



KOSSAN RUBBER INDUSTRIES BHD

(48166-W)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Kossan Rubber Industries Bhd (“**Kossan**” or the “**Company**”) will be held at Function Room 8, Mezzanine Floor, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Monday, 21 October 2013 at 11 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without any modification:-

ORDINARY RESOLUTION

PROPOSED BONUS ISSUE OF UP TO 319,733,952 NEW ORDINARY SHARES OF RM0.50 EACH IN THE COMPANY (“KOSSAN SHARES” OR “SHARES”) (“BONUS SHARES”), TO BE CREDITED AS FULLY PAID-UP AT PAR, ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY ONE (1) EXISTING SHARE HELD BY ENTITLED SHAREHOLDERS OF THE COMPANY ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED BONUS ISSUE”)

“**THAT** subject to the approval-in-principle of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing and quotation of up to 319,733,952 Bonus Shares to be issued hereunder, authority be and is hereby given to the Board of Directors of the Company (“**Board**”) to capitalise a sum of up to RM159,866,976 from the retained earnings account of the Company and issue up to 319,733,952 Bonus Shares, to be credited as fully paid-up at par, on the basis of one (1) Bonus Share for every one (1) existing Share held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board and announced later (“**Entitlement Date**”) (“**Entitled Shareholders**”);

THAT the actual number of Bonus Shares to be issued will depend on the total number of issued and paid-up Shares as at the Entitlement Date after taking into consideration the treatment of the Company’s treasury shares prior to the Entitlement Date, i.e. whether they are cancelled, distributed as share dividends, resold on Bursa Securities, continued to be retained as treasury shares or further treasury shares are accumulated;

THAT the Board be and is hereby empowered and authorised to allot and issue the Bonus Shares to the Entitled Shareholders on the basis of one (1) Bonus Share for every one (1) existing Share held in the Company on the Entitlement Date, and to deal with any fractional entitlements in such manner as the Board may in its absolute discretion deems fit and expedient or in the best interest of the Company;

THAT the Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued and paid-up Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of the allotment of the Bonus Shares;

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AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Bonus Issue with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give effect to the Proposed Bonus Issue.”

By Order of the Board

CHIA ONG LEONG (MIA 4797)
CHIA YEW NGO (LS 1831)
Company Secretaries

Klang, Selangor Darul Ehsan
3 October 2013

Notes:-

1. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.*
2. *Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
3. *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.*
4. *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.*
5. *The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney duly authorize in writing and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of an officer of attorney duly authorised.*
6. *Only members whose names appear in the Record of Depositors as at 14 October 2013 will be entitled to attend and vote at the meeting or appoint a proxy to attend and vote in his stead.*
7. *To be valid, the original instrument appointing a proxy must be deposited at the Registered Office of the Company at Wisma Kossan, Lot 782, Jalan Sungai Putus, Off Batu 3 ¾, Jalan Kapar, 42100 Klang, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting and any adjournment thereof.*