KOSSAN RUBBER INDUSTRIES BHD
Company No. 197901003918 (48166-W)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2026

Explanatory Notes

1. **Basis of Preparation**

The unaudited interim financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards and paragraph 9.22 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad. The accounting policies and method of computation adopted for the interim financial reports were consistent with new standards effective from 1 January 2026 inclusive of those adopted for the audited financial statements for the year ended 31 December 2025.

2. **Annual Audit Report**

The audit report of the audited financial statements for the year ended 31 December 2025 was not subject to any qualification.

3. **Seasonal or Cyclical Operations**

The operations of the Group were not affected by any seasonal or cyclical factors.

4. **Extraordinary and Exceptional Items**

There were no extraordinary and exceptional items of an unusual nature affecting assets, liabilities, equity, net income, or cash flows for the current quarter and financial period ended 31 March 2026.

5. **Changes in Material Estimates**

There were no significant changes in estimates used in the current quarter and financial period ended 31 March 2026.

6. **Movement of Company's Securities**

There were no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares in the current quarter and financial period ended 31 March 2026.

7. **Dividend Paid**

There were no dividends paid in the current quarter and financial period ended 31 March 2026.

Explanatory Notes

8. **Segmental Reporting**

	Divisions				
	Technical Rubber RM ’000	**Gloves RM ’000**	**Clean-Room RM ’000**	**Others* RM ’000**	**Total RM ’000**
Quarter ended					
- 31/03/2026					
Revenue	42,756	400,911	26,690	-	470,357
Profit before tax	2,167	40,147	3,625	296	46,235
- 31/03/2025					
Revenue	45,722	415,681	25,953	-	487,356
Profit before tax	4,890	36,336	4,444	1,566	47,236

* **Others** division of the Group mainly comprise investment holding, engineering and management services which are not of sufficient size to be reported separately.

9. **Valuation of Property, Plant and Equipment**

There were no changes or amendments to the valuation of property, plant and equipment from the previous year audited financial statements.

10. **Material Events Subsequent to the End of the Interim Report**

There were no significant event that has occurred between 01 April 2026 and the date of this announcement which will materially affect the earnings or income of the Group.

11. **Changes in the Composition of the Group**

Treasury Shares

	No of shares ’000	**Total Cost** RM ’000
Balance as at 01 January 2026	29,469	62,262
Bought back during the financial period ended 31 March 2026	6,357	6,245
Balance as at 31 March 2026	35,826	68,507

Of the total 2,557,871,616 issued and fully paid ordinary shares as at 31 March 2026, 35,825,600 ordinary shares are held as treasury shares by the Company.

Other than the above, there were no other changes in the composition of the Group including disposal of subsidiaries and long-term investment, restructuring and discontinuing operations of the Group in the current quarter and financial period ended 31 March 2026.

Explanatory Notes

12. **Contingent Liabilities**

As at 31 March 2026, the Company has unsecured outstanding contingent liabilities amounting to RM14.9 million (31 December 2025: RM18.4 million) being corporate guarantees given to financial institutions for banking facilities granted to certain subsidiaries.

13. **Capital and other Commitments**

	As at financial period ended	
	31/03/2026	**31/12/2025**
	RM'000	**RM'000**
Property, plant and equipment		
Within one year: Contracted but not provided	104,552	24,074

14. **Additional Information required pursuant to MMLR.**

14.1 **Review of Results**

	Quarter ended		
	31/03/2026	**31/03/2025**	**Changes**
	RM '000	**RM '000**	**%**
Revenue	470,357	487,356	(3.49)
Operating profit	46,318	47,878	(3.26)
Profit before Interest and tax	46,318	47,878	(3.26)
Profit before tax	46,235	47,236	(2.12)
Profit after tax	39,775	36,026	10.41
Profit attributed To Ordinary Equity Shareholders	39,529	35,652	10.87

	Divisions				
	Technical Rubber RM '000	**Gloves RM '000**	**Clean-Room RM '000**	**Others RM '000**	**Total RM '000**
Quarter ended					
- 31/03/2026					
Revenue	42,756	400,911	26,690	-	470,357
Profit before tax	2,167	40,147	3,625	296	46,235
PBT/Revenue %	5.07	10.01	13.58	na	9.83
- 31/03/2025					
Revenue	45,722	415,681	25,953	-	487,356
Profit before tax	4,890	36,336	4,444	1,566	47,236
PBT/Revenue %	10.70	8.74	17.12	na	9.69
Comparison of financial period					
Percentage change	**%**	**%**	**%**	**%**	**%**
Revenue	(6.49)	(3.55)	2.84	na	(3.49)
Profit before tax	(55.69)	10.49	(18.45)	(81.10)	(2.12)

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Explanatory Notes

14.1 **Review of Results (continued)**

Comparison of Current quarter and financial period ("1Q26") with Preceding year corresponding quarter and financial period ("1Q25")

For the current quarter and financial period ended 31 March 2026, the Group recorded revenue of RM470.4 million, a decrease of 3.49% as compared with RM487.4 million in corresponding quarter and financial period ended 31 March 2025. Profit before taxation (PBT) for 1Q26 was RM46.2 million as compared with RM47.2 million for 1Q25.

The Gloves division recorded revenue of RM400.9 million for 1Q26, representing a 3.55% decline compared with RM 415.7 million in 1Q25 mainly due to the strengthening of Ringgit Malaysia against the U.S. Dollar but mitigated by higher sales volume of gloves. Profit before tax (PBT) increased by 10.49% to RM 40.2 million in 1Q26, compared with RM36.3 million in 1Q25 mainly due to lower material cost and improved production efficiencies.

The TRP division's revenue decreased by 6.49% to RM42.8 million in 1Q26 as compared with RM45.7 million in 1Q25. PBT decreased by 55.69% to RM2.2 million as compared with RM4.9 million in 1Q25 mainly due to lower revenue and higher production cost.

The Clean-Room division's revenue increased by 2.84% to RM26.7 million in 1Q26 as compared with RM26.0 million in 1Q25. PBT recorded at RM3.6 million in 1Q26 as compared with RM4.4 million in 1Q25.

14.2 **Explanatory comments on any material change in the profit before taxation for the quarter reported on as compared with the preceding quarter**.

	Current Quarter 31/03/2026 RM '000	Preceding Quarter 31/12/2025 RM '000	Changes %
Revenue	470,357	439,480	7.03
Operating profit	46,318	44,997	2.94
Profit before Interest and Tax	46,318	44,997	2.94
Profit before tax	46,235	44,368	4.21
Profit after tax	39,775	46,885	(15.16)
Profit attributable To Ordinary Equity Shareholders	39,529	46,671	(15.30)

Divisions

	Technical Rubber RM '000	Gloves RM '000	Clean-Room RM '000	Others RM '000	Total RM '000
Current Quarter ended - 31/03/2026 (1Q26)					
Revenue	42,756	400,911	26,690	-	470,357
Profit before tax	2,167	40,147	3,625	296	46,235
PBT/Revenue %	5.07	10.01	13.58	na	9.83
Preceding Quarter ended - 31/12/2025 (4Q25)					
Revenue	45,054	367,712	26,714	-	439,480
Profit before tax	3,733	37,719	2,628	288	44,368
PBT Revenue %	8.29	10.26	9.84	na	10.10
Comparison of quarters					
Percentage change	**%**	**%**	**%**	**%**	**%**
Revenue	(5.10)	9.03	0.09	na	7.03
Profit before tax	(41.95)	6.44	37.90	2.78	4.21

Explanatory Notes

14.2 **Explanatory comments on any material change in the profit before taxation for the quarter reported on as compared with the preceding quarter Results (continued)**

Comparison of Current Quarter ("1Q26") with Preceding Quarter ("4Q25")

For the 1Q26 ended 31 March 2026, the Group recorded revenue of RM 470.4 million as compared with 4Q25 of RM 439.5 million. Profit before taxation (PBT) was RM 46.2 million in 1Q26 compared with RM 44.4 million in 4Q25.

The Gloves division recorded a revenue of RM 400.9 million in 1Q26 compared with RM 367.7 million in 4Q25 mainly due to higher sales volume of gloves. PBT increased by 6.44% in 1Q26 compared with RM 37.7 million in 4Q25 was in tandem with higher revenue in 1Q26.

The TRP division's revenue recorded at RM 42.8 million in 1Q26 as compared with RM 45.1 million in 4Q25 mainly due to lower deliveries. PBT recorded at RM 2.2 million in 1Q26 as compared with RM 3.7 million in 4Q25 mainly due to lower revenue and higher production cost.

The Clean-Room division's revenue was recorded at RM26.7 million in 1Q26 and 4Q25. PBT recorded at RM 3.6 million in 1Q26 compared with RM 2.6 million in 4Q25 mainly due to lower material cost and improved production efficiencies.

14.3 **Commentary on Prospects**

Gloves remain an essential consumable within the healthcare sector and are increasingly used across industrial and specialised applications, continuing to provide stable underlying demand supported by replenishment requirements and sustained activity levels in healthcare and industrial markets. Nevertheless, the glove industry continues to face persistent global oversupply, and market conditions remain challenging. Geopolitical uncertainties, foreign exchange movements and fluctuations in raw material cost and energy prices are expected to continue impacting industry margins and market sentiment.

Against this backdrop, the Group continues to strengthen its operational resilience and long-term competitiveness through ongoing transformation initiatives focused on automation, digitalisation and disciplined cost optimisation. These initiatives are aimed at enhancing manufacturing efficiency, improving cost management and strengthening the Group's ability to navigate a competitive operating environment. While the recent strengthening of the Ringgit Malaysia against the U.S. Dollar may have some short-term impact on revenue, the Group's established foreign exchange hedging mechanisms and prudent financial management are expected to help mitigate the impact of currency fluctuations.

The Technical Rubber Products ("TRP") division is expected to operate in a challenging environment in 2026, with ongoing market uncertainties and elevated raw material costs arising from crude oil price volatility. Demand from the infrastructure sector is expected to continue its gradual recovery, while the automotive sector is expected to remain challenging amid cost pressures, foreign exchange movements and global trade uncertainties. The Group will continue to focus on efficiency improvements, prudent cost management and timely project execution to support the division's overall performance.

At the same time, the Group remains committed to advancing its sustainability agenda through responsible manufacturing practices, greater transparency, continuous improvement initiatives and strategic partnerships. As customers increasingly prioritise sustainable sourcing, supply chain reliability and robust ESG standards, the Group's strong compliance track record and longstanding customer relationships are expected to further strengthen its positioning and competitiveness in the global market.

Barring any unforeseen circumstances, the Group remains cautiously optimistic that its operational improvements, diversified product portfolio, strong financial position and ongoing efficiency initiatives will continue to support its performance, resilience and long-term competitiveness in the financial year ahead.

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Explanatory Notes

14.4 **Explanatory notes for variance of actual from forecast profit and shortfall in the profit guarantee (only applicable to the final quarter).**

Not applicable.

14.5 **Taxation**

	Quarter and financial period ended	
	31/03/2026	**31/03/2025**
	RM'000	**RM'000**
Current tax expense	7,260	11,210
Deferred taxation	(800)	-
Total taxation	6,460	11,210

14.6 **Profit after taxation**

Profit after taxation arrived after charging/(crediting):

	Quarter ended	
	31/03/2026	**31/03/2025**
	RM'000	**RM'000**
Interest expense	83	642
Depreciation	26,201	25,363
Foreign exchange loss – realised	3,636	1,022
Foreign exchange (gain)/loss – unrealised	(9,960)	1,837
Loss/(gain) on derivatives – unrealised	3,226	(1,279)
Interest income	(6,883)	(7,664)
Investment income	(3,972)	(447)
Fair value gains on financial assets at FVTPL	(1,013)	(5,332)

14.7 **Status of Corporate Proposal announced but not completed**

There were no corporate proposals announced but not completed, for the current quarter and financial period ended 31 March 2026.

14.8 **Group Borrowings**

a) The Group borrowings as at 31 March were as follows:

	Total Unsecured	
	As at 31/03/2026	**As at 31/12/2025**
	RM'000	**RM'000**
Short Term		
Bankers' acceptances	14,888	18,464

b) There were no debt securities for the current quarter and financial period ended 31 March 2026.

Explanatory Notes

14.9 **Derivative Financial Liabilities/Assets**

	As at 31/03/2026			As at 31/12/2025		
	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 and loss						
-Forward foreign exchange Contracts to sell	552,697	-	3,226	456,044	9,730	-

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. These forward foreign exchange contracts have maturities of less than one year after the end of the reporting period.

15. **Material Litigation**

There was no pending material litigation since the last audited annual financial statements date to the date of issue of the quarterly report.

16. **Earnings Per Share**

	Quarter and financial period ended	
	31/03/2026 RM'000	31/03/2025 RM'000
Profit after tax and minority interest	39,529	35,652
Basic earnings per share		
Weighted average number of ordinary shares in issue ('000)	2,526,814	2,542,975
Basic earnings per share (sen)	1.56	1.40

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

On behalf of the Board

Tan Sri Dato' Lim Kuang Sia
Group Managing Director/ CEO
21 May 2026