

**NOTICE OF ANNUAL GENERAL MEETING**

STRETCHING LIMITS - SINCE 1979

**NOTICE IS HEREBY GIVEN THAT** the 44th Annual General Meeting ("AGM") of Kossan Rubber Industries Bhd. ("Company") will be conducted virtually for the purpose of considering and if thought fit, passing the resolutions, as ordinary resolutions, set out in this notice.

Day and Date : Thursday, 30 May 2024  
Time : 10.30 a.m.  
Broadcast Venue : Training Centre, 2nd Floor, Kossan R&D Centre, PT 7836, Jalan Haji Abdul Manan/KU8, Kawasan Perindustrian Meru Selatan, 41050 Klang, Selangor Darul Ehsan  
Online Meeting Platform : <https://meeting.boardroomlimited.my>  
Mode of Communication : Typed text in the Online Meeting Platform

**AGENDA**

**ORDINARY BUSINESS**

- To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**
- To approve the payment of a final single tier dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2023. **(Resolution 1)**
- To approve the proposed payment of Directors' fees of up to RM670,000 for the financial year ending 31 December 2024 (2023: RM670,000). **(Resolution 2)**
- To re-elect the following Directors who are retiring by rotation pursuant to Article 86 of the Company's Constitution and who being eligible offer themselves for re-election:
  - Tan Sri Dato' Lim Kuang Sia **(Resolution 3)**
  - Mr. Lim Siau Tian **(Resolution 4)**
  - Mr. Lim Siau Hing **(Resolution 5)**
- To re-appoint KPMG PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration. **(Resolution 6)**

**SPECIAL BUSINESS**

- Continuing in Office as an Independent Non-Executive Director (Resolution 7)**  
"THAT approval be and is hereby given to Lee Choo Hock, 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."
- Proposed Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 (Resolution 8)**  
"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, 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 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 pursuant to Section 85 of the Companies Act 2016, read together with Article 52 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 and 76 of the Companies Act 2016;  
THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."

- Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Resolution 9)**  
"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of and new shareholders' mandates for the Company and/or its subsidiaries ("KOSSAN Group") to enter into recurrent related party transactions of a revenue or trading nature with the related party ("Proposed Mandate for RRPT"), 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 party 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 25 April 2024;

**NOTES**

- Remote Participation and Voting ("RPV")**  
The 44th AGM will be conducted virtually through live streaming and online remote voting via RPV facilities. Please follow the procedures provided in the Administrative Details in order to register, participate and vote remotely via the RPV facilities. No members/proxy(ies) will be physically present at the Broadcast Venue on the day of the meeting.
- Proxy**
  - Only members whose names appear in the Record of Depositors as at 24 May 2024 shall be entitled to participate and vote at the AGM or appoint a proxy(ies) to participate and vote in his/her stead via RPV.
  - A member entitled to participate and vote remotely in the AGM via RPV is entitled to appoint a proxy(ies) to virtually participate and vote remotely in his/her stead. A proxy may but need not be a member of the Company.
  - 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.
  - 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 (1) 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.
  - The instrument appointing a proxy in the case of an individual shall be signed by the appointor 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.
  - 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://investor.boardroomlimited.com> 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**

- Receiving of the Audited Financial Statements for Financial Year Ended 31 December 2023**  
Item 1 of the agenda is intended for discussion only as the provision of Section 340(1) of the Companies Act 2016 does not require the Audited Financial Statements to be formally approved by the shareholders. As such, this item is not put forward for voting.
- Ordinary Resolution 2: Non-Executive Directors' ("NEDs") Remuneration**
  - Section 230 (1) of the Companies Act 2016 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.
  - Ordinary Resolution 2 refers to the payment of Directors' fees of up to RM670,000 for the financial year ending 31 December 2024 (2023: RM670,000). The amount has been estimated based on the Directors' fees of the preceding years approved by the shareholders of the Company.
  - The actual payment of Directors' fees incurred for the financial year 2023 was RM590,000 (2022: RM474,000).
  - This resolution, if passed, will facilitate the payment of Directors' fees on a current financial year 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.
  - Any NED who is a shareholder of the Company will abstain from voting on Ordinary Resolution 2 at the 44th AGM.
- Ordinary Resolutions 3 to 5: Re-election of Directors who retire in accordance with Article 86 of the Company's Constitution**
  - 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 the Company and be eligible for re-election. Hence, three (3) Directors are to retire at the 44th AGM in accordance with Article 86 of the Company's Constitution.
  - For the purpose of determining the eligibility of the retiring Directors to stand for re-election at the 44th AGM, the Board through the Nominating Committee ("NC") had assessed each of the retiring Directors, taking into account the following:-
    - The outcome of the Board Effectiveness Evaluation ("BEE") 2023;
    - The Director's performance and contribution to the Board; and
    - The Directors' character, integrity, experience, competence and time commitment based on the criteria set out in the Directors' Fit and Proper Policy.
  - 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. The profiles of the retiring directors are set out in the Profile of the Board of Directors in the Integrated Annual Report.
  - Each of the retiring Directors abstained at the Board deliberations and decisions regarding his own eligibility to stand for re-election.
  - Any retiring Director referred to in Ordinary Resolutions 3 to 5, who is a shareholder of the Company, will abstain from voting on the resolution in respect of his re-election at the 44th AGM.
- Ordinary Resolution 6: Re-appointment of Auditors**
  - The Audit Committee ("AC") at its meeting held on 22 February 2024 undertook an annual assessment of the suitability and independence of the external auditors,

THAT such approval conferred by the shareholders' mandate shall continue to be in force until:-

- 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;
- 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
- 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 Mandate for RRPT."

- Proposed Renewal of Share Buy-Back Authority ("Proposed Share Buy-Back") (Resolution 10)**

"THAT subject to the Companies Act 2016 ("Act"), the 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 ordinary shares so purchased pursuant to this resolution shall in aggregate with the treasury shares as defined under Section 127 of the Act ("Treasury Shares"), if any, then still held by the Company did not exceed 10% of the total issued and paid-up share capital 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."

- 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 dividend of 2.0 sen per ordinary share each in respect of the financial year ended 31 December 2023, if approved by members at the Annual General Meeting to be held on Thursday, 30 May 2024, will be paid on 18 July 2024. The entitlement date for the dividend will be 21 June 2024.

A depositor shall qualify for entitlement only in respect of:

- Shares transferred to the Depositor's Securities Account before 4.30 p.m. on 21 June 2024 in respect of transfers; and
- 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  
25 April 2024

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 the private meetings, which demonstrated their independence, objectivity and professionalism.
- The AC was satisfied with the suitability of KPMG PLT based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The AC was also satisfied in its review that the provisions of non-audit services by KPMG PLT and its affiliates to the Company for financial year 2023 did not in any way impair their objectivity and independence as external auditors of the Company.
- The Board at its meeting held on 22 February 2024 supported the AC's recommendation for the re-appointment of KPMG PLT as the external auditors of the Company for financial year 2024 at the 44th AGM, subject to the approval of the shareholders under Ordinary Resolution 6.

**Special Business**

- Ordinary Resolution 7: Continuing in Office as an Independent Non-Executive Director ("INED")**
  - The proposed Ordinary Resolution 7, if passed, will enable Mr. Lee Choo Hock to continue in office as an INED of the Company in line with Practice 5.3 of the Malaysian Code on Corporate Governance 2021.
  - Mr. Lee Choo Hock, the Senior INED, has served the Company for a cumulative term of more than nine (9) years. The Board, with Mr. Lee abstaining from deliberation, was satisfied that Mr. Lee has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and is able to continue to bring independent and objective judgment to the Board.
  - The Board, except for Mr. Lee, unanimously recommended that Mr. Lee continues to serve as an INED of the Company, subject to the approval of the shareholders through a two-tier voting process.
- Ordinary Resolution 8: Proposed Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**
  - The proposed Ordinary Resolution 8, 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 issued share capital 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.
  - Ordinary Resolution 8 also includes a waiver of the statutory pre-emptive rights of shareholders which will enable the Company to issue new shares, which rank equally to existing issued shares, without having to offer such new shares to the existing shareholders of the Company in proportion of their shareholdings from the issuance of the new shares under this mandate.
  - This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. This authority will provide flexibility to the Company for any possible fund-raising exercise, including but not limited to placement of shares for purpose of funding investment projects, working capital and/or acquisition. 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.
- Ordinary Resolution 9: Proposed Renewal of and New Shareholders' Mandates for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposal")**
  - The proposed Ordinary Resolution 9 is to seek shareholders' approval on the related party transactions ("RPT") 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 RPT.
  - By obtaining the shareholders' mandates on the renewal of and new recurrent RPT on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent RPT 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.
  - As such, the Board is seeking the renewal of and new shareholders' mandates pursuant to Part E, Paragraph 10.09 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad for the RPT to allow the Group to enter into such recurrent RPT, 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 Proposal are set out in Part A of the Document to shareholders of the Company dated 25 April 2024.
- Ordinary Resolution 10: Proposed Renewal of Share Buy-Back Authority**
  - The proposed Ordinary Resolution 10, if passed, will empower the Directors to purchase the Company's shares of up to a maximum of 10% of the issued share capital 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 Treasury Shares. Further details on the Proposed Renewal of Share Buy-Back Authority are set out in Part B of the Document to shareholders of the Company dated 25 April 2024.