM SIAU TIAN

Non-Independent Executive Director

LIM OOI CHOW

Non-Independent Executive Director

REGISTERED AND CORPORATE OFFICE

KOSSAN Tower,
No. 6D, Persiaran Setia Dagang,
Setia Alam, Seksyen U13,
40170 Shah Alam,
Selangor Darul Ehsan.

Tel: +603-5626 0888

Fax: +603-5870 4293

E-mail: kossan@kossan.com.my

Website: www.kossan.com.my

INVESTOR RELATIONS

E-mail: ir@kossan.com.my

Tel: +603-5626 0888

COMPANY SECRETARIES

Chia Ong Leong (MIA 4797)

(SSM Practicing Certificate No. 201908000832)

Chia Yew Ngo (LS 0001831)

(SSM Practicing Certificate No. 202008000487)

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
Hong Leong Bank Berhad

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor Menara Symphony,
No. 5 Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan.

Tel: +603-7890 4700

Fax: +603-7890 4670

Website: www.boardroomlimited.com/my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name: KOSSAN

Stock Code: 7153

AUDITORS

KPMG PLT

Chartered Accountants

Level 10, KPMG Tower, 8, First Avenue,
Bandar Utama,

47800 Petaling Jaya,

Selangor Darul Ehsan.

THE MARKET AND TRENDS THAT SHAPE US

Our Operating Environment

The global economy remained resilient in 2025, with the International Monetary Fund (IMF) projecting global growth to remain steady, maintaining a 3.3% growth rate in 2025 with advanced economies expanding at around 1.7% and emerging market and developing economies growing at 4.4%¹. Disinflation continued, with inflation in advanced economies trending closer to central bank targets. Against this backdrop, major central banks pivoted toward policy easing, led by the US Federal Reserve reducing the target range for the federal funds rate by a cumulative 75 basis points across three 25-basis-point cuts in September, October and December 2025, ending the year at 3.50%–3.75%². While easing financial conditions improved credit and investment sentiment, ongoing geopolitical conflicts in the Middle East and Ukraine, alongside heightened trade and industrial policy frictions, continued to generate episodic volatility in energy and input costs and required continued supply chain agility.

Domestically, operating costs in Malaysia remained under pressure from labour-related and compliance measures. The minimum wage was raised to RM1,700 per month effective 1 February 2025, while mandatory EPF contributions for non-Malaysian citizen employees were introduced from October 2025, requiring 2% contributions by both employers and employees. These developments, together with continued volatility in utilities and key inputs, contributed to margin pressure in the manufacturing sector.

Hence, the glove manufacturing industry in 2025 operated in a cautiously improving but still highly competitive environment. While the global economy remained resilient and the shift toward lower interest rates supported business sentiment, sector recovery was tempered a higher cost base from labour and statutory requirements, alongside ongoing volatility in energy and currencies.

¹ World Economic Outlook: January 2026, International Monetary Fund, <https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026>

² Federal Reserve issues FOMC statement, US Federal Reserve, <https://www.federalreserve.gov/newsevents/pressreleases/monetary20251210a.htm>

MARKET TRENDS

Persistent Industry Challenges

The industry continued to operate under challenging dynamics in FY2025, shaped by evolving trade dynamics and global economic uncertainty. Structural oversupply and price-led competition remain the key constraints on margin normalisation.

Uncertainties surrounding global economic conditions and trade policies led many customers to adopt cautious procurement approach. As a result, order placements were deferred or reduced, contributing to softer demand across the sector and affecting overall revenue performance. Chinese producers, supported by cost advantages (notably energy) and newer automated lines, have pushed average selling prices (ASPs) lower and expanded market share at the expense of Malaysian exporters. In response, Malaysian producers increasingly emphasised cost reduction, automation, and selective capacity reactivation to improve competitiveness and resilience.

Expanded Applications of Gloves

While demand for disposable gloves continues to be supported by structural drivers such as healthcare hygiene standards, industrial safety requirements, and increasing awareness of infection control, the pace of demand recovery is expected to remain gradual.

At the same time, competitive dynamics are likely to remain intense due to the presence of excess capacity and increased participation from emerging manufacturing bases in the region. Pricing conditions are therefore expected to remain competitive in the near term, with gradual stabilization anticipated as global demand improves and industry utilization levels normalize over time.

In response to these market conditions, KOSSAN continues to prioritize operational efficiency, disciplined cost management, and strategic market diversification. Efforts remain focused on optimizing production efficiency through automation and process improvements, while maintaining stringent product quality and regulatory compliance standards to serve key export markets.

KOSSAN is also strengthening its product portfolio by expanding into higher value-added segments, including specialty gloves for medical, industrial, and cleanroom applications.

Through these initiatives, KOSSAN aims to enhance its competitiveness and position itself to capture growth opportunities as market conditions stabilize over the longer term.

The Market and Trends that Shape Us (cont'd)

Growing Demand for Sustainable Solutions

Sustainability-related expectations are becoming more embedded in how glove manufacturers compete and are assessed, particularly around emissions management, effluent and waste controls, energy efficiency, and traceable supply chain practices. Glove buyers increasingly evaluate these areas explicitly, reinforcing the need for visible governance and measurable operational improvements.

In practice, we are responding to this trend by strengthening governance, operational performance and transparency across our organisation and value chain. We have enhanced internal sustainability governance through greater cross-functional accountability, improved data management processes and more structured monitoring of environmental and social performance. These improvements support more reliable disclosures, stronger decision-making and increased transparency for stakeholders.

We continue to deepen engagement with employees, customers, suppliers and investors to better understand evolving sustainability expectations. At the same time, we are strengthening supply chain resilience and ethical sourcing practices to ensure our procurement activities reflect responsible business standards. Notably, KOSSAN continues to strengthen its sustainability practices through investments in energy efficiency initiatives, responsible waste and effluent management, and the adoption of internationally recognised certifications. These include certifications such as Forest Stewardship Council (FSC) Chain of Custody, which supports traceability and responsible sourcing of natural rubber-based materials, as well as ongoing compliance with relevant environmental and quality management standards. Such efforts enhance supply chain transparency and demonstrate our commitment to responsible manufacturing practices.

Operationally, KOSSAN has accelerated investments in energy efficiency initiatives and the adoption of renewable energy at selected facilities. Improvements in emissions monitoring, resource optimisation and waste management have enhanced operational efficiency while reducing environmental intensity. Product quality improvements and process optimisation initiatives further support our competitiveness while meeting the evolving sustainability expectations of global glove buyers.

We also continue to reinforce responsible labour practices through enhanced occupational health and safety controls, workforce development programmes and strengthened governance of foreign worker management. These efforts reflect our commitment to maintaining a safe, inclusive and responsible workplace while supporting long-term talent sustainability.

At the policy level, we have aligned our internal frameworks more closely with the Ten Principles of the United Nations Global Compact ("UNGC"), covering human rights, labour standards, environmental protection and anti-corruption. Participation in the UNGC also provides a valuable benchmarking platform as we continue progressing toward more structured climate and sustainability disclosures.

Our efforts are reflected in improvements across multiple independent sustainability assessments. During the year, KOSSAN achieved significant progress in external ESG ratings and recognitions, including advancing from a Bronze to Gold Medal in EcoVadis, placing the Group within the top 5% of companies assessed globally. Our CDP scores improved to "B" for Climate Change and "B" for Water Security, while our FTSE Russell ESG Rating increased to 4.5 out of 5, placing KOSSAN in the top 4% of the Health Care supersector. We also maintained inclusion in the FTSE4Good Bursa Malaysia Index with a 4-star ESG grading band, positioning the Group within the top 25% of PLCs in the FBM EMAS.

Operational certifications continue to underpin these improvements. All manufacturing facilities have obtained ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety certifications, while several glove manufacturing sites have achieved WRAP Platinum certification, the first in Malaysia, with remaining sites maintaining Gold certification. In addition, KOSSAN received multiple recognitions at The Exchange Asia ESG PLUS Awards 2025 for Environmental Sustainability Award, Industry-Specific ESG Excellence Award and Innovation & Future Impact Award.

Together, these initiatives demonstrate how KOSSAN is strengthening responsible manufacturing practices, improving operational resilience and enhancing transparency to meet the growing demand for sustainable and responsibly produced healthcare products.

Global Trade Tensions

Trade policy remained a decisive variable in shaping market flows and regional profitability. The US continued to be a critical end-market. Our glove sales to the US was approximately 60% of our total volume in FY2025.

The differences in tariff structures between China and other Asian manufacturing hubs, including Malaysia, impacted the competitive landscape in the US market. Higher tariff rates on Chinese-made gloves reduced their price competitiveness in the US, prompting Chinese manufacturers to redirect their export volumes to alternative markets outside the US.

Competitive pressure remained intense elsewhere, where Chinese producers continued to anchor lower ASPs. Importantly, manufacturers' strategic responses are evolving alongside these tensions where Chinese players are expanding capacity into Southeast Asia to mitigate tariff impacts, while Malaysian producers remain exposed to the risk that any future tariff easing could reintroduce sharper competitive pressure.

Despite these headwinds, we will continue to focus on operational efficiency, cost management, and market diversification in order to navigate the evolving market conditions.

OUR VALUE CREATION MODEL

INPUTS



FINANCIAL CAPITAL

The funds we deploy to run our operations and drive future growth.

- Strong financial track record.
- Effective balance sheet management.
- Net cash position.



MANUFACTURED CAPITAL

Our physical production infrastructure, including our technologically advanced plants and equipment.

- Fully equipped manufacturing plants across Malaysia.
- Efficient production lines for our gloves, TRP and cleanroom products.



HUMAN CAPITAL

Our experienced workforce and their competencies, skills and knowledge they use to create value for the Group and our stakeholders.

- Experienced Board and Management with diversified industry and corporate knowledge.
- Ingrained, ISO-compliant processes for workplace safety.
- Comprehensive in-house human rights governance practices.
- Internal training and wellness facilities.



INTELLECTUAL CAPITAL

Our established systems and processes, intellectual property and collective know-how.

- More than 35 years of glove manufacturing experience.
- Experienced and specialised research and development team trained in advanced analytical and testing techniques.
- In-house R&D Centre and independent testing laboratory.
- In-house Quality Assurance Department.



SOCIAL AND RELATIONSHIP CAPITAL

The collaborative, trust-based relationships we nurture with our stakeholders.

- Strong, long-term relationships with our customers and suppliers and partnerships with NGOs, schools and other community-based organisations.
- Community-focused work through Yayasan Kossan.



NATURAL CAPITAL

The natural resources we use to produce our goods and the processes we have adopted to reduce our environmental impact.

- Natural resources such as energy and fuel, raw materials, water.



Our Value Creation Model (cont'd)

Technical Rubber Products Division

INITIATIVES

OUTPUTS FOR FY2025



- Developing specialised products with higher-margin.
- Exploring new growth opportunities in emerging markets.
- Undertaking strategic cost optimisation initiatives.



- Revenue: RM1.75 billion.
- Profit Before Tax: RM171.81 million.
- Total assets: RM4.09 billion.
- Shareholders' equity: RM3.71 billion.
- Total dividend payout per share: 4.0 sen.
 - Interim dividend of 2.0 sen paid on 24 December 2025 and proposed final dividend of 2.0 sen to be paid on 16 July 2026, subject to the approval of shareholders at the 46th AGM.



- Leveraging Enterprise Resource Planning (ERP) systems to drive operational efficiency.
- Accelerating digitalisation through automation of systems and machinery.
- Enhancing data accuracy and compliance across our production activities.



- Increased operational efficiency of our production activities.
- Strengthened process oversight of our manufacturing processes for future streamlining.



- Driving employee learning and development through tailored and role-specific training programmes.
- Delivering impactful programmes to enhance our employees' mental, physical and clinical health.
- Safeguarding our employees with comprehensive occupational health and safety measures.
- 426 e-Learning modules available.



- 125,254 training hours delivered (23.2 hours per employee on average).
- 100% of plants certified with ISO 45001: 2018 for OHS management systems.
- Zero work-related fatalities.
- 123 employees promoted.



- Digitising and automating our internal processes.
- Building a competitive edge through our patented products and processes.
- Supporting responsible forestry and sustainable sourcing practices aligned with the European Union Deforestation-free Regulation ("EUDR").



- Expanded portfolio for natural rubber and nitrile rubber gloves.
- 47 patents filed in 15 countries.
- Forest Stewardship Council ("FSC") Chain of Custody certified across all natural rubber glove manufacturing facilities.



- Promoting responsible practices across the industry via Responsible Glove Alliance ("RGA") membership.
- Conducted community-based engagements through Yayasan Kossan.
- Vendor Code of Conduct.



- Upheld human rights and social compliance throughout our value chain.
- 95% customer satisfaction rate.
- RM576,934 invested in community development, impacting 141,251 beneficiaries.



- Group-wide Environmental Management System ("EMS") and Environmental Policy.
- Adopting carbon accounting system to calculate and manage our carbon footprint.
- Implementing energy efficiency initiatives.
- Installed 4.92 MWp of solar energy capacity to date.
- Systematic practices across waste, water, energy and emission management.
- Waste water treatment plant.
- 98.8% of packaging sourced from recycled or recyclable materials.
- 20.7% of water sourced from reclaimed supplies.



- 100% of plants certified with ISO 14001 for EMS.
- Reduced purchased electricity consumption intensity in TRP Division.
- 66.4% of waste generated recycled, reused or recovered.
- Reduced waste generated intensity and natural gas consumption intensity in both Gloves and TRP divisions.
- Reduced Scope 1 and 2 emission intensity by 4.3% in Gloves division and 11.4% in TRP division compared to FY2024.

IN CONVERSATION WITH CHAIRMAN

STRENGTHENING FOUNDATIONS IN A CHANGING INDUSTRY



Dear Valued Stakeholders,

On behalf of the Board of Directors of Kossan Rubber Industries Bhd. ("KOSSAN" or "the Group"), it is my pleasure to present to you our Integrated Annual Report ("IAR") for the financial year ended 31 December 2025 ("FY2025").

The past year was characterised by disruption and transition across global markets. Shifts in trade dynamics, geopolitical developments and industry oversupply continued to reshape the competitive landscape of the rubber glove industry, presenting immediate challenges as well as opportunities for growth.

While the Group responded to these developments with agility and innovation, the Board's focus was on strengthening the fundamentals that underpin long-term resilience. In particular, we emphasised sustainability, human capital development and sound governance as key pillars supporting the Group's continued stability and competitiveness.

In this statement, I will outline how these priorities have guided the Group in navigating a complex operating environment while reinforcing the foundations needed to sustain long-term value creation.



DATO' CHUA TIA GUAN
Chairman

In Conversation with Chairman (cont'd)

Revenue
RM1.75 billion

FY2024: RM1.92 billion

Profit Before Tax
RM171.81 million

FY2024: RM157.32 million

Total Assets
RM4.09 billion

FY2024: RM4.11 billion

THE YEAR THAT WAS

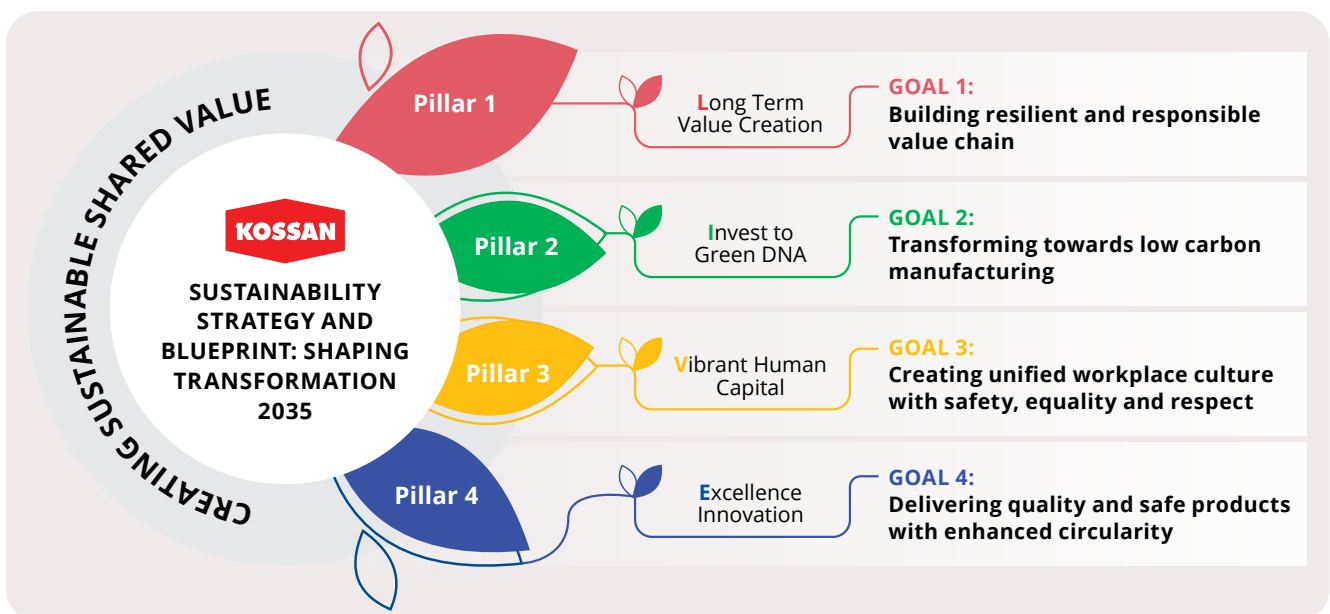
FY2025 was another challenging year for the global rubber glove market. While demand had begun to normalise following the post-pandemic market correction, the United States government's shift in trade policy forced many companies to rethink their strategies and target markets, placing the industry in a state of flux. At the same time, businesses faced rising labour costs, seen in Malaysia through the increase in the minimum wage, alongside heightened sustainability expectations, which contributed to stricter compliance requirements affecting not only companies but global supply chains.

While contending with these challenges, we delivered a resilient performance during the year, expanding our presence in the United States market while navigating intensified competition in other regions where lower-priced products entered the market. This progress was made possible through a focused and forward-looking effort to strengthen operational efficiency by investing in automation, energy management and digital technologies across our manufacturing facilities. The impact of these initiatives reinforces our conviction that the fundamentals of our business will remain the key differentiator in what continues to be a challenging and fast-changing industry environment.

STEPPING UP ON SUSTAINABILITY

Sustainability is a vital ingredient for KOSSAN. In the Board's view, it is not only a core responsibility of the business but also an important enabler of continued market access, stakeholder confidence and operational efficiency. I am therefore pleased to share that the Group has made meaningful progress in advancing its sustainability agenda and journey over the past years.

Our Kossan Sustainability Strategy and Blueprint: Shaping Transformation 2035 was launched in FY2024. It establishes clear commitments across the Group's key sustainability priorities and serves as a strategic guide for addressing risks and opportunities. In FY2025, we also published our first standalone Sustainability Report 2024, providing stakeholders with deeper insight into our approach in managing sustainability and the key matters that would shape our long-term strategy.



In Conversation with Chairman (cont'd)

Since then, we have observed stronger and more meaningful engagement with stakeholders on issues such as responsible manufacturing, labour practices and climate action. The adoption of a more structured reporting process has also strengthened our internal sustainability practices, enabling clearer monitoring of sustainability targets, operational performance and risk management practices across the Group.

Taking this further, this year's report contains our first reporting of our International Sustainability Standards Board ("ISSB") Sustainability Statement aiming to align with International Financial Reporting Standards ("IFRS") S1 (General Requirements for Sustainability-related Financial Disclosures) and S2 (Climate-related Disclosures) in line with Bursa Malaysia's National Sustainability Reporting Framework ("NSRF").

Guided by our commitment to be a responsible corporate citizen, the Group continues to strengthen its philanthropic effort through Yayasan Kossan, the Group's charitable foundation. During FY2025, Yayasan Kossan continued to support a range of community initiatives advancing social well-being and sustainable development, with a total expenditure of RM576,934.

Sustainability Awards and Recognitions

I am pleased to report that our sustainability efforts were also recognised through several notable accolades received in FY2025, including:

- Received the EcoVadis Gold Medal (FY2024: Bronze Medal), placing KOSSAN among the top 5% of companies assessed globally by EcoVadis.
- Inclusion for the second consecutive year in both the FTSE4Good Bursa Malaysia ("FGBM") and FTSE4Good Bursa Malaysia Shariah ("F4GBMS") indices.
- Improved scoring of 4.5 out of 5.0 for the FGBM Index rating (FY2024: 4.0).

These accomplishments reflect only a selection of the accolades received by the Group, with the complete listing available in our Sustainability Report 2025.

DRIVING HUMAN CAPITAL GROWTH

Ultimately, the most important foundation of our business is our people. They are the custodians of our culture and practices, and it is therefore critical that we continue to prioritise their well-being, career development and sense of purpose at work.

During FY2025, the Group enhanced its Employee Health and Wellness Programme with more targeted initiatives across three key areas of focus: mental, physical and clinical health, as well as providing continuous learning opportunities through Kossan Training Centre and our Group's E-Learning Library, offering hands-on training programmes, interactive workshops and knowledge-sharing sessions. These efforts not only strengthen the skills and resilience of our workforce but also cultivate a sustainable pipeline of future leaders who can carry forward the Group's values and vision.

UPHOLDING CORPORATE GOVERNANCE

The Board had always acknowledged that corporate governance remains fundamental in promoting long-term sustainable growth and corporate accountability.

During the year, the Board undertook several initiatives aimed at strengthening internal governance practices and enhancing oversight across the Group, amongst others, included the adoption of the Board Diversity Guide that promotes a diverse, inclusive and effective Board as well as the formalisation of the Sustainability Governance Charter, ensuring sustainability stewardship and reinforcing the governance structure of our sustainability working groups. In addition, key policy frameworks, such as the Group's Anti-Bribery and Corruption ("ABC") framework and guidelines, were reviewed and updated to ensure ongoing alignment with regulatory requirements and corporate best practices.

SHAREHOLDERS' RETURN

KOSSAN is committed to delivering consistent shareholders' value through our track-record performance, year on year. In line with our Dividend Policy Statement to declare and pay a dividend payout of not less than 30% of the Group's profit after tax and minority interest, the Group had paid an interim single-tier dividend of 2.0 sen per ordinary share (exclude treasury shares) for the financial year ended ("FYE") 31 December 2025 on 24 December 2025, totalling RM50.57 million.

In Conversation with Chairman (cont'd)

In addition, I am pleased to announce that the Board had also recommended a final single tier tax exempt dividend of 2.0 sen per ordinary share (exclude treasury shares) for FYE 31 December 2025, subject to the approval of the shareholders at the 46th AGM to be held on 9 June 2026. If approved, this will bring the total dividend payout to 4.0 sen per share for FYE 31 December 2025 and the total payout ratio will exceed 30% of the Group's profit after tax and minority interest.

MOVING FORWARD

Looking ahead, we are operating in a period of unprecedented change, uncertainty and opportunity. Despite the challenges, the Group remains focused on our transformation journey, balancing short-term priorities with our long-term growth objectives. We are confident that our transformation efforts will enable us to strengthen our resilience, positioning the Group to navigate business uncertainties effectively and achieve long-term sustainable growth.

Acknowledgements

The year also saw several changes to the composition of the Board. On behalf of the Board of Directors, I would like to place on record our thanks to Mr. Lee Choo Hock, who retired at the Company's 45th Annual General Meeting, and Mr. Lim Siau Hing, who resigned at the end of the year, for their contribution and years of dedicated service. A special note of appreciation also goes to my predecessor, En. Mohamed Shafeii bin Abdul Gaffoor, for his leadership and stewardship in guiding KOSSAN throughout his tenure.

At the same time, I bid a warm welcome to Mr. Lim Hun Soon @ David Lim and Datin Paduka TPr. Noraini binti Roslan, who joined the Board in August 2025 and January 2026 respectively. I look forward to working closely with each of the Board members.

Upon assuming my role as Chairman of the Board of Directors on 2 January 2026, it became immediately clear that I was stepping into an organisation with a very strong cultural heritage, one where hard work, perseverance and resilience are deeply embedded in our ways of working and thinking.

On this note, I would like to express my sincere appreciation to our management team and employees for their continued commitment in navigating a challenging year for the industry.

I would also like to thank my fellow Board members for their stewardship and for their support in helping me transition smoothly into my new role.

Lastly, to our customers, shareholders, business partners and stakeholders, I thank you for your continued trust and support as we move forward.

I look forward not only to being part of KOSSAN's continued journey, but also to playing a role in strengthening the foundations that will enable the Group to elevate growth and value creation in the years ahead.

Dato' Chua Tia Guan
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

FROM RECOVERY TO RESILIENCE



Dear Valued Stakeholders,

It gives me great pride to share KOSSAN's commendable performance in FY2025, a reflection not only of our actions during the past year, but also the foresighted steps we have taken to streamline and future-proof our business for long-term success.

Two years ago, while still grappling with the aftermath of the pandemic and its impact on the industry, we embarked on an internal transformation programme designed to strengthen the foundations of our business. Our objective was clear: to ensure the long-term resilience of KOSSAN by building a financially sustainable and enduring organisation capable of delivering strong performance even during challenging economic conditions.

Our efforts since then have been channelled towards streamlining our operations through three key levers: introducing digital technologies, expanding automation across our manufacturing processes, and optimising energy and resource efficiency.

Our results in FY2025 demonstrate that these efforts are beginning to bear fruit, delivering value for our business in the near term while laying the groundwork for enhanced resilience and sustainable growth in a rapidly evolving industry.



Tan Sri Dato' Lim Kuang Sia

Group Managing Director/Chief Executive Officer

Management Discussion and Analysis (cont'd)

NAVIGATING AN UNCERTAIN ENVIRONMENT

FY2025 was a year of significant disruption for players in the rubber glove industry, with heightened macroeconomic uncertainty and geopolitical tensions impacting trade flows and bringing about a range of challenges and opportunities.

While global economic growth appeared resilient on the surface, estimated to come in at 3.3% for the second year running¹, the underlying environment faced by businesses on the ground was far more complex. The United States administration's tariff policies were a key factor, leading many companies to either front-load purchases or delay spending decisions altogether, creating knock-on effects across supply chains.

Within the rubber glove industry, these developments manifested in two key ways. Firstly, the broader uncertainties surrounding global economic conditions and trade policies led many customers to defer orders,

resulting in softer demand and affecting revenue across the sector. Secondly, the differences in tariff rates between China and other Asian manufacturing hubs, including Malaysia, reduced the competitiveness of Chinese gloves in the US market. In response, many Chinese manufacturers redirected their exports to non-US markets, introducing substantial volumes of competitively priced products into these regions and placing further downward pressure on average selling prices and margins.

For KOSSAN, this dynamic produced two competing effects. On the one hand, we were able to gain market share in the US, which comprised approximately 60% of our total glove sales in FY2025 compared with 53% in the previous year. On the other hand, the influx of lower-cost alternatives in non-US markets weakened our competitive position in these geographies.

¹ International Monetary Fund. (2026, January). World economic outlook update: Global economy: Steady amid divergent forces. <https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026>

OUR PERFORMANCE IN FY2025

As a result of the external challenges we faced, Group-wide revenue decreased to RM1.75 billion in FY2025, representing an 8.8% drop compared with RM1.92 billion in FY2024. In addition to the impact of order deferrals due to tariff-related uncertainties, our revenue was affected by lower translated earnings arising from the strengthening of the Malaysian ringgit against the US Dollar.

Despite this lower topline, profit before tax increased by a notable 9.2% during the year under review from RM157.32 million to RM171.81 million, supported by focused efforts to enhance operational efficiency and automation.

Gloves Division

Through our Gloves Division, we are one of the world's largest producers of rubber gloves, serving buyers across key markets including North America, Europe and Asia-Pacific.

In FY2025, the division recorded revenue of RM1.46 billion compared with RM1.60 billion in FY2024, representing a decline of 8.8%. This reduction was primarily attributed to the strengthening of the Malaysian ringgit, as well as a ten-day disruption in production due to the gas supply interruption caused by the pipeline explosion in Putra Heights.

Despite the decline in revenue, the division recorded a strong improvement in profitability, with segment profit increasing by 39.6% to RM112.1 million compared with RM80.3 million in FY2024. This improvement was supported by higher average selling prices, bolstered by the sale of specialised glove variants, as well as lower production costs resulting from improved operational efficiencies.

Technical Rubber Products Division

Our Technical Rubber Products (TRP) Division supplies highly engineered rubber products designed to meet specialised needs in the infrastructure, automotive and other industrial sectors in markets including North America, South America, Australia and the Asia-Pacific region.

Similar to the Gloves Division, operations within the TRP Division were affected by the gas supply interruption in April, while the strengthening of the Malaysian ringgit also impacted revenue performance. As a result, revenue declined by 6.5% to RM188.4 million in FY2025 compared with RM201.6 million in FY2024.

The division's profitability also decreased during the year, shrinking by 40.8% from RM26 million to RM15.4 million. Due to the gas supply interruption and a product mix that delivered lower average margins.

Cleanroom Division

Our Cleanroom Division manufactures and supplies cleanroom gloves, face masks and wipes designed to meet stringent hygiene, barrier and compliance standards required by specialised industries.

The division reported revenue of RM102.0 million in FY2025 compared with RM114.5 million in FY2024, a decrease of 10.9%. Growth during the year was constrained by competitive market conditions, with the growing presence of China-based suppliers driving down average selling prices.

Nevertheless, continued efforts to drive operational efficiency resulted in a marginal improvement in profitability, with profit before tax increasing from RM11.3 million to RM12.1 million in FY2025.

Management Discussion and Analysis (cont'd)

BUILDING A RESILIENT AND SUSTAINABLE BUSINESS

While our financial performance varied across divisions and markets during the year, it is worth stressing that had we faced a similar set of challenges two years ago, the impact on our business would likely have been far more severe. This is a testament to the focused efforts we have made to optimise costs across our business and enhance our competitive standing in the industry.

The introduction of automation technologies is a central component of this effort. During the past year, we selectively introduced automated processes across key functions of our business to reduce our dependency on manual labour, which remains one of the most significant cost drivers in glove manufacturing. At the same time, we undertook process standardisation and equipment upgrades to improve production line efficiency and output consistency. These initiatives are particularly important in light of rising labour-related costs, including the introduction of a higher minimum wage in Malaysia during the past year.

Our optimisation efforts also extend to energy management and resource efficiency. We stringently monitor and benchmark energy usage across our facilities with the aim of identifying areas for improvement. Armed with this information, we implement targeted energy-efficiency solutions and preventive maintenance practices to reduce utility costs while also lowering our environmental impact. The importance of these practices is heightened by rising instability in energy markets, which may lead to greater volatility in natural gas prices in the coming years.

The final piece of our cost optimisation formula is digitalisation, which acts as a key enabler of insights and operational improvement across our business. Through the introduction of advanced digital monitoring tools, we have been able to unlock detailed data analytics to identify operational bottlenecks and productivity improvement opportunities. At the same time, the integration of digital systems across our business has reduced silos, enabling more coordinated and effective decision-making as well as improved responsiveness to operational issues.

These complementary areas of focus have been crucial in lowering operating costs per unit, thus widening our operating margins. Just as significantly, they are future-proofing our business at a time when international manufacturers, particularly companies from China, are investing aggressively in upgrading their equipment while benefiting from access to lower-cost energy. Operational efficiency will therefore continue to be vital to our competitiveness in the industry and to our ability to achieve our long-term objectives.

In line with our strategic emphasis on efficiency and sustainability, we continue to embed environmental considerations across both our operations and supporting infrastructure. On this note, we are proud to announce that KOSSAN Tower, the Group's headquarters in Setia Alam, Shah Alam, has been awarded the Green Building Index ("GBI") Certification with a Silver rating in April 2025. The building incorporates green features focusing on resource and energy efficiency, minimising environmental impact and providing a conducive and comfortable workspace for employees. This milestone reflects our continued commitment to environmental stewardship and sustainable development.

Collectively, these initiatives are a testament to our holistic approach to operational efficiency and sustainability, spanning both manufacturing operations and corporate facilities. We remain committed to advancing our green initiatives to minimise environmental impact across our operations in alignment with long-term value creation for our stakeholders.

EXPANDING MARGINS THROUGH PRODUCT INNOVATION

While operational efficiency and sustainability represent important components of our strategy, another equally important driver lies in our ability to innovate and commercialise products that address niche requirements and command higher selling prices. Over the years, we have developed a strong reputation in this space through our Low Derma™ range of nitrile gloves, which deliver the barrier protection, coverage and durability required in specialised medical and industrial environments. These innovations are driven by our continued emphasis on research and development led by the KOSSAN Centre of Excellence.

During the year, our R&D team further expanded our specialty glove range, including diamond-textured nitrile Low Derma™ range designed for industrial PPE and automotive applications, nitrile Low Derma™ range designed for surgical and cleanroom pharmaceutical environments, heavy-duty natural rubber glove range with thickness ranging from 6.5 mils to 10 mils designed for automotive and industrial applications, 16" extended-length glove range developed for industrial PPE, and nitrile Low Derma™ offering a more economical design to capture a larger share of the lower-cost industrial glove segment.

These continued efforts to expand our Low Derma™ portfolio enable us to differentiate ourselves in the market and maintain stronger pricing power even during challenging economic periods.

Management Discussion and Analysis (cont'd)

OUTLOOK

The enhanced resilience that we have built as a business will be tested in the year ahead by an evolving macroeconomic and industry environment.

In FY2026, geopolitical tensions are likely to remain elevated, with recent developments in the Middle East highlighting the potential for continued volatility around the world. Such developments may have knock-on effects on energy markets, significantly increasing operating costs and affecting our competitiveness against players from energy-independent nations such as China. At the same time, the Ringgit is likely to sustain its strength, thereby exerting further pressure on margins given that our sales are denominated in US Dollars.

Our approach to these challenges will remain consistent with the strategies that have served us well. Through disciplined cost optimisation, we will continue to drive efficiencies across our business, seeking to counter margin pressures and differentiate ourselves more meaningfully against other global players. We will also seek to align our production capacity with market demand, activating, rationalising or upgrading production lines where necessary in order to minimise overhead costs and enhance productivity.

At the same time, we recognise that long-term success is ultimately built on strong and trusted relationships. Many of our customer partnerships have developed over decades, and we remain committed to maintaining transparent communication, reliability and accountability in all our engagements.

Looking further ahead, the long-term outlook for the glove industry remains highly positive. Ageing populations worldwide will drive growth in global healthcare demand, with emerging markets likely to lead the way. Meanwhile, the COVID-19 pandemic has heightened awareness of infection prevention and hygiene standards and is likely to sustain higher baseline demand for gloves over the long term. At the same time, glove usage is expanding beyond healthcare into a growing number of non-medical industries, including food and beverage, beauty and aesthetics, hospitality and semiconductor manufacturing.

We thus look ahead to a future filled with both significant challenges and exciting opportunities. Having taken proactive steps to strengthen our operational foundations, we believe that KOSSAN is well positioned to navigate any and all challenges that lie ahead while maintaining profitability and delivering sustainable shareholder value.

Acknowledgements

As we close FY2025, I would like to express my sincere appreciation to our employees whose dedication and hard work have been the foundation of the transformation we have undertaken over the past several years. My gratitude also extends to the management team and our Board of Directors for their guidance and contributions during this crucial process.

We specifically acknowledge our retired directors, namely, Mr. Lee Choo Hock and Mr. Lim Siau Hing for their valuable contributions and years of service. A special note of thanks to our outgoing Chairman, En. Mohamed Shafeii bin Abdul Gaffoor, for his leadership and service to the Company. At the same time, we are pleased to welcome our new Chairman, Dato' Chua Tia Guan, and independent directors, Mr. Lim Hun Soon @ David Lim and Datin Paduka TPr. Noraini binti Roslan to the Board. We look forward to working closely with them as we continue to realise KOSSAN's long-term growth.

Lastly, to our shareholders and business partners, thank you for your continued trust, partnership and confidence in our vision.

As one KOSSAN family, united by a common purpose and proven resilience, we are well positioned to leverage our collective strengths and navigate market challenges to drive long-term sustainable growth and enhanced shareholder returns.

Tan Sri Dato' Lim Kuang Sia
Group Managing Director/
Chief Executive Officer



ISSB SUSTAINABILITY STATEMENT

1. BASIS OF PREPARATION

1.1 Compliance with IFRS Sustainability Disclosure Standards

Kossan Rubber Industries Bhd. ("KOSSAN") and its subsidiaries (the "Group") present its International Sustainability Standards Board ("ISSB") Sustainability Statement in reference to the IFRS Sustainability Disclosure Standards issued by ISSB, in line with Bursa Malaysia's Main Market Listing Requirements.

To enhance industry relevance, selected topics from the Sustainability Accounting Standards Board ("SASB") standards applicable to the medical equipment and supplies industry of health care sector have been referenced and considered.

1.2 Connectivity with financial statements (reporting period, reporting entity, and presentation currency)

The information presented in this Statement should be read in conjunction with the Group's consolidated financial statements, which are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and the Companies Act 2016 in Malaysia. Both sets of disclosures cover the financial year ended 31 December 2025 and relate to substantially the same reporting entity, as presented in Section 3.

The reporting entity comprises KOSSAN and its subsidiaries. The scope of sustainability-related information reflects impacts arising from the Group's operations as well as across its value chain, including activities involving suppliers and customers where relevant.

Time horizons are determined based on when sustainability and climate-related risks and opportunities are expected to materialise, taking into account internal planning cycles and decision-making considerations:

- Short term: 0-5 years
- Medium term: 6-10 years
- Long term: more than 10 years

The presentation currency is Ringgit Malaysia ("RM"), consistent with the consolidated financial statements. Unless otherwise stated, all amounts are rounded to the nearest million.

1.3 First-time adoption of IFRS Sustainability Disclosure Standards and transition reliefs

The financial year ended 31 December 2025 marks the Group's first reporting period prepared in accordance with the IFRS Sustainability Disclosure Standards. This reflects a shift towards more structured and decision-useful sustainability-related financial disclosures, aligned with regulatory developments and stakeholder expectations.

a. Standards applied

The Group has applied the following standards:

- IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'
- IFRS S2 'Climate-related Disclosures'

As at 31 December 2025, no additional IFRS Sustainability Disclosure Standards have been issued.

b. Transition reliefs and scope of disclosures

In this initial year, the Group has applied the available transition reliefs under IFRS S1 and IFRS S2, alongside those permitted under Bursa Malaysia's Main Market Listing Requirements. Disclosures are therefore focused on climate-related risks and opportunities in accordance with IFRS S2, with emphasis on principal business segments as defined within the reporting entity. In line with the transitional provisions, certain comparative information may not be presented for the current reporting period.

c. Approach beyond minimum requirements

While the current disclosures are centred on climate-related matters, the Group has extended selected disclosures to include broader sustainability-related risks and opportunities. This provides additional context on potential impacts to financial performance and position, and supports a more connected understanding of value creation.

d. Progression and future enhancements

This first year establishes a foundation for ongoing improvements. Efforts are directed towards strengthening internal capabilities, including data collection processes, measurement methodologies and governance structures. As these areas evolve, the Group aims to expand the breadth and depth of disclosures in future reporting cycles, with closer alignment to the full requirements of IFRS S1 and IFRS S2.

ISSB Sustainability Statement (cont'd)

1.4 Statement of assurance

To strengthen the credibility and reliability of its disclosures, the Group has obtained independent limited assurance over its greenhouse gas ("GHG") emissions reported within this ISSB Sustainability Statement.

a. Scope and subject matter of assurance

The assurance engagement was conducted by The British Standards Institution (BSI) in accordance with ISAE 3000 (Revised), ISO 14064-3:2019 for GHG statements, the Global Reporting Initiative (GRI) Standards and Bursa Malaysia Sustainability Reporting Guide (3rd Edition).

The scope of the engagement covered the reporting period from 1 January 2025 to 31 December 2025 and included the following subject matters:


- Scope 1 emissions (tonnes CO₂e)
- Scope 2 emissions (tonnes CO₂e)
- Scope 3 emissions (tonnes CO₂e)

b. Type of assurance

The engagement was performed as a limited assurance engagement.

c. Summary of conclusions

Based on the procedures performed and evidence obtained, BSI has concluded that nothing has come to its attention that would indicate that the reported sustainability information is not prepared, in all material respects, in accordance with ISAE 3000 (Revised), ISO 14064-3:2019, the GRI Standards and Bursa Malaysia Sustainability Reporting Guide (3rd Edition).

 Further details on our sustainability assurance are set out in the SR 2025 on pages 103 to 106.

2. OVERVIEW OF THE GROUP

Please refer to pages 4 to 7 of the SR 2025 to find an overview of our business activities, strategy and sustainability related goals and our value chain.

3. REPORTING BOUNDARY**3.1 Reporting boundary (excluding GHG emissions)****a. Reporting entity**

For the current reporting period, the scope of disclosures focuses on the Group's principal business segments, in line with the transition provisions available for first-time adopters. The reporting entity includes KOSSAN and its subsidiaries across its core divisions.

b. Entities in the reporting entity


The Group's operations are organised into the following divisions:

Glove division

- Ideal Quality Sdn. Bhd.
- Kossan Latex Industries (M) Sdn. Bhd.
- Perusahaan Getah Asas Sdn. Bhd.
- Wear Safe (Malaysia) Sdn. Bhd.

TRP division

- Kossan Industries Sdn. Bhd.
- Doshin Rubber Products (M) Sdn. Bhd.
- Hibon Corporation Sdn. Bhd.
- Quality Profile Sdn. Bhd.

 Further details are provided in Note 8: Investments in Subsidiaries on pages 94 to 96 of this report.

c. Value chain

The Group also has activities, resources and relationships that form part of its value chain. These have been considered qualitatively when assessing climate-related risks and opportunities under IFRS S2, particularly in relation to transition and physical climate risks that may affect asset performance, operating costs and long-term value.

In the current reporting period, all metrics reported (except for GHG emissions) relate to the Group's own operations.

3.2 Reporting boundary for GHG emissions

Greenhouse gas emissions are measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), except where specific requirements under IFRS S2 apply. The Group also refers to the GHG Protocol Corporate Value Chain Standard (2011) in identifying and defining the fifteen Scope 3 emission categories for disclosure.

The boundary for GHG reporting is established through both organisational boundary and operational boundary, as below:

ISSB Sustainability Statement (cont'd)

a. Organisational boundary

The Group applies the operational control approach in accordance with the GHG Protocol to define its organisational boundary for greenhouse gas emissions reporting. This approach captures emissions from operations where the Group has authority over operating policies and practices, providing a consistent basis for measurement and accountability.

The organisational boundary covers the following entities, assets and operations:

Glove division

- Ideal Quality Sdn. Bhd.
- Kossan Latex Industries (M) Sdn. Bhd.
- Perusahaan Getah Asas Sdn. Bhd.
- Wear Safe (Malaysia) Sdn. Bhd.

TRP division

- Kossan Industries Sdn. Bhd.
- Doshin Rubber Products (M) Sdn. Bhd.
- Hibon Corporation Sdn. Bhd.
- Quality Profile Sdn. Bhd.

b. Operational boundary

In line with the GHG Protocol, the Group classifies emissions into three categories to reflect the nature of sources and activities across its operations:

Scope 1 (Direct emissions)

Direct greenhouse gas emissions arising from sources owned or controlled under the operational control approach. These include emissions generated from fuel combustion and other on-site activities within the Group's facilities.

Scope 2 (Indirect emissions)

Indirect greenhouse gas emissions associated with the generation of purchased electricity consumed across the Group's operations.

Scope 3 (Other indirect emissions)

Other indirect emissions linked to the Group's activities, covering both upstream and downstream sources across the value chain.

4. JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

The preparation of this ISSB Sustainability Statement involves the use of management judgement in several areas, including the identification of sustainability and climate-related risks and opportunities relevant to the Group and the assessment of information considered material for disclosure.

Certain data points are not directly observable and therefore require estimation. This is particularly relevant where information relates to the value chain, incorporates forward-looking assumptions or is subject to limitations in data availability and quality. These estimates are developed using reasonable assumptions and the best information available as at the reporting date.

ISSB Sustainability Statement (cont'd)

4.1 Significant judgements

Description	
Materiality process	<p>The Group applied judgement to determine which sustainability-related risks and opportunities may influence the Group's future performance and financial position. The evaluation focused on matters that could affect enterprise value and inform the decisions of investors and other primary users.</p> <p>As part of this evaluation, management considered the nature of the Group's operations, its exposure to external developments and the potential financial implications arising over different time horizons. The outcome of this assessment forms the basis for the disclosures presented in this Statement.</p>
Organisational boundary for GHG emissions	<p>An operational control basis is applied in defining the organisational boundary for GHG emissions reporting. Under this basis, the Group identifies operations where it has authority to set and implement operating policies and procedures.</p> <p>Determining the appropriate consolidation basis and assessing which operations fall within this scope involve the use of significant judgement. This assessment takes into account factors such as decision-making authority, contractual arrangements and the extent of influence over day-to-day activities. These judgements affect the scope of entities and operations included in the Group's GHG emission disclosures.</p>
Calculation methods for GHG emissions	<p>Greenhouse gas emissions are quantified using a combination of operational data and recognised emission factors. Scope 1 and Scope 2 emissions are calculated based on direct activity data, supported by emission factors from established reference sources.</p> <p>Scope 3 emissions involve the use of estimation techniques where supplier-specific data is not available. These estimates are derived from available activity data and supplemented with industry-average emission factors to provide a reasonable representation of indirect emissions across the value chain.</p>
Climate Scenario Analysis	<p>Significant judgement was applied in selecting the climate scenarios used for the Group's climate scenario analysis. KOSSAN assessed climate-related risks and opportunities using reference scenarios derived from recognised Intergovernmental Panel on Climate Change (IPCC) and Network for Greening the Financial System (NGFS) frameworks: SSP1-1.9, SSP5-8.5, Net Zero 2050 (Orderly) and Current Policies (Hot House World). These scenarios provide a balanced view of potential outcomes across different levels of climate ambition and emissions trajectories.</p> <p>IPCC scenarios were used primarily to assess physical climate risks, while NGFS scenarios were applied to evaluate transition risks.</p>

ISSB Sustainability Statement (cont'd)

4.2 Measurement uncertainty

The following amounts have a high degree of measurement uncertainty:

	Description
Climate-related risks	<p><u>Physical Risks</u> The potential impact of flooding is subject to uncertainty due to variability in extreme weather events and modelled predictions.</p> <p><u>Transition Risks</u> The timing and magnitude of regulatory impacts from climate change are uncertain and may vary as policies, markets, and stakeholder expectations evolve.</p>
Climate scenario analysis	The Group uses multiple reasonably possible scenarios and combining projections from different predictive models that provide a range of projections, and summarising exposures across different time horizons. However, no predictive model can perfectly represent the full range of possible outcomes.
GHG-related metrics	<p>The Group measures its GHG emissions in accordance with the GHG Protocol, except where specific requirements under IFRS S2 apply. The disclosed metrics are subject to inherent uncertainty due to reliance on activity data and emission factors sourced from third parties.</p> <p>Where activity data or emission factors are not available on a timely basis, or are incomplete, estimation techniques are applied to derive the reported figures.</p>

5. MATERIALITY ASSESSMENT**5.1 Materiality and identification of sustainability-related risks and opportunities**

The Group undertakes periodic reviews of its material matters to align with changes in its operating environment, business priorities and stakeholder expectations. Following a full materiality assessment in FY2020, annual validation exercises have been conducted to keep the materiality profile relevant and up to date.

In FY2025, in conjunction with the adoption of the IFRS Sustainability Disclosure Standards, the Group performed a comprehensive Double Materiality Assessment ("DMA"). This assessment identifies sustainability and climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects. It builds on existing risk management practices, introducing a more structured evaluation that considers both impact materiality and financial materiality across Environmental, Economic, Social and Governance ("EESG") matters.

The process was coordinated by the Corporate Sustainability Department, with input from external stakeholders and management across the Group, including representatives from the KOSSAN Sustainability Centre of Excellence. Outcomes were reviewed and validated by the KOSSAN Sustainability Committee and Group MD/CEO to ensure alignment with strategy, risk management and regulatory expectations.

To enhance robustness, the assessment is referenced to established frameworks and guidance, including ESRS, GRI Standards, Bursa Malaysia Sustainability Reporting Guide, industry references and IFRS S1 and IFRS S2. Stakeholder engagement also formed a key component, incorporating feedback from internal and external stakeholders to capture expectations, concerns and perceived impacts.

ISSB Sustainability Statement (cont'd)

The DMA follows a structured approach. Potential sustainability and climate-related risks and opportunities are identified across the Group's operations and value chain, informed by internal risk assessments, industry developments, peer benchmarking and stakeholder input. These matters are then assessed based on their potential impact and financial relevance, considering likelihood and magnitude of effect on financial performance.

Subsequently, the Group determines the material information to be disclosed for each identified matter, taking into account both qualitative and quantitative factors. Judgements are applied to assess whether the omission or misstatement of information could influence decision-making by primary users of financial reports. These judgements are reviewed at each reporting period to reflect evolving conditions, data availability and stakeholder expectations.

The outcomes of the assessment were validated by the KOSSAN Sustainability Committee and the Group Managing Director and Chief Executive Officer, forming the basis of the Group's FY2025 materiality matrix.



Further details on the stakeholder engagements, materiality assessment process and identified material matters are set out in the SR 2025 on pages 21 to 39.

5.2 Outcome of the materiality assessment process

Following the materiality assessment, the Group identified key sustainability & climate-related risks and opportunities for disclosure in this ISSB Sustainability Statement. These include:

- Climate Change (refer to Section 7)
- Human Rights and Labour Practices (refer to Section 8)

These topics represent matters that could reasonably be expected to affect the Group's prospects and enterprise value.

6. SUSTAINABILITY GOVERNANCE

6.1 Board oversight

KOSSAN has established a sustainability governance framework that defines the roles and responsibilities of key stakeholders across the Group. Sustainability is embedded at Board level to provide direction, oversight and accountability.

The Board reviews and approves the Group's sustainability strategy and roadmap, and oversees the implementation of sustainability initiatives. It also monitors performance against established targets, providing oversight of sustainability and climate-related risks and opportunities that may affect the Group's prospects.

The Board ensures that appropriate skills and competencies are available to address sustainability and climate-related matters.



Further details on our sustainability governance structure are set out in the SR 2025 on pages 12 to 13.

6.2 Management roles and responsibilities

The Group Managing Director / Chief Executive Officer leads the development of the Group's sustainability strategy, priorities and targets and ensures sustainability considerations are integrated into key decision-making processes.

The KOSSAN Sustainability Committee ("KSC") supported by the Corporate Sustainability Department ("CS") and the KOSSAN Sustainability Centre of Excellence ("KSCE"), oversees the management of sustainability-related risks and opportunities and the implementation of sustainability initiatives across the Group. The Committee meets quarterly with the CS and KSCE to review sustainability progress and provides semi-annual updates to the Board.



Further details on our sustainability governance structure are set out in the SR 2025 on pages 12 to 13.

ISSB Sustainability Statement (cont'd)

6.3 Impact of sustainability on remuneration policies

KOSSAN does not presently tie its sustainability performance—such as climate-related targets and metrics—directly to its remuneration policies. Instead, sustainability is evaluated more generally alongside the Group's overall performance, while employee remuneration is designed to remain competitive within the industry.

Sustainability-related KPIs are applied at the management level and are embedded within the Group's overall performance management framework rather than being applied as a standalone component. Sustainability-related KPIs – covering both environmental and social dimensions – are assigned within the overall KPI structure. These KPIs are cascaded from the top-down, ensuring alignment with Group-level sustainability priorities while allowing for differentiation across departments and functions depending on their sustainability portfolio and operational responsibilities. Monetary incentives such as bonuses and other variable remuneration are therefore not determined solely by sustainability-related KPIs, but are assessed alongside broader business and operational KPIs. This integrated approach ensures that sustainability is embedded into performance evaluation and decision-making, while maintaining balance with other strategic and financial priorities.


6.4 Risk management

The Group's Risk Management Framework has considered and progressively incorporate sustainability-related risks and opportunities, including climate-related physical and transition risks, within its broader risk management processes. This integration supports a more comprehensive view of risk, linking sustainability considerations with strategic and operational decision-making.

Sustainability and climate-related risks are identified and assessed progressively as part of the Group's ongoing risk management activities, to be included in the risk registers to enable structured tracking and prioritisation. Climate Scenario Analysis ("CSA") further enhances this process, offering insights into potential impacts across short, medium and long-term horizons, and informing the Group's understanding of how evolving conditions may influence its financial performance and resilience.

Monitoring to be carried out via periodic risk reviews and structured reporting, with clear accountability assigned to process owners across business units and central functions. This ensures that identified risks are actively managed and that mitigation measures are embedded within day-to-day operations.

Oversight rests with the Risk Management Committee, which reviews the adequacy of risk management practices in considering and addressing sustainability and climate-related risks. The Committee also considers alignment with the Group's risk appetite, strategic priorities and regulatory expectations, supporting informed decision-making and strengthening the Group's long-term resilience.

 Further details are set out in the Statement on Risk Management and Internal Control on pages 56 to 59 of this report.

7. CLIMATE-RELATED RISKS AND OPPORTUNITIES

7.1 Climate-related risks

Climate Risks	Description	Time Horizon
Physical risks Acute/chronic	Exposure to weather events KOSSAN exposure to acute events, such as extreme weather (e.g. floods) and chronic climate risks, such as gradual climate shifts (e.g. rising temperatures, sea level rise).	Long
Transition risks Policy and legal	Implementation of Malaysia's carbon pricing mechanism Carbon pricing policies may increase operational costs, particularly through higher fossil fuel-based energy prices.	Short, Medium
	Increasing climate-related regulations (e.g. Bursa sustainability reporting requirements and EU Carbon Border Adjustment Mechanism ("CBAM")) Compliance with evolving climate disclosure and regulatory requirements may increase reporting, monitoring and operational costs.	Short, Medium

7.2 Effects on business model and value chain

Climate Opportunities	Impact to Business and Value Chain	How Are We Addressing It
<p>Transition opportunities Resources efficiency</p>	<p>KOSSAN is advancing resource efficiency initiatives to reduce energy consumption (natural gas and electricity) across the Gloves and TRP divisions, supporting improved operational efficiency and potential cost optimisation.</p>	<p><u>Natural Gas and Electricity</u></p> <ol style="list-style-type: none"> 1. Continuously exploring energy-efficient equipment and smart systems, including high-performance compressors, burners, motors, and compressed air management systems, to optimise energy consumption. 2. Continuously improving cooling and energy systems, including installing inverters on chillers and adopting more energy-efficient refrigerants. 3. Continuously improving production process efficiency, including optimising oven temperatures, burner gas supply pressure and equipment utilisation parameters. 4. Continuously strengthening monitoring and maintenance practices, including power monitoring, scheduled inspections and preventive maintenance to minimise energy losses.
<p>Transition opportunities Energy source</p>	<p>Expansion of solar capacity and increased use of low-carbon energy sources may reduce reliance on conventional electricity and support KOSSAN's transition towards lower-carbon operations.</p>	<p>Continuously evaluate opportunities to install solar panels across our additional sites to reduce reliance on non-renewable energy sources.</p>

7.3 Effect on strategy and decision making

Climate Risks	Impact to Business and Value Chain	How Are We Addressing It
<p>Physical risks Exposure to weather events</p>	<p>KOSSAN currently faces low physical risk from acute events, such as extreme weather (e.g. floods) and chronic climate risks, such as gradual climate shifts (e.g. rising temperatures, sea level rise).</p>	<p>Where weather events impede employees' access to KOSSAN premises, Business Continuity Plans ("BCP") and adaptation measures such as remote working or working from the DRC have been put in place to ensure the continued operations of the Business.</p>
<p>Transition risks Implementation of Malaysia's carbon pricing mechanism</p>	<p>Regulatory carbon pricing mechanisms may increase operational costs through direct carbon tax obligations and indirectly through elevated fossil fuel-based energy prices from utilities provider cost pass-through.</p>	<p>KOSSAN is enhancing energy efficiency and exploring renewable energy adoption to reduce carbon emissions to mitigate potential cost increases arising from carbon pricing mechanisms.</p>
<p>Increasing climate-related regulations</p>	<p>Evolving climate regulations may increase compliance and reporting requirements across operations and the supply chain.</p>	<p>KOSSAN strengthens sustainability governance and reporting practices while progressively aligning disclosures with recognised frameworks such as Bursa Malaysia sustainability requirements, GRI Standards and the GHG Protocol.</p>

ISSB Sustainability Statement (cont'd)

7.4 Financial effects

The following table presents the expected effects of the identified climate-related risks and opportunities ("CRO") on KOSSAN's financial performance and cash flows across the current, short, medium, and long-term time horizons. At present, financial impacts arising from climate risks (transition and physical risks) are assessed to be immaterial. The Group also does not expect a material impact to the assets and liabilities reported in the 2025 financial statements within the next 12 months.

CROs	Current (RM'000)	Short (RM'000)	Medium (RM'000)	Long (RM'000)
Managing our climate transition risks:				
- Estimated assumed carbon pricing cost	0 Note 1	18,000 Note 2	Note 3	Note 4

Notes:

1. *Malaysia's Budget 2026 has indicated that a carbon tax will be introduced starting 2026, targeting selected sectors such as iron, steel and energy sectors. While the specific mechanism and corresponding prices remain unclear at this stage, the implementation of carbon pricing may raise KOSSAN's operational costs, particularly through higher fossil fuel-based energy prices.*
2. *The estimated amount is based on a conservative carbon price assumption of RM50 per tCO₂e, referencing Singapore's carbon tax rollout.*
3. *Quantitative information has not been disclosed as the level of measurement uncertainty remains high and the resulting estimates may not provide meaningful information to users of this report at this stage.*
4. *The Group is unable to estimate the anticipated financial effect due to long-term measurement uncertainty in the inputs and assumptions, primarily arising from the lack of sufficient data available at present, including data about climate outcomes and the effect of those outcomes on KOSSAN. The Group will continue to monitor credible information and developments to support the disclosure in this area.*

7.5 Resilience of the Group's strategy and business model in relation to climate-related risks**Climate-related scenario analysis**

Building on the integration of climate-related risks within the Group's Risk Management Framework, KOSSAN initiated climate scenario analysis in FY2025 to deepen its assessment of potential physical and transition risks and opportunities. This analysis considers how regulatory developments, climate targets and environmental changes may influence the Group, with a focus on potential financial implications across short, medium, and long-term time horizons.

The analysis complements ongoing risk monitoring processes, enabling the Group to track emerging climate-related risks and opportunities and evaluate how evolving climate policies and environmental conditions may affect its operations, strategy and capital allocation decisions. This strengthens the Group's ability to anticipate potential disruptions and supports its transition towards a lower-carbon economy.

To provide a structured basis for this assessment, the Group applied recognised climate scenario frameworks from the Intergovernmental Panel on Climate Change ("IPCC") and the Network for Greening the Financial System ("NGFS"). These scenarios allow for the evaluation of both physical and transition risks under different climate pathways, supporting stress-testing of the Group's resilience under varying assumptions.

IPCC scenarios were primarily used to assess potential physical climate risks, while NGFS scenarios were applied to evaluate transition-related risks such as policy developments and carbon pricing.

As part of this exercise, projected carbon price trajectories derived from NGFS scenarios, alongside relevant reference points such as Singapore's carbon tax rollout, were applied to energy-related emissions. This enables a forward-looking assessment of potential cost exposures linked to carbon pricing and other transition-related factors.

ISSB Sustainability Statement (cont'd)

IPCC Scenarios:

SSP1-1.9	SSP5-8.5
A sustainability-focused pathway characterised by strong climate mitigation, low-carbon development and improved resource efficiency, resulting in limited global warming.	A high-emissions pathway characterised by rapid economic growth, heavy reliance on fossil fuels and energy-intensive lifestyles, resulting in significantly higher greenhouse gas emissions and more severe climate impacts.

NGFS Scenarios:

Net Zero 2050 (Orderly)	Current Policies (Hot House World)
An orderly transition pathway where early and coordinated climate policies drive global decarbonisation towards net-zero emissions by around 2050, resulting in higher transition pressures but relatively lower long-term physical climate risks.	A pathway where existing climate policies remain largely unchanged, leading to continued increases in emissions and higher global temperature rises, resulting in more significant long-term physical climate risks.

7.6 Capacity to adjust or adapt strategy and business model**Financial Resilience**

Building on its climate scenario analysis, KOSSAN considers the management of climate-related risks and opportunities as an important aspect of maintaining financial resilience and supporting long-term business sustainability. The Group evaluates how climate-related developments may affect its strategy, financial position and operational performance, with a view to strengthening its overall preparedness.

Using recognised IPCC and NGFS climate scenarios, including projected carbon price pathways up to 2050, the Group has assessed potential financial impacts under different transition and physical risk scenarios. Based on current assessments, direct financial exposure is expected to be limited in the near term, while attention continues on evolving regulatory requirements and environmental developments that may influence future outcomes.

In assessing climate-related risks and opportunities across different time horizons, the Group considers potential implications for operational costs, capital allocation, investment decisions and long-term business planning. This includes evaluating potential cost pressures arising from energy use, regulatory changes linked to carbon pricing, as well as possible physical climate impacts that may affect operations.

The analysis indicates that transition risks relating to energy costs and evolving regulatory developments may become more relevant over the short to medium term, while physical climate risks associated with extreme weather events and gradual climate shifts are expected to become more relevant over the longer term. Overall, the scenario analysis indicates that the Group's strategy and business model remain resilient under the scenarios assessed.

The Group will continue to refine its climate scenario analysis and financial impact assessments as methodologies evolve and data availability improves. This ongoing development supports closer alignment with emerging regulatory requirements and global sustainability disclosure standards, while strengthening resilience across short, medium and long-term horizons.

7.7 Methodology, inputs and assumptions**a. Climate scenario analysis methodology**

A structured Climate Scenario Analysis ("CSA") methodology is applied to assess climate-related risks and opportunities across defined time horizons, aligned with IFRS S2 and Taskforce for Climate-related Financial Disclosures ("TCFD") recommendations. This approach enables a consistent evaluation of how different climate pathways may influence the Group's operations, strategy and financial position.

ISSB Sustainability Statement (cont'd)

The process begins with the selection of relevant climate scenarios, including lower warming and higher warming pathways. It then progresses to the identification of key physical and transition risks, followed by an assessment of potential impacts and an evaluation of resilience and mitigation actions. This sequence provides a clear framework for understanding potential exposures and response strategies under varying conditions.

Data inputs are drawn from across operations and functions, covering asset and site information, energy consumption, emissions data where available, and historical disruption records. These inputs are validated by designated process owners to support accuracy and completeness of the analysis.

The assessment is informed by key assumptions, including climate scenario pathways, energy price trends, carbon cost projections, regulatory developments, technology changes and operational parameters. These assumptions are documented and reviewed periodically, supporting transparency and allowing for continuous refinement as methodologies and data improve.

b. Activity data and emission factors

GHG emissions are measured using operational activity data, including fuel consumption, electricity usage, production data and other relevant inputs across the Group's operations. This data forms the basis for quantifying emissions and supports a consistent approach to tracking performance over time.

Emission factors are derived from recognised international and regional references, including the GHG Protocol, UK BEIS, US EPA and other relevant databases. These factors are applied consistently to calculate Scope 1, Scope 2 and relevant Scope 3 emissions, enabling comparability and alignment with established methodologies.

Where primary data is not available, estimation techniques are applied using industry-average emission factors, with appropriate assumptions documented.

Emission Scope	Category	Emission source	Measurement methodology	Activity data	Emissions factor source	Additional explanatory information
Scope 1	Stationary combustion	Combustion of natural gas	Fuel-based method	GJ consumed * emission factor	Published factors for natural gas sourced from US's EPA	Primary fuel consumption records are used because these provide the most direct available measure of Scope 1 emissions in the current supporting files.
		Combustion of diesel	Fuel-based method	Litres consumed * emission factor	Published factors for diesel sourced from New Zealand's MfE	Primary fuel consumption records are used because these provide the most direct available measure of Scope 1 emissions in the current supporting files.
	Mobile combustion	Combustion of petrol	Fuel-based method	Litres consumed * emission factor	Published factors by fuel and vehicle type sourced from GHG Protocol and UK's BEIS	Primary fuel consumption records are used because these provide the most direct available measure of Scope 1 emissions in the current supporting files.
		Combustion of diesel	Fuel-based method	Litres consumed * emission factor	Published factors by fuel and vehicle type sourced from GHG Protocol and UK's BEIS	Primary fuel consumption records are used because these provide the most direct available measure of Scope 1 emissions in the current supporting files.

ISSB Sustainability Statement (cont'd)

Emission Scope	Category	Emission source	Measurement methodology	Activity data	Emissions factor source	Additional explanatory information
Scope 1 (cont'd)	Fugitive emissions	Air conditioning refrigerant	Volume-based method	kg top-up / refill quantity * emission factor	Published factors by refrigerant gas sourced from GHG Protocol and UK's BEIS	Primary refrigerant refill records are used because these provide the most direct available measure of Scope 1 emissions in the current supporting files.
		Other Refrigerants	Volume-based method	kg top-up / refill quantity * emission factor	Published factors by refrigerant gas sourced from GHG Protocol, UK's BEIS, US's EPA and Netherlands' CO ₂ Emissiefactoren	Primary refrigerant refill records are used because these provide the most direct available measure of Scope 1 emissions in the current supporting files.
		Fire suppression system	Volume-based method	kg refill quantity * emission factor	Published factors sourced from GHG Protocol and US's EPA	Primary refrigerant refill records are used because these provide the most direct available measure of Scope 1 emissions in the current supporting files.
Scope 2	Purchased electricity (Location-based)	Purchased electricity	Electricity bills and meter readings	kWh consumed* emission factor	Published electricity grid factors sourced from MEIH's 2019 and 2022	The Group has measured Scope 2 emissions using a location-based method. No market-based instruments were identified in the supporting files reviewed. Emissions in FY2023 were calculated based on the MEIH's 2019 Grid Emission Factors ("GEF"), while emissions in FY2024 and FY2025 were calculated using the location-based method, based on MEIH's 2022 Grid Emission Factors ("GEF").
Scope 3	Purchased goods and services	Emissions arising from upstream purchased goods and services, including outsourced manufacturing purchases	Volume-based method	Water bills and meter readings, and stock card/ inventory movement report	Emission factors sourced from France's ADEME, Germany's BAFA and ÖKOBAUDAT, UK's BEIS, China's CAEP, Indonesia's CBAM, Ecoinvent, Australia's ICM database, Singapore's SEFR and Australia's AusLCI.	Tracking began in FY2025, Tier 1 suppliers cannot provide the Group with product-level cradle-to-gate GHG data for the purchased goods or services. Hence, secondary cradle to gate emission factors data is applied. Volume based method used which primary volume data for consumption of raw material, packaging material, metal components, chemicals, water withdrawals and formers purchased are available and matched with emission factor which product-level are available.
	Capital goods	Emissions from the construction and transportation of capital goods purchased (or otherwise acquired) by KOSSAN during the reporting period	Spend-based method	Spend-based information on capital purchases, extracted from the fixed asset register	Emission factor sourced from Malaysia's CEDA, UK's Climaq, Indonesia EXIOBASE, New Zealand's Market Economics Limited and Canada's OpenIO.	Tracking began in FY2025, covering CAPEX such as building, construction work, computers, office equipment, furniture, machinery, industrial mould, vehicle and HVAC system. A spend-based method is used where complete physical quantity data is not available for all capital goods categories.

ISSB Sustainability Statement (cont'd)

Emission Scope	Category	Emission source	Measurement methodology	Activity data	Emissions factor source	Additional explanatory information
Scope 3 (con't)	Fuel-and energy related activities	Upstream emissions of purchased fuel and electricity as well as emissions associated with transmission and distribution losses of purchased electricity	Average-data method	Fuel consumption records and electricity and gas bills / meter readings	Emission factors were sourced from UK's BEIS, Australia's DISER and China's GLEC.	Tracking began in FY2024, encompassing the indirect emissions associated with the production, transmission and distribution loss of energy which consumed by KOSSAN covering natural gas, diesel, gasoline and electricity which are not accounted for in Scope 1 and 2. Scope 1 and Scope 2 related activity data is used as the basis for this calculation, with the latest available upstream and transmission and distribution loss factors applied because the Group only has access to primary data of fuel and electricity consumed.
	Upstream transportation and distribution	Transportation and distribution of products purchased by the reporting company, between KOSSAN's tier 1 suppliers and its own operations and if pay by KOSSAN	Weight-over distance-based method	Logistics records, shipment documents and transport distance data	Emission factors sourced from UK's BEIS China's GLEC and Netherlands' CO ₂ Emissiefactoren	Tracking began in FY2025, encompassing transportation and distribution of products purchased by the reporting company, between KOSSAN's tier 1 suppliers and its own operations and if pay by KOSSAN. A weight-over- distance-based approach is used based on shipment weight and transport distance data.
	Waste generated in operations	Emissions arising from the disposal and treatment of waste generated by KOSSAN	Weight-based method	Waste records entered directly into the system by waste type, weight and waste collector invoices	Emission factors sourced from GHG Protocol, New Zealand's Market Economics Limited, Australia's DISER, France's ADEME, US' EPA and the UK's BEIS.	Tracking began in FY2023, covering both scheduled and non-scheduled waste. A weight-based method is used because waste quantities are recorded directly in the system by waste type. The Group is able to differentiate its waste streams between waste sent to recycling and waste sent to landfill.

ISSB Sustainability Statement (cont'd)

Emission Scope	Category	Emission source	Measurement methodology	Activity data	Emissions factor source	Additional explanatory information
Scope 3 (cont'd)	Business travel	Emission arising from transportation of employees covering air and car travel for business-related activities in vehicles not owned or operated by KOSSAN	Distance-based method	Travel records, mileage logs and booking records	Emission factors sourced from the US' EPA, the UK's BEIS and France's ("ADEME").	A distance-based method is used for all business travel in scope. The Group collects information about the mode of transport used and the distance travelled for each business trip. Hotel stays and rails are excluded. Emissions from air travel by our migrant workers are not accounted for in FY2023.
	Employee commuting	Emissions arising from employees commuting to and from work at their own expense	Distance-based method	Employee commuting survey	Emission factors were sourced from the UK's BEIS	A distance-based method is used based on employee commuting survey responses. The Group conducts an annual survey for all employees to estimate: 1. Number of days working at home per month 2. Number of days commuting for work per month, including information on: -Mode of transport -Distance travelled
	Upstream leased assets	-	-	-	-	Not applicable as emissions from leased assets are already accounted for within KOSSAN's Scope 1 and Scope 2 emissions under the operational control boundary adopted by the Group.
	Downstream transportation and distribution	Emission arising from transportation and distribution of products sold by the reporting company between the reporting company's operations and the end consumer (if not paid for by KOSSAN)	Weight-over-distance-based method	Logistics records, shipment documents and transport distance data	Emission factor sourced from UK's BEIS and China's GLEC	Tracking began in FY2025, encompassing the transportation and distribution of products sold by the reporting company between the reporting company's operations and the end consumer (if not paid for by KOSSAN). A weight-over distance-based approach is used based on each shipment weight, transport distance data and mode of transportation.
	Processing of sold products	-	-	-	-	Not applicable as gloves and technical rubber products sold by KOSSAN are final products and do not require further industrial processing that would result in additional emissions.

ISSB Sustainability Statement (cont'd)

Emission Scope	Category	Emission source	Measurement methodology	Activity data	Emissions factor source	Additional explanatory information
Scope 3 (cont'd)	Use of sold products	-	-	-	-	Not applicable as KOSSAN's products are disposable gloves and technical rubber products that do not generate direct or indirect greenhouse gas emissions during their use phase.
	End-of-life treatment of sold products	Emissions arising from the disposal and treatment of products sold by the KOSSAN	-	-	-	Relevant but not currently tracked. The Group is planning to track the emission of this category for inclusion in future sustainability reports.
	Downstream leased assets	Emissions arising from lessee's use of KOSSAN's investment properties	-	-	-	Relevant but considered low materiality and not currently tracked. The Group is planning to the emission of this category for inclusion in future sustainability reports.
	Franchises	-	-	-	-	Not applicable, KOSSAN does not have any franchises.
	Investments	-	-	-	-	Not applicable as the Group does not hold equity investments in joint ventures, associates or other businesses, nor does it have debt investments. All subsidiaries within the Group are fully consolidated and their operational emissions are already accounted for under Scope 1 and Scope 2 emissions.

7.8 Overall decarbonisation target and Climate Transition Plan

The Group has committed to a comprehensive decarbonisation strategy under its KOSSAN Sustainability Strategy and Blueprint: Shaping Transformation 2035 (KSB 2035). The plan focuses on transitioning to sustainable manufacturing, reducing energy-related emissions, and aligning with global ESG standards, including goals aimed at supporting the principles of the Science Based Targets initiative (SBTi).



Further details on KSB 2035 are set out in the SR 2025 on pages 14 to 15.

a. Decarbonisation targets

KOSSAN's sustainability efforts are structured around its Sustainability Strategy and Blueprint 2035 (KSB 2035).

- **Emissions Reduction:** KOSSAN has set a target to reduce Scope 1 and 2 emissions intensity by 54.6% by 2035.
- **Energy Reduction:** KOSSAN targets to reduce natural gas consumption intensity (Gloves Division: -30% and TRP Division: -25%) and electricity consumption intensity reduction by 25% for both division by 2035.
- **Green Energy:** KOSSAN aims to achieve 100% of electricity consumed in both Gloves and TRP Divisions' operation from renewable sources
- **Water Management:** KOSSAN aims to reduce water withdrawal intensity by 35% by 2035.
- **Waste Management:** KOSSAN aim to achieve 100% of waste generated diverted from landfill and reduce waste generated intensity by 35% by 2035.

b. Climate Transition Plan

KOSSAN's transition plan focuses on integrating EESG factors into its core operations, aligning to the L.I.V.E 12 principles and KSB2035.

- **Greening Value Chain (GVC) Programme:** In collaboration with carbon accounting software partner, KOSSAN launched Malaysia's first GVC programme in FY2022. This initiative helps KOSSAN's suppliers to adopt sustainability practices and to calculate, manage, and reduce their carbon emissions. The program helps SMEs prepare for the upcoming EU CBAM.
- **Supply Chain Financing:** The GVC programme provides suppliers with access to Bank Negara Malaysia's RM2 billion Low Carbon Transition Facility ("LCTF") to fund low-carbon practices.
- **Operational Efficiency:** The Group is focusing on energy-saving measures, water reduction, waste reduction, and optimizing manufacturing processes to meet its 2035 targets.
- **Green Energy Adoption:** The Group is focusing on increase its green electricity from solar installation, and to explore renewable energy power purchase agreement or TNB's Green Electricity Tariff.

These efforts are aligned with Malaysia's broader national goal to reduce carbon intensity and move toward a greener economy.

7.9 Internal carbon price

The Group has not implemented an internal carbon pricing mechanism at this stage. Current practices do not assign an explicit cost to carbon emissions within operational or investment decision-making processes.

Ongoing monitoring of regulatory developments and market practices forms part of the Group's approach to managing transition-related considerations. This includes tracking the evolution of carbon pricing mechanisms across key jurisdictions, emerging policy instruments and the increasing use of internal carbon pricing among industry peers.

Consideration is also given to how such a mechanism could be integrated within existing processes, including investment appraisal, project evaluation and long-term planning. This would support a more structured assessment of potential cost exposures linked to carbon pricing and regulatory changes.

The Group will continue to assess the feasibility and relevance of adopting an internal carbon pricing approach as part of its evolving climate risk management framework and transition planning efforts.

7.10 Maintaining robust emission monitoring and tracking

Robust emissions data forms a critical foundation for effective climate action and informed decision-making. During the year, the Group strengthened its emissions management capabilities with more comprehensive Scope 3 emissions reporting across sites and business divisions. This enhanced granularity improves visibility at operational levels, enabling clearer accountability, more targeted emissions management and more effective tracking of emission trends across the Group.

As part of this effort, the Group expanded its Scope 3 emissions inventory to additional categories across the value chain. These comprise:

- **Category 1:** Purchased Goods and Services
- **Category 2:** Capital Goods
- **Category 4:** Upstream Transportation and Distribution
- **Category 9:** Downstream Transportation and Distribution

The inclusion of these categories broadens the coverage of indirect emissions associated with procurement activities, capital investments and logistics across both upstream and downstream value chains. This provides a more complete view of the Group's emissions profile and highlights areas where further engagement with suppliers and partners may be required.

With these additions, the Group has achieved approximately 87% coverage of relevant Scope 3 emissions across the 15 categories defined under the GHG Protocol. This expanded scope enhances the completeness and reliability of the emissions inventory, supporting stronger baseline development and enabling more informed identification of emissions reduction opportunities.

ISSB Sustainability Statement (cont'd)

The improved coverage also positions the Group to better respond to evolving climate-related disclosure expectations, while laying the groundwork for the development of more targeted decarbonisation strategies across its value chain.

7.11 Metrics and targets

In FY2025, the Group recorded a reduction in combined Scope 1 and Scope 2 emissions of approximately 4.1%, decreasing from 358,308.30 tonnes CO₂e in FY2024 to 343,532.71 tonnes CO₂e. This reduction was largely influenced by lower production levels across both divisions, following a temporary disruption in April 2025 when operations were halted for 10 days due to a gas supply interruption arising from a pipeline explosion in Putra Heights. Notwithstanding the lower output, improvements in emissions intensity reflect progress in operational efficiency. The Gloves division recorded a reduction in Scope 1 and Scope 2 emissions intensity from 0.023 tonnes CO₂e per 1,000 pieces in FY2024 to 0.022 tonnes CO₂e per 1,000 pieces in FY2025. This improvement is linked to enhanced natural gas consumption efficiency across production processes.

A similar trend is observed in the Technical Rubber Products (TRP) division, where emissions intensity improved from 2.37 tonnes CO₂e per 1,000 kg of rubber compounded in FY2024 to 2.10 tonnes CO₂e per 1,000 kg in FY2025. This reduction reflects ongoing energy-saving initiatives focused on optimising natural gas and electricity consumption, alongside changes in product mix that contributed to lower emissions intensity.

Against the FY2022 baseline, the Group has achieved a reduction in Scope 1 and Scope 2 emissions of 15.4% for the Gloves division and 23.4% for the TRP division.

	FY2023			FY2024			FY2025			Target
Scope 1	Glove	TRP	Total	Gloves	TRP	Total	Gloves	TRP	Total	
Stationary combustion (tCO₂e)¹	209,814.46	2,363.04	212,177.50	251,028.24*	2,364.33*	253,392.57*	236,205.11*	2,054.06*	238,259.17*	Reduce emissions by 54.6% by 2035 (from 2022 baseline)
Mobile combustion (tCO₂e)²	399.92	165.17	565.09	393.49*	159.33*	552.82*	380.76*	204.86*	585.62*	
Fugitive emissions (tCO₂e)³	N/A	N/A	N/A	1,103.52*	42.00*	1,145.52*	805.07*	44.70*	849.77*	
Total Scope 1 emissions (tCO₂e)	210,214.38	2,52.21	212,742.59	252,525.25*	2,565.66*	255,090.91*	237,390.94*	2,303.62*	239,694.56*	
Scope 2										
Purchased electricity (tCO₂e)⁴	78,013.34*	8,197.16*	86,210.50*	94,741.33*	8,476.06*	103,217.39*	94,553.26*	9,284.89*	103,838.15*	
Total Scope 1 and 2 emission (tCO₂e)	288,227.72	10,725.37	298,953.09	347,266.58*	11,041.72*	358,308.30*	331,944.20*	11,588.51*	343,532.71*	
Scope 3										
Scope 3 emissions Category 1: Purchased goods & services (tCO₂e)⁵	N/A	N/A	N/A	N/A	N/A	N/A	532,852.07*	10,559.39*	543,411.46*	-
Scope 3 emissions Category 2: capital goods (tCO₂e)⁶	N/A	N/A	N/A	N/A	N/A	N/A	10,273.15*	168.03*	10,441.18*	

ISSB Sustainability Statement (cont'd)

	FY2023			FY2024			FY2025			Target
Scope 3 emissions Category 3: fuel and energy-related activities (tCO₂e)⁷	N/A	N/A	N/A	N/A	N/A	48,502.65*	45,161.17*	573.96*	45,735.13*	
Scope 3 emissions Category 4: upstream transportation & distribution (tCO₂e)⁸	N/A	N/A	N/A	N/A	N/A	N/A	7,807.93*	317.20*	8,125.13*	
Scope 3 emissions Category 5: waste generated in our operations (tCO₂e)⁹	N/A	N/A	1,826.32	N/A	N/A	2,010.72*	1,400.05*	440.73*	1,840.78*	
Scope 3 emissions Category 6: business travels (tCO₂e)¹⁰	N/A	N/A	70.00	N/A	N/A	315.18*	97.08*	78.26*	175.34*	
Scope 3 emissions Category 7: employee commuting (tCO₂e)¹¹	N/A	N/A	3,408.66	N/A	N/A	3,321.91*	2,649.55*	392.02*	3,041.57*	
Scope 3 emissions Category 9: downstream transportation & distribution (tCO₂e)¹²	N/A	N/A	N/A	N/A	N/A	N/A	86,184.92*	788.28*	86,973.20*	
Total Scope 3 (tCO₂e)	N/A	N/A	5,304.98	N/A	N/A	54,150.46*	686,425.92*	13,317.87*	699,743.79*	
Total Scope 1, 2 and 3 emissions - Gloves and TRP (tCO₂e)	N/A	N/A	304,258.07	N/A	N/A	412,458.76*	1,018,370.12*	24,906.38*	1,043,276.50*	

Notes:

1. Encompasses emissions from natural gas and diesel consumption at our production facilities. Emission factors were sourced from US's EPA and New Zealand's MfE.
2. Encompasses emissions from our gasoline and diesel consumption and mileage incurred by company vehicles. Emissions factors were sourced from GHG Protocol and UK' BEIS.
3. Encompasses emissions from our industrial chillers, air-conditioning and fire suppression equipment. Emission factors were sourced from GHG Protocol, the UK's BEIS, US's EPA and Netherlands' CO₂ Emisiefactoren.
4. Accounts for purchased electricity used in our production facilities and hostels. Emissions in FY2023 were calculated using the location-based method, based on the MEIH's 2019 Grid Emission Factors ("GEF"), while emissions in FY2024 and FY2025 were calculated using the location-based method, based on MEIH's 2022 Grid Emission Factors ("GEF").
5. Tracking began in FY2025, encompassing the cradle to gate emission for raw material, formers, packaging material, metal components, chemicals and water withdrawals, which emission factors sourced from France's French Ecological Transition Agency ("ADEME"), Germany's BAFA and ÖKOBAUDAT, UK's BEIS, China's CAEP, Indonesia's CBAM, Ecoinvent, Australia's ICM database, Singapore's SEFR and Australia's AusLCI.

ISSB Sustainability Statement (cont'd)

6. *Tracking began in FY2025, covering CAPEX such as building, construction work, computers, office equipment, furniture, machinery, industrial mould, vehicle and HVAC system which emission factor sourced from Malaysia's CEDA, UK's Climaq, Indonesia Exiobase, New Zealand's Market Economics Limited and Canada's OpenIO.*
7. *Tracking began in FY2024, encompassing the indirect emissions associated with the production, transmission and delivery of fuels and energy consumed by KOSSAN covering natural gas, diesel, gasoline and electricity which are not accounted for in Scope 1 and 2. Emission factors were sourced from UK's BEIS, Australia's DISER and China's GLEC.*
8. *Tracking began in FY2025, encompassing transportation and distribution of products purchased by the reporting company, between KOSSAN's tier 1 suppliers and its own operations and if pay by KOSSAN. Emission factors sourced from UK's BEIS, China's GLEC and Netherlands' CO₂ Emissiefactoren.*
9. *Tracking began in FY2023, covering both scheduled and non-scheduled waste. Emission factors used were sourced from GHG Protocol, New Zealand's Market Economics Limited, Australia's DISER, France's ADEME, US' EPA and the UK's BEIS.*
10. *Covers all vehicle types except trains. Emission factors were sourced from the US' EPA, the UK's BEIS and France's ADEME. However, emissions from air travel by our migrant workers are not accounted for in FY2023.*
11. *Includes all employee commuting activities. Emission factors were sourced from the UK's BEIS.*
12. *Tracking began in FY2025, encompassing the transportation and distribution of products sold by the reporting company between the reporting company's operations and the end consumer (if not paid for by KOSSAN), which emission factor sourced from UK's BEIS and China's GLEC.*
13. *"*" indicates that the data have been subject to external assurance.*

8. SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

8.1 Human rights and labour practices

KOSSAN exercises oversight and management of human rights and labour practice-related risks and opportunities through an integrated social governance framework. This framework is led by the Executive Directors, with support from key internal stakeholders across the Group, enabling informed decision-making and the implementation of policies that support both workforce well-being and business performance.

8.2 Human rights and labour practices governance

The Group's governance approach covers policies, procedures and oversight mechanisms that guide responsible labour practices and ethical conduct across operations. These structures support the identification, management and monitoring of human rights-related risks, while reinforcing expectations across the organisation and value chain.



Further details on our sustainability governance structure are set out in the SR 2025 on pages 12 to 13.

8.3 Risk management

Human rights and labour-related risks are integrated into the Group's broader Risk Management Framework as part of its ongoing risk management processes, consistent with the approach applied to sustainability and climate-related risks and opportunities. These risks are identified, assessed and tracked within the Group's risk registers, with defined mitigation measures and accountability assigned to relevant process owners.

Oversight is provided through established governance structures, including the Risk Management Committee, which reviews the adequacy of risk management practices and alignment with the Group's risk appetite and regulatory expectations.



Further details are set out in the Statement on Risk Management and Internal Control on pages 56 to 59 of this report.

8.4 Strategy

Based on the materiality assessment process, which includes an evaluation of sustainability-related risks and opportunities, the Group has identified human rights and labour practices as a material area. This reflects the potential for such matters to affect operations, workforce stability, reputation and long-term value creation.

Key risks relate to labour practices across operations and the value chain, including potential non-compliance with labour standards, worker welfare concerns, recruitment practices and occupational health and safety. These risks may lead to operational disruptions, regulatory exposure and reputational impact if not effectively managed.

At the same time, opportunities arise from strengthening labour practices and human rights management. These include enhancing employee engagement and retention, improving productivity, reinforcing stakeholder trust and supporting access to markets that place emphasis on responsible sourcing and ethical labour standards.

a. Risk and opportunities

Risks and Opportunities	Description	Time Horizon
Human rights and labour practises risks	<ul style="list-style-type: none"> Regulatory non-compliance with labour laws and international standards Reputational damage from labour rights violations in operations or supply chain Operational disruptions from worker grievances, strikes, or labour disputes Customer sanctions or contract termination for labour rights failures Legal liability from wage violations, discrimination, or unsafe conditions 	Current, Short, Medium, Long
Human rights and labour practises opportunities	<ul style="list-style-type: none"> Enhanced employee engagement, retention, and productivity through fair treatment Competitive advantage in attracting talent and meeting customer requirements Reduced operational risks through proactive grievance resolution Industry leadership in responsible labour practices 	Current, Short, Medium, Long

b. Strategy and decision making

Human Rights and Labour Practices Risk	Description
Impact to business and value chain	Human rights and labour practice violations could lead to regulatory penalties, operational disruptions, reputational damage, reduced market access, and supply chain instability, ultimately affecting customer confidence and KOSSAN's long-term business value.
How are we addressing it	<p>Implemented</p> <p>Responsible Recruitment Practices Adoption of a zero-fee recruitment policy, due diligence on recruitment agencies, and clear communication of employment terms to migrant workers.</p> <p>Standing Against Forced Labour and Modern Slavery Safeguarding workers' rights, ensuring employees retain control of personal documents, and providing transparent employment conditions.</p> <p>Prohibiting Child Labour Strict enforcement of minimum age requirements supported by robust age verification processes.</p> <p>Providing Reasonable Working Hours Compliance with labour laws, responsible overtime management, and monitoring of working hours to support employee well-being.</p> <p>Freedom of Association and Collective Bargaining Respect for employees' rights to form or join trade unions and engage through worker representatives.</p> <p>Freedom of Movement Employees are free to leave workplaces or accommodation during non-working hours and return to their home countries voluntarily.</p> <p>Decent Housing Provision of safe and comfortable accommodation for migrant workers that meets national standards.</p> <p>Grievance Mechanisms Accessible and confidential channels for employees to raise concerns and seek timely resolution.</p> <p>Social Compliance Audits Regular internal and external audits to monitor labour practices and strengthen compliance.</p> <p>Promoting Human Rights Awareness Training programmes, workshops, and workplace communications reinforcing zero tolerance for harassment and discrimination.</p>

ISSB Sustainability Statement (cont'd)

Human Rights and Labour Practices Risk	Description
How are we addressing it	<p>Industry Collaboration through the Responsible Glove Alliance (“RGA”) Active participation in implementing the RGA Code of Conduct aligned with International Labour Organization indicators to combat forced labour and strengthen ethical practices across the glove supply chain.</p> <p>Our Vendor Code of Conduct sets out clear expectations for our suppliers, contractors and service providers on human rights and labour standards, indicators include child labour, wages and benefits, working hours, modern slavery risks, freedom of association, non-discrimination, diversity and inclusion, and occupational health and safety.</p> <p>Future Plans Building on our ongoing efforts to enhance human rights and social compliance, we will continue to actively contribute as an RGA member. Our primary focus is to establish robust, industry-wide standards in collaboration with key stakeholders – including buyers, manufacturers and international labour rights organisations – to enhance the sustainability of the glove manufacturing supply chain and ensure the industry’s long-term vitality.</p>



Further details on human rights and labour practices are set out in the SR 2025 on pages 74 to 78.

c. Impact on strategy, decision making and operational resilience

Human rights and labour practices are embedded within the Group’s strategic and operational decision-making, guided by a structured Social Accountability Management System and Policy Roadmap. This framework sets clear standards across areas such as ethical recruitment, working conditions, occupational safety and employee rights, supporting alignment with regulatory requirements and stakeholder expectations.

These considerations influence key decisions across the business, including workforce planning, supplier selection and operational practices. Ethical recruitment practices, including the adoption of a zero-cost recruitment approach and due diligence on recruitment agents, reduce exposure to labour-related risks such as human trafficking and forced labour. Similarly, strict policies prohibiting forced labour, child labour and workplace misconduct guide both internal operations and supply chain expectations.

Operational decisions are also shaped by standards on working hours, employee welfare and accommodation, ensuring compliance with legal requirements and international benchmarks. The integration of grievance mechanisms and employee engagement initiatives further informs management decisions, allowing timely identification and resolution of issues that may affect workforce stability and productivity.

The Group’s emphasis on training, awareness and regular social compliance audits strengthens implementation across operations, while continuous monitoring supports improvements in policies and practices. These measures not only mitigate risks but also enhance operational efficiency, employee retention and stakeholder confidence, contributing to long-term value creation.

These measures strengthen the resilience of the Group’s operations and workforce by reducing exposure to labour-related risks, supporting stable operations and enabling the business to adapt to evolving regulatory and stakeholder expectations.

8.5 Financial effects

The Group has assessed the expected effects of human rights and labour practices-related risks and opportunities on its financial performance and cash flows across the current, short, medium and long-term horizons. Based on this assessment, these matters are not expected to give rise to a material financial impact at this stage.

Expenditures related to human rights and labour practices are largely operational in nature, including costs associated with employee welfare, compliance programmes, training, audits and accommodation standards. These costs form part of normal business operations and are not significant relative to the Group’s overall financial performance. As such, no material impact on assets and liabilities is expected within the next 12 months.

ISSB Sustainability Statement (cont'd)

Quantitative information has not been disclosed due to the combined effect of immateriality and measurement uncertainty, including limitations in data availability and the evolving nature of assessment methodologies. The Group will continue to strengthen its data collection and evaluation processes, with the aim of enhancing the robustness and depth of disclosures in future reporting periods.

8.6 Metrics and targets

Human Rights and Labour Practices Risks	2023	2024	2025
Maintain zero sustained complaints concerning human rights violations	0	0	0
Maintain zero reported cases of child labour	0	0	0
Achieve Zero discrimination and harassment case across our operation	2 cases	3 cases	0 cases
Achieve "A" rating for all selected factories undergo AMFORI BSCI Audit	-	1 selecting Gloves manufacturing site audited achieved "A" rating	Selected site maintained its AMFORI BSCI "A" rating
Maintain WRAP GOLD Certification for 100% of the selected factories	100%	100%	100%

9. EVENTS AFTER THE REPORTING PERIOD

No transactions, events or conditions have occurred after the end of the reporting period and before the date of authorisation of this report that require disclosure in this ISSB Sustainability Statement.

ISSB Sustainability Statement (cont'd)

Kossan Rubber Industries Bhd.
IFRS S2

Date & Time: 2026-04-16_17:35:33
FYE 31/12/2025

10. PRESCRIBED TABLE

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	239,694.56	Reduce emissions by 54.6% by 2035 (from 2022 baseline)	External (Limited)
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	103,838.15	Reduce emissions by 54.6% by 2035 (from 2022 baseline)	External (Limited)
GHG emissions	Scope 2 Market-based	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	NIL	—	External (Limited)
GHG emissions	Total Scope 3 emissions	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	699,743.79	—	External (Limited)
GHG emissions	Scope 3 Category 1: Purchased goods and services	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	543,411.46	—	External (Limited)
GHG emissions	Scope 3 Category 2: Capital goods	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	10,441.18	—	External (Limited)
GHG emissions	Scope 3 Category 3: Fuel- and energy-related activities	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	45,735.13	—	External (Limited)
GHG emissions	Scope 3 Category 4: Upstream transportation and distribution	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	8,125.13	—	External (Limited)
GHG emissions	Scope 3 Category 5: Waste generated in operations	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	1,840.78	—	External (Limited)
GHG emissions	Scope 3 Category 6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	175.34	—	External (Limited)
GHG emissions	Scope 3 Category 7: Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	3,041.57	—	External (Limited)
GHG emissions	Scope 3 Category 9: Downstream transportation and distribution	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	86,973.20	—	External (Limited)
GHG emissions	Scope 1 & 2 Intensity (Glove Division)	Tonnes CO ₂ e/ 1,000 pieces of gloves	0.022	Reduce emissions intensity by 54.6% by 2035 (from 2022 baseline)	External (Limited)
GHG emissions	Scope 1 & 2 Intensity (TRP Division)	Tonnes CO ₂ e/ 1,000 kg of compounded rubber	2.10	Reduce emissions intensity by 54.6% by 2035 (from 2022 baseline)	External (Limited)

Date & Time: 2026-04-16_17:35:33
 FYE 31/12/2025

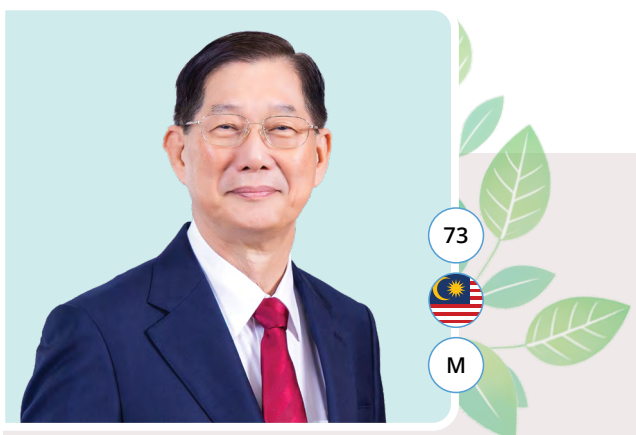
Kossan Rubber Industries Bhd.
 IFRS S2

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
GHG emissions	Scope 1, 2 & 3 Intensity (Gloves Division)	Tonnes CO2e/ 1,000 pieces of gloves	0.068	—	External (Limited)
GHG emissions	Scope 1, 2 & 3 Intensity (TRP Division)	Tonnes CO2e/ 1,000 kg of compounded rubber	4.50	—	External (Limited)

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-16_17:35:33

Page 2 of 2

DIRECTORS' PROFILE



TAN SRI DATO' LIM KUANG SIA

Group Managing Director / Chief Executive Officer,
Non-Independent Executive Director

DATE APPOINTED
14 June 1979 (Founder)

MEMBERSHIP OF BOARD COMMITTEES
NIL

QUALIFICATIONS AND WORKING EXPERIENCE
Tan Sri Dato' Lim, a founder director of KOSSAN, graduated with a Bachelor of Science Degree in Chemistry from Nanyang University in Singapore in 1975, a Post-graduate Diploma in Chemical Engineering from University College, University of London in 1976 and a Master's Degree in Chemical Engineering from Imperial College, University of London in 1977.

- PRESENT APPOINTMENTS**
- Honorary President of the Associated Chinese Chambers of Commerce and Industry of Malaysia
 - Honorary President of the Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor
 - Honorary President of the Klang Chinese Chamber of Commerce and Industry
 - Deputy President of the Malaysia Teochew Chamber of Commerce
 - Honorary Life President of the Teochew Association Klang and Coast
 - Honorary Advisor of the Malaysia Lin Chamber of Commerce Selangor State Liaison Committee
 - Honorary Advisor of the Lim Association Klang and Coast
 - Deputy Chairman of Pin Hwa High School
 - Vice Chairman of Kwang Hua Private High School
 - Board Member of Confucian Private Secondary School
 - Trustee of Confucian Private Secondary School
 - President of Nanyang University Alumni Association of Malaya
 - Deputy President of Canton Chamber of Commerce Malaysia
 - Chairman of the Pulau Ketam Art Association
 - Executive Advisor of Persatuan Kebajikan Che Sheng Khor, Klang

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ENTITIES
Other Public Company:

- Founder and Trustee of Yayasan Kossan



DATO' CHUA TIA GUAN

Chairman, Non-Independent Non-Executive Director

DATE APPOINTED
2 January 2026

MEMBERSHIP OF BOARD COMMITTEES
NIL

QUALIFICATIONS AND WORKING EXPERIENCE
Dato' Chua graduated with a Bachelor of Accounting (Hons) from the University of Malaya. Besides being a Chartered Accountant of Malaysian Institute of Accountants (MIA), Certified Public Accountant of The Malaysian Institute of Certified Public Accountants (MICPA) an Associate of Chartered Tax Institute of Malaysia (CTIM), a member of Institute of Corporate Directors Malaysia (ICDM), he is also an Approved Income Tax Agent licensed by the Ministry of Finance (MOF).

Previously, Dato' Chua served in a senior position in two international accounting firms. He was also appointed as the Independent Non-Executive Chairman of Success Transformer Corporation Berhad from 2016 to 2020.

Dato' Chua is a founding member of The Special Task Force to Facilitate Business (PEMUDAH) of the Federal Government of Malaysia, co-chair of PEMUDAH's Technical Working Group on Taxation and a member of SST 2.0 Technical Committee of Customs' Department. Previously, he was a member of Tax Reform Committee of Ministry of Finance and a Board Member of Secretariat for the Advancement of Malaysian Entrepreneurs (SAME) of PM's Department. He also served as the Head of Economic Survey Unit of the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) for a period of 12 years.

Currently, Dato' Chua is the Chairman of the Executive Committee of Newscap Capital Sdn Bhd, which is the ultimate holding company of the Burger King franchise in Malaysia and Singapore, since 2015. He is also the Head of Tax & Financial Consulting of Asia Business Centre group. He currently sits on the boards of several private limited companies and limited liability partnership.

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ENTITIES
Listed Entity:

- Non-Independent Non-Executive Chairman of 99 Speed Mart Retail Holdings Berhad

Directors' Profile (cont'd)



HOH KIM HYAN

Senior Independent Non-Executive Director

DATE APPOINTED
23 January 2017

MEMBERSHIP OF BOARD COMMITTEES

- AC
- RC
- NC
- RMC

QUALIFICATIONS AND WORKING EXPERIENCE

Madam Hoh is a Chartered Accountant with membership in the Institute of Chartered Accountants in England and Wales since 1983. She graduated with a Bachelor of Commerce from the University of Melbourne, Australia in 1978.

She has experience in accounting, auditing, internal audit, administration, education and training. She was with KPMG Malaysia (1984-2000 and 2008-2010) and headed one of its audit departments. Her last position in KPMG was technical director. During her second stint at KPMG, she was a Director in the Professional Practice Department.

From 2000 to 2002, she was the senior technical consultant at the Malaysian Accounting Standards Board where she assisted in the formulation of accounting standards for application in Malaysia. Between 2004 and 2008, she taught at University Tunku Abdul Rahman and University of Malaya. She was the Operations Director at the Institute of Internal Auditors Malaysia between 2011 to 2012. Madam Hoh was with The Malaysian Institute of Certified Public Accountants as its Senior Technical Manager from 2012 to 2019. Her main scope of work was to provide technical support to two of the Institute's Committees – the Accounting and Audit Technical Committee and the Financial Statements Review Committee.

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ENTITIES

- NIL



**SHARON SHANTHY
A/P DORAIRAJ**

Independent Non-Executive Director

DATE APPOINTED
1 November 2022

MEMBERSHIP OF BOARD COMMITTEES

- NC
- AC
- RC

QUALIFICATIONS AND WORKING EXPERIENCE

Ms. Sharon graduated with a Bachelor of Science (Mathematics) from Universiti Sains Malaysia and is a Chartered Banker of the Asian Institute of Chartered Bankers. She is also certified in various psychometrics instruments including Hogan, DDI and SHL and leadership coaching such as Gallup's Strength.

She is a strategic human capital leader with 30 years of experience in driving transformation, change management and merger and acquisition ("M&A") transactions. Her working experience includes being the Senior Vice President, Group Human Resource at Alliance Bank Malaysia Berhad from 2017 to 2022, Chief Human Resource Officer at MCIS Zurich Insurance Berhad from 2014 to 2017 and 17 years in OCBC Bank (Malaysia) Berhad from 1996 covering transformational performance, remuneration, talent and succession management, industrial relations and organisational learning. Other than financial institutions, her role as Human Resource Analyst, Malaysia Airlines System Berhad and Human Resource Manager at Halim Mazmin Group exposed her to people management in service and logistics industries.

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ENTITIES

- NIL

RC Remuneration Committee

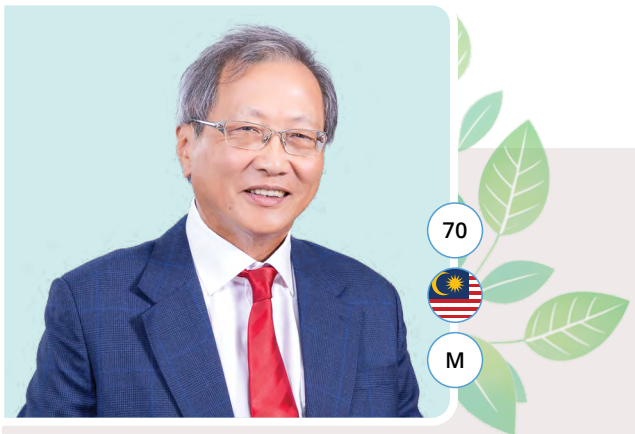
NC Nominating Committee

RMC Risk Management Committee

Directors' Profile (cont'd)

04

OUR GOVERNANCE

**LIM HUN SOON @ DAVID LIM***Independent Non-Executive Director***DATE APPOINTED**

1 August 2025

MEMBERSHIP OF BOARD COMMITTEES

RMC

AC

NC

RC

QUALIFICATIONS AND WORKING EXPERIENCE

Mr. David Lim is a member of Malaysian Institute of Certified Public Accountants, member of Malaysian Institute of Accountants, member of Institute of Chartered Accountants in England and Wales and member of Chartered Institute of Taxation, United Kingdom. He graduated with a Bachelor of Arts in Economics from the University of Leeds, United Kingdom in 1979.

He began his career with KPMG (formerly Peat Marwick Mitchell) in the United Kingdom in 1978. Over his 33-year tenure at KPMG, he was admitted as a Partner in April 1990. He served on the Management Committee from 1997 to 2001 and on KPMG's Partnership Supervisory Council from 2002 to 2010.

In 2006, he was instrumental in establishing the Audit Committee Institute, Malaysia ("ACIM"), a global initiative sponsored by KPMG to share insights on best practices with Independent Non-Executive Directors for implementing effective and practical board processes. The initiative was well received, with participants benefiting from the guest speakers' storyboards and anecdotes. Mr. David Lim retired from KPMG in 2011.

In May 2013, he was appointed as a Council Member of The Institute of Chartered Accountants in England and Wales ("ICAEW"), the first time Malaysia had been granted a seat on the Council in ICAEW's illustrious history. His initial two-year term ended in June 2015, after which he was reappointed for two additional terms, serving until March 2019, the maximum tenure permitted.

PRESENT DIRECTORSHIPS IN OTHER PUBLIC COMPANIES AND LISTED ENTITIES**Listed Entities:**

- Independent Non-Executive Director ("INED") of Press Metal Aluminium Holdings Berhad
- Independent Non-Executive Chairman ("INEC") of TSA Group Berhad
- Non-INEC of Kawan Food Berhad
- INED of Fairview International Limited (listed on the London Stock Exchange – Main Market)

Other Public Companies:

- INEC of Rockwills Trustee Berhad
- INED of Public Investment Bank Berhad
- INED of Malaysia Rating Corporation Berhad

**DATIN PADUKA TPr. NORAINI BINTI ROSLAN***Independent Non-Executive Director***DATE APPOINTED**

2 January 2026

MEMBERSHIP OF BOARD COMMITTEES

AC

QUALIFICATIONS AND WORKING EXPERIENCE

Datin Paduka TPr. Noraini holds a Master of Regional Planning from the University of North Carolina at Chapel Hill, USA, and a Bachelor of Science in Urban and Regional Planning from East Carolina University, USA. Currently, she is a qualified Registered Town Planner (TPr.) and a corporate member of the Malaysian Institute of Planners.

She is an accomplished public-sector leader with over 35 years of experience in governance, urban planning, and sustainable development. She served as the President of the Kuala Selangor District Municipal Council from 2011 to 2017, President of the Hulu Selangor Municipal Council in 2017, and Mayor of Subang Jaya from 2018 to 2021. She was subsequently appointed as the President of the Klang Municipal Council ("MPK"). In 2024, she retired as the first woman Mayor of the Klang Royal City Council (formerly MPK). During her tenure, she played a pivotal role in overseeing Klang's transition to a city and implemented improvements to urban services and infrastructure.

Throughout her career, she led various environmental, social, and sustainability projects. She served as the Chief Coordinator of the Klang River Rangers Project, Chairperson of the Integrated Coastal Zone Management Project in Klang and Kuala Selangor, Advisor to the Kuala Selangor Nature Park and the Firefly Recovery Programmes in Kuala Selangor, and led several districts in implementing Local Agenda 21 action plans.

PRESENT DIRECTORSHIPS IN OTHER PUBLIC COMPANIES AND LISTED ENTITIES**Listed Entity:**

- INED of Infinity Logistics and Transport Venture (listed on the Stock Exchange of Hong Kong Limited)

Other Public Company:

- INED of RNG Tech Berhad

Directors' Profile (cont'd)

**TAN KONG CHANG***Non-Independent Executive Director***DATE APPOINTED**

26 August 2013

MEMBERSHIP OF BOARD COMMITTEES

NIL

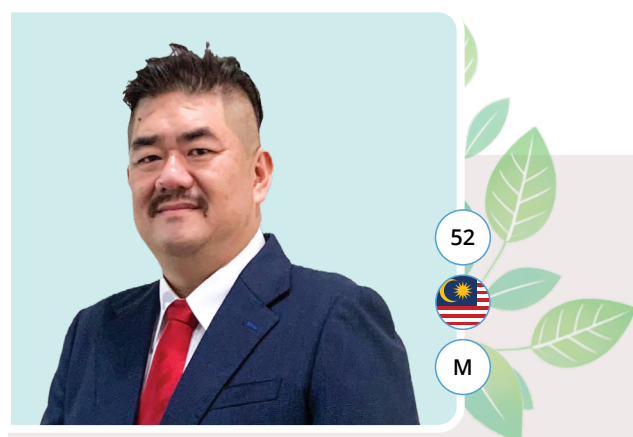
QUALIFICATIONS AND WORKING EXPERIENCE

Mr. Tan is currently a Key Senior Management and holds the position of Chief Operating Officer in the Gloves Division and Executive Director of Human Resources of the Group. Additionally, he is responsible for all expansion and upgrading of manufacturing facilities and the construction of the Group's buildings. He also oversees several subsidiaries in the Gloves Division.

He graduated with a Bachelor's Degree in Architecture from the University of Southwestern Louisiana, USA in 1992. Mr. Tan was a Project Architect with DEG Akitek Sdn. Bhd. from 1992 to 1995 and a Project Manager with KYM Holdings Berhad from 1996 to 1997. In 1998, he joined Perusahaan Getah Asas Sdn. Bhd., a subsidiary, where he gained experience in finance, human resource, production management, quality control and research and development.

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ENTITIES

- NIL

**LIM SIAU TIAN***Non-Independent Executive Director***DATE APPOINTED**

26 August 2013

MEMBERSHIP OF BOARD COMMITTEES

NIL

QUALIFICATIONS AND WORKING EXPERIENCE

Mr. Lim Siau Tian is currently a Key Senior Management and holds the position of Executive Director of Marketing in the Gloves Division. Additionally, he oversees several subsidiaries in the Gloves Division and drives several corporate level projects. He is chairing the Corporate Sustainability committee for the Company.

He graduated with a Bachelor's Degree in Marketing from the University of Central Oklahoma, USA in 1998. After his graduation, he was involved in the trading of medical disposables in the USA from 1998 to 2003, culminating in his appointment as the Operations and Marketing Manager. He joined KOSSAN in 2003 and gained experience in sales, marketing, business development and strategic leadership. He also held several roles and contributed his expertise in the rubber glove industry during his term as Trustee in Malaysian Rubber Council and as elected committee member in the Malaysian Rubber Glove Manufacturers Association.

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ENTITIES**Other Public Company:**

- President and Trustee of Yayasan Kossan



LIM OOI CHOW

Non-Independent Executive Director

DATE APPOINTED

26 August 2013

MEMBERSHIP OF BOARD COMMITTEES

RMC

QUALIFICATIONS AND WORKING EXPERIENCE

Mr. Lim Ooi Chow is currently a Key Senior Management and holds the position of Executive Director of Engineering and oversees several subsidiaries in the Gloves Division.

He graduated with a Bachelor's Degree in Computer Science from Monash University, Australia in 2005. He obtained his Masters of International Business, also from Monash University in 2006. Upon graduation, he worked as a Computer Engineer in Australia. He joined KOSSAN in 2007 and gained experience in finance, information technology, project management, production management and engineering.

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ENTITIES

- NIL

Notes:

The details of Directors' attendance at Board Meetings are set out in the Corporate Governance Overview Statement on page 51 of this Integrated Annual Report. None of the Directors of the Company have family relationships with any Director and/or major shareholders with the exception of the following:

- Mr. Lim Ooi Chow is the son of Tan Sri Dato' Lim Kuang Sia.
- Mr. Lim Siau Tian is the nephew of Tan Sri Dato' Lim Kuang Sia.
- Messrs Lim Siau Tian and Lim Ooi Chow are cousins.

Other than as disclosed, none of the Directors have any actual or potential conflict of interest with the Company, have not been convicted of any offence, other than traffic offences, within the past five years and have no public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

BOARD COMMITTEES MEMBERSHIPS |

● Chairperson ● Member

AC Audit Committee

RC Remuneration Committee

NC Nominating Committee

RMC Risk Management Committee

KEY SENIOR MANAGEMENT PROFILE

TAN SRI DATO' LIM KUANG SIA

Group Managing Director / Chief Executive Officer

Please refer to Directors' Profile page 44.

TAN KONG CHANG

Executive Director and Chief Operating Officer (Glove Division)

Please refer to Directors' Profile page 47.

LIM SIAU TIAN

Executive Director, Marketing (Glove Division)

Please refer to Directors' Profile page 47.

LIM OOI CHOW

Executive Director, Engineering (Glove Division)

Please refer to Directors' Profile page 48.

LIM SIAU HING

Executive Director (Subsidiaries), TRP Division



Qualifications and Working Experience:

Mr. Lim Siau Hing graduated with a Bachelor's Degree in Business Administration (majoring in Operations Management and Analysis) from the University of Central Oklahoma, USA in 1998. He joined KOSSAN upon graduation and gained experience in quality control, production management, engineering and marketing. On 1 January 2019, he was appointed to oversee the Technical Rubber Products Division.



- Messrs Lim Siau Hing, Lim Siau Tian and Lim Ooi Chow are cousins.
- Mr. Lim Siau Hing is the nephew of Tan Sri Dato' Lim Kuang Sia.

MOK CHEE HONG

Chief Financial Officer



Qualifications and Working Experience:

Mr. Mok is a Fellow Member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. He has been serving in his current capacity at KOSSAN since June 2021.

He commenced his career as an auditor with BDO Binder before taking on the role of Assistant Finance Manager at Talam Corporation Berhad and later Finance Manager at Panasonic Malaysia. Subsequently, he advanced to Senior Finance Manager at Carlsberg Brewery Malaysia Berhad and later assumed the position of Financial Controller at a multinational corporation. Prior to joining KOSSAN, he was the Chief Financial Officer of a public listed company.



LEE HON CHEE

Senior Group Accountant



Qualifications and Working Experience:

Mr. Lee is a Chartered Accountant member with the Malaysian Institute of Accountants and holds a Bachelor's Degree in Business Accounting. He joined KOSSAN in 1994 and has served in various capacities in the Group prior to his appointment in his present position in 2009.



TAN ENG TECK

General Manager, Business Development (TRP Division)



Qualifications and Working Experience:

Mr. Tan holds an Honours Degree in Polymer Science and Technology. He joined KOSSAN in 1994 and has held various positions in KOSSAN prior to his appointment in his present position in 2003.



Legend:

- Present directorship(s) in other public companies and listed entities
- Any list of convictions for offences, other than traffic offences, within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies
- Any actual or potential conflict of interest with the Company
- Any family relationship with any director and/or major shareholder of the Company

Note:

The disclosure on the particulars of the key senior management is made in compliance pursuant to Appendix 9C of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Kossan Rubber Industries Bhd. (“KOSSAN” or “the Company”) remains committed and continues to endeavour to comply with the principles and practices set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”) with the aim in ensuring long-term sustainable growth for the interest of its shareholders and stakeholders. With that in mind, the Board regularly reviews its corporate governance (“CG”) practices aiming to align with the MCCG and applicable regulatory obligations.

We are pleased to present our Corporate Governance Overview Statement (“Statement”) for the period of 1 January 2025 to 31 December 2025 (“FY2025”). This Statement provides an overview on how KOSSAN and its subsidiaries (“Group”) had applied and adopted the three principles of the MCCG during the financial year under review.

This Statement is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) and should be read together with the Corporate Governance Report 2025 (“CG Report”), which is available on our corporate website at www.kossan.com.my.

**PRINCIPLE A:
BOARD
LEADERSHIP
AND
EFFECTIVENESS**

**PRINCIPLE B:
EFFECTIVE
AUDIT AND RISK
MANAGEMENT**

**PRINCIPLE C:
INTEGRITY IN
CORPORATE
REPORTING AND
MEANINGFUL
RELATIONSHIP WITH
STAKEHOLDERS**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Roles and Responsibilities of the Board

The Board is always mindful of its responsibilities in overseeing and ensuring overall effective management of the Company to deliver long-term sustainable growth. To enable us to effectively discharge our responsibilities whilst meeting the goals and objectives of the Company, we had established a Board Charter in 2014 that clearly sets out the governance structure, authorities and responsibilities of the Board, Board Committees, individual directors and Management, together with a formal schedule of issues and decisions reserved for the Board. The Board also delegates specific responsibilities, as set out in each respective terms of reference (“TOR”), to the Board Committees, namely, the Audit (“AC”), Nominating (“NC”), Remuneration (“RC”) and Risk Management (“RMC”) Committees. The Board Charter and TORs are published on our corporate website.

Board Composition

In FY2025, the Board has nine (9) members, comprising one (1) independent non-executive chairman, three (3) independent non-executive directors (“INEDs”) and five (5) executive directors (“EDs”).



Chairman

The Chairman of the Board, En. Mohamed Shafeii bin Abdul Gaffoor, is responsible for matters pertaining to the Board and the overall conduct of the Company. The Chairman is committed to good CG practices and has been leading the Board towards continuous improvements. He is not a member of the AC, NC, RC and RMC. On 31 December 2025, En. Shafeii voluntary vacated his office in accordance with the 9-year tenure policy for an independent director under the recommendation of the MCCG, reflecting his commitment to upholding strong CG culture.



Group Managing Director/Chief Executive Officer (“Group MD/CEO”)

Tan Sri Dato’ Lim Kuang Sia, the Group MD/CEO, focuses on the Group’s businesses and manages day-to-day operations of the Company as well as implements the Board’s decisions. The positions of the Chairman of the Board and CEO are held by different individuals with distinct roles and clear division of responsibilities set out in the Board Charter. This will ensure balance of power and authority with no one individual has unfettered powers on decision making.

Corporate Governance Overview Statement (cont'd)

Board and Board Committees' Attendance

In 2025, the members of the Board and Board Committees had discharged their roles and responsibilities in accordance with the TORs of the respective Committees. Their attendance for FY2025 were set out below:

	BOD	AC	NC	RC	RMC
MOHAMED SHAFEEI BIN ABDUL GAFFOOR <i>Chairman, Independent Non-Executive Director</i> <i>(Vacated office on 31 December 2025)</i>	5/5	-	-	-	-
TAN SRI DATO' LIM KUANG SIA <i>Group Managing Director/CEO,</i> <i>Non-Independent Executive Director</i>	5/5	-	-	-	-
LEE CHOO HOCK <i>Senior Independent Non-Executive Director</i> <i>(Retired on 29 May 2025)</i>	3/3	3/3	2/2	-	2/2
HOH KIM HYAN <i>Senior Independent Non-Executive Director</i> <i>(Resigned on 29 May 2025)</i>	5/5	5/5	4/4	1/1	4/4
SHARON SHANTHY A/P DORAIRAJ <i>Independent Non-Executive Director</i>	5/5	5/5	4/4	1/1	-
LIM HUN SOON @ DAVID LIM <i>Independent Non-Executive Director</i> <i>(Appointed on 1 August 2025)</i>	2/2	2/2	2/2	1/1	2/2
TAN KONG CHANG <i>Non-Independent Executive Director</i>	5/5	-	-	-	-
LIM SIAU TIAN <i>Non-Independent Executive Director</i>	5/5	-	-	-	-
LIM OOI CHOW <i>Non-Independent Executive Director</i>	5/5	-	-	-	4/4
LIM SIAU HING <i>Non-Independent Executive Director</i> <i>(Resigned on 31 December 2025)</i>	5/5	-	-	-	-

● Chairperson | ○ Member

BOD Board Of Directors
 AC Audit Committee
 NC Nominating Committee
RC Remuneration Committee
RMC Risk Management Committee

* Subsequent to financial year ended 31 December 2025, Dato' Chua Tia Guan and Datin Paduka TPr. Noraini binti Roslan were appointed as Non-Independent Non-Executive Chairman and INED, respectively, of the Company on 2 January 2026.

Executive Directors

The EDs are accountable for the management of the Group's operations and ensuring that strategies are implemented, taking into account the interest of shareholders and other relevant stakeholders, aiming to enhance long-term sustainable growth of the Group.

Senior INED ("SINED")

Mdm. Hoh Kim Hyan is the appointed SINED. She serves as the principal conduit between the Chairman and the Board, and, importantly, represents the views of the independent directors and leads communication to ameliorate any misunderstanding and boardroom tension. Further, she is also the Chair of the Whistleblowing Committee who oversees the whistleblowing function and ensures its effectiveness.

Independent Non-Executive Directors

Our INEDs play an important role in providing objective, impartial and independent views, advice and judgment to the Board. Their presence ensures adequate check and balance in Board decisions and safeguard the interest of the minority shareholders. The Board adopts a 12-year tenure limit for independent directors ("IDs") as set out in the MMLR. In FY2025, none of the IDs' tenure exceeded nine (9) years. The Board was satisfied that all IDs have met the independence guidelines as set out in the MMLR and are able to continue to bring independent and objective judgment to the Board.

Corporate Governance Overview Statement (cont'd)

04

OUR GOVERNANCE

Company Secretaries

The Board is supported by two suitably qualified and competent Company Secretaries who assist the Chairpersons of the Board and Board Committees in the distribution of notices, agendas and meeting materials, ensuring compliance with Board procedures as well as providing advice on regulatory compliance and corporate governance. The Company Secretaries regularly undertake continuous professional development to keep abreast of the latest developments. The Board is satisfied with the performance and support rendered by the Company Secretaries.

Board Administration

Agendas for the Board and Board Committees' meetings were set by the Chairpersons, supported by the Company Secretaries. The notices and agendas together with the relevant Board papers were distributed to the members at least five (5) working days prior to meetings. Information shared to the members are required to be clear, concise and of sufficient depth to facilitate constructive deliberations and assist the members in decision-making process. EDs and/or senior management will join meetings by invitation when required, enabling the members to understand the matters in depth and question Management directly.

An annual meeting calendar was given to all Directors before the beginning of each new financial year. Each Director is also required to notify the Chairman prior to his/her acceptance of directorship(s) outside the Group. The notification should include an approximate indication of time to be spent on the new directorship(s). None of the members of the Board hold more than five directorships in public companies listed on Bursa Malaysia.

BUSINESS CONDUCT AND CORPORATE CULTURE**KOSSAN Code of Ethics and Conduct ("KCEC")**

The KCEC was in place to help the employees of the Group to make the right choices and to act appropriately in response to ethical behaviour in the workplace. The KCEC is applicable to all directors and employees of KOSSAN. The Board had also adopted the *Conflict of Interest ("COI") Policy for Directors and Key Senior Management* to ensure any actual or potential COI that a director or key senior management declared is appropriately dealt with or managed. The policy sets out the guidance in identifying COI situations, disclosure requirements and the measures to be taken to resolve, eliminate or mitigate such conflicts. All directors and key senior management are required to declare any COI situations at each Board meeting, on an annual basis, and whenever a conflict arises.

Anti-Bribery and Corruption ("ABC") Policy

The Group has implemented an ABC policy to guide and govern the prevention of corrupt practices and other unethical conduct within the organisation. The ABC policy emphasises the Group's zero-tolerance approach towards any form of bribery and corruption. The ABC Policy is also available on our corporate website. During the financial year, the Board approved the changes/updates to the ABC policy and framework to strengthen ABC controls within the organisation.

Whistleblowing Policy


The Board established a whistleblowing policy that provides the avenue for its employees and the general public to raise concern about malpractice or improper conduct and explains how the company responds to it. Our policy provides assurance that identities of employees and third parties will be kept confidential and that whistleblowers, acting in good faith, will not face any form of retaliation, harassment or victimisation. The policy and procedures on whistleblowing are available on our corporate website. All reports are received by the Whistleblowing Committee ("WBC"), which comprised exclusively of the following INEDs:

- | | |
|---|-----------------|
| (a) Mdm. Hoh Kim Hyan | : Chair / SINED |
| (b) En. Mohamed Shafeii bin Abdul Gaffoor | : Member / INED |
| (c) Ms. Sharon Shanthly a/p Dorairaj | : Member / INED |

Subsequent to the financial year ended 31 December 2025 where En. Mohamed Shafeii bin Abdul Gaffoor resigned as a WBC member, Datin Paduka TPr. Noraini binti Roslan was appointed as a member of the WBC on 23 February 2026.

SUSTAINABILITY GOVERNANCE

The responsibility to embed sustainability in the Group's business strategy and operations rests with the Board. The Board is assisted by the Group Managing Director/CEO and Mr. Lim Siau Tian, the Chairman of KOSSAN Sustainability Committee ("KSC"), to oversee the formulation, implementation and effective management of the Company's sustainability strategies and targets. In 2022, the Board had adopted *KOSSAN Sustainability Policy* which comprises four (4) guiding principles: Long term value creation, Invest to green DNA, Vibrant human capital and Excellence innovation (L.I.V.E.), with 12 Sustainability Principles. During the financial year, the Board adopted the *Sustainability Governance Charter* to strengthen accountability and enhance oversight by the KSC.

 Details on the sustainability governance can be found on pages 12 to 13, stakeholders' engagements and material matters can be found on pages 21 to 39 of the SR 2025.

Corporate Governance Overview Statement (cont'd)

NOMINATING COMMITTEE (“NC”) STATEMENT

The NC comprised three (3) INEDs and was chaired by Ms. Sharon Shanthy a/p Dorairaj. The NC plays an essential role in ensuring the effectiveness of our Board. This includes reviewing the composition of the Board, tenure of the independent directors, overseeing the appointment and/or re-appointment of a board member and undertaking annual evaluation of the Board, Board Committees and individual directors.

Appointment of New Directors

The NC is responsible for assessing suitable candidates for any new appointment of directors to the Board. Candidates were sourced not only from the recommendations of existing board members or major shareholders, but also from unrelated third parties and platforms. Upon assessing the pool of candidates, the NC will conduct engagement sessions with the shortlisted candidates prior to its recommendation to the Board.

The NC has a selection criterion which are based on objective criteria, merit and with due regard for diversity in skills, expertise, experience, independence, gender, age, cultural background and ethnicity as well as the criteria specified in the *Directors Fit and Proper Policy* (“DFPP”). The DFPP serves as a guide to ensure the appointed or elected/re-elected director possesses the necessary character, integrity, experience, competence and time commitment to discharge his/her role effectively. In addition, the Board believes that a diverse and inclusive board makes prudent business sense, retains competitive advantage and leads to better corporate governance. To complement this, the Board adopted the *Board Diversity Guide* that sets out the guiding principle that any appointment to the Board will be based on merits and the values that the selected candidates will be able to bring to the Board, without prejudice to any diversity aspects.

In 2025, the Board approved the recommendations of the NC for the appointments of Mr. Lim Hun Soon @ David Lim as an INED, effective 1 August 2025, following the resignation of Mr. Lee Choo Hock on 29 May 2025, as well as Dato’ Chua Tia Guan and Datin Paduka TPr. Noraini binti Roslan as the Non-Independent Non-Executive Chairman and INED, respectively, effective 2 January 2026, following the resignations of En. Mohamed Shafeii bin Abdul Gaffoor and Mr. Lim Siau Hing effective 31 December 2025. An induction programme for each newly appointed director was organised by the Company Secretaries where the respective Head of Departments presented an overview of the Group’s businesses and relevant functions within the organisation.

Re-election of Directors

Annually, the NC reviewed the eligibility of the retiring Directors who are subjected to re-election at the

forthcoming Annual General Meeting (“AGM”) pursuant to the Company’s Constitution. In that respect, the NC will consider the criterion set out in the DFPP, independence of the independent directors, directors’ contribution to board deliberations, their ability to act in the best interest of the Company in decision making and the outcome of the board evaluation. The NC was satisfied that each retiring Director met the performance criteria required for an effective Board. The Board thus supported the NC’s recommendation that the retiring Directors are eligible to stand for re-election. All retiring directors, being eligible, have offered themselves for re-election at the 46th AGM. Each of the retiring Directors abstained from deliberations and decisions on their own eligibility to stand for re-election at the NC and Board meetings. The Board’s statement of support was included in the notes accompanying the Notice of AGM.

Board Effectiveness Evaluation (“BEE”)

The NC is responsible for the annual evaluation of the Board as a whole, board committees and individual directors. An external consultant may be engaged to facilitate the BEE exercise. The last engagement of an independent consultant was in 2024. As such, the Board approved the recommendation of the NC that the BEE exercise for the period 1 January 2025 to 31 December 2025 (“BEE 2025”) to be conducted internally via questionnaires and facilitated by the Company Secretaries. The questionnaires comprised assessments of the Board as a whole, the Board Committees, individual directors, including self and peers’ evaluations, and directors’ skills set.

The Board and Board Committees assessments covered areas on their roles, compositions, access to information, dynamics, relationship with Management, ability to consider sustainability issues in decision making, and whether the committees’ functions and responsibilities were effectively discharged in accordance with their respective TORs. Individual directors were evaluated on their fit and properness, contribution and performance as well as his/her calibre and personality. With regards to the Independent Directors, their independence was also assessed.

The BEE 2025 Report was tabled to the NC and Board for deliberation. The overall results of the BEE 2025 were positive, with an average overall rating of 3.6 out of 4.0. The Report highlighted the key strengths of the Board and identified areas with comparatively lower ratings. The NC deliberated on each comment/feedback given and recommended action plans for areas requiring enhancements. Each director was provided with his/her individual results from the self and peers evaluations. The Board adopted the Report and the action plans recommended by the NC.


Corporate Governance Overview Statement (cont'd)

The Board noted that the outcome of the BEE 2025 indicated that the performance of the Board, Board Committees and each individual director during the evaluation period had been satisfactory and all directors had discharged their duties and functions effectively. The Board was satisfied with each of the Director's level of performance and their contribution to the Board. Further, all independent directors had met the independence guidelines as set out in the MMLR and able to continue to bring independent and objective judgment to the Board.

The NC, with the concurrence of the Board, was of the view that the Board is of the right size and has an appropriate mix of skills, experience, independence and diversity to meet the needs of the Company. In 2025, the Board comprised two (2) women directors, representing 22% of the total Board composition. With the appointment of Datin Paduka TPr. Noraini binti Roslan in 2026, female representation on Board increased to 33%.

Training and Development of Directors


The Board recognises the importance for Directors to keep themselves up-to-date on the latest developments in order to discharge their duties and responsibilities effectively. To achieve this, all Directors had attended trainings to continuously update their knowledge and skills which includes not only legislative developments but also market trends, economic environment, technological advancements and ESG (environmental, social and governance) considerations. Additionally, our Company Secretaries provided regular updates to the Board and its committees on regulatory and corporate governance matters. In 2025, two (2) in-house training programmes related to sustainability and anti-corruption were organised for the Directors.

 Details of the training programmes attended by the Directors in FY2025 are set out on pages 8 to 11 of the CG Report.

REMUNERATION

The *Company's Remuneration Policy* aims to attract and retain competent Directors and senior management who are capable of effectively leading and managing the Group. The remuneration packages for the EDs and senior management are tied to their individual and corporate performance, responsibilities, qualifications, skills and experiences. In the case of the NEDs, their remuneration levels commensurate to their responsibilities, skills, and time commitments. The *Company's Remuneration Policy* can be found on our corporate website.

The Remuneration Committee ("RC") is chaired by Mdm. Hoh Kim Hyan, SINED, and the members comprised solely of INEDs. Guided by the *Company's Remuneration Policy*, the RC reviewed the remuneration packages of the EDs and senior management prior recommending their packages to the Board for approval, whilst the proposed fees for NEDs were reviewed by the Board as a whole. The remuneration of the EDs and NEDs were benchmarked against comparable listed companies in Malaysia in terms of industry. Directors do not participate in discussions or voting on decisions relating to his/her own remuneration package at the RC and Board meetings.

 Details of the remuneration of Directors of the Company for FY2025 on a name basis, including the components of remuneration, can be found on page 37 of the CG Report.


PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee ("AC")

The AC comprised three (3) INEDs and was chaired by Mdm. Hoh Kim Hyan, SINED, who is not the Chairperson of the Board. Two (2) of the AC members are chartered accountants and all members of the AC are financially literate. They continued to undertake courses to improve their understanding of matters under the purview of the AC, including developments in accounting and auditing standards and practices. None of the members of the AC are former audit partners who are required to observe a cooling-off period of at least three (3) years before his/her appointment to the AC.

Subsequent to the financial year ended 31 December 2025, Datin Paduka TPr. Noraini binti Roslan was appointed as an additional member of the AC on 23 February 2026.

Guided by the *KOSSAN Policy and Procedures for the Reappointment of the External Auditors*, the AC undertook an annual assessment of the suitability, objectivity and independence of the Company's external auditors, KPMG PLT. The external auditors had provided their declaration of independence in their annual audit plan presented to the AC. The AC also reviewed the provision of non-audit services rendered to the Group by the external auditors and its affiliates where the total amount of fees paid and payable for the non-audit services rendered by the Group's external auditors and its affiliates for FY2025 was RM465,100.

 A summary of the activities undertaken by the AC in FY2025 are set out in the AC Report on pages 60 to 61 of this IAR.

Corporate Governance Overview Statement (cont'd)

Risk Management and Internal Control Framework

The Board is responsible for the Group's risk management framework and system of internal control and the review of their adequacy and integrity. The Board established the Risk Management Framework to ensure that an effective system of internal control that provides reasonable assessment of effective and efficient operations, financial controls and compliance with laws and regulations as well as with internal procedures and guidelines are in place within the Group.

The AC is responsible to assist the Board in ensuring the adequacy and effectiveness of internal controls and oversees the risk management function through the Risk Management Committee ("RMC"). The RMC comprised a majority of INEDs to oversee the Group's risk management framework and policies. The RMC monitors and assesses the risk appetite and tolerance of the Group to safeguard the Group's assets and shareholders' investment.

Ⓢ *Details of the Group's risk management and internal control are set out in the Statement on Risk Management and Internal Control on pages 56 to 59 of this IAR.*

Internal Audit ("IA")

The Board had established an in-house IA function which reports directly to the AC. The IA function undertakes an independent assessment of the internal control system of the Group and provides assurance to the AC that no material issue or major deficiency has been noted which could pose a high risk to the overall system of internal control. The personnel of IA are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The IA function is carried out in accordance with the IA Charter and IA Framework with reference to the *Institute of Internal Auditors' International Professional Practices Framework*. In 2025, a gap assessment based on the *Global Internal Audit Standards* was conducted. All IA assignments were carried out in accordance with the 2025 audit plan approved by the AC. The AC was satisfied that the IA function was effective, adequately staffed with qualified and experienced persons and able to function independently.

Ⓢ *Further details of the IA function are contained in the AC Report on page 61 of this IAR.*

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**Communication with Stakeholders**

The Board aims to achieve effective engagement with shareholders and relevant stakeholders to gain a better understanding of the Group's performance and operations. The provision of accurate, transparent and timely information is principally important to the shareholders and investors for informed decision making. While the Company endeavours to provide as much information as possible, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. Communications are effected through various platforms including the corporate website, annual and sustainability reports, general meetings, quarterly announcements of financial results as well as relevant announcements of transactions and circulars to Bursa Malaysia Securities Berhad.

Conduct of General Meeting

The Company's AGM is the principal forum for dialogue with shareholders. The Company held its 45th AGM at the time and venue which were convenient and easily accessible to shareholders. All board members, senior management, and the Group's external auditors attended the 45th AGM to address questions raised by shareholders during the AGM, as the case may be. The Board presented the progress and performance of the Group's businesses and encouraged shareholders to participate in the proceedings and Q&A session and thereafter to vote on all resolutions tabled.

The Notice of the 45th AGM together with the Proxy Form were sent to all shareholders at least 28 days before the AGM ensuring shareholders were given sufficient notice and time to consider the agenda items that will be discussed and to prepare themselves to attend the AGM or to appoint a proxy to attend and vote on their behalf. Each special business included in the Notice of AGM was accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of issues involved.

The Company had appointed Boardroom Share Registrars Sdn. Bhd. as poll administrators to conduct the polling process on all resolutions tabled at the AGM, and Sky Corporate Services Sdn. Bhd. as scrutineers to verify the poll results. The poll results were tabled announced to Bursa Malaysia on the same day for the benefit of shareholders.

The Minutes of the 45th AGM (including all relevant questions raised by shareholders at the AGM and the responses thereto) were made available on our corporate website within 30 business days after the 45th AGM.

COMPLIANCE STATEMENT

This Statement was approved by the Board on 17 April 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad where the Board of Directors (“Board”) of a public listed company is required to publish a statement about the state of risk management and internal controls of the listed issuer as a group and is prepared in accordance with Principle B Part II of the Malaysian Code on Corporate Governance of Securities Commission Malaysia (“MCCG”), with the guidance from the “Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Companies”.

The Board is committed to maintain and continuously improve the Group’s system of risk management as well as internal controls and is pleased to provide the following statement which outlines the nature and scope of risk management and internal controls of the Group during the year under review.

BOARD’S RESPONSIBILITY

The Board acknowledges and affirms its responsibility in establishing and maintaining an effective risk management framework and internal control system to safeguard shareholders’ investments and the Group’s assets and also ensures that the system of internal control manages risk and forms part of its corporate culture.

The Board continuously reviews the risk management framework, processes, responsibilities and assesses for reasonable assurance that the risks faced by the Group are being managed effectively and efficiently within the Group’s defined risk appetite and tolerance. However, the Group’s risk management and internal control system is designed to manage, rather than eliminate the risk of failure to achieve business objectives. Notwithstanding and due to the limitations inherent in any system of risk management and internal control, the system can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board delegates the oversight and implementation of the Board’s policies and procedures on the system of risk management and internal control to the Audit Committee (“AC”). The AC is responsible to, amongst others:

- Review and monitor the effectiveness of the Group’s system of risk management and internal control;
- Evaluate the process of identifying, evaluating, monitoring and reporting of risks and internal control;
- Evaluate and monitor the risk management framework in line with the Group’s business objectives and risk appetite;
- Identify changes to risk and take appropriate actions to mitigate and control risks;
- Provide assurance to the Board that the risk management and internal control system is operating adequately and effectively; and
- Review the Internal Audit Report of its findings, recommendations, management responses and action plans and present to the Board of its recommendation on a quarterly basis.

RISK MANAGEMENT

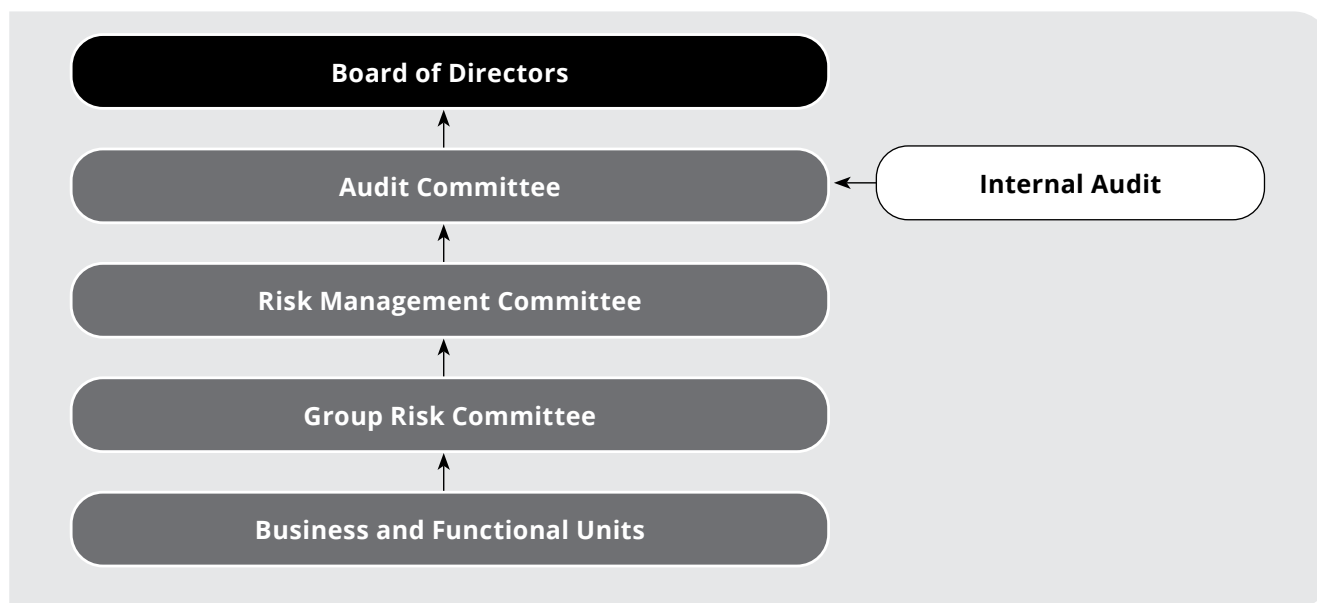
The Board has established a risk management framework for identifying, monitoring, reviewing and continually improving risk management. The Group considers emerging and forward-looking risks, including identification of sustainability-related and climate-related risks, and progressively integrates into the risk management framework to allow effective oversight of these risks and opportunities. The risk management framework is being adopted as a standardised approach in implementing risk management in the Group for timely identification, reporting and management of principal risks. The implementation of the risk management framework promotes an effective risk culture whilst embedding risk management into its processes and structures to create and maintain an environment that enables the Group to meet performance objectives.

Statement on Risk Management and Internal Control (cont'd)

The key features of the risk management framework provide a risk control environment that includes:

A **Risk Management Policy Statement** describing the Group's commitment to embed risk management to create and maintain an environment that enables the Group to meet performance objectives driven through technological advancement, people value, and continual improvement to deliver sustainable business growth, manage risk exposures and pursue opportunities in line with its risk appetite;

A **Governance and Risk Organisation Structure** identifying the Board in retaining the overall risk management responsibility and the delegation of authority and responsibility of the management and reporting mechanism as depicted in the diagram below;



A **Risk Management Committee ("RMC")** established by the Board and reporting to the Audit Committee to provide assurance concerning the Group's risk management. The RMC is fully represented by members of the Board and is tasked with the overall responsibility to oversee the implementation of the risk management framework and policies within the Group. The RMC is responsible to, amongst others:

- Ensure the overall risk management processes are adopted by the Group and to oversee the development of appropriate guidelines and policies for implementation;
- Ensure the risk management processes are integrated into all core business processes and that the culture of the organisation reflects the risk consciousness of the Board;
- Review the quarterly risk management reports, risk registers, risk management activities and management response thereto;
- Identify and communicate to the Board on principal risks challenges and management action plans to manage the risks; and
- Evaluate and review the risk management framework and policy.

A **Group Risk Committee ("GRC")** formed in May 2020 to support the RMC in establishing the strategic approaches to implementing risk management within the Group.

The GRC is headed by an Executive Director who is a member of the RMC and comprises majority of other Executive Directors who are risk owners themselves and are responsible to ensure the implementation of the risk management framework, procedures and policies within the Group.

A **Risk Management Process** which is aligned to risk management practices of ISO 31000:2018 Risk Management – Guidelines. Risks arising from the business operations are continuously identified and updated into a risk register. The level of residual risk is determined after identifying and evaluating the effectiveness of the control measures. Each risk is mapped based on a matrix which specifies its likelihood (how likely the risk to occur) and its impact (the extent of its impact if the risk did occur). The risks are assessed to determine if the residual risk rating is High, Medium or Low. Thereafter, depending on the residual risk rating, the owners of these risks will drive the implementation of risk mitigation measures guided by a residual risk response guide towards achieving a residual risk that is within the acceptable tolerance. On a quarterly basis, a risk management report detailing the Group's status of risk reviews and any incidents is presented to the RMC for review and deliberation and thereafter recommend for endorsement by the AC and to the Board.

Statement on Risk Management and Internal Control (cont'd)

The Board believes that maintaining a sound system of risk management and internal control is premised on a clear understanding and appreciation of the key elements of the Risk Management Framework and Governance Policies.

INTERNAL CONTROL

Whilst the Board focuses on effective risk oversight and setting the tone and culture towards an effective risk management and internal controls structure, the management is entrusted with the implementation of the system of internal control encompassing the types of control including strategic, financial, operational, compliance and governance to achieving the Group's objectives.

The Group has a clear defined organisation structure with clearly defined lines of authority, accountability and responsibility of the Board, Board Committees, corporate and operations unit management.

The key processes in reviewing the adequacy and effectiveness of the risk management and internal control system include the following:

The Audit Committee, assisted by the Risk Management Committee and the Internal Audit Department, performs the duty of reviewing and evaluating the adequacy and effectiveness of the Group's system of risk management and internal control.

The Nominating and Remuneration Committees ("NRC") assist the Board to review and recommend the appointment of new directors and remuneration policies for directors and senior management. The NRC also assesses the effectiveness of the Board, the Board Committees and individual Board member.

The Risk Management Committee ("RMC") has been established by the Board and is supported by the Group Risk Committee ("GRC") to provide assurance concerning the Group's risk management. The RMC performs periodic review of the risk management processes and oversee the development of appropriate guidelines and policies for implementation.

The Internal Audit Department ("IA") performs internal audits on the effectiveness of internal control mechanism on various operating units and also checks on the compliance with laws and regulatory requirements, including policies and procedures. Significant findings of non-compliance are highlighted in the periodic reports to the Audit Committee.

The key features of the internal control processes are described as follows:

- Board meetings are held at least once in a quarter with a formal agenda on matters for discussion. During the meeting, the Board reviews the financial performance of the Group, discuss and deliberate on the business development, management, corporate issues and regulatory matters affecting the Group.
- Board Committees with clearly defined terms of reference and authority hold regular meetings and assist the Board in overseeing internal controls and Board effectiveness. This includes reviewing the adequacy and integrity of the Group's internal control system and to follow-up on action plans by Management on the recommendations proposed by the internal audit department.
- The Group Managing Director/Chief Executive Officer ("Group MD/CEO") plays a pivotal role in communicating the Board's expectations of the system of risk management and internal control to management. This is achieved through his active participation in the management of the business as well as chairing at various management and committee meetings. The Group MD/CEO will update the Board of any significant matters that require Board immediate attention.
- Monthly management meetings are held to review the financial and manufacturing operational performance of business units including key performance indicators, productivity, efficiency and effectiveness. This includes evaluation of factors impacting performance such as business, operational and key management.
- There is an established mechanism to identify and review the risks element that impact on the financial performances of the Group to manage risks including and not limited to volatility of foreign exchange rates, escalating cost of operations and competitive pricing of products.
- A Whistleblowing Policy serves as an avenue for all employees and the general public to raise concerns about malpractice or improper conduct within the Group whilst ensuring the integrity of the process and information and also protecting the rights of informants.
- An Anti-Bribery and Corruption Policy which describes the Group's commitment to ensure zero-tolerance against any forms of bribery and corruption. The Group is committed to maintain and preserve the highest standard of integrity, transparency and accountability in our business operations.

Statement on Risk Management and Internal Control (cont'd)

ASSURANCE MECHANISM

The Group has in place an in-house Internal Audit Department ("IA") established by the Board to provide independent assurance on the adequacy and effectiveness of the risk management and internal control system.

For the year ended 31 December 2025, the IA reviewed the adequacy and effectiveness of the internal control processes and necessary actions have been and are being taken to remedy any significant failings or weaknesses for the financial year under review and up to the date of approval of this Statement for inclusion in this Annual Report.

The Board, through the AC, has reviewed the effectiveness of the Group's system of risk management and internal control. There were no significant risk management and internal control aspects that would have resulted in any material losses or contingencies that would require disclosure in this Annual Report.

The Board has received assurances from the Group MD/CEO and the Chief Financial Officer that for the year ended 31 December 2025, the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group. Taking into consideration the information and assurances given, the Board is satisfied with the adequacy, integrity and effectiveness of the Group's system of risk management and internal control.

Continuous quality assurance audits are being conducted as part of the requirements and compliance of the ISO 9001, ISO 13485, IATF 16949, MS ISO/IEC 17025, ISO 14001 and ISO 45001 certifications.

BOARD'S COMMITMENT

The Board remains committed towards keeping abreast with the ever-changing business environment in order to support the Group's business and size of operations. There were no material losses incurred during the current financial year as a result of weaknesses in internal control that would require a separate disclosure in this Annual Report.

The Board and the Management, in striving for continuous improvement, have and will continue to put in place appropriate measures to further strengthen and enhance the Group's system of risk management and internal control environment.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in *Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control* included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the year ended 31 December 2025, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

- a) has not been prepared in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies, or
- b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

This Statement has been approved by the Board on 17 April 2026.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") is pleased to present the AC Report for the year ended 31 December 2025.

1. TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The duties and responsibilities of the Audit Committee ("AC") are set out in the Terms of Reference of the AC and is available on KOSSAN's website at www.kossan.com.my.



AC Terms of Reference

2. COMPOSITION AND ATTENDANCE

The AC comprises the following members and the details of their attendance at the AC meetings held during the year ended 31 December 2025 were as follows:

Composition of the AC	Attendance
Hoh Kim Hyan (Chairman/Senior Independent Non-Executive Director) Redesignated on 29 May 2025	5/5
Sharon Shanthi a/p Dorairaj (Member/Independent Non-Executive Director)	5/5
Lim Hun Soon @ David Lim (Member/Independent Non-Executive Director) Appointed on 22 August 2025	2/2
Lee Choo Hock (Chair/Senior Independent Non-Executive Director) Retired on 29 May 2025	3/3

* Subsequent to the financial year ended 31 December 2025, Datin Paduka TPr. Noraini binti Roslan was appointed as an additional member of the AC on 23 February 2026.

Other directors and members of the Management team attended the AC meetings at the invitation of the AC, when necessary. The Group's external auditors attended three (3) of the meetings while the internal auditors attended five (5) of the meetings.

3. SUMMARY OF ACTIVITIES

The following activities were carried out by the AC during the financial year under review:

3.1. Financial Reporting

3.1.1 Reviewed the quarterly and annual financial statements of the Group prior to submission to the Board for consideration and approval.

3.2. External Audit

3.2.1 Reviewed and discussed with the external auditors the nature and scope of the audit and audit plan prior to the commencement of audit and ensured the audit was comprehensive.

3.2.2 Discussed and reviewed the Group's financial statements with the external auditors including issues and findings noted in the course of the audit and Management's responses thereto.

3.2.3 Reviewed and endorsed the non-audit services provided by the external auditors and its affiliates and the overall independence of the external auditors.

3.2.4 Assessed the suitability, objectivity and independence of the external auditors and recommended to the Board for their re-appointment.

3.2.5 Conducted private meetings with the external auditors without the presence of Executive Directors or Management.

3.3. Internal Audit

3.3.1 Reviewed the internal auditors' reports which covered all business sectors of the Group, the audit findings and the recommendations on the internal control system.

3.3.2 Reviewed the follow-up audit reports submitted by the internal auditors to ensure the implementation of agreed audit recommendations by Management in a timely manner.

3.3.3 Reviewed and approved the annual internal audit plan to ensure adequate scope and coverage of the Group's key activities.

3.3.4 Reviewed the competency and adequacy of resources of the internal audit function to ensure it is effective and able to function independently, and that all internal audit personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence.

3.3.5 Reviewed the gap assessment conducted by the internal auditors in relation to the Global Internal Audit Standards ("GIAS").

3.3.6 Reviewed the proposed amendments to the Internal Audit Charter to adopt the GIAS, prior to its recommendation to the Board for approval.

3.3.7 Conducted private meetings with the internal auditors without the presence of Executive Directors or Management.

Audit Committee Report (cont'd)

3.4 Risk Management and Internal Controls

- 3.4.1 Reviewed the adequacy and effectiveness of internal control and risk management framework of the Group.
- 3.4.2 Reviewed and discussed with the external and internal auditors on their evaluation of the system of internal control of the Group.
- 3.4.3 Reviewed the key risks of the Group and action plans by Management to mitigate risks.

3.5 Recurrent Related Party Transactions ("RRPT")

- 3.5.1 Reviewed, on quarterly basis, the terms of the Shareholders' Mandate for RRPT of a revenue or trading nature were adhered to and ensured procedures used were at arm's length and in accordance with the Group's normal commercial terms and were not prejudicial to the minority shareholders or disadvantageous to the Group.
- 3.5.2 Reviewed the ongoing RRPTs and assessed whether shareholder mandate should be sought at the Annual General Meeting, before recommending to the Board for approval.

3.6 Related Party Transactions ("RPT") and Conflict of Interest ("COI")

- 3.6.1 Reviewed RPT and COI disclosures submitted by the Company's Directors and key senior management of the Group that had arisen, persist or may arise within the Group including any transaction, procedure or course of conduct that raised questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts. All Directors and key senior management were required to make an annual declaration to ensure that any actual or potential COI had been appropriately disclosed during the financial year.

3.7 Others

- 3.7.1 Reviewed the framework and policies relating to anti-bribery and corruption.
- 3.7.2 Reviewed the AC Report, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement and Corporate Governance Report before recommending to the Board for inclusion in the integrated annual report.

4. INTERNAL AUDIT FUNCTION

The Group has in place an in-house Internal Audit Department ("IA") established by the Board to ensure a sound internal control system is in place. The IA reports directly to the AC and is guided by the Internal Audit Charter. The IA performed audits based on an annual internal audit plan approved by the AC. During the financial year under review, the IA performed operational and compliance audits. The IA also reviewed recurrent related party transactions for compliance to mandate.

The IA reported its findings, recommendations and Management's responses to the AC on a quarterly basis. Follow-up reviews were conducted and the status of the implementation of action plans were monitored and reported to the AC.

The cost incurred for the internal audit function for the financial year ended 31 December 2025 was RM445,766 (2024: RM387,736).

5. REPORT TO THE EXCHANGE

There were no material matters that warrant reporting to Bursa Malaysia Securities Berhad.

6. EVALUATION OF THE AC

The Nominating Committee ("NC") reviewed the term of office and performance of the AC and each of its members through an annual effectiveness evaluation. The NC was satisfied that the AC and members had carried out their duties in accordance to their Terms of Reference.

Hoh Kim Hyan

Chair of the Audit Committee
17 April 2026

DIRECTORS' RESPONSIBILITY STATEMENT

For the Audited Financial statements

The Directors are required by the Companies Act 2016 ("the Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards ("IFRS"), and the requirements of the Act.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing these financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

DIRECTORS' REPORT

For the Year Ended 31 December 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 8 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

ULTIMATE HOLDING COMPANY

The Company is a subsidiary of Kossan Holdings (M) Sdn. Bhd., of which is incorporated in Malaysia and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	152,786	2,273
Non-controlling interests	1,316	-
	154,102	2,273

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review.

Directors' Report (cont'd)

For the Year Ended 31 December 2025

DIVIDENDS

Since the end of the previous financial year, the amounts of dividends paid by the Company were as follows:

- i) In respect of the financial year ended 31 December 2025:
 - an interim single tier ordinary dividend of 2 sen per ordinary share totalling RM50,568,056 declared on 27 November 2025 and paid on 24 December 2025.

The final single tier ordinary dividend recommended by the Directors in respect of the financial year ended 31 December 2025 is 2 sen per ordinary share totalling RM50,440,920.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Tan Sri Dato' Lim Kuang Sia
 Lim Ooi Chow
 Lim Siau Tian
 Tan Kong Chang
 Hoh Kim Hyan
 Sharon Shanthly A/P Dorairaj
 Lim Hun Soon @ David Lim (Appointed on 1 August 2025)
 Dato' Chua Tia Guan (Appointed on 2 January 2026)
 Datin Paduka TPr. Noraini Binti Roslan (Appointed on 2 January 2026)
 Lee Choo Hock (retired on 29 May 2025)
 Lim Siau Hing (resigned on 31 December 2025)
 Mohamed Shafeii bin Abdul Gaffoor (vacated office on 31 December 2025)

The Directors of the Company's subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year until the date of this report are:

Lim Kuang Yong
 Lim Leng Bung
 Lee Seek Ping
 Lim Siew Bing
 Lee Hon Chee
 Matthew Ang Hwee Tong
 Wu Zhong

Directors' Report (cont'd)

For the Year Ended 31 December 2025

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly owned subsidiaries) of those who were Directors at financial year end (including the interests of the parents, spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2025	Bought	Sold	At 31.12.2025
Kossan Rubber Industries Bhd.				
Direct interests				
Tan Sri Dato' Lim Kuang Sia	69,238,904	4,800,000	-	74,038,904
Lim Kuang Yong^	44,140,500	1,100,000	-	45,240,500
Lim Leng Bung^	65,037,400	-	(708,500)	64,328,900
Tan Kong Chang	50,000,000	-	-	50,000,000
Lim Siau Tian	5,000,000	-	-	5,000,000
Lim Siew Bing^	15,805,000	-	-	15,805,000
Lim Hun Soon @ David Lim	20,000	-	-	20,000
Deemed interests				
Tan Sri Dato' Lim Kuang Sia**				
- holding company	893,068,320	-	-	893,068,320
- spouse	3,177,984	-	-	3,177,984
Lim Leng Bung***^				
- holding company	893,068,320	-	-	893,068,320
Tan Kong Chang**				
- spouse	-	550,000	-	550,000
- child	-	10,000	-	10,000
Lim Kuang Yong***^				
- holding company	893,068,320	-	-	893,068,320
- children	15,900,000	950,000	(1,000,000)	15,850,000
Lim Ooi Chow**				
- holding company	893,068,320	-	-	893,068,320
- parents	72,416,888	4,800,000	-	77,216,888
Lim Siau Tian**				
- holding company	893,068,320	-	-	893,068,320
- parents	44,140,500	1,100,000	-	45,240,500
- spouse	637,900	-	-	637,900

Directors' Report (cont'd)

For the Year Ended 31 December 2025

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Number of ordinary shares			
	1.1.2025	Bought	Sold	31.12.2025
Kossan Rubber Industries Bhd. (cont'd)				
Deemed interests (cont'd)				
Lim Siau Hing**				
- holding company	893,068,320	-	-	893,068,320
- parents	64,920,000	2,900,000	(800,000)	67,020,000
Lim Siew Bing**^				
- holding company	893,068,320	-	-	893,068,320
Cleanera HK Limited				
Direct interests				
Matthew Ang Hwee Tong^	78,866	-	-	78,866
Indirect interests				
Matthew Ang Hwee Tong^	616,134	-	-	616,134

** Shares held through person connected to the Director or holding company.

^ These are the Directors of the Company's subsidiaries in office during the financial year until the date of this report.

By virtue of their interests in the shares of the Company, Tan Sri Dato' Lim Kuang Sia, Lim Leng Bung, Lim Kuang Yong, Lim Ooi Chow, Lim Siau Tian, Lim Siau Hing and Lim Siew Bing are deemed interested in the shares of the subsidiaries during the financial year to the extent that Kossan Rubber Industries Bhd. has an interest.

None of the other Directors holding office at 31 December 2025 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 31 to the financial statements.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 2025 are as follows:

	From the Company RM'000	From subsidiaries RM'000
Directors of the Company:		
Fees	580	-
Remunerations	-	10,404
Estimated monetary value of benefits-in-kind	-	115
	580	10,519

Directors' Report (cont'd)

For the Year Ended 31 December 2025

DIRECTORS' BENEFITS (CONT'D)

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company and no debentures were issued during the financial year.

TREASURY SHARES

During the financial year, the Company purchased 23,216,800 of its ordinary shares from the open market on Bursa Malaysia Securities Berhad for RM35,497,738. The average price paid for the shares purchased was approximately RM1.529 per share.

Details of the treasury shares are set out in Note 15.4 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

There is no indemnity given to or insurance effected for Directors, officers or auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Directors' Report (cont'd)

For the Year Ended 31 December 2025

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are as follows:

	Group RM'000	Company RM'000
KPMG PLT	657	65
Other auditors	76	-
	733	65

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tan Sri Dato' Lim Kuang Sia

Director

.....
Tan Kong Chang

Director

Klang, Selangor Darul Ehsan

Date: 17 April 2026

STATEMENTS OF FINANCIAL POSITION

For the Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Property, plant and equipment	3	1,707,367	1,492,081	171,902	167,988
Right-of-use assets	4	79,291	81,756	-	-
Investment properties	5	27,403	27,746	14,898	15,202
Goodwill on consolidation	6	4,926	4,926	-	-
Intangible assets	7	1,089	1,174	-	-
Investments in subsidiaries	8	-	-	629,303	312,851
Other investments	9	371	378	-	15
Deferred tax assets	10	27	2,293	-	-
Trade and other receivables	11	-	-	-	203,825
Total non-current assets		1,820,474	1,610,354	816,103	699,881
Inventories	12	261,481	244,454	-	-
Other investments	9	667,784	690,610	111,724	113,913
Trade and other receivables	11	256,658	364,263	1,393	3,754
Prepayments		33,403	25,933	182	155
Current tax assets		120,416	195,841	573	-
Derivative financial assets	18	9,730	-	-	-
Cash and cash equivalents	14	920,326	976,128	64,432	256,310
Total current assets		2,269,798	2,497,229	178,304	374,132
Total assets		4,090,272	4,107,583	994,407	1,074,013

Statements of Financial Position (cont'd)

For the Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Equity					
Share capital	15.1	323,885	323,885	323,885	323,885
Translation reserve	15.2	7,918	11,233	-	-
Capital reserve	15.3	2,431	2,431	-	-
Treasury shares	15.4	(62,262)	(26,764)	(62,262)	(26,764)
Retained earnings		3,436,203	3,333,985	720,770	769,065
Equity attributable to owners of the Company		3,708,175	3,644,770	982,393	1,066,186
Non-controlling interests		22,789	22,493	-	-
Total equity		3,730,964	3,667,263	982,393	1,066,186
Liabilities					
Lease liabilities		13,040	15,945	-	-
Deferred tax liabilities	10	114,221	118,142	8,726	6,182
Total non-current liabilities		127,261	134,087	8,726	6,182
Loans and borrowings	16	18,464	59,255	-	-
Lease liabilities		3,006	3,730	-	-
Current tax liabilities		1,025	1,151	-	85
Contract liabilities	13	7,453	4,743	-	-
Derivative financial liabilities	18	-	11,443	-	-
Trade and other payables	17	202,099	225,911	3,288	1,560
Total current liabilities		232,047	306,233	3,288	1,645
Total liabilities		359,308	440,320	12,014	7,827
Total equity and liabilities		4,090,272	4,107,583	994,407	1,074,013

The notes on pages 81 to 132 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	19	1,749,441	1,916,171	-	-
Other income		36,981	51,013	6,281	73,313
Changes in inventories of finished goods		28,090	(13,199)	-	-
Raw materials and consumables used		(980,317)	(1,093,015)	-	-
Goods purchased for resale		(18,766)	(31,994)	-	-
Staff costs		(322,935)	(312,650)	(582)	(590)
Depreciation of property, plant and equipment	3	(93,798)	(102,445)	(4,387)	(2,086)
(Impairment loss)/Reversal of impairment loss on trade receivables		(400)	2	-	-
Other operating expenses		(260,269)	(299,479)	(5,022)	(5,696)
Results from operating activities		138,027	114,404	(3,710)	64,941
Finance costs	20	(1,588)	(1,970)	-	-
Finance income	21	35,374	44,887	6,354	19,135
Profit before tax		171,813	157,321	2,644	84,076
Tax expense	23	(17,711)	(36,544)	(371)	(2,979)
Profit for the year	24	154,102	120,777	2,273	81,097

Statements of Profit or Loss and Other Comprehensive Income (cont'd)

For the Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other comprehensive expense, net of tax Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(4,335)	(3,586)	-	-
Other comprehensive expense for the year, net of tax		(4,335)	(3,586)	-	-
Total comprehensive income for the year		149,767	117,191	2,273	81,097
Profit attributable to:					
Owners of the Company		152,786	118,335	2,273	81,097
Non-controlling interests		1,316	2,442	-	-
Profit for the year		154,102	120,777	2,273	81,097
Total comprehensive income attributable to:					
Owners of the Company		149,471	114,985	2,273	81,097
Non-controlling interests		296	2,206	-	-
Total comprehensive income for the year		149,767	117,191	2,273	81,097
Basic earnings per ordinary share (sen)	25	6.02	4.64		
Diluted earnings per ordinary share (sen)	25	6.02	4.64		

The notes on pages 81 to 132 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2025

Group	Attributable to owners of the Company		Distributable		Non-controlling interests		Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Capital reserve RM'000	Retained earnings RM'000	Total RM'000	
At 1 January 2024	323,885	(26,764)	14,583	2,431	3,521,844	3,835,979	3,863,000
Foreign currency translation differences for foreign operations	-	-	(3,350)	-	-	(3,350)	(3,586)
Total other comprehensive expense for the year	-	-	(3,350)	-	-	(3,350)	(3,586)
Profit for the year	-	-	-	118,335	118,335	118,335	120,777
Total comprehensive income for the year	-	-	(3,350)	-	118,335	114,985	117,191
Dividends to owners of the Company	-	-	-	-	(306,194)	(306,194)	(306,194)
Dividends to non-controlling interests	-	-	-	-	-	-	(6,734)
At 31 December 2024	323,885	(26,764)	11,233	2,431	3,333,985	3,644,770	3,667,263
	Note 15.1	Note 15.4	Note 15.2	Note 15.2	Note 15.3		

Consolidated statement of changes in equity (cont'd)

For the Year Ended 31 December 2025

	Attributable to owners of the Company		Distributable		Total equity RM'000		
	Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Capital reserve RM'000		Retained earnings RM'000	Total RM'000
Group							
At 1 January 2025	323,885	(26,764)	11,233	2,431	3,333,985	3,644,770	22,493
Foreign currency translation differences for foreign operations	-	-	(3,315)	-	-	(3,315)	(1,020)
Total other comprehensive expense for the year	-	-	(3,315)	-	-	(3,315)	(1,020)
Profit for the year	-	-	-	-	152,786	152,786	1,316
Total comprehensive income for the year	-	-	(3,315)	-	152,786	149,471	296
Own shares acquired	-	(35,498)	-	-	-	(35,498)	-
Dividends to owners of the Company	-	-	-	-	(50,568)	(50,568)	-
At 31 December 2025	323,885	(62,262)	7,918	2,431	3,436,203	3,708,175	22,789

Note 15.1

Note 15.4

Note 15.2

Note 15.3

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2025

	Note	Non-distributable		Distributable	
		Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
Company					
At 1 January 2024		323,885	(26,764)	994,162	1,291,283
Profit and total comprehensive income for the year		-	-	81,097	81,097
Dividends to owners of the Company	26	-	-	(306,194)	(306,194)
At 31 December 2024/1 January 2025		323,885	(26,764)	769,065	1,066,186
Own shares acquired		-	(35,498)	-	(35,498)
Profit and total comprehensive income for the year		-	-	2,273	2,273
Dividends to owners of the Company	26	-	-	(50,568)	(50,568)
At 31 December 2025		323,885	(62,262)	720,770	982,393
		Note 15.1	Note 15.4		

The notes on pages 81 to 132 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before tax		171,813	157,321	2,644	84,076
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment	3	93,798	102,445	4,387	2,086
Depreciation of right-of-use assets	4	4,712	4,628	-	-
Depreciation of investment properties	5	343	360	304	372
Dividend income		-	-	-	(59,620)
Finance costs	20	1,588	1,970	-	-
Finance income	21	(35,374)	(44,887)	(6,354)	(19,135)
Fair value gain on other investments		(16,369)	(21,283)	(3,616)	(5,815)
Reversal of impairment on property, plant and equipment	3	-	(18,432)	-	-
Impairment loss/(Reversal of impairment loss) on trade receivables		400	(2)	-	-
Amortisation on intangible assets	7	118	112	-	-
Gain on disposal of property, plant and equipment		(324)	(259)	-	(167)
Gain on disposal of investment property		-	-	-	(5,740)
Loss/(Gain) on termination of right-of-use assets		8	(56)	-	-
Net unrealised fair value changes on derivatives	24	(9,730)	11,443	-	-
Net unrealised loss/(gain) on foreign exchange	24	4,329	(8,990)	-	-
Property, plant and equipment written off	24	647	21,271	3	-
Operating profit/(loss) before changes in working capital		215,959	205,641	(2,632)	(3,943)

The notes on pages 81 to 132 are an integral part of these financial statements.

Statements of Cash Flows (cont'd)

For the Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Operating profit/(loss) before changes in working capital		215,959	205,641	(2,632)	(3,943)
Change in inventories		(17,027)	(5,226)	-	-
Change in trade and other receivables and prepayments	(iii)	83,963	(113,087)	(110,079)	(11,235)
Change in trade and other payables		(23,812)	33,868	1,728	(4,234)
Change in contract liabilities		2,710	(2,609)	-	-
Cash generated from/(used in) operations		261,793	118,587	(110,983)	(19,412)
Dividend received		-	-	-	59,620
Interest received		35,374	44,887	6,354	19,135
Interest paid		(1,588)	(1,967)	-	-
Tax paid		(36,189)	(36,406)	(1,425)	(1,764)
Tax refunded		92,122	618	2,940	-
Net cash from/(used in) operating activities		351,512	125,719	(103,114)	57,579
Cash flows from investing activities					
Acquisition of property, plant and equipment		(311,502)	(303,133)	(8,304)	(27,882)
Proceeds from disposal of other investments		39,202	153,369	5,820	161,826
Acquisition of intangible assets		(33)	(108)	-	-
Addition for leasehold land		(2,146)	-	-	-
Increase in investments in subsidiaries	(iii)	-	-	(214)	(5,000)
Proceeds from disposal of property, plant and equipment		571	453	-	196
Proceeds from disposal of investment property		-	-	-	8,700
Net cash (used in)/from investing activities		(273,908)	(149,419)	(2,698)	137,840

Statements of Cash Flows (cont'd)

For the Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from financing activities					
Dividends paid to owners of the Company		(50,568)	(306,194)	(50,568)	(306,194)
Dividends paid to non-controlling interests		-	(6,734)	-	-
Interest paid		-	(3)	-	-
Repurchase of treasury shares		(35,498)	-	(35,498)	-
Repayment of other borrowings		(59,255)	(9,894)	-	-
Proceeds from other borrowings		18,464	59,002	-	-
Repayment of term loans		-	(292)	-	-
Payment of lease liabilities		(3,738)	(3,794)	-	-
Net cash used in financing activities		(130,595)	(267,909)	(86,066)	(306,194)
Net decrease in cash and cash equivalents		(52,991)	(291,609)	(191,878)	(110,775)
Effect of exchange rate fluctuations on cash held		(2,811)	(3,586)	-	-
Cash and cash equivalents at 1 January		976,128	1,271,323	256,310	367,085
Cash and cash equivalents at 31 December (ii)		920,326	976,128	64,432	256,310

(i) Cash outflows for leases as a lessee

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Included in net cash from operating activities:					
Payment relating to short-term leases	24	1,856	1,936	-	-
Payment relating to leases of low-value assets	24	483	195	-	-
Interest paid in relation to lease liabilities	20	804	623	-	-
Included in net cash from financing activities:					
Payment of lease liabilities		3,738	3,794	-	-
Total cash outflows for leases		6,881	6,548	-	-

Statements of Cash Flows (cont'd)

For the Year Ended 31 December 2025

(ii) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	14	214,391	114,465	4,313	1,594
Short term investments	14	691,635	808,763	60,119	248,416
Short term deposits placed with licensed banks	14	14,300	52,900	-	6,300
		920,326	976,128	64,432	256,310

(iii) Increase in investments in subsidiaries

The increase in investments in subsidiaries comprises the capitalisation of amounts owed by the respective subsidiaries, as disclosed in Note 8, totalling RM316,237,690. The balance of RM214,998 represents cash consideration paid during the financial year.

	Company 2025 RM'000
Capitalisation from intercompany debtor	316,238
Cash consideration paid	214
	316,452

Statements of Cash Flows (cont'd)

For the Year Ended 31 December 2025

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 1 January 2024 RM'000	Net changes from financing cash flows RM'000	Acquisition of new leases RM'000	Termination of lease RM'000	At 31 December 2024/ 1 January 2025 RM'000	Net changes from financing cash flows RM'000	Acquisition of new leases RM'000	Termination of lease RM'000	At 31 December 2025 RM'000
Term loans - unsecured	292	(292)	-	-	-	-	-	-	-
Revolving credit - unsecured	-	50,000	-	-	50,000	(50,000)	-	-	-
Trade finance - unsecured	9,521	(519)	-	-	9,002	9,462	-	-	18,464
Hire purchase financing	626	(373)	-	-	253	(253)	-	-	-
Lease liabilities	6,899	(3,794)	18,156	(1,586)	19,675	(3,738)	160	(51)	16,046
Total liabilities from financing activities	17,338	45,022	18,156	(1,586)	78,930	(44,529)	160	(51)	34,510

The notes on pages 81 to 132 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Kossan Rubber Industries Bhd. is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

PRINCIPAL PLACE OF BUSINESS/REGISTERED OFFICE

Kossan Tower
6D, Persiaran Setia Dagang
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”). The consolidated financial statements of the Company as at and for the financial year ended 31 December 2025 do not include other entities.

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 8 to the financial statements.

The holding company during the financial year was Kossan Holdings (M) Sdn. Bhd. which was incorporated in Malaysia.

These financial statements were authorised for issue by the Board of Directors on 17 April 2026.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

Notes to the Financial Statements (cont'd)

1. BASIS OF PREPARATION (CONT'D)**(a) Statement of compliance (cont'd)*****MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements of the Group and the Company have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Derivative financial instruments	Fair value
Non-derivative financial instruments at fair value through profit or loss	Fair value

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 – measurement of the recoverable amounts of plant and machinery
- Note 4 – extension options and incremental borrowing rates in relation to leases
- Note 28.4 – measurement of the recoverability of trade receivables

Notes to the Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land* RM'000	Buildings		Plant and machinery RM'000	Motor vehicles RM'000	Factory renovation RM'000	Factory furniture and equipment RM'000	Electrical installation RM'000	Office furniture, equipment and renovation RM'000	Plant and machinery under construction RM'000	Building under construction RM'000	Software under development RM'000	Total RM'000
		RM'000	RM'000										
Cost													
At 1 January 2024	354,597	426,401	1,172,055	17,621	8,985	29,490	5,365	41,828	41,647	176,236	2,625	2,276,850	
Additions	172,457	5,595	19,640	1,021	354	2,779	73	3,944	56,627	38,754	1,889	303,133	
Disposals	-	-	(1,184)	(649)	-	-	-	(4)	-	-	-	(1,837)	
Write-off	-	-	(97,616)	-	(1,982)	(4,924)	-	(2,798)	(17)	-	-	(107,337)	
Reclassification	-	103,823	27,117	-	-	-	-	14,150	(27,117)	(117,973)	-	-	
31 December 2024/ 1 January 2025	527,054	535,819	1,120,012	17,993	7,357	27,345	5,438	57,120	71,140	97,017	4,514	2,470,809	
Additions	97,557	8,639	24,607	1,168	17	2,120	6	8,402	112,405	56,170	411	311,502	
Disposals	-	-	(173)	(1,088)	-	(182)	-	(71)	-	-	-	(1,514)	
Write-off	-	-	(13,273)	-	(519)	(5)	(246)	(290)	-	-	-	(14,333)	
Reclassification	-	43,924	73,076	-	-	-	-	235	(71,520)	(45,715)	-	-	
Effect of movements in exchange rates	(1,762)	(253)	-	-	-	-	-	(75)	-	-	-	(2,090)	
At 31 December 2025	622,849	588,129	1,204,249	18,073	6,855	29,278	5,198	65,321	112,025	107,472	4,925	2,764,374	

Notes to the Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land* RM'000	Plant and machinery RM'000		Motor vehicles RM'000	Factory renovation RM'000	Factory furniture and equipment RM'000		Electrical installation RM'000	Office furniture, equipment and renovation RM'000		Plant and machinery under construction RM'000	Building under construction RM'000	Software under development RM'000	Total RM'000
		Buildings	and machinery			furniture	and equipment		Office furniture, equipment and renovation	Plant and machinery under construction				
At 1 January 2024	-	83,025	799,771	12,550	5,908	21,521	3,677	20,588	-	-	-	-	-	947,040
Accumulated depreciation	-	-	33,751	-	3	1,351	6	273	-	-	-	-	-	35,384
Accumulated impairment loss	-	83,025	833,522	12,550	5,911	22,872	3,683	20,861	-	-	-	-	-	982,424
Charge for the year	-	12,104	79,796	2,095	406	1,737	80	6,227	-	-	-	-	-	102,445
Reversal of impairment loss	-	-	(16,851)	-	(1)	(1,309)	-	(271)	-	-	-	-	-	(18,432)
Disposals	-	-	(1,020)	(620)	-	-	-	(3)	-	-	-	-	-	(1,643)
Write-off	-	-	(77,952)	-	(1,982)	(3,611)	-	(2,521)	-	-	-	-	-	(86,066)
At 31 December 2024/ 1 January 2025	-	95,129	800,595	14,025	4,332	19,647	3,757	24,291	-	-	-	-	-	961,776
Accumulated depreciation	-	-	16,900	-	2	42	6	2	-	-	-	-	-	16,952
Accumulated impairment loss	-	14,014	69,837	1,993	374	1,395	78	6,107	-	-	-	-	-	93,798
Charge for the year	-	-	(142)	(1,052)	-	(62)	-	(11)	-	-	-	-	-	(1,267)
Disposals	-	-	(13,144)	-	(183)	(2)	(84)	(273)	-	-	-	-	-	(13,686)
Write-off	-	-	-	-	-	-	-	(124)	-	-	-	-	-	(566)
Effect of movements in exchange rates	-	(442)	-	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2025	-	108,701	857,146	14,966	4,523	20,978	3,751	29,990	-	-	-	-	-	1,040,055
Accumulated depreciation	-	-	16,900	-	2	42	6	2	-	-	-	-	-	16,952
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land* RM'000	Plant and machinery RM'000		Motor vehicles RM'000	Factory renovation RM'000	Factory furniture and equipment RM'000		Electrical installation RM'000	Office furniture, equipment and renovation RM'000		Plant and machinery under construction RM'000	Building under construction RM'000	Software under development RM'000	Total RM'000
		Buildings RM'000	and RM'000			Factory RM'000	and RM'000		Office RM'000	and RM'000				
At 1 January 2024	354,597	343,376	338,533	5,071	3,074	6,618	1,682	20,967	41,647	176,236	2,625	1,294,426		
At 31 December 2024/ 1 January 2025	527,054	440,690	302,517	3,968	3,023	7,656	1,675	32,827	71,140	97,017	4,514	1,492,081		
At 31 December 2025	622,849	479,428	330,203	3,107	2,330	8,258	1,441	35,329	112,025	107,472	4,925	1,707,367		

Carrying amounts

* Included in the freehold land is a carrying amount of USD2,593,958 equivalent to RM10.45 million as at 31 December 2025 (31 December 2024: USD2,694,229 equivalent to RM12.06 million) representing the freehold land and building of an overseas subsidiary of which the carrying amount of the building is not segregated from the freehold land as the required details are not available. The carrying amounts are retranslated at each financial year-end, and the movements mainly relate to depreciation of the buildings attached to the land.

Assets held under hire purchase arrangements

At the end of the financial year, the net carrying amount of motor vehicles held under hire purchase arrangements is Nil (2024: RM 0.7 million).

Impairment of plant and machinery

Lower sales orders which resulted in low plant utilisation have prompted the Group to carry out an impairment assessment on certain plant and machinery with identified indicators of impairment.

For the purpose of impairment testing, the carrying amounts are allocated to the individual entities which are the cash-generating units ("CGU"). Recoverable amount of each CGU is estimated based on its value-in-use. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on past experiences, actual operating results and financial budgets approved by management covering a 5-year period.

The key assumptions for the computation of recoverable amounts of these plant and machinery, include projected revenue, profit margins, plant utilisation and discount rate which are based on both external sources and internal sources of information.

The Group believes that no reasonably foreseeable changes in the above key assumptions that would cause the carrying amount of the CGU to materially exceed its recoverable amount other than changes in the prevailing operating environment of which the impact is not ascertainable. Based on the impairment test performed, there is no impairment required as the estimated recoverable amounts of these plant and machinery are higher than their carrying amounts.

Notes to the Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office furniture, renovation RM'000	Building under construction RM'000	Software under development RM'000	Total RM'000
Cost							
At 1 January 2024	42,638	3,799	4,175	726	92,376	2,625	146,339
Additions	-	-	-	396	25,597	1,889	27,882
Disposals	-	-	(519)	-	-	-	(519)
Reclassification	-	103,823	-	14,150	(117,973)	-	-
At 31 December 2024/ 1 January 2025	42,638	107,622	3,656	15,272	-	4,514	173,702
Additions	-	5,605	-	1,615	673	411	8,304
Write-off	-	-	-	(5)	-	-	(5)
At 31 December 2025	42,638	113,227	3,656	16,882	673	4,925	182,001
Accumulated depreciation							
At 1 January 2024	-	1,121	2,716	281	-	-	4,118
Charge for the year	-	948	520	618	-	-	2,086
Disposals	-	-	(490)	-	-	-	(490)
At 31 December 2024/ 1 January 2025	-	2,069	2,746	899	-	-	5,714
Charge for the year	-	2,275	497	1,615	-	-	4,387
Write-off	-	-	-	(2)	-	-	(2)
At 31 December 2025	-	4,344	3,243	2,512	-	-	10,099
Carrying amounts							
At 1 January 2024	42,638	2,678	1,459	445	92,376	2,625	142,221
At 31 December 2024/ 1 January 2025	42,638	105,553	910	14,373	-	4,514	167,988
At 31 December 2025	42,638	108,883	413	14,370	673	4,925	171,902

Notes to the Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**3.1 Material accounting policy information****(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	50 years
• Plant and machinery	5 - 10 years
• Motor vehicles	5 years
• Factory renovation	10 years
• Factory furniture and equipment	10 years
• Electrical installation	10 years
• Office furniture, equipment and renovation	5 - 10 years

4. RIGHT-OF-USE ASSETS

Group	Leasehold land RM'000	Buildings RM'000	Total RM'000
At 1 January 2024	67,191	2,567	69,758
Additions	3,496	14,660	18,156
Termination	(104)	(1,426)	(1,530)
Depreciation	(835)	(3,793)	(4,628)
At 31 December 2024/1 January 2025	69,748	12,008	81,756
Additions	2,146	160	2,306
Termination	-	(59)	(59)
Depreciation	(898)	(3,814)	(4,712)
At 31 December 2025	70,996	8,295	79,291

The Group leases a number of land, factory buildings and worker hostels. The leasehold land has lease term of up to 99 years. The remaining leases typically run for a period between one to seven years, with an option to renew the leases after that date. Lease payments are increased every two to three years to reflect current market rentals.

Notes to the Financial Statements (cont'd)

4. RIGHT-OF-USE ASSETS (CONT'D)**4.1 Extension options**

Some leases of land, factory buildings and worker hostels contain extension options exercisable by the Group not less than 6 months before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Group	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000	Historical rate of extension options %
Land	5,279	-	100
Buildings	5,904	-	100
	11,183	-	100

4.2 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rates of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.3 Material accounting policy information**(i) Recognition and measurement**

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(ii) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

Notes to the Financial Statements (cont'd)

4. RIGHT-OF-USE ASSETS (CONT'D)**4.3 Material accounting policy information (cont'd)****(iii) Recognition exemption**

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

5. INVESTMENT PROPERTIES

Group	Leasehold land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 January 2024/ 31 December 2024/ 1 January 2025/ 31 December 2025	30,175	-	30,175
Accumulated depreciation			
At 1 January 2024	2,069	-	2,069
Depreciation charge for the year	360	-	360
At 31 December 2024/1 January 2025	2,429	-	2,429
Depreciation charge for the year	343	-	343
At 31 December 2025	2,772	-	2,772
Carrying amounts			
At 1 January 2024	28,106	-	28,106
At 31 December 2024/1 January 2025	27,746	-	27,746
At 31 December 2025	27,403	-	27,403

Notes to the Financial Statements (cont'd)

5. INVESTMENT PROPERTIES (CONT'D)

Company	Freehold land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 January 2024	10,100	12,305	22,405
Disposal	(1,300)	(2,800)	(4,100)
At 31 December 2024/1 January 2025/At 31 December 2025	8,800	9,505	18,305
Accumulated depreciation			
At 1 January 2024	-	3,871	3,871
Charge for the year	-	372	372
Disposal	-	(1,140)	(1,140)
At 31 December 2024/1 January 2025	-	3,103	3,103
Charge for the year	-	304	304
At 31 December 2025	-	3,407	3,407
Carrying amounts			
At 1 January 2024	10,100	8,434	18,534
At 31 December 2024/1 January 2025	8,800	6,402	15,202
At 31 December 2025	8,800	6,098	14,898

The following are recognised in profit or loss in respect of investment properties:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Lease income	402	361	754	1,133
Direct operating expenses:				
- income generating investment properties	(994)	(994)	(444)	(540)

Notes to the Financial Statements (cont'd)

5. INVESTMENT PROPERTIES (CONT'D)**5.1 Operating lease payments receivable**

The operating lease payments to be received are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Less than one year	390	390	683	137
One to two years	-	-	546	-
Two to three years	-	-	546	-
Three to four years	-	-	137	-
Total undiscounted lease payments	390	390	1,912	137

5.2 Fair value information

Fair value of investment properties are categorised as follows:

	Group Level 3 RM'000	Company Level 3 RM'000
2025		
Land and buildings	177,140	53,453
2024		
Land and buildings	149,050	44,544

The following table shows the valuation technique used in the determination of fair value within Level 3.

Type	Description of valuation technique and inputs used
Land and buildings	Fair value of land and buildings has been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square meter of comparable properties.

5.3 Material accounting policy information

Investment properties are initially and subsequently measured at cost less accumulated depreciation.

Notes to the Financial Statements (cont'd)

6. GOODWILL ON CONSOLIDATION

	Group	
	2025 RM'000	2024 RM'000
At cost	4,926	4,926

6.1 Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Group	
	2025 RM'000	2024 RM'000
Technical rubber products	864	864
Cleanroom products	4,062	4,062
Total	4,926	4,926

Key assumptions used in determining the recoverable amount

For the purpose of impairment testing, the carrying amounts are allocated to the individual entities which are the cash-generating units ("CGU"). Recoverable amount of each CGU is estimated based on its value-in-use. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on past experiences, actual operating results and financial budgets approved by management covering a 5-year period.

The key assumptions for the computation of value-in-use of CGU containing goodwill, pertained to cleanroom products, include the following:

- The revenue in the 5-year cash flow projection is expected to increase by a compounded annual growth rate of 2% over the 5 years.
- The terminal value was estimated using the perpetuity growth model, with nil growth rate to perpetuity which is consistent with prior year.
- A pre-tax discount rate of 10.30% (2024: 10.20%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the Group's weighted average cost of capital.
- There will be no other significant changes in the government policies and regulations which will directly affect the investees' businesses. The inflation for the operating expenses is in line with the estimated gross domestic product growth rate for the country, in which the CGU operates, based on past trends.

The key assumptions represent management's assessment of future trends in the cleanroom industry and are based on both external sources and internal sources of information (historical data).

The Group believes that no reasonably foreseeable changes in the above key assumptions that would cause the carrying amount of the CGU to materially exceed its recoverable amount other than changes in the prevailing operating environment of which the impact is not ascertainable.

6.2 Material accounting policy information

Goodwill arises from business combinations is measured at cost less any accumulated impairment losses.

Notes to the Financial Statements (cont'd)

7. INTANGIBLE ASSETS

Group	Patents RM'000	Intellectual property rights RM'000	Total RM'000
Cost			
At 1 January 2024	1,445	1,639	3,084
Additions	108	-	108
At 31 December 2024/1 January 2025	1,553	1,639	3,192
Additions	33	-	33
At 31 December 2025	1,586	1,639	3,225
Amortisation and impairment loss			
At 1 January 2024			
Accumulated amortisation	267	-	267
Accumulated impairment loss	-	1,639	1,639
	267	1,639	1,906
Amortisation for the year	112	-	112
At 31 December 2024/1 January 2025	379	-	379
Accumulated amortisation	-	1,639	1,639
Accumulated impairment loss	379	1,639	2,018
Amortisation for the year	118	-	118
At 31 December 2025	497	-	497
Accumulated amortisation	-	1,639	1,639
Accumulated impairment loss	497	1,639	2,136
Carrying amounts			
At 1 January 2024	1,178	-	1,178
At 31 December 2024/1 January 2025	1,174	-	1,174
At 31 December 2025	1,089	-	1,089
Company			
Cost			
At 1 January 2024/31 December 2024/ 1 January 2025/31 December 2025	-	1,639	1,639
Accumulated impairment loss			
At 1 January 2024/31 December 2024/ 1 January 2025/31 December 2025	-	1,639	1,639
Carrying amounts			
At 1 January 2024/31 December 2024/ 1 January 2025/31 December 2025	-	-	-

Notes to the Financial Statements (cont'd)

7. INTANGIBLE ASSETS (CONT'D)**7.1 Material accounting policy information****(i) Recognition and measurement**

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(ii) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful lives for the patent is 10 years.

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
Cost of investment	629,303	312,851

Details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
Perusahaan Getah Asas Sdn. Bhd.	Malaysia	Manufacturing of latex examination gloves	100	100
Kossan Latex Industries (M) Sdn. Bhd.	Malaysia	Manufacturing of latex examination gloves	100	100
Hibon Corporation Sdn. Bhd.	Malaysia	Manufacturing and marketing of rubber based parts and products	90.4	90.4
Doshin Rubber Products (M) Sdn. Bhd.	Malaysia	Manufacturing and trading of rubber products	90	90
Ideal Quality Sdn. Bhd.	Malaysia	Manufacturing of latex examination gloves	100	100
Kossan Engineering (M) Sdn. Bhd.	Malaysia	Fabrication and installation of machinery	100	100
Kossan International Sdn. Bhd.	Malaysia	Trading of latex examination gloves	100	100
Kossan Sdn. Bhd.	Malaysia	Investment holding	100	100

Notes to the Financial Statements (cont'd)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
Premium Medical Products Sdn. Bhd.	Malaysia	Investment holding	100	100
Cleanera (Malaysia) Sdn. Bhd.	Malaysia	Trading of latex examination gloves and cleanroom products	100	100
Cleanera HK Limited+	Hong Kong	Investment holding and trading of cleanroom products	83	83
KPH Logistics, Inc.#	United States of America	Distribution of household goods	100	100
KPH (San Francisco), LLC.#	United States of America	Property holding	100	100
KISB Asia Pacific Sdn. Bhd.	Malaysia	Investment holding	100	100
Kossan Labuan Bhd.	Malaysia	Investment holding	100	100
Kossan Industries Sdn. Bhd.	Malaysia	Manufacturing and sales of rubber products	100	100
Kossan Security Services Sdn. Bhd.	Malaysia	Voluntary liquidation	100	100
Kossan Trading Sdn. Bhd.	Malaysia	Manufacturing, processing and trading of chemicals and rubber compound	100	100
Kossan Ceramics Sdn. Bhd.	Malaysia	Manufacturing of formers and ceramic products	100	100
Aseptapak (M) Sdn. Bhd.	Malaysia	Voluntary liquidation	100	100
Kossan Management Services Sdn. Bhd.	Malaysia	Provision of management services	100	100
Kossan Research & Development Sdn. Bhd.	Malaysia	Research and development on gloves and rubber related products and provision of analytical services	100	100
Wear Safe (Malaysia) Sdn. Bhd.	Malaysia	Manufacturing of surgical, procedure and examination gloves	100	100
Kossan Gloves Sdn. Bhd.	Malaysia	Investment holding	100	100

Notes to the Financial Statements (cont'd)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
Subsidiary of Doshin Rubber Products (M) Sdn. Bhd.				
Quality Profile Sdn. Bhd.	Malaysia	Manufacturing and sales of rubber products	90	90
Subsidiary of Cleaner HK Limited				
Dongguan Cleaner Cleanroom Products Company Limited+	The People's Republic of China	Manufacturing and sales of cleanroom products	83	83
Subsidiary of Kossan Labuan Bhd.				
PT. Kossan Setia Jaya#	Republic of Indonesia	Dormant	100	100
Subsidiary of Kossan International Sdn. Bhd.				
KISB HK Limited+	Hong Kong	Investment holding	100	100
Subsidiary of KISB HK Limited				
KISB Limited Shanghai+	The People's Republic of China	Trading of gloves	100	100
Subsidiary of KISB Limited Shanghai				
Pureshield (Shanghai) Health Science and Technology Co. Limited+	The People's Republic of China	Trading of latex examination gloves	100	100

Not required to be audited under the laws of the place/country of incorporation. The financial statements of the subsidiaries are consolidated using management accounts.

+ Not audited by KPMG PLT.

8.1 Material non-controlling interests in subsidiaries

There are no non-controlling interests that are material to the Group for the year ended 31 December 2025.

8.2 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less accumulated impairment losses.

8.3 Increase of investment in subsidiary - *Ideal Quality Sdn. Bhd.*

On 31 December 2025, the Company subscribed to an additional 103,000,000 preference shares at RM1.00 per share in Ideal Quality Sdn. Bhd. in settlement of the debts of RM103,000,000 owed by the said subsidiary.

Notes to the Financial Statements (cont'd)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)**8.4 Increase of investment in subsidiary - KPH (San Francisco), LLC.**

On 15 December 2025, the Company subscribed to an additional 3,729,538 preference shares at USD1.00 per share in KPH (San Francisco), LLC. in settlement of the debts of USD3,729,538 (equivalent to RM11,908,823) owed by the said subsidiary.

8.5 Increase of investment in subsidiary - KISB Asia Pacific Sdn. Bhd.

On 29 December 2025, the Company subscribed to an additional 214,998 ordinary shares at RM1.00 per share in KISB Asia Pacific Sdn. Bhd. for a cash consideration of RM214,998.

8.6 Increase of investment in subsidiary - Kossan Ceramics Sdn. Bhd.

On 31 December 2025, the Company subscribed to an additional 23,907,600 preference shares at RM1.00 per share in Kossan Ceramics Sdn. Bhd. in settlement of the debts of RM23,907,600 owed by the said subsidiary.

8.7 Increase of investment in subsidiary - Kossan Research & Development Sdn. Bhd.

On 31 December 2025, the Company subscribed to an additional 4,000,000 preference shares at RM1.00 per share in Kossan Research & Development Sdn. Bhd. in settlement of the debts of RM4,000,000 owed by the said subsidiary.

8.8 Increase of investment in subsidiary - Premium Medical Products Sdn. Bhd.

On 31 December 2025, the Company subscribed to an additional 169,560,000 preference shares at RM1.00 per share in Premium Medical Products Sdn. Bhd. in settlement of the debts of RM169,560,000 owed by the said subsidiary.

8.9 Increase of investment in subsidiary - Kossan Labuan Bhd.

On 31 December 2025, the Company subscribed to an additional 930,000 preference shares at USD1.00 per share in Kossan Labuan Bhd. in settlement of the debts of USD930,000 (equivalent to RM3,861,267) owed by the said subsidiary.

9. OTHER INVESTMENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Fair value through profit or loss	371	378	-	15
Current				
Fair value through profit or loss	667,784	690,610	111,724	113,913
	668,155	690,988	111,724	113,928

Other investments in current assets represents investments in money market with a redemption notice of one (1) business day and has insignificant risk in the underlying assets invested.

Notes to the Financial Statements (cont'd)

9. OTHER INVESTMENTS (CONT'D)**9.1 Material accounting policy information****(i) Money market funds placed with financial institution**

The Group classifies money market funds placed with financial institution not held for working capital purposes that has a maturity of more than three months as other investments.

(ii) Deposits with licensed banks

The Group classifies deposits with licensed banks not held for working capital purposes that has a maturity of more than three months as other investments.

10. DEFERRED TAX ASSETS/(LIABILITIES)**Recognised deferred tax assets/(liabilities)**

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group						
Property, plant and equipment	-	-	(115,435)	(120,454)	(115,435)	(120,454)
Right-of-use assets	-	-	(6,728)	(7,795)	(6,728)	(7,795)
Revaluation on properties#	-	-	(3,892)	(3,016)	(3,892)	(3,016)
Unutilised reinvestment allowance and unabsorbed capital allowances	11,735	8,101	-	-	11,735	8,101
Tax loss carried forward	5,923	6,076	-	-	5,923	6,076
Provisions	6,609	8,235	-	-	6,609	8,235
Lease liabilities	7,371	8,346	-	-	7,371	8,346
Derivatives	-	2,897	(2,154)	-	(2,154)	2,897
Fair value gain on other investments	-	-	(18,689)	(15,520)	(18,689)	(15,520)
Others	1,066	-	-	(2,719)	1,066	(2,719)
Tax assets/(liabilities)	32,704	33,655	(146,898)	(149,504)	(114,194)	(115,849)
Set off of tax	(32,677)	(31,362)	32,677	31,362	-	-
Net tax assets/(liabilities)	27	2,293	(114,221)	(118,142)	(114,194)	(115,849)
Company						
Property, plant and equipment	-	-	(2,613)	(4,110)	(2,613)	(4,110)
Fair value gain on other investments	-	-	(5,718)	(4,852)	(5,718)	(4,852)
Revaluation on properties#	-	-	(395)	(401)	(395)	(401)
Unabsorbed capital allowances	-	3,181	-	-	-	3,181
	-	3,181	(8,726)	(9,363)	(8,726)	(6,182)

This pertained to properties that the Group and the Company elected to apply the optional exemption to use previous revaluation or valuation at the date of transition to MFRSs as deemed cost under MFRSs in the financial year ended 31 December 2012.

Notes to the Financial Statements (cont'd)

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2025 RM'000	2024 RM'000
Unutilised tax losses	27,612	26,531
Other deductible temporary differences	4,545	4,973
	32,157	31,504
Tax at 24% (2024: 24%)	7,718	7,561

In accordance with the provision of the Finance Act 2021, the unutilised tax losses are available for utilisation in the next ten (10) years, for which, any excess at the end of the tenth (10th) year, will be disregarded, except for the other deductible temporary differences which do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which certain subsidiaries within the Group can utilise the benefits there from. Tax losses for which no deferred tax asset was recognised expire as follows:

	Group	
	2025 RM'000	2024 RM'000
Expiring in 2028	58	58
Expiring in 2033	24,772	25,165
Expiring in 2034	1,350	1,308
Expiring in 2035	1,432	-
	27,612	26,531

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Movement in temporary differences during the year

	Note	Property, plant and equipment RM'000	Right-of-use assets RM'000	Revaluation on properties RM'000	Unutilised reinvestment allowance and unabsorbed capital allowances RM'000	Tax loss carried forward RM'000	Provisions RM'000	Lease liabilities RM'000	Derivatives RM'000	Fair value gain on other investments RM'000	Others RM'000	Total RM'000
Group												
At 1 January 2024		(126,125)	(4,435)	(4,149)	5,177	7,032	9,647	4,915	7	(9,492)	896	(116,527)
Recognised in profit or loss	24	5,671	(3,360)	1,133	2,924	(956)	(1,412)	3,431	2,890	(6,028)	(3,615)	678
At 31 December 2024/ 1 January 2025		(120,454)	(7,795)	(3,016)	8,101	6,076	8,235	8,346	2,897	(15,520)	(2,719)	(115,849)
Recognised in profit or loss	24	5,019	1,067	(876)	3,634	(153)	(1,626)	(975)	(5,051)	(3,169)	3,785	1,655
At 31 December 2025		(115,435)	(6,728)	(3,892)	11,735	5,923	6,609	7,371	(2,154)	(18,689)	1,066	(114,194)
Company												
At 1 January 2024		(905)	-	(475)	-	-	-	-	-	(3,456)	-	(4,836)
Recognised in profit or loss	24	(3,205)	-	74	3,181	-	-	-	-	(1,396)	-	(1,346)
At 31 December 2024/ 1 January 2025		(4,110)	-	(401)	3,181	-	-	-	-	(4,852)	-	(6,182)
Recognised in profit or loss	24	1,497	-	6	(3,181)	-	-	-	-	(866)	-	(2,544)
At 31 December 2025		(2,613)	-	(395)	-	-	-	-	-	(5,718)	-	(8,726)

10.1 Material accounting policy information

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Notes to the Financial Statements (cont'd)

11. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Non-trade					
Amount due from subsidiaries	11.1	-	-	-	203,825
Current					
Trade					
Trade receivables from contracts with customers		231,558	347,112	-	-
Less: Allowance for impairment loss		(559)	(170)	-	-
		230,999	346,942	-	-
Amount due from related parties	11.2	4	1	-	-
		231,003	346,943	-	-
Non-trade					
Amount due from subsidiaries	11.3	-	-	1,299	3,643
Other receivables		9,008	10,843	1	1
Refundable deposits		16,631	6,417	93	110
Amount due from related parties	11.4	16	60	-	-
		25,655	17,320	1,393	3,754
		256,658	364,263	1,393	3,754
		256,658	364,263	1,393	207,579

11.1 The non-trade amount due from subsidiaries in prior year was unsecured, subject to interest at 3.38% per annum and repayable beyond the next 12 months.

11.2 The trade amount due from related parties is subject to negotiated trade terms.

11.3 The non-trade amount due from subsidiaries is unsecured, not subject to interest (2024 subject to interest at 3.38% per annum) and repayable on demand.

11.4 The non-trade amount due from related parties is unsecured, not subject to interest and repayable on demand.

Notes to the Financial Statements (cont'd)

12. INVENTORIES

	Group	
	2025 RM'000	2024 RM'000
Raw materials	61,045	73,256
Work-in-progress	4,216	3,068
Finished goods	196,220	168,130
	261,481	244,454
Recognised in profit or loss:		
Inventories recognised as cost of sales	970,993	1,138,208

12.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

13. CONTRACT LIABILITIES

	Group	
	2025 RM'000	2024 RM'000
Contract liabilities	7,453	4,743

The contract liabilities primarily relate to the advance considerations received from customers for the purchase of gloves, for which revenue is recognised at a point in time upon transfer of control as per International Commercial Terms ("INCOTERM"). The contract liabilities are expected to be recognised as revenue within a year.

Significant changes to contract liabilities balances during the financial year are as follows:

	Group	
	2025 RM'000	2024 RM'000
Contract liabilities at the beginning of the period recognised as revenue	(4,743)	(7,352)
Advances received during the year	34,285	30,830
Advances received and utilised during the year	(26,832)	(26,087)
	2,710	(2,609)

Notes to the Financial Statements (cont'd)

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	214,391	114,465	4,313	1,594
Short term investments	691,635	808,763	60,119	248,416
Short term deposits placed with licensed banks	14,300	52,900	-	6,300
	920,326	976,128	64,432	256,310

15. CAPITAL AND RESERVES**15.1 Share capital**

	Group and Company			
	Number of shares 2025 '000	Amount 2025 RM'000	Number of shares 2024 '000	Amount 2024 RM'000
	Ordinary shares, issued and fully paid with no par value classified as equity instruments:			
At 1 January/31 December	2,557,872	323,885	2,557,872	323,885

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

15.2 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of financial statements of foreign operations.

15.3 Capital reserve

The capital reserve comprises the difference between the consideration paid and net assets acquired in acquisition of non-controlling interests.

15.4 Treasury shares

Treasury shares comprises cost of acquisition of the Company's own shares.

During the financial year, the Company purchased 23,216,800 of its ordinary shares from the open market on Bursa Malaysia Securities Berhad for RM35,497,738. The average price paid for the shares purchased was approximately RM1.529 per share.

As at 31 December 2025, the Company held a total of 29,468,800 (2024: 6,252,000) of its 2,557,871,616 (2024: 2,557,871,616) issued ordinary shares as treasury shares.

Notes to the Financial Statements (cont'd)

16. LOANS AND BORROWINGS

	Note	Group	
		2025 RM'000	2024 RM'000
Current			
Hire purchase financing - secured	16.1	-	253
Trade finance - unsecured	16.2	18,464	59,002
		18,464	59,255

16.1 Hire purchase financing payable

The hire purchase financing are payable as follows:

Group	Payment RM'000	Interest RM'000	Principal RM'000
2024			
Less than one year	258	5	253
Between one and five years	-	-	-
Total undiscounted lease payments	258	5	253

16.2 Trade finance - unsecured

The trade finance facilities are utilised for working capital purposes and are subject to interest rate at 2.99% to 3.44% (2024: 3.2% to 5.85%) per annum.

17. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade					
Trade payables		106,950	134,996	-	-
Amount due to related parties	17.1	2,184	895	-	-
		109,134	135,891	-	-
Non-trade					
Amount due to related parties	17.2	1,005	1,734	-	-
Other payables		37,984	27,980	2,623	1,105
Accrued expenses		53,976	60,306	665	455
		92,965	90,020	3,288	1,560
		202,099	225,911	3,288	1,560

17.1 The trade amount due to related parties is subject to negotiated trade terms.

17.2 The non-trade amount due to related parties is unsecured, interest free and repayable on demand.

Notes to the Financial Statements (cont'd)

18. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	2025			2024		
	Nominal value RM'000	Assets RM'000	Liabilities RM'000	Nominal value RM'000	Assets RM'000	Liabilities RM'000
Group						
Derivatives at fair value through profit or loss						
- Forward foreign exchange contracts	415,216	9,730	-	306,153	-	(11,443)

Forward foreign exchange contracts are used to manage the foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currencies of Group entities. Most of the forward foreign exchange contracts have maturities of less than one year after the end of the reporting period and have matured subsequent to year end.

19. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Sales of rubber products	1,749,441	1,916,171	-	-

Disaggregation of revenue by geographical location and by segment is as disclosed in Note 27.

Nature of goods	Timing of recognition or method used to recognise revenue	Significant payment terms
Rubber products	Revenue is recognised at a point in time upon transfer of control as per International Commercial Terms ("INCOTERM")	Average credit terms of 60 - 90 days

There are no variable element in consideration, obligation for returns or refunds nor warranty in substantially all of the contracts for the sale of goods by the Group.

Transaction price allocated to remaining performance obligations

Most of the Group's contracts are based on purchase orders whereby the contracted volumes are agreed upon. An insignificant amount of contracts have original contract period of more than one year, for which the remaining performance obligation is expected to be fulfilled in the next twelve months. Hence, there is no further disclosure on future performance obligation.

Notes to the Financial Statements (cont'd)

20. FINANCE COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense on:				
- Hire purchase	5	19	-	-
- Term loans	-	3	-	-
- Trade finance	779	1,325	-	-
Interest on lease liabilities	804	623	-	-
	1,588	1,970	-	-

21. FINANCE INCOME

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income of financial assets calculated using the effective interest method that are:				
- at amortised cost	29,782	40,224	5,372	17,916
- at fair value through profit or loss	5,592	4,663	982	1,219
	35,374	44,887	6,354	19,135

22. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors:				
- Fees	580	590	580	590
- Remunerations	13,330	12,488	-	-
- Estimated monetary value of benefits-in-kind	195	216	-	2
	14,105	13,294	580	592
Other key management personnel:				
- Remunerations	14,267	13,445	-	-
- Estimated monetary value of benefits-in-kind	104	124	-	-
	14,371	13,569	-	-

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entities either directly or indirectly.

Notes to the Financial Statements (cont'd)

23. TAX EXPENSE**Recognised in profit or loss**

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax expense				
Current year	27,024	38,266	206	1,603
(Over)/Under provision in prior year	(7,658)	(1,044)	(2,379)	30
	19,366	37,222	(2,173)	1,633
Deferred tax expense				
Origination and reversal of temporary differences	2,979	(428)	965	1,401
(Over)/Under provision in prior year	(4,634)	(250)	1,579	(55)
	(1,655)	(678)	2,544	1,346
Total tax expense	17,711	36,544	371	2,979
Reconciliation of tax expense				
Profit before tax	171,813	157,321	2,644	84,076
Income tax calculated using Malaysian tax rate of 24% (2024: 24%)	41,235	37,757	635	20,178
Effect of tax rates in foreign jurisdiction	(526)	(322)	-	-
Non-deductible expenses	5,271	7,382	2,622	1,288
Effect of deferred tax assets not recognised	(157)	752	-	-
Recognition of reinvestment allowance incentive	(9,722)	-	-	-
Income not subject to tax	(6,075)	(7,708)	(2,063)	(18,439)
Revaluation reserve crystallised	(23)	(23)	(23)	(23)
	30,003	37,838	1,171	3,004
(Over)/Under provision in prior year				
- income tax expense	(7,658)	(1,044)	(2,379)	30
- deferred tax expense	(4,634)	(250)	1,579	(55)
	17,711	36,544	371	2,979

Notes to the Financial Statements (cont'd)

24. PROFIT FOR THE YEAR

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the year is arrived at after charging/(crediting)					
Auditors' remuneration					
Audit fees:					
- KPMG PLT		657	629	65	62
- Other auditors		76	90	-	-
Non-audit fees:					
- KPMG PLT		10	10	10	10
- Local affiliates of KPMG PLT		455	220	307	5
Material expenses/(income)					
Depreciation of property, plant and equipment	3	93,798	102,445	4,387	2,086
Depreciation of right-of-use assets	4	4,712	4,628	-	-
Depreciation of investment properties	5	343	360	304	372
Amortisation of intangible assets	7	118	112	-	-
Reversal of impairment loss on plant and equipment	3	-	(18,432)	-	-
Personnel expenses (including key management personnel):					
- Contributions to Employees' Provident Fund		19,994	18,093	-	-
- Wages, salaries and others		302,941	294,557	582	590
Property, plant and equipment written off		647	21,271	3	-
Net unrealised fair value changes on derivatives		(9,730)	11,443	-	-
Net unrealised loss/(gain) on foreign exchange differences		4,329	(8,990)	-	-
Net realised loss on foreign exchange		8,278	1,458	-	-

Notes to the Financial Statements (cont'd)

24. PROFIT FOR THE YEAR (CONT'D)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Material expenses/(income) (continued)					
Net gain on disposal of property, plant and equipment		(324)	(259)	-	(167)
Gain on disposal of investment property		-	-	-	(5,740)
Loss/(Gain) on termination of right-of-use asset		8	(56)	-	-
Interest on short-term deposits placed with licensed banks		(29,782)	(40,224)	(5,372)	(11,853)
Interest income on other investments		(5,592)	(4,663)	(982)	(1,219)
Interest on amount due from subsidiaries		-	-	-	(6,063)
Dividend income		-	-	-	(59,620)
Rental income		(475)	(443)	(2,171)	(1,961)
Fair value gain on other investments		(16,369)	(21,283)	(3,616)	(5,815)
Expenses arising from leases					
Expenses relating to short-term leases	a	1,856	1,936	-	-
Expenses relating to leases of low-value assets	a	483	195	-	-
Net loss/(gain) on impairment of financial instruments					
Financial assets at amortised cost		400	(2)	-	-

Note a

The Group leases premises with contract terms of less than 1 year and office equipment with contract terms of 1 to 5 years. These leases are short-term leases and leases of low-value items respectively. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Notes to the Financial Statements (cont'd)

25. EARNINGS PER ORDINARY SHARE**Basic earnings per share**

The calculation of basic earnings per share at the end of the reporting period was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2025 RM'000	2024 RM'000
Profit for the year attributable to owners of the Company	152,786	118,335

Weighted average number of ordinary shares

	Group	
	2025 RM'000	2024 RM'000
Weighted average number of ordinary shares at 31 December, net of treasury shares	2,537,332	2,551,620

	Group	
	2025 sen	2024 sen
Basic earnings per share	6.02	4.64

There is no dilution in earnings per share as there are no dilutive potential ordinary shares.

26. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2025			
Interim single tier 2025 ordinary	2.00	50,568	24 December 2025
		50,568	
2024			
Interim single tier 2023 ordinary	2.00	51,032	8 April 2024
Final single tier 2023 ordinary	2.00	51,032	18 July 2024
Interim single tier 2024 ordinary	2.00	51,032	12 December 2024
Special single tier 2024 ordinary	6.00	153,098	12 December 2024
		306,194	

After the end of the reporting period the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial period upon approval by the owners of the Company.

	Sen per share	Total amount RM'000
Final single tier 2025 ordinary	2.00	50,441

Notes to the Financial Statements (cont'd)

27. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group Managing Director/Chief Executive Officer ("Group MD/CEO") reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Technical rubber products
- Gloves (other than cleanroom gloves)
- Cleanroom products
- Others

Other operations of the Group mainly comprise investment holding and engineering services which are not of sufficient size to be reported separately.

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group MD/CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group MD/CEO. Segment total assets is used to measure the return on assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group MD/CEO.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

Geographical segments

The four segments are managed on a worldwide basis and the Group's manufacturing facilities are primarily based in Malaysia (country of domicile) with sales offices operating both out of Malaysia and Hong Kong.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of the sales offices. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include right-of-use assets, investment properties, goodwill and intangible asset, other investments and deferred tax assets.

Notes to the Financial Statements (cont'd)

27. OPERATING SEGMENTS (CONT'D)

Group	2025 RM'000	2024 RM'000
Revenue		
Sales offices located in Malaysia		
- for local market	111,735	130,430
- for export market	1,602,536	1,736,518
Sales offices located outside of Malaysia	35,170	49,223
	1,749,441	1,916,171
Non-current assets		
Located in Malaysia	1,653,245	1,478,153
Located outside of Malaysia	11,759	13,928
	1,665,004	1,492,081

Major customers

The following was a major customer with revenue equal or more than 10% of the Group's total revenue:

Group	2025 RM'000	2024 RM'000	Segment
Customer A	330,102	224,249	Gloves
Percentage over Group's total revenue	18.9%	11.7%	

Notes to the Financial Statements (cont'd)

27. OPERATING SEGMENTS (CONT'D)

	Technical rubber products		Gloves		Cleanroom products		Others		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Business segments										
Total external revenue	188,443	201,559	1,455,084	1,600,149	101,950	114,463	3,964	-	1,749,441	1,916,171
Segment results	15,377	26,040	112,056	80,330	12,109	11,345	(1,515)	(3,311)	138,027	114,404
Finance costs									(1,588)	(1,970)
Finance income									35,374	44,887
Tax expense									(17,711)	(36,544)
Profit for the year									154,102	120,777
Segment assets	249,853	237,925	3,137,851	2,987,976	125,009	115,020	577,559	766,662	4,090,272	4,107,583
Segment liabilities	34,145	36,056	286,713	370,002	9,930	7,903	28,520	26,359	359,308	440,320
<i>Included in the measure of segment assets are:</i>										
Capital expenditure	1,768	11,525	298,866	256,821	26	121	10,842	34,666	311,502	303,133
<i>Included in the measure of segment results are:</i>										
Depreciation	8,611	8,971	77,986	88,564	134	256	7,067	4,654	93,798	102,445

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS**28.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (a) Financial assets measured at amortised cost ("FAAC");
- (b) Financial liabilities measured at amortised cost ("FLAC"); and
- (c) Fair value through profit or loss ("FVTPL"): - Mandatorily required by MFRS 9.

	Note	Carrying amount RM'000	FAAC/(FLAC) RM'000	Mandatorily at FVTPL RM'000
2025				
Financial assets				
Group				
Other investments	9	668,155	-	668,155
Trade and other receivables	11	256,658	256,658	-
Cash and cash equivalents	14	920,326	920,326	-
Derivative financial assets	18	9,730	-	9,730
		1,854,869	1,176,984	677,885
Company				
Other investments	9	111,724	-	111,724
Trade and other receivables	11	1,393	1,393	-
Cash and cash equivalents	14	64,432	64,432	-
		177,549	65,825	111,724
Financial liabilities				
Group				
Loans and borrowings	16	(18,464)	(18,464)	-
Trade and other payables	17	(202,099)	(202,099)	-
		(220,563)	(220,563)	-
Company				
Trade and other payables	17	(3,288)	(3,288)	-
		(3,288)	(3,288)	-

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

28.1 Categories of financial instruments (cont'd)

	Note	Carrying amount RM'000	FAAC/(FLAC) RM'000	Mandatorily at FVTPL RM'000
2024				
Financial assets				
Group				
Other investments	9	690,988	-	690,988
Trade and other receivables	11	364,263	364,263	-
Cash and cash equivalents	14	976,128	976,128	-
		2,031,379	1,340,391	690,988
Company				
Other investments	9	113,928	-	113,928
Trade and other receivables	11	207,579	207,579	-
Cash and cash equivalents	14	256,310	256,310	-
		577,817	463,889	113,928
Financial liabilities				
Group				
Loans and borrowings	16	(59,255)	(59,255)	-
Trade and other payables	17	(225,911)	(225,911)	-
Derivative financial liabilities	18	(11,443)	-	(11,443)
		(296,609)	(285,166)	(11,443)
Company				
Trade and other payables	17	(1,560)	(1,560)	-
		(1,560)	(1,560)	-

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)**28.2 Net gains and losses arising from financial instruments**

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net gains/(losses) on:				
Financial assets at fair value through profit or loss:				
- Mandatorily required by MFRS 9	31,691	14,503	4,598	7,034
Financial assets at amortised cost	15,847	47,758	5,372	17,916
Financial liabilities at amortised cost	144	(1,347)	-	-
	47,682	60,914	9,970	24,950

28.3 Financial risk management

The Group and the Company have exposures to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

28.4 Credit risk

Credit risk is risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers. It is the Group's policy that local customers who wish to trade on credit terms are subject to credit verification procedures, and hence there is no requirement for collateral. New overseas customers will be required either to provide in advance telegraphic transfers or letter of credits issued by reputable banks in countries where the customers are based.

Once the local or overseas customers become regular customers and proven to be creditworthy, these customers will be assigned a credit term approved by management and letter of credit will no longer be required.

At each reporting date, the Group or the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amount of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)**28.4 Credit risk (cont'd)****Trade receivables (cont'd)***Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

A significant portion of these trade receivables are regular customers that have been transacting with the Group.

To measure the expected credit losses ("ECLs"), trade receivables have been grouped based on credit risk and 90 days past due.

The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any trade receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The Group considers that any trade receivables with past due less than 90 days are having low credit risk by considering historical payment trends and financial strength of the trade receivables. The amount of the allowance for impairment loss on these balances is negligible.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

Group	2025			2024		
	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Current (not past due)	170,410	-	170,410	284,566	-	284,566
0-30 days past due	46,558	(3)	46,555	51,454	-	51,454
31-60 days past due	8,201	(3)	8,198	6,032	(1)	6,031
61-90 days past due	2,784	(20)	2,764	1,360	(1)	1,359
91-120 days past due	1,387	(10)	1,377	150	(11)	139
More than 120 days past due	2,218	(523)	1,695	3,550	(157)	3,393
	231,558	(559)	230,999	347,112	(170)	346,942

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)**28.4 Credit risk (cont'd)****Trade receivables (cont'd)**

Recognition and measurement of impairment loss (cont'd)

The movements in the allowance for impairment in respect of trade receivables during the year are shown below.

Group	Total RM'000
Balance at 1 January 2024	539
Net measurement of loss allowance	(2)
Amounts written off	(367)
Balance at 31 December 2024/1 January 2025	170
Net measurement of loss allowance	400
Amounts written off	(11)
Balance at 31 December 2025	559

Cash and cash equivalents and other investments

The cash and cash equivalents and other investments are placed with licensed banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These licensed banks and financial institutions have low credit risks. The Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Expected credit loss of other receivables is determined individually after considering the financial strength of the other receivables. Based on management's assessment, the probability of the default of these receivables is low and hence, no loss allowance has been made.

Financial guarantees

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)**28.4 Credit risk (cont'd)****Financial guarantees (cont'd)***Exposure to credit risk, credit quality and collateral*

The maximum exposure to credit risk amounts to RM18 million (2024: RM59 million) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Inter-company loans and advances*Risk management objectives, policies and processes for managing the risk*

The Company provides management services, unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Management services and loans and advances are only provided to subsidiaries which are wholly owned by the Company.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable.

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)**28.5 Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Group							
2025							
<i>Non-derivative financial liabilities</i>							
Trade finance - unsecured	18,464	2.99 – 3.44	18,464	18,464	-	-	-
Lease liabilities	16,046	4.55	26,046	4,210	3,837	2,503	15,496
Trade and other payables	202,099	-	202,099	202,099	-	-	-
	236,609		246,609	224,773	3,837	2,503	15,496
<i>Derivative financial assets</i>							
Forward foreign exchange contracts (gross settled):							
Inflow	(9,730)	-	(415,216)	(415,216)	-	-	-
Outflow	-	-	405,486	405,486	-	-	-
	226,879		236,879	215,043	3,837	2,503	15,496

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

28.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Group							
2024							
<i>Non-derivative financial liabilities</i>							
Trade finance - unsecured	59,002	3.2 - 5.85	59,002	59,002	-	-	-
Hire purchase financing - secured	253	4.1 - 4.57	258	258	-	-	-
Lease liabilities	19,675	4.55	28,763	4,479	3,550	4,835	15,899
Trade and other payables	225,911	-	225,911	225,911	-	-	-
	<u>304,841</u>		<u>313,934</u>	<u>289,650</u>	<u>3,550</u>	<u>4,835</u>	<u>15,899</u>
<i>Derivative financial assets</i>							
Forward foreign exchange contracts (gross settled):							
Inflow	-	-	(306,153)	(306,153)	-	-	-
Outflow	11,443	-	317,596	317,596	-	-	-
	<u>316,284</u>		<u>325,377</u>	<u>301,093</u>	<u>3,550</u>	<u>4,835</u>	<u>15,899</u>

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

28.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Company							
2025							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	3,288	-	3,288	3,288	-	-	-
Financial guarantee	-	-	18,464	18,464	-	-	-
	3,288		21,752	21,752	-	-	-
2024							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	1,560	-	1,560	1,560	-	-	-
Financial guarantee	-	-	59,002	59,002	-	-	-
	1,560		60,562	60,562	-	-	-

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)**28.6 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

28.6.1 Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

The Group uses forward foreign exchange contracts to hedge its foreign currency risk. Most of the forward foreign exchange contracts have maturities of less than one year after the end of the reporting period, where the maturity is aligned with the settlement of the receivables. These contracts are not designated as cash flow hedges and as these contracts are not hedging instruments, they do not qualify for hedge accounting.

In respect of other monetary assets and liabilities held in currencies other than RM, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short term imbalances.

As at the end of reporting date, forward foreign exchange contracts were entered into with the following amounts:

Forward foreign exchange contracts used to hedge receivables

Group	Amount to be received USD'000	Average contract rate USD/MYR	Equivalent RM'000
Hedged item			
2025			
Trade receivables	100,000	4.1522	415,215
2024			
Trade receivables	71,200	4.2999	306,153

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)**28.6 Market risk (cont'd)****28.6.1 Currency risk (cont'd)***Exposure to foreign currency risk*

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

	Group Denominated in USD	
	2025 RM'000	2024 RM'000
Bank balances	56,340	24,463
Trade receivables	207,057	324,802
Trade payables	(45,364)	(64,678)
Forward foreign exchange contracts used to hedge receivables	9,730	(11,443)
Net exposure	227,763	273,144

Currency risk sensitivity analysis

A 5% (2024: 5%) strengthening of RM against USD at the end of the reporting period would have decreased equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant.

Group	Profit or loss	
	2025 RM'000	2024 RM'000
USD	8,655	10,379

A 5% (2024: 5%) weakening of RM against USD at the end of the reporting period would have had equal but opposite effect on equity and post-tax profit or loss respectively, on the basis that all other variables remained constant.

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)**28.6 Market risk (cont'd)****28.6.2 Interest rate risk**

The Group's investments in fixed rate financial assets and its fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's investments in variable rate financial assets are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

Interest rate exposure arising from the Group's loans and borrowings, deposits placed with licensed banks and investments with financial institutions is managed through monitoring and reviewing interest rates in the market and their impact to the Group's financial performance.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate instruments					
Deposits placed with licensed banks	14	14,300	52,900	-	6,300
Short term investments	14	691,635	808,763	60,119	248,416
Lease liabilities		(16,046)	(19,675)	-	-
Trade finance					
- unsecured	16	(18,464)	(59,002)	-	-
Hire purchase financing	16	-	(253)	-	-
		671,425	782,733	60,119	254,716
Floating rate instruments					
Other investments	9	667,784	690,610	111,724	113,913
Amount due from subsidiaries	11	-	-	-	203,825
		667,784	690,610	111,724	317,738

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)**28.6 Market risk (cont'd)****28.6.2 Interest rate risk (cont'd)***Interest rate risk sensitivity analysis**(a) Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 50 (2024: 50) basis points ("bp") in interest rates at the end of the reporting period would have (decreased)/increased post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
	50 bp increase RM'000	50 bp decrease RM'000
Group		
2025		
Floating rate instruments	2,538	(2,538)
2024		
Floating rate instruments	2,624	(2,624)
Company		
2025		
Floating rate instruments	425	(425)
2024		
Floating rate instruments	1,207	(1,207)

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

28.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The tables below analyses other financial instruments at fair value.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
Group 2025										
Financial assets										
Other investments	-	667,784	-	667,784	-	-	371	371	668,155	668,155
Forward foreign exchange contracts	-	9,730	-	9,730	-	-	-	-	9,730	9,730
	-	677,514	-	677,514	-	-	371	371	677,885	677,885
2024										
Financial assets										
Other investments	-	690,610	-	690,610	-	-	378	378	690,988	690,988
Financial liabilities										
Forward foreign exchange contracts	-	(11,443)	-	(11,443)	-	-	-	-	(11,443)	(11,443)
Hire purchase financing – secured	-	-	-	-	-	-	(253)	(253)	(253)	(258)
	-	(11,443)	-	(11,443)	-	-	(253)	(253)	(11,696)	(11,701)

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

28.7 Fair value information (cont'd)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
Company										
2025										
Financial assets										
Other investments	-	111,724	-	111,724	-	-	-	-	111,724	111,724
2024										
Financial assets										
Other investments	-	113,913	-	113,913	-	-	-	-	113,913	113,913
Amount due from subsidiaries	-	-	-	-	-	-	203,825	203,825	203,825	203,825
	-	113,913	-	113,913	-	-	203,825	203,825	317,738	317,738

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)**28.7 Fair value information (cont'd)*****Level 2 fair value****Other investments with financial institutions*

The fair value of other investments with financial institutions is determined based on the fair value quoted by the counter-party.

Derivatives

The fair value of forward foreign exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2024: no transfer in either directions).

Level 3 fair value*Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Hire purchase financing and amount due from subsidiaries	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.

Notes to the Financial Statements (cont'd)

29. CAPITAL MANAGEMENT

The Group's capital management is represented by the total equity in the statement of financial position.

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio and make relevant adjustment to the capital structure in light of changes in economic conditions.

The debt-to-equity ratio at 31 December 2025 and at 31 December 2024 were as follows:

	Note	Group	
		2025 RM'000	2024 RM'000
Total borrowings	16	18,464	59,255
Lease liabilities		16,046	19,675
Less: Cash and cash equivalents	14	(920,326)	(976,128)
Net cash position		(885,816)	(897,198)
Total equity		3,708,175	3,644,770
Debt-to-equity ratio		_*	_*

There was no change in the Group's approach to capital management during the financial year.

* Not presented as the Group is in net cash position.

30. CAPITAL AND OTHER COMMITMENTS

	Group	
	2025 RM'000	2024 RM'000
Property, plant and equipment		
Contracted but not provided for	24,074	52,238

31. RELATED PARTIES**Significant related party transactions**

Related party transactions have been entered into in the normal course of business under negotiated trade terms. The significant related party transactions of the Group and the Company, other than key management personnel compensation (see Note 22), are shown below. The balances related to the below transactions are shown in Notes 11 and 17.

Notes to the Financial Statements (cont'd)

31. RELATED PARTIES (CONT'D)

Significant related party transactions (cont'd)

	Transaction amounts for the year ended 31 December	
	2025 RM'000	2024 RM'000
Group		
Ultimate holding company		
<i>Kossan Holdings (M) Sdn. Bhd.</i>		
Rental expenses	(402)	(334)
Related companies		
<i>Kossan Chemical Industries (M) Sdn. Bhd.</i>		
Rental expense	(2,431)	(2,592)
Purchase of land and building	-	(9,300)
<i>HT Ceramics (M) Sdn. Bhd.</i>		
Sales*	1	-
Purchase of formers	(4,893)	(10,504)
<i>Kossan Paint (M) Sdn. Bhd.</i>		
Sales*	341	62
Purchase of paint, consumables and processing services	(1,372)	(1,566)
<i>Pan Asian Corporation Sdn. Bhd.</i>		
Rental expenses	(1,152)	(987)
<i>Chemtube (M) Sdn. Bhd.</i>		
Sales*	17	17
Upkeep of plant and machinery	(6,379)	(8,315)
<i>Pleasure Latex Products Sdn. Bhd.</i>		
Sales*	21	-
Companies in which certain Directors/Directors' close family members have financial interests		
<i>Gemilang Jaya Sdn. Bhd.</i>		
Upkeep of plant and machinery	(731)	(467)
<i>Hai Poh Marketing Sdn. Bhd.</i>		
Purchase of chemicals and processing services	(13,433)	(13,387)
<i>Kossan F.R.P. Industries (M) Sdn. Bhd.</i>		
Sales*	19	1
Upkeep of plant and machinery	(176)	(561)
<i>Kossan Adhesive (M) Sdn. Bhd.</i>		
Sales*	20	14

Notes to the Financial Statements (cont'd)

31. RELATED PARTIES (CONT'D)

Significant related party transactions (cont'd)

	Transaction amounts for the year ended 31 December	
	2025 RM'000	2024 RM'000
Company		
Subsidiaries		
<i>Kossan Engineering (M) Sdn. Bhd.</i>		
Engineering service	(102)	(20)
<i>Doshin Rubber Products (M) Sdn. Bhd.</i>		
Dividend income	-	58,500
<i>Perusahaan Getah Asas Sdn. Bhd.</i>		
Rental income	-	207
Sale of land and buildings	-	8,700
<i>Kossan International Sdn. Bhd.</i>		
Rental income	199	-
<i>Kossan Industries Sdn. Bhd.</i>		
Rental income	726	726
<i>Cleanera HK Limited</i>		
Dividend income	-	1,120
<i>Cleanera (Malaysia) Sdn. Bhd.</i>		
Rental income	31	-
Purchase of gloves	(16)	(1)
<i>Premium Medical Products Sdn. Bhd.</i>		
Interest income	-	5,393
<i>Kossan Ceramics Sdn. Bhd.</i>		
Interest income	-	670
<i>Kossan Management Services Sdn. Bhd.</i>		
Rental income	1,185	1,027
Maintenance fee expense	(624)	(259)
Management fee expense	(1,457)	(1,167)

* There are no allowances for impairment loss being provided in respect of the related companies, related parties and subsidiaries' balances outstanding at year end and no impairment loss made during the year.

Kossan Rubber Industries Bhd. and its subsidiaries

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 69 to 132 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tan Sri Dato' Lim Kuang Sia
 Director

.....
Tan Kong Chang
 Director

Klang, Selangor Darul Ehsan

Date: 17 April 2026

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Lee Hon Chee**, the officer primarily responsible for the financial management of Kossan Rubber Industries Bhd., do solemnly and sincerely declare that the financial statements set out on pages 69 to 132 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Lee Hon Chee, MIA CA6481, at Klang in the State of Selangor Darul Ehsan on 17 April 2026.

.....
Lee Hon Chee

Before me:

Commissioner for Oaths
 Selangor Darul Ehsan

INDEPENDENT AUDITORS' REPORT

to the Members of Kossan Rubber Industries Bhd.

(Registration No. 197901003918 (48166-W))

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kossan Rubber Industries Bhd., which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 69 to 132.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the *Audit of the Financial Statements section of our auditors' report*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (cont'd)

to the Members of Kossan Rubber Industries Bhd.

(Registration No. 197901003918 (48166-W))

(Incorporated in Malaysia)

Key Audit Matters (cont'd)

Impairment of plant and equipment	
Refer to Note 3 – Property, plant and equipment.	
The key audit matter	How the matter was addressed in our audit
<p>As at 31 December 2025, the total carrying amount of plant and machinery of the Group amounted to RM330 million.</p> <p>There were indications of impairment on certain plant and machinery arising from low plant utilisation attributed by lower sales orders. The Group has determined the recoverable amount of those plant and machinery based on value-in-use approach which was calculated using the cash flow projections. The cash flow projections involved significant estimation and judgement on the assumptions on projected revenue, profit margins, plant utilisation rate and discount rate.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> We evaluated and challenged the Group's key assumptions used such as projected revenue, profit margins, plant utilisation and discount rate by comparing them to available external and internal sources of information. We performed sensitivity analysis on the Group's key assumptions to reflect reasonably possible future alternative scenarios. We performed a retrospective review of the forecast prepared as at 31 December 2024 by comparing the forecast results with the current year's actual results, discussed any material variances with the Group and considered the impact of these variances on the current year's forecast. We assessed the adequacy of the Group's disclosure on the key assumptions applied.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report (cont'd)

to the Members of Kossan Rubber Industries Bhd.

(Registration No. 197901003918 (48166-W))

(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- vi) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report (cont'd)

to the Members of Kossan Rubber Industries Bhd.

(Registration No. 197901003918 (48166-W))

(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 8 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT

(LLP0010081-LCA & AF 0758)

Chartered Accountants

Petaling Jaya, Malaysia

Date: 17 April 2026

Florence Chua Lei Choon

Approval Number: 03347/01/2028 J

Chartered Accountant

LIST OF TOP 10 PROPERTIES

as at 31 December 2025

Location	Description	Date of Acquisition/ Valuation*	Age of Building	Land Area	Tenure	Existing Use	Net Book Value 2025 RM'000
1 HS(D) 166440, PT85115, Mukim Kapar, Daerah Klang, Negeri Selangor	Industrial land	07/05/2024	-	28.732 hectares	Freehold	-	174,309
2 No. 6D, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor	Commercial land Office complex	05/02/2016	- 1 yr	2.5 acres	Freehold	- Office	42,638 106,378
3 HSD 24213 and HSD 24212, PT 10477 and PT 10478, Mukim Bidor, Batang Padang, Negeri Perak	Commercial land and Industrial land Building	12/03/2018	- n/a	824.11 acres	Leasehold 99 years expire 22/11/2114	- Under Construction	95,218 37,041
4 Geran 45731, Lot 6074, Mukim Kapar, Daerah Klang, Negeri Selangor	Industrial land Factory Factory	06/07/2020	- 23-26 yrs n/a	4.0494 hectares	Freehold	- Factory and office Under Construction	29,395 45,578 20,525
5 HSD 306168, PT 48343, Mukim Ijok, Daerah Kuala Selangor, Negeri Selangor	Industrial land Factory	26/03/2025	- n/a	29.45 acres	Freehold	Vacant Vacant	90,985 2,750
6 Geran 52935, Lot 6103, Mukim Kapar, Daerah Klang, Negeri Selangor	Industrial land Factory	12/12/2014	- 7 yrs	5.3292 hectares	Freehold	- Factory and office Under Construction	40,611 40,865 1,344
7 GRN 52936 Lot 6104; GRN 52937 Lot 6106; GRN 52939 Lot 6108, Mukim Kapar, Daerah Klang, Negeri Selangor	Industrial land Factory	10/06/2013	- 5 yrs	12.766 acres	Freehold	- Factory and office Under Construction	21,506 52,608 4,865
8 Geran 45732, Lot 6075, Mukim Kapar, Daerah Klang, Negeri Selangor	Industrial land Factory	28/02/2014	- 7 yrs	10 acres (3.7492 hectares)	Freehold	- Factory and office	20,191 30,100
9 HSD 283117, PT 7414, Mukim Bestari Jaya, Daerah Kuala Selangor, Negeri Selangor	Industrial land Factory	18/03/2014	- n/a	56 acres (226,620 sq.mtr)	Freehold	- Under Construction	36,589 5,985
10 Geran 173929, Lot 63616, (formerly HSD 116841, PT 54924), Mukim Kapar, Daerah Klang, Negeri Selangor	Industrial land Factory and Office Plant A Plant B Plant C	01/01/2011*	- 15 yrs 14 yrs 8 yrs	4.544 hectares	Freehold	- Factory and office	6,800 18,367 5,133 10,713

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

The Company did not implement any fund-raising exercise.

2. Material Contracts

Save as disclosed, there were no material contracts entered into by the Group involving directors and major shareholders either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

3. Conflict of Interest

None of the Directors, other than those disclosed in the Directors' profile, have any family relationships with other Directors and/or major shareholders of the Company or have any personal interest in any business arrangements involving the Company.

4. Audit and Non-Audit Fees

The audit fees paid or payable by the Group and the Company to the external auditors, KPMG PLT, amounted to RM656,700 and RM65,000, respectively. The non-audit fees paid or payable to the Group and the Company for services rendered by the external auditors, KPMG PLT, and firms affiliated to the external auditors amounted to RM465,100 and RM317,100 respectively. The non-audit fees were mainly due to transfer pricing services and the engagement for the sustainability advisory services rendered by KPMG PLT's affiliates.

5. Variation in Results

There was no material variance between the result for the financial year and the unaudited results previously announced by the Company.

6. Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	Group	
	2025 RM'000	2024 RM'000
Total Income		
Revenue	1,749,441	1,916,171
Other Income	36,981	51,013
Interest/Finance income	35,374	44,887
Total	1,821,796	2,012,071
Total Assets	4,090,272	4,107,583

Additional Compliance Information (cont'd)

(b) Business Activities

	Remark	Group	
		2025 RM'000	2024 RM'000
Shariah Non-Compliant Activities			
Finance Income	Conventional	29,783	40,224
Fair value gain on other investment	Conventional	1,250	495
Total		31,033	40,719

(c) Component of Financial Position

(i) Cash Component

	Remark	Group	
		2025 RM'000	2024 RM'000
Islamic Account/Instruments			
Money market instruments		162,441	665,201
Unit trust funds		460,557	4,085
Other cash equivalents	Cash in hand	40	40
Total Cash		623,038	669,326

	Remark	Group	
		2025 RM'000	2024 RM'000
Conventional Account/instruments			
Cash at bank		214,350	114,425
Short-term deposits		14,300	52,900
Unit trust funds		736,422	830,087
Deposits with licensed bank		371	378
Total Cash		965,443	997,790

(ii) Debt Component

	Remark	Group	
		2025 RM'000	2024 RM'000
Islamic Financing			
Current			
Hire purchase payables		-	253
Total Financing		-	253
Conventional Borrowing			
Current			
Banker's acceptances		18,464	9,002
Revolving credit and loans		-	50,000
Total Debt		18,464	59,002

STATISTICS ON SHAREHOLDINGS

As at 31 March 2026

Total number of issued shares	: 2,557,871,616
Class of shares	: Ordinary shares
Number of shareholders	: 28,789
Voting right	: One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders		No. of Shares*	
	No.	%	No.	%
Less than 100	432	1.50	4,688	0.00 ¹
100 - 1,000	6,393	22.21	4,316,038	0.17
1,001 - 10,000	14,634	50.83	66,819,875	2.65
10,001 - 100,000	6,273	21.79	196,239,541	7.78
100,001 to less than 5% of issued shares	1,056	3.67	1,361,597,554	53.99
5% and above of issued shares	1	0.00 ¹	893,068,320	35.41
Total	28,789	100.00	2,522,046,016	100.00

* Excluded of 35,825,600 shares bought back and retained by the Company as treasury shares.

¹ negligible

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Shares Held			
		Direct	%	Indirect/ Deemed	%
1	Tan Sri Dato' Lim Kuang Sia	81,145,104	3.22	896,246,304 ²	35.54
2	Tan Kong Chang	50,000,000	1.98	560,000 ³	0.02
3	Lim Siau Tian	5,000,000	0.20	637,900 ⁴	0.03
4	Lim Hun Soon @ David Lim	20,000	0.00 ¹	-	-
5	Lim Ooi Chow	-	-	-	-
6	Dato' Chua Tia Guan	-	-	-	-
7	Datin Paduka TPr. Noraini binti Roslan	-	-	-	-
8	Hoh Kim Hyan	-	-	-	-
9	Sharon Shanthy a/p Dorairaj	-	-	-	-

² through holding company and spouse

³ through spouse and child

⁴ through spouse

SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Shares Held			
		Direct	%	Indirect/ Deemed	%
1	Kossan Holdings (M) Sdn. Bhd.	893,068,320	35.41	-	-
2	Employees Provident Fund Board	143,221,800 ⁵	5.68	-	-
3	Aberdeen Group plc (formerly known as abrdn plc)	-	-	142,420,500 ⁶	5.65
4	abrdn Holdings Limited	-	-	142,420,500 ⁶	5.65
5	abrdn Malaysia Sdn. Bhd.	-	-	140,447,400 ⁶	5.57

⁵ This is an aggregation of securities from different securities accounts belonging to the same Registered Holder.

⁶ through its subsidiaries

Statistics on Shareholdings (cont'd)

As at 31 March 2026

TOP 30 SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	KOSSAN HOLDINGS (M) SDN. BHD.	893,068,320	35.41
2	LIM KUANG SIA	81,145,104	3.22
3	LIM KUANG WANG	67,870,000	2.69
4	LIM LENG BUNG	64,328,900	2.55
5	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	52,829,300	2.09
6	TAN KONG CHANG	50,000,000	1.98
7	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR AIA BHD.	45,502,100	1.80
8	LIM KUANG YONG	45,240,500	1.79
9	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	41,765,400	1.66
10	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	33,932,627	1.35
11	TIAN SENN RESOURCES SDN. BHD.	32,000,000	1.27
12	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	27,880,000	1.11
13	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (ABERISLAMIC)	19,194,100	0.76
14	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)	19,188,100	0.76
15	CITIGROUP NOMINEES (ASING) SDN. BHD. UBS AG	18,532,761	0.73
16	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR AIA PUBLIC TAKAFUL BHD.	17,738,700	0.70
17	HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	17,720,786	0.70
18	HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	16,558,200	0.66
19	CITIGROUP NOMINEES (ASING) SDN. BHD. CBNY FOR ISHARES CORE MSCI EMERGING MARKETS ETF	16,132,400	0.64
20	LIM WOI KOK	15,905,000	0.63

Statistics on Shareholdings (cont'd)

As at 31 March 2026

TOP 30 SHAREHOLDERS (CONT'D)

No.	Name of Shareholders	No. of Shares	%
21	LIM SEOW KIANG	15,805,000	0.63
22	LIM SIEW BING	15,805,000	0.63
23	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. URUSHARTA JAMAAH SDN. BHD. (ABERDEEN 2)	15,039,500	0.60
24	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABDN EQ ABSR FD)	11,619,100	0.46
25	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	10,815,100	0.43
26	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	10,713,200	0.42
27	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (RHBISLAMIC)	9,645,700	0.38
28	HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	9,166,900	0.36
29	CARTABAN NOMINEES (TEMPATAN) SDN. BHD. PAMB FOR PRULINK EQUITY FOCUS FUND	8,141,800	0.32
30	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	7,464,500	0.30
TOTAL		1,690,748,098	67.04

01

02

03

04

05

06

OTHER INFORMATION

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 46th Annual General Meeting (“AGM”) of Kossan Rubber Industries Bhd. (“Company”) will be held at Ballroom 1, Ground Floor, Setia City Convention Centre, 1 Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Tuesday, 9 June 2026 at 10.30 a.m. for the purpose of considering and if thought fit, passing the resolutions, as ordinary resolutions, set out in this notice.

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.
2. To approve payment of a final single tier tax exempt dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2025. **(Resolution 1)**
3. To approve the proposed payment of Directors’ fees of up to RM810,000 for the financial year ending 31 December 2026 (2025: RM670,000). **(Resolution 2)**
4. To re-elect the following Directors who are retiring by rotation pursuant to Article 86 of the Company’s Constitution and being eligible offer themselves for re-election:
 - (a) Mr. Lim Siau Tian; and **(Resolution 3)**
 - (b) Ms. Sharon Shanthly a/p Dorairaj. **(Resolution 4)**
5. To re-elect the following Directors who are retiring pursuant to Article 92 of the Company’s Constitution and being eligible offer themselves for re-election:
 - (a) Mr. Lim Hun Soon @ David Lim; **(Resolution 5)**
 - (b) Dato’ Chua Tia Guan; and **(Resolution 6)**
 - (c) Datin Paduka TPr. Noraini binti Roslan. **(Resolution 7)**
6. To re-appoint KPMG PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. **(Resolution 8)**

SPECIAL BUSINESS

7. **Continuing in Office as an Independent Non-Executive Director** **(Resolution 9)**

“THAT approval be and is hereby given to Mdm. Hoh Kim Hyan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.”
8. **Waiver of Pre-emptive Rights Pursuant to Section 85 of the Companies Act 2016** **(Resolution 10)**

“THAT pursuant to Section 85 of the Companies Act 2016, read together with Article 3 of the Company’s Constitution, shareholders of the Company do hereby waive their statutory pre-emptive rights on new shares ranking equally to the existing issued shares of the company arising from the issuance and allotment of the shares pursuant to Sections 75 and 76 of the Companies Act 2026.”

Notice of Annual General Meeting (cont'd)

9. **Proposed Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016** **(Resolution 11)**

"THAT contingent upon the passing of Ordinary Resolution 10 and subject to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Exchange") and other relevant regulatory requirements, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares so issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) as at the date of this Annual General Meeting ("AGM");

THAT the Directors be and are also empowered to obtain from the Exchange the approval for the listing of and quotation for the additional shares so issued on the Exchange;

AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."

10. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed RRPT Mandate")** **(Resolution 12)**

"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("KOSSAN Group") to enter into recurrent related party transactions of a revenue or trading nature with the related parties, which are necessary for the day-to-day operations of the KOSSAN Group, provided such transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public, particulars of which are set out in Section 2.5 of the Document to shareholders of the Company dated 29 April 2026;

THAT such approval conferred shall continue to be in force until: -

- (a) the conclusion of the next annual general meeting ("AGM") of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at such general meeting whereby the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier;

AND THAT the Directors of the Company or any of them be and are/is (as the case may be) hereby authorised to complete and do all such acts and things (including executing such documents under the common seal in accordance with the provisions of the Company's Constitution, as may be required) as they may consider expedient or necessary to give effect to the Proposed RRPT Mandate."

Notice of Annual General Meeting (cont'd)

11. **Proposed Renewal of the Authority for the Company to Purchase its Own Shares of Up to 10% of the Total Number of Issued Shares of the Company ("Proposed Renewal of Share Buy-Back Authority")** **(Resolution 13)**

"THAT subject to the Companies Act 2016 ("Act"), Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), the Company's Constitution and other relevant statutory and/or regulatory requirements, the Company be and is hereby authorised to utilise an amount not exceeding the retained profits of the Company to purchase such number of ordinary shares in the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed 10% of the total number of issued shares of the Company;

THAT such authority shall commence upon the passing of this resolution until the conclusion of the next annual general meeting of the Company unless earlier revoked or varied by a resolution of the shareholders of the Company at a general meeting;

AND THAT the Directors be and are hereby authorised to either cancel the shares so purchased, retain as treasury shares, distribute as share dividend, sell, transfer and/or deal in any other manner they deem fit and expedient in the best interest of the Company and in accordance with the Act, the Listing Requirements, the Company's Constitution and other relevant statutory and/or regulatory requirements for the time being in force."

12. To transact any other business of which due notice shall have been given in accordance with the Act.

NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that the final single tier tax exempt dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2025, if approved by members at the Annual General Meeting to be held on Tuesday, 9 June 2026, will be paid on 16 July 2026. The entitlement date for the dividend will be 26 June 2026.

A depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred to the Depositor's Securities Account before 4.30 p.m. on 26 June 2026 in respect of transfers; and
- (b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

KOSSAN RUBBER INDUSTRIES BHD.

CHIA ONG LEONG (SSM P.C. No. 201908000832, MIA 4797)

CHIA YEW NGO (SSM P.C. No. 202008000487, LS 0001831)

Company Secretaries

Klang, Selangor Darul Ehsan

29 April 2026

Notice of Annual General Meeting (cont'd)

NOTES

1. Proxy

- 1.1 A member of the Company is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
- 1.2 Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- 1.3 Only members whose names appear in the Record of Depositors as at 29 May 2026 shall be entitled to participate and vote at the AGM or appoint a proxy(ies) to participate and vote in his/her stead.
- 1.4 A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint one (1) proxy in respect of each securities account. Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 1.5 The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney duly authorised in writing and in the case of a corporation, be executed under its common seal or the hand of the attorney duly authorised.
- 1.6 The instrument appointing a proxy must be deposited at the office of the share registrar, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, 5 Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or via electronic means through the Boardroom Smart Investor Online Portal at <https://www.boardroomlimited.my/> not less than 24 hours before the time of the meeting and any adjournment thereof. Please refer to the Administrative Details for further information on electronic submission.

EXPLANATORY NOTES

2. Receiving of the Audited Financial Statements for Financial Year Ended 31 December 2025

- 2.1 Item 1 of the agenda is intended for discussion only as the provision of Section 340(1) of the Companies Act 2016 ("Act") does not require the Audited Financial Statements to be formally approved by the shareholders. As such, this item is not put forward for voting.

3. Ordinary Resolution 2: Payment of Directors' Fees to the Non-Executive Directors ("NEDs")

- 3.1 Section 230 (1) of the Act provides, amongst others, that the fee of a director and any benefits to a director of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that approval of the shareholders be sought for the payments of Directors' fees to the NEDs.
- 3.2 Ordinary Resolution 2 refers to the payment of Directors' fees of up to RM810,000 for the financial year ending 31 December 2026 (FY2025: RM670,000). The amount has been estimated based on the Directors' fees of the preceding year approved by the shareholders of the Company and the additional NED appointed to the Board in 2026. The actual payment of Directors' fees for the financial year ("FY") 2025 was RM580,420 (FY2024: RM590,000).
- 3.3 This resolution, if passed, will facilitate the payment of Directors' fees on a current FY basis. The Board is of the view that it is just and equitable for Directors' fees to be paid upon the discharge of their responsibilities and services to the Company.
- 3.4 Any NED who is a shareholder of the Company will abstain from voting on Ordinary Resolution 2 at the 46th AGM.

Notice of Annual General Meeting (cont'd)

4. Ordinary Resolutions 3 to 7: Re-election of Directors

- 4.1 Article 86 of the Company's Constitution provides that one third (1/3) of the Directors of the Company for the time being shall retire by rotation at the AGM of Company and be eligible for re-election. Hence, two (2) Directors, namely Mr. Lim Siau Tian and Ms. Sharon Shanthly a/p Dorairaj, are to retire by rotation in accordance with Article 86 of the Company's Constitution at the 46th AGM and being eligible, have offered themselves for re-election at this AGM.
- 4.2 Article 92 of the Company's Constitution provides that any Director appointed by the Board in the year shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. Mr. Lim Hun Soon @ David Lim and Datin Paduka TPr. Noraini binti Roslan were appointed as Independent NEDs of the Company effective 1 August 2025 and 2 January 2026, respectively. Dato' Chua Tia Guan was appointed as the Non-Independent Non-Executive Chairman of the Company effective 2 January 2026. Being eligible, they have offered themselves for re-election at this AGM.
- 4.3 For the purpose of determining the eligibility of the Directors retiring by rotation to stand for re-election at the 46th AGM and Mr. Lim Hun Soon @ David Lim, the Board through the Nominating Committee ("NC") had assessed each of the retiring Director, taking into account the following: -
- The outcome of the Board Effectiveness Evaluation ("BEE") 2025;
 - The Director's performance and contribution to the Board;
 - The independence demonstrated by the independent directors; and
 - The Directors' character, integrity, experience, competence and time commitment based on the criteria set out in the Directors' Fit and Proper Policy.
- 4.4 The BEE assessments do not apply to Dato' Chua Tia Guan and Datin Paduka TPr. Noraini binti Roslan as the review period of the BEE 2025 was from 1 January 2025 to 31 December 2025.
- 4.5 Based on the assessments, each individual Director met the performance criteria required of an effective Board. The Board thus supported the NC's recommendations that the retiring Directors are eligible to stand for re-election. All Directors standing for re-election had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the relevant NC and Board meetings. The profiles of the retiring directors are set out in the Directors' Profile in the 2025 Integrated Annual Report.
- 4.6 Any retiring Directors, who is a shareholder of the Company, will abstain from voting on the resolution in respect of their respective re-election at the 46th AGM.

5. Ordinary Resolution 8: Re-appointment of Auditors

- 5.1 The Audit Committee ("AC") at its meeting held on 23 February 2026 undertook an annual assessment of the suitability of the external auditors, KPMG PLT. In the assessment, the AC considered the audit scope, performance and independence of the external auditors. The AC also took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussion at private meetings, which demonstrated their independence, objectivity and professionalism.
- 5.2 The AC was satisfied with the suitability of KPMG PLT based on the quality of audit, performance, competency and sufficiency of resources KPMG PLT provided to the Group. The AC was also satisfied that the provision of non-audit services by KPMG PLT and its affiliates to the Company for FY2025 did not in any way impair their objectivity and independence as external auditors of the Company.
- 5.3 The Board at its meeting held on 23 February 2026 supported the AC's recommendation to re-appoint KPMG PLT as the external auditors of the Company for FY2026 and to authorise the Directors to fix their remuneration, subject to the approval of the shareholders under Ordinary Resolution 8.

Notice of Annual General Meeting (cont'd)

Special Business

6. Ordinary Resolution 9: Continuing in Office as an Independent Non-Executive Director ("INED")

- 6.1 The proposed Ordinary Resolution 9, if passed, will enable Mdm. Hoh Kim Hyan ("Mdm. Hoh") to continue in office as an INED of the Company in accordance with Practice 5.3 of the Malaysian Code on Corporate Governance 2021.
- 6.2 Mdm. Hoh, Senior INED, has served the Company for a cumulative term of more than nine (9) years. The Board, with Mdm. Hoh abstaining from deliberation, was satisfied that Mdm. Hoh has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and is able to continue to bring independent and objective judgment to the Board.
- 6.3 The Board, except for Mdm. Hoh, unanimously recommended that Mdm. Hoh continues to serve as an INED of the Company, subject to the approval of the shareholders through a two-tier voting process.

7. Ordinary Resolution 10: Waiver of Pre-Emptive Rights Pursuant to Section 85 of the Act

- 7.1 Section 85 of the Act provides that where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the existing shareholders of the Company in proportion of their shareholdings.
- 7.2 The proposed Ordinary Resolution 10 is to seek waiver from the shareholders on their pre-emptive rights pursuant to Section 85 of the Act. This resolution, if passed, will allow the Directors to issue and allot new shares in the Company, which rank equally to existing issued shares, without having to offer such new shares to the existing shareholders prior to issuance of new shares under Ordinary Resolution 11.

8. Ordinary Resolution 11: Proposed Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Act

- 8.1 Subject to the passing of Ordinary Resolution 10, the proposed Ordinary Resolution 11, if passed, will empower the Directors from the conclusion of this AGM to the next AGM, to allot and issue up to a maximum of 10% of the total number of issued shares of the Company (excluding treasury shares) at the time of issue for such purposes as they consider would be in the best interest of the Company without having to convene separate general meeting.
- 8.2 This authority will provide flexibility to the Company for any possible fundraising exercise, including but not limited to placement of shares for purpose of funding investment projects, working capital and/or acquisition. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.
- 8.3 This is a renewal of the general mandate for the issue of new ordinary shares in the Company which was approved at the last AGM. The Company did not issue any new shares under the previous mandate. At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect of the purpose and/or utilisation of proceeds arising from such an issue of shares.

9. Ordinary Resolution 12: Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed RRPT Mandate")

- 9.1 The proposed Ordinary Resolution 12 is to seek shareholders' approval on the recurrent related party transactions ("RRPT") entered or to be entered into by the Group and the related parties in the ordinary course of business. These are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and may arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions and it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such RRPT.

Notice of Annual General Meeting (cont'd)

- 9.2 By obtaining the shareholders' mandate on the Proposed RRPT Mandate on an annual basis, the necessity to convene separate general meetings to seek shareholders' approval as and when such RRPT occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objective of the Group or adversely affecting the business opportunities available to the Group.
- 9.3 As such, the Board is seeking the renewal of shareholders' mandate pursuant to Part E, Paragraph 10.09 of the Listing Requirements for the RRPT to allow the Group to enter into such transactions, made at arm's length and on normal commercial terms, not more favourable to the related parties than those generally available to the public and which will not be to the detriment of the minority shareholders of the Company. Further details on the proposed resolution are set out in Part A of the Document to shareholders of the Company dated 29 April 2026.

10. Ordinary Resolution 13: Proposed Renewal of Share Buy-Back Authority

- 10.1 The proposed Ordinary Resolution 13, if passed, will empower the Directors to purchase the Company's shares of up to a maximum of 10% of the total number of issued shares of the Company by utilising funds allocated out of retained profits of the Company. The 10% limit shall be the aggregate of current shares purchased and existing Treasury Shares. Further details on the proposed resolution are set out in Part B of the Document to shareholders of the Company dated 29 April 2026.

STATEMENT ACCOMPANYING THE NOTICE OF AGM

No individual is seeking election as a Director at this AGM.

Details of the Directors who are standing for re-election at this AGM are set out in the Directors' Profile on pages 44 to 48 of the 2025 Integrated Annual Report.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"). (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands losses and damages as a result of the member's breach of warranty.

IFRS S1 AND S2 DISCLOSURE INDEX

ISSB Standard	Requirement	Page No. in the IAR 2025
S1.20	Are the entity's sustainability-related financial disclosures for the same reporting entity as the related financial statements?	20
S1.21	Does the entity present information in a manner that enables users to understand connections between sustainability-related risks and opportunities, between different sustainability-related disclosures, and between sustainability disclosures and other general purpose financial reports?	20, 24 to 25
S1.21(a)	Does the entity disclose the connections between the items to which the information relates, such as various sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects?	20, 24 to 25
S1.21(b)	Does the entity disclose the connections between disclosures provided by the entity i) within its sustainability-related financial disclosures and ii) across its sustainability-related financial disclosures and other general purpose financial reports published by the entity?	20, 24 to 25
S1.22	Does the entity identify the financial statements to which the sustainability-related financial disclosures relate?	20
S1.23	Are the data and assumptions used in preparing the sustainability-related financial disclosures consistent - to the extent possible, considering the requirements of IFRS Accounting Standards or other applicable GAAPs - with the corresponding data and assumptions used in preparing the related financial statements?	20
S1.24	When currency is specified as the unit of measure in the sustainability-related financial disclosures, does the entity use the presentation currency of its related financial statements?	20
S1.59(a)	Does the entity identify the specific standards, pronouncements, industry practice and other sources of guidance that it has applied in preparing its sustainability-related financial disclosures, including, if applicable, identifying the disclosure topics in the SASB Standards?	20
S1.59(b)	Does the entity identify the industry(s) specified in the IFRS Sustainability Disclosure Standards, the SASB Standards or other sources of guidance that the entity has applied in preparing its climate-financial disclosures, including in identifying applicable metrics?	20
S1.60	Does the entity provide disclosures required by IFRS Sustainability Disclosure Standards as part of its general purpose financial reports?	20
S1.62	If the entity discloses information required by an IFRS Sustainability Disclosure Standard in the same location as information disclosed to meet other requirements, such as information required by regulators, does the entity ensure that the sustainability-related financial disclosures are clearly identifiable and not obscured by that additional information?	151 to 158
S1.64	Does the entity report its sustainability-related financial disclosures at the same time and cover the same reporting period as the related financial statements?	20
S1.66(a)	If the entity changes the end of its reporting period and discloses climate-related financial disclosures for a period longer or shorter than 12 months, does the entity disclose the period covered by the climate-related financial disclosures?	Not applicable. No changes to reporting period.
S1.66(b)	If the entity changes the end of its reporting period and discloses climate-related financial disclosures for a period longer or shorter than 12 months, does the entity disclose the reasons for using a longer or shorter period?	Not applicable. No changes to reporting period.
S1.66(c)	If the entity changes the end of its reporting period and discloses climate-related financial disclosures for a period longer or shorter than 12 months, does the entity disclose the fact that the amounts disclosed in the climate-related disclosures are not entirely comparable?	Not applicable. No changes to reporting period.
S1.67	If, after the end of the reporting period but before the date on which the sustainability-related financial disclosures are authorised for issue, an entity receives information about conditions that existed at the end of the reporting period, does the entity update disclosures that relate to those conditions in the light of the new information?	Not applicable. No changes to reporting period.
S1.68	Does the entity disclose information about transactions, other events and conditions that occur after the end of the reporting period, but before the date on which the sustainability-related financial disclosures are authorised for issue, if non-disclosure of that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports?	Not applicable
S1.70	Does the entity disclose comparative information in respect of the preceding period for all amounts, narrative and descriptive climate- and human rights and labour practices-related financial information disclosed in the reporting period?	Applied relief from having to disclose comparative information.

IFRS S1 and S2 Disclosure Index (cont'd)

ISSB Standard	Requirement	Page No. in the IAR 2025
S1.72	Does the entity provide an explicit and unqualified statement of compliance if its climate-related financial disclosures comply with all of the relevant requirements of IFRS Sustainability Disclosure Standards?	20
S1.74	Does the entity disclose information to enable users of general purpose financial reports to understand the judgements, apart from those involving estimations of amounts, that the entity has made in the process of preparing its sustainability-related financial disclosures and that have the most significant effect on the information included in those disclosures?	22 to 24
S1.75	Does the entity disclose the key judgements made in identifying sustainability-related risks and opportunities, determining applicable guidance, identifying material information, and assessing whether significant events or changes require reassessment of risks and opportunities across the value chain?	23 to 25
S1.77	Does the entity disclose information to enable users of general purpose financial reports to understand the most significant uncertainties affecting the amounts reported in its sustainability-related financial disclosures?	22 to 24, 28
S1.78	Does the entity identify amounts subject to a high level of measurement uncertainty and disclose the sources of uncertainty and the key assumptions, approximations and judgements used in measuring those amounts?	22 to 24
S1.79	Does the entity disclose that reasonable estimates may be used in sustainability-related financial disclosures where amounts cannot be measured directly and are subject to measurement uncertainty?	22 to 24
S1.81	Does the entity disclose relevant information about measurement uncertainty, including the nature of the assumptions, sensitivity of the disclosed amount, expected resolution of the uncertainty, possible outcome ranges, and any changes to past assumptions?	22 to 24
S1.83	Does the entity restate the comparative information to correct the prior period errors unless it is impracticable to do so?	Not applicable
S1.84	Does the entity identify prior period errors arising from omissions or misstatements due to the failure to use reliable information available at the time of preparing the disclosures?	Not applicable
S1.85	Does the entity distinguish corrections of errors from changes in estimates, recognising that estimates may be revised as additional information becomes available?	Not applicable
S1.B32	Does the entity disclose material sustainability-related financial information, even if law or regulation permits the entity not to disclose such information?	Not applicable
S1.B33	An entity need not disclose information otherwise required by an IFRS Sustainability Disclosure Standard if law or regulation prohibits the entity from disclosing that information. If an entity omits material information for that reason, does it identify the type of information not disclosed and explain the source of the restriction?	Not applicable
S1.B36(a)	If the entity omits information about a sustainability-related opportunity because the information is commercially sensitive, does the entity disclose the fact that it has used the exemption specified in S1.B34-B35?	Not applicable
S1.B36(b)	If the entity omits information about a sustainability-related opportunity because the information is commercially sensitive, does the entity reassess, at each reporting date, whether the information qualifies for the exemption specified in S1.B34-B35?	Not applicable
S1.B38	Are the sustainability-related financial disclosures prepared for the same reporting entity as the related financial statements, enabling users to understand the effects of sustainability-related risks and opportunities on cash flows, access to finance and cost of capital over the short, medium and long term?	20
S1.B42(a)	Does the entity explain connections between disclosures in a clear and concise manner?	20
S1.B42(b)	Does the entity avoid unnecessary duplication if IFRS Sustainability Disclosure Standards require the disclosure of common items of information?	25 to 26
S1.B42(c)	Does the entity disclose information about significant differences between the data and assumptions used in preparing the entity's sustainability-related financial disclosures and the data and assumptions used in preparing the related financial statements?	20
S1.B47(a)	If the entity discloses information required by an IFRS Sustainability Disclosure Standard by cross-reference to another report published by the entity, do the sustainability-related financial disclosures clearly identify the report within which that information is located and explain how to access that report?	20

IFRS S1 and S2 Disclosure Index (cont'd)

ISSB Standard	Requirement	Page No. in the IAR 2025
S1.B47(b)	If the entity discloses information required by an IFRS Sustainability Disclosure Standard by cross-reference to another report published by the entity, is the cross-reference to a precisely specified part of that report?	20
S1.B50	If new information affects previously estimated amounts, does the entity disclose revised comparative amounts, the difference from the previously disclosed amounts, and the reasons for the revision?	Not applicable
S1.B52	If an entity redefines or replaces a metric in the reporting period, the entity shall: (a) disclose a revised comparative amount, unless it is impracticable to do so; (b) explain the changes; and (c) explain the reasons for those changes, including why the redefined or replacement metric provides more useful information.	Not applicable
S1.B53	If an entity introduces a new metric in the reporting period, does the entity disclose a comparative amount for that metric unless it is impracticable to do so?	Not applicable
S1.B54	If it is impracticable to revise a comparative amount for the preceding period, does the entity disclose that fact?	Not applicable
S1.B58	If a material prior period error is identified, does the entity disclose the nature of the error, the correction for each prior period where practicable, and the circumstances if correction is impracticable?	Not applicable
S1.B59	When it is impracticable to determine the effect of an error on all prior periods presented, does the entity restate the comparative information to correct the error from the earliest date practicable?	Not applicable
S2.06(a)(i) [1]	Does the entity disclose the identity of and information about the governance body or individual responsible for oversight of climate-related risks and opportunities?	25 to 26
S2.06(a)(i) [2]	Does the entity disclose how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that governance body/individual?	25 to 26
S2.06(a)(ii)	Does the entity disclose how the governance body/ individual determines whether appropriate skills and competencies are available or will be developed in the future to oversee strategies designed to respond to climate-related risks and opportunities?	25 to 26
S2.06(a)(iii)	Does the entity disclose how and how often the governance body/individual is informed about climate-related risks and opportunities?	25 to 26
S2.06(a)(iv) [1]	Does the entity disclose how the governance body/ individual takes into account climate-related risks and opportunities when overseeing strategy, its decisions on major transactions and its risk management policies?	25 to 26
S2.06(a)(iv) [2]	Does the entity disclose if the body/individual has considered trade-offs associated with risks and opportunities?	26
S2.06(a)(v) [1]	Does the entity disclose how the governance body/ individual oversees the setting of targets related to climate-related risks and opportunities?	25 to 26
S2.06(a)(v) [2]	Does the entity disclose how the governance body/ individual monitors progress towards those targets?	25 to 26
S2.06(a)(v) [3]	Does the entity disclose whether and how performance metrics related to targets are included in remuneration policies?	25 to 26
S2.06(b)(i) [1]	Does the entity disclose management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities?	25 to 26
S2.06(b)(i)[2]	Does the entity disclose whether the role is delegated to a specific management-level position/committee?	25 to 26
S2.06(b)(i)[3]	If the role is delegated to a specific management-level position/committee, does the entity disclose information on how oversight is exercised over that position/committee?	25 to 26
S2.06(b)(ii) [1]	Does the entity disclose whether management uses controls and procedures to support the oversight of climate-related risks and opportunities?	25 to 26

IFRS S1 and S2 Disclosure Index (cont'd)

ISSB Standard	Requirement	Page No. in the IAR 2025
S2.06(b)(ii) [2]	If management uses controls and procedures to support the oversight of climate-related risks and opportunities, does the entity disclose information about how these controls and procedures are integrated with other internal functions?	25 to 26
S2.07	In preparing disclosures to fulfil the requirements in S2.06, does the entity avoid unnecessary duplication in accordance with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)?	25 to 26
S2.10(a)	Does the entity describe climate-related risks and opportunities that could reasonably be expected to affect its prospects?	26
S2.10(b)	Does the entity explain, for each climate-related risk the entity has identified, whether it considers the risk to be a climate-related physical risk or climate-related transition risk?	26
S2.10(c)	Does the entity specify, for each climate-related risk and opportunity it has identified, over which time horizons – short, medium or long-term – the effects of each climate-related risk and opportunity could reasonably be expected to occur?	26
S2.10(d)[1]	Does the entity disclose how it defines its short, medium and long-term time horizons?	20
S2.10(d)[2]	Does the entity disclose how the definitions of short, medium and long-term time horizons are linked to the planning horizons used by the entity for strategic decision making?	20
S2.12	In identifying the climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects, does the entity refer to and consider the applicability of the industry-based disclosure topics defined in the Industry-based Guidance on Implementing IFRS S2?	20
S2.13(a)	Does the entity disclose a description of the current and anticipated effects of climate-related risks and opportunities on its business model and value chain?	27
S2.13(b)	Does the entity disclose a description of where in its business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets)?	27
S2.14(a)(i)	Does the entity disclose how it has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making?	27
S2.14(a)(ii)	Does the entity disclose its current and anticipated direct mitigation and adaptation efforts?	27
S2.14(a)(iii)	Does the entity disclose its current and anticipated indirect mitigation and adaptation efforts?	27
S2.14(a)(iv)	Does the entity disclose any climate-related transition plan that it has, including information about key assumptions used in developing its transition plan, and dependencies on which its transition plan relies?	34 to 35
S2.14(a)(v)	Does the entity disclose information about how it plans to achieve any climate-related targets, including any greenhouse gas emissions targets described in accordance with S2.33-36?	34 to 35
S2.14(b)	Does the entity disclose information about how it is resourcing, and plans to resource, the activities disclosed in accordance with S2.14(a)?	34 to 35
S2.14(c)	Does the entity disclose quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with S2.14(a)?	34 to 35
S2.16(a)	Does the entity disclose quantitative and qualitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period (current effects)?	28
S2.16(b)	Does the entity disclose quantitative and qualitative information about the climate-related risks and opportunities identified in S2.16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements?	28
S2.16(c)	Does the entity disclose how it expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration its investment and disposal plans (including plans the entity is not contractually committed to) and its planned sources of funding to implement its strategy?	28
S2.16(d)	Does the entity disclose how it expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation)?	28

IFRS S1 and S2 Disclosure Index (cont'd)

ISSB Standard	Requirement	Page No. in the IAR 2025
S2.22(a)(i) [1]	Does the entity disclose the implications, if any, of its climate resilience assessment for its strategy and business model?	28 to 29
S2.22(a)(i) [2]	Does the entity disclose how it would need to respond to the effects identified in the climate-related scenario analysis?	28 to 29
S2.22(a)(ii)	Does the entity disclose the significant areas of uncertainty considered in its assessment of its climate resilience?	28 to 29
S2.22(a)(iii)	Does the entity disclose its capacity to adjust or adapt its strategy and business model to climate change over the short, medium, and long term?	28 to 29
S2.22(a)(iii) [1]	Does the entity disclose the availability of, and flexibility in, its existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities?	28 to 29
S2.22(a)(iii) [2]	Does the entity disclose its ability to redeploy, repurpose, upgrade or decommission existing assets?	28 to 29
S2.22(a)(iii) [3]	Does the entity disclose the effect of its current and planned investments in climate-related mitigation, adaptation, and opportunities for climate resilience?	28 to 29
S2.22(b)	Does the entity disclose how and when the climate-related scenario analysis was carried out?	28 to 29
S2.22(b)(i) [1]	Does the entity disclose which climate-related scenarios it used for the analysis and the sources of those scenarios?	28 to 29
S2.22(b)(i) [2]	Does the entity disclose whether the scenario analysis included a diverse range of climate-related scenarios?	28 to 29
S2.22(b)(i) [3]	Does the entity disclose whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or physical risks?	28 to 29
S2.22(b)(i) [4]	Does the entity disclose whether it used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change?	28 to 29
S2.22(b)(i) [5]	Does the entity disclose why it decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments, or uncertainties?	28 to 29
S2.22(b)(i) [6]	Does the entity disclose the time horizons it used in the climate-related scenario analysis?	28 to 29
S2.22(b)(i) [7]	Does the entity disclose what scope of operations it used in the climate-related scenario analysis (for example, the operating locations and business units used in the analysis)?	28 to 29
S2.22(b)(ii) [1]	Does the entity disclose the key assumptions made in the climate-related scenario analysis, including assumptions about climate-related policies in the jurisdictions in which the entity operates?	28 to 29
S2.22(b)(ii) [2]	Does the entity disclose key assumptions made in the climate-related scenario analysis, including assumptions about macroeconomic trends?	28 to 29
S2.22(b)(ii) [3]	Does the entity disclose key assumptions made in the climate-related scenario analysis, including assumptions about national- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure, and availability of natural resources)?	28 to 29
S2.22(b)(ii) [4]	Does the entity disclose key assumptions made in the climate-related scenario analysis, including assumptions about energy usage and mix?	28 to 29
S2.22(b)(ii) [5]	Does the entity disclose key assumptions made in the climate-related scenario analysis, including assumptions about developments in technology?	28 to 29
S2.22(b)(iii)	Does the entity disclose the reporting period in which the climate-related scenario analysis was carried out (see S2.B18)?	28 to 29

IFRS S1 and S2 Disclosure Index (cont'd)

ISSB Standard	Requirement	Page No. in the IAR 2025
S2.25(a)(i)	Does the entity disclose the processes and related policies used to identify, assess, prioritise and monitor climate-related risks, including the inputs and parameters used in these processes?	26
S2.25(a)(ii)	Does the entity disclose whether and how it uses climate related scenario analysis to inform its identification of climate-related risks?	28 to 29
S2.25(a)(iii)	Does the entity disclose how it assesses the nature, likelihood and magnitude of the effects of climate-related risks?	26
S2.25(a)(iv)	Does the entity disclose whether and how it prioritises climate-related risks relative to other types of risks?	26
S2.25(a)(v)	Does the entity disclose how it monitors climate-related risks?	26
S2.25(b)[1]	Does the entity disclose the processes it uses to identify, assess, prioritise and monitor climate-related opportunities?	26
S2.25(b)[2]	Does the entity disclose whether and how it uses climate related scenario analysis to inform its identification of climate-related opportunities?	28 to 29
S2.29(a)(iii)(1)	Does the entity disclose the approach it uses to measure its greenhouse gas emissions (see S2.B26-B29), including the measurement approach, inputs and assumptions?	21 to 24
S2.29(a)(iii)(2)	Does the entity disclose the approach it uses to measure its greenhouse gas emissions (see S2.B26-B29), including the reason why it has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions?	21 to 24
S2.29(e)	Does the entity disclose the amount of capital expenditure, financing or investment deployed in climate-related risks and opportunities?	At the time of preparing this ISSB Sustainability Statement, the information was not available and will be progressively enhanced in future reporting periods.
S2.29(g)(i)[1]	Does the entity disclose whether climate-related considerations are factored into executive remuneration?	25 to 26
S2.29(g)(i)[2]	Does the entity disclose how climate-related considerations are factored into executive remuneration?	25 to 26
S2.29(g)(ii)	Does the entity disclose the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations?	26
S2.33(a)	Does the entity disclose the metric used to set each target?	36 to 38
S2.33(b)	Does the entity disclose the objective of each target?	36 to 38
S2.33(c)	Does the entity disclose the parts of the entity to which each target applies?	36 to 38
S2.33(d)	Does the entity disclose the period over which each target applies?	36 to 38
S2.33(e)	Does the entity disclose the base period from which progress is measured for each target?	36 to 38
S2.33(f)	For each target, does the entity disclose any milestones and interim targets?	36 to 38
S2.33(g)	For each target that is quantitative, does the entity disclose whether it is an absolute target or an intensity target? For each target, does the entity disclose how the latest	36 to 38
S2.34(a)	Does the entity disclose whether each target and the methodology for setting the target is validated by a third party?	36 to 38

IFRS S1 and S2 Disclosure Index (cont'd)

ISSB Standard	Requirement	Page No. in the IAR 2025
S2.34(b)	Does the entity disclose its processes for reviewing each target?	36 to 38
S2.34(c)	Does the entity disclose the metrics used to monitor progress towards reaching each target?	36 to 38
S2.34(d)	If there are any revisions to a target, does the entity disclose an explanation for those revisions?	36 to 38
S2.35	Does the entity disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance?	36 to 38
S2.36(a)	For each greenhouse gas emissions target, does the entity disclose which greenhouse gases are covered by the target?	36 to 38
S2.36(b)	For each greenhouse gas emissions target, does the entity disclose whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target?	36 to 38
S2.36(c)[1]	For each greenhouse gas emissions target, does the entity disclose whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target?	36 to 38
S2.36(c)[2]	For each net greenhouse gas emissions target, does the entity disclose its associated gross greenhouse gas emissions target?	36 to 38
S2.36(d)	For each greenhouse gas emissions target, does the entity disclose whether target is derived using a sectoral decarbonisation approach?	Not applicable
S2.36(e)	For each greenhouse gas emissions target, does the entity disclose the planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target?	Not applicable as KOSSAN does not currently use carbon credits to achieve its emissions targets.
S2.36(e)(i)	In explaining its planned use of carbon credits, does the entity disclose the extent to which, and how, the achievement of any net greenhouse gas emissions target relies on the use of carbon credits?	Not applicable as KOSSAN does not currently use carbon credits to achieve its emissions targets.
S2.36(e)(ii)	In explaining its planned use of carbon credits, does the entity disclose which third-party scheme(s) are used to verify or certify the carbon credits?	Not applicable as KOSSAN does not currently use carbon credits to achieve its emissions targets.
S2.36(e)(iii) [1]	In explaining its planned use of carbon credits, does the entity disclose the type of carbon credit used?	Not applicable as KOSSAN does not currently use carbon credits to achieve its emissions targets.
S2.36(e)(iii) [2]	In explaining its planned use of carbon credits, does the entity disclose whether the underlying offset is nature-based or based on technological carbon removals?	Not applicable as KOSSAN does not currently use carbon credits to achieve its emissions targets.
S2.36(e)(iii) [3]	In explaining its planned use of carbon credits, does the entity disclose whether the underlying offset is achieved through carbon reduction or removal?	Not applicable as KOSSAN does not currently use carbon credits to achieve its emissions targets.
S2.36(e)(iv)	In explaining its planned use of carbon credits, does the entity disclose any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use?	Not applicable as KOSSAN does not currently use carbon credits to achieve its emissions targets.

IFRS S1 and S2 Disclosure Index (cont'd)

ISSB Standard	Requirement	Page No. in the IAR 2025
S2.B11	When conducting climate-related scenario analysis, does the entity consider all reasonable and supportable information available at the reporting date without undue cost or effort, including relevant scenarios, variables and inputs from internal or external sources?	28 to 29
S2.B14	Does the entity explain how inputs used in climate-related scenario analysis are combined and how analytical choices are made to support the resilience assessment?	29 to 34
S2.B15	Does the entity use quantitative information, qualitative information, or a combination of both to support its climate resilience assessment?	26, 28 to 29
S2.B16	Does the entity determine its approach to climate-related scenario analysis based on its circumstances, including its exposure to climate-related risks and opportunities and the resources available, and recognise that this approach may evolve over time?	28 to 29
S2.B26(a)	Does the entity disclose the measurement approach used to measure greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), including the inputs and assumptions applied?	21 to 24
S2.B27	Does the entity disclose the approach used to determine its greenhouse gas emissions (for example, the equity share or control approach under the Greenhouse Gas Protocol) and the reason for selecting that measurement approach?	21 to 24
S2.B56(a)	Does the entity disclose the extent to which the entity's Scope 3 greenhouse gas emissions are measured using inputs from specific activities within the entity's value chain?	31 to 34
S2.B56(b)	Does the entity disclose the extent to which the entity's Scope 3 greenhouse gas emissions are measured using inputs that are verified?	21



STRETCHING LIMITS • SINCE 1979

KOSSAN RUBBER INDUSTRIES BHD.
Company No. 197901003918 (48166-W)
(Incorporated in Malaysia)

No. of Shares held
CDS Account No.

PROXY FORM

I/We _____
(FULL NAME IN CAPITALS)

of _____
(ADDRESS)

being a member of **KOSSAN RUBBER INDUSTRIES BHD.** ("the Company") hereby appoint(s):

Proxy A Full Name (in Capitals)	NRIC/Passport No.	No. of Shares	%
Address			

And/or

Proxy B Full Name (in Capitals)	NRIC/Passport No.	No. of Shares	%
Address			

or failing him/her THE CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us and on my/our behalf, at the 46th Annual General Meeting of the Company to be held at Ballroom 1, Ground Floor, Setia City Convention Centre, 1 Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Tuesday, 9 June 2026 at 10.30 a.m. or at any adjournment thereof, in the manner indicated below:

AGENDA		First		Second	
		Proxy A		Proxy B	
		FOR	AGAINST	FOR	AGAINST
AS ORDINARY BUSINESS:					
Ordinary Resolution 1	To approve the payment of a final single tier tax exempt dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2025.				
Ordinary Resolution 2	To approve the payment of Directors' fees of up to RM810,000 for the financial year ending 31 December 2026.				
Ordinary Resolution 3	To re-elect Mr. Lim Siau Tian retiring by rotation pursuant to Article 86 of the Company's Constitution.				
Ordinary Resolution 4	To re-elect Ms. Sharon Shanthy a/p Dorairaj retiring by rotation pursuant to Article 86 of the Company's Constitution.				
Ordinary Resolution 5	To re-elect Mr. Lim Hun Soon @ David Lim retiring pursuant to Article 92 of the Company's Constitution.				
Ordinary Resolution 6	To re-elect Dato' Chua Tia Guan retiring pursuant to Article 92 of the Company's Constitution.				
Ordinary Resolution 7	To re-elect Datin Paduka TPr. Noraini binti Roslan retiring pursuant to Article 92 of the Company's Constitution.				
Ordinary Resolution 8	To re-appoint KPMG PLT as auditors of the Company and to authorise the Directors to fix their remuneration.				
AS SPECIAL BUSINESS:					
Ordinary Resolution 9	To approve the continuation in office of Mdm. Hoh Kim Hyan as an Independent Non-Executive Director.				
Ordinary Resolution 10	To approve the waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016.				
Ordinary Resolution 11	To approve the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.				
Ordinary Resolution 12	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.				
Ordinary Resolution 13	To approve the Proposed Renewal of Share Buy-back Authority.				

Please indicate with an "X" on the spaces provided on how you wish your votes to be cast. In the absence of specific directions, your proxy will vote or abstain from voting at his/her discretion.

Dated this _____ day of _____ 2026.

Signature of Member(s)/Common Seal

Fold this flap for sealing -----

Notes:

- (i) A member of the Company is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
- (ii) Where a member appoints more than one (1) proxy the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- (iii) Only members whose names appear in the Record of Depositors as at 29 May 2026 shall be entitled to participate and vote at the AGM or appoint a proxy(ies) to participate and vote in his/her stead.
- (iv) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint one (1) proxy in respect of each securities account. Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") as defined under the Securities Industry (Central Depositories) act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (v) The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney duly authorised in writing and in the case of a corporation, be executed under its common seal or the hand of the attorney duly authorised.
- (vi) The instrument appointing a proxy must be deposited at the office of the share registrar, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, 5 Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or via electronic means through the Boardroom Smart Investor Online Portal at <https://www.boardroomlimited.my/> not less than 24 hours before the time of the meeting and any adjournment thereof. Please refer to the Administrative Details for further information on electronic submission.

Then fold here -----

AFFIX
STAMP

The Share Registrar,

KOSSAN RUBBER INDUSTRIES BHD.
C/O BOARDROOM SHARE REGISTRARS SDN. BHD.
11th Floor Menara Symphony
5 Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7890 4700
Fax : 03-7890 4670
Website : <https://www.boardroomlimited.com/my>


1st fold here -----




STRETCHING LIMITS • SINCE 1979


KOSSAN RUBBER INDUSTRIES BHD.

Company No.: 197901003918 (48166-W)

 KOSSAN Tower, No. 6D, Persiaran Setia Dagang,
Setia Alam, Seksyen U13, 40170 Shah Alam,
Selangor Darul Ehsan.

 Tel: +603-5626 0888

 Fax: +603-5870 4293

 kossan@kossan.com.my

www.kossan.com.my